SPAIN'S CONSOLIDATION:
A MODEL FOR HUNGARY?

by

Michael D. Smith

December 1994

Thesis Advisor: Thomas C. Bruneau

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The successful, non-violent transition and consolidation in Spain has been the subject of many studies and there is a literature that suggests that Spain’s case may be a valid model for the countries of Central and Eastern Europe as each proceeds toward democratization and capitalism in different ways. Hungary is used as the representative country of the former Soviet-influenced bloc because of the many similarities historically in the twentieth century and likenesses in the phases a country experiences as it attempts to consolidate democratic and capitalist institutions. An in-depth study of the Spanish case—including the pre-transition, transition, and consolidation phases—is undertaken to describe the complex changes that took place in Spain during this painstaking process. The Hungarian case study consists of a look at the pre-transition and transition phases only, as the consolidation phases only began in June of 1994. The final stage of this study takes the two cases and draws conclusions by comparing and contrasting the changes that have occurred in each of the phases. This thesis calls attention to the specific methods used in each case and demonstrates that, although there are many similarities between the two cases, Spain’s case is in fact not a model for Hungary or the other Central and Eastern European countries.


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by

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Lieutenant, United States Navy
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of the requirements for the degree of

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iii
ABSTRACT

The successful, non-violent democratic transition and consolidation in Spain has been the subject of many studies and there is a literature that suggests that Spain's case may be a valid model for the countries of Central and Eastern Europe as each proceeds toward democratization and capitalism in different ways. Hungary is used as the representative country of the former Soviet-influenced bloc because of many similarities historically in the twentieth century and likenesses in the phases a country experienced as it attempts to consolidate democratic and capitalistic institutions. An in-depth study of the Spanish case—including the pre-transition, transition, and consolidation phases—is undertaken to describe the complex changes that took place in Spain during this painstaking process. The Hungarian case study consists of a look at the pre-transition and transition phases only, as the consolidation phase only began in June of 1994. The final stage of this study takes the two cases and draws conclusions by comparing and contrasting the changes that have occurred in each of the phases. This thesis calls attention to the specific methods used in each case and demonstrates that, although there are many similarities between the two cases, Spain's case is in fact not a model for Hungary or the other Central and Eastern European countries.
TABLE OF CONTENTS

I. INTRODUCTION ............................................................... 1

II. FRANCO: LEDING SPAIN FROM CIVIL WAR ................................. 5
    A. EMERGENCE FROM AUTHORITARIANISM .............................. 6
    B. INTERNATIONAL ISOLATION ......................................... 8
    C. MILITARY DOMINANCE ............................................... 10

III. THE DICTATOR'S REFORM ................................................. 13
    A. POLITICS ..................................................................... 13
    B. ECONOMIC DEVELOPMENT ........................................... 16
    C. SOCIAL REFORMATION ................................................ 18
    D. RECOGNITION, AFTER ISOLATION .................................... 20
    E. IMMINENT TRANSITION ................................................ 22

IV. TRANSITION: FROM AUTHORITARIANISM TO DEMOCRACY ............... 25
    A. POLITICAL CHANGE .................................................... 27
       1. Party Development .................................................... 32
       2. Labor and Unions ..................................................... 34
       3. Electoral System and Elections .................................... 35
       4. Constitution Making ................................................ 36
    B. ECONOMIC CONTINUATION .......................................... 38
    C. SOCIAL ATTITUDES ..................................................... 40
    D. THE CHURCH ............................................................. 42
    E. AN ACQUIESCENT MILITARY ........................................ 44
    F. THE KING'S ROLE ....................................................... 46

vii
LIST OF TABLES

I. Spanish Congress of Deputies Elections Results, 1977 and 1979 .................. 37
II. The Three Dimensions of Democratic Transition ........................................ 54
III. Prime Minister González' October 1984 Decalogue ............................... 65
IV. NATO Referendum Wording and Results ................................................. 67
V. Distribution of Seats in the Hungarian Parliament, 1945 .............................. 76
VI. Hungarian Parliamentary Elections Results, 1990 ......................................... 87
EXECUTIVE SUMMARY

The new order in Central and Eastern Europe since 1989 is an event that most Cold Warriors assumed would never happen. The balance of power in the bipolar East-West confrontation had become "business-as-usual" and, therefore, the collapse of the Soviet Union shocked everyone. Perhaps if the events that led to the break up of the Warsaw Pact had been forecast, the western countries would have been better prepared to deal with the problems that face the old Soviet bloc after they emerged from 70 years of communism and Soviet hegemony.

There is a literature that suggests Spain's process of instituting democracy and capitalism is a model for these newly emerging countries, and, more specifically, for Hungary because of the many similarities in their modern histories. The purpose of this thesis is to look closely at the successful consolidation in Spain and then apply that model to the Hungarian scenario to see if in fact the Spanish model is or is not relevant for use in Hungary. This comparative study could determine the path in which the Hungarian government may wish to proceed or avoid to achieve a successful consolidation of democracy and capitalism.

An in-depth study of the Spanish transition is undertaken, to include important events and processes from the period of the Franco dictatorship that helped to prepare the course of change after General Franco died in 1975. A model of elite settlement is employed to assist in understanding the role of elites during the transition, in which the King played a critical role. The political process, the most intense and important part of the Spanish transition, is analyzed from the perspective of the political elites and their ability to achieve success through the process of negotiated consensus. This process of joining together a few individuals from the ruling government and the political parties was extremely effective in obtaining decisions on controversial issues that affected the developmental outcome of the political processes forming the constitutional monarchy that now governs their country. The elite settlement model argues that the "profound transformation of Spain's political elites from
disunity into consensual unity" led to the successful democratization of Spain. The significant political elites gave strength and legitimacy to the government after July 1976 by supporting the policies that had been negotiated amongst themselves. Mutual respect for political opponents is, for the first time in modern Spanish history, virtually universal among elites at the core of the political system. Aside from respect and friendship among political elites, an elite consensus was also seen as a successful negotiating tool in forming policy for business and economics, the military, and the church. The political elites and the monarchy were the cornerstone to the success of the Spanish transition.

The Spanish study will go beyond the transition phase to look at the importance of consolidation, or securing the structural, attitudinal, and behavioral dimensions of the new democratic processes so that the country is not threatened or destabilized. The Spanish Socialists have been in power for the last dozen years and have taken on this task of consolidation by reforming key portions of the countries infrastructure to modify the atmosphere so that the people are comfortable with and trust their government. By achieving these changes, the Spanish democracy is not threatened by any internal restlessness that could lead to coup d'état or revolution from below.

Hungary, just beginning the consolidation process, is compared to Spain by using the points that were developed in the study of the Spanish case. As in Spain, the pre-transition phase is studied to see if the two countries began their respective transitions from roughly the same starting point. The transition that Hungary undertook is then compared to the Spanish case and those areas that are of a dissimilar nature are discussed seeking insight into whether or not this particular issue is of importance to successful consolidation. In addition, the areas of similarity are expanded to forecast where they will go if Hungary's path is similar to that of Spain. The last possibility is an area where an issue that was found to be important in Spain is not present in Hungary and, in this case, the issue is looked at to see what might be done to correct the problem or what the outcome may be if this issue is overlooked.

The conclusion will look at the two case studies to determine when, or if, Hungary
will become a consolidated, capitalistic democracy. Spain's real integration into the international community came as consolidation began in 1982, not during the transition phase as many of the Central/Eastern European countries are seeking today. In addition to the consolidation issues, some prospects for the future are proposed as these countries near the beginning of the twenty-first century.
I. INTRODUCTION

The new order in Central and Eastern Europe since 1989 is an event that most Cold Warriors assumed would never happen. The balance of power in the bipolar East-West confrontation had become "business-as-usual" and, therefore, the collapse of the Soviet Union shocked everyone. Perhaps if the events that led to the break up of the Warsaw Pact had been forecast, the western countries would have been better prepared to deal with the problems that face the old Soviet bloc after they emerged from 70 years of communism and Soviet hegemony.

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¹ Some of the authors making various points along these lines are Kenneth Maxwell, Juan J. Linz, Alfred Stepan, Eric Hershberg, András Bozóki, András Körösényi, and George Schöpflin.

to achieve success through the process of negotiated consensus. This process of joining together a few individuals from the ruling government and the political parties was extremely effective in obtaining decisions on controversial issues that affected the developmental outcome of the political processes forming the constitutional monarchy that now governs their country. The elite settlement model argues that the "profound transformation of Spain's political elites from disunity into consensual unity"\(^3\) led to the successful democratization of Spain. The significant political elites gave strength and legitimacy to the government after July 1976 by supporting the policies that had been negotiated amongst themselves. "Mutual respect for political opponents is, for the first time in modern Spanish history, virtually universal among elites at the core of the political system. . . ."\(^4\) Aside from respect and friendship among political elites, an elite consensus was also seen as a successful negotiating tool in forming policy for business and economics, the military, and the church. The political elites and the monarchy were the cornerstone to the success of the Spanish transition.

The Spanish study will go beyond the transition phase to look at the importance of consolidation, or securing the structural, attitudinal, and behavioral dimensions of the new democratic processes so that the country is not threatened or destabilized.\(^5\) The Spanish Socialists have been in power for the last dozen years and have taken on this task of consolidation by reforming key portions of the countries infrastructure to modify the atmosphere so that the people are comfortable with and trust their government. By achieving these changes, the Spanish democracy is not threatened by any internal restlessness that could lead to *coup d'état* or revolution from below.

\(^3\) Gunther, "Spain: The Very Model of the Modern Elite Settlement," 40.

\(^4\) Ibid., 40

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II. FRANCO: LEADING SPAIN FROM CIVIL WAR

The Spanish Second Republic was a total failure. Upon its arrival in April 1931, the people of Spain cheered, not for the concept of the new liberal democracy, but for the beginning of the government that they hoped would end the oppression of the past monarchies and dictatorships. They looked forward to a government that would help the people instead of the Church, the army, the aristocracy, and the landowners. The streets were filled with people celebrating and shouting, "¡Viva la República!"\(^1\)

The leaders of the Republic were men who saw Spain's problems through their knowledge of the writings of the Generación del 98, and hoped to stop the national decline that had been a main theme of those authors. Politics was not a strong suit of these republicans and when their eloquent schemes did not produce significant progress, they were at a loss of how to produce a policy that would achieve success. The constitution was hastily written, quickly approved, and the language was too ambiguous; its direct attack on the Catholic Church and lack of authority for regional autonomy were poorly received by the masses. In the five years of the Second Republic, it alienated most of the Spanish population. This alienation resulted in the three-year Spanish Civil War, a war of bloody fighting that killed hundreds of thousands. The war began in July 1936 and pitted the Republicans against the rival Nationalists, fighting under the auspices of the Spanish Falange Party founded by José Antonio Primo de Rivera in 1933. As the leadership of the Falange were killed in the early days of the fighting, General Francisco Franco emerged and was left to assume the leadership of Spain as the war ended in April 1939.

General Franco assumed final control of Spain amid the turmoil that engulfed Europe. The equipment sent to Spain by the Soviets, Italians, and Germans provided important battle testing for what was to come in Europe. Adolf Hitler's Germany was threatening all of

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Europe with the Second World War, leaving few eyes on the events in Spain. This allowed Franco time to legitimize his rule within Spain without the watchful eye of his neighbors in Europe or across the Atlantic.

A. EMERGENCE OF AUTHORITARIANISM

Franco's regime emerged as a government that opposed much of what the Second Republic had promised. The Nationalist victors showed no mercy toward the defeated Republicans; they were captured and imprisoned, exiled, or executed. Hundreds of thousands received life in prison and estimates claim 200,000 death sentences were handed down and carried out in the years after the war. The new dictatorial system would eliminate all that resembled the old government and introduce their new system that would be the future of the Spanish nation, ruled by General Franco as "Caudillo by the grace of God, as his coins proclaimed." He would capitalize on the failures of the Second Republic while taking on a falangist doctrine (basically a quasi-fascist ideology) to develop a set of policies that would act as legitimizing forces for the regime. Franco also defined the regime's roots in the past glory of Spanish history, eliminating the memories of the decline of the nineteenth and early twentieth centuries. In addition to its basking in the glory of sixteenth century or Siglo de Oro, Franco stressed his strong opposition to communism, turned the deadly Civil War into a positive referent by terming it as the Christian Crusade against the incompetent, atheist

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leaders that allowed Spain's slide into decadence, and renewed one of the old Falange mottos for Spain, "One, great, and free."  

One nation was Franco's goal, but Spain is not an homogenous country linguistically or culturally. The regime had to overcome the diversity of the various regions through strict force and it discouraged any discussion of autonomy by the regions. In his attempt to stamp out regional separatism, Franco outlawed regional languages and sent in strong contingents of the elite Guardia Civil (Civil Guard) to maintain the regime's control within the Basque, Catalan, and Galician regions. 

The Catholic Church played an important role in legitimizing Franco's leadership. Strong anticlericalism within the Second Republic removed the church from its social, political, and educational role in Spain. The provincial clergy in most of Spain welcomed the outbreak of the Civil War with open arms, supporting the Nationalist cause throughout. Franco reestablished strong ties with the Church soon after the fighting got underway. Church leaders openly supported Franco's Nationalists and severely criticized the Republicans. In a country that is overwhelmingly catholic, the church lend credibility to the regime through its praise of Franco and his regime.

In return, Franco, who was devoted to the Roman Catholic Church, promoted Catholicism as the Spanish faith. "Mass was said regularly in the army, often in the open air, prelates were conspicuous at public functions, civil marriages and divorces were abolished, the crucifix returned to the classroom, and the Jesuits were restored to their property and position."  

The status of the Church was restored to that of pre-Republican Spain. 

In the eyes of the Spanish people, this new authoritarian dictatorship was showing more promise than the liberal democracy had shown earlier in the decade. Political parties were banned, but they had not proven to be of any significant benefit during the Second

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Republic. The Church had regained its prominence within this very devout congregation of Spaniards and the clergy had also returned to its role of educating the population. This new government, in many ways, promised to care for its people and that was more than the people could say for the Second Republic. But, could this government legitimize its conduct to the international community?

B. INTERNATIONAL ISOLATION

Franco actually preferred international isolation to wide intervention in the Spanish Civil War. Throughout the war, Franco instituted policy to keep intervention by foreign governments to a minimum. In order to achieve this, the General, who had been named Gerneralísimo and Jefe del Estado (Head of State) in October 1936, combined the supportive political parties within Spain into one party, formed a ministry, and decreed the first of seven Fundamental Laws of his regime. These moves would give an appearance of a democratic form of rule and lend legitimacy to a perceived division of power within the government.

The first move came early in the fighting in April 1937 when the announcement of the creation of a civilian political organization helped to hide the reality of Franco's military dictatorship. The Falange Party and the Carlist Traditionalist Party were united into one body to be called the Falange Española Tradicionalista y de las Juntas de Ofensiva Nacional Sindicalista (F.E.T. y de la J.O.N.S.). A decree was issued that stated that this party would be the intermediary between society and state, ensuring that there was a direct access to exchange the ideas of the people and those of the state. It also declared that the Head of State would also act as the National Head of the Falange, thereby placing Franco to its leadership.⁶

In the following year, Franco set up a council of minister made up of supporters of his cause. The ministers came from the Carlists, Monarchists, Falangists, and military. The

most important minister was Ramón Serrano Suñer, a Falangist and relative of Franco, holding the position of Minister of Gobernación (Government). Although all ministers were in the new Falange Party, their previous loyalties were often presented in open discussion and considered by Franco in his decision, which were only his and final.

The first Fundamental Law was the Labor Charter (Fuero del Trabajo), published in March 1938. Provided in it was social policy, stressing the mutual obligation of the society and the state. All Spaniards had the duty to work, the state would ensure that jobs existed for them to work, and organized strikes would be considered treasonous acts against the Spanish people. The decree also called for adequate wages to support family life, a limit on the hours of work, paid vacation for all workers, and rest on Sundays and holidays. Industry was to remain in private hands and both owners and employees would belong to syndicates that would ensure cooperation for the good of the nation.7

Although it is known that the Soviet Union supported the Republicans while Hitler and Mussolini backed the Nationalists, Spain's dictator attempted to remain a neutral bystander in the European conflict. When Hitler invaded the Soviet Union, Franco agreed to a Falange request to participate and punish the Soviets for their assistance to the Republicans. A volunteer division, called the Blue Division, did fight with the Germans until they were withdrawn by Franco in November 1943. Franco had concluded earlier, in 1942, that the Allies would defeat the Axis powers, so, Franco began to distance himself at that time. Spain expelled all Germans and cut all economic ties with Germany while opening Spanish airfield and ports to Allied aircraft and ships and allowing Allied intelligence agents to operate in Madrid. Jews fleeing the Nazis were allowed to seek asylum in Spain and, after the war, Franco offered to extradite German and other Nazi collaborators for trial. The final realization of Franco's commitment was in 1944 when the media reported that he had

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7 Solsten and Meditz, Spain, 41-42.
removed pictures of Hitler and Mussolini from his office and replaced them with one of the Pope.  

To maintain his hold on power, Franco saw three pillars holding up his regime: the Falange, the church, and the army. The manner in which Franco gained control of the political party in Spain and appeased the Catholic Church have been described. The key to his success would be his control of the army, the entity that had the ability to support the General and to counter any opposition should it arise.

C. MILITARY DOMINANCE

General Franco's support from the army, navy, air force, and civil guard assisted in ensuring his assumption of power in Spain; but, also, the Second Republic had disintegrated to a position that left it unable to govern. Spaniards were not ready for nor did they understand democracy. Conflict was continual and consensus was never achieved, leaving a system neither legitimate nor efficient to a majority of the people for a long enough period of time to generate any stability. The Republicans, lacking similar support to that which Franco received from the Italian and German fascists, were unable to maintain control of the country, the Cortes, or the people. Their failure opened the door for the Nationalist movement to organize and develop its government as the fighting of the bloody civil war raged on until 1939.

Franco was named the Commander in Chief of the Spanish Nationalist Army when the mando ínico was introduced and publicized nationally and internationally. Quickly following this mandate and as previously mentioned, a decree was distributed pronouncing Franco as the Chief of Government of the Spanish State (later changed to Chief of State or Jefe del

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Estado) and Generalissimo. Franco was well aware that his power rested in the hands of his military peers and the patriotic Nationalists.¹⁰

On the recommendation of his brother-in-law, Serrano, Franco further increased his hold on power by merging the military into the newly consolidated Nationalist political party. By including the military with the political patriots, the new party could further promote social justice and build support for the Crusade. Military officers were automatically made party members and urged to play an active role in promoting party membership inside and outside the military. This further aligned the military under Franco’s leadership.

The National Council appointed military officers as ministers to provide direct representation of the military in the developing government bureaucracy. Members of the first regular Council appointed in 1938 were divided among military and civilian ministers. This structure, another Serrano recommendation, appeared to the international community as a regime jointly ruled by civilians and military ministers instead of a military dictatorship. This Council, no matter how it appeared to onlookers, remained under strict military and falangist influences.

