

**THE LEGACY OF TRANSITIONS:
PACT-MAKING AND DEMOCRATIC CONSOLIDATION IN SPAIN**

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Introduction

In recent years the democratization literature has shifted gears from its traditional concern with the causes behind the transition to democracy to the conditions that facilitate “democratic consolidation,” understood to represent the process through which democratic institutions and practices become firmly rooted in society.¹ Driving this new research agenda is the sad reality that the majority of nations that in recent decades have embraced democratic governance remain in some kind of transitional limbo, a condition in which democracy lacks consolidation but does not appear in any imminent danger of perishing.² Prominent among the factors currently being debated in the democratization literature as determinants of democratic consolidation is the precise manner in which democracy is introduced into the nation. In other words, how a country enters democracy determines the prospect for democratic sustainability. As contended by Terry L. Karl: “The mode of transition sets the context within which strategic interactions take place, which in turn determines whether political democracy will emerge and survive and what type of democracy will be institutionalized.”³

The argument that the mode of transition plays a significant role in determining the fate of democratic consolidation resonates most powerfully in connection with so-called “pacted-transitions.” They are characterized by the absence of the collapse of authoritarian institutions, and most importantly, by the prominence of “agreements made and negotiated between the authoritarian incumbents and the opposition” for the purpose of moving the polity from authoritarian to democratic rule.⁴ In the nations in which these agreements have been successfully deployed, they have incorporated numerous political and economic

¹On the concept of democratic consolidation see Omar G. Encarnación, “Beyond Transitions: The Politics of Democratic Consolidation,” *Comparative Politics* 32, No. 4 (July 2000).

²For an overview of the travails of democratic consolidation in new democracies see Larry Diamond, *Developing Democracy: Toward Consolidation* (Baltimore: Johns Hopkins University Press, 1999).

³Terry L. Karl, “Dilemmas of Democratization in Latin America,” *Comparative Politics* 23 (October 1990), p. 8.

⁴Guillermo O’Donnell, “Transitions to Democracy: Some Navigation Instruments,” in Robert Pastor, ed., *Democracy in the Americas* (New York: Holmes and Meier 1989), p. 63.

bargains covering a wide range of issues from human rights abuses, to inflation policy, to the creation of new political institutions.

Drawing sustained theoretical attention to transition pacts is the seemingly schizophrenic effects they are thought to impart upon the politics of democratization. On the one hand, democratization theorists regard transition pacts as a brilliant strategy for initiating democracy given their usefulness for diminishing political uncertainty, expediting the resolution of socio-economic conflicts and integrating the nascent democratic political class. On the other hand, these same theorists warn about the perilous political legacy that such pacts leave behind for the new democracy that in the long-term is likely to compromise its consolidation. Among the many negative side effects attached to transition pacts are the subversion of democratic principles, the transfer of authoritarian vices into the new democratic regime, and the potential for the marginalization of civil society at the very juncture when many of its components begin to assert themselves politically. Thus, a flawed or frozen democracy, rather than a vibrant and consolidated one, is generally posited as the expected political product of a pacted-transition. This argument has been made most forcefully by Karl, who writes that: "Pacts hinder the prospects for the future democratic self-transformation of the society, economy or polity thereby producing a frozen democracy."⁵

In the present study I take on the conventional wisdom about transition pacts and their consequences on democratic consolidation. I make a series of inter-related arguments. The first is that the prevailing theoretical understanding of pacts and democratic consolidation is unduly rigid and deterministic by casting a uniformly negative view of the effects of transition pacts on the consolidation of democracy. Consequently, it fails to explain national experiences in which transition pacts have not only facilitated the transition to democracy but democratic consolidation as well. My second argument has to do with the conditions under which pacts can actually advance the consolidation of democracy. This analysis highlights two potentially significant factors. The first is an inclusive bargaining cartel, especially one that accommodates a high degree of political pluralism. The second is strong links between the bargaining elites and the masses. The key institutional mechanism in forging and sustaining this connection is the party system, especially mass-based parties with deep roots

⁵Terry L. Karl, "Petroleum and Political Pacts," *Latin American Research Review* 22 (1), 1987, p. 88.

in civil society. These conditions provide the best insurance against the side effects that are likely to flow from a pacted transition and compromise the consolidation of democracy.

These arguments are illustrated in the present study with the aid of empirical materials drawn from the experience of post-Franco Spain, a case uniquely suited for challenging and significantly expanding our knowledge of how different modes of democratic transition affect the prospects for democratic consolidation. Among newly democratic nations, no other case embodies the notion of a pacted transition better than Spain. Virtually every step in the country's transition out of nearly forty years of highly institutionalized authoritarian rule in the mid-1970s was anchored on extra-parliamentary elite pact making. Yet no other new democracy birthed by the global democratic revolution of the last three decades is more celebrated than Spain in the comparative literature on democratic consolidation. "Spain is a miracle," marvels Adam Przeworski, who cites the country's process of democratic consolidation as paradigmatic and its multiple accomplishments in the areas of political and economic reform as a model for struggling new democracies in Eastern Europe and Latin America.⁶

The study is organized as follows. I begin with a summary of the theoretical literature on transition pacts and democratic consolidation and the principal cases studies that have inspired prevailing assumptions about the obstacles to consolidation posed by pacts. That discussion is followed by an in-depth look at the Spanish experience with transition pacts and the consolidation of a new democratic regime following the end of the Franco dictatorship. The focus of the analysis is the political legacy of the 1977-78 Moncloa accords, widely regarded as the lynchpin of Spain's pacted democratic transition, in an effort to demonstrate the extent to which the Spanish experience challenges the prevailing conventional wisdom about pact-making and democratic consolidation. In the conclusion I cull the lessons of the Spanish case to the comparative study of democratization politics.

⁶Adam Przeworski, *Democracy and the Market* (New York: Cambridge University Press, 1991), p. 8.

Transition Pacts in the Democratization Literature

The subject of transition pacts occupies a prominent place in Guillermo O'Donnell and Philippe Schmitter's landmark treatise on transitions out of authoritarian rule.⁷ In keeping with the theoretical ambiguity that surrounds the effects of transition pacts upon the politics of democratization, their analysis first makes note of the positive contributions of pacts to the transition to democracy. They write that "pacts are not always likely or possible, but we are convinced that where they are a feature of the transition, they are desirable—that is, they enhance the probability that the process will lead to a viable political democracy."⁸ This positive statement about the role of pacts in democratic transitions flows from the perceived capacity of pacts to guarantee the surest and safest exit out of authoritarian rule. Pacts tend to minimize uncertainty about the democratic transition and its eventual fate, an outcome intimately linked to the substance as well as the political symbolism they convey. O'Donnell and Schmitter observe that transition pacts allow "a select set of actors to define (or better, to redefine) rules governing the exercise of power on the basis of mutual guarantees for the vital interests of those entering into it."⁹

Notwithstanding the praise that scholars have heaped upon transition pacts, their embrace of this mode of regime change has been accompanied by considerable apprehension (if not outright consternation). In the comparative literature on democratic transitions, pacts have been identified as "conservative," "corporatist," and even "anti-democratic," given their essentially elitist and exclusionary nature.¹⁰ Transition pacts are almost always forged behind closed doors with little, if any, public scrutiny, and participation in them is limited to a few, powerful actors, including those representing the interests of the retreating authoritarian regime. Not surprising, the conventional understanding of the political consequences of

⁷Guillermo O'Donnell and Philippe Schmitter, *Tentative Conclusions about Uncertain Democracies* (Baltimore: Johns Hopkins University Press, 1986).

