

## **Trust Unraveled: The Long Shadow of the Spanish Civil War**

-Abstract-

The Spanish Civil War (1936-1939) was one of the most devastating conflicts of the twentieth century, yet little is known about its long-term legacy. In this project we show that the war had a significant long-lasting effect on social capital, using geo-located data on historical mass graves and disaggregated modern-day survey data on trust. There appears to be a significant negative relationship between exhumed mass graves and this same trust variable, pointing towards the deleterious long-term effects of political violence against civilians. In turn, the results for general combat deaths are insignificant. To deal with the potential endogeneity of conflict, we use military plans of attack in conjunction with the historical (1931) highway network. We further decompose trust, finding negative effects of conflict on trust on institutions associated with the Civil War (i.e. the Civil Guard and the military), but no effects when looking at trust on democratic institutions. We also find long-lasting results on voting patterns, using a Regression Discontinuity around the Aragon Front. In terms of mechanisms, using a specialized survey on the Civil War and street-level data, we find lower levels of political engagement and differential patterns of collective memory.

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En España, los muertos están más vivos que los muertos de cualquier otro país en el mundo.

[In Spain, the dead are more alive than the dead of any other country in the world.]

Federico García Lorca, 1933

### *Introduction*

Social capital is a fundamental driver of economic performance and a key factor underpinning the workings of democratic institutions (Putnam 1993; Knack and Keefer, 1997; Guiso et al. 2006; Tabellini 2010; Algan and Cahuc, 2010). Trust, in particular, has taken center stage since the seminal work of Arrow (1972). Given its economic and political importance, a rich literature has tried to search for its deep determinants via slave shipments, former empires and weather variability (Nunn and Wantchekon, 2011; Becker et al., 2016; Buggle and Durante, 2017). In turn, conflict can bring widespread human, social and economic devastation to affected populations. The economic costs of civil conflicts have shown to be particularly devastating (Collier, 2003). Given its damaging nature, civil conflict could be an important determinant of social capital destruction. In this paper we examine the relationship between conflict and social capital, focusing on the case of the Spanish Civil War.

The Spanish Civil War (1936-1939) was one of the most important conflicts of the twentieth century, serving as a testing ground for World War II. Though the exact numbers are still a matter of dispute, it is estimated that up to 800,000 people have died during the war, out of a total population of 23.6 million in 1930 (Preston, 2011). Political persecution was particularly strong, claiming 200,000 victims. It is estimated that about 150,000 people were killed by the Nationalist troops in the so-called “White Terror” while the “Red Terror” of the Republicans killed up to 50,000 people. Approximately 300,000 people were killed during combat. As is often the case, another 300,000 died of hunger, bombings and related incidents, while 440,000 people were externally displaced. Yet, despite its staggering human losses and historical importance, there appears to be a dearth of studies examining its economic consequences.

The historical set-up offers several advantages with respect to the existing literature. More than 80 years have passed since the conflict ended in 1939, making it an appropriate scenario to study questions of persistence and intergenerational transmission. Different from more recent and ongoing struggles, mostly occurring in developing countries, the war occurred in an advanced Western democracy, with well-functioning institutions and a strong civil society. Due to the internal nature of the conflict, inhabitants had to “live with the enemy” resulting in turn in thy neighbor actions that may have eroded trust in the long term. Though in a very different context, the underlying mechanism is similar to the one expounded by Nunn and Wantchekon (2011) for the African slave trade case, whereby the fear of turning one’s kin led to a culture of mistrust and underdevelopment in the long run.

To gauge the intensity of conflict, we use geo-located data on mass graves. This data, initially compiled by the Spanish Ministry of Justice, has only recently become available, after the passing of the Spanish Historical Memory Law in 2007.<sup>1</sup> To test our hypothesis, we use geographically disaggregated data on trust from Spain’s Sociological Research Center (CIS). We combine this data with additional economic, social, and geographic indicators from the Spanish National Institute of Statistics (INE) and other sources.

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<sup>1</sup> We have, in turn, complemented this data with regional sources from the historical memory projects of Andalusia, Aragon, Asturias, Cantabria, Catalonia, Extremadura, Basque Country, Galicia and Navarra.

In our baseline OLS specifications, we control for such individual and province level characteristics, while netting out fixed effects at the regional (Autonomous Community) level.

