The economic viability of land redistribution: Spain in the European Interwar context (1932-1936)

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Abstract

This chapter analyzes the failure of the agrarian reform of the Spanish Second Republic (1932-1936) from a comparative European perspective. Challenging traditional explanations that attribute the collapse solely to political opposition or a lack of government will, this study argues that the reform failed due to structural and environmental limitations. Unlike Eastern Europe, Spain lacked the exogenous shocks—such as war or revolution—that facilitated massive expropriation elsewhere, forcing the Republic to attempt a costly redistribution within a strict legal framework. Furthermore, the state lacked the administrative capacity to execute the ambitious Law of 1932. Fundamentally, dryland farming conditions limited agricultural intensification, meaning that the political goal of maximizing the number of settlers resulted in economically unviable plots. Although the land invasions of 1936 offered a bottom-up alternative, they ultimately redistributed poverty by displacing existing tenants. In conclusion, the Spanish reform attempted to replicate a model ill-suited to its economic reality, demonstrating the limits of redistribution in the absence of market-driven modernization or an exogenous shock.

Keywords: Agrarian Reform; Land Redistribution; Second Spanish Republic; Interwar Europe; State Capacity.

Introduction

This paper examines Spain's attempts at land reform during the Second Republic (1932-1936) within the broader context of interwar Europe. After comparing the divergent experiences of agrarian-based and transforming economies across the continent, it re-evaluates the structural limits and ultimate failure of the Spanish reform. The contrast between the paralysis of the Spanish Republican governments and the apparent success of the numerous redistributive reforms implemented elsewhere during the interwar period—from Mexico to the new nations of Central and Eastern Europe—is striking. While fourteen European countries successfully redistributed over 22 million hectares between 1919 and 1926, Spain's attempt to replicate this transformation stalled, leading to frustration, conflict, and eventually civil war.

Why are some land reforms more successful than others? Policy makers in the 1930s were sharply divided between meeting the immediate subsistence needs of the rural poor and the longer-term goals of increasing efficiency and producing cheap food for urban consumers and exports. Development economics has long posited an 'inverse relationship' between farm size and productivity, suggesting that family-operated farms generally achieve higher output per hectare than large estates due to lower transaction costs and better labour incentives. However, the transition to this family-farming faces formidable challenges. As the Eastern European experience suggests, the political necessity to maximize the number of beneficiaries often resulted in unviable miniscule holdings that retarded modernization by increasing labour misallocation.

The failure of the Spanish Republic to carry out a comprehensive redistributive agrarian reform has traditionally received political explanations. Historians have cited the systematic opposition of landowners, internal divisions within the reformist coalition, or budgetary restrictions as the primary culprits. These explanations share a common trait: they attribute failure to factors exogenous to the design of the reform itself. This perspective allowed Edward Malefakis to famously state that "if the government had been willing and able to act with energy, the reform could have been a success and the many errors committed would have seemed unimportant"[1].

The main contribution of this paper is to challenge this established narrative. We argue that the Spanish Land Reform failed not merely due to a lack of political energy or internal politics, but because it attempted to implement

[1] Edward Malefakis, *Agrarian reform and the peasant revolution in Spain: origins of the Civil War*, New Haven, Yale University Press, 1970.

a model ill-suited to its economic and institutional reality. By reframing the Spanish case as a critical comparison to interwar European models, we highlight two decisive constraints. First, the Spanish case is distinguished by the absence of those advantages that facilitated reform elsewhere, namely war, military occupation or a political revolution. In Eastern Europe, reforms were accelerated by the availability of lands confiscated from defeated imperial aristocracies (Russian, German, or Austro-Hungarian) and a weakened elite class. Spain, by contrast, lacked land that could be expropriated from national or foreign enemies; its reform was part of a democratic process subject to the "legal niceties" of a parliamentary regime, requiring compensation and due process that empowered the opposition.

Second, and perhaps more critically, the reform faced severe state capacity and environmental constraints. The absence of reliable rural statistics explains the excessive ambition of the 1932 Law, which aimed to redistribute half the usable land in latifundium regions among vast numbers of landless laborers without the necessary administrative machinery. Furthermore, the geographic constraints of the Spanish South—characterized by summer drought, poor soils or lands found at an excessive distance from the villages— discouraged the intensification required to make small family farms viable. Unlike the market-led modernization of North-Western Europe, where rising wages and rainfall supported a natural transition to efficient family farming, Spain's dryland conditions meant that maximizing the number of settlers inevitably led to plot sizes insufficient for subsistence, mirroring the "poverty traps" observed in the Balkans.

We also consider the alternative of "bottom-up" reform. The success of the land invasions in Extremadura in 1936 suggests that local initiatives might have overcome bureaucratic paralysis. However, even this model was constrained by the scarcity of available land; "bottom-up" reform could not proceed without harming existing small tenants and medium cultivators, thereby expanding the coalition of those opposed to the Republic.

This paper is organized as follows. Section 2 establishes the European context, contrasting the successful market-led modernization of North-Western Europe with the politically motivated state-led reforms of Eastern Europe. Section 3 turns to the Spanish experience, examining the institutional constraints and limited state capacity that hampered the 1932 reform. Section 4 analyzes the impact of redistribution on farm structure and incentives, highlighting the incompatibility between the political goal of maximizing settlers and the economic necessity of viable farm sizes. Finally, Section 5 examines the specific difficulties of establishing peasant communities from scratch in a capital-scarce economy.

1. The European experiences

The economic rationale for land reform in low-income countries extends beyond questions of social justice to the fundamental issue of efficiency. Development economics has long posited an inverse relationship between farm size and productivity, arguing that family-operated farms generally achieve higher output per hectare than large estates[2]. This efficiency advantage is explained by the high transaction costs associated with hiring and supervising of wage labour in agriculture; whereas large landowners often default to extensive cultivation methods to minimize these monitoring costs, family farmers are residual claimants on their output and therefore maximize labour inputs[3]. Consequently, the family farm is theoretically more competitive in most forms of agriculture, provided land markets function efficiently to allow the transfer of property from extensive landed estates to labour-maximizing family units.

Historically, the realization of this agrarian transformation across Europe followed three distinct trajectories. In the industrializing nations of North-Western Europe, a market-oriented modernization prevailed; here, rising wages and the pressures of globalization eroded the profitability of large estates, prompting a spontaneous, market-led transfer of property to efficient family farmers without the need for state coercion. By contrast, the state-led redistributions of Central and Eastern Europe following the First World War prioritized the political dismantling of imperial aristocracies over economic viability, creating unviable 'dwarf holdings' that often retarded modernization. Between these extremes lay the exceptional case of Ireland, where successful state intervention was made possible by the British government's fiscal capacity to subsidize the transfer of ownership.