⁸Ibid., p. 39.

⁹Ibid., p. 36.

¹⁰Frances Hagopian, *Traditional Politics and Regime Change in Brazil* (New York: Cambridge University Press, 1996), pp. 22-23.

transition pacts beyond the successful launching of a new democracy is quite negative, and pointedly cautions that the prospects for successful democratic consolidation are seriously compromised if the democratic transition incorporates this type of interest representation and intermediation.

Broadly speaking, the negative side effects attributed to transition pacts by democratization theorists can be crudely grouped into three categories. The first is the subversion of the democratic process, a development that in turn can lead to a stalled or compromised process of democratic consolidation by robbing democracy of its very legitimacy. O'Donnell and Schmitter warn that because pacts are typically negotiated by "established and often highly oligarchical" groups, "they tend to reduce competitiveness as well as conflict; they seek to limit accountability to wider publics; they attempt to control the agenda of policy concerns; and they deliberately distort the principle of citizen equality."¹¹ Frances Hagopian is more to the point when she cautions that transition pacts "impinge on democratization because pacts by design subvert the notion of majority rule."¹² She adds that "democratization is often slowed or stopped in regimes spawned by political pacts negotiated with traditional and authoritarian elites."¹³

A second and related issue is the likelihood that the political deals made by the bargaining partners for the sake of facilitating the exit out of authoritarian rule can serve to de-mobilize collective actors such as the labor movement thereby hindering their capacity to affect social and economic change. Karl observes that "the very decision to enter into a pact can create a habit of pact-making and an accommodative political style based on a pact to make pacts."¹⁴ Such a style of politics leads to the emergence of a "corporatist" democracy whose structures are purposefully designed to exclude popular participation in politics with grave consequences for the quality of the emerging democracy. Karl notes that: "A

¹¹O'Donnell and Schmitter, *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies*, p. 38.

¹²Frances Hagopian, "Democracy by Undemocratic Means"? Elites, Political Pacts and Regime Transition in Brazil," *Comparative Political Studies*, 23, (July 1990), p. 151.

¹³Hagopian, *Traditional Politics and Regime Change in Brazil*, p. 22.

¹⁴Karl, "Dilemmas of Democratization in Latin America," p. 15.

democracy by pact can institutionalize a conservative bias into the polity, creating a new status quo which can block further progress toward political, social and economic democracy. Indeed, pacts can exemplify the conscious creation of a deliberate socioeconomic and political contract that demobilizes new social forces while circumscribing the extent to which all actors can participate or wield power in the future."¹⁵

A third and final concern has to do with the long-term impact of pacts on matters of political contestation and policy-making. Przeworski notes that while transition pacts "protect embryonic democratic institutions by reducing the level of conflict about policies and personnel" the cost that their success extracts from society may be too high to bear.¹⁶ He notes that inherent in pacts is the danger that they will become "cartels of incumbents against contenders, cartels that restrict competition, bar access, and distribute the benefits of political power among insiders. Democracy would then turn into a private project of leaders of some political parties and corporatist associations, an oligopoly in which leaders of some organizations collude to prevent outsiders from entering."¹⁷ He adds that: "Pacts made by political elites include an agreement to fix basic policy orientations, that is, to remove certain political issues from competitive party politics."

These theoretical insights about the legacy of transition pacts on the politics of democratic consolidation did not emerge in a vacuum. On the contrary, they are firmly grounded in a variety of national experiences spanning several waves of democratization. Especially influential in shaping the debate about the legacy of pacts is the experience of Venezuela and Colombia. In these countries, democracies created with the aid of "gentlemen's agreements" during the 1950's survived the eruption of authoritarianism that afflicted Latin America in the 1960's and 1970's but at the price of building highly exclusionary political regimes with serious social and economic imbalances. O'Donnell has remarked that transition pacts in Venezuela may have prevented an authoritarian reversal by

¹⁵Terry L. Karl, "Petroleum and Political Pacts: The Transition to Democracy in Venezuela," in Guillermo O'Donnell, Philippe Schmitter and Laurence Whitehead, eds., *Transitions from Authoritarian Rule: Latin America* (Baltimore: Johns Hopkins University Press, 1986), p. 198.

¹⁶Przeworski, *Democracy and the Market*, p. 90.

¹⁷Ibid.

creating considerable predictability within the political system concerning the rules of the democratic game. But that this achievement did not come without "serious costs in terms of social and economic equity."¹⁸ Karl observes that the 1958 Pact of Punto Fijo, the landmark agreement that facilitated Venezuela's transition to democracy and that became "an integral part of the state," had profound consequences including setting economic boundaries that actors such as the labor movement could not cross.¹⁹ Przeworski notes that the Punto Fijo pact was "highly useful in organizing democratic alterations in office" but at the cost of severely limiting political contestation since the price for actors to abide by the rules of the pact was extraction of a "permanent rent" from the democratic system.²⁰

More recent cases of democratization corroborate the corrosive impact of pact-transitions on the politics of democratic consolidation. Hagopian's influential analysis of the Brazilian democratic transition is a case in point. She argues that Brazil's new democracy was born with "birth defects" ensuing from the proliferation of political pacts that accompanied the process of regime change out of military rule that got underway in 1974 and that culminated in 1985.²¹ More specifically, she argues that transition pacts in Brazil served to transmit and enhance the old regime's authoritarian culture thereby "compromising" democratic consolidation. In her estimation, pacts allowed traditional elites to bolster pervasive clientelism and successfully retain political institutions that favor conservative actors and perpetuate non-democratic practices. These developments account for a wide range of pathologies found in the country's new democracy including electoral laws that favor powerful regional elites and the incapacity of democratic institutions (such as the new Constitution approved in 1988) to effectively restrict the powers of the military establishment.

¹⁸Guillermo O'Donnell, "Introduction to the Latin American Cases," in Guillermo O'Donnell, Philippe Schmitter and Laurence Whitehead, eds., *Transitions from Authoritarian Rule: Latin America* (Baltimore: Johns Hopkins University Press, 1996), p. 9.

¹⁹Karl, "Petroleum and Political Pacts: The Transition to Democracy in Venezuela," p. 213.

²⁰Przeworski, *Democracy and the Market*, p. 91.

²¹Frances Hagopian, "The Compromised Consolidation: The Political Class in the Brazilian Transition," in Scott Mainwaring *et al.*, eds., *Issues in Democratic Consolidation: The New South American Democracies in Comparative Perspective* (Notre Dame: University of Notre Dame Press, 1992), p. 248.

In sum, there exists a remarkably strong consensus among leading students of democratization about the negative impact of pact-transitions upon the consolidation of democracy. Despite its virtues in facilitating the establishment of democracy, this type of democratic transition is generally seen as a hindrance to democratic consolidation given its potential to undermine the principles of democratic governance, marginalize civil society, and restrict political contestation. Thus, it is assumed that a democracy built on pacts will in the long term be irreparably damaged by the very means that facilitated its creation. But how well does this compelling and strongly held conventional wisdom fare when explored in light of the case of Spain, whose exit out of nearly forty years of authoritarian rule provides a near perfect example of a pact-ed-transition? Indeed, no other contemporary case of democratization is more intimately associated with pacts than post-Franco Spain.

