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the architect of
modern insurance:
MAPFRE

...and humanism in the
company and in life.

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1921
2021
IGNACIO LARRAMENDI

LARRAMENDI

THE ARCHITECT OF MODERN INSURANCE:

MAPFRE

... and humanism in the company and in life

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FOREWORD FOR THE LARRAMENDI BOOK

The bust of Larramendi, Don Ignacio to all of us, is located in the hall of the main building of MAPFRE's corporate headquarters in Majadahonda. As we come in each day, it is the first thing all of us, who work in this company, see every day. He is not only there as a matter of recognition, which is also the case, but because a large part of what today is the largest Spanish insurance company in the world is due to him, as the company's re-founder. But regardless of the bust, everyone in this company, whatever our place of work, knows and admires the work of the man who was our chief executive for several decades.

And I am not just referring to the person who laid the foundations of MAPFRE's management model, which we still consider to be differential, but also to the origin of the firm ethical and social values that today are our sign of identity and which largely explain the steps taken over the last 65 years by the company.

Reading this book conveys with great verisimilitude how MAPFRE's life is linked to the thinking and personal action of Ignacio H. de Larramendi, a forerunner who had the ability to anticipate decisions for the company that later not only hit the mark, but also became sector practices led by the company.

Following the evolution of Larramendi's thinking, we can also draw a parallel with the evolution of Spain and, of course, of the consolidation, growth, expansion and strength of the company.

Now, that we live in a society of the moment and immediacy, it is surprising to find companies that last more than 5 or 10 years. That is why it is especially valuable to discover well-established, global companies with enormous economic strength and financial soundness that are 80 years old or more, as is our case. None of this would have been possible if we had only evolved with a much-needed financial profit in mind. There has to be something more, a profound sign of identity that accompanies and guides all this business development, especially when this vocation for global presence leads you to share your know-how in distant geographical environments, with different people, cultures and assets that must be understood and respected if you want to be accepted.

In the 1960s, once the company had stabilised, Don Ignacio was already talking about the importance of trust as an essential concept not only for insurance, but also for what today is considered the management of the company. We can also find very valuable reflections in his articles from that decade, such as that "the company has a dual function: an instrument of economic service to the community, and a group of people to which its components are linked, even more than any other institution". Read with today's eyes, MAPFRE's social commitment began to take shape in the insurance company three decades before Spain began to "talk" about Corporate Social Responsibility (CSR) and the link between professionals and their employer's project,

which is what today allows us to have one of the highest percentages of “pride in belonging to the company” in the business community.

I cannot avoid another message he left us in the early 1980s in a conference given in Valencia. Then, in that Spain in turmoil, which had just begun its commitment to democracy, Larramendi already said that “the company, which enjoys economic and, therefore, social power, cannot be satisfied with an objective of profit, or even of creation of wealth, but has other obligations as a result of its transcendence and public responsibility”. This commitment, verbalised more than 30 years ago, could be put on the lips of any business leader today since, in fact, it is what most companies are saying now.

Larramendi was commissioned to revive a company at a critical moment in its history, and not only did he limit himself to successfully dealing with this great company, but he also refounded that mutual society of agricultural owners, giving it a *raison d'être*, a solid economic and ethical basis that served as the foundation for the powerful international expansion that followed and which allows us to understand everything that the company and its professionals have achieved throughout our history.

I, like Don Ignacio, also came to the insurance sector by chance and, like him and many thousands of us, have dedicated my whole life to this project, which I have had the honour of presiding over for almost a decade. All of us who have followed him have reinterpreted his professional heritage, transmitted in his writings, his reflections and his actions, and we will try to ensure that the new generations preserve everything that has brought us here, the cultural pillars of this group, which continues to amaze locals and foreigners alike.

My generation were not able to meet Larramendi in person. When we started working he was leaving. Beyond the anecdote of some casual encounter in the lift or in the corridors of our then small headquarters of the Mutual Society in Las Rozas, all we received from him were the reflections of the elders, who did not hesitate to include his thoughts, directly or indirectly, in their reflections. It was never dogma, but it was always a guide. Thus we were professionally educated in the freedom of opinion, the obligation to contribute and the need to build. The leader of that time, possibly omnipotent, was humble enough to let the others, even the youngest and most inexperienced, draw our own vision of the future of the company, in things great and small. I always remember the comment of some veteran who said “once you've decided on something, even Don Ignacio won't change it”. Trust in people, a principle that is still one of the fundamental pillars of our business development.