In the industrializing nations of North-Western Europe, the sweeping agricultural transformation of the nineteenth century was the result of the Liberal Reforms combined with rapidly falling transport costs, which allowed agricultural goods from the New World to compete effectively within European

[2] R. A. Berry, "Agrarian Reform, Land Redistribution, and Small-Farm Policy" in E. W. Nafziger and R. Väyrynen (ed.), *The Prevention of Humanitarian Emergencies. Studies in Development Economics and Policy*, London, Palgrave Macmillan, 2002. Hans P. Binswanger, Klaus Deininger and Gershon Feder, "Power, distortions, revolt and reform in agricultural land relations" in J. Behrman and T.N. Srinivasan (ed.), *Handbook of Development Economics*, IIIB, Amsterdam, North Holland, 1995. Michael Lipton, *Land Reform in Developing Countries. Property rights and property wrongs*, London, Routledge, 2009.

[3] Douglass Allen and Dean Lueck, *The nature of the farm. Contracts, Risk, and Organization in Agriculture*, Cambridge (MA), MIT Press, 2001.

markets[4]. Liberal reforms supposed several fundamental changes like the privatization of extensive common lands, the substitution of local custom with statute law, the loosening of labour obligations to grant workers greater freedom of movement, and a major shift toward free trade.

Although these measures successfully boosted market participation, they also contributed to growing inequality within village societies. In North-Western Europe, however, the growth of inequality was checked by economic dynamics: falling cereal prices and rising farm wages eroded the profitability of large, landed estates, often prompting owners to sell their holdings[5]. At the same time, strong urban demand for food rich in proteins, fruit and vegetables, together with cheap transport, and favourable rainfall, encouraged small, family farmers to specialize in labour-intensive activities, such as dairying or intensive meat production, for these high value markets[6]. The extension of the suffrage amplified the political influence of these family farmers, increasing demands for improved tenant rights and greater control of the lengthening food supply chains. For the rural laborers who remained landless, alternative employment opportunities opened with the rapidly expanding industrial cities or through emigration to the New World.

In Eastern Europe, by contrast, greater market integration benefitted large-scale specialized grain production for export and explains the persistence and increasing extension of large estates. In the case of Bohemia there was no inverse relationship between farm size and productivity since the yields of cereals, or potatoes were higher on larger farms, something that was also true in Hungary or Polish regions[7].

One of the most notable consequences of the First World War was the unprecedented wave of redistributive agrarian reforms in fourteen of the twenty countries that made up Europe between 1919 and 1926, involving the transfer of 22.8 million hectares[8]. This wave essentially affected

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[4] Kevin O'Rourke and Jeffrey G. Williamson, "Late Nineteenth-Century Anglo-American Factor-Price Convergence: Were Heckscher and Ohlin Right?", *The Journal of Economic History*, 54 (1994), p. 892-916.

[5] N. Koning, *The failure of agrarian capitalism: agrarian politics in the U.K., Germany, the Netherlands and the USA, 1846-1919*, London and New York, Routledge, 1994.

[6] J. L. Van Zanden, "The first green revolution: the growth of production and productivity in European agriculture, 1870-1914", *Economic History Review*, 44 (1991), p. 215-39.

[7] James Simpson, *Family Farmers, Land Reforms and Political Action. An Alternative Economic History of Interwar Europe*, Singapore, Palgrave Macmillan, 2024, p. 136-138 and table 6.6.

[8] Paul Brassley, "Land reform and reallocation in interwar Europe: The Social Embeddedness of Property Rights in Land in Historical Perspective" in R. Congost and R. Santos (ed.), *Contexts of Property in Europe*, Turnhout, Brepols, 2010, p. 145-164.

countries in Central and Eastern Europe, but not those in Western Europe, with the exception of limited reforms in Germany and Austria. All these countries shared certain characteristics, such as having participated in the First World War, problems associated with the creation of new states, and a high concentration of property. The wars had required an unprecedented mobilization of soldiers and resources and a reorganization of economies, highlighting the growth of the role of the State[9]. All of them suffered border realignments, in many cases independence led to problems with national minorities, both within and outside their borders. Finally, a significant part of the property held by the Russian, German, Turkish, or Austro-Hungarian imperial aristocracies was the main target of the agrarian reforms[10]. The new democratic governments sponsored land reforms, breaking-up large estates, and producing a land ownership structure that was more egalitarian than that found in much of North-Western Europe[11]. From a comparative perspective, these reforms are considered particularly successful in the 20th century[12]. By contrast, redistributive land reforms in Western Europe were less important, except for Ireland and Spain.

This transition benefited about two million landless workers and 1.5 million tenants and involved almost 20% of all agricultural land[13]. The reforms significantly altered the agrarian structure, resulting in landless laborers making up less than ten percent of the farm population in Bulgaria, Romania, and Yugoslavia by 1935, a contrast to North-Western European countries, with a third or more found in Belgium, Denmark or France, and even 2/3 in the Netherland or England[14]. These reforms were critical for social equity, reducing inequality by converting landless workers into small family farmers. Land reform promised to empower the poorest groups politically and changed work incentives, encouraging the new farmers to dedicate the necessary effort and care to increase farm output. However, the primary objective of Eastern European land reforms was often maximizing the number of recipients to help

[9] S. Broadberry & M. Harrison, *The Economics of World War I*, Cambridge University Press, Cambridge, 1995.

[10] Doreen Warriner, *Economics of Peasant Farming*, Oxford, Oxford University Press, 1939.

[11] James Simpson, *Family Farmers, Land Reforms…*, cit..

[12] Michael Albertus, *Autocracy and Redistribution. The Politics of Land Reform*, Cambridge, Cambridge University Press, 2015, p. 271-273.

[13] Royal Institute of International Affairs, *World Agriculture, an International Survey: a Report by a Study Group of the Royal Institute of International Affairs*, London, Oxford University Press, 1932.

[14] James Simpson, *Family Farmers, Land Reforms…*, cit., table 6.2.

the rural poor, rather than optimizing efficiency, which resulted in families being left with insufficient land to farm efficiently. The importance of the political factors was not just about the capacity of the governments to target the landed elites of the former empires, but affected the redistribution as well, as priority was often given to veterans and families of those who were killed in the war. The limitations of Eastern European land reforms were closely tied to natural resource endowments and the challenging macroeconomic context of the interwar years, contrasting sharply with the successful, market-led specialization achieved in East Asia after the Second World War.

Table 1 – Selected indicators of European countries that carried out land reforms during the interwar period (circa 1930).