A Model Pact-edTransition

Among newly democratic nations, Spain is deservedly regarded as the paradigmatic model of a pact-ed-transition as reflected in categorizations of the country as an example of "transition through transaction,"²² "democratization aided by corporatist strategies,"²³ "an elite-settlement,"²⁴ and more generally, "a pact-ed democracy."²⁵ Almost every kind of pact has been attempted in Spain: from secretive gentlemen's agreements to grand social and economic accords enjoying tremendous public fanfare. The first type of pact is exemplified by the compromises forged by the political class in secret dinners between members of the

²²Scott Mainwaring and Donald Share, "Transition Through Transaction: Democratization in Brazil and Spain," in Wayne A. Selcher, ed., *Political Liberalization in Brazil: Dynamics, Dilemmas and Future Prospects* (Boulder, CO: Westview Press, 1986).

²³Joe Foweraker, "Corporatist Strategies and the Transition to Democracy in Spain," *Comparative Politics* 20 (1987).

²⁴Richard Gunther, "Spain: The Very Model of a Modern Elite Settlement," in John Higley and Richard Gunther, eds., *Elites and Democratic Consolidation in Latin America and Southern Europe* (New York: Cambridge University Press, 1992).

²⁵Omar G. Encarnación, "Labor and Pact-ed Democracy: Post Franco Spain in Comparative Perspective," *Comparative Politics* 33 (April 2001).

retreating authoritarian regime and representatives from Franco's historic democratic opposition. These so-called "restaurant agreements" grew in frequency and intensity as the end of the Franco regime was approaching and provided the political framework for some of the most significant developments of the Spanish democratic transition. Indeed, just prior to the democratic elections of October of 1977, Spain's first since the demise of the brief and tragic Second Republic in 1936, elite pact-making had essentially settled the basic institutional configuration of the new democratic regime.

Pacts account for the decision of the Spanish left to abandon its cherished plans for a revolutionary overthrow of the Franco regime and the establishment of a republican form of government. It is worth recalling that for the Spanish left, democracy has traditionally been synonymous with republican government. Instead of revolution, left-wing politicians such as Santiago Carrillo, the very pragmatic communist leader, accepted a negotiated transition brokered by Francoist insiders and agreed to the incorporation of the monarchy into the political architecture of the new democratic regime. In return for these compromises, reform-minded Francoist leaders authorized the legalization of political parties and the trade union movement, dismantled Franco's corporatist vertical syndicate, and granted limited autonomy to "historic" regions such as Catalonia, Galicia, and the Basque country.

Following the first democratic elections of 1977, pact making became a more institutionalized form of elite interaction and national policy-making. The best-known pact of this period is the Moncloa accord, widely considered the linchpin of the Spanish democratic transition.²⁶ This accord embodies Karl and Schmitter's conceptualization of a "foundational pact."²⁷ Such pacts ensure the survivability of the new regime while simultaneously restricting the scope of representation. The Moncloa accord was an intra-party agreement negotiated by Prime Minister Adolfo Suárez immediately following the elections in 1977 but before the enactment of a new democratic constitution in 1978. This accord encapsulated a broad agenda of economic and political reforms whose implementation

²⁶For transcripts of this and other social accords in Spain see Enrique de la Villa, *Los grandes pactos colectivos a partir de la transición democrática* (Madrid: Ministerio de Trabajo y Seguridad Social, 1985).

²⁷Terry L. Karl and Philippe Schmitter, "Modes of Transition in Latin America, Southern and Eastern Europe," *International Social Science Journal* 128 (1991), p. 281.

was to be carried out in as non-confrontational a manner as possible. Their most memorable and controversial feature was the establishment of a wage band that regulated salary increases in light of anticipated inflation. In the political realm, the Moncloa accords sought to create a political climate of cross-class consensus that would facilitate the rapid acceptance of a democratic constitution.

The Moncloa accords spawned an ambitious process of pact-making that gave Spain's political economy of democratization a distinct "neo-corporatist" veneer.²⁸ Between 1977-1986, with the Moncloa accords serving as the template, pacts became the preferred policy mechanism for solving the problems facing the new democracy. Several distinctions, however, characterize pact-making in Spain after the Moncloa accords. For a start, although post-Moncloa accords dealt with matters of regime change and the construction of new democratic institutions, they are not, technically speaking, "transition pacts" since they were negotiated after democracy was institutionalized. A more significant development, however, was the prominent role that civil society actors assumed in the bargaining process. While Moncloa was an extra-parliamentary "political pact" among political parties, subsequent accords are usually described as "social pacts," since the chief negotiators were not the parties but rather peak interest groups, namely national trade union confederations and employers' associations.

The first set of accords to follow the Moncloa pacts was the 1979 *Acuerdo Básico Inter-confederal* (ABI) and the 1980-81 *Acuerdo Marco Inter-confederal* (AMI). These agreements regulated wages (the norm with all the social pacts), working hours, and industrial productivity. They also served as the foundation for the drafting of Spain's Workers' Charter, a sort of bill of rights of Spanish workers. It recognizes the right to strike, the legitimacy of trade union representation at the company level, and the autonomous role of employers' organizations and trade unions in regulating collective bargaining. The 1981

²⁸For a broader view of the politics of pacts in democratic Spain see Omar G. Encarnación, "Social Concertation in Democratic and Market Transitions: Comparative Lessons from Spain," *Comparative Political Studies* 30 (August 1997), Joe Foweraker, "Corporatist Strategies and the Transition to Democracy in Spain," *Comparative Politics* 24 (1987); Enrique de la Villa and Juan Antonio Sargadoy Bengoechea, "Social Concertation in Spain," *Labour and Society* 12 (1987) and Angel Zaragoza, ed., *Pactos sociales, sindicatos y patronal en España* (Madrid: Siglo XXI, 1988).

Acuerdo Nacional del Empleo (ANE) sought to alleviate a growing unemployment problem that by the early 1980s had reached 16 percent. The 1983 *Acuerdo Interconfederal* (AI) accompanied the socialist victory of 1982 and the rise to power of Felipe González and served to calm uncertainty about the first transfer of power within the new democracy and the return of left-wing rule in Spain since the tumultuous years of the inter-war period. The 1985-86 *Acuerdo Económico y Social* (AES) (Social and Economic Accord) was the last of the great social accords. It sought to make the Spanish economy more competitive in anticipation of the country's entrance into the European Community.

Pact making in Spain lived up to its reputation as an efficient and expedient means to introduce democracy. Writing about the making of the Moncloa accords, Schmitter has observed that the very image of representatives from a wide diversity of interests signing such an accord served to "reduce uncertainty about substantive outcomes" and "reciprocally legitimate" both the negotiating organizations and the government officials who brought them together.²⁹ More concrete outcomes of significant impact to the new democracy would follow. In the economic sphere, the Moncloa pacts are credited with curbing inflation, an important step toward alleviating the disruptions triggered by the domestic repercussions of the international energy crisis of the late 1970's. By 1982, inflation had been reduced from 25 percent in 1977 to about 14 percent and wage inflation had been reduced from 30 to 15 percent.³⁰

Politically, the Moncloa accords succeeded in their objective of setting a tone of societal cooperation in the crafting of the new democratic constitution, the most important step in the institutionalization of democracy. As suggested by Prime Minister Leopoldo Calvo Sotelo, "it is difficult to envision the making of the 1978 Constitution without the political actors having lived through the experience of negotiation and compromise afforded

²⁹Philippe Schmitter, "Interest Systems and the Consolidation of Democracies," in Gary Marks, ed., *Re-examining Democracy* (Beverly Hills: Sage, 1992), p. 168.