I sincerely invite you to read this book, which in addition to better understanding one of the most relevant figures in Spanish insurance in the 20th century and the evolution of MAPFRE, also allows you to better understand the history of Spain, especially concerning its main economic decisions. In addition, the author has intelligently presented the figure of Don Ignacio Hernando de Larramendi, a visionary

who was before his time by promoting business growth solidly committed to the social development of the environment. A company that for many decades has perceived in an exemplary manner that economic profitability had to be necessarily and indissolubly linked to social profitability, for the benefit of the whole society and its different stakeholders. We have not been the only ones in this endeavour, fortunately, but I am sure all of us will need to consolidate this effort to build a better future.

ANTONIO HUERTAS
Chairman of MAPFRE

FOREWORD BY LUIS H. DE LARRAMENDI

When my father, Don Ignacio Hernando de Larramendi y Montiano, died 20 years ago, the institution he had created, the “Fundación Hernando de Larramendi”, quickly and unanimously took the decision to change its name and adopt that of “Fundación Ignacio Larramendi”, a name by which he was known not only in the insurance world, but also among his many friends and acquaintances in Spain and around the world.

While he was alive, that Foundation, which he had founded with his generous decision—and that of his wife, my mother, Lourdes Martínez, who succeeded him as President—to place at the service of society the vast majority of what was his family's heritage (what could have been the inheritance of his children, mine and my brothers and sisters), focused on activities of general interest, charity, the protection of the cultural heritage of the Ibero-American world, and historical research.

After his death, and after that of my mother, when I took over the presidency, I thought it appropriate to propose—and the Foundation's board of trustees unanimously agreed—that one of the activities to be carried out should be a very necessary one: to honour the memory of the founders, making their professional career and example known, thereby seeking to ensure that their principles could serve as a stimulus to arouse in others the generosity and effort in working for the common good, which is so necessary to bring together an increasingly individualistic and selfish society.

And because numbers are magical, we agreed that by focusing efforts on the occasion of the 100th anniversary of my father's birth, on 18 June 1921, this would allow for a greater impact.

We thought that it was not only a matter of justice, but also a necessity so that all the vectors that had made Ignacio Larramendi a very unique and outstanding figure could be revealed, in such a way that it would allow us to complement both the vision we had of him in his Foundation, which was more personal and familiar, and the memory that was maintained in the insurance world, specifically in that great corporation, Mapfre, which without his impulse and effort would not have become what it is today, as well as that which may exist in many other areas of his activity.

And for this purpose, an objective, rigorous look that may not have that previous knowledge of the Mapfre universe, or of the Fundación Ignacio Larramendi itself and his family, could be the most appropriate way to analyse his works, study his innumerable writings and collect testimonies of his life, placing all of this in the sociological, economic context of the moment in which they were produced, so that a different vision of his impeccable trajectory of service to society and the common good could be illustrated

Mapfre, through its chairman, Antonio Huertas, who signs another prologue to this book, enthusiastically welcomed the initiative, which has finally given rise to the work that these lines introduce.

This required the signing of an agreement between the two supporting institutions, the Fundación Mapfre and the Fundación Ignacio Larramendi, and a prestigious university institution, the Fundación Universitaria San Pablo CEU, so that the latter, through the professor of applied economics, Mr. Javier Morillas, and a team of brilliant researchers, such as Gonzalo Sánchez-Magallón Rezusta, Manuel M. Molina López, Mercedes Rubio Andrés, José Manuel Muñoz Puigcervery, and Manuel R. Tejeiro Koller, could undertake the task.

In parallel and in permanent contact with this team of researchers, an own essay has been prepared, from a different perspective to the rest of the authors, by the very famous Professor José Andrés Gallego and which is integrated in the work. He had the chance to know and work closely, side by side with Don Ignacio Larramendi in that extraordinary cultural initiative, undoubtedly encyclopaedic, which involved the publication of 256 monographs on the discovery and civilization of America, all prepared for the occasion by excellent scholars from both sides of the Atlantic.

My father wrote a lot, in various records: reports to boards, professional notes, articles on the world of insurance and on a thousand other things, publications on the Social Doctrine of the Church, history conferences, political essays, books on the improvement of public administration, and a host of other subjects, which are now, for the first time referenced almost in their entirety (because it is certain that not all have been preserved...) thus allowing us to have an exact idea of the variety of his interests, the effort of his work, and the ambition of his projects, all of which are accessible on the website of our Foundation, www.larramendi.es.

