

## The tails of two cities: living conditions in Burgos and Bilbao in the first half of the 20<sup>th</sup> century

### *El recuento de dos ciudades: condiciones de vida en Burgos y Bilbao en la primera mitad del siglo xx*

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#### ANALYTICAL SUMMARY

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This paper compares the living conditions of two Spanish cities during the interwar period: Burgos, provincial capital of one of the important grain-producing provinces, and Bilbao, also a provincial capital and an emerging industrial center. The two cities, opposed in productive character, were well-connected by a railway spanning 194 kilometers. We contrast whether these neighboring cities experienced similar changes in their living standards in the first half of the 20<sup>th</sup> century.

During this period, the degree of backwardness or modernization in Spain was not uniformly prevalent. This made the impact of war and interwar adjustment very different in rural, urban and industrial contexts. To this end, we examine the case of the industrial trade-port Bilbao –more open to progress and change– and the case of agrarian-centered Burgos –more deeply rooted in agrarian rural Old Castile. Each of them represents one side of the duality of a country in transition to a more modern economy. Burgos was a stronghold of a more resilient traditional agrarian social system in slow transition, whereas Bilbao was already well-established as a liberal-progressive modern industrial center. These two cities can be used as case studies of the modernization divide and two-speed transition.

We examine this period of economic turmoil in these well-differentiated settings. The differences generated by modernization and continuity will be brought to light by examining the impact of price changes on living standards and other economic and social indicators (infant mortality, disease prevalence and pawning as a last resort). To conduct our analysis, we have collected homogeneous comparable data series from the official monthly statistics of both municipalities.

We find that the impacts of price and wage changes during and after World War I and the Great Depression differed significantly between the two cities. We find no support for converging living conditions. The costs of their family baskets follow very different patterns both in the 1920s but especially in the 1930s, with a much higher increase in Bilbao. Comparative family purchasing power measured in terms of quasi-welfare ratios reveal important cleavages. The redistribution of wealth towards the middle and upper classes as reflected by transport vehicle registrations reveals additional differences. Vital statistics also disclose different mortality patterns in the two cities we have compared. Different public health environments prevail.

Overall, based on methodologically similar microstudies on living standards and real wages available for different cities in Spain over this period, we find a general pattern of wage divergence, with only occasional periods of transitory real wage convergence driven by strong industrial contractions and/or pro-unskilled wage policies during the Second Spanish Republic.

High-frequency monthly data has been determinant in contrasting short-term differences and identifying lagged effects. This has been instrumental in contrasting how living conditions evolved. We find the use of monthly data reveals dynamics that are undetectable in annual data, especially in a context of changes in economic cycles and strong price shocks related to war, recovery, recession and economic depression.

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