³⁰Nancy Bermeo with José García Durán, "Spain: Dual Transition Implemented by Two Parties," in Stephan Haggard and Steven B. Webb, eds., *Voting For Reform: Democracy, Political Liberalization and Economic Adjustment* (New York: Oxford University Press, 1991), p. 94.

by the Moncloa accords."³¹ More generally, pact-making aided the transition to democracy by affecting the nature of the nation's political culture. This political practice allowed political leaders to think of the opposition in terms of "adversaries" rather than "enemies," which had been the prevailing mode of interaction among political elites in Spain prior to the transition.³² This shift in political attitudes had important policy implications for the new democracy. Comparative research into the policy outcomes of pact-transitions (such as Spain's) and non-pact transitions (such as Argentina's) convincingly demonstrates that the social pacts in Spain had a significant impact on intra-party collaboration lasting well past the immediate years of democratic transition.³³

A Paradigm of Consolidation

Contrary to the received conventional wisdom, a pacted transition in Spain did not jeopardize the process of democratic consolidation. Although there is no consensus in the literature on democratization on what constitutes a "consolidated democracy," system-wide assessments of Spanish politics converge in their qualification of Spain as a fully consolidated democracy. In the judgment of Richard Gunther et al, in the context of Spain one can speak not only about democratic consolidation but also about democratic "persistence," described as "the end product of a long democratization process whose attainment is contingent upon the successful negotiation of transition and consolidation by a multitude of actors in a given society."³⁴

³¹Author's interview (Madrid 1994).

³²Jordi Capo Giol, "Estrategias para un sistema de partidos," *Revista de Estudios Políticos* 23 (September-October 1981), p. 159.

³³Bonnie N. Field, "Continuity and Collaboration? Pacting and the Consolidation of Democracy: The Spanish and Argentine Democracies Compared," paper presented at the 2001 meeting of the Latin American Studies Association, Washington, D.C., September 6-8, 2001.

³⁴"Preface," in Richard Gunther, P. Nikiforos Diamandouros, and Hans-Jürgen Puhle, eds., *The Politics of Democratic Consolidation: Southern Europe in Comparative Perspective* (Baltimore: Johns Hopkins University Press, 1995), p. xiii.

This grand characterization of Spain's democratization is based on Linz and Stepan's conceptualization of democratic consolidation, which although far from being definitive has become quite influential in recent years.³⁵ In their view, democratic consolidation becomes a reality when it is "the only game in town." This situation arrives, first, through behavioral means, when no significant national, social, economic and political actor spends significant resources to achieve the objective of creating a non-democratic regime. The second requirement is attitudinal. It demands that a strong majority of public opinion hold the view that democratic institutions and procedures are the most appropriate way to govern collective life in a society such as theirs and support for anti-system alternatives is quite small or more or less isolated. The third and final requirement is constitutional. It demands that governmental and non-governmental forces become subjected to and habituated to the specific laws, procedures and institutions sanctioned by the new democratic process.

Cross-national data designed to quantify the quality of democracy worldwide and surveys about contemporary Spanish political culture provide a good sense of the extent to which Spain meets the criteria for consolidation noted above. The data from Freedom House, whose rankings of political and civil rights have become widely respected among students of democratization, clearly point to a consolidated democracy in Spain. Freedom House rates each country on a seven-point scale, for both political and civil rights, with 1 representing the most free and 7 the least. It then divides countries into three broad categories: "Free" (countries whose ratings average 1-3), "Partly Free" (countries whose ratings average 3-5.5), and "Not Free" (countries whose ratings average 5.5-7). With the death of Franco in 1975 and the initiation of political reforms, Spain moved from the category of "Not Free," to "Partly Free." After the democratic elections of 1977, the country moved from the rank of "Partly Free" to "Free," a classification the country has retained ever since. More suggestive still is that the scores for respect for political and civil rights in Spain are virtually indistinguishable from older and presumably more mature democracies. The 2001 Freedom House survey gives Spain an average of 1.5 for respect for political and civil rights, the same as for Italy, France, Great Britain and Japan.³⁶

³⁵Juan J. Linz and Alfred Stepan, *Problems of Democratic Transition and Consolidation* (Baltimore: Johns University Press, 1996), pp. 5-6.

³⁶"The 2000 Freedom House Survey," *Journal of Democracy* 12 (January 2001).

Since the democratic transition, Spanish public opinion has been strongly pro-democratic and has overwhelmingly rejected all possible alternatives to democracy, including a military government.³⁷ By 1978, 77 percent of Spaniards deemed democracy "the best political system for a country like ours" with only 15 percent preferring authoritarianism. By 1985, ten years after Franco's death, 76 percent of the population expressed pride in the transition and only 9 percent said that the transition was not a source of pride. These favorable impressions of democracy have held steady over the years and despite the travails faced by the nation's new democracy including widespread terrorism courtesy of Basque separatist groups and Western Europe's highest unemployment rate. Since the early 1990s, the percentage of Spaniards deeming democracy the best possible system has remained steadily over 80 percent, the norm for a European nation.

The level of public support for democracy in Spain is more impressive still when compared to the evolution of political attitudes in other new democracies, especially in Latin America. The national average of support for the democracy for Latin America as a whole is 63 with some countries currently experiencing what has been termed "a crisis in public attitudes toward democracy."³⁸ For instance, in Brazil, Latin America's largest democracy, the percentage of Brazilians that regards democracy as the best system for the country stood at 50 percent by 1996. By 2000, however, public support for democracy had plummeted to 39 percent while 24 percent claimed that they would not mind the country's return to authoritarian rule, the same as in 1996.

Challenging the Conventional Wisdom

In light of the apparent success of the project of democratic consolidation in Spain, it is not surprising that the case shows few if any of the side affects linked to pact-transitions

³⁷Source of data: Juan J. Linz., ed., *Informe sociológico sobre el cambio político en España, 1975-1981* (Madrid: Fundación Foessa, 1981).

³⁸Marta Lagos, "Between Stability and Crisis in Latin America, *Journal of Democracy* 12 (2001).

that are thought to undermine democratic consolidation. As seen already, the first is the possibility that pacts due to their elitist, exclusionary, and even anti-democratic nature can subvert the democratic process itself, causing the democratic transition to be stalled, a point flatly refuted by the Spanish experience. To be sure, in the eyes of some political observers, pact making in Spain created the impression that the country possessed "a shadow government," especially in the early years of the transition.³⁹ That noted, there is no compelling evidence to suggest that pact making in Spain either slowed the transition or undermined the quality of the emerging democracy. As noted by Linz and Stepan's comparative analysis of democratization in southern Europe, Eastern Europe and South America, Spain is a case study of pacted transition and rapid democratic consolidation.⁴⁰ In their estimation, democracy was consolidated in Spain with the peaceful transfer of power to the Socialist opposition after the October 1982 elections (and perhaps even earlier!), just a few years after political liberalization got underway with the 1977 Law of Political Reform.