It is not only this book that will see the light on the occasion of the centenary of Ignacio Larramendi's birth, since other aspects of his life and work are also being rescued and re-analysed at the same time in the course of the commemoration, both from a family perspective as well as from that of his contributions to culture, history, the study of the Social Doctrine of the Church, regenerative medicine of accidents, and even the live commemoration of the voyage of Christopher Columbus in 1492.

It is not possible to understand Ignacio Larramendi's successful business, cultural and historical work without drawing attention to his wife, Lourdes Martínez, my mother, who was extraordinarily intelligent, hard-working, collaborative in everything, and a very efficient family and professional manager. And as an example, I would like to mention that heavy Underwood typewriter, with keys that looked like hammerstones, which my mother used to transcribe my father's writings, like that early book "Tres claves de la vida inglesa" (Three Key Aspects of English Life), where her work was not limited to typing, since she corrected, suggested and advised on its content, complementing it, while directing and managing Editorial Cálamo that they both founded soon after their marriage, with headquarters in their own home, that rented flat in calle General Oráa 26 where they lived throughout their marriage, and that because it was rented had to be abandoned in 2015, after my mother's death.

This magnificent book produced under the direction of Javier Morillas is—with some nuances in the case of José Andrés Gallego's contribution, due to his personal relationship with Ignacio Larramendi—a book based on the documentary analysis of his huge written work, and the testimony of almost a hundred people who knew him, whose vision about my father was recorded on video from the beginning of 2017, through the invaluable help of Pino Paniagua, who not only prepared the recordings, but also acted as interviewer, and also collected a large part of those original thought pills that appear in this book under the title of “Larramendi’s Pearls of Wisdom”

If “So by their fruits you will get knowledge of them”, as the Gospels say (Matthew 7.15-20), it is clear that his life was fruitful, both regarding family—his nine children—and in the professional sphere—the legacy left to that Mapfre that without his help would not be what it is today—and also in his contribution to the world of culture, to dignifying public life with his suggestions for better management practices for the regeneration of the administration of the State, and putting into practice the principles of the Social Doctrine of the Church, through corporate social responsibility and the continuous search for and promotion of the common good in its most authentic sense.

This commemoration of the centenary aims to give all this greater visibility to enlighten and illustrate to others so that they can, following his example and his work, contribute to the improvement of society, in Spain and other countries, in the shadow of the ethical and moral principles he defended and practised.

If Isaac Newton said that he was able to discover gravity because he stood “on the shoulders of giants”, referring to all those scientists who had preceded him and on whose discoveries he was able to base his own, I would like nothing more than for this book, and all the commemoration activities of his centenary, to help my father's undoubtedly gigantic figure to enable others, looking to him, to take steps forward towards a fairer, more caring and more ethical society, for which he fought.

LUIS HERNANDO DE LARRAMENDI MARTÍNEZ
Chairman of the Fundación Ignacio Larramendi

ENTREPRENEURSHIP, ETHICAL DRIVE AND LEADERSHIP: IGNACIO HERNANDO DE LARRAMENDI IN MAPFRE AND ITS FOUNDATIONS

“By doing a lot from MAPFRE, I’ve been able to do something for Spain. My thanks are infinite”.¹

Ignacio Hernando de Larramendi Montiano, 1921 - 2001.

¹Hernando de Larramendi, Ignacio (1990): *Farewell speech at the General Meeting of MAPFRE Mutualidad*, 15-6-1990. Madrid,

"From early on I wanted more than just a decent, proper company, I wanted to create an institution with an entrepreneurial nature but that wasn't exclusively dominated by profit. One of my satisfactions is that today MAPFRE is considered to be providing a public service despite its private nature."

*Ignacio Hernando de Larramendi*².

CHAPTER I. LARRAMENDI FROM THE GREAT DEPRESSION AND THE FOUNDATION OF MAPFRE TO THE CREATION OF THE EURO

PhD Javier Morillas Gómez

"I witnessed the proclamation of the Republic . . . I remember the burning of the convents that I saw from a balcony of my house and it left an impression on me . . . time went by with my studies and concerns . . . and in 1934 there was an uprising of the socialist party against the constituted government, the famous October revolution, mainly in Asturias. It was when the Civil War began. Subsequently, there was no peace, and the massacres of 18 July were prepared. It hadn't been possible to avoid it, those who thought they could do it were mowed down."

*Ignacio Hernando de Larramendi*³.

²Cfr. Hernando de Larramendi, Ignacio (2000). *Así se hizo MAPFRE*. Editorial Actas. Madrid. p. 135.