	Per capita income (1930$ c.1930)	% employed in agric. (c.1930)	Level of urbanization	Labour productivity in agriculture (1930)	National minorities (1930–34) (% of total)	Institutional constraints	Minor/major reform	Frontier changes	Years of land reform
Bulgaria	1.405	75	21.4	47	15.5	Low	Major	Yes	1921/24
Czechoslovakia	2.918	33	47.8	105	33.5	Low	Minor	Yes*	1919
Finland	2.885	72	22.3	65	10	High	Minor	Yes*	1920
Greece	2.135	51	42.5	50	18.7	Low	Major	Yes	1917
Hungary	2.537	51	42.5	78	7	Low	Major	Yes	1920
Poland	2.118	60	27.2	49	31.1	Low	Major	Yes*	1921/25
Rumania	1.102	72	20.2	48	26.8	Low	Major	Yes	1918/21
USSR	1.426	78	32.8	39	47.1	Low	Major	Yes	1918/22
Yugoslavia	1.364	76	22.3	38	26	Low	Major	Yes	1919
AVERAGE	1.988	62	32	67	24				
Spain	2.724	47	48.5	105	0.3	High	Minor	No	1932/36
Italy	3.241	49	51.9	73	2.7	High	Minor	Yes	1919/21
Ireland	2.823	60	35.5	93	7.6	High	Major	No	1870/1909

Source: Per capita income, Steve Broadberry & Alexander Klein, *Aggregate and per capita GDP in Europe, 1870–2000: continental, regional and national data with changing boundaries*, Scandinavian Economic History Review, 60 (2012), p. 79-107. Active population, population density, farm population and national minorities, Dudley Kirk, *Europe's Population in the Interwar Years*, New York, Gordon & Breach, 1946, p. 211, table 17 and Appendix 2; Spain, agricultural productivity, Wilbert Moore, *Economic Demography of Eastern and Southern Europe*, Geneva, League of Nations, 1945; land reform, Paul Brassley, *Land Reform*…, cit. and Gregorio Peces-Barba, *Ley de Reforma Agraria*…, cit.; Institutional constraints and minor/major reform in Michael Albertus, *Autocracy and Redistribution. The Politics of Land Reform*, Cambridge, Cambridge University Press, 2015, p. 271-73.

Different levels of development can explain the variety of experiences between agriculture-based and transforming economies (World Bank, 2008). In transforming economies there were greater possibilities to achieve market-led reforms found in north-western European countries than in agrarian-based economies. Table 1 shows the large range of per capita incomes that existed, stretching from 1,100 -1,400 1930 dollars in Romania and Bulgaria to almost of 3,000 in Czechoslovakia, resulting in different levels of urbanization and agricultural employment and productivity. In the case of the Balkans, one problem was the low cereal prices during the interwar period which made small-scale, commercial production unprofitable[15]. Moreover, the advantage of low supervision costs that family farmers enjoyed allowing the production of labour intensive and high value agricultural products were severely limited by weak consumer demand, poor credit markets, high transport costs and unfavourable natural resources[16]. Unlike industrial economies where technological change (tractors, machinery) enhanced cereal efficiency, land reform in the Balkans often drained capital from productive agriculture as new farmers had to use their limited savings to purchase land. Farmers on small holdings tended to over-invest in equipment, such as ploughs and work animals, which remained underused given the highly seasonal nature of farming and limited off-farm work. Finally, geographical constraints like rainfall scarcity limited the possibility of intensive livestock production in this part of Eastern Europe, compared to Hungary or Bohemia[17]. Consequently, many farmers in the Balkans withdrew from markets, although in Romania, and elsewhere, if land reform failed to increase cash incomes or raise the nation's taxable capacity, it enabled the peasant families to feed themselves, and escape hunger[18]. However, while self-sufficiency on diminutive farms was a logical response to market conditions, it was not a choice for stability in preference to wealth, but rather one of instability and poverty together[19]. Under these conditions, increased food consumption among the rural poor presented a macroeconomic risk as it threatened supplies for urban consumers and reduced demand for manufactured goods. By contrast, the land reforms in transforming economies like Hungary, Czechoslovakia, or Poland, which enjoyed higher agricultural productivity and larger urban markets, were

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[15] Doreen Warriner, *Economics of Peasant Farming*…, cit..

[16] David Mitrany, *The Land and the Peasant in Rumania. The War and Agrarian Reform (1917-21)*, London, Milford, 1930.

[17] Doreen Warriner, *Economics of Peasant Farming*…, cit., p. 98.

[18] James Simpson, *Family Farmers, Land Reforms*…, cit..

[19] Doreen Warriner, *Economics of Peasant Farming*…, cit..

more limited in scope and farming remained market oriented in the more industrialized regions[20].

Finally, the success of the tenancy reform in Ireland (1870-1909) was aided by the fact that most large landowners were Anglo-Protestant and their tenants Irish Catholics, a cleavage that could be utilized politically to achieve land reform. It was a classical reform of land to the tiller, which did not require any reorganization of farming methods. Beginning with legislation in the 1870s and 1880s that established the "three Fs" (fair rent, fixity of tenure, and free sale), British policy initially sought to regulate the landlord system by granting legal protections to tenants rather than damaging landed estates[21]. However, this approach quickly evolved into a massive program of state-subsidized land purchase by tenants—culminating in the Wyndham Act of 1903—that effectively dismantled the Anglo-Irish landlord class by transferring land ownership directly to the occupying farmers. This Act established generous terms for landowners, including compensation equivalent to 25 years of rental income and a 12% bonus, and was financed by bonds backed by the British government, highlighting the advantage of land reform being backed by a rich state[22]. Crucially, the new family farmers benefited from access to rich English urban markets and enjoyed favourable natural resources for labour-intensive dairy farming, resulting in rising living standards and market-led growth in farm output.

In conclusion, the European experience offers distinct trajectories of agrarian transformation, each defined by the interplay of market forces, state capacity, and natural endowments. While North-Western Europe and Ireland demonstrated that family farming could succeed—either through gradual market evolution or heavy state subsidization—when combined with favourable rainfall and access to dynamic urban markets, the interwar reforms of Eastern Europe highlighted the retreat into self-sufficiency that land reform encouraged when these conditions were not present. The creation of a stable class of family farmers required more than the mere transfer of property rights, as it demanded a favourable macroeconomic context and state resources that many reforming nations lacked. This comparative framework highlights the acute dilemmas faced by countries that attempted to dismantle landed estates without strong incentives to produce high-value foods or lacked the fiscal power of the British state to finance reform. In Spain, a redistributive land reform and self-sufficiency

[20] James Simpson, *Family Farmers, Land Reforms*…, cit., p. 136-138.

[21] Terence Dooley, *Burning the Big House. The Story of the Irish Country House in a Time of War and Revolution*, New Haven & London, Yale University Press, 2022.

[22] Nathan Foley-Fisher and Eoin McLaughlin, "Capitalising on the Irish Land Question: Land Reform and State Banking in Ireland, 1891-1938", *Financial History Review*, 23 (2016), p. 71-109.

such as found in Eastern Europe, might have provided a short-term solution to the cyclical poverty of the South, but it was totally inappropriate to resolving the agrarian questions elsewhere in the country.

2. The Spanish experience. State capacity and institutional constraints

The period leading up to the Great Depression saw significant modernization in Spanish agriculture, marked by an exodus of workers, a 40% decline in landless laborers and an important structural change, with agricultural workers falling from 65 to 45% of total labour population. This shift strengthened the position of family farmers, who grew to represent 73% of the total agricultural workforce in a process reminiscent of northern Europe[23]. However, economic development deepened regional differences. In the industrializing North, regions like the Basque Country and Cataluña employed only 26% of their active labour force in agriculture, reflecting strong urban markets and alternative employment opportunities**.** Conversely, the South suffered from surplus labour, with nearly 60% of the active population in agriculture, and two-fifths of that population being landless.