Another dominant theme of critics of pact-transitions, such as Karl and Hagopian, is the marginalization and demobilization of civil society actors, such as the labor movement, an outcome believed to hinder the capacity of collective actors to promote democratic and socio-economic change. This assumption is pointedly contradicted by most of the research on labor politics in Spain. The years of democratic transition (1975-78) were the most intense period of workers' mobilization in Spain since the end of the Civil War in 1939.⁴¹ This vigorous mobilization of the workers became civil society's principal tool to delegitimize authoritarianism and to accelerate the demise of the Franco regime. Indeed, more than any other action of civil society, strikes helped convinced the Francoist leadership of the unfeasibility of "Francoism without Franco." José M. Maravall's authoritative study of activism by workers and students in the late Franco period states that the popular pressure from below exerted by the workers' movement was "a causal factor in the Francoist crisis."⁴²

³⁹ Author's interview with Joaquín Estefanía, managing editor of *El País* (Madrid, February 1994).

⁴⁰ Linz and Stepan, *Problems of Democratic Transition and Consolidation*, p. 108.

⁴¹ José M. Maravall, *The Transition to Democracy in Spain* (New York: St. Martin's Press, 1977), p. 9.

⁴² *Ibid.*, p. 14.

In the aftermath of the transition, Spanish labor remained highly mobilized, but paradoxically, its most important contributions to the process of consolidation were made through its participation in pacts. Among the concessions made by the state in exchange for labor's support for the Moncloa pacts was the speedy dismantling of the Francoist vertical syndicate and the transfer of its assets to the new independent labor movement. The unions also secured a constitutional provision guaranteeing them an official role in the national policy-making process (a rarity among democracies, both new and old) through their participation in the Social and Economic Council, a tri-partite body created with the Moncloa accords to coordinate policy among the government, the unions and the employers' associations. This political clout for the unions in the new democracy is intimately linked to their participation in pacts, a point underscored by general assessments of Spanish industrial relations. One study finds that through the practice of pact-making the labor movement in Spain has been granted "a degree of power in the realm of government policy formulation that would generally not evolve from the normal collective bargaining process."⁴³

Also relevant to this analysis is the lack of evidence to suggest that Spain's reliance on elite pacts to assist in the transition to and consolidation of democracy had any negative impact on the nation's capacity to embrace a vigorous re-distributive agenda. The Moncloa pact was notable for its many re-distributive features that granted the accord a widely noted "social democratic" orientation. To compensate the workers for their willingness to moderate wage demands, the Moncloa accords committed the government to a 30 percent increase in investment in unemployment benefits along with significant increases in spending on education, housing and job training. To pay for these expenses, the government passed a comprehensive tax reform program (also part of the Moncloa accord) that eliminated secret bank accounts, increased the legal penalties for tax evasion, expanded the finance ministry's auditing services, shifted a greater burden onto the income tax, and introduced a new wealth tax. These measures were part of a "cross-class commitment to building a modern welfare state."⁴⁴

⁴³Roger G. MacElrath, "Trade Unions and the Industrial Relations Climate in Spain," (Philadelphia: Multinational Industrial Relations Series, The Wharton School, University of Pennsylvania, 1989), p. 170.

⁴⁴Encarnación, "Labor and Pacted Democracy," p. 346.

Re-distributive policies did not end with the Moncloa accord. By the end of the 1980s, and despite the high profile of pacts in the management of the national economy, Spain was "one of the rare industrial democracies to have undergone a redistribution of income in favor of the poorer strata."⁴⁵ This is reflected in the phenomenal growth of social spending in Spain in the democratic era, especially during the socialist years, 1982-96. In 1975, social spending in Spain stood at 558.2 billion pesetas and 9.2 percent of GDP; by 1986 these figures had climbed to 4,503.6 billion pesetas or 13.9 of GDP; and by 1991 they had soared to 8,385.4 billion pesetas and 15.3 percent of GDP.⁴⁶ These expenditures (which were often channeled through the social pacts in exchange for the unions' compliance with their wage stipulations) help explain the unions' positive assessment of the pacts and their legacies. The Communist CCOO praised the Moncloa accords as "an historic agreement" and "an important victory for the forces of labor and democracy that served to repay the workers for their sacrifices during the dictatorship."⁴⁷ A noted socialist union leader reflecting upon the legacies of the transition pacts writes that the Moncloa accords "eliminated labor's rejection of the social pact and opened a new horizon for the trade unions since they demonstrated that an accord could be a profitable one in terms of advancing democracy, reducing inflation and securing reforms and re-distributive claims."⁴⁸

Finally, Spanish democratization challenges the notion that pact-transitions create what Prezworski has referred to as a cartel of incumbents that can lead to the restriction of political contestation. The implied reference here is the two-party monopoly on political power and representation ushered in by pact-transitions in countries such as Colombia and Venezuela. This has hardly been the experience of Spain. To be sure, comparative research shows that Spain's new democracy shows a greater degree of intra-party collaboration and

⁴⁵Peter McDonough et al., *The Cultural Dynamics of Democratization in Spain* (Ithaca, NY: Cornell University Press, 1999), p. 91.

⁴⁶Guillermo de La Dehesa, "Spain," in John Williamson, ed., *The Political Economy of Economic Reform* (Washington, D.C.: Institute of International Economics, 1994), p. 136.

⁴⁷Ramón Tamañes, *The Spanish Economy* (London: C. Hurst, 1986), p. 230.

⁴⁸José M. Zufiaur, "El sindicalismo español en la transición y la crisis," *Papeles de Economía Española* 22 (1995), p. 213.

elite continuity than other democracies where pacts were not part of the transition.⁴⁹ But these developments in the post-transition period have not prevented meaningful changes in government and nearly seismic transformations in the composition of the party system. Moreover, some of the political forces most directly responsible for orchestrating the system of pacts that accompanied the transition to democracy in Spain have fared the worst in the post-transition period.

A telling case is that of the Spanish Communist Party (PCE). The strongest party prior to the democratic transition and the political organization most directly responsible for the left's acceptance of a pacted transition, the PCE failed in its bid to lead the nation in 1977 with an unimpressive 5.7 percent of parliamentary seats. More dramatic still is the fate of the center-right Union of the Democratic Center (UCD), whose leadership orchestrated the epoch-making Moncloa accords. In 1977, the UCD easily won the nation's first elections in the democratic period with an impressive 47.1 percent of parliamentary seats only to see this near parliamentary majority virtually evaporate with the election of 1982, in which the party could only muster 3.1 percent of parliamentary seats. The UCD never recovered from this humiliating defeat and effectively disappeared from the national political landscape after 1982.

The 1982 elections also saw the rise to political power of the Spanish Socialist Workers' Party (PSOE), the dominant party in Spanish politics throughout the mid-1990s with impressive parliamentary majorities. The PSOE's defeat in 1996 came at the hands of the conservative Popular Party (PP), a political organization that did not even exist at the time of the democratic transition and therefore had no history of involvement with transition pacts. These dynamics in the structure of party politics in Spain account for the country's relatively high level of electoral volatility, as suggested by the Pedersen Index, which measures the net change in percentage of seats (votes) gained or lost by each party from one election to the next. Between 1977-1989, the critical years of democratic transition and consolidation, Spain

⁴⁹See Field, "Continuity and Collaboration? Pacting and the Consolidation of Democracy: The Spanish and Argentine Democracies Compared."

registered an average electoral volatility index of 17, quite high considering that the average for stable democracies is below 9.⁵⁰

The apparent absence of the most egregiously negative side effects associated with pacted transitions in Spain raises two inter-related questions. The first comes in the form of an empirical puzzle: How did Spain manage to combine what is regarded as the very model of a pacted transition with a highly successful process of democratic consolidation? The second is a theoretical curiosity: What does the case of Spain reveal about the conditions under which pacts can facilitate the transition to democracy without compromising the prospect for democratic consolidation?