Throughout the war, the military enforced a state of martial law that remained in effect until 1948. Franco repealed all laws of the Second Republic that offended his and his supporters beliefs; such as, civil marriages, legal divorces, non-church sponsored education, freedom of the press, and the holding of public meetings without official permission. Without the military’s support, to include the Civil Guard, Franco would not have had the power to invalidate these laws nor the means to enforce nor punish those violating the repealed laws.¹¹

Purges conducted by both sides resulted in the deaths of thousands in the first year of the war—and thousand more of republicans and their sympathizers after the war. As Nationalist troops occupied previously Republican territories, the prison population grew to


¹¹ Solsten and Meditz, Spain, 45.
some 300,000 and fell under the control of the military. The 1939 Law of Political Responsibilities gave Franco's military the authority to set up tribunals and commence mass executions of those guilty of serious offenses and hand down extremely stiff sentences to anyone that had questioned the Nationalist liberation of Spain. A quarter of a million prisoners were serving sentences in the early 1940s and executions were still common. These purges and imprisonments served to further bind the military to Franco and strengthen the dictatorship as it emerged from the Civil War.

General Franco and his regime worked hard from the start to appear democratic so that outside influences, other than that of the Soviet Union, Italy, and Germany, would not attempt to topple his control in Spain. Franco often said that Spain's democracy was unlike all others because the Spanish character makes it incompatible with the Western European style of democracy. However, Spain's idiosyncratic democracy, as far as Franco was concerned, did not make it any less a democracy—"España es diferente" became a popular description of the Franco regime by members of his government and, later, it even became a tourist slogan. But, Franco knew he had to create a future for his country and, to do so, some changes were in order.

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III. THE DICTATOR'S REFORM

Under Franco's rule, Spain changed in many ways. Unfortunately, the improvements were not well-balanced across all key areas, such as politics, society, economics, and international relations. Political and social change lagged well behind economic success and international acceptance. Franco wanted to bring back to Spain the days of glory of the Siglo de Oro and rid it of the defeat and decadence in the interim.

In the early years of the Franco dictatorship, changes were typically reactions to instigating, external events. From his role as Head of State, Franco made changes as he saw fit, like that of a king over his subjects. With the Spanish economy in ruins, high inflation rates, and total isolation, Franco "decided to use more carrot and less stick on his subjects—although he always kept the stick handy in case of need."¹

A. POLITICS

Franco did not develop an ideology or political theory for Spain, he molded both through time to maintain power. He never formulated a true, comprehensive, democratic system for Spaniards, but Franco did decree the seven Leyes Fundamentales (Fundamental Laws) to give his regime some sense of legitimacy to the outside world. These Laws were a perception of constitutionalism put in place to quiet unrest generated by national needs and demands.

The Fundamental Laws formed an organic democracy in which man is not an individual but a member of a community that defines his existence. This man is not allowed

¹ Herr, An Historical Essay on Modern Spain, 237.
a vote but his community, i.e., the family, the municipality, the syndicate, is represented as a whole. The Laws, in order of promulgation, are:

I. Labor Charter (1938, modified 1967)—set labor and social policy stressing the mutual obligation of the state and its citizens;

II. Law of the Cortes (1942, modified 1946 and 1967)—a parliamentary body which acted in an advisory role;

III. Charter of the Spanish People (1945, modified 1967)—in appearance, a bill of rights for Spaniards, but Franco had the right to suspend the Charter without justification;

IV. Law of Referendum (1945)—provided a means for Spanish citizens to voice their opinion on matters of national concern;

V. Law of Succession (1947, modified 1967)—set the stage for transfer of power from Franco to the next King, whom Franco would select;

VI. Law on the Principles of the National Movement (1958)—defined the institutions of the Government; and

VII. Organic Law of State (1967)—further defined governmental processes.

The process that generated the Laws was more for appearance than for the Spanish people. The regime seemed to be instituting truly constitutional ideals while Franco maintained the right to make the final decision on all issues. The authoritarian nature of the Franco regime was unaltered by the seven Fundamental Laws.

The National Movement, or Movimiento, which grew out of the F.E.T. y de la J.O.N.S., was the only recognized political organization in Franco's Spain. Its members were from various groups (Falange, Monarchists, Traditionalists, the Church, the military, and Opus Dei) that were loyal to Franco, and they were manipulated by him to keep each entity

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3 Solsten and Meditz, *Spain*, 41-43.


5 Opus Dei (Work of God) became a political, economic, and social force in Franco's government in the late 1950s and was made up of Catholic laymen. See Amodia, *Franco's Political Legacy*, 210-11; Crow, *Spain*, 354-5; or Solsten and Meditz, *Spain*, 253-4.
satisfied so that there would be no internal challenge to his power. The Movimiento was not a political party, but rather an advisory body for Franco that, through the years, became extremely bureaucratized and inefficient. There were many opposing goals within the membership and, because of the diversity of the organization, it could never become a strong political force to threaten the power of the regime.

The Cortes, a single chamber legislative assembly, made up of members having been elected, appointed, obtained by position, and indirectly elected by governmental bodies. The Cortes, established in 1942, went through various changes in 1946 and again in 1967 that were designed to modify what was a gathering of appointees in 1942 to a broad-based, elected assembly by 1967. The problem was not resolved in that free elections are not usually associated with a regime based on authoritarianism. The Cortes was divided into the following eight representative groups:

1) the political group = the entire membership of the National Council of the Movimiento;
2) the syndicalist group = representatives from the national Syndicalist Organization;
3) the local group = representatives from the municipalities, enclaves, and provinces;
4) the family group = representatives directly elected by the heads of family and married women over 21 years of age;
5) the cultural group = rectors from Spanish universities, academies, and research institutes;
6) the professional group = various professional individuals from industry;
7) the group of high office holders = all cabinet ministers and presidents of the Council of State, of the Supreme Court, of the Military Justice Council, of the Exchequer, and of the National Economic Council; and
8) the group directly appointed by the Head of State = 25 representatives chosen by Franco, usually men who had distinguished themselves in military, ecclesiastical or administrative duties.  

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The Cortes played several roles in the making of Spanish legislation, such as approving bills, treaties, and changes to the Fundamental Laws that had been submitted to them by Franco.

The political structure that Franco put in place gave him absolute power; coordination and cooperation from the Movimiento and Cortes were expected. Franco appointed and dismissed cabinet ministers at his will and he could do the same with representatives of the Cortes and members of the Movimiento. Franco's authority was unquestioned until the moment of his death.

**B. ECONOMIC DEVELOPMENT**

It was in the area of economic development that Franco let his advisors "hagan lo que les de la gana (do whatever you want to do)," allowing them to take the necessary measures to repair the fragile economy. The cabinet had a new, younger look in the late 1960s and membership in the Organization for Economic Cooperation and Development (OECD), the International Monetary Fund (IMF), and the World Bank led Spain down a path that eliminated the autarkic policies of the previous twenty years.

Following a plan set in motion by the French in 1958 to overcome their economic slump, the neocapitalist ministers put the 1959 Stabilization Plan in place to respond to the lack of planning created by the old system of self-sufficiency. "The plan's objectives were twofold: to take the necessary fiscal and monetary measures required to restrict demand and to contain inflation, while, at the same time, liberalizing foreign trade and encouraging foreign investment." The Stabilization Plan called for the following initiatives:

- a freeze on wages in the public sector;
- the reduction of governmental spending;

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9 Solsten and Meditz, *Spain*, 142.
— the tightening of commercial credit;
— the reform of tax laws to increase revenue and reduce demand;
— the gradual elimination of subsidies to marginal producers; and
— the abandonment of multiple exchange rates and the adoption of a single exchange rate.\(^\text{10}\)

The Plan’s implementation caused further recession and unemployment; however, as the ministers had envisaged, Spain’s economy exploded in the 1960s as imports fell, exports rose, and the Spanish people went back to work. Some worked in the industrial centers of Spain and some left for Western Europe, both creating beneficial economic outcomes in Spain, but, as discussed in the next section (Social Reformation), this migration for work had a detrimental outcome as Spaniards sought social freedoms.

Businesses were enticed to participate in the Plan by receiving benefits in the form of tax advantages, depreciation allowances, availability of credit, preferential allocation of raw materials, and incentives for relocation into underdeveloped regions.\(^\text{11}\) Most supported the Plan and its benefits with enthusiasm once they understood the new system and discarded the old autarky of the past two decades.

As the Spanish economy was transformed into its modified free-market system, the country experienced massive industrialization and prosperity. Foreign aid and credits, remittances of Spanish workers abroad, and direct foreign investment provided billions of dollars to the economy while Spanish goods were widely exported to markets in Western Europe and the United States. The government channeled investment in several key areas such as auto assembly, electronics, petrochemicals, steel, utilities, metallurgy, construction, air transport, and tourism. In short order, Spain was ranked in the top ten worldwide in ship

\(^{10}\) Arango, *The Spanish Political System*, 143.

\(^{11}\) Ibid., 145.
building, steel production, fish catch, tourism, auto exports, and production of wine, oranges, olive oil, and cork.¹²

Franco's economic miracle certainly helped Spain, since it became industrialized and relatively affluent; by 1973, Spain's per capita income was over $2,000, ahead of Ireland, Greece, and Portugal. However, the absence of creating a substantial economic infrastructure and of reducing the dependence on foreign capital hindered continued growth. Additionally, other areas that needed serious attention were the few banks that influenced and controlled all of Spain's investment capital, the inadequate housing and municipal services in expanded industrial zones, and the income imbalances throughout the country. The door to economic stability was opened by General Franco, but, as might be expected of an authoritarian dictator, the door was never fully opened to the market—it was limited by a broad variety of price and exchange controls and a high degree of industrial regulation, trade protection, and artificial price supports.¹³

C. SOCIAL REFORMATION

Societal change during the Franco Era was a result of, but not as successful as, the "economic miracle." Economic development was a goal of the Franco regime that resulted in unplanned, but inevitable, social unrest. As advances were made economically, the growing middle class slowly achieved social modifications, because, within an authoritarian regime, social evolution is curbed to maintain stability. The changes were haphazard and at a snail's pace.

Population movements may have had the largest effect on social change. This was a result of workers moving from rural to urban settings, of workers going abroad for higher

¹² Crow, Spain, 380.

wages, and of tremendous growth in visiting foreign tourists. Population concentration and exposure to Western European ideals, along with a growing number of younger Spaniards that felt no attachment to the regime, caused the citizenry by reason of these new social situations to question the lack of freedoms that they possessed in comparison to other Europeans.

The people obtained reforms to the education system. Demonstrations at universities forced action on the part of the regime to revamp the admissions process, permit more liberties to students and faculty, and increase pay for teachers throughout the country. The number of universities increased and, between 1960 and 1972, enrollment more than tripled to 241,000.\(^{14}\) Higher education was not the only problem, so the Ministry of Education put forth the Law on Education in 1969 to answer to the problems in primary and secondary education.\(^{15}\) Primary education became obligatory and illiteracy was reduced. Secondary education became optional, but those not attending were required to enroll in vocational programs. This better prepared young Spaniards for the workforce if schooling was not an option, whether for financial or personal reasons.

On the issue of individual rights, there is some question to the freedoms afforded the Spanish people. The Charter of Spanish People passed in 1945, a sort of bill of rights, provides rights while putting strict conditions on the freedom of using the rights. Along with these rights is the requirement of "loyalty to the Head of State, obedience to the laws, compulsory military service, and the obligation to pay taxes."\(^{16}\) Although guaranteed, often other laws or articles restricted the freedoms to such an extent that the Government could question and restrict individual rights to whatever level desired. The method of doing so was written into the Charter. Article 33 states that "the exercise of rights recognized by this


\(^{15}\) Amodia, *Franco's Political Legacy*, 34.

\(^{16}\) Ibid., 177-9.
Charter may not go against the spiritual, national and social unity of Spain,"¹⁷ and Article 35 goes on to say that certain rights "may be temporarily suspended by the Government by means of a decree which must state clearly the scope and duration of such a measure."¹⁸ So, with a simple declaration, a state of emergency for the nation or a region could be declared and the rights of the citizens revoked. The Charter was better at protecting the regime's power that the individual freedoms of all Spaniards.

D. RECOGNITION AFTER ISOLATION

Franco, having been shunned after the Civil War and World War II, led Spain by rallying national sentiment and preaching self-sufficiency which initially overshadowed the isolation. Franco's declaration of "benevolent neutrality" in 1944 may have saved Spain from a Stalin supported Allied intervention that would have ended the Franco regime, but could have left Spain in the clutches of communism. Spanish membership in the UN was denied on the basis of Franco's ties and initial support to the Axis powers, but Franco knew his country would be recognized and rewarded by the West for his continual, strong anti-Bolshevik stance.¹⁹

Spain was in dire straits when loans brought currency flowing into the country in the late 1940s, and, at the same time, the United States revised its Spanish policies, appropriated aid, and, in 1951, resumed full diplomatic relations. Franco felt that Spain's important geographic location would only help to further integrate Spain into the international organizations that would help the Spanish people but, and possibly more important, it would legitimize the regime to the world. The most important of the international agreements both

¹⁷ Amodia, *Franco's Political Legacy*, 245.

¹⁸ Ibid., 245.

¹⁹ Arango, *The Spanish Political System*, 137.
came in 1953, the Concordat signed with the Vatican and the Pact of Madrid signed with the United States.

The Concordat moved Spain toward Rome and away from religious separatism.\textsuperscript{20} Franco declared Catholicism as the nation's religion and retained control of the appointment of bishops and archbishops, but many critics saw it as an instrument in strengthening the regime's hold on Spain. In return, the Church received subsidies for running schools, received tax exemptions for property and contributors, and received the right to regulate marriages, annulments, and separations.\textsuperscript{21} This agreement gave more to Church than to State, but the idea of Church support for the regime was noted around the world.

More importantly was the Pact of Madrid, a three part agreement that would permit the stationing of U.S. troops in Spain "to strengthen the capabilities of the West for the maintenance of international peace and security."\textsuperscript{22} The Pact ended Spanish neutrality and provided for mutual support (not mutual defense), construction of bases for U.S. use (the bases remain under Spanish sovereignty), and economic and military aid. The terms of the agreement were negotiable after ten years and provided Spain much needed fiscal support that amounted to approximately $1.5 billion in the first ten years of the Pact.\textsuperscript{23}

As with the Concordat, critics of the Franco regime believed the Pact of Madrid kept the dictatorship alive at a point in time when it was the most unstable. But with these agreements signed, the economy was on the mend and, in 1955, the UN approved Spanish membership in that body—further integrating Spain into the West. The international isolation

\textsuperscript{20} Crow, Spain, 353.

\textsuperscript{21} Arango, The Spanish Political System, 138-9.

\textsuperscript{22} Cited in Árango, The Spanish Political System, 139, from New York Times, 27 September 1953, p. 16.

\textsuperscript{23} Solsten and Meditz, Spain, 52.
was over, but, as it played out, Spaniards would have to wait for Franco's death for true democratic transition in Spain.

E. IMMINENT TRANSITION

The years just before Franco's death, it seemed, would determine Spain's future. In the early 1970s, Franco, in his early eighties and in failing health, began losing his grasp on power through social unrest: student protests, worker strikes, Church liberals, regional extremists, and the very middle class workers that Franco's socioeconomic policies created. To respond to the restlessness, Franco knew that Spain would either have be become more liberalized or that the government had to repress the people and return to an era like that after the Civil War. His response to the dilemma was the appointment of Admiral Luis Carrero Blanco as Prime Minister in June 1973, a move that, to many, signalled a regression to the 1940s or 1950s for many Spaniards.

The new government was organized as if it was to be in place to succeed Franco. The cabinets since the 1960s had become more liberal through the years, but that changed when Carrero filled the positions with men from the bunker (the name given to the hard-line Franquists). Carrero was determined to proceed with the authoritarianism that Franco had established, even if it meant stifling reforms and crushing the opposition. There would not be enough time for that, as Carrero would be assassinated in November 1973. A year later, a former government official told *Le Monde* "that Carrero's death had shortened the process of the post-Franco succession by at least five years."  

Carlos Arias Navarro assumed the Prime Ministership in 1974 amid demonstrations, strikes, and runaway inflation. Arias' policies and appointments tended to be Franquist, but

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he did accept the need for liberal individuals to assist in dealing with the problems in the country. Arias walked on a fine line between the liberals and the bunker as he tried to deal with the problems of reform and liberalization versus the status quo, labor militancy, student discontent, and ever increasing terrorism. The Arias government, serving before and after Franco's death from February 1974 to July 1976, never achieved any real success because it was pulled between the different end goals of those wanting to continue with Franquism and those wanting to end it.
IV. TRANSITION:
FROM AUTHORITARIANISM TO DEMOCRACY

The democratic transition in Spain officially began once Prince Juan Carlos de Borbón was crowned King two days after the death of General Franco on 20 November 1975. Included in the transition phase would be the creation of the democratic regime, free elections, a constitution, and a peaceful power shift to an alternate party without military intervention or bloodshed.\(^1\) This reform process would come as a surprise because it was believed that Franco had molded the King, the army, and the key institutions (the Council of the Realm, the Cortes, the National Council of the Movement) to continue his legacy.\(^2\) In reality, the legacy began to die as early as 1973 when Prime Minister Carrero Blanco was assassinated by the Basque terrorist organization, ETA (Euzkadi ta Azkatasuna or Basque Nation and Liberty).

The first surprise became apparent in the King's coronation message in which he pronounced the legitimization of the new monarchy through the formation of a constitutional, democratic, and parliamentary monarchy.\(^3\) Since Franco had supervised the upbringing of Prince Juan Carlos, the King's profound dedication to democracy was unexpected and part of the reason for the successful, peaceful transition.\(^4\) In addition, he announced a royal

\(^1\) The definition of transition is that found in Linz and Stepan, "Democratic Transition and Consolidation in Southern Europe," 1-6. In addition, I include the power shift to an alternate party, not seen by Linz and Stepan as a prerequisite before moving on to consolidation; see Gillespie, "The Continuing Debate on Democratisation in Spain," Parliamentary Affairs 46, no. 4 (October 1993): 539-40.


\(^3\) Ibid., 208.

pardon for many political prisoners and appointed a cabinet to guide the Spanish reform process before the end of 1975. Juan Carlos made it clear that he had no intention of carrying on the old regime by setting out to do away with the institutions he inherited and, in his role as commander-in-chief, by maintaining control of the army. Both areas were extremely important parts of the transition process that had to be achieved if a successful transition in Spain was to be realized.

Political elites, those actively involved in the transformation of the government and parties, worked with the King for political transition. Unhappy with the lack of political freedom under Franco, these political elites played an important role in formulating and carrying out the political reforms that led to political institutions, political parties, elections, and the constitution. The united political elites, although of varying political beliefs, banded together, putting aside their differences, to set forth a viable system for the political reformation needed in Spain.5

A ruptura (clean break) was needed from the old Franquist regime. The policy of continuismo (continuation) set by the government of Prime Minister Arias after Franco’s death did not provide significant change to please the reformists in the first months after the death of Franco. The project Arias presented in 1976 to the Cortes did not provide for the rapid transformation that the reformists, those in and out of government seeking ruptura, had expected nor did it appease the growing hostility felt among Spaniards for political representation. A combination of this loud public dissent and the King’s desire for rapid change, compelled him to ask for the resignation of Arias and move forward seeking a quicker transition.

