The Dynamics of a Ruling Coalition: Spanish Elites (1920-2020)
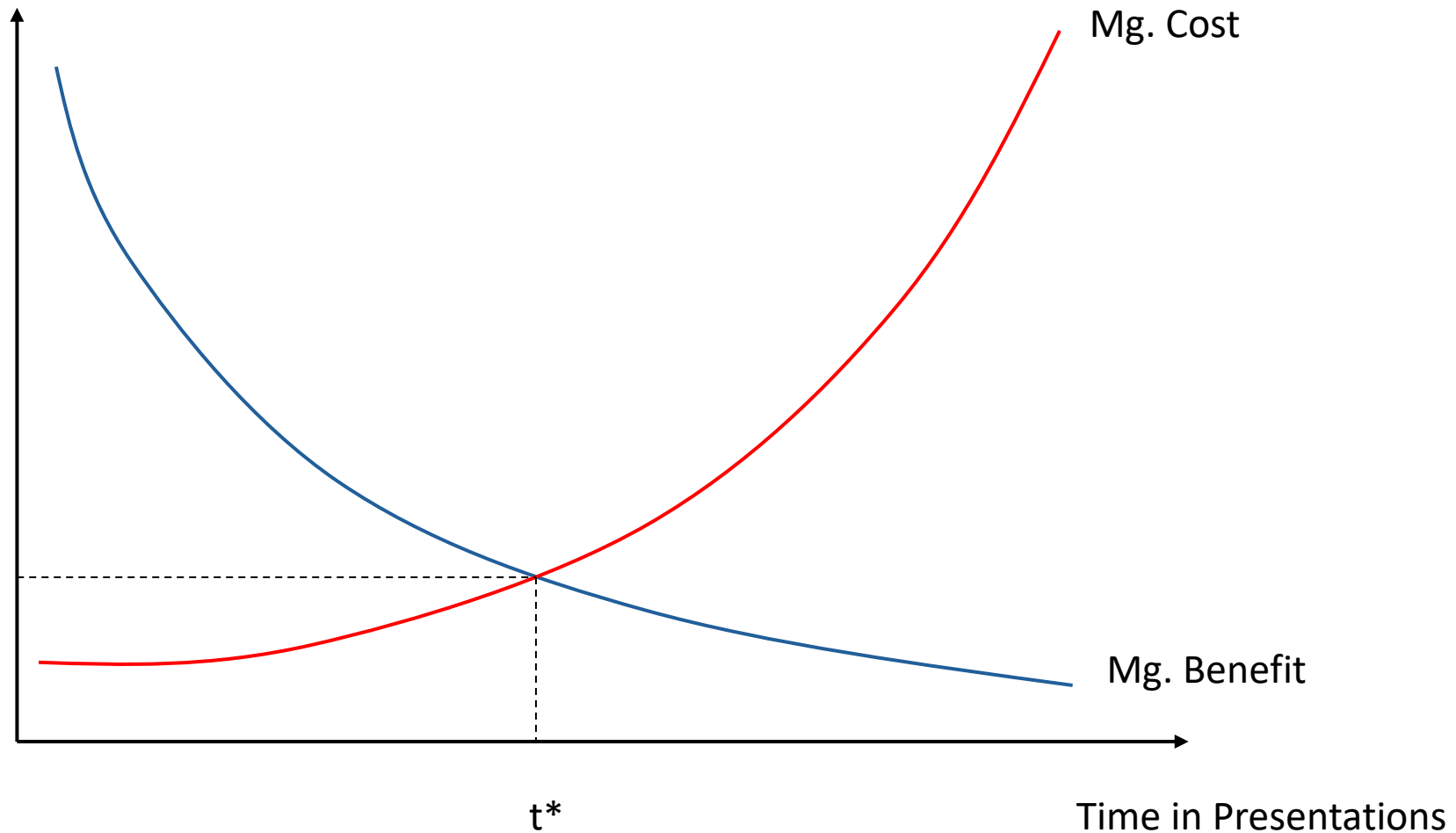
Álvaro La Parra-Pérez

Weber State University
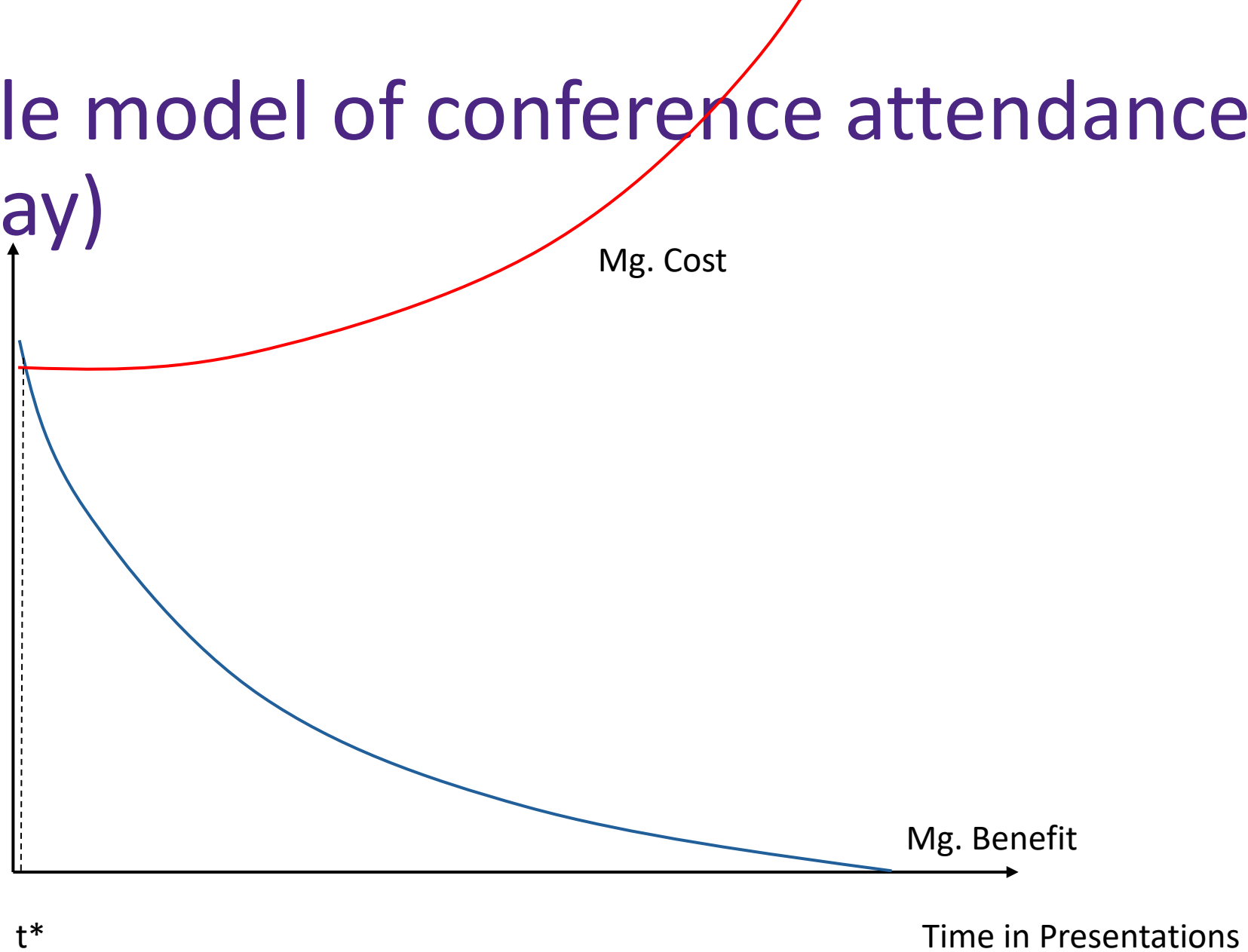
Institutional & Organizational Economics Academy 2025
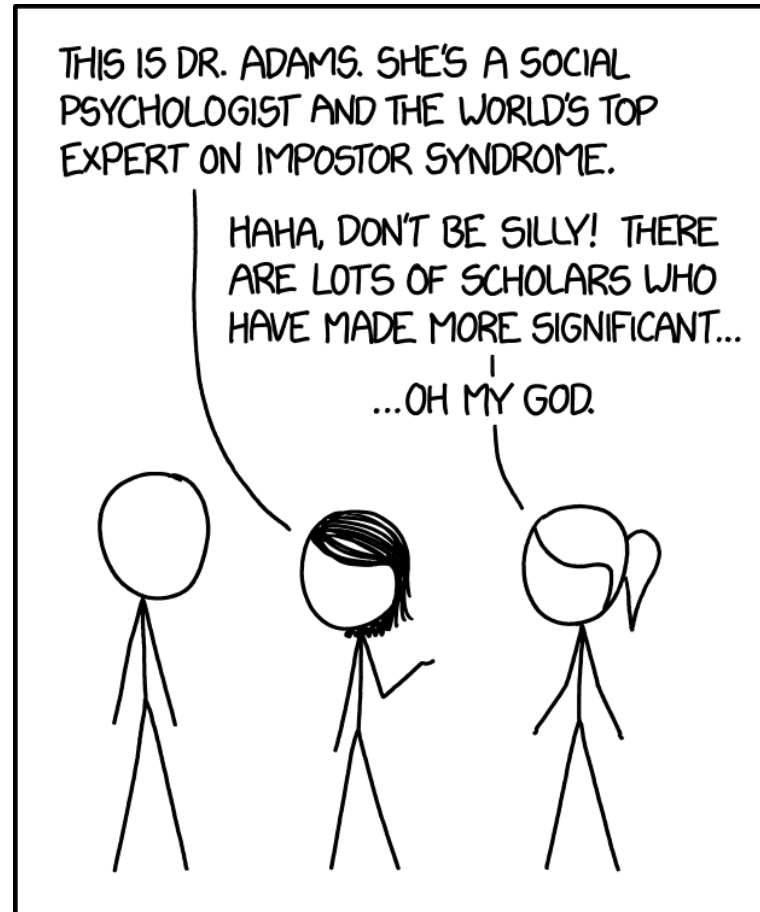
Cargèse, May 16

