

# ThE Papers 05/15



Departamento de Teoría e Historia Económica

Universidad de Granada

## Local Life and Municipal Services in Spain at the Beginning of the 20<sup>th</sup> Century<sup>1</sup>

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<sup>1</sup>This text is a part of the book *Urban Growth on Two Continents in the 19th and 20<sup>th</sup> Centuries: Technology, Networks, Finance and Public Regulation* (2004), which was published in Granada (Spain) under the supervision of Andrea GIUNTINI (University of Modena, Italy), Peter HERTNER (University of Halle-Wittenberg, Germany) and Gregorio NÚÑEZ (University of Granada, Spain) by Editorial Comares.

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Key words:

- City and Town Life – Spain - History
- Cities and Towns – Spain – History
- Economic History – Spain – 1878-1944
- Urban Life – Spain – 1878-1944
- Urban policy
- Urbanization - Spain

The interpretation that still prevails of the political and economic history of Spain at the beginning of the century, emphasizes the basically rural and backward character of a society that grew and was modernized very slowly. Even as late as 1932-1936, during the Second Republic in Spain, political backwardness, industrial underdevelopment and engrained agrarian conflict are common factors stressed by many authors and, in contrast, there was a lack of a solid alternative politically and economically rooted in their as yet minority urban middle classes.<sup>3</sup> And «perhaps the sole outstanding fact in 1898 was the extent and unanimity of the malaise in the middle class» [PAN-MONTOJO, 1998, p.262]. Recently these ideas are being revised in search of «more subtle interpretations of the political reality which is more prosaic, but not for that reason less complex». Political historians such as Forner and García argued that political fraud, corruption and backwardness cannot explain completely and convincingly early 20<sup>th</sup> century Spain. On the contrary, they suggest that the implicit critical factor in the so-called «vieja política» (*old politics*) was a more general lack of civic maturity, that might have filled the established rules of the political game with democratic content [FORNER & GARCÍA, 1992, pp. 41 y ss.]; but in fact Spanish society only gradually began to fill this gap. They also add that, in such a process of growing maturity, cities played, as should be expected, a fundamental role.

## 1. Introduction.

Literature is also being revised on the centenary of the Spanish-American war of 1898. The profound crisis which was unleashed in Spanish society produced ample literature centred on *los males de la patria* (the nation's ills) describing bitterly the social, political and economic situation of Spain, the so-called *criticismo noventaiochista* (critical attitude of '98). On the more strictly economic aspects, Jordi Maluquer wrote that

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<sup>3</sup> See PALAFOX, 1991; JULIÁ, 1994; CABRERA & COMÍN & GARCÍA DELGADO, 1989; COMÍN, 1996; NÚÑEZ, 1998; MALUQUER, 1999; NÚÑEZ, to be published, and many others.

« ... one of the more interesting consequences of the great upheaval of '98, in the economic area, was the introspection and the analysis of reality in a way never to be known again in Spanish history. Some of those reflections were extraordinarily lucid. Several economists agreed in describing Spanish economic backwardness in modern terms. National slowness was considered a problem of collective attitudes and not one of lack of resources» [MALUQUER, 1997].

Following that line of argument we should emphasize that at that time many cities, more or less significant, gave clear symptoms of a new dynamism; they represent a growing sector of the Spanish society and economy, whose singular nature was clearly expressed at a critical moment at the end of the 19<sup>th</sup> Century and the beginnings of the 20<sup>th</sup>. These cities took better advantage of existing opportunities and tackled economic, social and political modernization in a more energetic manner. At the head was Barcelona, the then industrial capital of Spain, where in 1901 the formal break between the emerging political forces and the Restoration regime, established by Cánovas in 1876, began [see DE RIQUER, 1992, pp. 41 y ss.]. Among these changes there was a generational break with wide repercussions -much more than a simple bypassing of an aged oligarchy- as well as the already mentioned social maturity of the urban nuclei; in the future

«the number of councilmen rising from professional and technical sectors, that is, of the new middle classes, grew significantly and, at the same time there was a clear decrease in those who were important merchants and manufacturers. The exception was those linked with growing sectors, such as electricity, chemical industry or graphic arts. There also was a meaningful presence in the Municipal Council of Barcelona of managers of the top new companies (insurance, services, finance) and other people with obvious civic and cultural prestige (intellectuals, journalists and liberal professionals)» [DE RIQUER, 1992, p. 48-49; cfr. FORNER & GARCÍA, 1990, p. 15].

In the following pages we will give a rapid vision of a set of Spanish cities in an attempt to reveal some manifestations of local vitality and to identify its main protagonists. We will express the opinion that, in Spain as in other countries, some cities, perhaps not so backward in respect of the most dynamic ones in other countries [see Robert Millward's paper, in this volume], served as ecological niches where, in the fever of the new needs and opportunities linked to the second industrial revolution, there were new political experiences and new performance standards. Even so, the economic and financial moment during the first decade of the century turned out to be very favourable as observed by Albert Carreras and Xavier Tafunell [see also Juan M. Matés' paper, in this volume]. But probably the excessive extent of the territory, its low density of population and wealth, the slowness of industrialization and the reduced interrelationship between the modernising urban nuclei, limited their incisive capacity and they didn't carry out a coordinated political option able to overcome the political limitations of the regime. Under these circumstances municipal policy should be seen to represent an exceptional shop-

window where the objectives and the limits of such an alternative can be observed.