³ Ibidem, pp. 80-81.

A YOUNG MAN AND A FLEDGLING INSURANCE COMPANY IN THE MIDST OF THE GREAT DEPRESSION.

Ignacio Hernando de Larramendi Montiano, had just turned 10 years old when the “*Agrupación de Propietarios de Fincas Rústicas de España*” was created in August 1931. At this time, it could have been thought that it was going to be one more of the various entities that arose in the context of that still basically rural Spanish economy.

In this field and for centuries, sectoral organisations had been created in Spain that were certainly thriving. Amongst the most significant were the “Asociación General de Ganaderos”, created in 1836, heir of the centuries old “Honrado Concejo de la Mesta” of 1273; the “Asociación General de Agricultores”, created in 1881. Or that of “Fomento del Trabajo Nacional”, of 1889, after successive extensions and absorptions from the former “Real Compañía de Hilados y Tejidos de Algodón”, established in 1771. Additionally, there was the “Confederación Nacional Católica Agraria” that emerged in 1917 through the aggregation of previous Catholic agricultural organisations. Others, such as the Bloque Agrario, or La Liga Nacional de Campesinos.

Derived from those, more specific activities had to be undertaken in a complementary way, such as the obligation to insure workers against the risk of occupational accidents that was spreading throughout Europe, within the framework of the incipient agreements of the International Labour Organisation, ILO, established in 1919. Conventional public limited companies weren’t interested in the field of agricultural insurance, given the recurrent subsistence crises, the structural changes underway and the resulting conflict in rural areas. This led to the creation of “mutual societies”, such as the “Mutualidad de la Agrupación de Propietarios de Fincas Rústicas de España”, MAPFRE, on 16 May 1933.

For Hernando de Larramendi, the Republican labour legislation derived only from the logical social evolution and the application of international agreements, “*in the Republic the legislation on accidents at work was useful . . . (although) . . . the Agrarian Reform and other contemporary measures were sectarian. I don’t believe that any constructive action for the future came from them. They mainly served for a policy of resentment.*”⁴

The first three decades of the twentieth century were a period of intensive growth for the Spanish economy. It came from a long wave of expansion in which, to be precise, if in 1900 the Spanish per-capita income was 41.2 per cent that of the United Kingdom, in 1930 it was 52 per cent. A clear period of real convergence was taking place with the leader of the industrialising process in the world; although the distances were increasing with respect to other followers such as Germany -which went from 59.1 per cent of English income to 70.8 per cent in the same period-, France

⁴Ibidem, pp. 119-120.

-which went from 63.2 per cent to 87.4 per cent-, and Italy -which jumped from 41.9 per cent to 60.1 per cent-, and which were experiencing higher growth rates than Spain and England. It was no consolation to note the greater relative distance that Spain continued to gain over other countries such as Portugal, whose per-capita income in 1900 was 25.4 per cent of British income and in 1930 was just 26.3 per cent, barely reaching half of the Spanish income.⁵

But, if we analyse the period between 1913 and 1929, the international comparison is even more eloquent in terms of the remarkable evolution of the real per capita product in Spain. With an average annual growth rate of 1.8 per cent, equal to the growth of Italy; only surpassed by France by just one tenth, 1.9; and well above the United Kingdom, which was growing at 0.3 per cent annually, and also Germany, where growth was 0.9 per cent; and even the United States, which grew at an average annual rate of 1.7 per cent during this period.⁶

However, in certain sectors of Spanish society a hyper-criticism rooted in the Generation of '98 had taken hold, incapable of assessing the positive aspects of its general evolution, within the global context itself, which is what did end up being really negative. Thus, on 26 October 1929, one could see the following in the main Spanish publication of the time in the economic and insurance field:

"There has been a violent, sharp decline in the Wall Street market, after which a fierce struggle has arisen between bulls and bears, which gives the market a most irregular appearance, [...] even as the decline prevails".⁷

Notices that would follow periodically in the weeks that followed:

"The Wall Street market has experienced one of the biggest crises in its history [...] it hasn't been possible to control the situation created by the excesses of unbridled speculation that has been dragging on for several months. Despite the warnings [...] the speculative fever continued until a few days ago, it became clear from the tension on the money market that a crisis was looming [...] Sell orders were pouring in by the millions from all sides, and [...] a large and continuous decline couldn't be contained, [...] which ended in general panic. In that situation the market opened on Monday, and the Banking pool, overwhelmed by the sell orders, had to stop intervening [...], and then disaster struck. On Monday and Tuesday, prices were falling by 28 and 30 points; bankruptcies were piling up, and losses were running into billions [...] on Tuesday the fall was even greater [...]. The disaster was enormous, and had repercussions more or less [...] throughout the world, especially in Amsterdam and Brussels [...] Paris also suffered on Monday and Tuesday from the repercussions of the New York crash...."⁸