In July 1976, Prime Minister Arias, who was appointed by Franco, resigned as pressure from all political entities mounted, allowing the King to select the first Prime

5 The elite settlement model argues that successful democratic consolidation in Spain was primarily the product of a profound transformation of Spain’s political elites from disunity into consensual unity. See Gunther, "Spain: The Very Model of the Modern Elite Settlement," 38-80.
Minister of the post-Franco era. Juan Carlos chose the Prime Minister from the three names sent to him by the Council of the Realm as required by the Fundamental Laws. He chose the least known, Adolfo Suárez González, a man who had risen to prominence on the coat tails of the Minister Secretary-General of the Movimiento, Fernando Herrero Tejedor. Suárez quickly opened a dialogue with the center and left representatives, moved toward national elections, integrated parties into the political system, introduced pact-making to the parties, and postponed economic and social policy decisions until after political democratization had been stabilized.

From this brief background, the major issues and relationships of Spain's transition will be developed. The important role of the political elites and the King, while appeasing the military and the opposition, whether for ruptura or continuismo of the Franquist legacy, will become quite apparent as the democratization in Spain began to take hold in 1976.

A. POLITICAL CHANGE

Prime Minister Arias' slow reform at the end of 1975 and the beginning of 1976 was the subject of much opposition. Besides King Juan Carlos, Minister of the Interior Manual Fraga Iribarne (leader of the conservative Alianza Popular) and Foreign Minister José María Areilza pushed strongly for rapid, liberal reforms and the workers showed their displeasure for the Arias government through strikes (from January to March 1976, there were 17,731 strikes and throughout 1976 some 156 million man hours were lost to strikes compared to only 3,156 strikes in 1975, the year of the most strikes under Franco). The demise of the Arias government became more apparent when the King pronounced in April 1976 through a Newsweek interview that the reform process was a disaster and that the remnants of

6 Crow, Spain, 402.

Franquism had no place in Spain. The King received much support throughout this period from reformist ministers in the cabinet and from Adolfo Suárez. Suárez had become friends with the King when he was Director-General of Spanish Television (RTVE) from 1969 to 1975 and then Vice-Secretary-General of the Movimiento in 1975. After Arias announced his resignation in July 1976, Suárez was appointed Prime Minister, part of the new, younger breed at only 43 years of age, and he stated, "I feel myself and I believe I am a democrat." Suárez worked initially with his reformist cabinet and the King to put reform on track, events that provided credibility to the Suárez government and "confidence among the opposition forces that significant reform was possible." Presented to the Cortes only two months into his term, Suárez cleverly disguised his democratic political reform package as the Eighth Fundamental Law, subtitled the Ley para la Reforma Política (Law for Political Reform). With political tact and skill, Suárez and King Juan Carlos persuaded the Cortes to, in effect, disestablish the Franquist procedure for selecting procuradores (members) and institute a bicameral body based on universal suffrage. The lower house (Congress of Deputies) would be elected, but the King would retain the Franquist policy of appointing one-fifth of the otherwise elected Senate (upper house) and nominating the Prime Minister (President of the Government).

Other than minimal lobbying of the Alianza Popular (AP) to secure passage of the Law for Political Reform, Suárez' formal contacts with the opposition began once the Law

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10 Arango, The Spanish Political System, 252.


12 Boníme-Blanc, Spain's Transition to Democracy, 24.

13 Ibid., 25.
was ratified by referendum on 15 December 1976 with 94.2 percent of the vote.\textsuperscript{14} A negotiating committee was formally organized to articulate the concerns of the opposition on matters of political parties, electoral laws, and elimination of the Movimiento and sindicatos.\textsuperscript{15} These negotiations with political elites of the opposition allowed Suárez to proceed with reforms that may have otherwise been blocked had the opposition not played a consultative role in formulating the policy.

As promised, Suárez announced that the first democratic elections for the Cortes in 41 years would be held on 15 June 1977. By the time of the elections, over 100 parties were legalized, to include the Spanish Communist Party. On election day only six parties showed promise of electoral success but, after polling had been completed, only two parties emerged with strong support. Suárez’ popularity sent 166 members of the only recently formed Unión Centro Democrático (UCD) to the 350-seat lower house and 106 members to the 248 seat upper house. The other electoral success was given to the Partido Socialista Obrero Español (PSOE) with 118 seats in the Congress of Deputies and 48 seats in the Senate.\textsuperscript{16}

These elections clarified the political development in Spain. The small parties either disappeared or merged into the larger ones. The new President of the Government would again be Adolfo Suárez and the next phase of democratic transition would begin with the drafting of the new Constitution. A seven-man ponencia (drafting committee) was appointed\textsuperscript{17} to produce a constitutional text that would be acceptable to the broadly

\textsuperscript{14} Maravall, The Transition to Democracy in Spain, 11 and 151.

\textsuperscript{15} Opposition included representatives from the Socialists, Social Democrats, Communists, Liberals, Christian Democrats, the three largest trade unions, and the Basque, Gallego, and Catalan groups. See Gunther, “Spain: The Very Model of the Modern Elite Settlement,” 50.

\textsuperscript{16} Arango, The Spanish Political System, 261.

\textsuperscript{17} The ponencia would be composed of three UCD members and one member of the PSOE, PCE, AP, and Catalan nationalists. See Bonime-Blanc, Spain’s Transition to Democracy, 37.
represented committee. This is another example of the usage of a few political elites to produce a consensus before the draft went to the full Congress of Deputies, Senate and the nation. The *Proyecto Constitucional* (Constitutional Project) went forward in many phases before it was finally approved by the government, the population through a national referendum, and the King on 27 December 1978.

Another important result of consultations with political elites after the June elections was the meetings that produced real political advances between Suárez and his opposition on the left, Santiago Carrillo Solares of the *Partido Comunista de España* (PCE) and Felipe González Márquez of the PSOE. From these meetings came the *Pactos de la Moncloa* (Pacts of Moncloa) in which compromises were made by these political elites in areas such as economic recovery, union reform, increased public investment, and tax reform. The PCE and PSOE exerted pressure on their unions, the *Comisiones Obreros* (CC.OO.) and the *Unión General de Trabajadores* (UGT), respectively, to keep workers from striking which would further hinder the struggling economy. The Pacts achieved some of their economic goals by aligning the balance of payment deficit, reducing inflation to 16 percent, increasing exports by 29 percent, and implementing fiscal reforms but, for all of the efforts of workers, they realized a benefit from lower inflation and tax reform but unemployment continued to grow, reaching 8 percent in 1978. The short-term measures helped, but Spain's economy needed desperate attention.

With the Pacts of Moncloa in place and the King's approval of the Constitution, Suárez, to take advantage of these positive developments, called for the second general election to take place in March 1979. The UCD, a broad coalition that often had incompatible aspirations within its membership, was not expected to do well because of the internal "erosion of confidence in Suárez ..." within the party. Much to the surprise of

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18 Maravall, *The Transition to Democracy in Spain*, 42.

19 Carr and Fusi, *Spain*, 247
those pollsters and journalists, the UCD maintained its political status in Madrid, actually
gaining two seats for a total of 167, but lost a good portion of its influence in the provinces,
specifically the Basque and Catalan regions municipal elections in 1980. As Suárez
announced his new government, the opposition complained that the UCD was too centrist and
not continuing the reform process as Suárez had promised in 1976.²⁰

Prime Minister Suárez was determined to resolve the political problem of regional
autonomy, which would decentralize power to the provinces. Statutes were achieved for the
Basque and Catalan regions but these agreements did not appear to resolve the problems for
the UCD, Suárez, or the provinces. Basque terrorists continued to strike innocent Spaniards,
recession and unemployment plagued the economy, and Suárez closed himself off from the
political elites he had so successfully dealt with just a few years before. The tactful negotiator
had lost his appeal and his party was beginning to fall apart. It nearly fell in May 1980 with
a vote of censure in which the PSOE and its leader, Felipe González, became a credible
alternative to the UCD and Suárez.²¹

Suárez, although distant from all except his closest advisors, continued his push for
full regional autonomy. He believed that "the destiny of democracy in Spain was indissolubly
linked to the autonomy of the regions."²² Spain would become a federal state once all regions
were satisfied, but it would not happen before Suárez resigned in January 1981.

The King appointed Leopoldo Calvo Sotelo, a conservative centrist of the UCD, to
be the new Prime Minister. Before his confirmation, the Cortes was taken hostage by a group
of Guardias Civiles (Civil Guards) attempting to overthrow the government in favor of an
authoritarian monarchy. Due in part to the resolve of King Juan Carlos, the coup d'état failed
and the UCD rallied around the new Prime Minister. Unfortunately, the UCD's disintegration

²⁰ Solsten and Meditz, Spain, 60-61.

²¹ Carr and Fusi, Spain, 253-54.

²² Ibid., 255.
was unstoppable and the PSOE had their second chance—a second chance that gave the
PSOE a sweeping victory in the 1982 elections. The final transition step appeared to be
complete, a peaceful transfer of power from one party to another.23

Before moving into the consolidation process led by Felipe González, some of the
most important issues of the transition will be further developed. Initially, the political aspects
of parties, elections, and the constitution will be looked at; and those areas will be followed
by economics, social attitudes, the church, the military, and the King.

1. Party Development

The development of the party system was a big step in the democratization process
considering the only legal political entity in Spain for over 30 years was the Movimiento.
Early in the transition, groups began open recruitment and formed or merged into political
unions. The press had been liberalized and new papers like El País began printing articles,
stories, and editorials to forge the unity of the nation's democratic forces. The Arias
government was concerned about the rapid development of parties and its opposition was
growing into strong organizations like the Coordinación Democrática (Democratic
Coordination), which was a merger of two other groups, the Plataforma de Convergencia
Democrática (Socialists and Christian Democrats) and the Junta Democrática
(Communists).24

The Democratic Coordination was extremely critical of the new Suárez government
and called for the complete ruptura from the policy of continuismo in a manifesto to the
Spanish people. It called for all Spaniards to unite and bring about a leadership representing

23 Solsten and Meditz, Spain, 62.

24 David C. Jordon, Spain, the Monarchy and the Atlantic Community (Washington,
the diversity of Spain. Suárez answered this manifesto with his announcement of a reform plan, the disbanding of the National Movement, and the legalization of the Communist Party (PCE). These moves were definite breaks from the Franco past that the opposition was calling for.

After the elimination of the Movimiento, Prime Minister Suárez brought together a centrist coalition as he moved Spain toward the 1977 elections. The coalition was mainly composed of the Partido Popular and the Centro Democrático, which eventually became the UCD. This coalition was a mix of small, middle-class reformists parties that ranged from the center-right to the social democratic left. Initially, the appeal of the UCD rested with the personality and displayed competence of Adolfo Suárez; but after the 1977 elections, the cabinet ministers, members of the Cortes, other government officials, and party organizers of the UCD banded together to ensure that democratic reform and the party stayed on track.

Once the parties had taken their seats in the Cortes after the 1977 elections, it was the job of Prime Minister Suárez and King Juan Carlos to move the reforms forward. The success of the two parties, the UCD and PSOE, led to the consolidation of smaller parties to attempt to create their individual power bases within the Cortes, while the stronger parties' leaders were brought in to consult with the government on important policy issues. The elections helped to strengthen the party system and to stabilize the government and the reform process.

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2. Labor and Unions

Six unions emerged to represent labor after being legalized in 1977. Of those, only two had enough membership to have significant influence within government circles: the Socialist UGT and the Communist CC.OO. Both claimed over 1.5 million members just three months after legalization, but the CC.OO. had a head start due to their infiltration of the government unions during the Franco era.\textsuperscript{28}

The full advantages of unionization were not realized in Spain because of their deep ties to political parties. The implication being that union leaders were tied to and members of the political parties, thus respecting the party leaders and adopting stances of cooperation and consensus to nurture the transition process. As mentioned earlier, the PSOE and PCE used their power to influence the UGT and CC.OO. to implement the Pacts of Moncloa (page 30). Throughout the transition process, the union bureaucracy and party dependence limited the participation of the rank-and-file membership.\textsuperscript{29} As a result, the labor movement in Spain between 1977 and 1982 was demobilized, union membership of eligible workers dropped from 50 percent to 10 percent, and the predominance of the CC.OO. diminished as the popularity of the PSOE and UGT grew.\textsuperscript{30} This resulted in slower economic and social reform in trade for political stability and may have also prevented military intervention had radical measures been taken to achieve significant reform in all three areas at the same time.

The Workers' Statute adopted in 1980 provided union rights as guaranteed by the Constitution. It also eliminated government involvement in labor issues, provided for a minimum wage, and guaranteed access to social security. Work councils were formed to

\textsuperscript{28} See Menges, "Spain," 21-22 or Maravall, \textit{The Transition to Democracy in Spain}, 165.


\textsuperscript{30} Ibid., 128-32.
speak for employees and the UGT negotiated a pact in 1980 with the Spanish Confederation of Employers' Organizations which set a social contract for employer and union actions. These advances covered some 800,000 companies and 6 million workers at a time when union membership was rapidly decreasing. 31

3. Electoral System and Elections

Each house of the Cortes uses a different system for electing its members as directed by the Law for Political Reform and the Electoral Law. The lower house is based on the d'Hondt system of proportional representation and the upper house is a direct majority system. The Electoral Law of 1977 guarantees universal, free, and direct suffrage and requires voting by secret ballot. Elections are held every four years unless the Cortes is dissolved, in this case elections are called to elect new members to the parliamentary body. 32

For the Congress of Deputies, a voter votes a party and each party must obtain three percent of the vote to receive a seat. Each province has a two seat minimum, plus one additional seat for every 144,500 inhabitants. In the Senate, each province is represented by four seats elected from a multiparty list in which each voter selects three candidates.

The 1977 elections were considered quite successful because there was a relative balance between left and right (right-center). However, in the Congress of Deputies, the d'Hondt system caused over-representation of the traditional, rural, conservative, and less-populated provinces at the expense of the left. 33 Another success resulted from the fact that the leading party had a viable opposition party which tended to lend stability to the political system.

31 Solsten and Meditz, Spain, 153-56.
32 Ibid., 212.
33 Maravall, The Transition to Democracy in Spain, 23.
system. With both parties being relatively moderate politically, the polarization that had plagued the Spanish Second Republic and other countries had ended in Spain.\textsuperscript{34}

Table I (on page 37) shows that election results during the transition period, in 1977 and 1979, were quite similar and displayed stability in the new democracy. In 1979, the major parties (UCD, PSOE, and PCE) picked up additional seats as did the previously unrepresented regional parties (PSA, HB, and EE) at the expense of the old AP (CD or Coalición Democrática) and the previously represented regional parties (CiU and PNV).\textsuperscript{35} Change was more significant at the regional and municipal levels rather than at the national level. Regional parties achieved great success in their respective provincial elections after the 1979 national elections, a trend that continued to the end of UCD leadership in 1982. Most of the change was actually brought on by the UCD through its overly conservative social and economic policies and the problem of autonomous regions. These difficulties caused political crisis and turned the electorate away from the UCD as the 1982 elections approached.

4. Constitution Making

As previously stated, the constitution was drafted by a seven-man ponencia. The representatives were sent by their parties to prepare a constitution that would be acceptable to all in an atmosphere of cooperation and compromise. This process of drafting an acceptable constitution for the major political forces was chosen in hope that the failures of

\textsuperscript{34} Maravall, \textit{The Transition to Democracy in Spain}, 23-24.

\textsuperscript{35} Ibid., 45-50. Abbreviations not previously used represent: PSA is \textit{Partido Socialista de Andalucía} or Andulcan Socialist Party; HB is \textit{Herri Batasuna} or Party of the Basque Homeland; EE is \textit{Euskadiko Eskerra} or Basque Left; CiU is \textit{Convergencia i Unió} or Catalan national party; and PNV is \textit{Partido Nacionalista Vasco} or Basque Nationalist Party.
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<th>Party</th>
<th>Percentage of Vote</th>
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<td>1977</td>
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<td>AP - CD</td>
<td>8.4</td>
<td>5.8</td>
</tr>
<tr>
<td>CiU</td>
<td>3.7</td>
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<td>PNV</td>
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<td>PSA</td>
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<td>HB</td>
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<td>0.5</td>
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<tr>
<td>Others</td>
<td>12.7</td>
<td>9.3</td>
</tr>
</tbody>
</table>

Table I: Spanish Congress of Deputies Election Results, 1977 and 1979

past Spanish constitutions would not be repeated. For a discussion of former constitutions, see José Pedro Pérez-Llorca, "Commentary," in Robert A. Goldwin and Art Kaufman, eds., Constitution Makers on Constitution Making: The Experience of Eight Nations (Washington, D.C.: American Enterprise Institute, 1988), 266-68. Progress was made between the ponentes and in five months the draft was finished. After vigorous debate and input from interest groups, the ponencia reconvened to incorporate the concerns of the nation. After consensus on the new version of the draft, it was sent to the Constitutional Committee of the Congress of Deputies. Debate on individual articles slowed the process to a snail's pace and led the UCD to meet with the PSOE at a Madrid restaurant to resolve their differences. These political elites of the leading parties agreed to compromises in all the major problem areas and the floor debates in the Congress of Deputies quickly proceeded without...
further delays. Similar private discussions took place in the Senate and, like in the lower house, the constitution moved through quickly after compromises were made.

Once the legislators approved the text, it was presented to the people in a referendum in December 1978. Of the 67 percent of the electorate that went to the polls, nearly 88 percent approved the constitution. The last phase of the process was when King Juan Carlos signed the Spanish Constitution of 1978 on 27 December 1978.38

The document proclaims Spain to be a social and democratic state, to be a parliamentary monarchy, and to have a bicameral legislature. It provides basic civil, political, and socioeconomic rights; to include the right to vote at age 18, the right to be protected by the rule of law, and the right to assemble. It also affirms the dissolubility of the nation but recognizes existing nationalities and allows for substantial regional autonomy. Señor José Pedro Pérez-Llorca, one of the UCD ponentes, stated that "the writers of the Constitution of 1978 found the formulas to break decisively the repetitious cycle that had so often placed in jeopardy the collective navigation of the Spanish ship of state along a free, peaceful, orderly, and democratic course."39

B. ECONOMIC CONTINUATION

As the transition got underway, there were significant economic problems to go along with the chaos of political transformation. Set off by the 1973 oil crisis, the splendor of the "economic miracle" was gone. In 1977, the debt was over $14 billion, the unemployment rate

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38 Bonime-Blanc, Spain's Transition to Democracy, 62-63.

was 6.3 percent, and inflation was over 26 percent.\textsuperscript{40} With double digit inflation and high unemployment well into the 1980s, the economy became stagnant.