## 2. Main Protagonists.

As usual in regimes with old urban developments, the growth of the Spanish cities in the context of industrialization did not involve the creation of new nuclei but the growth and differentiation of pre-existing ones. In the long run, large Iberian cities at that stage behaved not very differently nor were they very far behind other southern European cities. A rapid revision of the statistics of B.R. Mitchell on greater European cities reveals that Madrid and Barcelona found themselves among the greatest cities of southern Europe, exceeded only by Naples. Valencia, the third and last Spanish city included in Mitchell's statistics, figures in the 12<sup>th</sup> position, not far behind Bordeaux. If we consider their respective rates of growth in the long-term, we can observe that the four Iberian cities -Lisbon included- found themselves among those with a more rapid growth between the 1880s and the 1920s; this position was only exceeded by Milan and Rome, and was close to Bologna. If one can use the term 'backward' in this context, it is better suited to large French cities than to Spanish ones [see MITCHELL, 1978].

In contrast, comparisons are less favourable if we consider the density of large cities in relation to their territorial extension. Mitchell's statistics include six large cities in France, seven in Italy and one more in Portugal; but only three in Spain. That represents 2.78 large cities per 100.000 Km<sup>2</sup> in continental Italy, 1.13 in continental Portugal and 1.09 in France, but only 0.61 in mainland Spain. This reveals the low urban density in Spain, which was very far below the rates of Portugal and France and even further below Italy, Germany, Belgium and other Central European countries [cfr. the maps in TEICH & PORTER, 1996].

This idea of territorial imbalance and low density level of the urban network in Spain is largely reinforced if we increase the number of cities under consideration; in 1910, besides the greater three mentioned cities, there were in Spain another five municipalities with over 100.000 inhabitants (Seville, Malaga, Murcia, Zaragoza and Cartagena) and another fourteen with more than 50.000; the distribution of those cities showed a decisive southern and eastern tendency in the Peninsula. Searching for a level of cities with a relatively uniform distribution over the whole country, we need to consider the segment of smaller municipalities, up to a threshold of 20.000 inhabitants; only at this level can we observe a broad network of up to 78 cities, with a relatively homogeneous distribution. However, even these cities showed a significant difference of scale and density among the peripheral regions and the sparsely populated highlands in the centre of the Peninsula.

Apart from the size of urban agglomerations other variables should be considered. Even more relevant than the agglomeration itself, urban life requirements are bound to the density of population. It is precisely this factor, as reflected, for example, in different types of buildings, which is one of the defining

characteristic features of a great city; this feature does not seem to have been widely extended in the Spain of that period [see GÓMEZ MENDOZA, 1986, p. 57]. A rapid look at the 1917 *Anuario Estadístico de España* shows that the thirty municipalities with over 35.000 inhabitants had dwelling densities of between a minimum of 4.60 inhabitants per building (just one family per building in Lorca, province of Murcia) and a maximum of 43.34 in Madrid (which means almost eight families per building). But a more thorough analysis of this disparity leads to the conclusion that density of dwelling and size of urban agglomeration were not interrelated. Among the ten higher density cities, we find the two largest ones in the country -Madrid and Barcelona- together with other medium-sized -such as Bilbao, Cadiz or Santander- and also several small ones -such as San Sebastian, Pamplona, Ceuta, Burgos or Logroño.

It could be expected that size and density affect a city's quality of life, particularly during the first phase of industrialization [see NÚÑEZ, 1997]. What were the conditions of life in Spanish cities at the beginning of the century? We can draw some conclusions, at least provisionally, by taking mortality as an indicator. The average mortality rate from 1909 to 1917 shows, for example, that Madrid and Barcelona overcame the challenge by balancing the negative and positive drawbacks of urbanization and their mortality rates were slightly below the average figures for Spanish cities. Among remaining cities it must be emphasized, once again, that there is a great disparity in results; some of them show a proportionally high quality of life; some others had a very low one, expressed in high mortality rates.

The drawbacks of density can be overcome by technical, material and/or organizational means and, of course, by significant investment. Moreover, as can be expected, an urban context shows an acute preference for collective provision of goods and services, and there is, therefore, a correlative increase of the public services. So we can study the relation between the absolute population of cities and their respective figures on municipal expenditure. In general one would expect to see a positive correlation between the sizes of the cities and their total municipal budgets; in other words, high values of the former variable should also correspond to high values of the latter.

An identical correlation between dwelling density and per capita municipal budget should be expected. In this case we consider that to intensify the use of the land with bigger and more densely occupied buildings requires a greater intervention of public Administration.

The available data for Spain provides us with some very revealing evidence.

**CLASSIFICATION OF SOME SPANISH PROVINCIAL CAPITALS  
ACCORDING TO THEIR DWELLING DENSITY AND QUALITY OF LIFE IN 1917  
(FIGURES IN BRACKETS REPRESENT THE *PER CAPITA* LOCAL BUDGET IN PESETAS)**

		LIFE QUALITY (INVERSE OF MORTALITY RATE)		
		LOW	MEDIUM	HIGH
<b>DWELLING DENSITY RATE (INHABITANTS PER BUILDING)</b>	<b>HIGH</b>		Madrid (52,4)	S. Sebastian (171,2) Bilbao (139,0)
	<b>MEDIUM</b>	Seville (36,8) Cadiz (36,0) Valladolid (34,8) Cordoba (24,8)	Barcelona (73,7) Santander (61,2) Saragossa (37,9) Corunna (33,1) Malaga (24,9)	Valencia (34,2) Tenerife (29,4) Badajoz (21,7)
	<b>LOW</b>	Granada (26,3)	Oviedo (30,6)	Palma M. (17,8) Alicante (17,7) Lugo (11,5) Murcia (6,6)

Observed correlation between absolute figures of population and municipal budgets in 1917 is linear and, of course, rising steeply. In general we can say that, on average, for each inhabitant there was an average of annual local expenditure of Pta 63.15. Nevertheless serious differences can be observed within a wide fluctuation band. The increase in per capita expenditure of each municipality is the result of a very long and complex history, full of needs and projects, crises and achievements. Vicissitudes of local policy and hidden interests in the administrative history weigh sometimes as much as the heavy pressures of demography and industrialization. The observed phenomenon has at least one interest: to clarify, as Adolfo Posada emphasized at the time, a very different reality from the one which would be expected taking into account the legal uniformity applied by the municipal regime, theoretically existing in law, but very far, as we saw, from reality.