Land ownership in southern Spain was heavily concentrated, both on the rich cereal lands of the Guadalquivir valley (*Campiña*), as well as the huge *dehesas* found in the less populated upland regions. In Extremadura, farms of over 250 hectares numbered just 0.3 per cent of total holdings but covered 41.2 per cent of the area and produced 27.8 per cent of the taxable income, while in Andalusia, which included the most fertile regions, they represented 51 per cent of the total area, and 33 per cent of income[24].

Despite some modernization, Spanish agriculture faced severe natural constraints. Summer drought hindered the shift to labor-intensive crops, while feed costs made commercial dairying unviable. Dry-farming exports like vine and olive faced chronic oversupply, and profitable crops like oranges covered just 0.3% of the land, underscoring the weakness of high-value markets[25].

The success of Eastern Europe's post-war land reforms sparked considerable interest in Spain, fuelling a growing interest in the possibilities of carrying out their own redistributive reforms, especially as there was a belief that land

[23] Juan Carmona, Joan Rosés and James Simpson, "The question of land access and the Spanish Land Reform of 1932", *Economic History Review*, 72, 2 (2019), p. 669-690.

[24] Pascual Carrión, *Los latifundios en España. Su importancia, origen, consecuencias y solución*, Madrid, Gráficas reunidas, 1932.

[25] James Simpson, *Spanish Agriculture. The long Siesta. 1765-1965*, Cambridge, Cambridge University Press, 1995.

concentration led to absentee landowners, the persistence of *caciquismo*, the large numbers of landless day laborers, and agrarian backwardness. Although there had been previous initiatives to transfer land, notably the Law of Colonization and Internal Repopulation of 1907 and the Agrarian Social Action and Emigration program starting in 1926, these had achieved very limited results. By contrast, the agrarian reforms of Eastern Europe appeared to show the way forward, and translations and summaries of these experiences are found in Spanish publications[26]. These analyses reflected the expectations of contemporaries regarding the most appropriate type of reform, and the various legislative bills were, in fact, directly inspired by these European experiments.

Table 2 – The different types of agrarian reforms (Spain 1931-1936).

Criteria	**Technical Project (1931)**	**Land Reform Law of 1932**	**Popular mechanisms (Invasions/Decree of intensification of cultivation)**
Date	1931	1932	1932 and 1936
Authority for land Settlement	Town council	IRA (Instituto de Reforma Agraria)	Local organizations or town council
Land targeted	Uncultivated or profitable lands in 14 latifundia provinces.	Lands above an established income threshold in 14 provinces.	Uncultivated land in latifundia near towns (partial occupation).
Cultivation system	Peasant communities.	Local organization.	Determined locally (Town Council/Local Org.).
Role of bottom-up initiative	IRA was only involved at the beginning.	Present in 1932 and 1936.	Explicit mechanisms of 'bottom-up' agrarian reform.
Compliance with rules	Unspecified.	High.	Low.
Overall impact/achievements	Low.	Yes (in 1932 and 1936).	Low (for Invasions)

Source: Juan Carmona and James Simpson, "Capacidad del estado, democracia y política en la Segunda República (1931-1936): el fracaso de la reforma agraria en España", *Ayer*, 116 (2020), Appendix 1.

[26] Rafael del Caño García, *Ante la reforma agraria: cómo está parcelado física, jurídica y agrícolamente el suelo español*, Madrid, 1931. Fernando de los Ríos, *El problema agrario en España*, Ginebra, 1925. Gregorio Peces-Barba, *Ley de Reforma Agraria*, Madrid, Imprenta Valdecilla, 1932. Pascual Carrión, *Los latifundios en España…*, cit..

The proclamation of the Second Republic in April 1931 triggered considerable enthusiasm among republicans regarding the prospects for land reform, which was primarily aimed at the large estates concentrated in the 14 provinces comprising southern Spain (Map 1). A few weeks later, a group of agronomists was commissioned by the parliament to propose a project for a Land reform, which was unveiled in July 1931[27]. As a rapid settlement of peasants could only occur if the state confiscated land without compensation and gave the owners no legal recourse, the Commission proposed instead that there would be no expropriation, but rather 'temporary' occupation of all land on farms above a certain size[28]. Land was to be given directly to the tiller, but when this was not possible it would be given to peasant communities, as collective cultivation was supposed to reduce the problems of settling unskilled laborers. The fact that the authority for the settlement was given to the town councils risked politicizing the process (see table 2). Finally, the project considered settling between 60,000 and 75,000 families annually during a period of 12 or 15 years[29]. However, the Plan was opposed by the landowners as it included all farms, not just those that were poorly cultivated, and by the Socialists, because reform could be easily reversed by future governments and for them the reform was much too limited, as they wanted to settle 150,000 during the first year, and 100,000 thereafter[30].

Map 1 – The 14 latifundia provinces of the southern Spain according to the Land Reform Law of 1932.

[27] Edward Malefakis, *Agrarian reform and the peasant*…, cit..

[28] Edward Malefakis, *Agrarian reform and the peasant*…, cit. Pascual Carrión, *Los latifundios en España*…, cit..

[29] Edward Malefakis, *Agrarian reform and the peasant*…, cit., chapt, VI.

[30] Edward Malefakis, *Agrarian reform and the peasant*…, cit..

By contrast, the Land Reform Law that was finally approved by the parliament in September 1932 (Ley de Bases), provided more guarantees to landowners and was structured as a top-down reform. It was to be applied primarily to the 14 provinces of the south (Base 2), and included classic redistributive measures, defining expropriation thresholds, beneficiary requirements, and compensation rules, while creating a specific administrative body, the Institute of Agrarian Reform (Instituto de Reforma Agraria – IRA) to implement the reform[31]. The maximum limits for individual property were established in each village depending on the intensity of cultivation, but all lands could be expropriated when they were considered poorly cultivated; or had been continuously leased for more than twelve years; or when a single property exceeded 20% of the municipality (Ley de Bases, 1932, Base 5). Settlement was to be either collective (through peasant communities) or in individual plots, depending on the nature of the estate or the wishes of the beneficiaries (Ley de Bases, 1932, base 12 and 16). Finally, the State began drafting an inventory of estates (*Registro de Propiedad Expropiable*) and a peasant census (*Censo Campesino*) to determine the number, and location, of beneficiaries (Ley de Bases, 1932, Bases 7 and 11).

The agrarian reform initially generated much enthusiasm, with talk of settling between 100,000 and 150,000 peasants annually. However, by December 1933, only 7,000 peasants had been settled on 45,000 hectares[32]. Settlements continued after the electoral victory of the centre-right coalition in November 1933, and between January and September 1934, another 6,289 peasants received 81,558 hectares. For the landless, land reform was far too slow. The historian Edward Malefakis[33] writes that 'it was the misfortune of the Republic that Azaña interpreted the revolutionary document to which his government had given birth in the most limited manner possible and failed to take advantage of the extraordinary powers it conferred on him'. More recently Ricardo Robledo[34] has argued that some degree of violence and illegality were necessary to accomplish any ambitious reform. Yet none of these could have resolved the basic problems of the limited state capacity to supervise such an ambitious reform and the lack of suitable land.