Ideological Pluralism and Political Inclusiveness

Key to understanding how Spain averted the detrimental side effects associated with transition pacts, and by extension how pacts aided in the consolidation of Spanish democracy, is the ideological and institutional composition of the bargaining cartel. The Moncloa accords, the fleeting point of pact making in Spain, was signed by politicians from virtually the entire ideological spectrum, from Communists and Socialists to Christian and Social Democrats to regionalists and conservatives. This in turn translated into an extraordinary level of societal support for the pacts across most sectors of Spanish society including the Catholic Church, the business community and, most remarkably, the labor movement. Indeed, only fringe political movements such as the once mighty Anarchist union CNT and anti-democratic forces such as the far right and armed separatist movements such as ETA were left outside of the sphere of political consensus created by the Moncloa pacts.

The ideological plurality that anchored Spain's pact-transition had multiple positive effects upon the process of pact making itself as well as the consolidation of democracy.

⁵⁰Source of data: Eva Anduiza and Mónica Méndez, "Elecciones y Comportamiento Electoral," in *Política y gobierno en España*, edited by Manuel Alcántara and Antonia Martínez (Valencia: Tirant lo Blanch, 1997).

Above all, it prevented pact making in Spain from turning politics in the new democracy into the exclusive province of a few powerful institutions detached from the masses. Neither the UCD, on the right, nor the PCE or the PSOE, on the left, saw the Moncloa accords as anything other than a convenient strategy for preventing political polarization at a highly sensitive historical juncture. Indeed, talks of a government of "national concentration" to "save democracy in Spain" incorporating the UCD, PSOE and the PCE before the 1977 elections quickly evaporated due to strategic-ideological differences among the major national parties.⁵¹

The diverse ideological composition of the bargaining cartel also legitimized in the eyes of the general public what in principle is an inherently elitist and even anti-democratic practice. As suggested by one observer, although the Moncloa accords created the impression of the existence of "a shadow government," the fact that the entire political establishment supported them protected the accords and those participating in them from criticisms that the wishes of the electorate were being violated.⁵² The legitimization of the Moncloa accords was further ensured by the government's decision to turn the pacts into law. Soon after the agreements were negotiated at the residence of the Prime Minister (the Moncloa Palace) the accords were introduced in the national parliament where they received immediate and nearly unanimous support from all the leading political parties. In this way, the role of the parliament as the ultimate arbiter of national decision-making was not undermined by the Moncloa pacts.

Finally, the ideological diversity of political actors that participated in pact making in Spain ensured that the agenda to be negotiated would serve the national interest of democratic consolidation. In particular, the inclusion of left-wing parties guaranteed that the interests of mass constituencies (such as the workers) would neither be ignored nor sacrificed at the bargaining table. At the inception of democracy, the left's conditions for supporting a broad political pact of the nature of Moncloa were best expressed by Santiago Carrillo, the

⁵¹Eusebio M. Mujal-León, "The Spanish Communists and the Search for Electoral Space," in Howard R. Penninman and Eusebio M. Mujal-León, eds., *Spain at the Polls, 1977, 1979, 1982* (Durham, NC: Duke University Press, 1985), p. 170.

⁵²Author's interview with Joaquin Estefanía, Managing Editor of *El Pais* (Madrid: February 1993).

pragmatic leader of the PCE. He noted that the Communists' demands for participating in a pact were simple: that the “sacrifices” and “advantages” of any pact be adequately distributed.⁵³

The demands made by the left in exchange for supporting a pact-transition in Spain explain much about the re-distributive orientation of the Moncloa pacts. This is evident not only in the many benefits and guarantees that the left and its allies secured through the Moncloa agreements but also in the assessment of this accord by the business community. The employers' association, the CEOE, was the only major representative from civil society to offer any public criticism of the Moncloa accords, which it deemed as "evidence that the UCD was executing a socialist economic program" and that the "Marxist parties were in effect the ruling parties."⁵⁴ Although the employers favored wage moderation and eventually supported the accord, they feared that that the negotiated aspect of the government's economic policy would grant the unions a disproportionate role in policy-making. Such fears eventually led the business community to abandon the UCD in droves prompting the collapse of the party in the 1982 elections.

The broad and diverse cast of characters involved in Spain's seminal transition pact mirrored the commitment to building an inclusive democracy by the country's first democratically elected government, which designed the Moncloa pacts as part of a broader project of political and social integration to inaugurate democratic politics. It got underway with the legalization of the PCE on April 9, 1977, by Adolfo Suárez, chosen by King Juan Carlos I to lead Spain out of nearly four decades of authoritarian rule. This allowed for the Communists' participation in the elections of 1977 and the negotiation of the Moncloa accords. The legalization of the PCE came as a shock to the nation. As recently as September 1976, Suárez had assured the military that he would not legalize the Communist party "however strong the pressure put on me."⁵⁵ In making this promise, Suárez was reflecting decades of virulent anti-communist propaganda by the Franco regime and

⁵³Mujal-León, "The Spanish Communists and the Search for Electoral Space," p. 162.

⁵⁴*El País* (Madrid, January 14, 1977).

⁵⁵Carlos Fernández, *Los militares en la transición* (Barcelona: Argos Vergara, 1982), p. 105.

unfounded fears among political elites (even among those advocating for the country's return to democracy) of a Communist plan for radicalizing Spanish society, especially the working class.

In choosing to break his promise to the military, Suárez's revealed his commitment to a swift and meaningful end to authoritarian rule and the need to enhance the legitimacy of the institutions of the emerging democratic regime. As contended by Linz and Stepan, for Suárez, the question of legalization of the PCE was "an issue affecting the inclusiveness of contestation, an essential element of democracy, and therefore the credibility of the Spanish regime's democratizing effort."⁵⁶ There was also a pragmatic side to Suarezs' actions. He recognized that the emerging democratic system had more to gain from legalizing the PCE than from keeping it in its illegal and clandestine status. As he argued in respect to the PCE:

"I do not think that our people want to find itself fatally obliged to see our jails full of people for ideological reasons. I think that in a democracy we must all be vigilant of ourselves, we must all be witnesses and judges of our public actions. We have to instore the respect for legal minorities. Among the rights and duties of living together is the acceptance of the opponent. If one has to confront him, one has to do it in civilized competition. Sincerely, is it not preferable to count in the ballot boxes what otherwise we would have to measure on the poor basis of unrest in the streets?"⁵⁷

The commitment to building an inclusive democracy in Spain and the development of policy mechanisms supportive of that goal flowed from a unique Spanish phenomenon: the collective memory of the Civil War and the lessons that Spanish society drew from this traumatic experience. The argument has been made that as Spain undertook to democratize, its political class was gripped with an obsession with consensus as a means to prevent the kinds of social conflicts that wrecked previous attempts at democratic consolidation. As noted by one observer, "the existence of a memory of the war and its aftermath formed an indispensable cement for consensual, peaceful democratization."⁵⁸ The memory of the chaos and pathos of the Spanish Civil War was vividly revived during the democratic transition by

⁵⁶Linz and Stepan, *Problems of Democratic Transition and Consolidation*, p. 96.

⁵⁷Ibid. p. 97. The quote comes from a collection of speeches given by Suárez between 1976-1978. See *Un nuevo horizonte para España* (Madrid: Imprenta del Boletín Oficial del Estado, 1978).