Speaking about the correlation between dwelling density and the relative weight of the local public sector, things become more complex. We can conclude that, at the beginning of the 20<sup>th</sup> century, those Spanish cities which had better standards of living seem to have balanced the drawbacks of the higher density with a more than proportional increase in the municipal budget. In other words, cities which looked

more urban (higher density) and were more modern (higher standard of quality of life) seem to have found the reasons and the means of reinforcing the local public sectors. In any case the following phenomenon seems to have been quite widespread: municipalities with high dwelling densities -at the head of which San Sebastian and Bilbao are outstanding examples- had considerably increased the proportion of local expenditure, while cities of low or even medium densities maintained public expenditure levels significantly lower, even in cases such as Murcia, Lugo, Palma de Mallorca or Alicante, characterized by a higher than average quality of life.

The Table represents these phenomena. It allows for a clear reading: in the upper right-hand box, containing 'modern' cities, of both high density and high life quality, we also find a clear preference for high per capita municipal expenditure, while in those of the lower left-hand box, we find underdeveloped cities, of low density and despite this low quality of life. We also find among them low or medium averages of per capita municipal expenditure. But this is not all. Cities considered as 'modern' also show high or medium rates of demographic growth in the long-term, while those qualified as underdeveloped grew very little. We believe that the table effectively describes the situation of Spanish cities in the context of the second industrialization; the upper right-hand box brings together the most advanced cities, with a typically urban look - whether by accumulation of popular habitat, or by an increase in high-standard dwelling, concentrated in new apartment buildings - and by greater health - the result, without any doubt, of a most adequate resolution of ecological problems generated by urban habitat. The suggested relative correspondence between the high level of local government expenditure and the cities' modernity will probably require further research.

There seem to have been at least two different local strategies, both able to provide high quality of life: the first one involves ample use of land, preferably under private use, maintaining a low level of per capita municipal expense. The second one involves an intense use of the urban land, while compensating its drawbacks with an increase of public expenditure and collective services. The 'fair' evolution of such a process that could be expected would be represented in the Table as a gradual upward displacement (increase in density) and rightward (improvement in the quality of life), even though undesirable displacements towards the left can be observed (that would represent an 'unfair' evolution in which demographic growth leads to the deterioration of the quality of life beyond the skills or the financial ability of the authorities of the city). Also, in this sense, many Spanish cities at the turn of the century behave as might be expected. In any case, it seems obvious that many of them sought through an increase in their public budgets and in the reform of their local Administration, a response or, perhaps even better, an additional capacity of response to perceived problems and opportunities.

Nevertheless, we cannot consider, at least not *a priori*, as a wrong option the maintenance of low level of municipal expenditure if urban needs were not pressing at the time, or if this pressure could be relieved in another way; this was particularly true if the problem could be solved by means of greater land consumption and/or privately supplied goods and services. A quite different argument would be to judge the long-term viability of this strategy that seems limited to low demographic growth

areas, while cities with greater demographic growth, higher dwelling density and higher quality of life, tended towards high per capita municipal expenditure. But this is not the subject of this paper.

At the turn of the century Spanish politicians and analysts often denounced the financial restraints imposed by the State upon municipalities. Observed data emphasize in comparative terms the validity of this institutional argument. The fact that the two cities with the greatest municipal per capita expenditure belonged to the more dynamic *provincias forales vascas* (statutory Basque provinces) such as Vizcaya and Guipúzcoa, endowed with fiscal and financial autonomy, reveals the institutional limitations of the local Administration and justified the chorus of protest, particularly in Barcelona. But a more general and detailed panorama allows us to emphasize that, with the possible rigidities and constraints of central Administration, the path to reforms and to increased public expenditure was not absolutely closed to local Administrations who were interested in it. It should be noted that municipalities such as Vitoria and Pamplona, themselves endowed with the same statutory capacity as Bilbao and San Sebastian, provide negative confirmation. In any case, it seems clear that the driving factor of the new municipal strategies was simply the gradual transformation of cities into modern nuclei of population, i.e. large, dense and moved by significant long-term growth. This meant that solutions inherited from the past became insufficient or even impracticable.

### 3. The Context of Change.

Despite administrative centralism and political and social backwardness of the Spain of the Restoration, repeatedly denounced throughout the whole century, began to take place in Spanish society towards 1901 and already increased criticism of the political system became evident and these not only limited changes, but, on occasions, totally blocked them. One of the most important scholars of sociology and urban law in Spain at that time, Adolfo Posada, considered this situation in the following subtle terms:

« ... the consolidation of the Regime initiated in [the municipal Act of] 1870 and modified in 1877 and 1882, has allowed [...] the necessary differentiation which will encourage hopes of improvement. But the established Regime, with its continuity hardly interrupted by slight reforms, had aged and finally became impotent in expressing in its abstract formulations the historical reality of local life, complex in itself, diverse in its hopes and needs, resistant in its traditions, with new demands emerging from the development of important political principles and from the growing intensity of social life, especially in cities. During the period in which the Municipal Acts of 1877 and 1882 were in effect, the fact to which we are referring, and besides their true effect, an effective doctrinal and real process of renovation of local life began». [POSADA, 1936, pp. 432-33].