The literature on land reform has shown that redistributive reforms face two important challenges: first, to overcome the opposition of the owners, and

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31 Edward Malefakis, *Agrarian reform and the peasant*…, cit. Ley de Bases, 1932.

32 Edward Malefakis, *Agrarian reform and the peasant*…, cit..

33 Edward Malefakis, *Agrarian reform and the peasant*…, cit..

34 Ricardo Robledo, *La tierra es vuestra. La reforma agraria. Un problema no resuelto. España, 1900-1950*, Barcelona, Pasado & Presente, 2023, p. 408-409.

second, to ensure that the redistribution both favours agrarian development and reduces the poverty of the peasants. Since reform involves the transfer of income and redistribution of power from landowners to landless workers, the opposition of the former is greatly helped if exogenous events undermine some of their power, such as in Eastern Europe after the First World War. In Latin-America, the most successful land reforms have coincided with violent political change, whether revolutions, popular uprisings or military coups[35]. In Asia, the US occupation was an important reason for the success of land reforms in Korea, Japan and Taiwan after the Second World War[36]. By contrast, the Spanish land reform took place within a young democracy, with no ethnic cleavages, and a state that lacked large areas of unsettled land. Land reform instead relied on a complex legal document (Law of Bases) that looked to create a consensus among a large number of institutional actors. Malefakis[37] stresses that contemporaries were forced to choose between a slow reform that respected "legal niceties", or a revolutionary one that ignored them. The legal 'niceties' and the unfavourable compensation for landowners, at least compared to the Irish case, delayed the implementation of reform. Spain's non-participation in World War I implied that the country's landed elites were neither socially isolated, nor lost their capacity to legally oppose unfavourable legislation.

The Spanish state also lacked the administrative capacity to carry out such an ambitious reform. The IRA lacked information on how the large estates were actually cultivated and consequently their potential for absorbing underemployed labour, while virtually no statistical information was easily available at the village level. Not only had countries such as Italy or France published considerably more on their agriculture, both at the farm and municipal levels[38], this was also true for most Eastern European countries, despite their lower per capita incomes. Other sources, such as the land registry, grossly underestimated the volume of land potentially expropriable, as suggested by Robledo[39]. Finally, rumours surrounding the agrarian reform encouraged workers from outside the sector to register themselves

[35] Michael Albertus, Autocracy and Redistribution…, cit..

[36] Keith Griffin, Azizur Rahman Khan and Amy Ickowitz, "Poverty and the distribution of land", *Journal of Agrarian Change*, 2 (2002), p. 279-330; and, more generally, Hans P. Binswanger, Klaus Deininger and Gershon Feder, "Power, distortions…, cit., p. 2683.

[37] Edward Malefakis, *Agrarian reform and the peasant*…, cit..

[38] James Simpson and Juan Carmona, *Why Democracy Failed: The Agrarian Origins of the Spanish Civil War*, Cambridge, Cambridge University Press, 2020. Table A1.a.

[39] Ricardo Robledo, *La tierra es vuestra*…, cit., p. 129 and 420.

on the peasant census, while the difficulties of the local authorities for establishing an objective criterion for selection, led to lists that rewarded political followers[40].

This lack of reliable statistical information explains why contemporaries were unaware of the huge gap between the actual resources, and those needed to solve rural poverty through land redistribution. In Eastern Europe especially, the state had benefitted from having large tracts of land or had been able to confiscate them from politically discredited landowners, to give to the landless. In Spain, these possibilities were ruled out beforehand as regime change had followed democratic elections, although the failed military coup of "Sanjurjo" in 1932 unexpectedly provided the opportunity to expropriate most of the lands of the Grandees of Spain without compensation. However, these possessed little more than half a million hectares, equivalent to no more than 2.6% of the cultivated area, and not all of it was to be found in the southern provinces, where land reform was to be carried out[41] .

Finally, the failure to create a broad coalition to back the reform contrasts with the success of the large landowners to exploit the resulting legal confusion, and organize an anti-land reform coalition supported by large number of family farmers from not just the centre of land reform, but from across the whole country[42].

The failure of the Land Reform Law contrasts with the success of other mechanisms of redistribution during the same Republican period. Thus, the locally organized land occupations in Extremadura led the government to establish the so-called Decree of Intensification of Cultivation (*Decreto de Intensificación de Cultivos*) in November 1932, which allowed the temporary settlement of 33,000 farmers on 100,000 hectares. In March

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[40] Francisco Cobo Romero and Francisco de Paula Garrido Rodríguez, *La República en los pueblos. Conflicto, radicalización y exclusión en la vida política local durante la Segunda República Española (1931-1936)*, Granada, Comares Historia, 2021. James Simpson and Juan Carmona, *Why Democracy Failed*…, cit..

[41] Ricardo Robledo, "La expropiación agraria de la Segunda República (1931-1939)" in Salustiano de Dios (ed.), *Historia de la Propiedad: la expropiación*, Salamanca, Universidad de Salamanca, 2012.

[42] Edward Malefakis, *Agrarian reform and the peasant*…, cit.. James Simpson and Juan Carmona, *Why Democracy Failed*…, cit. Francisco Cobo Romero and Francisco de Paula Garrido Rodríguez, *La República*…, cit..

This was made easier by the IRA's / government's decision to extend land registration to the entire country, expropriate all leased estates / farms, and include all landowners with more than 20 hectares living in the immediate vicinity of the town (*ruedo*).

1936, this movement was expanded further. In both cases, the State legitimized the settlements a posteriori. At the same time as the 1936 occupations, the Popular Front government looked to extend agrarian reform by implementing two new decrees (table 2): that of March 20, which allowed the IRA to expropriate temporarily any farm that it considered socially necessary (*utilidad social*) and stipulating the rent to be paid to the owner, thereby escaping the slow procedure of the Land Reform Law; and the circular of May 19, which transferred these powers to municipal councils, allowing them to decide which farm were suitable to achieve the needs. The effect of these decrees was to increase the occupations, and the March 20 decree permitted the formalization of the settlement of 110,921 peasants on 572,035 hectares[43].

These massive settlements, responding to local, social pressure and legitimized by central government, constitute another modality of land reform: the "bottom-up". The main differences to the Land Reform Law were the plurality of organizations legally authorized to determine which land was to be occupied and who was to benefit from the redistribution. The land occupied was also different, since only those parts of the rotation which were suitable for immediate cultivation were allocated (table 2). The decision of who occupied the land was also left in the hands of the local population, the municipal council or local branch of a political organization. Both the government and the IRA tried to convince public opinion that the settlements complied with national laws, and that they controlled the process, but the state lacked the capacity to monitor closely events, and the nature of the occupations often reflected the outcome of local political events rather than central government policy[44].

Robledo[45] has argued that this 'bottom-up' reform was more successful than the ineffective Land Reform Law of 1932. While the main advantages of this approach were its flexibility and use of local information, problems resulted from the difficulty of financing the poorer tenants and the risk of political manipulation in communities that were already heavily polarized[46]. Furthermore, there is evidence that indicates that a large percentage of

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[43] Edward Malefakis, *Agrarian reform and the peasant…*, cit.. Sergio Riesco Roche, *La reforma agraria y los orígenes de la Guerra Civil (1931-1940)*, Madrid, Biblioteca Nueva, 2006. James Simpson and Juan Carmona, *Why Democracy Failed…*, cit..