Because the occurrence of war was presumably non-random, we employ an empirical strategy based on military plans of combat. In particular, we use General Mola's plans of attack for the taking of Madrid. Here it is important to note that the Civil War started as military uprising in the Spanish territory of Melilla, in continental Africa (Figure 1). Hence the insurgents planned a takeover of the capital city of Madrid (in the geographical center of the country) starting from the southernmost point of the country and other military divisions in the Spanish peninsula, as will be explained in further detail in the Historical Background. In order to execute the takeover of Madrid, the rebel soldiers were constrained by the existing highway network, which we have digitized using historical maps. Hence, we implement a "road not taken" type of strategy (Figure 2). In particular, conditional on the initial plan of attack and the presence of primary roads, we take deviations from these routes as potentially exogenous shocks to the intensity of conflict (in the spirit of Card and Dahl, 2011). To put into practice this empirical strategy, and to disentangle potential confounders, we restrict the sample to places covered by the primary road network.

Empirically, we find that the type of victimization matters in the long-term. First, we find a slightly negative or negligible impact of all combat deaths on generalized trust. This effect becomes significantly negative when we focus on exhumed mass graves, our proxy for political violence against civilians, consistent with our hypothesis and the historical record. These results are strongly present both in the OLS and the instrumental variables specifications. The IV results extend to mass graves transferred by the Franco regime to the Valley of the Fallen (*Valle de los Caídos*). We further decompose the trust results between trust on institutions associated with the Civil War (such as the army and the civil guard) and those related to the 1975 democratic transition (such as the constitutional court, the Ombudsman and the Parliament). We only find significant and negative results for the former set, suggesting that the effect is indeed related to the conflict instead of capturing a more general trend. Overall, our results suggest that conflict can have a significant negative impact in the long-run, through decreased trust.

To see whether the effects observe translate into politically relevant actions, we use data from the congressional and national elections. To this end, we examine the more formal political participation through voting in elections and referenda. To aid in the identification, we focus on the state and Front of Aragon. Francoist and Republican troops were stationed there in a trench warfare that lasted almost two years, from 1936 to 1938 (Figure 3). Hence, we can apply a Regression Discontinuity Design (RDD) to the two opposing signs of the border. We find first that the boundary was effective, leading to political repression by the corresponding band on their side of the border. More importantly, we find long-lasting effects on voting for the left and the right, again corresponding to the political repression implemented. The results are not only statistically significant, but also economically important, with an effect of almost ten percent in vote shares.

To study potential mechanisms of transmission, we make use of a specialized survey on the Spanish Civil War. Though more limited in coverage, the survey asks targeted questions regarding this traumatic event. First, we find that people more affected by the war have less contact with authorities and have lower levels of informal political engagement, proxied by participating in strike, attending a demonstration and signing a petition. This decreased level of public political engagement is at odds with the existing results for Sierra Leone (Bellows and Miguel, 2009). Second, we also find using this specialized survey that people

more affected by the war talk less about the Civil War, believe that it generated division, agree that its memory is very much alive and prefer to leave the mass graves untouched. To determine whether collective memory has been shaped by the state, we use data on Francoist streets compiled by Oto-Peralias (2018).<sup>2</sup> We find more Francoist streets closer to exhumed mass graves. Consistent with the urban literature, the results suggest that the state, through the naming of streets, has helped reinforce the memory of the Civil War on the collective memory of the population.

### *Literature*

The empirical study of civil wars started with the seminal work of Fearon and Laitin (2003). In economics, Blattman and Miguel (2010), summarize the contributions to the study of civil wars, while calling explicitly for the need for more micro studies on the consequences of conflicts. Esteban and Ray (2017) reassess this topic, focusing on the links between conflict and development.

The literature on conflict offers two opposing views on the economic and political impact of conflict. Researchers mostly working on Africa have found a positive impact of conflict on political participation and cooperation. Bellows and Miguel (2009) found that exposure to conflict during Sierra Leone's civil war led to more political participation, while in Uganda it led to increased voting (Blattman, 2009). Experimental evidence from Burundi (Voors et al. 2012) revealed higher altruism for individuals exposed to violence. In their survey piece on this matter, Bauer et al. (2016) conclude that war exposure can lead to cooperation in terms of prosocial behavior and political participation. They conclude, however, that "the effect of exposure to war violence on trust is close to zero (P. 263)."