Successive UCD governments did little to support the struggling economy or to reduce Spain's dependence on imported oil. The near total preoccupation with democratization left little time for developing effective economic policy. The UCD did attempt a stabilization policy to reduce wage costs, to eliminate unprofitable firms, to increase opportunities for labor management, and to stabilize international economic relations.\textsuperscript{41} The Pacts of Moncloa had some positive results but uncorrected structural deficiencies that remained from the Franco era made Spain vulnerable to continued economic decline throughout the transition period.

In spite of the economic decay, the role of the economic elites became important in helping the transition process. Business and their interest groups are typically a more conservative segment of the population; however, most of the Spanish business sectors endorsed the government's program to break with the Franco past. In the early years of the transition, the economic elite supported the UCD, but they were also supportive of Gonzalez and the PSOE, the CiU, and the PNV. Business supported the \textit{ruptura} because they saw that the old authoritarian system had become exhausted and was retarding growth, which gave the government an elite sector to provide support instead of voicing disagreement that could have impeded democratization.\textsuperscript{42} Although the rewards to the business sector came slowly, the new system did provide positive economic progress once consolidation began.

\textsuperscript{40} Jordon, \textit{Spain, the Monarchy and the Atlantic Community}, 34-35.


C. SOCIAL ATTITUDES

Changes in Spanish society can be related to the social movements wanting the freedoms afforded the citizens of other Western European countries. Inequality of conditions and of opportunity were the issues that bound movements and ushered in the changes after the death of Franco. The move from the ultraconservative social policy of the Franco regime to the liberal social freedoms enjoyed during the transition can only be described as radical.

The inequalities enforced through public laws, church regulations, and press and media controls had been put in place to preserve the traditional role of the family and to maintain formal relationships between the sexes—inequalities that left Spaniards unknowledgeable about the way others lived. Tourism was one of the main factors responsible for changing the way Spaniards viewed their society when they learned from tourists how the rest of Europe lived. Not only did tourists bring hard currency, but they brought their democratic social values to Spain.\(^4^3\) This social awareness brought from the Europeans began in the 1960s and was an important driving force for social change before and transition phase.

Another major influence of social change was the return of Spanish workers to Spain from Europe because of the oil crisis in the 1970s. About one in ten Spaniards lived abroad in 1970\(^4^4\) and the return of these individuals, estimated at about 750,000 in the decade of the 1970s\(^4^5\), brought back capital for investing and a familiarity with life in Europe. After investing in or buying businesses, along with their desire for the way of life they had grown

\(^{43}\) From in 1960 to 1975, foreign tourism rose from 4 to 32 million annually, see Crow, Spain, 376-78.


\(^{45}\) Solsten and Meditz, Spain, 107.
accustomed to in Europe, these individuals became important leaders in the sociocultural transformation of post-Franco Spain.

Sexual freedoms also changed significantly during the transition. The sale of contraceptives was legalized in 1978, but little was done to educate the population for safe and correct usage of the different forms of contraception. With the loosening of sexual practices and the limited knowledge about the use of contraception which replaced the old policy of restraint, a great demand for abortion to rid unwanted pregnancies was created. Because this issue was extremely controversial in this country that was predominantly Roman Catholic, abortions would remain illegal and medically unsafe throughout the transition period.

Marriages, once regulated by the Catholic Church, and the size of families have also changed. The marriage rate is down from seven per 1,000 that had held steady for about 100 years to five per 1,000 in 1982, while the size of families shrunk from 3.8 to 3.5 persons between 1970 and 1981.\footnote{Solsten and Meditz, \textit{Spain}, 110.} This is most likely related to the change of the role of women in society. No longer do they need their husband's permission, \textit{permiso marital}, to work, own property, or travel as in the Franco days. Traditionally, women were honored in the role of wife and mother, but this has changed significantly as women have entered the job market, are marrying at an older age, and are starting their families later. The principal barrier to women has not been social biases but unemployment. As the transition closed in the early 1980s, women were nearing equal enrollment with men at Spanish universities.

Income distribution was still a problem during the transition. Unemployment and urbanization led to problems in the cities and low wage labor shortages occurred in rural areas. However, urban dwellers that held jobs saw their salaries increase with continued structural modernization of the economy that resulted in a growing middle class. In smaller towns of the north and south, there were very different circumstances. Income distribution
in the north was quite even but in the south, where land distribution was unequal, incomes varied significantly and often led to conflict.\footnote{Solsten and Meditz, \textit{Spain}, 105-6.}

Another important aspect to changes in Spanish society revolved around the Catholic Church. Early in the transition, it became obvious that the role of the Church in a democratic Spain would be quite different from that in Franco's Spain.

\section*{D. THE CHURCH}

The Roman Catholic Church began to distance itself from the Franco regime in the late 1960s and more so after Cardinal Tarancón became the Archbishop of Madrid and President of the Episcopal Conference, the body that spoke collectively for the church. A liberal man and friend of Pope Paul VI, Tarancón was very critical of the regime and the hierarchy of the Church followed their leader's example. They opened the churches and monasteries as protected sanctuaries where the various opposition groups could meet; thereby the church helped to develop diverse sectors of the democratic opposition into a unified movement against the Franco regime.\footnote{José Casanova, \textit{Public Religions in the Modern World} (Chicago: The University of Chicago Press, 1994), 87.} In 1973, the publication put out by the Episcopal Conference, \textit{The Church and the Political Community}, demanded revision of the 1953 Concordat and the independence of Church and State.\footnote{Carr and Fusi, \textit{Spain}, 154-55.}

Throughout Spain's history, the pendulum swung too far left and right when it came to Church and State. The Second Republic declared that Spain did not have an official religion and Franco followed by giving official recognition to the Catholic Church. The drafters of the 1978 Constitution, to appease to all parties, left some ambiguity in Article 16.

\footnote{Solsten and Meditz, \textit{Spain}, 105-6.}

\footnote{José Casanova, \textit{Public Religions in the Modern World} (Chicago: The University of Chicago Press, 1994), 87.}

\footnote{Carr and Fusi, \textit{Spain}, 154-55.}
 Freedoms of religion and worship are guaranteed, there shall be no State Religion, but appropriate cooperation shall be maintained with the Catholic Church and the other confessions.  

The Church was quick to point out that its prophetic role, based on Vatican Council documents, had not changed and it would continue "to preach the faith with true freedom, to teach its social doctrine and to discharge its duty among men without hindrance." But, individual bishops expressed their personal political beliefs to their own dioceses and others declared that the only parties that Catholics should vote for were those of the political center. The Church was also critical of the Constitution because of reservations about articles concerning education and marriage but, again, some individuals were more vocal—Monsignor González Martín "called it an agnostic document that omitted any reference to God and that failed to recognize the rights of the true religion."  

The Church continued to be vocal on issues that were vital to their ability to provide its pastoral role under the beliefs of Rome and Roman Catholicism. Issues it continued to deal with through the transition were education, marriage and divorce, contraception and abortion, and the role of Catholicism in Spanish society. This role was important, but the Church did not have the influence that it had during the Franco regime. 

The slow condemnation of the attempted coup in 1981 caused many to question the dedication of the Church to democratic reform. The hierarchy was committed but was having trouble adjusting to its new role. After many years of being the only legal place of worship, the Church became less influential as society became more liberal and open. A 1980 survey

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52 Ibid., 66.
confirmed that Mass attending Catholics were fewer in number but still strong in commitment to the routine observances of their religion, like baptism and marriage.\textsuperscript{53}

E. AN ACQUIESCENT MILITARY

General Franco made his desires clear in his last public message, read posthumously, that he expected the military to support the man he had chosen to be his successor:

Out of the love that I feel for our country, I beg you to continue in peace and unity and to extend the same affection, loyalty and continued show of strength and support that you have given me to the future King of Spain, Don Juan Carlos de Borbón.\textsuperscript{54}

This, and the fact that Prince Juan Carlos was a military man that had graduated from the military academies and understood the views of the officer corps, helped him to win their support and confidence. However, their support was not total as the status quo that provided the military its power was being reformed.

Many senior military hard-liners were skeptical of the government’s reformist agenda and determined that the unrest, public disorder, and strikes were indicators of the need for a stronger, less liberal government. Violent clashes continued and rather than tightening security, the King made his unhappiness of the Arias government known and asked for the Prime Minister’s resignation.

With Prime Minister Suárez came change. To keep the military leadership behind his reforms, he met with them and listened to their concerns. This helped to ease their fears that reforms were moving with uncontrollable speed and that the Prime Minister would consult them before major policy announcements or changes. Suárez and the King worked together

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\textsuperscript{53} Solsten and Meditz, \textit{Spain}, 113.

to retire the old hard-liners and fill their positions with younger, reform-minded commanders like General Gutiérrez Mellado, who became the Vice President for Defense.

The real test came when Suárez legalized the PCE. It was seen as a betrayal of the cause for which the Civil War had been fought and of his word that he had given in one of their meeting that the PCE would not be legalized. In addition, Suárez chose to make the announcement as the Easter holiday began—a time when most of the senior officers would be away from their posts. The King and General Gutiérrez Mellado played a significant role in briefing the reformist senior officers for this announcement, and, these briefings paid off since the only reactions were the resignation of the Minister of the Navy and the public statement of dissatisfaction by army leaders.\textsuperscript{55}

Terrorists of ETA targeted senior military officers throughout the transition period. In 1978 a coup d'état was planned in response to the strategic promoting of reformist officers by Suárez and Gutiérrez Mellado and their undermining the power of the hard-liners that remained. The plan was compromised, the organizers were lightly punished, and it acted as a planning rehearsal for the 23-F (the name given to the attempted coup on 23 February 1981) coup attempt.

The 23-F coup resulted in the abduction of the entire Cortes and holding all the democratically elected political elites hostage to create a political vacuum and the imposition of military rule. Juan Carlos ordered the conspirators to desist and other military officers to support him and the Constitution.\textsuperscript{56} A televised statement by the King reassured the Spanish people that democracy was the future of Spain and more than three million Madrileños demonstrated in favor of their democracy on 27 February.

After these embarrassments, the military realized that democracy was going to survive and they needed to adjust to it. Many factors reinforced this realization: 1) hard-liners had

\textsuperscript{55} Carr and Fusi, \textit{Spain}, 226.

failed to overthrow the government; 2) demoralization by the failures and the unbecoming behavior of those prosecuted for the planning of the coups; 3) hard-liners suffered from internal disunity; and 4) the King's role convinced the military that the monarchy would never legitimate a military overthrow. Besides these, the fact that the people demonstrated in the streets of Madrid led by Fraga (AP), Carrillo (PCE), González (PSOE), and UCD leadership proved that Spain was united, even across party lines, in the support of democracy.  

F. THE KING'S ROLE

The role of King Juan Carlos cannot be understated. At the beginning, the legitimacy of the King was on questionable legal grounds because of the manner in which he assumed the throne, but his actions quickly showed his determination to lead Spain from dictatorship to democracy and quieted many critics. His leadership, popularity, and charisma assisted in facilitating the reformist political change that he wanted for his country. Juan Carlos was involved behind the scenes conducting discussions with the political and military elites in order to secure key political appointments like that of Adolfo Suárez as Prime Minister and to achieve successful transition policy like the Law of Political Reform. In addition, he was responsible for initiating the removal of Franco's appointed Prime Minister, Carlos Arias Navarro, and for contacting the exiled leader of the PCE, Santiago Carrillo.

The 1977 elections contributed to the King's continued popularity because they were the fulfillment of the reforms that had been initiated upon his coronation. The legalization of the PCE, an important step toward the elections, required the King to use all his tact and skill to diffuse potential problems within the military because its leaders vehemently opposed the Communists. Gutiérrez Mellado's appointment as Vice President for Defense allowed for

someone inside the military hierarchy to carry out the King's plan for the replacement of ultraconservative commanders with more liberal, reform-minded leaders.

Because of his actions since the death of Franco, the *ponente* agreed that the monarchy would become mandated within the Constitution and continued in Spain rather than a Third Republic. Juan Carlos, once dubbed "Juan the Brief" by PCE leader Carrillo in the days following Franco's death, received overwhelming support during the drafting of the Constitution from the PCE and most of the other parties.\(^58\) And, the ultimate seal of approval for the King was the referendum on the new Constitution, in which the great majority expressed their willingness to accept the parliamentary monarchy.\(^59\)

As found here, the reincorporation of the monarchy provided democracy with a stronger base of popular support and presented it with the means to repel attacks from anti-democratic groups, such as the hard-line Franquist military officers. The King played both sides to just the right level to ensure cooperation among these various segments of society. The key to his leadership was deciding which method or methods to use that most effectively accomplished the task of juggling conflicting interests and opinions. With the success of the transition, King Juan Carlos' leadership obviously balanced the contradictory forces that could have derailed democracy in Spain.

**G. VARIABLES OF CHANGE**

Much of what has just been described could have easily occurred differently and prevented this transition process. The steps taken were done with a goal in mind, the achieved goal, but there was no specific transition model for Spain's leaders to follow that


\(^{59}\) Bonime-Blanc, *Spain's Transition to Democracy*, 42.
would guarantee a successful transition from dictatorship to democracy. For this reason, some of the possible variables that could have effected the transition will be discussed.

The most important preparation for democracy in Spain began well before Franco's death. The intention was not to liberalize the Spanish economy, society, and education system to the point that it reached in the mid-1970s, but Franco's reforms within the economic and educational sectors did create incalculable progress within a society that had been largely isolated and autarchic from the end of the Civil War to the late 1950s. These reforms and the death of Admiral Carrero, the man Franco had chosen to be the leader of the King's cabinet after his death, allowed for significant change across the spectrum just before and in the years after the death of the Caudillo.

The economic reforms that were born out of the 1959 Stabilization Plan helped to build an economic infrastructure and provided for the development of the economic or business elites. These structures and individuals were strong enough to achieve the economic miracle that catapulted Spain to the rank of 11 on the list of industrialized nations in 1980\(^{60}\) and to maintain a level of economic stability during the transition, a time when the government was focused on political reform. The ability to concentrate on the transformation to democracy with a functional capitalistic economy, although it was protective and regulated, was a luxury that greatly enhanced the successful transition.

King Juan Carlos was perhaps one of the most important post-Franco variables. His early declaration supporting the process of democratization was paramount and ensured that he felt it his responsibility to move forward, to include the replacement of Arias and holding national elections. The King's inside dealings with the President of the Cortes and Council of the Realm, Torcuato Fernández-Miranda, his former tutor and collaborator, to have the name of Adolfo Suárez on the list of Prime Ministerial candidates was successful; otherwise, the King would have had to select from what would have undoubtedly been a list of three

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hard-liners or break with the legal, Franquist procedure for selecting a Prime Minister. Either of the latter options could have postponed or completely derailed the democratization process.

Another important relationship that factored into the transition success was that between the King and the military. Had the King not had an intimate knowledge of the military and its leaders, it is extremely likely that a successful coup d'état would have occurred before 1981. The good relationship was furthered by the King speaking with and listening to the leadership and junior officers and the appointment of General Gutiérrez, a reformist, to lead the army. Once Gutiérrez was in place, the old hard-line officers were retired or removed from their command positions and replaced by younger, more conciliatory officers. In short, the military was left out of the agenda-setting and its own disunity averted the chances of hard-liners to counter the transition agenda. 61 After Franco's death in 1975, King Juan Carlos commanded the military, and the Constitution of 1978 further guaranteed the King's role as Head of State and Commander-in-Chief of the armed services. 62

In addition to the non-intervention of the military, the Church also removed itself from the political transition. The Church was a political actor before and after the Second Republic, but the 1965 Second Vatican Council (Vatican II) caused the Church to distance itself from the Franco regime, to call for political and economic freedoms, to provide support to and house meeting of the opposition movements, and to scrutinize and attack Franquism. 63 After Franco, the Church became supportive of social concerns but did not voice a political preference or support for the parties or candidates in the election phase. The political elites did not let religion become a division to threaten the transition.

62 Carr and Fusi, Spain, 236 and 244.
63 Arango, Spain, 85-86.
A positive factor that helped to move the transition along was the overwhelming majority of Spaniards—from the whole political spectrum and in varying amounts—wanted change. "The underlying dynamic of the transition process was the interplay of reform from above by the government and pressure from below by the democratic opposition." Both sides played off each other to keep the process moving and as it turns out, the UCD government under Suárez was willing to work with the opposition well before they were ready to accept him. Striking workers forced action on the part of the government to respond with some measures to better economic conditions, while at the same time the government needed to limit wage increases and constrain inflation. The result was the Pacts of Moncloa negotiated by the parties and in turn received support from the party affiliated unions. Throughout the transition, the opposition played well against the government, and they responded with policy instead of with violence or repression.

The most important variable of the transition was the elite settlement. For centuries, Spanish politics swung radically from one extreme to the other with continuous change and instability. The history was so conflictual that Spaniards perceived their country as "two Spains," the genuine Spain and the anti-Spain, present to destroy the other to save the nation. The lack of progress of the second Arias government led many, including the King, to believe ruptura was the best move to unite the political elites and proceed toward a more rapid transition. So, at a time when parties were organizing, elections has not yet been scheduled, and constitution making was still only an idea, Adolfo Suárez and Juan Carlos

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65 Felipe González, then leader of the PSOE, said that the first dozen or so attempts made by Suárez to meet with the PSOE were declined, see Gunther, "Spain: The Very Model of the Modern Elite Settlement," 49.

were actively talking with the leaders of the influential sectors of society, mostly political elites, to achieve political reform, electoral reform, a basis for free national elections, the Constitution, and other watershed events that have resulted in today's democracy in Spain. Perfect examples are the Law for Political Reform and the 1978 Constitution. The old Franquist Cortes was persuaded by Suárez, the King, and Fernández-Miranda "to commit institutional suicide" when they passed the Law for Political Reform which in essence required that their Cortes seats be filled by elected representatives. In regards to the Constitution, to clear up the final sticking points, eight representatives made famous the restaurant José Luis because it was the location where they met to resolve the problems that remained between the UCD and PSOE. Without the successful use of the elite negotiated consensus, it is quite likely that the post-Franco transition would have ended similarly to the Second Republic.

Richard Gunther ends his chapter, "Spain: The Very Model of the Modern Elite Settlement," by saying that the one final variable to the Spanish transition was luck. The reason being that events would have occurred differently if ultraconservative Carrero had not been assassinated; if King Juan Carlos had not appointed Fernández-Miranda to the posts of President of the Cortes and Council of the Realm; if Suárez had not replaced Arias; if the PSOE had not been led by the moderate González; if Fraga had not led the AP; if Carrillo had not led his party from Stalinism to Eurocommunism; and if it had been Juan Carlos who had been accidently shot and killed by his brother, instead of the other way around. Many factors led to the successful transition, but the changes continued as the Socialists took power in 1982 and consolidated the Spanish democracy.