A simple model of conference attendance

A simple model of conference attendance (Last Day)


Mg. Cost

Mg. Benefit

t*

Time in Presentations

Impostor syndrome

The Origins of a Project

- I recently discovered Richard Easterlin and his *The Reluctant Economist*

- My choice of Economic History as my main field (do it at your own peril) was probably a manifestation of my "reluctance" and my personal circumstances at the time

- My advisor, John Wallis, provided several important things
  - The human element (which I had deeply missed during my first PhD year in the US)
  - A stimulating theoretical framework to think about the interactions between politics and economics throughout history

The Origins of a Project
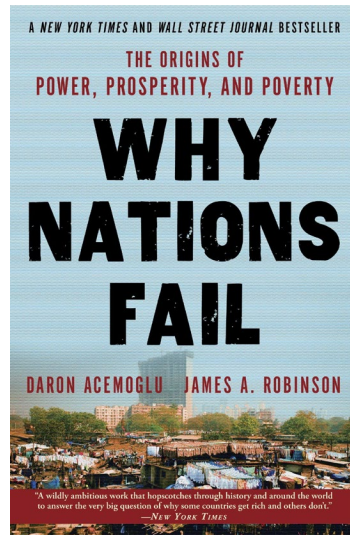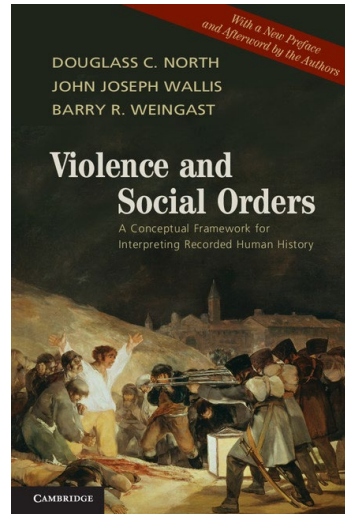
Two Social Orders/Institutional Arrangements

- NWW (p. i):
  - "Most societies, which we call natural states, limit violence by political manipulation of the economy to create privileged interests. These privileges limit the use of violence by powerful individuals, but doing so hinders both economic and political development" (NWW, p. i).
  - "(...) [M]odern societies create open access to economic and political organizations, fostering political and economic competition" (NWW, p. i).

- The personal rules and limited access to political and economic organizations in limited access orders should result in a more cohesive and stagnant ruling coalition

Elites, Economics, and Politics

- Elites and elite coalitions play a crucial role in the development and organization of societies over time.

- Several studies deal with elite connections for different Spanish regimes, but we lack a systematic, long-run view of how those connections changed and evolved over time and across regimes (Baena del Alcázar [1999] comes the closest).

- Two focuses for my presentation: overlap between elite groups and circulation between groups (revolving doors).

- Way too modest and, at the same time, way too ambitious? Potential insights for transitions between social orders.

More literature

Ties between political and economic elites:

- Interlocking directorates (Rubio-Mondéjar and Garrués-Irurzun, 2016)
- Campaign contributions (Fowler, Garro, and Spenkuch, 2020)
- Regulatory capture (Logeart, 2025)
- Lobbying (Drutman, 2015)
- Political connections (Fisman, 2001)
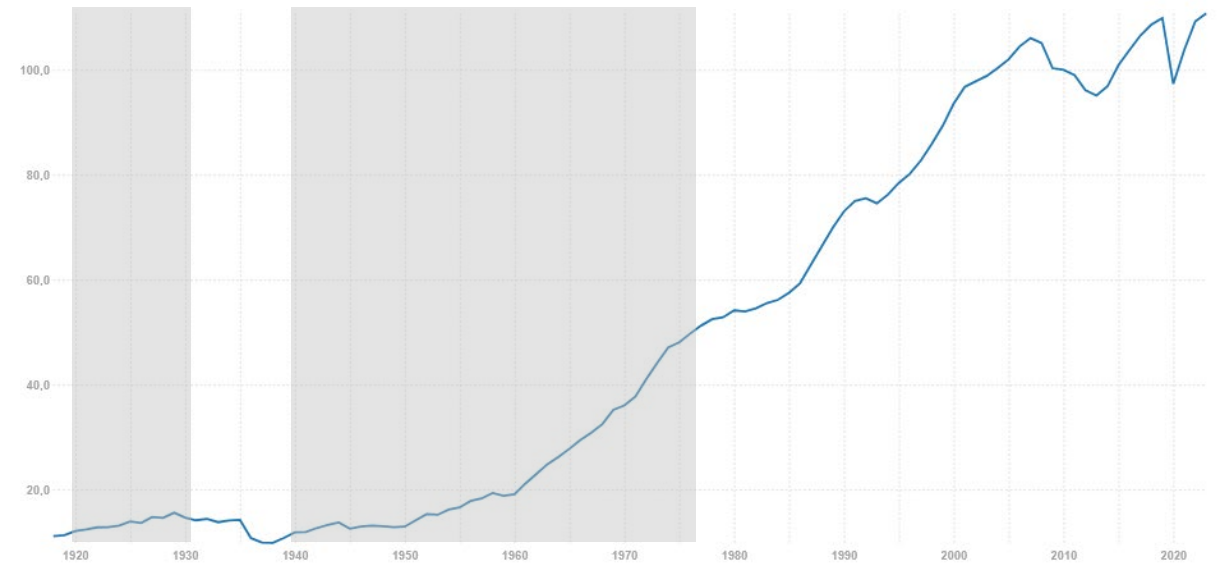- Revolving doors (McCrain, 2018; Szakonyi, 2020; Weschle, 2022)

Political connections:

- Boost firm value (Acemoglu et al., 2016)
- Ease access to cheap credit & bailouts (Khwaja and Mian, 2005; Faccio, Masulis, and McConnell, 2006)
- Facilitate public contracts (Goldman, Rocholl, and So, 2013).

Spain (1920-2020)
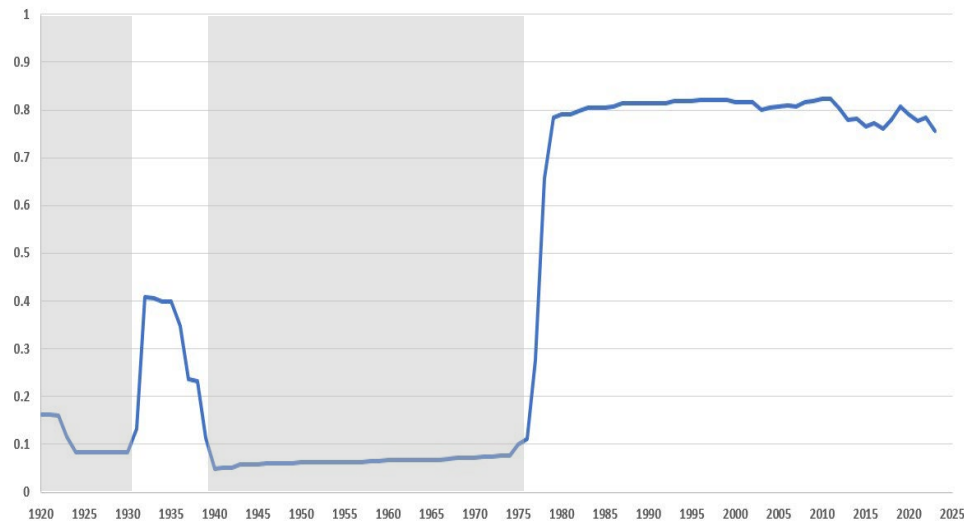
(a) V-Dem Liberal Democracy
Index (1920-2023)

(b) Spain's GDP Per Capita Index (1920-2023, 2010=100)

My First Steps (2014-2020)

- Application of NWW's theoretical framework to the Spanish military during the Second Republic.

- The economic and social determinants of military officers' choice of side during the Spanish Civil War (1936-39).

- Study of repression against military officers in the Spanish Civil War.

- Political manipulation of military officers' promotions during the Second Republic.

New Dataset

- Economic Elites (414, 742 observations):
  - Board Members of the 200 largest non-financial firms (1921-2018). Data collected every 5 years.
  - Universe for the board members of Spanish Banks (and saving Banks after 1974). Data collected every five years until 1974 and annually since then.

- Political Elites (152,021 observations):
  - Members of national legislatures/consultative assemblies (1919-2023).
  - Executive leader and cabinet members (1919-2023).
  - Members of regional legislatures (1979-2023).
  - Elected members European Parliament (1987-2023)
  - Majors for main cities –capitals of *provincias* (1920-2023).

- Military Elites (14,752 observations): Colonels and Generals from leading military corps and units (1920-1990).

Financial Yearbook

En 1912 celebró un contrato con la Sociedad «Riegos y Fuerzas del Ebro» (del grupo de La Canadiense), en virtud del que esta última Empresa se hizo cargo por completo de la explotación de La Barcelonesa, garantizándole el servicio financiero de las obligaciones y un dividendo anual a las acciones, no inferior a 8 por 100.

Consejo de Administración.

Sr. Conde de Torroella de Montgri, Sr. Marqués de Alella, D. Enrique Malcolm, D. Enrique Parellada, D. Domingo Sert, Dr. H. F. Parshall, míster E. R. Peacock, D. Isidro Gassol, D. José Gari, D. P. Briere, D. F. Nivard y señor Conde de Gamazo.—*Director-Gerente*, D. F. Fraser Lawton.

CATALANA DE GAS Y ELECTRICIDAD, S. A.