Possibly the knowledge of this situation in the world and in the United States also influenced Primo de Rivera's decision to put an end to the Civic-Military Directory, which Ignacio's parents lived through with prevention, and which, by resigning before the King, made the return of constitutional liberties possible. Although the full effects weren't yet felt in Spain, the news from the New York Stock Exchange continued to be increasingly worrying:

⁵ García Delgado, J. L. et al. (2019): *Lecciones de economía española*, Civitas-Thomson Reuters. Pamplona. See also Maluquer de Motes, Jordi (2016): *España en la economía mundial: Series largas para la economía española (1850 - 2015)*. Instituto de Estudios Económicos. Madrid.

⁶ Morillas, J. (2019): *De Isabel II a Felipe VI. El Economista, más de 165 años de la economía de España*. Planeta-Deusto. Barcelona.

⁷ *El Economista*, 26 October 1929. Madrid.

⁸ *"El crack de la Bolsa de Nueva York"*. *El Economista*. 2 November 1929 Madrid.

"Due [...] to liquidations to avoid debts to the Banks, there has been another new and sharp decline in the Wall Street market, with huge quantities of paper being sold out of the estimates, which have come at lower rates than ever before".⁹

Thus, in January 1930, General Dámaso Berenguer was appointed chairman of the Council of Ministers as the person in charge of returning to the constitutional path, and after decreeing an amnesty he publicly undertook on 18 February to respect the expression of popular sovereignty.

Further complicating matters was the military uprising in Jaca on 12 December 1930 after a so-called revolutionary committee of the Pact of San Sebastian was formed. In enmity with the King, including General Queipo de Llano, as well as the commander Ramón Franco, three days later they tried another unsuccessful military movement, seizing the Cuatro Vientos airfield. The objective of holding legislative elections in January 1931 was aborted and Admiral Aznar was appointed as the new President.

Significantly, on 11 March 1931 the leader of the Regionalist League of Catalonia, Francesc Cambó, published an article in which, in the face of the political turmoil of the time, he warned *"once again, that the Republic can't mean for Spain anything other than chaos, anarchy and communism"*.¹⁰ In fact, King Alfonso XIII thought of proposing Cambó, who was well aware of the international economic situation and the disastrous consequences it could have for Spain, as chairman of the Council of Ministers. However, Cambó regretted declining the offer because of the serious illness for which he had to be treated urgently. The new government set a plan to first hold municipal elections on 12 April, then provincial elections on 3 May and general elections in June. Once the first elections were held, the constitutionalist parties won with 40,324 councillors, compared to the 36,282 of the Republican-socialist group, although with a distribution that fed a sense of frustration amongst the former.

Meanwhile, extremely alarming news continued to arrive from the other side of the Atlantic, adding to the political instability and disturbing consequences and information already affecting Europe's neighbours:

"I got up at five in the morning and headed to the pier (San Francisco, USA). At the gates of Spreckles Sugar, there would be approximately 1,000 men. Everyone was well aware that there were only three or four jobs. A man came out accompanied by two little Pinkerton detectives and said, I need two men as watchmen and two to go into the hole. The thousand men fought like a pack of Alaskan dogs to get in, but only four of us made it".¹¹

The normal thing in Spain would have been to continue with the two following electoral calls, and even more considering the recurrent counterweights and corrections of vote that the electorate exercises before such calls in each area. However, when the government met, it wasn't happy about the setback of winning only 10 mayorships in large cities compared to the 37 it lost. It recommended that the

⁹"Bolsa de Nueva York", published in its "Revista de Bolsas" by El Economista, 16-11-1929.

¹⁰ Vid., Morillas, J. (2019). "Francesc Cambó y Ángel Herrera, en el Centenario del jubileo de Covadonga", 19-1-2019, in www.eldebatedehoy.es.

¹¹ Testimony on unemployment and the great depression of 1929 in America collected by the San Francisco correspondent of El Economista, 1931, No. 5,283, p. 24.

King leave Spain. Only the two ministers with competence and greater economic knowledge of what was coming —the Galician Gabino Bugallal, Minister of Economy, and the Minister of Development, the Murcian Juan de la Cierva —were opposed. Even General Sanjurjo, then in charge of the Civil Guard, declined his institutional responsibilities only to attempt a self-rectification a year later with an impossible “putsch” from Seville.