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V. THE SOCIALIST CONSOLIDATION

The rise to power of the PSOE provided the stimulus that moved Spain from transition into consolidation. Democratic consolidation entails having met certain criteria that allows the government to function without threats of outside intervention or overthrow. The process may take a generation to remove the obstacles that can threaten a fragile democracy in its infancy. The UCD government did a good job in moving Spain through the transition phase; however, the government of Felipe González further strengthened the successes of the transition through modified policy in the 1980s that ensured legitimacy in Spain's democratic future.

Spain's democratic consolidation has been the topic of many distinguished scholars, and Table II (on page 54) provides the three distinct dimensions required, as seen by Juan J. Linz and Alfred Stepan, for consolidation.¹ The structural dimension was supported by the free elections, constitution, and peaceful transition of power to the opposition in 1982. Backing for the attitudinal dimension was provided through election and referenda turnout percentages and positive public opinion polls.² The behavioral dimension was the least secure


² In all cases, 1976 and 1978 referenda and 1977, 1979, and 1982 elections, turnout was in excess of two of three eligible voters; see Arango, Spain, 163 and 173. Many opinion polls showed similar results, for example, between 1978 and 1983 from 69 to 85 percent believed democracy was the best political system for Spain; see Linz and Stepan, "Political Crafting of Democratic Consolidation or Destruction: European and South American Comparisons," in Robert Pastor, ed., Democracy in the Americas: Stopping the Pendulum (New York: Holmes and Meier, 1989), 44.
in 1982 because of continued regional differences and economic difficulties. The goal of the PSOE in 1982 was to ensure that all of these dimensions were secure and strengthened through effective policy implementation in various key areas. This chapter will look at these key areas of change and as Paul Preston says in *The Triumph of Democracy in Spain* of the elections that brought the Socialists to power: "The transition is over. Real change could now begin."³

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**The Three Dimensions of Democratic Consolidation**

1. **STRUCTURAL**: No significant reserve domains of power should exist that precludes important public policies from being determined by the laws, procedures, and institutions that have been sanctioned by the new democratic process.

2. **ATTITUDINAL**: A strong majority of the public opinion acknowledges that the regime's democratic procedures and institutions are appropriate and legitimate.

3. **BEHAVIORAL**: No significant national, social, economic, political, or institutional actor spends significant resources attempting to achieve its objectives by challenging the institutions or rules of the regime with appeals for a military coup or revolutionary activities, and when the pro-democratic forces abide by its rules and do not engage in "semi-loyal" politics.

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**Table II: The Three Dimensions of Democratic Consolidation**

Felipe González and his party had the first real political mandate since the death of General Franco. The PSOE received 48.4 percent of the vote or 202 seats in the Congress of Deputies and 64.4 percent or 134 seats in the Senate, achieving the first absolute majority of seats by one party (the UCD's maximum was 167 of the 350 seats in 1979). In addition to the sweeping electoral victory, the transfer of power was conducted without intervention or bloodshed, resulting in the first Socialist government to hold office in Spain since the Second Republic.

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The highly centralized government, a holdover from the Franco days, allowed the PSOE, with its majority, an opportunity to quickly capture power through the large bureaucracy and begin its program of reform. González moved quickly to provide reform to the many areas that were in need of modernization. These tasks, to be described in following sections, were the issues that would fully secure and consolidate the successful transition of the UCD governments between 1976 and 1982—these tasks undertaken by the Socialist government under Felipe González would mark the second phase of democratization in Spain.⁴

A. REVAMPING THE MILITARY

On the heels of the failed 1981 coup and the foiled plot by a group of colonels to seize power on the eve of the 1982 elections, the Socialists made military reform one of the first objectives of their new government.⁵ From the military's perspective, with the absolute majority of the PSOE in the Cortes, further opposition to the process of democratization and eventual civilian control of the military was futile—"military contestation shifted from political to more strictly corporate concerns, and from resistance to accommodation."⁶ Even with the assumed commitment from the military of no further challenges of the government's authority, González knew he needed to find a civilian Minister of Defense that could carry out the difficult task of instituting civilian rule over the military.

Narcís Serra Serra had been Mayor of Barcelona when the annual Armed Forces Day celebration of May 1981 was held in his city. Many military leaders feared violence from the


Catalan people but instead they were warmly received and saw a festive celebration without incident. Serra's image among the military leaders was quite good and his professional background in economics and administration made him the choice candidate for the ministerial post. The Socialists had three goals for Serra to implement: "first to bring Spanish defense structures in line with those of Western Europe, secondly to professionalize and streamline the armed forces, and third to make Spain more independent of foreign arms supplies by the encouragement of domestic suppliers."7

In October 1983, González introduced a five-year plan, which became known as the Serra Reforms, to depoliticize the military, establish civilian control, reorient budget and employment provisions, professionalize and reduce its officer corps, modernize its equipment, and modify the traditional role of internal security toward a current mission of national defense. This plan, which became Organic Law 1/1984 on 5 January 1984, placed the armed forces under the control of the Prime Minister with operational directives being passed to the services via the Minister of Defense. The operational power, now in the hands of the Minister of Defense, was taken away from the Joint Chiefs of Staff, now a consultative or advisory body. The King's role as Commander-in-Chief remained unaltered.8

The Minister's role was modified in many ways since the birth of the Ministry of Defense in 1977. Besides his increased participation in the command of forces, he was now tasked with the formation and implementation of policy, joint strategic planning, direction of military administration, and monitoring military preparedness.9 The empowerment of the


8 Discussions of military reform can be found, for example, in: Maxwell and Spiegel, The New Spain, 29-31; Arango, Spain, 29-31; Share, Dilemmas of Social Democracy, 85-88; Maxwell, Spanish Foreign and Defense Policy; Agüero, "The Assertion of Civilian Supremacy in Post-Authoritarian Contexts."

Minister was critical and through the restructuring of internal service council prerogatives, this was achieved without any violence. The military chiefs were surprised by the extent to which Organic Law 1/1984 provided oversight and power to the Minister, giving to him many of the decisions that had been previously decided by the chiefs.\(^{10}\) There was no reaction because the professionally-oriented military now concentrated on the adaptation of the military establishment to democratic institutions and on its transformation into a modern, efficient force.

In addition to the military being controlled by a civilian Minister, other goals were achieved by the Prime Minister González and Defense Minister Serra. The armed forces, made up of an army, air force, and navy, were reduced from 285,000 in 1988 to 217,000 in 1991, of which 158,000 were conscripts serving an average nine month tour of duty.\(^{11}\) The military justice system was reorganized and its jurisdiction was severely restricted, a definite change from the near unlimited authority that military tribunals possessed during the Franco regime. The forces have been modernized and the Spanish defense industry has ramped up domestic production and become involved in joint ventures with other NATO and WEU member countries' industry to lessen Spain's dependence on non-alliance countries for arms purchases. Spain's membership in NATO and WEU, to be discussed in a later section, have been important driving factors for updating the Spanish armed forces to the standards of their Western European neighbors and alliance partners.

The success of the transfer of power, equipment modernization, officer professionalization, and modification of the role of the armed forces was a major achievement of the Socialist government. "The civilian leadership, with the advice of a selected group of top level officers, pushed the modernization and reform goals beyond their original reach and provided coherence by taking a global view which the individual services could not attain, and

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\(^{10}\) Agüero, "The Assertion of Civilian Supremacy in Post-Authoritarian Contexts," 321.

by connecting modernization with the reforms necessary for the accommodation of the armed forces within the rules of the democratic regime." What was one of the main threats to democratic consolidation in 1982 had been successfully resolved with tact and prudence, thus eliminating the probability of another coup attempt and contributing strength to the consolidated democracy in Spain.

B. MODIFYING THE SOCIETY

Reform was widespread under Felipe González and support for most of the Socialist reform bills went forward unimpeded. Social reforms were broad, covering many distinct areas such as health care, education, judiciary, administration, and, perhaps the most controversial, abortion. All of these reforms had needed attention during the transition but because of the all out effort given to political and, to a lesser degree, economic problems, these areas were not dealt with. The pace of legislation was rapid and quite impressive.

Health care concerns caused the campaigning Socialists to take a strong position and commit themselves to improving the system if elected in 1982. After taking office, health care budgets were reduced but efforts were made to reduce fraud in the system and to crack down on pluriempleo (multiple job holding) within the health care sector. Both efforts were pursued to remove the waste in the system and ensure that doctors administered and patients received the care for which the government was spending tax payers money. These moves created fierce resistance from physicians and caused the resignation of Francese Raventós, the director of Insalud, Spain's largest health care provider. Programs have been streamlined, the cost of care and of medicines have been reduced, and there is more choice in selecting physicians. There is still a need for further cost cutting and education concerning the benefits of preventative medicine.

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Abortion was an issue that created controversy, to be expected in a country with an overwhelming Roman Catholic population. In 1983, a revision in the penal code included the decriminalization of abortion and the result was mass demonstrations—some for further liberalization and government funded abortions for the poor and some against legalization under any circumstances. In April 1985, the Supreme Court struck down portions of the decriminalization provision, requiring the legislature to take further action on the issue. A revised law was passed allowing abortions only if the life or health of the mother is in grave danger, if the fetus is deformed, or if the pregnancy came about as a result of rape. In addition, time limitations are in place and the procedure must be approved by two doctors besides the surgeon. Only about 20 percent of Spanish abortions fell into these categories. The PSOE had to back away from full legalization due to the lack of public support, thus over 300,000 illegal abortions were performed annually throughout the 1980s and into the 1990s.  

Another issue that caused demonstrations was the reform of the education system. González introduced legislation drawn up by Education Minister Maravall that would regulate the relationship between private schools and the state, standardize the curriculum for all schools receiving state funding, and form councils of administrators, teachers, and parents to oversee the administration of their schools. The Right, mostly the AP, and the Church protested the legislation as anti-democratic and anti-Catholic, claiming that it would force private schools to close. Despite the opposition, the bill became law in December 1983 and marked the first step in education reform that moved on to the university system in the late 1980s, creating more shock waves in a system that was brought out of the past and into the present. These reforms require that students complete secondary schools and university entrance is based on ability instead of wealth and status.

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13 For more on the abortion issue, see Solsten and Meditz, Spain, 108; Share, Dilemmas of Social Democracy, 88; Arango, Spain, 224; Crow, Spain, 413,417.

14 Arango, Spain, 224-25.
The area of judicial reform is another that may not have been possible had the PSOE not had its majority in the Cortes. With heated protest from the Right and the sitting judges, the government pushed through its policy in 1984 that implemented habeas corpus, mandatory retirement of judges at 65 instead of 72 years of age, appointments of judges from outside the cliquish, tightly regulated legal corps, and direct control of the judiciary by the legislature. A tremendous backlog of cases and inefficiency led to an increase of Justice Ministry budget in and after 1988 to rid the books of the backlog and move cases to court quicker.15

A large civil service slowed the wheels of government during the transition and another campaign promise of the PSOE was to correct the public administration system. The first move was a break from traditional work hours that proved that the PSOE, with its majority government, had the will and ability to change the very way that business was accomplished in Spain. The González Administration put nearly half a million civil servants on a continuous workday from 8 a.m. to 3 p.m. Monday through Friday, and the third Saturday of each month.16 This move was aimed at the rampant pluriempleo in the public sector and in 1985 a law was passed prohibiting multiple job holding within the public sector, freeing up some 2,000 jobs in the Madrid ministries alone. The results of these administrative changes throughout the government increased performance, reduced absenteeism, and sped up the wheels of bureaucracy. The bureaucracy, whether it is supporting the health care establishment or issuing drivers licenses, is to work for the citizens, not the state, and it takes time to change the mindset of a civilian bureaucracy that has been in place forever.

Despite all the positive changes in the social areas, there is still room for improvement. Many of the societal changes that the PSOE did enact were done as a result of their holding a majority of seats in the Cortes. The conservative opposition fought liberalization and often

15 Share, Dilemmas of Social Democracy, 89.
16 Arango, Spain, 223.
achieved success in toning down reforms to a level that was acceptable to parties on both sides of the spectrum. Even at those levels, Spaniards were pleased with the new social reforms because of nearly no social freedom during Franco's years and little progressive change by the UCD governments while they focused on the necessary changes to the political climate between 1976 and 1982.

C. STABILIZING THE ECONOMY

Of all the problems it faced, the Socialist government knew that the economy that was in crisis needed urgent care. Throughout the transition, Spain was accustomed to rising prices and wages, declining productivity, balance of payments deficits, inflation, and worst of all, unemployment. The Socialists promised the creation of 800,000 new jobs in a country that had 2.2 million unemployed.\(^{17}\) Economic policy, such as the promise jobs, would have to be truly spectacular to resolve the problems in the economy that still had weak, outdated infrastructure. Two PSOE officials said that Suárez and the UCD assumed the task of political transition and now González and the PSOE would carry out the economic transition, transforming autarky to the capitalistic market system.\(^{18}\)

Economy Minister Miguel Boyer set González' program in place that would be controversial in that some short-term risks to the program could increase unemployment, damage the industrial sector, increase dependence on foreign capital while preparing the economy for admission to the European Union (EU).\(^{19}\) The program would curb inflation,


\(^{19}\) Gillespie, \textit{The Spanish Socialist Party}, 421.
limit wage increases, reduce state spending, eliminate state subsidized, inefficient industry, redirect resources toward healthy enterprises, and overhaul the state fiscal system.²⁰ Unemployment did increase to 3 million in 1986, but inflation was cut to 8 percent, the economy grew at over 2 percent, and the balance of payments deficits were eliminated. Most of the successes in the first term of Socialist government can be attributed to the implementation of the firm policy and the fall in world oil prices.

The government raised social security pensions in 1983 to encourage retirements and then the hiring of replacements for the retirees. Other social security benefits had to be capped in order to maintain the budget after there were more retirements than expected, creating complaints from workers, unions, and legislatures claiming that the government was hurting those with jobs in order to provide work to the unemployed. The unions also argued that they had been taken advantage of when they were not consulted about the social security reform plan.

After the social security dilemma, the PSOE chose to go to the Suárez-style of pactmaking to keep the opposition aware of the government's plans. Accords were signed with the major unions, entrepreneurial organizations, and employers groups to help the government correct the economy. Even with these agreements, unemployment continued to plague the Spanish economy and was double the EU average in 1986. Once again, strikes became rampant throughout the country and the government and unions bitterly attacked each other because of the lack of progress in putting the economy in order.

Finally, a light started to flicker at the end of the tunnel. Spain's GDP (Gross Domestic Product) grew at nearly 4.5 percent annually between 1986 and 1990, far ahead of the EU average of 3 percent. Per capita income more than doubled to $13,500 during this period and inflation remained below 7 percent at the end of 1990. Foreign investment flowed into the country to total some $80 billion by 1991 and unemployment had fallen to 16 percent. In addition, forecasts provide for $7.5 billion per year in EU aid for Spain between 1992 and

²⁰ Share, Dilemmas of Social Democracy, 72.
1996 which will undoubtedly assist the struggling economy to further develop a more stable, functional infrastructure of economic institutions.

Spanish economic goals, driven by their need to meet EU standards, made recovery very difficult. Maastricht Treaty criteria for entry into the European Monetary Union (EMU) are strict and with the recession affecting all of Europe it seems impossible for Spain to remain on track to meet EMU standards and also achieve short-term economic expansion and prosperity. Perhaps now that the economies in Europe are beginning to recover, Spain will be able to resolve the lingering problems of their economy that has been a burden since the mid-1970s.

D. INTEGRATING INTERNATIONALLY

With the transition complete, it was time for Spain to reemerge onto the international scene. After so many years of isolation or limited exposure beyond the frontiers of Spain, the nation and its people were ready to venture into new organization and institutions that they had been banned from during the Franco dictatorship and too busy to deal with amid transition. The people would have differing opinions of these new relationships and to what extent the new Spain should become involved in or dependent of these relationships.

1. The United States and NATO

Many Spaniards were anti-American because of the 1898 Spanish-American War, the relationship that formed in 1953 between the United States and the Franco dictatorship after the signing of the Pact of Madrid, and, as a result of the Pact, the American troops that were to be stationed on Spanish soil. Further actions and comments, after the transition was well

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underway questioned the U.S. commitment to Spain's democracy. The first of these unreassuring occurrences came from U.S. Secretary of State Alexander Haig's pronouncement of 23-F as an internal matter, secondly was the Reagan Administration's Central American policy, and third was President Reagan's statement in a speech that many Americans believed that the Abraham Lincoln Brigade, consisting of Americans that were fighting along side the defenders of the Republic, was on the wrong side of the Spanish Civil War. These are examples of the type of issues that fueled the fire of anti-Americanism that had begun when fighting erupted centuries ago over territories in the New World and it appeared that these sentiments would not be soon or easily forgotten.

Twentieth century Spanish-American military affairs began as an outcome of the Cold War's bipolar split of Europe in the years after World War II. The Pact of Madrid was beneficial to both counties in the years after 1953 and, after Franco's death, the United States welcomed the liberalization that King Juan Carlos announced and urged Spain to pursue full membership in the North Atlantic Treaty Organization (NATO). With the country on its way toward democracy and earlier member opposition to Spanish induction because of its authoritarian government, the United States felt that Spain's entry would secure the southern flank of the Atlantic Alliance. Membership, however, was not a priority of the Suárez government, but it did become a goal of the Calvo government and legislation agreeing to Spain's membership was passed by the Cortes in 1982, as the UCD was disintegrating. The popular PSOE actively opposed such membership on the grounds "that NATO did not suit Spain's defensive needs, that it increased the risk of nuclear war, and that it encouraged a dangerous bipolarization of the world."

The campaigning Socialist leader, Felipe González, promised a referendum on NATO membership and soon after his and the PSOE's accession to power there were signs of

22 Maxwell and Spiegel, The New Spain, 35.

23 Share, Dilemmas of Social Democracy, 80.
division within the party concerning NATO. Below, Table III provides Prime Minister González' ten-point "decalogue" presented to the Cortes in October 1984 defining the future of his government's defense and security goals. The debate was lively and consensus within parties or even more difficult between parties was unlikely. However, this policy set forth the government's desire for Spain to remain a member of NATO and charged the PSOE to design a strategy that would convince the population that membership was in Spain's best interest, not to mention that withdrawal from the Atlantic Alliance may have become an insuperable obstacle to entry into the European Union.