⁵⁸Michael Richards, "Pact of Oblivion? Violence, Memory and Democracy in Spain," *Southern European Society and Politics*, 2 (Winter 1997), p. 146.

the political violence that accompanied the partition of the nation into autonomous regional communities, a process that got underway in the aftermath of Franco's death and that was accelerated and complicated by the terrorist activities of Basque separatists.

Throughout the years of political liberalization and then of democratic transition and consolidation, ETA imposed a veritable regime of terror upon the Spanish people. Between 1973-1982, this radical nationalist organization was responsible for 371 deaths, 542 injured, 50 kidnappings and hundreds of bomb explosions and other acts of violence and terror.⁵⁹ The resurgence of violence in Spanish politics, however, did not alone make the memory of the Spanish Civil War a positive foundation for the rise of consensus-driven politics. While remaining divided over what actually happened in a conflict that claimed the lives of an estimated one million people, upon Franco's death Spanish society had reached a fundamental understanding of the human and political costs derived from this chaotic and traumatic experience.⁶⁰ It emphasizes collective culpability for the crimes committed during the war and the desire to avert the rise of a similar conflict in the future.

The desire to avoid conflict was especially intense among economic technocrats such as Enríquez Fuentes Quintana, Vice President for the Economy under Suárez's first government and the mastermind behind the creation of the Moncloa accords. From the onset of the transition he impressed upon Suárez the overall utility of a pact with the opposition while discouraging the imposition of an economic adjustment program by decree.⁶¹ In a policy paper entitled "A Program of Recovery and Economic Reform" Fuentes Quintana warned that only a negotiated approach to economic management could prevent a situation of economic collapse with serious consequences for the nascent democracy.⁶² Specifically, this paper highlighted a broad agreement with the historic opposition to the Franco regime to simultaneously consolidate democracy and stabilize the economy. Fuentes Quintana argued

⁵⁹José M. Maravall and Julián Santamaría, "Crisis del franquismo: transición política y consolidación de la democracia en España," *Sistema* (November 1985), p. 105.

⁶⁰See Paloma Aguilar, *Memoria y olvido de la guerra civil española* (Madrid: Alianza, 1996).

⁶¹Author's interview with Mr. Fuentes Quintana (Madrid: February 28, 1994).

⁶²See "Programa de saneamiento y reforma económica," In *Los Pactos de la Moncloa* (Madrid: Servicio Central de Publicaciones de la Secretaría General Técnica de la Presidencia del Gobierno, 1977).

that the complexity of the economic crisis, its political ramifications and the configuration of political forces that emerged from the elections of 1977 made ordinary adjustment programs either ill suited or inefficient. In his own words: "it was imperative that the economic program pursued by the government was supportive of the consolidation of democracy and that it possessed a critical quality: it had to be pacted."⁶³

Fuentes Quintana's insistence on a pact to initiate policy-making in the new democracy stemmed from a determination to not repeat the mistakes from the past that had frustrated previous attempts at democratization. The one mistake Fuentes Quintana sought to avoid in 1977 was the dearth of political consensus that in his view caused the collapse of the Second Republic, which served as a central historical reference for the making of the Moncloa accords. Much of Fuentes Quintana's thinking about the Second Republic was triggered by the striking historical parallels between the conditions prevalent in Spain at the inception of democracy in 1931 and 1977. In both instances Spain was presented with the very unfortunate situation of having to consolidate democracy in the midst of an international economic crisis. Thus, in Fuentes Quintana's view, it was imperative that the first "condition" for facilitating the making of the Moncloa accord was learning the lesson that the political polarization that plagued the Second Republic occasioned the erosion of the legal and social order and the eventual collapse of democracy. This lesson was of relevance to Spain in 1977 because "while history does not repeat itself, historical conditions do."⁶⁴

Elite and Mass Connections

Pact-making in Spain also benefited from close institutional connections between those negotiating the accords and those in charge of implementing them as well as the general public that was directly affected by them. During and after the transition to democracy, links between the political elite and the masses derived principally from the strength of left-wing

⁶³Enrique Fuentes Quintana, "Economía y política en la transición democrática española: fundamentos y enseñanzas de una experiencia," *Pensamiento Iberoamericano*, No. 1 (1980), p. 155.

⁶⁴Author's interview with Mr. Fuentes Quintana (Madrid: February 28, 1994).

parties and their capacity for incorporation and representation of civil society. The socialist and communist parties in Spain, which joined Suarez's center-right party UCD in ushering the practice of pacts with the Moncloa accords, have a long history of organizing and representing a wide range of mass constituencies that preceded the Franco regime and the democratic transition. They drew upon this capital to bring civil society into the fold of consensus that developed around the democratic transition and to ensure compliance with the accords from the general public.

Despite an official ban on parties, the communist party survived the Franco dictatorship by creating clandestine organizations in an effort to fight the authoritarian regime from within its very structures.⁶⁵ In doing so it presented the most effective societal opposition to the Franco regime.⁶⁶ So closely associated was the communist party with the societal struggle against Francoism that participation in its anti-Franco activities "made membership or collaboration with the Communist party almost a necessary rite of passage for the new generation of Spaniards coming onto the political scene."⁶⁷ In 1962, communist leaders founded the Union of Young Communists to rally students against the Franco regime. A year later in 1963 Communist leaders organized the Women's Democratic Movement, a forerunner of the contemporary Spanish feminist movement, with the purpose of bringing non-working women into the anti-Franco struggle. The communist party was also the key player behind the organization of the grassroots neighborhood movement that sprung up around Madrid around the time of the transition. It is reported that over 68 percent of the delegates attending the fourth congress of the communist party were members of the neighborhood associations.⁶⁸

⁶⁵For an overview of the role of the PCE in promoting clandestine groups before the transition see Guy Hermet, *Los comunistas en España* (Paris: Ruedo Ibérico, 1972).

⁶⁶On the PCE in the transition to democracy see Eusebio Mujal-León, *Communism and Political Change in Spain* (Bloomington, Ind.: Indiana University Press, 1983).

⁶⁷Richard Gunther, "The Parties in Opposition," in Stanley Payne, ed., *The Politics of Democratic Spain* (Chicago: Council on Foreign Relations, 1986), p. 92.

⁶⁸Patricia Hipsher, "Democratization and the Decline of Urban Social Movements in Chile and Spain," *Comparative Politics* 27 (April 1996), p. 288.

Last, but certainly not least, during the last decades of the Franco dictatorship, the communist party had gained control of the re-emergent union movement anchored around the CCOO, a social force the PCE expertly used to mobilize the workers against the authoritarian state. By the late 1960s, illegally formed unions were leading demonstrations in Madrid with workers chanting "Franco no, democracy yes."⁶⁹ These mobilizations increased in the aftermath of Franco's death and were critical in provoking the crisis within the authoritarian state that triggered the democratic transition. But it is important to highlight that they were not spontaneous expressions of civil society activism, but rather part of a broader political strategy orchestrated by the communist party to erode the foundation of authoritarianism in Spain by mobilizing civil society. Their success did not depend on the organizational capacity of the resurgent unions but rather on that of the communist party leadership. As explained by Ruth Collier: "the first reason why Spanish labor was well positioned to open space within the authoritarian regime and to lead the pro-democratic protest was the advantage brought by the leadership of the communists, who could draw on a tradition and experience of unusual organizational capacity and underground strategizing."⁷⁰

The capacity of the socialist party to represent civil society depended upon a different type of capital, and particularly a deeply grained identity within the Spanish working class befitting its status as Spain's oldest political party.⁷¹ Founded in 1879, the PSOE grew rapidly during the inter-war years reaching over 80,000 members in 1933, making it one of the leading parties of the Second Republic. Its most important investment in civil society prior to the advent of the Franco regime was the founding of UGT in 1888, whose membership by the 1930s had reached 1.4 million. Until the transition to democracy of the late 1970s, the so-called socialist family comprised of the PSOE and the UGT fought the common struggle for workers' rights, socialism and democracy. This struggle was interrupted with the rise to power of the Franco regime, which either jailed or forced into

⁶⁹David Gilmore, *The Transformation of Spain* (London: Quarter Books, 1985), p. 93.