Thus, surprisingly, barely four months after the military and anti-constitutional insurrection of Jaca, the beneficiaries of the Pact of San Sebastian moved to the Council of Ministers. Without any electoral or constitutional support, nor any economic argumentation. It isn't strange that some of them, from Paris, didn't even believe it. An astonished Azorín would say that *“a writer, a scholar and a novelist”*, Ortega, Marañón and Pérez de Ayala, with their influence on public opinion had been *“the midwives of the Republic”*. However, in the *“literary”*, *“journalistic”* and not at all economic training of the intellectuals *“of the plazuela”*, as Ortega said, there was no statistical mastery of economics. Moreover, their self-acknowledged ignorance of the subject did little to improve national self-esteem 30 years after the loss of the overseas empire.

“At the advent of the dictatorship, many sensible, impartial people, were worried [...] about what might happen when it fell [...] (and there is) a general political disturbance [...] (that) [...] having a significant impact on the economic and financial life of the country, precisely at a time when a general economic crisis is making its effects felt in many nations and in important markets, with the natural repercussions on our country and on our stock markets [...] and in this abnormal financial and economic situation, which many peoples are suffering, 1931 begins without the most shrewd spirit being able to foresee in what direction the economic and financial life of the country would develop or the contingencies that may hinder, or the circumstances that may favour the situation of our Economy and our Treasury.

If logic governed our destinies, there would be no reason to feel exceptional worries in relation to the year that was beginning, because the impression, or even the affirmation, that the general mass of the country, the one that truly works and produces, is alien to the anxieties of a minority always prone to disorder incompatible with the true national interests, isn't risky [...] The orientation of the money market has also been rather unfavourable for the peseta in this first week [...]”.¹²

As was foreseeable with the sudden advent of the change of regime in 1931, and the day after the departure of Alfonso XIII from Spain, there was the biggest stock market fall that had ever occurred in its history in peacetime. According to Larramendi *“After the fall of Primo de Rivera's dictatorship, the revolutionary wave that had shaken Europe since the Bolsheviks seized power in Russia in 1917 roared again and didn't cease to do so until 18 July 1936”*.¹³

The economic climate began to radically change. The new “provisional government” even changed the flag, replacing the traditional red and yellow, which hadn't changed even during the First Republic. Hernando de Larramendi himself tells: *“My first memories are of the last period of the Dictatorship. When it ended in 1929 there was sadness in my house, I didn't know why, but the problems that were to come were foreseen I also remember the bar Chiquito, because I witnessed the proclamation of the Republic there, seeing trucks passing by with people shouting,*

¹² “Mercados de dinero”, in *El Economista*, 3-1-1931, p. 13.

¹³ Cfr. Hernando de Larramendi, Ignacio (2000). *Así se hizo MAPFRE*. Editorial Actas. Madrid. p. 54.

"Death to the King" A few weeks later I remember the burning of convents, which I saw from the balcony of my house and this had an impact on me".¹⁴

The international scene was also buzzing:

"The world is in turmoil [...France, Germany, Italy, the Ibero-American Republics...] In England a mining strike in Wales, workers' strike, industrial crisis, Egyptian and Indian nationalism [...] the decomposition of the English parties, a phenomenon that occurs in almost all the countries of the world, has been preventing strong governments from forming, which can undertake solutions . . . and we hope that this situation, so detrimental to the country, won't continue for long. (. . . In Russia...)...news of discussions, revolts and bloody events continue which, as they pass through the sieve of interested parties against or in favour of the Soviet regime, should be put in quarantine".¹⁵

It is, therefore, in this conflictive economic and political environment that this child Ignacio grew up, who seems so restless and shrewd, together with an unknown *Mutualidad Agraria*. *"The agrarian reform"*, he'd later write, *"had hardly any specific, useful consequences for the nation; in the same way that one might ask what effect the disentailment of Mendizábal had, except to enrich a few and to create a corrupt middle class, as usually happens with measures that don't seek the general interest, but come from some kind of revenge, even if it is historical. Some laws of General Franco have been more effective for the future and led the Spanish countryside to a structure different from that of that time."*¹⁶

It was an agricultural environment with almost no mechanisation, largely subsistence, with low productivity in large farms, poor communication infrastructure for marketing and promotion of the activity, dispersed plots, water shortages and lack of irrigation, so demanded by Joaquín Costa. To make matters worse, anarchist extremism especially threatened the security in rural areas.