CAPITAL ACCIONES	Número.	Valor de una.	Pesetas.
Acciones serie D nominativas	24.750	500	12.375.000
» E al portador	55.250	500	27.625.000
» F preferentes, 6 por 100	20.000	500	10.000.000
» F preferentes, 6 por 100	20.000	500	10.000.000
TOTAL CAPITAL ACCIONES	120.000		60.000.000

CAPITAL OBLIGACIONES	Emitidas	En circulación	Valor de una.	Pesetas.
Serie C, 5 por 100	6.000	916	500	458.000
» D, 4,50 por 100	12.000	6.800	500	3.400.000
» E, 4,50 por 100	64.000	61.320	500	30.660.000
» F, 4,50 por 100	50.000	50.000	500	25.000.000
Bonos, 6 por 100	30.000	25.310	500	12.655.000
» 6 por 100	40.000	40.000	500	20.000.000
» 6 por 100	40.000	40.000	500	20.000.000
TOTAL CAPITAL OBLIGACIONES				112.173.000

DOMICILIO SOCIAL : BARCELONA, PLAZA DE SANTA ANA, 16

Dirección telegráfica: **Catalana Gas**

Esta Empresa se constituyó en 28 de enero de 1843, con la denominación de «Sociedad catalana para el alumbrado por gas» que ha conservado hasta fines de 1912, en que por absorción de la «Central Catalana de Electricidad» tomó la denominación de «Catalana de Gas y Electricidad, S. A.»

El negocio de esta Empresa consiste en la producción y distribución de gas y en la producción y suministro de energía eléctrica.»

Por lo referente a la producción y distribución de gas, posee dos fábricas, una en Barcelona y otra en Sevilla que ha enagenado en 1921 y ejerce el control sobre la «Propagadora del Gas» que distribuye fluido a trece poblaciones de Cataluña.

Con referencia a la producción y suministro de energía eléctrica, ha adquirido, como hemos dicho, la «Central Catalana de Electricidad», Empresa en la que interesaba por mitad; ha absorbido el activo pasivo de la «Sociedad General de Fuerzas Hidroeléctricas», y ha construído un salto en el Run (Sierra-Huesca), cuya energía transporta a Barcelona y tiene en construcción el salto de «Puente Argoné».

Ejerce también el control de «La Energía», de Sabadell, por poseer la mayor parte de las acciones. Asimismo celebró en 1918 un contrato de arrendamiento de explotación de la «Eléctrica del Cinca».

Los beneficios obtenidos en la explotación y dividendos repartidos de 1914 a 1920 han sido los siguientes:

AÑOS	Beneficios.	DIVIDENDOS		Capital sobre el que se han repartido los beneficios.
		Pesetas	Por 100.	
1914	4.191.516	22	4,40	
1915	3.001.798	15	3	
1916	1.364.024	9	1,80	
1917	1.202.367	Nada.	Nada.	40.000.000
1918	—	Nada.	Nada.	
1919	—	Nada.	Nada.	
1920	(1) 1.600.000	5	5	

Consejo de Administración.

Sr. Marqués de Alfarrás, D. Eusebio Bertrand y Serra, D. Adolfo Oller, D. Virgilio Mora, D. Pablo Torras, D. Raimundo Puig, D. Eugenio López Tudela, D. Francisco de A. Cambó, Sr. Marqués de Cornellá, D. José Vilá y Marqués, D. Ceferino Ballesteros y D. José Mansana Terrés.—*Director Gerente,*

CENTRAL ELÉCTRICA DE VILARRODONA, S. A.
Capital acciones, nominal y desembolsado: 100.000
DOMICILIO SOCIAL : BARCELONA, CLARÍS, 22

Esta Empresa se constituyó en 29 de septiembre de 1914, fijando su capital social en 100.000 pesetas, dividido en 200 acciones, de a 500 pesetas una, siendo su objeto el suministro de energía eléctrica.
Director Gerente, D. Andrés Servole.

ELECTRA BRUTAU, S. A.
Capital nominal acciones 3.000.000
Capital desembolsado acciones 2.335.000
DOMICILIO SOCIAL : BARCELONA, ARAGÓN, 308

Esta Empresa se constituyó en 11 de febrero de 1910, fijando su capital social en tres millones de pesetas, dividido en 6.000 acciones, de a 500 pesetas una, de las que sólo ha puesto en circulación 4.670, conservando el resto en cartera.

Consejo de Administración.
D. Jaime Brutau, D. Buenaventura Brutau, D. Joaquín Cruells, D. Emilio Frêne, D. Bartolomé Terradas y D. J. Brutau Roca.

(1) Sólo por el concepto de dividendo repartido.

Military Yearbook

Elite Group Overlaps (1920-2000)

With Victoria Paniagua

Expectations

- Elite cohesion: greater cohesiveness (connectedness) between members of the political, economic, and military elites in non-democracies than in democracies.
  - Economics in politics: economic elites should participate more in politics under autocracy than in democracy
  - Military in economics and politics: the military should participate more in politics and be part of the economic elites during autocratic periods than in democratic ones.
- Elite circulation: we expect the circulation of elites in autocratic regimes to be lower than in political democracies.

Data Overview

Year	Board Members	Military	Cabinet	Politicians	Firms	Sectors
1921	2215	675	50	783	290	12
1925	1771	700	31	411	200	10
1930	2187	651	34	516	270	15
1936	2192	442	69	499	282	16
1941	2051	547	28	479	274	11
1945	2313	680	13	479	304	13
1950	2087	681	13	553	267	10
1955	2378	1023	17	630	303	13
1960	2518	1190	20	661	313	13
1965	2665	1220	19	684	311	13
1970	3223	1290	20	671	316	14
1975	3438	1552	16	753	320	15
1980	3318	1364	36	615	347	16
1985	2746	1592	21	653	331	15
1990	3410	1155	26	681	370	15
1995	3431	-	21	702	366	15
2000	2961	-	24	561	288	18

Elite Overlap (Percentage by Group)
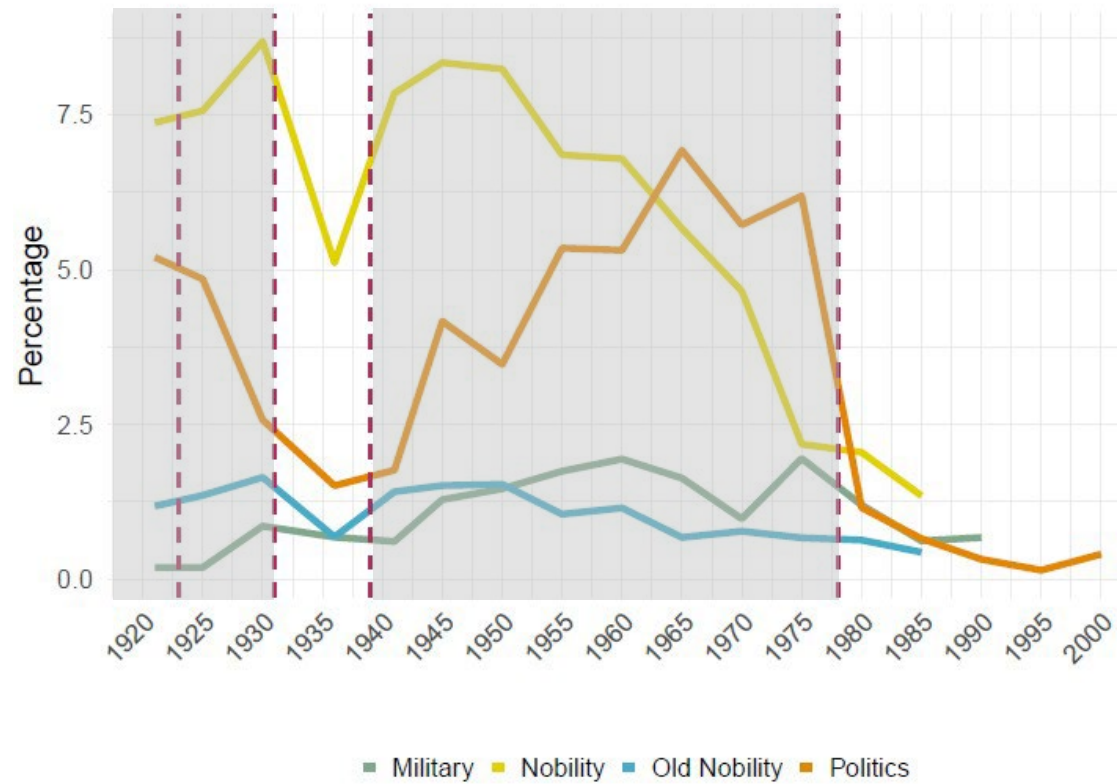
(a) Economic elites
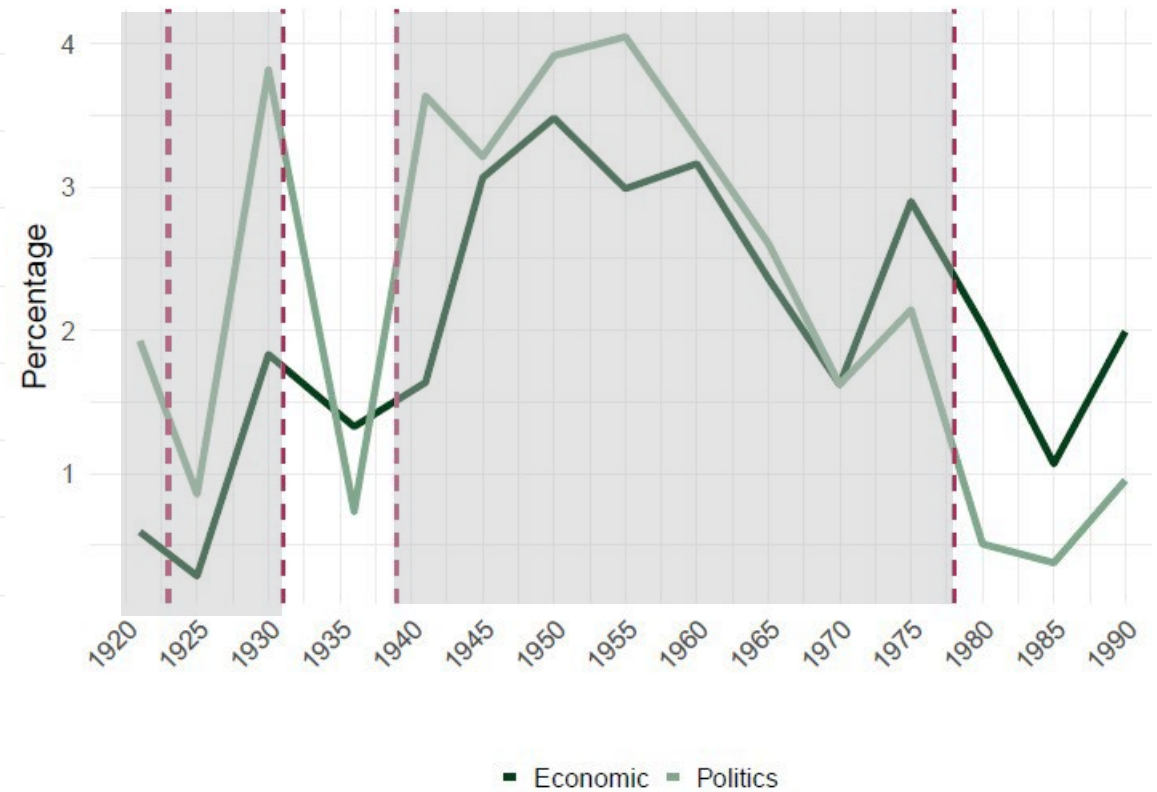
(c) Military elites