[44] James Simpson and Juan Carmona, *Why Democracy Failed…*, cit..

[45] Ricardo Robledo, *La tierra es vuestra…*, cit..

[46] Sergi Basco, Jordi Domènech and Laura Maravall, "Land reform and rural conflict. Evidence from 1930s Spain", *Explorations in Economic History*, 89 (2023).

settlements involved the substitution or expulsion of existing cultivators who were already working lands within the rotation[47]. Consequently, the land invasions and their formalization by the IRA threatened not only the property rights of large landowners and herders, but also the continuity of these small and medium-sized cultivators. Any future expansion of these settlements or the recovery of communal assets would also have inevitably required the expulsion of increasing numbers of cultivators, leading to an escalation of conflict.

3. Redistributive reform, farm structure and incentives

We already mentioned the efficiency advantages of the small farm for its capacity to substitute labour for land and capital while minimizing the transaction costs associated with hired labour[48]. In Spain, although the agricultural sector was modernizing rapidly prior to the 1930s recession and family farming was widespread, the South remained distinct: nearly 40% of its agricultural workforce consisted of landless laborers[49]. The agronomist Pascual Carrión, in his influential book *Los latifundios en España* (1932), attributed the productivity gap between the small, irrigated farms of Valencia and the extensive estates of the South primarily to farm size and labour incentives, largely downplaying environmental constraints such as climate and soil types. He argued that average yields in dry-farming regions could be doubled—from 300 to 600 pesetas per hectare—simply through splitting the large estates into small farms[50]. Like Carrión, most contemporaries were excessively optimistic regarding the potential for intensification, believing that reducing period of fallow on dry farmland was feasible and could support the settlement of thousands of landless labourers.

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[47] Juan Carmona and James Simpson, "¿Campesinos unidos o divididos? La acción colectiva y la revolución social de los yunteros durante la Segunda República en España (1931-1936)", Historia Social, 84 (2016), p. 123-144, table 5.

[48] Hans P. Binswanger, Klaus Deininger and Gershon Feder, "Power, distortions…, cit., p. 2700 et seq.

[49] Juan Carmona, Joan Rosés and James Simpson, "The question…, cit..

[50] Pascual Carrión, *Los latifundios en España*…, cit..

Table 3 – The impact of land reform on farm structure and work incentives.

Who receives land?	**Impact on farm structure**	**Impact on work incentives**	**Examples in Spain**
Family farmers (tenants & sharecroppers)	No change	Good	Attempted in Extremadura (dehesas)
Landless workers: to create family farmers	Need to build new farms	Good – but need help to become entrepreneurs	Attempted in Andalucia (cortijos)
Landless workers: to create collectives	No change	Weak	Attempted during the Civil War

Source: Juan Carmona and James Simpson, "Capacidad del estado…, cit, table 8.2.

Large and virtually empty areas of farmland certainly existed, but the soils were either fragile, or the land located too far from the villages. Furthermore, both the technology and economic conditions of the 1930s created barriers to improving yields[51]. In the case of Extremadura, for example, the extensive rotations followed were usually rational given the soil quality and farm-gate prices, limiting the opportunities from gains from intensifying cultivation techniques[52]. The government agronomists who prepared the land reform reports proposed few changes to existing rotations that could have increased output[53]. In fact, intensification through shortening rotations or cultivating temporary pastures (majadales) risked undermining soil fertility and threatened livestock farming[54].

[51] O. Balabanian, *Les exploitations et les problèmes de l'agriculture en Estrémadure espagnole et dans le Haut-Alentejo: contribution à l'étude de campagnes méditerranéennes*, Braga, Barbosa & Xavier, 1980. José Manuel Naredo and Manuel González de Molina, "Reforma Agraria y desarrollo económico en la Andalucía del siglo XX" in Manuel González de Molina and José Antonio Parejo Barranco (ed.), *La historia de Andalucía a debate*, vol. 2, Barcelona, Anthropos, 2004, p. 88-116.

[52] James Simpson and Juan Carmona, "Too Many Workers or not Enough Land? Why Land Reform Fails in Spain during the 1930s", *Historia Agraria*, 71 (2017), p. 37-68.

[53] James Simpson and Juan Carmona, "Too Many Workers…, cit..

[54] James Simpson and Juan Carmona, "Too Many Workers…, cit..

Table 4 – Land reform estimates of production costs and farm income (1932-1936).

	Law of Land Reform	Vázquez Humasqué project	Law of intensification of cultivation	Settlement *Las Cabras Baja*	Settlement *Ramira Alta*
Date	1932	1934	1932 and 1936	1934	1934
Farm size in hectares	10	12	3	12	14
Area sown	5	6	3	4	4,5
Gross output	1,740	2,088	522	2,436	2,338
Inputs (excluding labour)	522	626	157	787	810
Net income	1,218	1,461	365	1,649	1,528
Rent	435	522	126	427	398
Farmer income (including labour)	783	940	239	1,222	1,130
% 1,129 pesetas necessary for basic basket for 4 persons	69%	83%	21%	108%	100%
% 2,000 pesetas family income	39%	47%	12%	61%	57%

Sources and methodology: the table is an abridged version of the table 2.4 of the Appendix 2, James Simpson and Juan Carmona, *Why Democracy Failed*, …, cit.. Farm size in Law of Land Reform is the maximum size of family farm (owned or leased) to receive land or register in the Censo de Campesinos. (Base 11, c-9); farm size for Vázquez Humasqué is for Badajoz, and for Law of Intensification is according to the law (Edward Malefakis, *Agrarian reform and the peasant*…, cit., table 30); Gross output and inputs from James Simpson and Juan Carmona, *Why Democracy Failed*, …, cit., table 2.4; Rents in James Simpson and Juan Carmona, *Why Democracy Failed*, …, cit., tables 2.3 and 2.4. The basic basket follows (Robert Allen, "Poverty Lines in History, Theory, and Current International Practice", *Economics Series Working Papers* 685, Oxford, Department of Economics.Allen, 2013), and provides about 1700 calories per capita / day and 1/3 was for housing and other costs. Prices are for Badajoz, España, Dirección General del Instituto Geográfico, Catastral y de Estadística, Anuario Estadístico de España, 1930, Madrid, Imprenta de los Hijos de M. G. Hernández, 1930.