Papers that have focused on trust have found mostly negative effects. Rohner, Thoening and Zilibotti (2013) find that conflict in Uganda decreases generalized trust and increases ethnic identity. Using experimental evidence from Tajikistan, Cassar, Grosjean and Whitt (2013), show that exposure to violence undermined trust and participations in market transactions. Aleceovich and Zejcirovic (2018) also find that individuals living in high-violence areas in Bosnia and Herzegovina are less trusting.<sup>3</sup> Theoretically, Acemoglu and Wolitzky (2014) model cycles of conflict and distrust in an OLG setting. A natural question to ask is whether these findings are also present when longer time horizons are considered.<sup>4</sup>

The literature of the long-run effects of conflict shows either negligible or even positive impacts on important economic variables. Davis and Weinstein (2002) document the strong degree of persistence of the geographic concentration of economic activity in Japan, which survived the devastation of the nuclear bombings of Hiroshima and Nagasaki. In a similar vein, Miguel and Roland (2011) essentially find no long-term impact on a series of development outcomes of the U.S. bombing of Vietnam. If anything, following Tilly's famous quip, some studies have documented positive impact of historical conflicts on future economic performance, through increased fiscal capacity (Dincecco and Prado, 2012).<sup>5</sup> These findings are at odds with the large negative effects of war, estimated, for instance by Miguel, Satyanath and Sergenti (2004) in Africa and Chiovelli, Michalopoulos and Papaioannou (2017) in the case of Mozambique.

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<sup>2</sup> We thank Daniel Oto-Peralias for kindly sharing his data on streets with us.

<sup>3</sup> Blattman and Annan (2010) find that rebel recruits in Uganda decreases schooling and leads to psychological distress. Additionally, Leon (2012) in Peru and Moya (2012) in Colombia show how war can lead to decreased human capital investments and permanent psychological distress, respectively.

<sup>4</sup> Grosjean (2014) studies the relationship between WWII and political trust using a survey covering 35 countries.

<sup>5</sup> See Dincecco et al. (2018) for case of India.

An emerging body of literature has revisited some of these findings, using modern econometric and identification techniques. Besley and Reynal-Querol (2013) linked prevalence of historical conflict to post-colonial conflict and lower long-term economic development. Exploiting discontinuities in military strategy, Dell and Querubin (2017) show that U.S. bombing during the Vietnam War was counterproductive, increasing the support of the Communist insurgency. Feigebaum, Lee and Mezzanotti (2017) document the destruction of capital during the American Civil War and trace its protracted negative impact until 1920. Acemoglu et al. (2011), and Franck and Michalopoulos (2017) study the long-term consequences of the French Revolution, while Dell (2012) analyzes the effects of the Mexican one. Perhaps the closest article to the present one is Fontana, Nannicini and Tabellini (2017) on the long-term political repercussions of the Nazi Occupation of Italy, using a Regression Discontinuity Design along the Gothic Line.<sup>6</sup> Though political participation is one of our mechanisms of transmission, here we mainly focus on the impact on trust.

More broadly, this article is also related to the literature on long-term economic persistence, recently summarized by Nunn (2009 and 2013), Spolaore and Wacziarg (2013), and Michalopoulos and Papaioannou (2017). Here we focus on conflict as a potential source of long-term persistence.

There exists a large and well-established literature in history and political science about the Spanish Civil War. Authoritative historical accounts of the war include Thomas (1961), Beevor (1982, 1989) and Preston (1986, 1990, 1996, 2011). Balcells (2011, 2012) examines victimization and distinguishes between direct and indirect violence in the Spanish territories of Catalonia and Aragón. Rodon (2018) finds more support for left-leaning candidates after the war in the 1977 election. Oto-Peralías (2015) looks at political attitudes and La-Parra and McLaughlin (2018) study fratricide and defection among Republican troops. To the best of our knowledge, no paper in economics has looked at the long-term impact of the Spanish Civil War, one of the most important conflicts of the twentieth century in the world. This study aims to fill precisely this gap in the literature.