Autocratic and Democratic Inner Networks

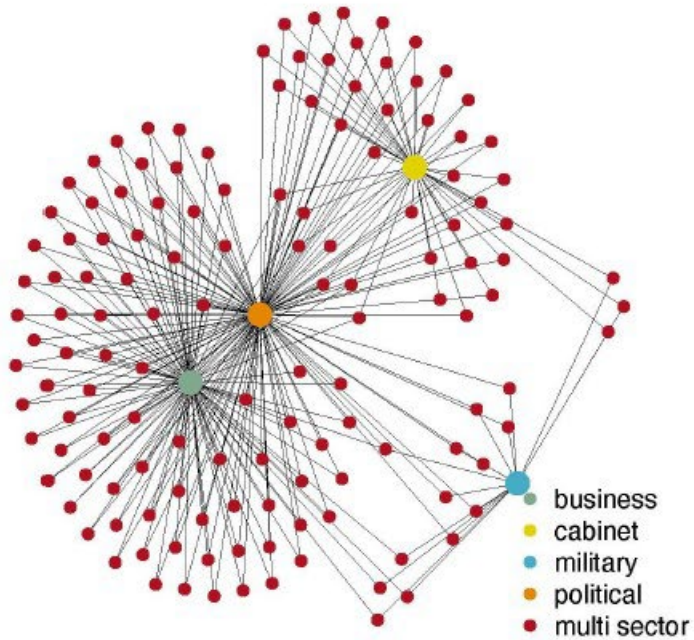business
cabinet
military
political
multi sector

business
cabinet
military
political
multi sector

1921
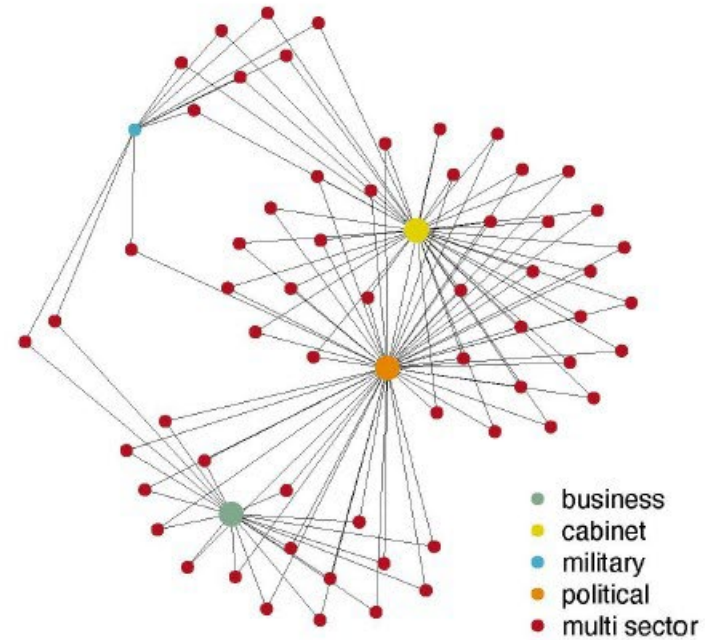
1936

Autocratic and Democratic Inner Networks
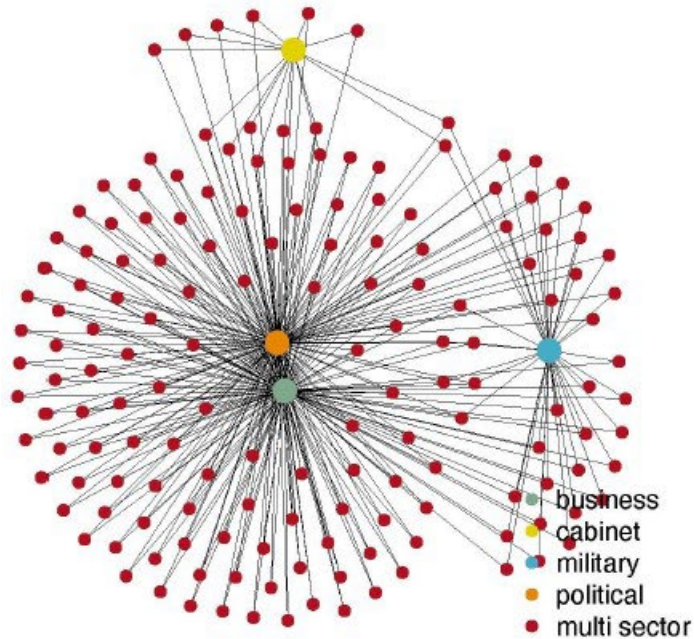
1975
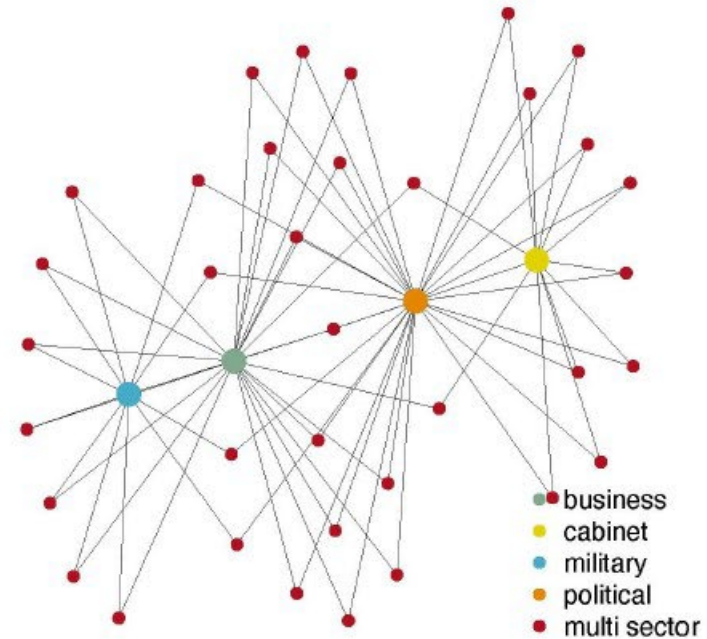
1985

Elite Network's Density

- There are several measures of a network's density

- Here, we show the Eigenvector Centrality, which focuses on the centrality scores of the nodes to see whether the network's connections are monopolized by a single or small group of nodes.

- The results are qualitatively the same if we use other indicators (e.g., average degree).

- We find a structural break in the elite network cohesiveness (that cannot be explained by income per capita) in the early 1980s.