Moreover, we can observe the rise of an important local reform movement, which lead not only to defend and widen local autonomy, but also to find in it the economic



and political strength for 'regeneration'. A new concept of policy and Administration appears at the end of the century in the main Spanish cities as in other countries. But this will be the subject of another study.

The same as today, at the beginning of the century the problem looked clearly defined within the political conditions of the period: «to have available more financial resources [for local public Administration] without further encumbering either the ordinary budget or the taxpayer» [ANABITARTE, 1974, p. 100]. The dominant culture and the political coalitions did not allow any other option neither in Spain nor in other countries. And it should be noted that the previous text refers specifically to San Sebastian, in one of the statutory Basque provinces, endowed with financial autonomy, and which was undoubtedly one of the most dynamic municipalities in the whole country.

Alternative solutions were found, through administrative and financial reforms, by resorting to credits, with all the consequences that this involved. Therefore, municipal management -not only service management but also tax collection- was projected in the purest commercial style. In this context, for example in 1897, the municipality of San Sebastian began to set up the reforms, established a municipal accounts inspection and proceeded with the conversion of the municipal debt. Soon after, the municipality of Valladolid started down a similar road while that of Madrid was studying various reform and financial consolidation plans [see CRISTÓBAL Y MAÑAS, 1900, and FRANCO RODRÍGUEZ, 1912]. We believe that examples will multiply and diversify as we advance in the systematic study of the history of the Spanish Local Administration in the last decade of 19<sup>th</sup> century and the first of the 20<sup>th</sup> century.

Commenting on the reform project of 1899 for the municipality of Valladolid, Santiago Alba, one of its promoters, deliberately associated the administrative reform, the reestablishment of the municipal credit and the improved investment in infrastructures in a global unit which represented quite a new model of local Administration; it was intended to do away with

«the unacceptable process of misleading budgets, growth deficit, low-level services and the increasingly long and unbearable postponements of those indispensable works for the seriousness of the municipality or undeniable demands of local life, that became more urgent without obtaining secure and sufficient satisfaction» [ALBA, 1899, p. 5].

Against the old and criticized local management model he stressed that already

«the example of other capitals, less rich and smaller than ours, but owners of their own credits [who], as a consequence of an honest and ordered administration, shows, as in a fairy dream, the wonderful spectacle that loans provided, sewers and barracks built, and schools where they could teach the only path to regeneration» [ALBA, 1899, p. 6].

At the beginning of the century the large Spanish municipalities -and also

some smaller ones- which issued bonds were relatively numerous [see NÚÑEZ and CASTELLANO, 1998], some of them because of old debts. But many others, on the other hand, at the service of a renewed infrastructure policy. Undoubtedly, one of the most advanced by far among them was the municipality of Barcelona [see ROCA, 1979]. The city already had solid, long and brilliant experience in the organization of city services and its advancement as a first class industrial and commercial centre. In this specific case the reform movement allowed a significant conversion of local debt, executed in 1906, with the purpose of reducing interests by 25%. The success of this plan and many other conversions and issues of bonds tell us a great deal about the favourable conjuncture that was encouraging the contemporary Spanish economy [cfr. TAFUNELL, 1992] -with the gap imposed by the difficult years 1898-99- and about the good direction and favourable expectations that guided new municipal initiatives. The way seemed then clearly defined and conditions were favourable for new political initiatives.

But returning to the Santiago Alba's text. In substance it proposed, furthermore, to use leasing as a general technique for the management of public services, including municipal tax collection of every kind. It was a question of restoring in all its purity the dominant privatising line prevailing through the Restoration, a line that with few exceptions had characterized the new public services, including those in which the responsibility and even the property of basic resources belonged by law exclusively to the municipalities (e.g. water-supply networks, public lighting, streetcars, electricity, telephones, cleaning services, etc ... ) [see ABELLA, 1903, pp. 347-48]; a criterion whose exact evaluation remains to be assessed but that can not be described *a priori* as inadequate given the historical conditions at the time [cfr. VELARDE, 1961, pp. 255-56].

#### 4. Municipal Public Works: An Indicator of Local Dynamism.

In their already quoted book Francesc Roca systematized the investment policy of the municipality of Barcelona assuming its aspect of a systematic and broad plan of municipal activity, unfolded throughout many decades. In connection with this, a powerful political structure and a wide reflection process at political level could be organized. It is clear that no other Spanish city surpassed Barcelona in that line, even though in Madrid many central state services partly fulfilled the same function. It is also clear that this policy of the municipality of Barcelona achieved, in the following decade, a provincial and regional expansion that dragged behind it the four Catalan provinces. But this phenomenon does not allow us to forget that there were many other cities that began a similar policy and we have to ask ourselves: to what extent can we appreciate the policies followed by the Spanish municipalities at the beginning of the century? How can we value the extension and the vitality of the modernising local forces in the whole country? How do we make a general evaluation of the process? Having reached this point we will introduce a new argument and we will search among the series of bids of local public works and services for an answer.

It is clear that municipal bids for works and services express the needs and

political objectives of the respective authorities; they also indicate the size of resources and preferences. Conveniently ordered, both geographically and chronologically, they also show the main features of the process and its guidelines. They can even show the limitations of the civilian society. The idea emerges that in many cases the weakness of the business environment to execute such municipal projects must be added to the difficulties they found at reaching decisions and at collecting resources. We can speak about a certain «auction failure», the lack of success of a call for tenders, normally through absence of bidders willing to assume the project under pre-established conditions. Our study allows us to identify these failures due to the recurrence of auctions, a phenomenon significantly repeated in some cities but inexistent in others.