<table>
<thead>
<tr>
<th>Ten-Point Decalogue Defining Spanish Defense and Security Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Continued Spanish membership in NATO.</td>
</tr>
<tr>
<td>2. Remaining outside of NATO's military structure.</td>
</tr>
<tr>
<td>3. The progressive reduction in the presence of American forces on Spanish soil.</td>
</tr>
<tr>
<td>4. The non-nuclearization of Spain.</td>
</tr>
<tr>
<td>5. The possible consideration of adherence to the Treaty of Nuclear Non-Proliferation.</td>
</tr>
<tr>
<td>6. Spanish participation in the Western European Union was considered desirable.</td>
</tr>
<tr>
<td>7. The advancement of a definitive solution for the problem of Gibraltar.</td>
</tr>
<tr>
<td>8. The strengthening of Spain's role in the European Disarmament Conference and in the Disarmament Committee of the United Nations.</td>
</tr>
<tr>
<td>9. Continued development of a network of bilateral agreements for defense cooperation with other Western European nations.</td>
</tr>
<tr>
<td>10. Work toward a dialogue between the political forces to elaborate a Joint Strategic Plan.</td>
</tr>
</tbody>
</table>

Table III: Prime Minister González' October 1984 Decalogue

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25 European Union became the name of the 12 country organization that was before 1 January 1994 known as the European Community.
Prime Minister González saw the tie between NATO membership and EU admission as the rallying point that could achieve a successful referendum result. The PSOE used many techniques other than the EU linkage to appeal to the Spanish electorate. The referendum was written in a manner that required a "yes" or "no" answer to a complex series of proposals, which included non-participation in the NATO military command, remaining nuclear free, and reducing American troop presence. High ranking government and party officials spoke to large groups of Spaniards in an attempt to explain the importance of NATO and European integration, and Felipe González is quoted as having said to one of his audiences that "to break our relations with the Atlantic Alliance would create trauma, with consequences I cannot foresee."26 Table IV (on page 67) shows that the PSOE campaign and referendum wording worked since the referendum supported the government's position and would continue Spain's membership in NATO.27

In the years since the referendum, Spain's relations with the U.S. and NATO have become good with the exception of the 1985 incident of denied overflight rights during the Libyan bombing mission. Spain's bases were of immense importance during the 1990-1991 Gulf War and in recent years the Spanish and American governments have been working together on policy formulation concerning issues of importance to both countries affecting Latin America. The reform of the military has led to active and effective participation in NATO with modern equipment and a well-trained, professional force contributing specifically to the defense of Spanish territory; the defense of the eastern Atlantic and western Mediterranean; the control of the Straits of Gibraltar; the use of Spanish territory in support of the Alliance; and support of UN peacekeeping operations.28

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27 Ibid., 83-84.

28 Bruce George and Mark Stenhouse, "Western Perspectives of Spain," in Maxwell, ed., Spanish Foreign and Defense Policy, 85-86.
Referendum

The government considers it appropriate for the national interest that Spain stay in the Atlantic Alliance according to the following terms:

1. Spain's participation in the Atlantic Alliance shall not include its incorporation into the military command.
2. The installation, storage, or introduction of new nuclear arms in Spain will continue to be forbidden.
3. There will be a progressive reduction of U.S. military presence in Spain.

Do you think it appropriate for Spain to remain in NATO under these conditions?

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>NO</th>
<th>INVALID</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>52.5%</td>
<td>39.8%</td>
<td>7.7%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table IV: NATO Referendum Wording and Results

Relations among Spain, the U.S., and NATO remain cordial and continue to be strengthened through diplomatic, economic, and military channels; however, the basis of the relationship, the Agreement for Defense Cooperation, has become legitimized as a mutual security pact vice the old pay as you use agreements that had existed since 1953. The support that Prime Minister González has given to further European union has moved the main focus of Spanish policy away from the U.S. and NATO and toward the EU and Western European Union (WEU). Although initially slow in accepting Spain, the EU has seen Spain's influence grow as its democracy has strengthened and its participation in the institutions of the international community have began.
2. European Union and WEU

European integration was always a goal of the post-Franco governments but it came much slower than expected. King Juan Carlos made reference to Spain's desire to become part of Europe in 1975 when he stated that "the idea of Europe would be incomplete without a reference to the presence of the Spaniards... Europe should reckon with Spain, and we Spaniards are European!"29 The 1962 denial of EU membership during the Franco regime was understood and respected by the Suárez government when Spain's application was resubmitted in 1977. The surprise came when the newly democratic Spain was not granted quick entry into the EU—official entry negotiations were delayed on many occasions and finally began in February 1979. Two of the main points of contention that held up entrance were the effects of Spanish agriculture and fishing on the other members and EU financing. Spain's accession, with its neighbor, Portugal, finally occurred on 1 January 1986 after nearly a decade of negotiations.

Other than the transition to democracy, Spain's entry into the EU is one of the most important events since the death of General Franco. The move in the direction of Europe has had profound positive effects on Spain's democratic consolidation and its status within the international community. The isolation suffered for decades is gone and this has strengthened the institutions of government, the infrastructure of the economy, and the security of the nation. Prime Minister González is a leading supporter of greater integration into a federalist-type, single European political, economic, and security entity.

In the first five years of membership, Spain was the economic star of the EU. Between 1986 and 1990, Spain's GDP grew at five percent annually, well ahead of the EU average. GDP per capita grew from 60 percent to 90 percent EU average during the same period and it includes a modest estimate of a thriving black market economy which accounts

29 Cited in Maxwell and Spiegel, The New Spain, 38, from Paul Preston and Dennis Smyth, Spain, the EEC, and NATO, Chatham House Paper no. 22 (London: Routledge, 1984)
for a good portion of Spain's economic activity. To make a comparison, Spain's economy with the black market figures is on par with or a bit larger than that of Canada (Spain's population is about 9 million more than Canada's 30 million), a member of the G7-and Spain would not mind if the elite club of the rich industrial countries became the G8.  

Spain also had an opportunity in 1992 to improve its image around the world and to show its EU partners it was a valuable asset to the organization. 1992 celebrated the 500th anniversary of the discovery of the New World, the Olympics in Barcelona, and Expo '92 in Sevilla. Billions of dollars were invested to prepare for these events and the visitors brought billions more into Spain during the year. Spain demonstrated it was to be a contender on the international scene, but the worldwide recession began to tarnish the shining economy once the festivities of 1992 were gone.

Further economic integration into the EU's monetary union is still set for 1997, but, with the condition of the European economies, it is doubtful that the members will be ready for the European Monetary Union (EMU) with only France and Luxembourg meeting all criteria. Prime Minster González fears that the EU risks entering into a two-tiered organization with Spain being one of the countries in the lower tier. In an attempt to avoid this, the government has programs in place to meet the Maastricht Treaty's EMU criteria but it is unlikely that Spain can meet the strict guidelines of government budget deficit to 1 percent of GDP, current account deficit to 2.3 percent of GDP, and inflation to 3 percent by 1996. The only hope is that the European economic recoveries that are just beginning are able to create an atmosphere of prosperity in which the people can constrain spending to meet the EMU requirements. It will be very difficult to achieve.

With recovery apparently underway, the EU will be able to move on to other areas of integration. The economic integration has slowed the other possible linkages that


31 Maastricht Treaty EMU criteria and data can be found in Maxwell and Spiegel, The New Spain, 50-51 and 86-87.
González has advocated since his first election win in 1982. The economic slowdown has hindered complete union (economically, politically, and militarily), but, even with these difficulties, Prime Minister González' support for the EU has not wavered.\textsuperscript{32} He must work more closely with the business and labor sectors to achieve the needed economic performance.

The issue of a single European defense and security establishment under the auspices of the WEU is on an unknown timetable. The past experience of the WEU is one of an organization that could never get itself going and was revived in the mid-1980s after a thirty year dormancy. Its revitalization came out of the days of arms reduction talks between the United States and the Soviet Union in which the Europeans felt that they were not being adequately involved in the discussions or informed of any progress between the superpowers. The Reagan Administration's unveiling of the Strategic Defense Initiative (SDI) was not well received by the Europeans and they in turn revamped the WEU to provide them a collective voice on issues effecting Europe and NATO.\textsuperscript{33}

Spain participates fully in the WEU since its membership in 1988 and has been actively involved with WEU missions during the Gulf War and in the Adriatic. The WEU has strengthened the European pillar of NATO, which can be explained by the 1992 defense policy guidelines that states Spanish security is no longer confined to the security of Spanish territory and that the WEU should act as Europe's representative body to NATO.\textsuperscript{34} Another way that the WEU has strengthened NATO is from the increased participation and cooperation of Spain and France, the two nations that are not a part of the NATO integrated military command structure, in European defense and security through the revitalization of

\textsuperscript{32} "Not Plain in Spain," \textit{The Economist}, 12 June 1993, pp. 17-18.

\textsuperscript{33} An in depth look at Spain's relationship with the WEU can be found in Michael Clarke, "Evaluating the New Western European Union: The Implications for Spain," in Maxwell, ed., \textit{Spanish Foreign and Defense Policy}, 165-186.

\textsuperscript{34} Maxwell and Spiegel, \textit{The New Spain}, 82.
the WEU. The possibility of the WEU acting as the European defense and security organization is likely, but it is certainly not going to happen in the near future. The EU has many other concerns to work through before it can look to developing a European military, in or outside of NATO.

The future policy moves of the European Union in regards to the Western European Union are difficult to predict because it will take many years of negotiations to achieve a consensus that will develop the WEU into a union of the member countries' militaries. It will take determination on the part of all of the member countries, which will grow to 16 on 1 January 1995, to create a Europe that speaks with one voice.

E. STRENGTHENING POLITICALLY

The dominance of the PSOE since 1982 has provided stability throughout the political system and it has also caused Spain to become a two-party nation with the PSOE filling the center-left role and the Partido Popular (PP-Popular Party) filling the center-right position. In the last election held in June 1993, the PSOE lost its majority in the Cortes and has to work with others to pass its legislation, a parliamentary situation that the Socialists had not been required to do deal with before the 1993 elections. The advantage that the PSOE has had and remains is the popularity of Prime Minister Felipe González. He has generated a public image that appeals to a majority of Spaniards and because of this his electoral value is an asset that the PSOE caters to and promotes. Some believe that his leadership and charisma have been the glue that has held the PSOE together since the 1970s.35

With the twelfth year of power now complete, González still has many difficulties in front of him and a strong opposition party, the PP, to contend with (the PSOE won 159 seats from 39 percent of the vote while the PP won 141 seats from 35 percent of the vote). There has been splintering within the PSOE that could damage the possibility of a fifth successive

35 Share, Dilemmas of Social Democracy, 121-24.
PSOE government in the 1997 timeframe if the problems are not resolved. The economic problems could also strain González' political stamina as he continues to make hard decisions that sometimes have resulted in further inflation and unemployment as Spain proceeds into further European integration.\textsuperscript{36} Politics and politicians are receiving critical public opinion because of questionable practices that have been touted as scandalous corruption from a government that has become to comfortable with its power. This appearance must be corrected in order to avoid a situation similar to that which Italy suffered and created a population that resented its politicians and its political system.\textsuperscript{37}

Regional autonomy was one of the factors that led to the downfall of the UCD in the early 1980s. The 1982 Organic Law for the Harmonization of the Autonomy Process (LOAPA) was designed to slow the decentralization of the government to the autonomous regions as authorized by the 1978 Constitution. Before taking power, the PSOE had supported LOAPA, but the fierce opposition from the regional parties—and eventual ruling of its unconstitutionality—proved too extreme to pursue any further. González opted to work with the regions at a pace that would please the greatest majority of people, a policy that proved to be effective. There are different levels of autonomy in the 17 regions of Spain today and the decentralization process has actually helped to reinforce the cohesiveness of the Spanish state through the constant dealing between the federal government and the regional governments. The Spanish sociologist Victor Pérez-Díaz says that "on balance, the regional pacts have reinforced the degree of national integration."\textsuperscript{38} Although the powers have been moved from Madrid to the regional capitals, it seems like the process of decentralized

\textsuperscript{36} Maxwell and Spiegel, \textit{The New Spain}, 69.

\textsuperscript{37} Ibid., 95.

government like that of Western European countries and the United States can also work in Spain.

Spanish foreign policy has also looked south toward the Maghreb, the region that it fears will create the next area of instability that will require an international response. Spain and Italy had proposed the development of a Conference on Security and Cooperation in the Mediterranean (CSCM), modeled after the CSCE, to discuss the problems of the region in a forum that could provide resolution to the issues creating regional instability. This recommendation came in late 1990 at a time when others were concerned with the recent demise of the Soviet Union and appears to have died a quiet death. A second proposal came at an equally bad time, as the civil war began in the former Yugoslavia. The "5 + 5" talks were proposed to establish a communications link between the North Mediterranean countries of Spain, Italy, Portugal, France, and Malta and the counties of the Arab Union (Morocco, Mauritania, Algeria, Libya, and Tunisia) to deal with the same problems that the CSCM would have encountered. Both of these proposal gained little support from the United States and other northern European states because of the perceived connections of Libyan supported terrorism around the globe. The González government is determined to continue working for better relations with the Maghreb countries as they see that region as the largest single threat to Spanish security and, more specifically, the security of Spain's two North African enclaves of Ceuta and Melilla.

In a dozen years, the PSOE governments led by Felipe González have taken Spain to a new level through programs and policies that have led to successes like the restructuring of the military, modernizing and improving social conditions, and most importantly establishing a strong democratic process. There are areas that still need work, but overall Spain has experienced a spectacularly successful and, more importantly, a peaceful transformation. This consolidation process has ensured that the democratic infrastructure put in place during the transition in all areas of public policy are such that the country, through its people, can

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guarantee their future by electing individuals to represent their concerns and desires within that infrastructure without fearing reprisal, revolution, or overthrow.
VI. REFLECTIONS: THE HUNGARIAN CONTEXT

Hungary was in ruin in October 1944. Much had been destroyed during the Second World War and what was left was either confiscated by retreating Germans or seized by advancing Soviets. The Hungarian elites were destroyed by the Germans and Soviets leaving no political nor civil hierarchy after the German-influenced Hungarian Arrow Cross regime was forced from power. The economy was in shambles and the people were left to rebuild their country.

The Soviets supported the provisional Hungarian government of General Béla Miklós, made up of Communists, Socialist Democrats, Agrarians, and Liberals, until post-war elections could be held in late 1945. Even with the influence of the Soviet Red Army, the Hungarian Communist Party did not win the November 1945 elections, as shown in Table V (on page 76).¹ The Smallholders Party was the indisputable winner of the election with a simple majority within the Hungarian parliament. Although the majority, the inexperienced Smallholders were easily influenced by the Communists and distributed power such that the Communists were able to promote their agenda and eventually destroy the Smallholders power base.²

Next, the Communists formed with the Social Democrats and the National Peasants into a coalition called the Hungarian Independence Front in opposition of the majority Smallholders. Once firmly aligned, the Front set out to destroy the Smallholders Party from within and used the 22 right-wing deputies that left the Smallholders to become the Freedom


Party as their target. The Communists organized demonstrations in Budapest calling attention to the split in the Smallholders Party and the need for new elections, but the Smallholders leadership responded with the expulsion of the right-wing deputies.

<table>
<thead>
<tr>
<th>Party</th>
<th>Number of Seats</th>
<th>Percentage of Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smallholders</td>
<td>245</td>
<td>60</td>
</tr>
<tr>
<td>Communists</td>
<td>70</td>
<td>17</td>
</tr>
<tr>
<td>Social Democrats</td>
<td>69</td>
<td>17</td>
</tr>
<tr>
<td>National Peasants</td>
<td>23</td>
<td>6</td>
</tr>
<tr>
<td>Citizens' Democrats</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>

**Table V: Distribution of Seats in the Hungarian Parliament, 1945**

The call for new elections by the Front could not occur if the ruling Smallholders expected to maintain its majority in parliament. The Soviets were increasing their presence in daily Hungarian life, and the formation of the political police with their questionable means of achieving their goals caused the government to question the intent of the Soviet Union. Prime Minister Ferenc Nagy and President Zoltán Tildy wanted to put off any new elections until the Soviet Red Army had been withdrawn from Hungary, then the communists would be less likely to be supported by the Soviet Union.

The Soviet Union and its leader, Josef Stalin, had "hesitated to include Hungary in the Soviet Empire"\(^3\) at the end of the war, but that position was modified as the Soviet occupation authorities began to interfere with Hungarian politics to put the Hungarian Communist Party in power. The poor economy and thousands of Hungarian POWs in the Soviet Union were bargaining chips that Stalin used to increase Soviet hegemony in Hungary.

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As inflation climbed uncontrollably and the national treasury was emptied, the Soviet Union offered to delay the Hungarian's reparation payment schedule and provide much needed food for the Hungarian people. The proposal won support from parliament even though the Smallholders leadership warned the deputies of the threat of becoming a puppet of Stalin and the Soviet Union. Soon thereafter, the Secretary General of the Smallholders Party, Béla Kovács, was arrested and imprisoned by the Soviet political police on false espionage and conspiracy charges in February 1947, and, then in May 1947, Stalin had the opportunity he needed to strike the final blow. While Prime Minister Nagy was in Switzerland on vacation, he was accused of associating with and supporting the imprisoned Kovács. The Prime Minister did not return to the threat of imprisonment, even though he was innocent of any wrongdoing, and the Smallholders Party began to disintegrate. The Communist takeover of Hungary was near complete.

A. THE HUNGARIAN COMMUNISTS

The 1947 elections, under the new electoral law that favored the Leftist bloc, brought 66 percent of the parliamentary seats to the Hungarian National Front, or a majority for the communist-led coalition. The Front parties, with threats of imprisonment or execution, were directed by Mátyás Rákosi, the Communist Party leader, to agree to a merger of leftist parties into the Hungarian Workers' Party (HWP), thus creating a single Marxist-Leninist party. The liberals were purged from the party, all opposition parties were banned, and an economic program of industrialization, nationalization, and collectivization began, and, in no time, Hungary was a satellite of the Soviet Union. The political police became the State Security

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5 Grzybowski, "The Transition to Competitive Pluralism in Hungary," 175.

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Office and, like the Soviet Secret Police, could be found watching every facet of Hungarian life.

The Rákosi government was as brutal as that of Stalin in the purges of the late 1940s and early 1950s. The society, to include the churches, the schools, the 1949 Constitution, and the workplace had been socialized, or Stalinized. The people were disillusioned and living conditions were substandard except for those party elites that lived in luxury. Rákosi was a Hungarian clone of Stalin, and, at the time of his death, "the very nature and policies of the party [HWP] and its ideologies served nothing but Soviet imperialism."6

After a power struggle, Nikita Khrushchev succeeded Stalin and expressed his displeasure with the hard-line tactics of the Rákosi regime. Even within the HWP a clear divide was apparent and it was led by Prime Minister Imre Nagy, who supported the termination of forced collectivization and development of a light, consumer-oriented industry. Khrushchev provided overt protection to the reformist sector of the HWP, while Rákosi was backed by his mentor, Soviet Party Secretary Georgi Malenkov, and the HWP hard-liners. In spite of Moscow's support, Rákosi was able to expel Nagy from the HWP for his reformist, rightist policies. The Soviet Communist Party in February 1956, after Khrushchev's "Secret Speech" denounced Stalin, implemented its de-Stalinization policy that provided momentum to the Hungarian reformists. Rákosi responded to the demonstrating Hungarian peoples' demands for liberalization in his usual manner of force and terror, causing Moscow to respond by forcing Rákosi from office.