Elite Network's Density: Eigenvector Centrality
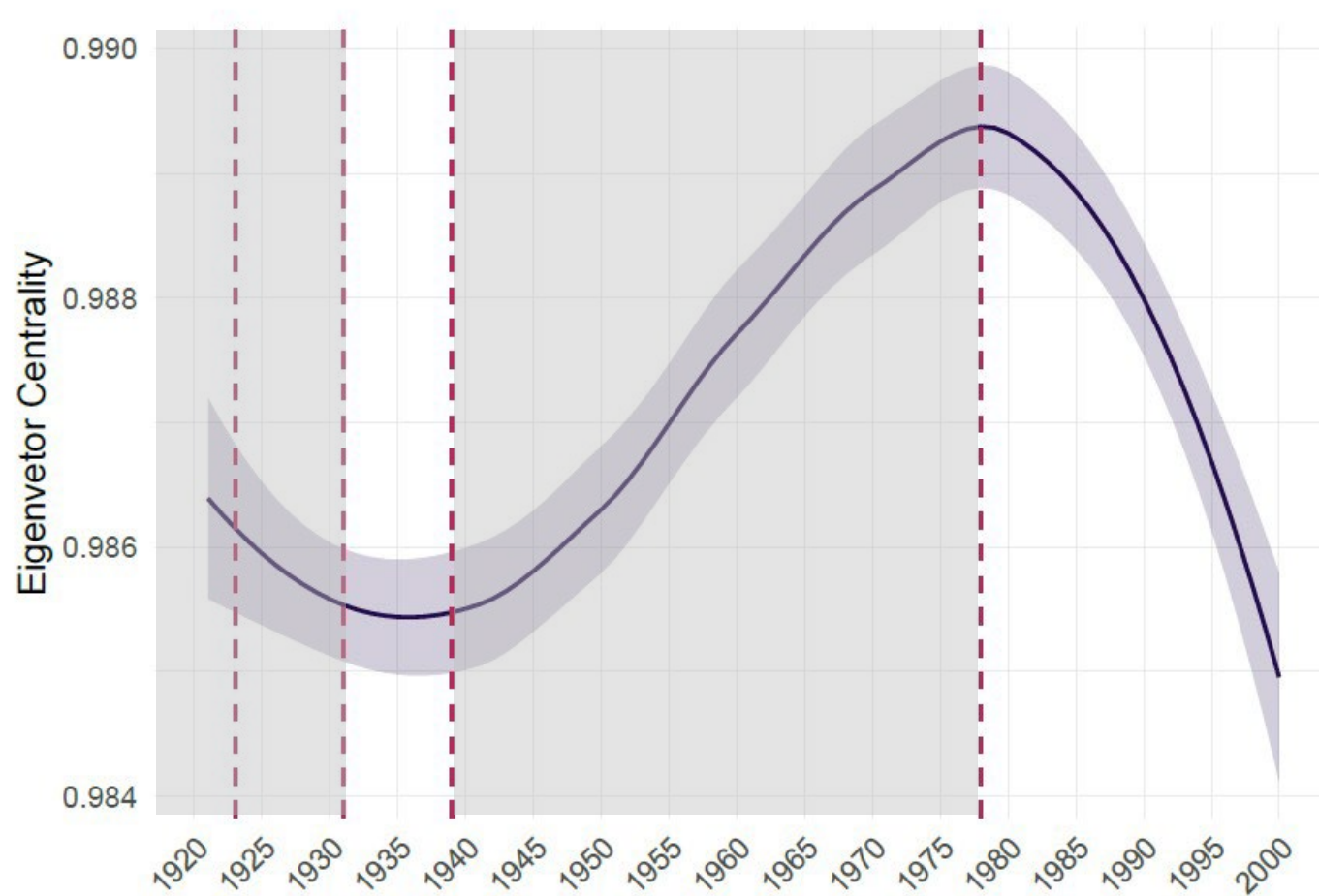
Elite Persistence

- What about the persistence of elites?

- One could expect that dictatorships have a greater persistence of political elites because it is less subject to accountability and political competition.

- To the extent that the economic sector is also less competitive in autocracies, there might also be less circulation of economic elites.

Elite Survival (Share All Individuals)
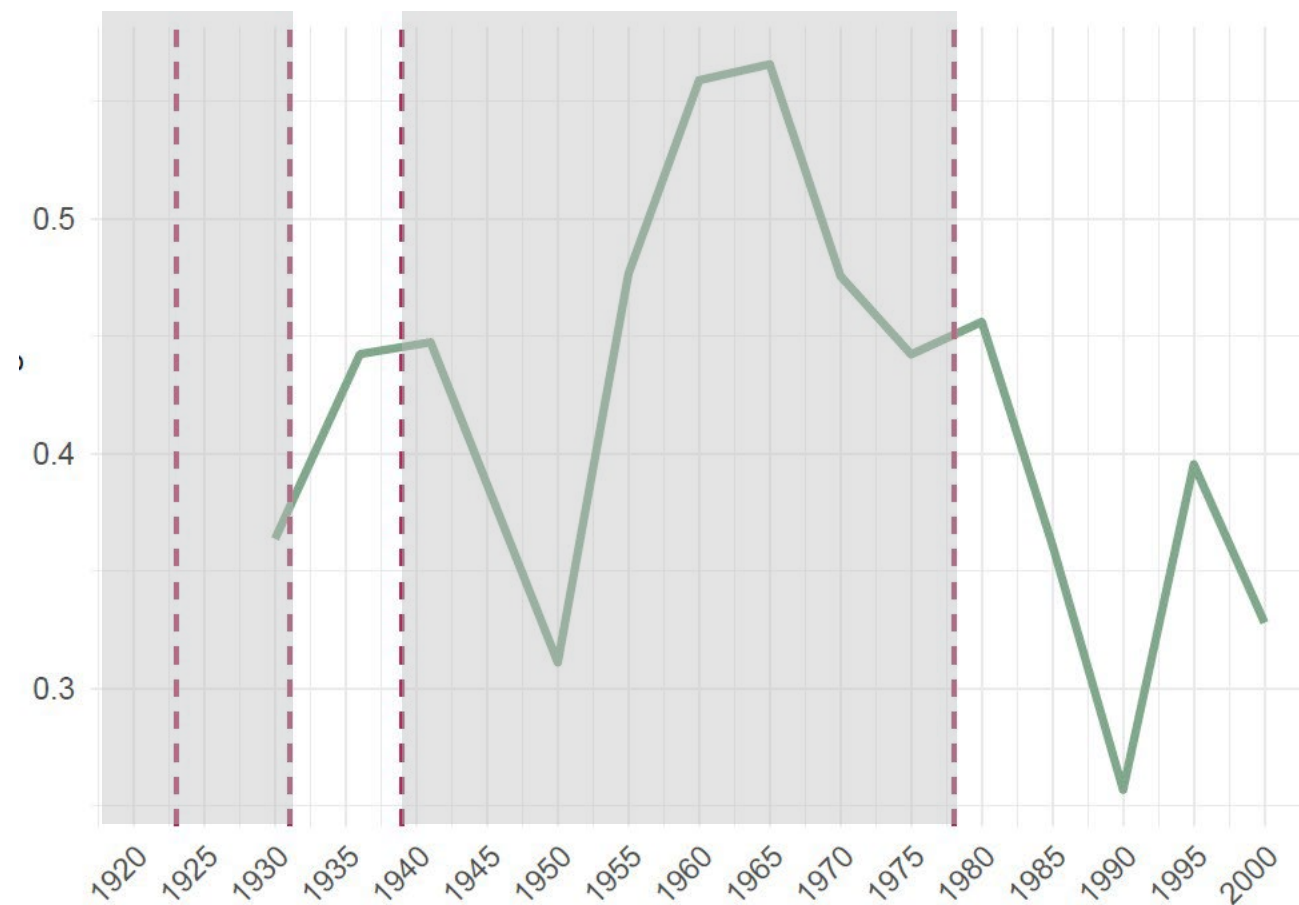
Elite Survival (Shares by Group)
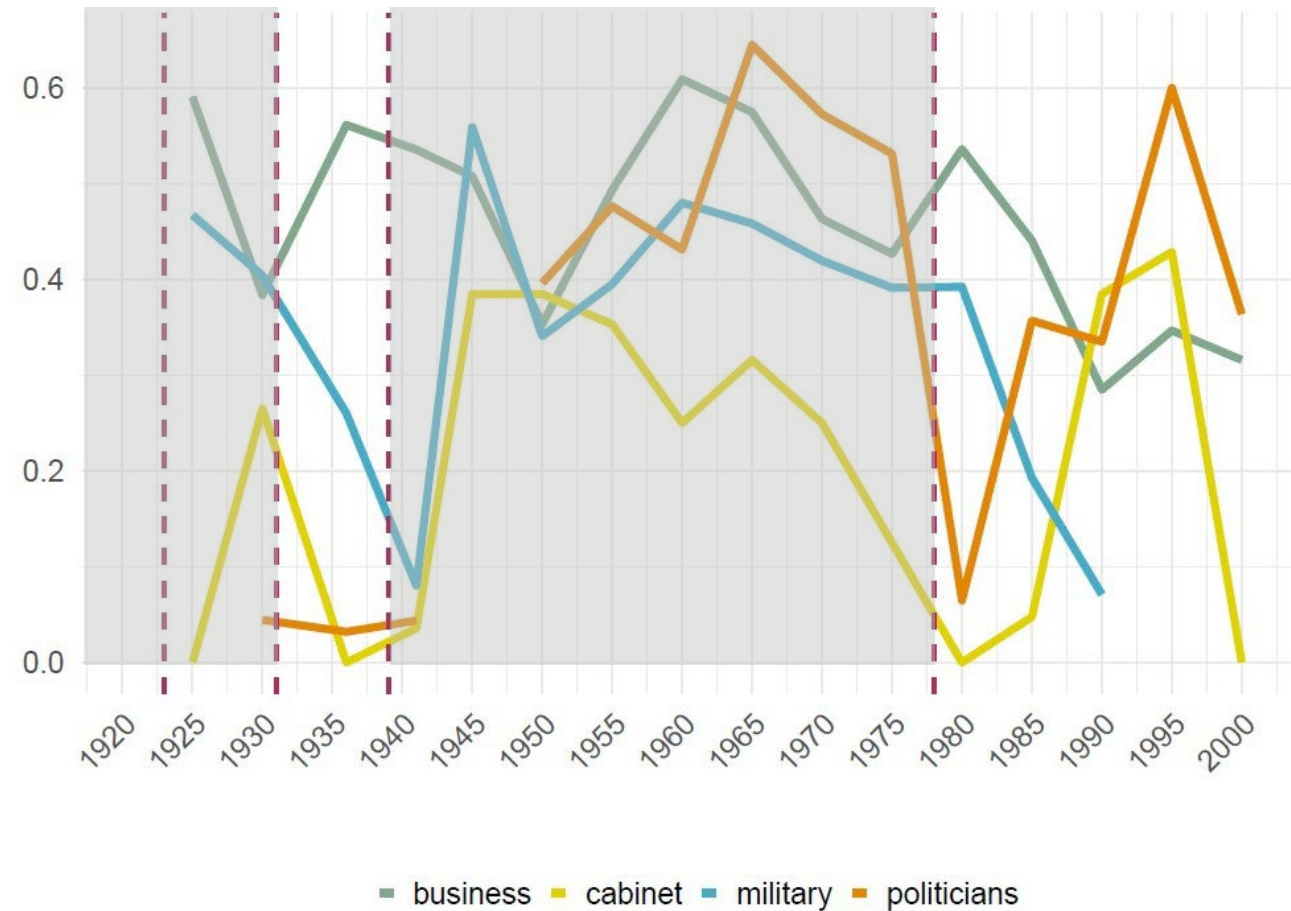
Elite Persistence in Early Francoism and Early Post-Francoist Democracy
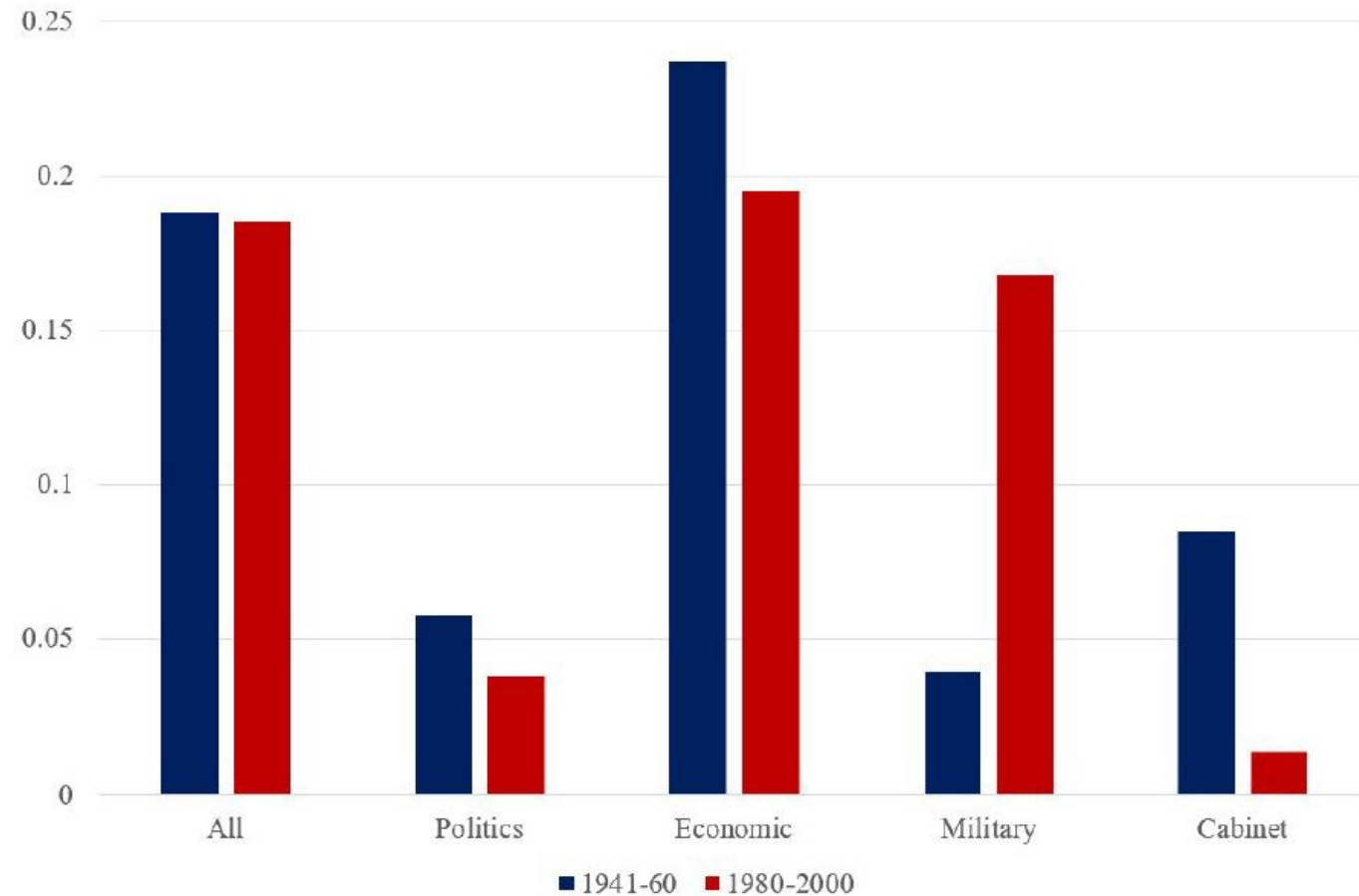
Revolving Doors (1920-2020)