To start, let's look at the bids offered by the municipality of Barcelona at the beginning of the century. As far as we know, in 1897 there were 35 bids for works and services for an amount of three million pesetas. Nine of them corresponded to paving works in public streets; six more corresponded to water-supply works, five to sewage disposal and fourteen to the supply of various construction materials. This set of bids reflects, without any doubt, a broad urbanization project whose antecedents could be found, at least, in the *Ensanche* plans (suburban expansion programmes) which were approved in 1863 and 1892. Later, with an expected recession in 1899-1900 corresponding to the *Desastre* (the Spanish-American War) and to its direct impact on Spanish society, the number of bids of the Barcelona municipality tended to grow and to diversify regularly and, for example in 1903, these bids surpass the total amount of five million pesetas, reaching ten million in 1906 and nine in 1907. The bids corresponding to 1903 included four projects for general urbanization, twelve for paving works, two for water-supply and five for sewage disposal; to them six other works in municipal buildings and seven more for the supply of various construction materials were added. The 1907 calls consisted of 38 bids for paving, fourteen for sewage and eleven for municipal markets, besides a further eleven bids for supply of various construction materials. To the direct management of these bids the Municipality adds the definition of new and more ambitious projects such as the link between the new urbanized zones and the old city centre. This project was bid at the end of 1903. In this way, the municipality of Barcelona assumed the role of a serious investor in what we could call an «urban-sanitation complex».

Tenders called by the municipality of Madrid presented a different profile and the total amount committed was lower in comparison with Barcelona. To begin with, we can observe a lower number of commitments to public works that, as far as we know, were of only 1.88 million pesetas in 1897 reaching a maximum level of 4.78 million pesetas in 1901, after a sudden recession in 1899-1900. In 1906 catalogued auctions did not even reach a total of three million pesetas, which must be compared with the almost eleven million of Barcelona. Time-distribution of the bids series in the case of Madrid is more irregular. Even if we do not consider a great internal reform project -the re-development of the Preciados street area, in the city centre, whose tender was auctioned unsuccessfully in 1904 and once again in 1908- and the construction of the Eastside cemetery (1907). Between 1901 and 1906, the municipality of Madrid also carried out intense activity including eight bids for

urbanization works (four of them above 100.000 pesetas), 24 for paving (among them five large ones), 29 for water-supply (five large ones) and 57 for sewage disposal (eleven large ones). In 1904-06 it also called for bids for the demolition of 17 buildings. The real-estate activity of the municipality of Madrid is also fully confirmed and to it we should add a further 26 bids (four of them over 100.000 pesetas) for the supply of various construction materials and urban furniture to be installed, very probably, under the *administración* system (direct management by the Municipality). In comparison, the remaining 17 bids announced for various works in municipal buildings (four large ones), seven in public markets (one of them for a whole public-market), four in cemeteries and another one for ornamental works, seem relatively insignificant. It seems that, with less political autonomy or decision-making power than the municipality of Barcelona, the city council of Madrid maintained a similar policy as promoter of public works in the «urban-sanitation complex».

As we can see, at the beginning of the century the municipalities of the two largest Spanish cities showed an intense and regular activity as promoters of public works, especially those related to urban planning and development. As opposed to them the municipality of Valencia, the third largest city in the Country but representing hardly 2/5 of the size of the largest ones, shows an irregular investment activity, which was also a little delayed. In 1904 it tendered for the construction of the whole water-supply network; in 1906 for the extension of the Town Hall; at the same time it negotiated large paving projects (1902, 1908, 1909), sewage disposal works (1904, 1905, 1907, 1909) and urbanization plans (1906, 1907). The series of its initiatives were completed by two school-buildings (1907, 1908) and a public market (1913).

Although smaller than Valencia, the municipality of Saragossa seems to have been more active at this time. In 1897 it tendered for auction large water-supply works, a general city sanitation plan in 1902, and effectively it auctioned it in 1905, followed by the expansion of the water-supply network in 1908. Simultaneously it was promoting large paving works (1902-04 and 1908) and some minor works in municipal buildings. It also auctioned the works for continuation of the new lunatic asylum (1905) and two new school buildings (1902 and 1909).

The municipalities of Bilbao and San Sebastián, both in the Basque Country, deserve particular attention. At that time, their relatively small size contrasts sharply with their high municipal *per capita* budgets and both appear very high in the upper right-hand corner of the Table. The respective series of bids shows also the great dynamism of both municipalities.

In Bilbao, the third Spanish centre in financial and industrial importance, catalogued municipal bids include many urbanization works, sewage disposal and paving works, the expansion of the cemetery and the installation a crematorium (1899-1901); it also announced bids for a municipal electric plant (1901), four school buildings (1897 and 1902) and the extension of the *Gran Vía* (the Main Street, 1905). Furthermore the Bilbao municipality bid for repair projects of the Nervion river estuary (1899), for the design of a new bridge over it (1901) and for the design of the expansion of the *ensanche* (city widening, 1903) and for a new water-supply network

(1904) [see also GARCÍA MERINO, 1987 y 1992].

Meanwhile the municipality of San Sebastian auctioned various works for water supply and distribution (1897-1899), many works for sewage disposal, urbanization and paving projects (particularly in the Eastern suburban expansion), two embankments, one by the river and another by the sea. They also auctioned an electrical plant (1908), two public covered markets (1902 and 1907) and two school buildings (1901 and 1908). As development of an already relatively advanced urban plan, in 1903 it called for tenders for the design of a new bridge over the Urumea river (1903) [see also ANABITARTE, 1971 y 1974].