For Larramendi: *" . . . the 1933 elections came, in which the CEDA won, and in 1934 there was an uprising by the Socialist Party against the established Government, the famous October Revolution, mainly in Asturias. That was when the Civil War began. From this point on, there was no peace, and the massacres of 18 July were prepared. It hadn't been possible to prevent it, those who thought they could do it were crushed. I believe that Spain was an important target for the Soviet strategy, which relied on naive betrayals. The objective was also anti-religious . . . "*¹⁷

For Stanley Payne, *"In recent years there had been much talk of what has been called 'historical memory', although what is usually indicated by this term has nothing to do with either memory or history. True memory is an individual recollection of people who have lived and gone through a particular experience. It isn't a question of slogans or political inventions"*.¹⁸ In any case, the atmosphere in those years had that markedly anti-Christian, anarchist component which, although present in the Russian Soviet Revolution of 1917, was no longer on the social agenda of Western European countries and which, in Larramendi's eyes, didn't cease to worsen:

¹⁴ Ibidem, p. 80.

¹⁵ "De Rusia y otros países", in *El Economista*, 3-1-1931, p. 18. This specialised publication was established in 1854, it was the absolute leader in the economic, banking and insurance world at that time.

¹⁶ HdL, Así..., p. 120.

¹⁷ Ibidem, p. 81.

¹⁸ Payne, Stanley (2010): Prologue to *Requetés, de las trincheras al olvido*, by Pablo Larraz Andía and Víctor Sierra-Sesúmagá. La Esfera de los Libros. p. 11.

After the 1936 elections, as a continuation of the October revolution, which in reality began the war, a relentless fight was being prepared, with murders and persecutions due to religious beliefs, as in Huesca, in whose Barbastro diocese 87 per cent of the priests distributed in countless parishes were killed by the anarchists during July 1936; a clear genocide that wants to be forgotten with officially financed films, which exalt those who acted in this way. The so-called right-wing conspiracy was largely an attempt to defend themselves from the purpose of extending Soviet influence in the southern nation of Europe. This wasn't possible, just as the peaceful occupation of our peninsula wasn't possible for Napoleon.¹⁹

"The world normally tends to move towards institutionalism, as a its own logical evolution, but nineteenth-century Spain absolutely cut off this possibility with the disentanglement tensions, which weren't only ecclesiastical but also municipal and associative, against which the Carlists reacted, representing a large part of the Spanish people, where useful institutions were destroyed for their interests, even if at some point they were out-dated".

Ignacio Hernando de Larramendi²⁰

The Traditionalist inheritance in the forging of a rebel.

The oral, family memory of the turbulent nineteenth century was kept extraordinarily alive in many Spanish families. Larramendi himself recalled years later his paternal grandfather, Mariano, a doctor, from a family *"of modest farmers"*, born in Riaza, Segovia, and *"of Carlist origin with partisan forefathers who participated in the "party" of the priest Merino in the war of independence and in the first Carlist war, . . . hardly had any political ties and in any case wasn't a Carlist. My father was told this by his grandfather, who had been told it by his own grandfather and told it to him as a child"*.²¹ His grandmother Luisa Larramendi, in turn, was the daughter of a man from Alava who had settled modestly in Madrid after the first of those wars.

Therefore, the great family influence came from his father, Luis Hernando de Larramendi Ruiz (1882-1957), whom he always remembered would take communion every day and who had joined together his two surnames. He said of him that *"he taught me to love Spain and to put my personal interests second to it"*.²² He was a lawyer who in 1904 began his public life in San Sebastian as director of *El Correo de Guipúzcoa*, a traditionalist newspaper. At the age of 24 he settled as a lawyer in Madrid where he defended Aquilino Martínez, a typographer in the printing press of the well-known anarchist José Nakens. The two were prosecuted after the thwarted regicide of Mateo Morral in 1906, and he and Ferrer Guardia were sentenced; but the highly suspicious Aquilino Martínez, ably defended by Luis Hernando de Larramendi, was acquitted, with Larramendi acquiring a notable popularity and consideration in the revolutionary anarchist world. Carlism then *"identified the integration of the working classes into the social structure as a traditionalist objective, to compensate for the*

¹⁹ Cfr. H de L, o.c. pp. 32-34.

²⁰ Cfr. H de L, o.c. p. 141.

²¹ Cfr. H. de L., I. o.c. pp. 35-36.