With Sebastián Lavezzolo, Victoria Paniagua, and Guillermo Rosas

Motivation

Fragmentation In the Revolving Doors Literature
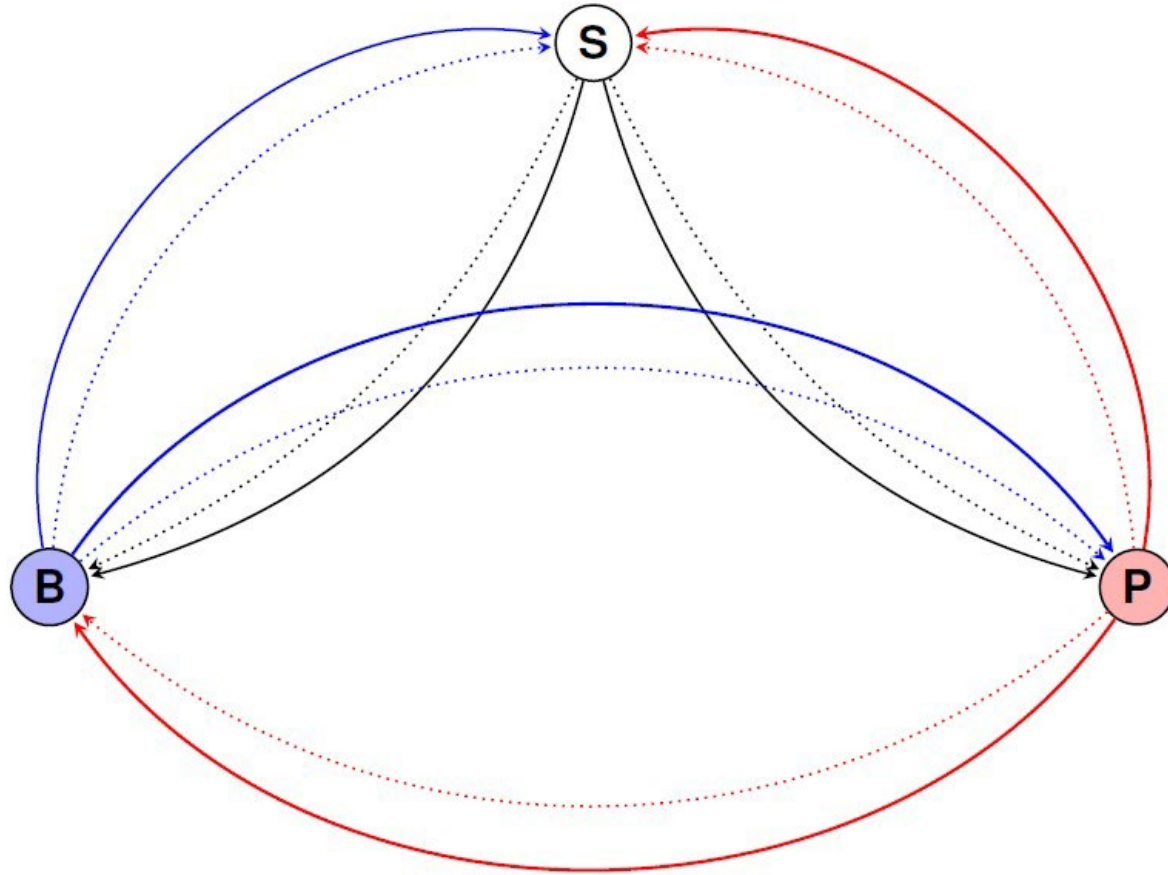
The "Calvo-Sotelo" Nightmare As a Symptom
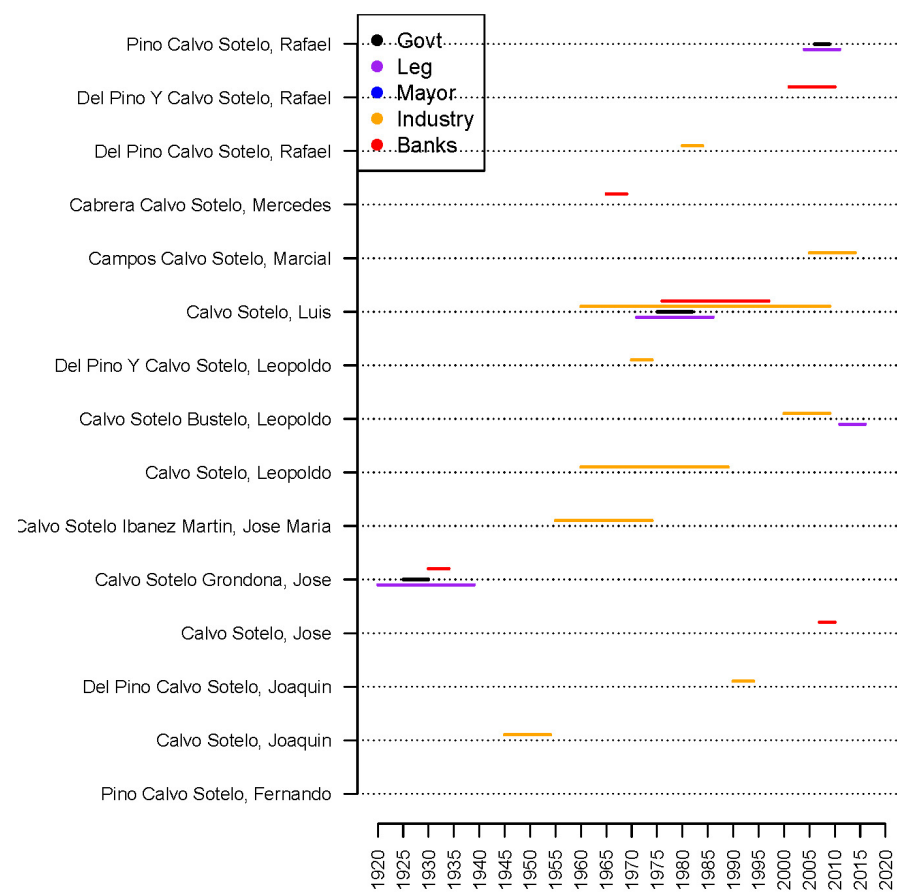
Data Linkage

- Four steps when linking names across years and sources:
  1. Probabilistic matching algorithm (*Fastlink*) to identify all possible matches.
     - Exact matches
     - Same name and similar family names (92% threshold)
     - Similar name and same last names (92% threshold)
  2. Machine learning techniques (Random Forest) to minimize false positives and false negatives.
     - Create a training set with synthetic examples.
     - Generate bootstrap samples from the training set. 300 decision trees using different string distance measures.
     - Bagging (bootstrap aggregating): a pair of names refer to the same individual if most trees predict so.
  3. Standardize individuals' ID applying transitivity.
  4. Temporal rule: different IDs for two observations >15 years apart.