Up to this moment, all the mentioned municipalities seem to have been more or less active urban promoters, participating in extended programs of urbanization, sanitation, paving and water supply, widening and improving the quality of the urban space in the new suburban expansion areas for the most part [see ALVARGONZÁLEZ, FERNÁNDEZ and TOMÉ, 1992, p. 177]. None of them shows significant indications of «auction failures», which leads us to believe that they were largely successfully resolved. Many municipalities completed their plans promoting schools and other social buildings. All of them were very large municipalities or cities located in the Basque statutory provinces; all were characterized by high dwelling density, high quality of life, high long-term demographic growth and, at least in 1917, also high municipal *per capita* expenditure.

More modestly and irregularly, the municipalities of Santander, Tenerife and Corunna seem to have taken similar steps, perhaps with more will than resources for their effective application. The municipality of Santander, for example, tendered for the construction of a school building in 1899 and -at least twice, successively- the new Town Hall and a public covered market (also twice, in 1899 and 1902). In 1906 it tendered for several works for sewage disposal and paving. In 1899 the municipality of the Canary Islands capital tendered for the water-supply service and simultaneously announced a bid for projects for a suburban expansion plan. But subsequently it announced only several insignificant works for paving. The municipality of Corunna, in the north western corner of the Peninsula, also shows both advanced and traditional features; the investments in municipally owned buildings together with sanitation and urbanization works. In 1897 it offered for auction a public slaughterhouse, followed by a new Town Hall (twice, in 1902 and 1903), a covered public market (two bids in 1901 and 1905) and the expansion of the cemetery (1902). Later, the series of bids indicates a renewed activity clearly focused on the urban-sanitation complex; the municipality requested two calls bids for projects for a new sewage disposal system (1903) and a new plan of suburban expansion (1904); that was later translated into bids for large paving works (1909) and the new sewage network the following year. Meanwhile it had summoned various bids for smaller sewage works, paving and water-supply.

Cities with high life quality and low dwelling density form a single category; they also had low municipal expense per capita. They figure in the lower right-hand corner of the Table. This category includes Badajoz, Palma de Mallorca, Alicante, Lugo and Murcia, all of which probably represent what could be called an extended urban way of life. These five municipalities also feature low demographic growth in

the long-term. Their corresponding series of bids are significantly less numerous, both in number and in budget. In 1897 Badajoz bid for a covered market and a General and Technical High School (two bids, 1903 and 1904) besides small projects for paving and sewage disposal. Palma de Mallorca auctioned in 1905 its new public slaughterhouse and the demolition of two old bastions, in addition to small projects of paving, sewage disposal and urbanization. The municipality of Alicante limited its bids to a public market (two bids in 1901 and 03) and various small paving projects. Murcia only auctioned a public slaughterhouse (three bids, 1897-1907) and two covered markets (1909) and Lugo, as far as we know, only bid for the reconstruction of a covered market in 1904.

Apart of the low number of bids announced by the latter municipalities, we must emphasize that this series reveals a clearly different preference for investment in the field that I have called a «traditional fiscal-monopoly complex»- in contrast to the previously defined «urban-sanitation complex», which was the system available to the former municipalities. It is interesting to note that municipal cemeteries in Spain were once qualified as the best «municipal farms» [see ROYO-VILLANOVA, 1919, p.27 and NÚÑEZ, 1996]; we can also include in the «fiscal-monopoly complex» the public markets and the public slaughterhouses, both efficient instruments of the local tax system, all of which were usually directly managed by municipalities in a monopoly regime [cfr. ALBA, 1899]. It seems then that these municipalities wanted to increase their income by investing in the improvement of their heritage, postponing the modernization of public services and the broadening and improvement of urbanized areas. In this case, to the relative lack of initiatives of the initiatives of public agents must be added a certain lack of receptiveness of private contractors willing to bid at auctions; this phenomenon becomes apparent in the reiteration of bids -which I have called «auction failure»- and leads us to believe that there was a corresponding lack of interest or resources on the part of entrepreneurs and local investors. The only, and even later, exception seems to have been Palma de Mallorca which, after 1905, showed an increasing preference for the previously mentioned «urban-sanitation complex».

At this stage we will deal with cities included in the lower left-hand half of the Table. All of them had medium or low level quality of life despite equally low or medium dwelling densities and below average long-term population growth. Their *per capita* municipal budget also suggests a corresponding medium or even low-level local budget. Most of these municipalities were located in Andalusia, which at that time was beginning to fall behind in relation to other Spanish regions and this is most noticeable in its incipient lack of economic and political vitality, which has even increased since those days. Seville is the largest and most significant city of this group and seems to have been the most characteristic. Its quota of participation in the bid series is very low. As far as we know, in 1899 it bid for the construction of the sewage network, that was leased to the water supply company; many years later it auctioned twice the construction of a slaughterhouse (1910 and 1911); between these major projects this municipality only summoned bids for few minor paving works. This represents an extremely low level of investment performance for a city which was the fourth largest in Spain. In comparison, neighbouring cities such as Cordoba

or Granada seem to have committed more resources for public works, always within an extremely low standard. The municipality of Cordoba contracted in those years only a modest number of various but always small paving works, water supply networks, sewage disposal systems and municipal buildings. Granada, at the height of its sugar boom, only auctioned in 1900 an ambitious water-supply network, that was never built, and a few small paving works. Moreover, a clear indication of the lack of interest of local constructors and promoters is the fact that the award of a contract to build a General and Technical High School required three successive bids (1903 and 1904). The number of auctions summoned by the municipalities of Malaga and Cadiz was even lower than those of Cordoba and Granada. As far as we know, the Municipal Council of Malaga only bid for a five-year concession for the municipal street-cleaning service (1897), the expansion of the cemetery (1909) and of a covered market (1916). Walled in on its fortified peninsula, the municipality of Cadiz only features in our catalogue because of the auction of a theatre (1918).