The new Secretary General, Ernő Gerő, was able to convince Nagy to come back to the party and the Prime Ministership, but Gerő was unable to restore peace and order to the country. Nagy, with János Kádár, who replaced Gerő as Secretary General, announced the reforms that the people wanted to hear: wage increases, tax reductions, greater religious and political tolerance, and amnesty for political prisoners. Nagy appeared to be in control as the Hungarian Army, under General Pál Maléter, had restored order to the country, causing the

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6 Held, "Hungary on a Fixed Course," 218.
initial Soviet military intervention to withdraw. Upon Nagy's announcement of the Hungarian government's decision to withdraw from the Warsaw Pact, Kádár's limits had been surpassed and he disappeared. "It can only be surmised that Kádár ... was informed of the Soviet decision to intervene and ... decided to break ranks with Nagy and the revolution." The second insertion of Soviet troops succeeded in achieving its mission of crushing the 1956 Hungarian Revolution and, for his alignment with Moscow, Kádár formed the next Hungarian government.

Kádár was seen as a traitor by the Hungarian people when he returned to assume the leadership of the country. With little chance of bettering his image, Kádár set out to rebuild the collapsed HWP and normalize Hungarian-Soviet relations. The HWP was revitalized and emerged as the Hungarian Socialist Workers' Party (HSWP), dominated by Kádár and his loyal followers. The party developed over the years into what could be called an ideologically centrist party somewhere between Stalinism and Nagy's right-wing revisionism. Kádár was also able to work out an acceptable "modus vivendi with the Soviet Union based on mutual respect and loyalty."

The Kádár dictatorship would last until 1988, and his image would go from that of the Soviet stooge and traitor to that of the man that instituted a "liberalization" that became known as "Goulash Communism." Perhaps part of the reason he allowed some economic and social liberalization was a compromise to the people for having crushed their revolution; however, there was no softening when it came to the ideology or authority of the Kádár regime. The policies that emerged during Kádár's 32 year reign became known as Kádárism,

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9 Ibid., 180.

10 Ferenc Fehér, "The Language of Resistance: 'Critical Marxism' versus 'Marxism-Leninism' in Hungary," in Raymond Taras, ed., *The Road to Disillusion: From*
a soft communist dictatorship, making Hungary the most liberal country of the Eastern European communist regimes.\textsuperscript{11}

\section*{B. REFORM AND BREAKDOWN}

The early 1960s brought continued collectivization as K\'ad\'ar was attempting to remove the prospects of class division within Hungary. As this was achieved, the masses were becoming discontent with their lifestyles, so K\'ad\'ar began reconciliation moves, such as amnesty for political prisoners and looser travel restrictions, to convince Hungarians that change would come, but only from the above. To promote his reconciliation plan, K\'ad\'ar turned R\'akosi's phrase, "He who is not with us is against us," into, "The one who is not against us is with us."\textsuperscript{12} What K\'ad\'ar was promoting was a plan that would have the masses accept the authority and rule of the party in return for the promise of a consumer socialism that would bring a better quality of life.

The first real program that was adopted for all the country was the New Economic Mechanism (NEM) in 1968. The plan was a shift from the Marxist-Leninist system of planning as the responsibility was moved from central administrators to managers and the emphasis changed from that of quantity and heavy industry to quality and light industry.\textsuperscript{13} Initial response to the program was positive with increased wages and less government involvement within the economy, but as economic stagnation appeared in the early 1970s throughout the Soviet bloc and the 1973 oil crisis caused worldwide recession, the

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\textsuperscript{11} Michta, \textit{The Government and Politics of Postcommunist Europe}, 58.


\textsuperscript{13} Michta, \textit{The Government and Politics of Postcommunist Europe}, 58.
government had to intervene with subsidization in order to avoid starvation and civil unrest. In order to continue subsidizing the struggling economy, the Hungarian government had to borrow from the West, to the sum of some $9 billion by 1980, making Hungary, on a per capita comparison, the most indebted East European country.  

Realizing that conflict and social tension would be unavoidable in even a socialist-styled economic atmosphere, the HSWP opted to provide other non-economic reforms to appease the citizens. Although it did not affect the Hungarian one-party system, the 1968 Electoral law offered an electoral process in which voters could choose among alternative party candidates for local office. They also instituted policies that gave more leeway to trade unions, more freedom to the press, and more influence to the Parliament; but, everyone understood that these changes were limited and as easily as the party provided, the party could take away.

After the impact of the second round of oil price hikes in 1979, the government introduced a second NEM. The main components were decentralization of the decision-making process and reduction of state subsidies. One success was that agrarian policy reduced the problem of shortages through importation of foodstuffs and farmers were pleased as their salaries increased from higher food prices. This period did not provide the industrial working class with much to be pleased about. With an inflation rate of 100 percent and modest wage increases between 1975 and 1985, the industrial working people of Hungary were forced into the second economy of overtime, a second job, or a family business on the side in order to make ends meet. The urban working class was very dissatisfied with the fact that the rural class had a better standard of living, resulting from higher food prices and imports.


Again, the crux of NEM II dealt with economic liberalization that was designed to encourage free markets and prosperity at a time when many Western and Soviet banks feared that Hungary would follow the Polish and Romanian governments in defaulting on their loans; but, the new austerity plan was sufficient reason for the IMF to offer membership to Hungary, thereby opening up lines of international credit to Budapest.\textsuperscript{16} In the following years, the government did not enforce NEM II, the economy slumped further and unemployment was rising in a society that expected full employment. The real problem was the fact that increased governmental borrowing only allowed for the upkeep on debt interest payments. The loans were not helping build much needed economic infrastructure, instead it was bankrupting the country. Overall, the NEMs were failed initiatives and the population, including the elites and intelligentsia, had lost faith in the ability of the party to govern; however, within the population, no substantive dissident movement developed until party formation began when the downfall of the Kádár regime was imminent in 1987.

Party elites realized that significant change was the only alternative to mass unrest and political upheaval. The reformists within the party called for a change of leadership and the opposition had been distributing underground newspapers, or samizdat, to display the unhappiness and tension that Hungarians felt for their government. The party had to figure out how to change so that it would not lose its control over society and party elites would not lose their privileges. The socialist formula was based on liberalization within the social structure, but political allegiance to the party's ideological guidance was to be respected—now, the party had to effectively handle the emergence of new, unofficial political organizations without alienating those individuals that still supported the party's socialist plan.

By 1988, the HSWP could no longer contain the internal opposition movement, although in some cases it did try to repress it. With the external forces of perestroika and glasnost being touted by the Soviet leader, Mikhail Gorbachev, the party removed Kádár and some of his closest supporters from leading the party and country and named the Prime

\textsuperscript{16} Weiner, \textit{Change in Eastern Europe}, 49.
Minister since 1987 to the job of party head, Károly Grósz. This move was in essence a bloodless purge of the old guard in favor of a younger, less hard-line leadership. Considered a moderate when it came to reform, Grósz would have his hands full dealing with the new Prime Minister, the dynamic, market-oriented former party Economic Secretary, Miklos Németh. The satellite organization of the HSWP, the Patriotic Peoples Front (PPF), was transformed into an umbrella organization of the reviving society, the patriotic clubs, and professional groups by its Secretary General, Imre Pozsgay, the leading party reformist since the early 1980s. At the same time, well-formed political parties began to emerge from the underground and threaten the very existence of the HSWP.

Political control became increasingly difficult for the HSWP as party members and the opposition were aligning into like groups; hard-liner communists, conservative reform-minded communists, anti-system democrats, and radical, young technocrats whose ideology was not Marxism-Leninism but efficiency and rationality. As the communists were being outmatched in political debate, it seemed that for many there may have been a "disbelief in, and crisis of, communist ideology even among those who at least superficially were its adherents in the past." At this point, the party opted for a break with its past to attempt to preserve as much power as it could by following the desired course of the democratic opposition. The HSWP realized by October 1989 that it must undergo radical change if it was to survive politically,

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18 Simai, "Hungarian Problems," 54.


83
resulting in its dissolution and the ability for the parliament to transform Hungary into a
democratic republic after the elections that were scheduled for March and April of 1990. 20

C. HUNGARY AFTER COMMUNISM

The first large, threatening opposition movement was that of the Hungarian
Democratic Forum (HDF), which emerged in September 1987. With a moderate democratic
agenda, the HDF enjoyed support from the reformist wing of the HSWP and took up the
issues of press censorship, the oppression of Hungarian minorities abroad, the lack of free
elections and a multi-party democratic system, and the privileges of the communist elite. By
November 1988, the HDF had over 10,000 members and was joined by the anti-system
Alliance of Free Democrats (AFD), a center-left opposition movement that appealed to the
urban, middle-class Hungarians.

As developments continued, the HDF grew to 25,000 members and the AFD to
20,000. Another party, the Federation of Young Democrats (FIDESZ—the Hungarian
acronym), had emerged representing the young, anti-system opposition. In addition, in
October 1989, the communists had split into two parties; Pozsgay and the reformers left
Grósz and his hard-line followers of the HSWP to form the Hungarian Socialist Party (HSP).
The traditional pre-communist era parties also reemerged: the Smallholders Party, the

March 1989 led to the start of the Opposition Roundtable, a negotiating group of the
opposition and the HSWP to set forth the policy for the transformation process. The HSWP
did not want to negotiate because it knew that the opposition's strength would force change
to which the party would not want to agree. The negotiations, once the parties decided what
was on the table, lasted from June to September 1989 and resolved many political, and
economic issues preparing Hungary for a peaceful and democratic transition.

20 Schöpflin, Politics in Eastern Europe, 237.
The Constitution and Electoral Law were born from the Opposition Roundtable negotiations. The Constitution defined Hungary as an "independent, democratic state based in law, where the values of bourgeois democracy as well as of democratic socialism have an equal standing." This compromise in which both a middle-class society and socialist element remained was the only way to reach a consensus. Agreements were more easily decided in regard to having a European-type, unicameral parliamentary system and providing a bill of rights and duties, which outlines the fundamental rights and responsibilities of Hungarian citizens. The 386 seat parliament is filled through a complicated, 4 percent threshold voting system of single member constituencies, regional party lists, and national party lists designed to limit the number of political parties in the country and in the parliament.

Hungarians were quite busy at the end of 1989, but as 1990 was rung in there existed a power vacuum in anticipation of the March elections. Many of the 700,000 members of the old HSWP had not yet realigned with the resulting two communist parties or any of the opposition parties. In addition, the Opposition Roundtable had left the issue of the election of the president, the ceremonial head of state and commander in chief of the armed forces, undecided. The AFD, gaining membership and power in the months before the elections, forced a referendum when no consensus could be reached between the communists, wanting the presidential elections before parliamentary ones hoping that their well-known reformist, Pozsgay, would win; and the opposition, wanting the president chosen by the elected members of parliament. The referendum postponed the presidential election, giving the victory to the opposition.

The opposition parties were responsible for forcing the changes to occur as they did in Hungary from mid-1988 to the elections in 1990. Questions have been raised as to how one describes the events that occurred, was it a soft revolution or forced reform of the

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system? Andrew Arato, a professor at the New School for Social Research, says that Hungarians describe the political changes with the Hungarian term of rendszerváltás, 23 or 'exchange of systems', while Timothy Garton Ash has coined the notion of "refolution," 24 a mix of reform and revolution, to describe the negotiated settlement between the regime and opposition that led to the free elections and the transformation of the Hungarian way of life.

1. Democratic Ideals Move Forward

The first parliamentary elections in 47 years were completed on 8 April 1990. The results, as seen in Table VI (on page 87), 25 brought six parties to parliament creating a governing coalition made up of the HDF, Smallholders, and Christian Democrats. The opposition consisted of the Free Democrats, the Young Democrats, and the HSP. The new HSWP made up of old hard-line communists failed to send a representative to parliament.

The issue of the election of the president would arise again once the parliament went into session in May 1990. The HSP led the drive for a referendum (required by the Constitution if 100,000 signatures could be collected) to determine the method of presidential election. Because a legal referendum requires 50 percent voter turn-out and only 15 percent of the population voted in the referendum, the HSP lost its opportunity to let the people

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directly elect the President of the Republic. As the HDF and its coalition had wanted, the president would be chosen by the elected representatives of parliament.

<table>
<thead>
<tr>
<th>Party</th>
<th>Number of Seats</th>
<th>Percentage of Vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hungarian Democratic Forum (HDF)</td>
<td>164</td>
<td>42.5</td>
</tr>
<tr>
<td>Alliance of Free Democrats (AFD)</td>
<td>92</td>
<td>23.8</td>
</tr>
<tr>
<td>Smallholders Party</td>
<td>44</td>
<td>11.4</td>
</tr>
<tr>
<td>Hungarian Socialist Party (HSP)</td>
<td>33</td>
<td>8.6</td>
</tr>
<tr>
<td>Alliance of Young Democrats (FIDESZ)</td>
<td>22</td>
<td>5.7</td>
</tr>
<tr>
<td>Christian Democratic Party (CDP)</td>
<td>21</td>
<td>5.5</td>
</tr>
<tr>
<td>Independents</td>
<td>10</td>
<td>2.6</td>
</tr>
</tbody>
</table>

Table VI: Hungarian Parliamentary Elections Results, 1990

The HDF and AFD, the parties receiving the majority of votes, had decided that the Prime Minister would be an HDF member and the President, a ceremonial position with little power, would be an AFD member. This decision was made without the knowledge and consensus of coalition partners and became an issue of heated debate. Once the names of Árpád Gőncz, a writer and co-founder of the AFD, for President and József Antall, the chairman of the HDF, for Prime Minister were agreed to by the parliament, it seemed that the transition was well underway with the parties working together, in most cases, for the benefit of Hungary. Antall presented a plan of renewal that was to: (1) pursue freedom of individuals by removing restrictions that remained from the past; (2) ensure the state would be an enabling body vice an oppressive one; (3) create a social market economy with privatization and decollectivization of the old communist system; and (4) seek a return to
Europe. The plan set reasonable goals, but, in reality, the government planned to rely on economic recovery as the rudder that would steer Hungary on a course of successful transformation.

The advantage Antall had at the time was a country that knew the communist model was not what they wanted—they saw that system collapse and clearly rejected it as evidenced by the 1990 elections—but time would be the determinate in deciding if unsuccessful policy could cause a move back to the left. The largest disadvantage that Antall faced was that the government, the parliament, and the electorate lacked experience and had to learn while on the job. In this scenario, the mistakes usually are more obvious than the successes and the print media, which had taken a leftist stance, criticized the government on all negative issues, rarely giving it any credit. Another problematic issue was that Hungary was attempting to implement a system of true democracy that one can conclude, by looking back through history, was a system that Hungary had never experienced before the collapse of the communist system.

Political cleavages exist in many areas and are creating problems between and within parties. The HDF, trying to walk a fine line between the opposition liberals and the coalition right-wing, appears to be floundering about without direction. The liberals of the AFD and FIDESZ are perhaps less problematic for the HDF leadership than the right-wing of its party, led by István Csurka. Csurka published a study that was stridently nationalistic, anti-Semitic, critical of his party and its leadership, and advocated the government take a new direction based on Hungarian populist traditions. The study received strong criticism from


28 Discussions of Csurka and his writings can be found in: Arato, "Revolution and Restoration," 117; Held, Democracy and Right-Wing Politics in Eastern Europe in the 1990s
Hungarians and foreign nationals, including a denunciation on the floor of the U.S. House of Representatives by Representative Tom Lantos, a Hungarian-American of Jewish extraction. The HDF was finally forced to react and did so by expelling Csurka and his right-wing faction and, in turn, those expelled formed the Hungarian Justice and Life Party with Csurka as its leader.

The right-wing has also been vocal in their desire to restore Hungary to a position similar to its once great empire status before the losses of the World Wars and the ramifications of the Treaty of Trianon. The treaty that was signed at the end of the First World War took almost three-quarters of its territory and two-thirds of its inhabitants, creating a large Hungarian minority mainly in southern Slovakia, the Vojvodina area of the former Yugoslavia, and the Transylvanian region of Romania. Hungary’s government has been very concerned of the treatment of ethnic Hungarians in these areas, but its irredentist tensions have been calmed of late with improved relations with neighbors, specifically Slovakia and Romania.

Besides the right-wing problems, there is also a visible break between the communists (former and hard-line) and other Hungarians. The backlash of anti-communism was quite apparent in the 1990 elections, but it does not look as if it has had a lasting impact on party politics as the HSP has increased its support from 11 percent of the vote in 1990 to 34 percent in the first round of the 1994 elections. Religious differences are also creating cleavages between the Christians and the secular liberals and socialists. The religious issue

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89
is a historic problem relating to the left-right continuum that continues to divide politicians. The last of the mainstream cleavages is that of the rural-urban divide. The electorate is split quite noticeably and the parties, such as the HDF (looks to represent the rural, traditional, Catholic Hungary), cater to these constituencies. With time, the Hungarian multi-party system will settle its conflicts based on these cleavages to create a party system that best represents the masses.

As Hungary moved toward the 1994 elections, the HDF, which was losing its centrist appeal, was having problems with party and coalition disunity and poor approval rating. The first problem came when portions of the Smallholders Party left the coalition as a result of its inability for quick redistribution of collectivized lands, as the Smallholders had promised while campaigning. The economic problems of Hungary have not improved, and therefore the average Hungarian is not experiencing an economic miracle or even better living conditions, resulting in fond memories for the times that they experienced during the days of "Goulash Communism." The vocal right-wing has discredited the party's ability to govern and Csurka's continued attacks on the health of Prime Minister Antall, who struggled with cancer until his death in December 1993, had hurt the confidence that the people held for the party fearing the leadership shake-up after his death.

As the HDF struggled with the economy in 1994 and improved unemployment and inflation numbers, the HSP, with its promises of better conditions for all Hungarians under its leadership and the support of the old party nomenklatura or red bourgeoisie (those that prospered economically in the early 1990s because of their position in the former communist structure), was able to come to power via the ballot and soap box, means alien to its forebears. The HSP would receive one-third of the popular vote and a majority, or 54 percent, of the seats in parliament, with Gyula Horn, known to many as the Hungarian


32 Ibid., 18-20.
Foreign Minister in 1989 that brought down the Iron Curtain between Hungary and Austria, as the country's new Prime Minister. The AFD received about the same percentage as in 1990 with 20 percent, the HDF swapped places with the HSP receiving 12 percent, and Csurka's right-wingers did not send any representatives to parliament as it failed to meet the required 5 percent minimum vote. With this new left of center government, the concerns are not of a return to communist-styled censorship and collectivism, but that measures will prevent the emergence of a true middle-class and set a course that will take Hungary down a path closer to the transitions of Latin America than Southern Europe.

2. Decentralizing the Markets

Rather than promoting a "shock therapy" program similar to Poland or the former Czechoslovakia, Hungary implemented a more gradual liberalization of the economy as it moved toward capitalism from the centralized "market socialism" of the communist era. Although they were only half-measures, the reforms implemented after 1968 had destroyed central planning and created a far more decentralized economy with a semi-market price system, a network of commercial banks, and a value-added tax. The gradual liberalization approach, supported by the Antall government and the HDF, was favored over the "shock therapy" method because the risk of adverse social and political consequences, as a result the inability of different sectors of the population to adjust to the rapidly changing economic conditions, was too high. In its approach to capitalism, the government of a centralized economy must look at three main parts of privatization: 


shops, restaurants, etc.; (2) large-scale privatization of state enterprises; and (3) the reprivatization of property to former owners. Each of these parts occurred in the Hungarian privatization process.