- We end up with 57,508 IDs.

Frequency of Revolving Doors (1920-2024)
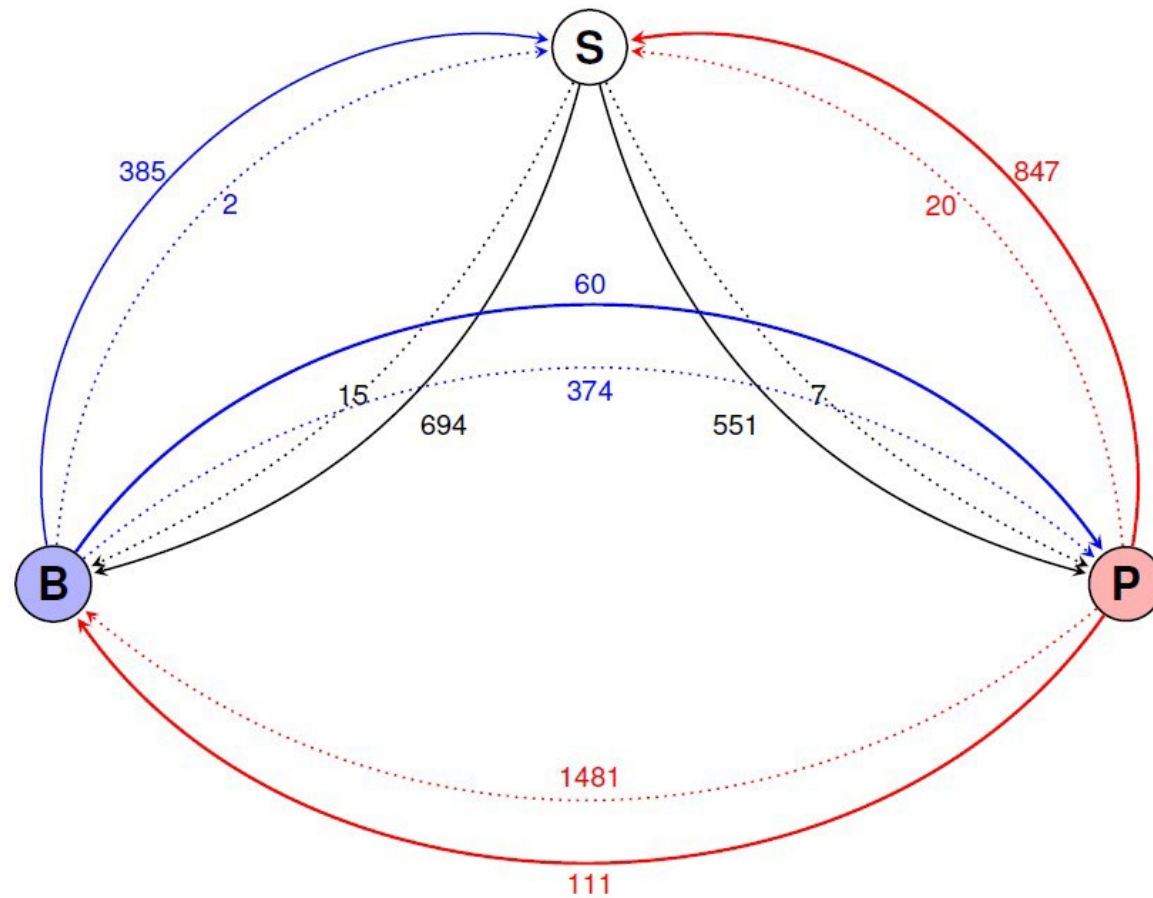
Share of politicians with business past (finance vs no-finance)
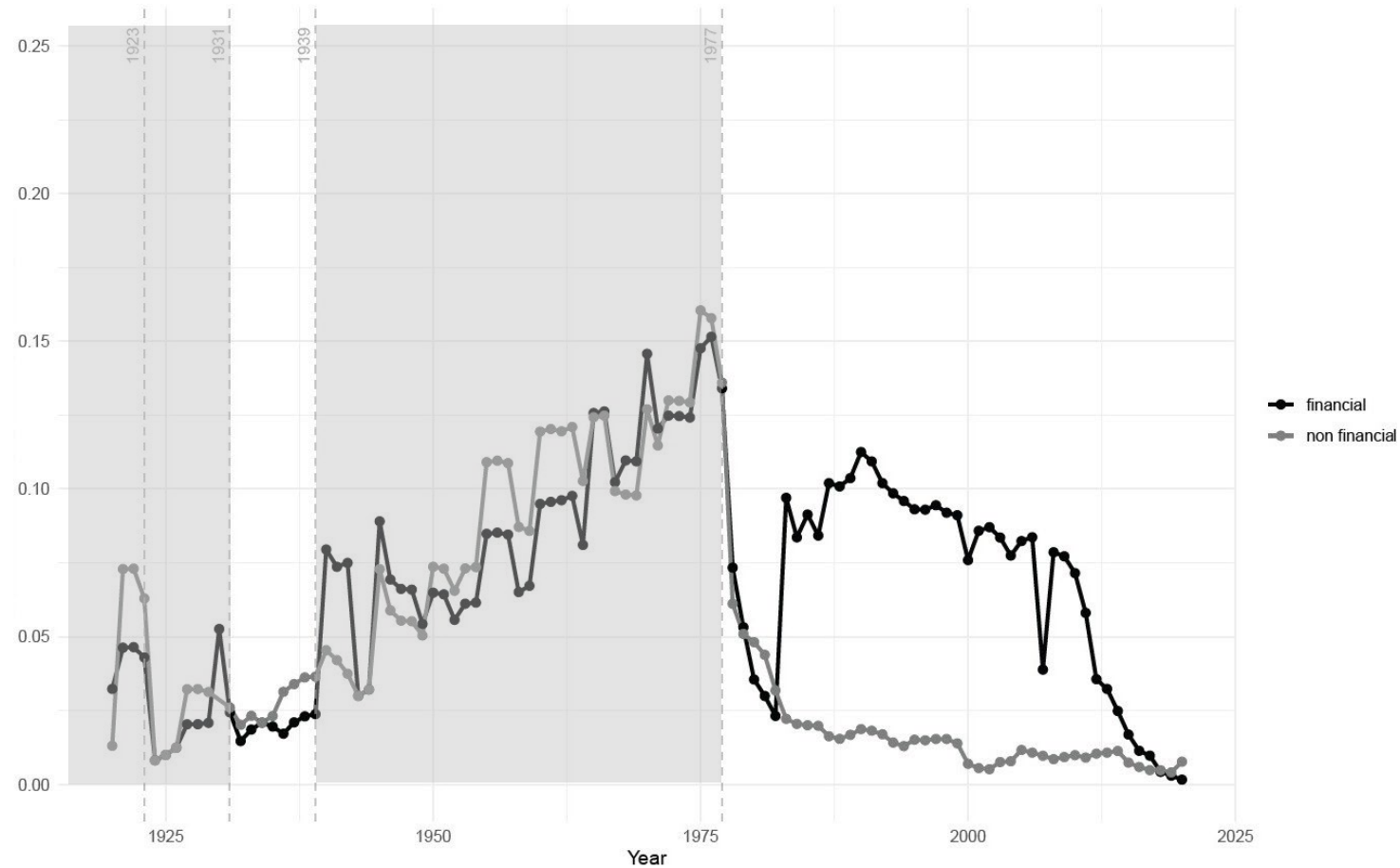
Share of business people with political past (finance vs no-finance)
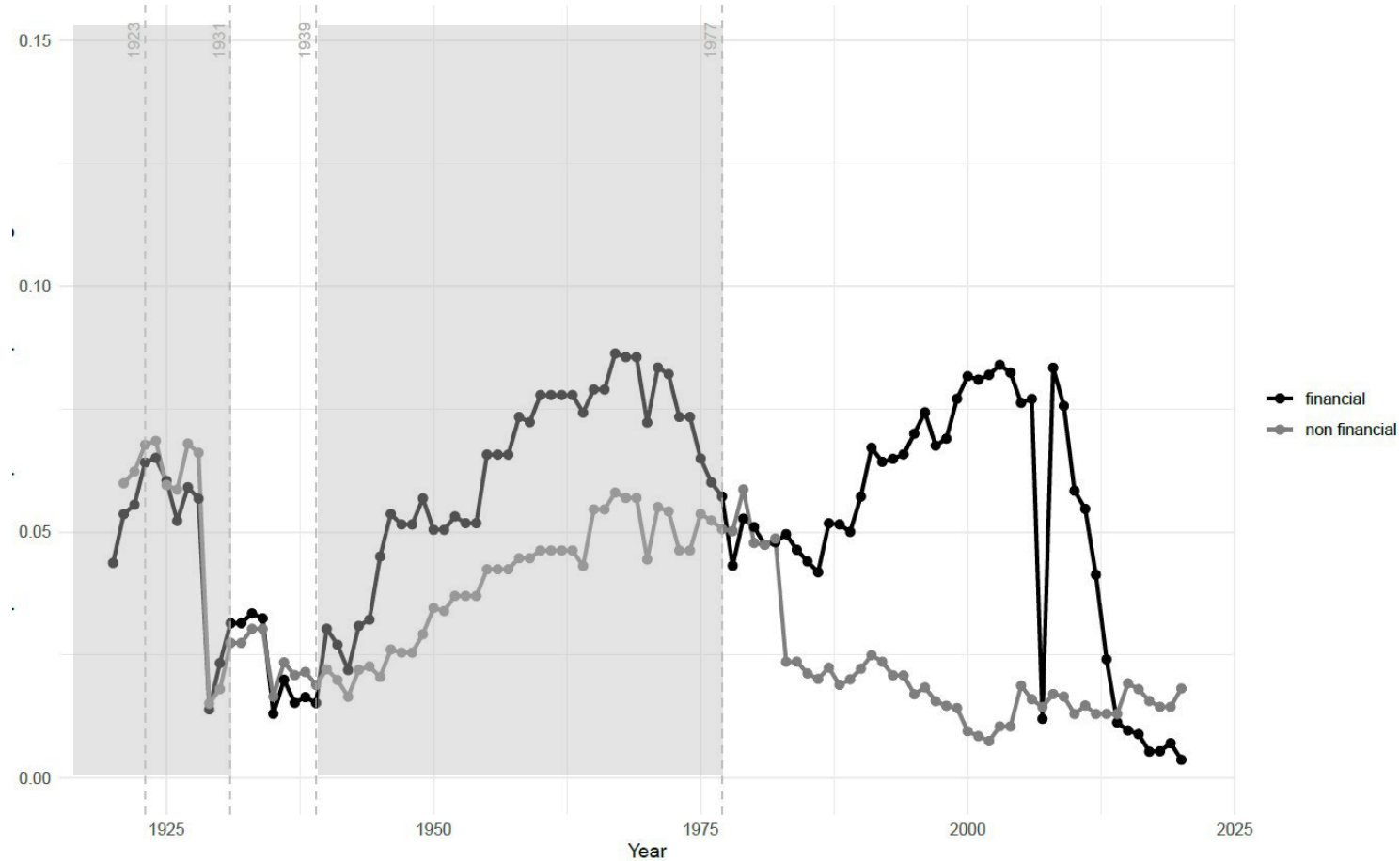
An Econometric Approach to Revolving Doors