The low level of investment does not seem to have been an exclusive phenomenon of Andalusian cities. Also inland bids announced by municipalities such as Valladolid suggest a modest combination of delayed projects and limited resources. In 1901 it auctioned the construction of a completely new Town Hall; subsequently, and three times consecutively, it promoted the construction of a general sewage network (1902, 1903 and 1907) -which was supported by a special law- and an experimental farm-school (two bids in 1903 and 1904). The municipality of Oviedo, in the northern region, the only city of this group with rapid demographic growth, also shows little activity as a promoter of public works; it only brought out to auction some minor paving and water supply works, although in 1909 summoned bids for a significant sewage and paving project.

The Table only includes provincial capitals. The reason for this is that only in these cases are we able to establish mortality rates at the time and, in consequence, we can estimate quality of life levels. But the phenomenon in question was clearly not limited to these provincial capitals but public-work investment activity was broadly represented in some surrounding areas. Some other smaller municipalities, whose position in the Table cannot be determined, enjoyed high municipal *per capita* budgets in 1917. Below them Huelva, Tarrasa, Burgos, El Ferrol and Sabadell summoned a relatively high number of bids for public works. And many other large bids were spread over the geography of smaller cities of Spain during those years; this phenomenon includes 19 large water supply projects, seven sewage networks, numerous large-scale street paving works, and the construction of more than twenty covered public markets, 16 public slaughterhouses, schools and town halls, all of whose budgets exceeded 100.000 pesetas. There were also, of course, hundreds of other smaller projects.

In conclusion, it should be stressed that many Spanish cities, both large and small, expressed in the first decade of the century a serious will for modernisation. They showed the social strength and ability in the design and execution of a varied programme of municipal investment which was on occasions quite significant. But only the few large cities and the main Basque capitals were able to maintain a sustained, multifaceted and financially viable activity, while medium and small cities

show a broad disparity of initiatives and resources. Only the most advanced among them reveals a clear preference for investment in the «urban-sanitation complex» completing and consolidating the suburban expansion plans outlined in the second half of the 19<sup>th</sup> century. Less dynamic cities invested in directly profitable municipal heritage properties. Investment in educational and health buildings seems to have been generally low.

## 5. Possibilities and Limits of Local Policy.

The basic criterion for local investment was imposed by a generalised economic reasoning and, yet again, reinforced by the political influence of Central Government with political and legal character. The aim was to seek direct profitability. Only in this way could an adequate return of investment be assured, able to finance the invested capital by public services contractors and managers. The Municipalities had only two options: either they could spend directly a small part of their limited budget on public works -usually minor repair works- or they could issue long and medium term bonds. These bonds could be amortised in the same way as direct spending. The low-level of ordinary municipal budgets drastically limited such decisions, particularly those focused on lost-leading investments and those whose profitability was deferred to medium and long-term, including those of an educational or social character. Many bids, especially in the municipalities that had not yet undertaken the «urban-sanitation complex», seem to have been set up to increase municipal income in one way or another. So much so that, even in matters strictly under municipal competence, such as public markets -to raise indirect taxes-water supply services or urbanization projects, private contractors were obliged to provide the necessary financial support and were compelled to take charge of the management of the service until the investment had been fully amortised.

Significantly, when the municipalisation of local services managed by private concessionaries -and, even worse, foreign ones- was first debated in Spain, the question remained within the limits previously mentioned. The Socialist option, sharply manifested in other European countries, was avoided and, in fact, municipalisation was considered as a new «financial base for a local regime in Spain» [see NART RODÉS, 1918, p. 493] and an instrument for the political mobilisation of the urban population [*ibid*, p. 515]. There were indeed no differences of criteria between the Central Government nor the ancient aspirations of municipalities themselves. Both Central and Municipal Governments were concerned about the increase of their incomes by indirect taxation or by monopolies, even at the expense of the consumer. All these policies had as a common denominator to burden users and consumers almost exclusively, avoiding direct duties as far as possible [BARTHE, 1919, p. 14-16]. On the other hand, at this time municipal bonds had appreciated considerably because of the preferences of those investors so reluctant to accept a higher level of direct duties [see MALUQUER, 1996], particularly those of Barcelona.

It would seem that the city councils in the most dynamic and demographically expansive cities expected that urban promotion would become a means of increasing



budgetary limits. But the municipalities' capacity to profit from urban development would be limited, on the one hand, by an insufficient demographic and industrial growth and that would make it impossible for them to take on new ground-plot offers and, on the other hand, because of the movement of interest rates. Both these features were determining factors in the profitability and the effective viability of urban investment projects. They could lead to economic starvation due to long-term stagnation which, in turn, could frustrate any ambitious programme of local renovation and ruin the best established business plans. It is generally accepted that Spanish cities went through a period of stagnation and low growth for many decades later.<sup>4</sup> We must add to this the fact that after 1909 local public finances suffered a dramatic fall. This decrease was due to the taxation reforms [see CABRERA, COMÍN and GARCÍA DELGADO, 1989, p. 198] and the impact of the outbreak of World War I.