The difficulty in creating independent family farms in areas with insufficient rainfall was both because farm work was too seasonal, and the lack of fodder for livestock, making work animals expensive. Furthermore, the low prices of the 1930s implied that living standards could only have improved if labour-intensive cultivation increased yields. Therefore, the difficulties of intensifying cultivation prevented a 'land to the tiller' type reform from being implemented, which would have gained both the political support of the existing small tenants in the latifundio areas and allowed the settlement of sufficient numbers of landless and near-landless labourers. In fact, the Second Republic governments looked to settle the maximum number of landless peasants possible. Table 4 shows various estimates of potential income for settlers found in different projects, namely the Land Reform Law (especially the Base 11); the projected Tenancy law of 1933; the 1934 plan of Vázquez Humasqué, the Director of the IRA; the Intensification Law for Extremadura (1932), and details from two settlements from the IRA archives. None of them according to our calculation provided the 2,000 pesetas required for a family income as proposed by the IRA[55]. Even more striking, the ambitious project of Vázquez Humasqué and the Intensification Law give income levels which were well below the minimum basic basket of 1,100 pesetas for a family of four (Vázquez Humasqué, 1934). A distinctive feature of both these projects is how they addressed the large distances to the much of the village land, and the fact that the plots within reasonable walking distance was in short-supply, resulting in families being left with only small plots.

Farm incomes would remain extremely low in the absence of higher yields, suggesting that land reform in southern Spain would have provided results closer to those of the Balkans, than in Ireland. The possibilities of creating new settlements away from the villages was constrained by the lack of government resources, with an estimated expenditure of 10,000 pesetas required per settler. The policy of maximizing the number of settlers implied farms were too small to make families economically independent, forcing members to seek off-farm employment to complete their income.

The constraints on agricultural intensification produced a structural impasse: whether agrarian reform should prioritize specialization for urban markets or satisfy the subsistence needs of the rural poor. Commercial dairy production, which contributed to farmers' income in Northwestern European countries was practically unknown in most part of Spain due to the exorbitant cost of feed and transportation difficulties for a highly perishable product. The export possibilities

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[55] For the calculation, see Appendix 2, James Simpson and Juan Carmona, *Why Democracy Failed…*, cit..

for specialist crops suited to dry farming such as vine and olive remained weak in interwar Europe[56]. Extensive livestock farmers had a growing domestic market, but they had to compete for land with arable farmers. Indeed, for many there were limited options other than cereal production largely for self-consumption in a context of global overproduction and low prices. The shortening crop rotations or cultivating winter pastures by land reform settlers threatened to undermine soil fertility, reduce livestock densities but do little to raise them out of poverty[57].

The commercial limits of smallholdings meant that, without the complementary infrastructure and services characteristic of agrarian reform, simple land redistribution such as in Spain threatened to increase self-sufficiency among farmers. Yet, the Eastern Europe experience demonstrated in the 1930s that self-sufficiency implied neither prosperity nor income stability. Furthermore, the land reforms in this region question the economic belief, that was also held by Pascual Carrión and other Spanish agronomists of this time, that an inverse relationship existed between farm size and productivity. The introduction of labour-saving equipment, such as tractors, on large farms was already generating a "U-shaped" productivity curve, consistent with the model posited recently by Foster and Rosenzweig[58]. Consequently, transforming large, increasingly mechanized estates into a multitude of small, poor holdings—especially in dry farming regions—aggravated labour misallocation by trapping an excessive workforce on marginally productive land.

By 1933, the limits to land reform were becoming apparent, and with it peasant frustration. The experience of the first settlements was that they were expensive and impossible to extend to resolve the regional social problems, as shown in the next section. This assessment contrasts with the experience of Eastern Europe, where the political objectives of the reform, especially those of a nationalist nature, facilitated the achievement of results considered successful, unlike the Spanish case where the economic criterion, which was more difficult to satisfy, was the only one that would be taken into consideration.

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[56] Ramón Ramón Muñoz, *Globalisation and the International Markets for Mediterranean Export Commodities: the Case of Olive Oil, 1850-1938*, Florence, European University Institute (Ph.D.), 2010. María-Isabel Ayuda, Hugo Ferrer-Pérez and Vicente Pinilla, "Explaining world wine exports in the first wave of globalization, 1848-1938", *Journal of Wine Economics*, 15, 3 (2020), p. 263-283.

[57] Juan Carmona and James Simpson, "Los contratos de cesión de tierra en Extremadura en el primer tercio del siglo XX", *Historia Agraria*, 63 (2014).

[58] Andrew Foster and Mark R. Rosenzweig, "Are There Too Many Farms in the World? Labor Market Transaction Costs, Machine Capacities, and Optimal Farm Size", *Journal of Political Economy*, 130, 3 (2022).

4. Peasant communities

During the Second Republic, collective farming had yet to carry the negative stigma it would later develop, and both the 1931 Technical Commission and the 1932 Land Reform Law actively promoted them[59]. Today, few development economists defend this organizational model, and recent studies by Lipton, Binswanger, Deininger, Feder or Albertus remain sceptical of its developmental benefits[60]. The flaws are well known: weak incentives and undefined property rights, particularly when collectives are created ex nihilo rather than built upon existing village communities and their communal assets[61]. Furthermore, generating the social capital needed to reduce the transaction costs of management and marketing is difficult, especially when members are chosen by outsiders[62] . Finally, the property rights granted are often incomplete, making household behaviour heavily dependent on state tutelage.

However, peasant communities offer distinct advantages in redistributive reform, primarily by circumventing the prohibitive costs of reorganizing large estates into individual family farms[63]. Furthermore, they facilitate the communal management of specific latifundium resources, particularly forestry or pastures used in dry-farming rotations. Consequently, the Technical Commission project, aware of the need for strong social cohesion among members, prioritized settlements organized by trade unions or existing worker associations[64].

Beyond these economic reasons, political motives perhaps played an important role in explaining the so-called 'puzzle of the missing complete land reform'[65]. This perspective turns the absence of complete property rights into an advantage. Anticipating the conservatism of family farmers who enjoyed full property rights, collectives could be created that depended directly on state

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[59] Pascual Carrión, *Los latifundios en España*…, cit. Ley de Bases, 1932.

[60] Michael Lipton, *Land* Reform…, cit., p. 190-280. Hans P. Binswanger, Klaus Deininger and Gershon Feder, "Power, distortions…, cit. Keith Griffin, Azizur Rahman Khan and Amy Ickowitz, "Poverty and the…, cit., p. 280-293. Michael Albertus, *Land Power, Who Has It, Who Doesn't, and How That Determines the Fate of Societies*, New York, Basic Books, 2025.

[61] Michael Albertus, *Land Power*…, cit., p. 130-131. Ran Abramitzky, "Lessons from the Kibbutz on the Equality-Incentives Trade-Off", *Journal of Economic Perspectives*, 25, 1 (2011), p. 185-208.

[62] Elinor Ostrom, *Governing the commons. The evolution of institutions for collective action*, Cambridge, Cambridge University Press, 1990.

[63] Ricardo Robledo, *La tierra es vuestra*…, cit., p. 383.

[64] Pascual Carrión, *Los latifundios en España*…, cit., p. 413-417).

[65] Doreen Warriner, *Land Reform in Principle and Practice*, Oxford, Clarendon Press, 1969.

resources and protection. This strategy effectively limited the beneficiaries' autonomy, as seen in the case of the Mexican ejido[66]. A major difficulty in the Spanish case was the imposition of a completely new system on large estates (dehesas) that were already cultivated by small tenants. The reform attempted to forcibly regroup these individual cultivators into artificial peasant communities created from scratch, placing them under the direct control of the IRA and the directives of its agronomists. For many cultivators, belonging to a peasant collective did not represent independence, but rather having to respond to decisions taken by either government agronomists, instead of the previous absentee estate owner, or those taken by their neighbours.