Small, private businesses grew rapidly in Hungary during the 1980s producing about one-third of the GDP, and the government's privatization of this sector after 1980 was slow. The privatization of the small business sector has not been a high priority as the government has looked to the higher-value large business and industry sectors for producing cash for the indebted country. In addition, the slow process could be a result of the positive impact that the existing small, private and state, businesses, particularly in the service sector, have had on the country's economy—some 50,000 private firms that began between 1989 and 1992 produced approximately 50 percent of 1992 GDP. In addition, in 1992 about 80 percent of Hungarian goods were sold to free market countries, with 50 percent going to EU countries. The reforms since 1968 did create a group of business-oriented individuals that have helped to sustain the country during a very trying economic transformation.

A larger issue that has slowed the transfer of small business is the reprivatization of properties confiscated by the communists during their reign. The 1992 laws requiring that original owners or heirs receive their confiscated property or fair compensation for that property has caused confusion within an already complex system of property rights in this sector and tension, both economic and political, that threaten to compromise the privatization campaign. Restitution becomes a difficult process for a government with little money in its treasury and creates a conflict between the claimant and the government when it is


37 Berend, "Hungary: Eastern Europe's Hope?" 382.

determining the value of claims on businesses and lands that were confiscated over 40 years ago and no longer exist or cannot be reclaimed.

The first large-scale privatization deal was recorded in December 1989 when a majority stake in the Tungram enterprise was sold to General Electric for $150 million.\textsuperscript{39} As other Western companies did the same, the Hungarian government reacted by creating the State Property Agency (SPA) to oversee the sale of all state entities. This was in response to the uneasiness of all the foreign companies investing in the Hungarian market, leaving few companies in the hands of Hungarians. To keep the entire process above board, each transaction carried out by the SPA must be made public and is closed only after open competition among interested bidders is finalized.\textsuperscript{40} The system has helped to keep some companies under Hungarian ownership, but Western capital and influence have been a major factor in the Hungarian privatization process to date.

Through the process, GDP has declined over 10 percent and unemployment reached a high of 13.6 percent in February 1993, most of which can be directly attributed to the global recession and the collapse of the former Soviet and Eastern Bloc trade relationships.\textsuperscript{41} But, in the same period, the Hungarian currency, the forint, became fully convertible, over 1,000 state-owned enterprises have been privatized, and farmland from collective farms are being auctioned for private ownership.\textsuperscript{42} Foreign investment through 1992 was about $5 billion, with investment by some of the largest transnational companies like General Electric, General


\textsuperscript{40} Yudit Kiss, "Privatisation in Hungary—Two Years Later," \textit{Soviet Studies} 44, no. 6 (1992): 1019.


\textsuperscript{42} Michta, \textit{The Government and Politics of Postcommunist Europe}, 62.
Motors, Philips, Ford, Suzuki, Nestle, Unilever, and Opel. Hungary, when compared to Poland or the former Czechoslovakia, has proceeded the furthest down the road to a privatized, capitalistic economy, and, in doing so, has shown how difficult a transformation it is. With the HSP taking control of the economy, Finance Minister László Békesi, a radical, former communist reformer that is reassuming the position he held before the 1990 elections, is likely to put an austerity program in place that may even surprise some of the Liberals. This will help Hungary as it continues to seek a capitalistic democracy.

3. Social Modification

The formation of a free society in Hungary is dependent on the people and the success of economic transition. The transition experiences from the market-oriented economic reforms and the political liberalization have promoted a progressively more flexible relationship between state and society from 1970 on and especially since 1989. The key to a civilized society is the action of the people within it, an occurrence that was quite limited and not effectively pursued in communist Hungary during the Kádár period. What were considered to be the local governments and organizations for the people were actually representatives of the central communist authorities—these local bodies were assigned the task of the reinforcement of communist control over society. As changes began to take

43 Berend, "Hungary: Eastern Europe's Hope?" 382.
place, the people became aware of the corruption that was associated with this societal organization under the communist government.

As the new government coalition under the HDF took over in May 1990, it was able to pass legislation that provided clear direction to the management of municipalities, education, social welfare, and other benefits and pensions; however, legislative inconsistencies soon became apparent as a result of multiple legislation dealing in overlapping areas. Increased unemployment caused by the privatization process and legislative confusion caused many Hungarians to favor a reemergence of the socialist ideals of "social justice in terms of equality, social security, strong state intervention, and limitations imposed on individual economic incentives and profit orientation."48 This stance is not considered to be that of the former communist "market socialism," but a softer "democratic socialism" with protection for the impoverished through better institutions providing social policy, less unemployment through job training, and better quality education for children and workers through a revamped education system.

One of the best advances for workers in Hungary was the rewritten Labor Code that went into practice in 1992. The Code is modeled after the German labor laws with the implementation of "work councils" formed at the employers expense to represent the workers in negotiations and discussions with management. The Code provides for items such as: (1) protection for workers against discrimination on account of sex, age, nationality, race, extraction, religion, or political belief; (2) 24 weeks of maternity leave; (3) two years leave to care for sick family members; and (4) 20 days paid vacation and ten days of sick leave at three-quarters pay. The Code also encourages companies to enhance workers' skills, education, and training to facilitate the reallocation of labor required by economic restructuring. The Ministry of Labor believes that the Labor Code is important for workers

but they must also understand that in a market economy, unlike the socialist economy of communist Hungary, will not provide full employment.\(^9\)

At present, with the political transition complete, the social changes needed to generate real civil society in Hungary appear to be hinged to the successful outcome of a privatized market economy. The people do believe in a market economy based on what they know of the West and the result of the economic transformations is expected to yield social mobility and equality of opportunity. There must also be a removal of the concept of state-socialism that burdens many Hungarians into believing that only the educated, young urbanites can prosper in a market economy. The idea of helplessness, disorganization, and subsidization must be replaced with development of skilled workers and entrepreneurs within a motivated, meritocratic-oriented, and self-reliant population.\(^{50}\)

There is no better time than the present for Hungary as the West, both in Europe and across the Atlantic, are emerging from recession with open markets that can absorb Hungarian goods and help to further develop its markets and society with financial and technological support. With the recent move politically to a government that is left of center, it is difficult to predict the outcome of future economic and social progress.

4. International Acceptance

Hungarian foreign policy since 1990 has been aimed at gaining entrance into Western European political, economic, and security organizations. "In its relations with the West, Hungary enjoyed the advantage of an established good reputation, and was the first of the


\(^{50}\) Örkény and Csepeli, "Social Change, Political Beliefs, and Everyday Expectations in Hungarian Society," 272.
post-communist states to be admitted to full membership of the Council of Europe.\textsuperscript{51} This was the first step toward Europe in Hungary's search for quick ties to the West and regional cooperation was also sought as a method of becoming more attractive to the Western institutions. Hungary was one of the founding members in 1989 of the Pentagonale, which also included Austria, Yugoslavia, Italy, and Czechoslovakia. Poland later joined and the organization became known as the Central European Initiative, but, after the split of Czechoslovakia and the disintegration of Yugoslavia, the organization's future remains uncertain.\textsuperscript{52}

Prime Minister Antall pushed for EU membership from the early days of his governments ascendancy to power in 1990. For his efforts, Hungary gained associate membership in November 1991 and hopes to have full membership by 2000. The EU has been important in helping Hungary to establish a strong market economy with an efficient institutional infrastructure and strengthen the fundamental elements of its democracy in areas such as the rule of law, human rights, pluralism, the multi-party system, and free and fair elections.\textsuperscript{53} Hungary's transformation process has outpaced other Eastern European countries and has received much economic assistance, in the form of aids and loans, from the EU, OECD, IMF, World Bank, and individual Western countries. With this assistance and its associate status, Hungary believes that it is well on its way to full integration and acceptance in the European community of nations.


\textsuperscript{52} Kun, \textit{Hungarian Foreign Policy}, 123.

Since the dissolution of the Warsaw Pact in June 1991, Hungary has been seeking NATO membership. Measures have been put in place to depoliticize the military and it has been put under the control of the Hungarian Minister of Defense, Lajos Fur, a civilian and founding member of the HDF. Fur, taking the Ministry in May 1990, has restructured the military as a national defense force and implemented a doctrine that has become law allowing the military to train only for the purposes of defending Hungarian territory, except for peacekeeping missions authorized by parliament.\textsuperscript{54} These moves and diplomatic persistence caused NATO to establish the North Atlantic Cooperation Council (NACC) in November 1991 as a link between NATO and the former Warsaw Pact countries and to announce in May 1992 at the NATO Oslo meeting that NATO widened its mandate to include the use of troops and equipment for peacekeeping outside the borders of NATO countries. Hungary interpreted this as the extension of a "security umbrella" that no entity, like the CSCE or NACC, other than NATO could provide effectively.\textsuperscript{55}

Hungary's position on providing its security has been a priority and is apparent by its desire for membership in the EU and NATO. Hungary also participates in the CSCE and maintains good relations with non-warring neighbors, while also seeking military exchanges with countries such as France and the United States. To expand on its NACC program, NATO, at the January 1994 meeting in Brussels, unveiled the "Partnership for Peace" plan that allows for broader cooperation by including all the countries of the former Soviet Union and Warsaw Pact. This expansion to include Russia was an obvious move to respect the great power and influence that Russia still has in Eastern Europe.\textsuperscript{56} As the late NATO

\textsuperscript{54} Michta, \textit{The Government and Politics of Post-Communist Europe}, 66.

\textsuperscript{55} Kun, \textit{Hungarian Foreign Policy}, 124.

Secretary General Manfred Woerner said concerning moving NATO eastward, it "will make sense only if it results in the enhancement of European security, not its deterioration."57

With the recent elections that brought the HSP to power, it is impossible to predict where Hungarian foreign policy will go or if the new government will seek to participate in Europe as did the former HDF government. The HSP government has placed multiple obstacles in front of Hungarian membership in NATO, but has not made similar comments concerning further integration into the EU or its military arm, the WEU.58 If the goal of a capitalistic democracy is desired, then most likely the current path that Hungary is following would lead Hungary to further involvement in the institutions and organizations of Western Europe. The will of the people changed to government, and one must hope, for their sake, that the decision they made at the ballot box was the one that will take all Hungarians where they want to go.

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VII. CONCLUSION

The similar occurrences of change that Spain and Hungary have undergone in the twentieth century and, more specifically during their transitions, have been quite amazing and have led to the study of Spain as a model of democratic and capitalistic institutionalization. For this reason, these occurrences, whether of a similar or dissimilar nature, will be discussed as a precursor to understanding whether Spain's case is a model for Hungary. The first of the similarities relates to the beginnings of the authoritarian regimes, when General Franco and the communists secured power in their respective countries. In Spain, Franco's means of ascending to power was by defeating the elected Third Republic government, while the Hungarians saw communism take power from the disintegrating Smallholders Party in questionable elections overseen by the Soviet Red Army. Once in power, Franco instituted a rightist authoritarian dictatorship and Hungary, after the 1956 Revolution, experienced Kádár's leftist communist dictatorship. A dissimilarity is present in that each regime had a power base in opposing wings of the political spectrum, but the power and control that each wielded within society was unquestioned.

To maintain order without the continuing and obvious use of force or repression, each regime saw the necessity of economic reform. Both Spain and Hungary allowed economic liberalization policies to be implemented that resulted in increases to the quality of life of most of their subjects. With the economic change, the people saw an opportunity for social liberalization which was not an aspect of the economic reforms that the regime's had expected or wanted. Franco slowed the social progress by striking out against the areas that were expressing too much freedom, thus showing the rest of the population that some of the new liberties would be tolerated but they must be exercised in moderation. In Hungary, the government attempted to reverse the trend, but found that it had progressed too far and excessive force would be required to squelch the liberalization. The result of the economic reforms was the growth of a weak middle-class—although much better developed in Spain
than in Hungary—and a process which eroded and weakened the political stability of the authoritarian regimes in each country. The Spanish experiment better prepared the constituency for the transition, as it was a real capitalistic, free market economy with some protectionism; whereas in Hungary, there were two economies, one based on the Soviet-styled centralism and the other based on an underground-styled black market of double employment and small home businesses. The liberalization in each country caused the two soft authoritarian dictatorship countries to pick up nicknames: Spain became known as Europe's "façade democracy," while Hungary's governing style became known in the Eastern bloc as "goulash communism."

The transition phases began after the death of an significant institution. In Spain, that institution was the death of the leader, General Franco, and in Hungary, it was the death of hard-line, secretive communism as Soviet President Gorbachev began his campaign of perestroika and glasnost. The subsequent leaders of both countries, Spain's Arias and Hungary's Grósz, were carryovers from the old regimes that did not realize that the transformations that their countries were about to undertake would move so quickly that they would be left behind. In the first free elections, no one party could win a majority thus requiring a coalition be formed to carry out the process of changing their countries. In addition, the transition phases was completed by each country's electorate voting the party that led the transition, Spain's UCD and Hungary's HDF, out of office in favor of a party that was politically left of center, the PSOE in Spain and the HSP in Hungary.

The most important of the contrasting occurrences of the two countries are the following. The first is a result of the economic transformation in which Spain developed highly influential and effective trade unions that were able to work with the parties and government to assist the transition by improving working conditions and salaries. In Hungary, the trade unions that did develop were not considered to be effective nor did they have the support or confidence of the working public to be beneficial to the cause of workers. The Spanish middle-class was better prepared for the changes that Madrid instituted and was
able to proceed through the transition phase with little governmental intervention by a
government that was overwhelmed by the burdens of organizing a stable political
infrastructure. Spain was not forced to deal with the privatization or decollectivization of the
entire centralized economic structure of the country as was the case in Hungary, thereby
requiring the government to show as much or more attention to the issues of developing a
stable capitalist economy as to developing a stable pluralistic democracy. The level or
intensity of involvement in making the changes necessary in Hungary far outreached those of
Spain.

Other areas of contrast were those of the Church and the armed forces. In Hungary,
the Church played a passive role providing support to neither side, whereas the Church in
Spain actively supported the opposition of the Franco regime and committed itself to the
democratic transformation. The Church also sought to influence the drafters of the
Constitution of 1978 in specific areas that Church leaders felt it should maintain its positive
role of influencing Spanish society. When looking at the armed forces, the Hungarian case
was much simpler since the military hierarchy immediately swore their allegiance to the
elected government. In Spain, the process was very difficult and required all the tact and skill
of the King and Prime Minister to maintain control of the armed forces. Even with all the
time and effort spent negotiating with and briefing the military, one coup d'état was attempted
in February 1981 and two others were thwarted before taking shape. This problem of a semi-
loyal group of officers within the Spanish Armed Forces was such a threat that it caused the
PSOE to implement a comprehensive restructuring of the forces under the control of a civilian
Minister of Defense once they assumed power in 1982.

King Juan Carlos had no counterpart of equal stature in Hungary that played an
equivalent role. He made it clear in his coronation speech that changes were going to begin
in Spain and, thereafter, did everything in his power to ensure that the transition proceeded
in a manner to his liking. The King's relationship with the military and his involvement in
removing the hard-line Franquist military hierarchy was paramount to keeping the peace when
reforms moved rapidly and often countered the desires of some of the military leadership. Prime Minister Suárez' announcement of the legalization of the PCE, the very party that supported the Loyalists of the Third Republic, or their enemy of the civil war was the most important case. The King also represented a change from the 36 years of dictatorship that had smothered many freedoms of Spaniards and had smashed their freely elected government during the Spanish Civil War. There was no individual in Hungary that could restore their memory of the glory days of the Hungarian Empire before the devastating losses of the two World Wars.

Perhaps the most important aspect of the Spanish transition that is not seen in Hungary was the elite settlement and its ability to negotiate an acceptable consensus for the benefit of the people and the nation of Spain. The elites, most importantly the political elites, worked together, across party lines and ideology, to reach the best result for the new Spanish democracy. Examples are present in every phase and found in nearly every decision that was made as the institutions were developed, like the Law for Political Reform, the Constitution, and the Pacts of Moncloa. This elite settlement allowed for participation by the parties through designated representatives in an atmosphere that fostered friendship and camaraderie, and more importantly it placed decision makers in a comfortable setting where agreements could be reached without overbearing pressure and exhaustive numbers of varying opinions.

The foundation of the democratic system in Spain required that issues that polarized and divided the Spanish society, including the elites themselves, be decided mutually among few elites and for the people as a whole. For the system to represent all the people fairly, the only answer was to join left, right and center, incumbents and formerly clandestine opposition, monarchists and republicans, as one Spanish political unit. With the forces from the top determined to work together and the masses mobilized in support of change from below, the outcome could only be an organization that would provide the Spanish people with a government that truly serves its people. For Spain, the elite settlement was an unusual event that happened within the right circumstances, with the right people, at the right time; or one
seeking an answer to how this all occurred might respond like Richard Gunther did by presuming that the Spanish transition to democracy suggests that something else existed that confounds systematic analysis, that being luck.¹

It does not appear that Hungary has received its bit of luck yet. The problems of transforming all the institutions and infrastructure of a country in a short period of time is extremely difficult and takes years, maybe even decades. The elites that assumed the leadership roles in Hungary did not work across party lines and, in many cases, they did not work with fellow members of their own party. Examples are many, but one showing how the parties did not working together is represented by the inability of the parties to decide on how the President of the Hungarian Republic would be elected, and one showing interparty problems is represented by the internal accusations and harassment that went on in the HDF between the Antall-led center and the Csurka-led right-wing. To date, the ruling political elites have not shown any movement toward working with opposition parties, groups, or coalitions in order to achieve consensual legislation.

The Spanish case does not lend itself to the situation in Hungary. Despite the similarities, major points have occurred differently and Hungary is forced to deal with issues with which Spain did not have to contend. The future of each of these countries is difficult to predict; however, it is easier to look at Spain and see that its prospects for continued success are more certain. As the global recession begins to ease, Spain's economy should once again flourish and help prepare the country's economy for further European integration and competition. With the events that have occurred on Western Europe's eastern borders since 1989 and the global recession that has caused economic problems throughout the EU, it is likely that the EU's integration timetables—whether any of the Central or Eastern European countries are allowed membership—will have to be delayed from its original schedule. As for Hungary, the rebounding economies to its west can only help economic development, but the stability of the governmental institutions now depends on how well the

¹ Gunther, "Spain: The Very Model of the Modern Elite Settlement," 77.
former communist reformers of the HSP lead the country. If stability is achieved in both the sociopolitical and socioeconomic sectors of the country, further partnerships or integration with Europe and the West can be expected. Membership to the EU will come to the former Visegrad countries (Hungary, Poland, and Czech Republic) before they can expect membership to NATO, even if the HSP plans to remove the hurdles that they have placed in front of NATO membership. If stability prevails, Hungary is on the path to a successful and prosperous future as a member of Europe, even if that path is not modeled after the successful transition and consolidation in Spain.
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