And yet, there are still dark areas that we must look into. This concerns, particularly, the sales of public heritage items by municipal authorities. It must be remembered that the municipal property heritage had been expropriated by Central Government in 1855 and had formally been replaced by non-transferrable national bonds, whose sale could only be authorised by the Government itself. There is no doubt that municipalities in financial trouble drew on that resource to re-balance their accounts to an extent that we have yet to research. Neither do we know how they acquired such goods, apart from those surviving the *Desamortización Civil* (municipal expropriation) of the mid 19<sup>th</sup> century. All these facts raise the question whether urban and sanitation investment was undertaken under this influence suggesting further research into the question of municipal expropriation and public ground-plots sales. Concerning the case of Bilbao, García Merino wrote:

« ... in those aspects concerning municipal investment in suburban expansion, it must be said that, between 1877 and 1915, the municipality spent the sum of 22.639.092 pesetas on expropriations, works and provision of the necessary services for the enlargement of the city; that figure represents an average of more than half a million pesetas per year, which was largely covered by subsidies from the general budget, the result of building licences and municipal surcharges, in those cases where they could be established without causing conflict. However, it is also true that it became necessary to make appeals for public loans» [GARCÍA MERINO, 1987, p. 703].

The problems described above seem to have been very widespread among Spanish cities.

We have mentioned the political model of the Restoration, whose influence, limits and conditions were difficult to avoid. But it is the local financial system which most directly affects our current subject. Central Government could neither drastically reform it nor permit it to be bypassed by Local Administrations. The question affects the whole conception of what exactly should be considered public and what private. It also raises the question of the competences -typology,

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<sup>4</sup> See SORRIBES, 1992, for Valencia; BERNAL and ARENAS, 1992, for Seville; BLANCO RIVERA, 1992, for Vitoria; ALVARGONZÁLEZ and others, 1992, for Oviedo, and many others.

autonomy and resources- that should be conferred to Local Authorities. Those limits were clearly outlined in the projected reforms of Local Administration at the time. Faced with the dominant model for the management of public services, which had been conceived along the lines of private law, a new attitude emerged which was more favourable to direct management services under the control of Local Authorities, and therefore was oriented towards the expansion of municipal competences. In those areas where economic and political networks were more sophisticated and enjoyed greater autonomy -in the Basque Country above all- Municipalities and Provincial Administrations established direct management of some emerging services; that was the case of gas and electricity supplies, telephone networks and water-supply services. From then on, the Municipality of Barcelona and, later, the *Mancomunidad de Cataluña* (Union of the Provincial Authorities of Catalonia) adopted the same policy: to search for their own solutions to their own local needs, strengthen their own political power-base, while seeking to break the old fashioned political system. But, in those regions where traditional parties were still well-established and therefore relatively powerful, it was easier to maintain or even to improve existing political agreements. This was clearly the case in Valladolid, Alicante and some other cities where the urban middle classes restructured their political options in accordance with the current political system. But we must stress that it was the strategies of the most dynamic municipalities, with their needs, capabilities and resources which played a decisive role in the evolution and structure of such a process. In subsequent years, a promising incipient municipalism adopted regionalist and nationalist positions, precisely in those most modern regions in the country.

## 6. Conclusions

Everything stated previously leads us to emphasize that, even before the Cuban War and just after it, the social forces in Spain were looking for modernising alternatives in the urban context, which was the most prosperous and progressive in a clearly underdeveloped country. In many cases, significant efforts were made, both in economic and political terms; these efforts seem to have been coincidental with the economic situation in each region and with the social development, which led to a break of the national political model.

At that time, we see the emergence of a new generation, made up of politicians and businessmen, who headed the spread of new social attitudes and encouraged the urban middle and working classes to renewed political activism. In such a social movement the definition, promotion and control of the new public service system, which characterised the second industrial revolution, occupies a fundamental position. The quoted text by Jordi Maluquer should be stressed, suggesting that contemporary writers accurately identified the national problem as «a problem of collective attitudes and not one of lack of resources». In a similar way and speaking strictly about the urban phenomenon, Adolfo Posada wrote in 1914:

«The problems of the city are, above all, the problems concerning citizenship; the huge growth of the modern city, the progress of techniques, the increase of collective needs, the generalisation of these needs so clearly manifested in the city as a consequence of its very structure, as a dense nucleus, with a necessarily rich and exciting interrelationship. All those stress the sociological problem of creation, improvement and effective application of a social or municipal spirit. Of a civic spirit: or rather, the exposure to a general awakened conscience of collective responsibility, in which people could be convinced of the fact that the government of the city demands constant awareness of the common interest or pressure that is the result of the exposure to a strong and sensitive public opinion» [POSADA, 1914, pp. XXII-XXIII].

Around the end of the 19<sup>th</sup> century many Spanish municipalities gave clear signs of such improvement, expressed in resolute investment policies relating to infrastructure. In many cases such policies demanded serious internal reforms in municipal administration and finance.

But only the largest cities and the main northern capitals which had already started the industrialisation process undertook so many initiatives and employed so many resources that could be considered as an overall urban action plan. They were the only ones which promoted regular investment in the «urban-sanitation complex». In this matter the critical factor seems to have been the low number of large cities in Spain, their mainly south-eastern distribution, and their specialisation in staple goods exports rather than to industrialization.

Historians stress in related fields that the apparent lack of initiatives in some municipalities -even some significant ones- in fact represents the absence of those problems and opportunities usually associated with industrialization and urban growth and not necessarily the inability to solve them. Any major criticism of the then so-called «old politics» could be interpreted as excessive at the very least. The critical attitude of intellectuals who were branded by the 1898 national crisis, underlined the condemnation of the limitations imposed on contemporary society together with the political archaism of the governing coalition and ignored its own limitations. Local politicians -and there were many among them who began their career in local affairs- clearly showed that they had identified the problems and tried to solve them within the general context. In this case the slowness and vicissitudes of Spanish industrialization became the critical factor. Here we have not dealt with the causal relationships between local wealth and municipal budget. Probably the increase of wealth and revenue, and no greater fiscal load, would be the factor that untied the hands of local administrators in certain cities but not in others. But this would compel us to analyse the whole Spanish development process and this is also beyond our current objectives.