The functioning of peasant communities was regulated by the decrees of 1933 and 1934[67]. These formalized their creation, the mechanisms for members to join and leave, the norms to be followed for decision-making, the powers of trustees and elected leaders, and the limits to the autonomy of the communities. They included sanctions for non-compliance and defined the relationship of the communities with the IRA, which exercised significant oversight and was legally responsible for them to the government. The State was the landowner, and responsible for providing fixed and working capital, and advancing workers' incomes until the first harvest[68]. This legislation was determinant in influencing the incentives and strategies of the settlers.

Nevertheless, the criteria for selecting families for the agricultural communities—a paramount issue given that they were established ex nihilo under significant government discretion—remained unregulated. A strategy that involved targeting the most destitute settlers to mitigate rural poverty carried the risk of selecting individuals lacking capital and fragmenting the land into plots too small for subsistence, thereby necessitating extensive state intervention to provide both fixed and working capital. Conversely, a strategy that prioritized efficiency by favouring middle-class farmers possessing draft animals, promised greater possibilities of success. Another alternative was to choose groups of workers who were already organized, whether for work or political activities. Ultimately, the economic realities of high unemployment and depressed prices in 1930s Spain prioritized selecting large numbers of landless labourers and their families.

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[66] Alain de Janvry, Marco Gonzalez-Navarro and Elisabeth Sadoulet, "Are land reforms granting complete property rights politically risky? Electoral outcomes of Mexico's certification program", *Journal of Development Economics*, 110 (2014), p. 216-225.

[67] Marcelo Martínez Alcubilla, *Diccionario de la Administración Española*, Madrid, 1933 and 1934.

[68] Marcelo Martínez Alcubilla, *Diccionario*…, cit., 1933, p. 928-931 and 1934, p. 628-635.

Table 5 – Proposed versus final number of settlers in the 28 Badajoz settlements (1934-1936).

	Proposed settlers	Final settlers	% Change (final vs. proposed)	Cultivated area per final settler (ha)
Total	1,172	1,941	+65.6%	—
Mean (Average)	40	67	165%	11.0
Median	28	39	23.1%	10.6
Min	3	3	0%	1.8 (Ramira Alta)
Max	250	560	688%	40.0 (La Dehesilla)

Source: James Simpson and Juan Carmona, "Too Many Workers…, cit., Appendix 2.

This political convenience resulted in the creation of unsustainable plots. In Badajoz in Extremadura, one of the provinces with the most settlements, 30 farms with almost 2,000 peasant families were created on 17,000 hectares, implying an average plot per family of 13.9 hectares, far below the 26.5 hectares agronomists estimated as being necessary to achieve a subsistence net income of 2,000 pesetas for a family of four. While the state agronomists believed that the problem would be mitigated by improving yields, without explaining how this was to be achieved, the government simply increased the number of settlers by two-thirds. In the settlements of Ramira Alta or Las Cabras Baja, the estimated annual net income (net of rent) of 709 pesetas was extremely low but can be explained by the allotment of only 2 hectares of cultivation for each settler (Table 5)[69]. This high settler density, coupled with flawed technical plans and debt obligations related to the settlement investments, ensured financial insufficiency and provided strong incentives for members to seek external employment.

The dependence on external labour markets complicated the monitoring of members contribution within peasant communities, and there were complaints of absenteeism and underperforming. The lack of full property rights also prevented settlers from using the land as collateral for loans, limiting their ability to invest and perhaps increase long-term output. The collective structure was further undermined by the state's extensive tutelage and the failure to grant

[69] Juan Carmona and James Simpson, "Organización y funcionamiento de los asentamientos de la reforma agraria. La comunidad de campesinos de La Pulgosa en Badajoz, 1933-1941", *Revista de Estudios Extremeños*, LXXI (2015), p. 105-128.

property rights. Therefore, at the La Pulgosa settlement, the IRA frequently annulled decisions made by the settlers' assembly—such as proposals to expel members—exposing the community's severely limited autonomy[70].

The short life of most peasant communities, which lasted at best until the end of the Civil War, implies that we can only speculate about the long-term results, although the literature on collectives and common pool societies theorized by writers such as Elinor Ostrom[71] or Abramitzky[72] suggest they would have struggled to have survived.

Conclusions

The failure of the Spanish agrarian reform during the Second Republic has traditionally been interpreted as a political phenomenon, attributed to the resistance of the landed elite or the hesitation of the reformist coalition. This paper argues instead that the collapse of the reform is better understood through a comparative economic history framework. By placing Spain within the broader European interwar context, it becomes clear that the Republic attempted to implement a redistributive model like that of Eastern Europe without the specific political and economic conditions that had made those reforms viable.

Unlike the transforming economies of North-Western Europe, where industrialization and market integration naturally eroded the efficiency of large estates by raising the opportunity cost of labour, part of Spain's agrarian sector, especially in the South, remained characterized by a structural surplus of labour and limited off-farm opportunities. Spain also lacked the exogenous shocks, whether highly destructive wars or revolutions, that facilitated the massive, low-cost land transfers seen in Central and Eastern Europe. The Spanish Republic was forced to attempt a radical redistribution within a constitutional framework that required compensation and due process, placing an immense burden on a state with limited fiscal and administrative capacity, effectively restricting the scope to land redistribution rather than a comprehensive agrarian reform.

The institutional constraints imposed by the 1931 Constitution shaped the economic design of the land reform. The political necessity of satisfying the demand for land among the rural proletariat forced the state to prioritize the number of beneficiaries over the creation of viable farm units. As the empirical

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70 Juan Carmona and James Simpson, "Organización…, cit..

71 Elinor Ostrom, *Governing the commons*…, cit..

72 Ran Abramitzky, "Lessons from the Kibbutz…, cit..

evidence from the settlements in Badajoz demonstrates, plot size was at best only sufficient for subsistence in a dry-farming environment. The creation of peasant communities was an attempt to mitigate the inefficiencies of excessive fragmentation, yet this top-down institutional arrangement failed to solve the agency problems and transaction costs inherent in collective farming. Without full property rights or real autonomy, these communities could not generate the incentives required for intensification or long-term investment.

The alternative model—the "bottom-up" land invasions of 1936—solved the information asymmetries that plagued the bureaucratic reform but could not overcome the fundamental scarcity of land. By displacing existing tenants to accommodate landless workers, it merely redistributed poverty and heightened rural conflict, rather than increasing aggregate productivity.

Ultimately, the Spanish experience illuminates the severe economic limits of land reform in the interwar Mediterranean. Constrained by an adverse endowment of natural resources and weak domestic urban markets and the closing of the international markets for high-value crops, implied that the Spanish reform could not create a prosperous family farm community such as found in Denmark, or even Ireland. Instead, it highlighted the incompatibility between the political goal of massive resettlement and the economic reality of dryland agriculture in the interwar period.