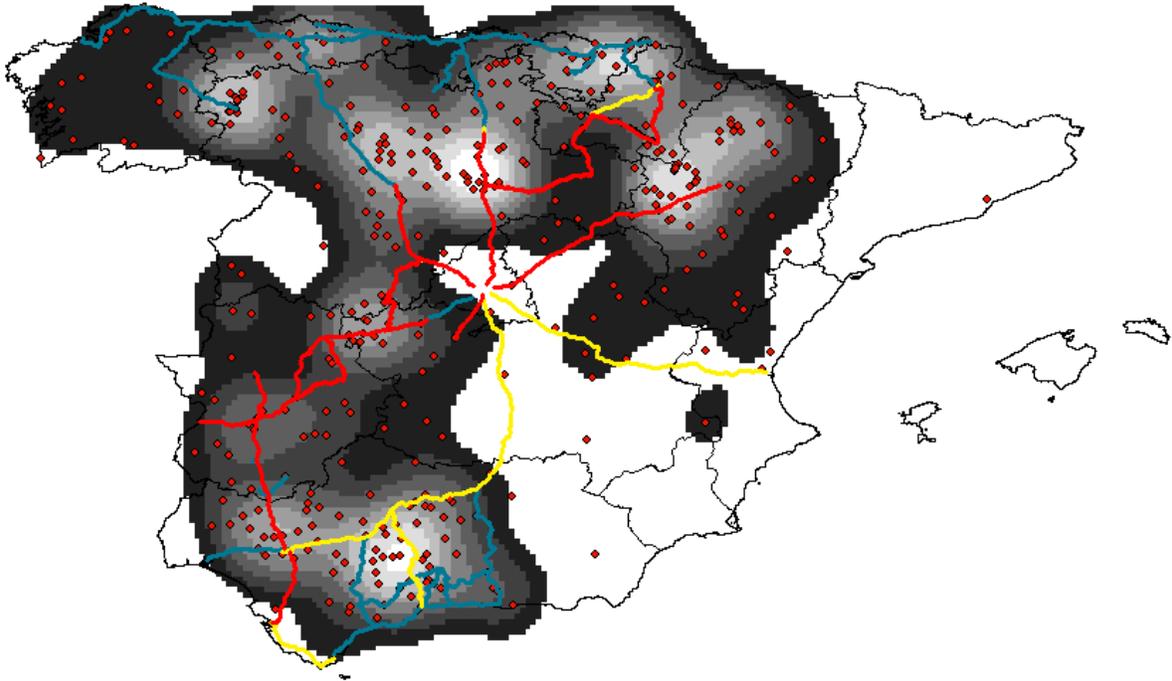
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<sup>6</sup> Gagliarducci et al. (2017) have a similar paper showing how the BBC radio broadcasts aided the Italian resistance during this occupation. Arbatlı et al. (forthcoming) look at the pre-historic roots of conflict.

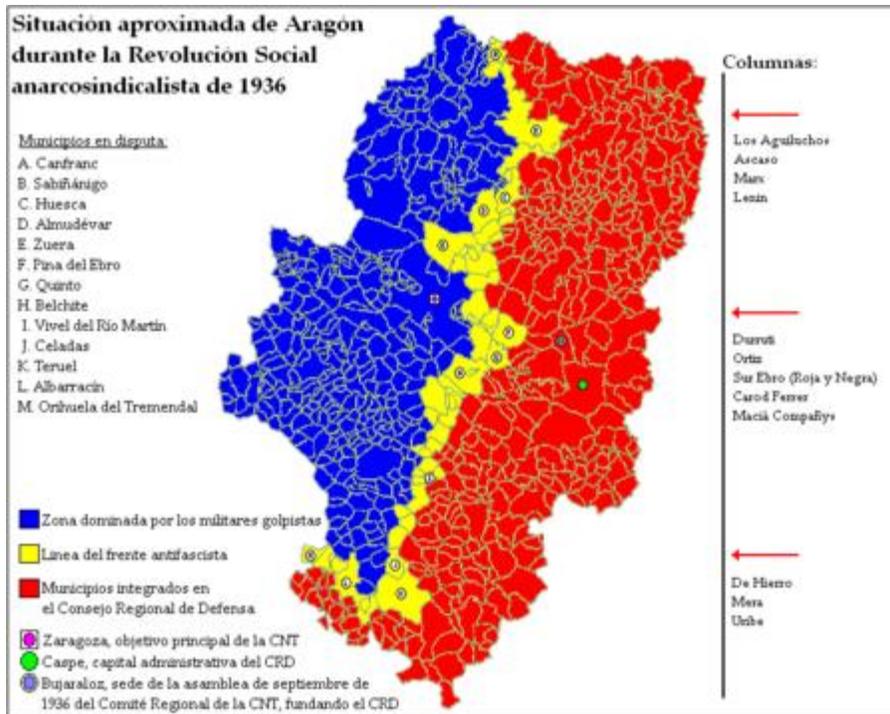
Figures



Figure 1. A map of Spain with General Mola's plan of attack and the Taking of Madrid.



**Figure 2.** A map of Spain with the taking of Madrid (troops march) in red, Mola plan of attack in yellow and peripheral attacks in blue.



**Figure 3.** A map of the Autonomous Community of Aragón, with the Nationalist troops in blue, Republican troops in red, and the front in yellow.