- We model transition intensities between states *k* and *j* using a multi-state model survival anaysis (*msm package*):

$$q_{k,j}(t, z(t)) = \lim_{\Delta t \to 0} \frac{\Pr(S_{(t+\Delta t)} = j | S_t = k)}{\Delta t} \cdot \exp(\beta_{kj} \cdot z(t))$$

- Four potential states
- Predictors z(t) can be time-varying and transition-dependent

State	Abbreviation	Type of State
Business person	B	Initial/Transitory
Politician	P	Initial/Transitory
Both Business and Politics	S	Initial/Transitory
Temporary Absence	T	Transitory

- Coefficients can be estimated for every possible state transition (but we impose some restrictions)

Expectations

- **H1.** Executives in low-mobility (or competitive) sectors are more likely to enter politics than those in high-mobility (or monopolistic) sectors

- **H2.** Firms in low-mobility (or competitive) sectors are more likely to hire former politicians than those in high-mobility (or monopolistic) sectors

- **H3.** Executives from low-mobility (or competitive) sectors are more likely to enter politics in democracies than in autocracies

- **H4.** Firms in low-mobility (or competitive) sectors are more likely to recruit politicians in democracies

Revolving Doors, Asset Mobility, and Regime Type

		Business to Politics		Politics to Business	
		Autocracy	Democracy	Autocracy	Democracy
Capital Mobility	Low	+++	++++	+++	++++
	High	++	+	++	+
Monopoly	No	+++	++++	+++	++++
	Yes	++	+	++	+

An "exit" logic: Enterprises with highly mobile assets (or with monopolistic power) can leave (or withhold investment); their demand for revolving doors is lower, especially in a democracy

Covariates

Level	Variable	Source
Political Regime	Democracy Index	Polity IV
Macroeconomy	GDP per capita Economic Openness	Prados de la Escosura (2017) Prados de la Escosura (2017)
Asset Mobility	Capital Income Share Fixed Assets Share	Acemoglu and Guerrieri (2008) US BEA (2016–2023)
Firm Level	NAICS (7 broad categories) Government Owned Monopoly	Own elaboration Several Sources Several Sources
Individual	Number of companies Gender	Own elaboration https://genderize.io/

Results Across Transitions

Full Model Specification

Variable	B-P, B-S	P-B, P-S	S-B	S-P	B-T, P-T, S-T	T-B, T-P, T-S
Polity IV	0.96 [0.85, 1.09]	1.01 [0.92, 1.10]	0.83 [0.74, 0.93]	0.94 [0.80, 1.11]	0.70 [0.68, 0.73]	0.86 [0.83, 0.89]
Asset Mobility	1.13 [1.02, 1.26]	1.05 [0.97, 1.13]	1.03 [0.94, 1.13]	1.04 [0.92, 1.19]	1.19 [1.15, 1.22]	1.06 [1.03, 1.09]
Asset Mobility × Polity IV	1.01 [0.99, 1.02]	1.00 [0.99, 1.01]	1.02 [1.01, 1.03]	1.00 [0.99, 1.02]	1.04 [1.04, 1.05]	1.02 [1.01, 1.02]
Monopoly × Polity IV	0.99 [0.93, 1.05]	0.89 [0.82, 0.96]	1.17 [1.12, 1.23]	1.02 [0.96, 1.08]	0.94 [0.92, 0.96]	1.00 [0.97, 1.02]
Monopoly	1.17 [0.71, 1.92]	0.49 [0.28, 0.85]	1.35 [0.90, 2.04]	0.66 [0.43, 1.02]	1.17 [0.98, 1.40]	0.98 [0.81, 1.19]
Public vs Private firm	2.07 [1.48, 2.88]	1.29 [1.07, 1.56]	0.77 [0.59, 0.99]	0.96 [0.76, 1.21]	0.45 [0.40, 0.50]	0.95 [0.84, 1.08]
Trade openness	0.98 [0.96, 1.00]	1.02 [1.01, 1.03]	1.07 [1.05, 1.08]	1.00 [0.98, 1.02]	1.03 [1.02, 1.03]	1.01 [1.00, 1.01]
Per capita GDP (log)	0.91 [0.85, 0.98]	0.90 [0.86, 0.95]	0.73 [0.69, 0.77]	1.38 [1.25, 1.52]	0.95 [0.93, 0.96]	1.13 [1.11, 1.15]
Male (Individual level)	1.09 [0.54, 2.22]	2.16 [1.18, 3.97]	2.36 [0.58, 9.64]	0.76 [0.44, 1.30]	0.72 [0.66, 0.79]	0.89 [0.81, 0.97]
Number of Boards	1.01 [0.99, 1.02]	1.00 [0.99, 1.01]	1.01 [1.00, 1.02]	0.99 [0.97, 1.02]	1.03 [1.03, 1.04]	1.00 [0.99, 1.00]
Experience (Years Observed)	1.30 [1.22, 1.37]	0.93 [0.77, 1.12]	0.98 [0.93, 1.04]	0.98 [0.91, 1.04]	0.92 [0.90, 0.94]	0.61 [0.58, 0.63]

Results Across Transitions

Full Model Specification

Variable	B-P, B-S	P-B, P-S
Polity IV	0.96 [0.85, 1.09]	1.01 [0.92, 1.10]
Asset Mobility	1.13 [1.02, 1.26]	1.05 [0.97, 1.13]
Asset Mobility × Polity IV	1.01 [0.99, 1.02]	1.00 [0.99, 1.01]
Monopoly × Polity IV	0.99 [0.93, 1.05]	0.89 [0.82, 0.96]
Monopoly	1.17 [0.71, 1.92]	0.49 [0.28, 0.85]
Public vs Private firm	2.07 [1.48, 2.88]	1.29 [1.07, 1.56]
Trade openness	0.98 [0.96, 1.00]	1.02 [1.01, 1.03]
Per capita GDP (log)	0.91 [0.85, 0.98]	0.90 [0.86, 0.95]
Male (Individual level)	1.09 [0.54, 2.22]	2.16 [1.18, 3.97]
Number of Boards	1.01 [0.99, 1.02]	1.00 [0.99, 1.01]
Experience (Years Observed)	1.30 [1.22, 1.37]	0.93 [0.77, 1.12]

Results Across Transitions

Passage Rates (within 10 years) by Regime Type

		Business to Politics		Politics to Business	
		Autocracy	**Democracy**	**Autocracy**	**Democracy**
Capital Mobility	Low	0.400 (0.249:0.594)	0.358 (0.190:0.634)	0.406 (0.339:0.490)	0.361 (0.254:0.507)
	High	0.426 (0.283:0.612)	0.489 (0.303:0.722)	0.390 (0.315:0.481)	0.346 (0.268:0.456)
Monopoly	No	0.418 (0.284:0.595)	0.457 (0.275:0.679)	0.394 (0.315:0.483)	0.357 (0.268:0.476)
	Yes	0.452 (0.268:0.694)	0.300 (0.131:0.620)	0.418 (0.322:0.523)	0.204 (0.131:0.304)

Concluding Remarks and Next Steps

- Autocratic periods exhibit greater cohesiveness in their elite networks and more overlaps between elite groups than democratic periods.

- Less elite circulation and more revolving doors in autocracies (but finance has different dynamics than non-financial sectors).

- Asset mobility or economic power do not significantly correlate with the likelihood of using the revolving doors.

- Next steps
  - Data, data, data…
  - Using trade shocks to explain revolving doors (1995-2020).
  - Network Analysis for revolving doors.

Please, stop missing out (and thank you!)