⁷⁰Ruth Berins Collier, *Paths toward Democracy: The Working Class and Elites in Western Europe and South America* (New York: Cambridge University Press, 1999), p. 127.

⁷¹Manuel Contreras, *El PSOE en la II República: Organización e ideología* (Madrid: Centro de Investigaciones Sociológicas, 1981).

exile the entire PSOE leadership. But despite the repression of the Franco era, the PSOE did not fade away.

Assisting in the resuscitation of the PSOE after 1977 was the survival of left-wing loyalties across generations in communities and families across Spain, especially in such enclaves of working class militancy as Asturias, metal and steel workers in the Basque country, Barcelona and Madrid. José M. Maravall reports that as many as 37.3 percent of the delegates to the 28th Congress of the PSOE in 1979 were children of parents who had been affiliated either to the PSOE or to the socialist trade union (the UGT).⁷² This finding, in his view, suggests that the case of Spain would support the theory of intergenerational ideological transmission through processes of socialization within the family. The PSOE's rehabilitation was also aided by the work of the exile community and underground resistance leaders inside of Spain. The party held its post-civil war party congress in 1944 in France and soon after began to reorganize itself in Spain mostly inside the jails of the Franco regime, which housed thousands of PSOE leaders. Simultaneously, it began to organize the first strikes against Franco and to revive the UGT, which had been banned by Franco following the end of the Civil War in 1939.

The strong ties uniting the unions and the party system helps explain the trade unions' acceptance of the Moncloa accords in 1977. Notwithstanding the much-discussed moderation of the Spanish working class during the transition, union leaders did not enter democracy pre-disposed toward accepting explicit compromises with either the state or the employers. Ideological reasons dictated that at the inception of democracy labor elites were opposed to direct involvement of the unions in policy-making. For many UGT leaders, their early objection to the social pacts stemmed from their historic opposition to cooperation with an authoritarian state that for decades had repressed organized labor. For many CCOO leaders, the participation of the unions in the social pacts amounted to class betrayal. Emblematic of this perspective was that offered to *El País*, Spain's leading newspaper, by Nicolás Sartorius, a noted labor leader during the transition. At the inception of the transition he warned that the labor movement should oppose such a pact because it "would

⁷²José M. Maravall, "The Socialist Alternative: The Policies and Electorate of the PSOE," in Penniman and Mujal-León, eds., *Spain at the Polls*, p. 147.

hurt the process of democratization by diminishing the role of agent of political change for the working class."⁷³

Despite their reservations about the pacts, neither the UGT nor the CCOO was willing to contradict or even challenge the political decisions made by the Socialist and Communist parties to support the Moncloa accords and the larger policy of social concertation. In the end the unions were willing to set organizational and ideological proclivities aside for the sake of complying with the objectives of their parent organizations. Certainly, the deference that the unions paid to the political parties during the transition reflected a significant degree of trust and confidence in the ability of the socialist and communist parties to articulate and represent the interests of the workers, a role that these parties played to great effect.

Comparative Lessons

The political conditions that allowed Spain to profit from pact making in the transition and consolidation of democracy are the result of unique historical circumstances. Both the inclusiveness of the bargaining cartel and the links between elites and the masses reflect developments in Spanish history that cannot and should not be recreated at will in other democratizing societies. This may well suggest that the use of pacts to facilitate both democratic transition and consolidation is a historically constrained possibility. Nonetheless, the Spanish experience remains an important one from a theoretical standpoint. For a start, it provides a foundation for understanding other countries' experience with pacts and democratization, especially post-war Latin America. As noted earlier, its experience informs the theoretical understanding of how transition pacts affect the consolidation of democracy.

In contrast to Spain, transition pacts in Latin America have been ideologically narrow political affairs and executed by elites detached from society. A central purpose of Venezuela's Pacto de Punto Fijo was to explicitly exclude the Communist party from the

⁷³*El País* (May 21 1976).

political arena. Karl notes that the agreement to exclude important social sources and organizations was exemplified by the decision of the elites to isolate the Communist party.⁷⁴ That exclusion, she argues, combined with substantial compromises with the military and economic elites placed serious limitations on the possibility of reform. Exclusion of the Left was also part of Brazil's experience. As noted by one observer, "a contrast between the cases of Spain and Brazil is that the Brazilian version of a negotiated democracy did not involve the presence of left-wing parties or representatives of its allied sectors, nor was it conducted in a manner visible to society."⁷⁵

Among the reasons why political actors in Brazil and Venezuela were successful in creating highly exclusionary pacted democracies was the absence of viable left-wing parties capable of organizing and representing mass constituencies such as the labor movement. As explained by O'Donnell's analysis of pact making in Spain and Latin America, key to the prominence and success of pacts in Spain was the role played by strong "class-based, ideologically articulate parties of the left--that is, Communist and Socialist parties."⁷⁶ He further notes that "in exchange for greater access to electoral competition and to politico-administrative posts, those parties delivered the compliance of the popular sector and its main organizations to the agreements the parties concerned had reached with other actors." By contrast, O'Donnell notes that with the possible exception of Chile, none of the conditions found in Spain were ever met in the Latin American transitions, where the political arena is dominated by "populist and or loosely organized popular and middle-sector-based parties." This kind of party is less likely to persuade its followers to comply with an eventual pact.

The Spanish experience also adds theoretical nuance to our comparative knowledge of the role of transition pacts in the politics of democratization, consolidation in particular. Above all, it illustrates the general point that not all democracies conceived through elite

⁷⁴Karl, "Petroleum and Political Pacts: The Transition to Democracy in Venezuela."

⁷⁵Maria Do Campo Campello De Souza, "The Brazilian "New Republic;" Under the "Sword of Damocles," in Alfred Stepan, ed., *Democratizing Brazil: Problems of Transition and Consolidation* (New York: Oxford University Press, 1989), p. 355.

⁷⁶Guillermo O'Donnell, "Introduction to the Latin American Cases," in *Transitions from Authoritarian Rule: Latin America*, p. 13.

pacts grow into frozen political entities incapable of deepening democratic principles and institutions. Nearly a quarter of a century since it exited authoritarianism, Spain enjoys the distinction of being both a model of a pacted democratic transition and a paradigmatic example of democratic consolidation. As such, the Spanish case provides compelling evidence that democratizing societies can in fact sidestep the seemingly cruel choice that pacts posit between their short-term pay-off (a safe transition to democracy) and their long-term consequence (an exclusionary democracy). More generally, the Spanish experience suggests the provocative notion that transition pacts are best regarded as neutral rather than inherently negative as far as their political legacy is concerned. Whatever impact they exert upon the process of democratic consolidation is dependent upon the kinds of political actors included in the bargains, especially their ideological orientations and capacities to represent society.