²² Cfr. H d L, I. "Anotaciones de política socio-independiente". The book is dedicated to his father.

fractures introduced by the revolutionaries . . . always within the social doctrine of the Church".²³

They were legacies of the nineteenth century, which had left deep marks on Spanish society and its families. The six years of the Spanish-French war 1808 - 1814, marked a significant part of our later economic evolution. Due to its catastrophic consequences, an unprecedented anti-Napoleonic "total war" since the 8th century, and in a shorter period of time. They provoked a great agrarian crisis leaving a devastated country with extraordinary economic losses in the form of plundering, confiscation of livestock, crops, church treasures and destruction of all the pioneering factories of the eighteenth-century Spanish industrialisation. Like Larramendi's great-great-grandfather, up to 50,000 young men had become partisan fighters; like Ramón Santillán who, abandoning his law studies and enlisted in that same party as Cura Merino, would years later become Governor of the Bank of Spain and important Minister of Finance in 1841. On a population of barely 11 million inhabitants, it's estimated²⁴ there were between 200,000 and 250,000 deaths amongst civilians and military in combat and due to immediate consequences; plus, equal mortality due to derived causes such as cholera, typhus, dysentery, or lack of food. An equal number of French soldiers and 50,000 English. The "*cultivated area and rents fell by almost 50 per cent between 1808 and 1812 and never recovered to pre-war levels*".²⁵ Thus, the calculated maximum of those between 400,000 and 500,000 Spaniards who died, five per cent of the population, is much higher than those estimated for the same causes — also between 400,000 and 500,000—during 1936-39, for a Spain of 24.8 million inhabitants, more than twice as many.

This was because unlike in Italy, Austria and other places where only the regular army fought and power was settled in a decisive battle or by capturing the court, here "partisans sprang up in every province, in every county, in every nook and cranny", as William Wordsworth described it.²⁶ An authentic and costly "war of resistance", rather than "of independence", since the institutional continuity persisted with the Central Board and the Regency in the name of the King, Ferdinand VII, as expressed in the "Political Constitution of the Spanish Monarchy" promulgated in Cadiz.²⁷

The disablement of roads, bridges, factories, warehouses, or castles had been generally undertaken by the invading army but also by the Spanish-English allies in their dynamics of occupation and recovery. That "*damned war of Spain*", as Napoleon would call it, left an impoverished country that was witnessed by so many foreign travellers who, during the century, described that miserable situation. Hence, from the seven collapsed bridges that crossed the Cinca, Aragon's second-largest river after the Ebro, none had been able to be rebuilt 15 years later due to lack of means.

²³ Cfr. H dL o.c. , p. 50.

²⁴ Various Authors (2009): *Historia de España contemporánea*. Paredes, Javier (dir.) Sello Editorial. Barcelona.

²⁵ Prados de la Escosura, Leandro (2018): "The Napoleonic Wars: A Watershed in Spanish History?" EHES Working Papers in Economic History, No. 130, April 2018. Prados has updated the consequences of that great economic trauma.

²⁶ The subsequent de-structuring of the country is reflected in the fact that 30 years later, in 1844, one of the justifications for the creation of the Civil Guard is "to put an end to the insecurity that lurked on the roads after the War of Independence", according to Margarita Robles, Minister of Defence, "Proximity at the service of the citizen", 175 years of the Civil Guard, La Razón, 6-10-2019.

²⁷ Cortes de Cádiz (1812): *Constitución Política de la Monarquía Española*, 19 March 1812. Special edition Quorum Editores. Consortium for the Commemoration of the Bicentenary of the Constitution, 1812 - 2012. Cádiz, 2009.

When in 1820 Ferdinand VII had to swear in the Constitution, the Cortes wanted it to be done with mantle and crown in order to give the act the greatest possible solemnity, but the King, however, no longer had them because the French had taken them away.²⁸ The so-called *Immaculada de Soult*”, the one by Murillo, which that Mariscal took, wouldn’t be returned to Spain from the Louvre until 1941 General Castaños himself, a national hero, received his salary with a six month delay and civil servants up to three years delay.

In an attempt to alleviate this poverty, individual distributions of uncultivated lands had been approved, of own and common lands of the Town Councils, by separate decree laws of 1813 regarding their division into private property and enclosures of estates. A large number of municipal properties had passed into private hands; many town councils, under pressure of financial needs, sold off part of their assets. Although Ferdinand VII annulled that legislation by returning land to the common people, burdened by the repayment of the Debt, several of its provisions came to allow their sale and new enclosures. During the liberal triennium it was decided that half of the barren lands and own lands would be auctioned to pay the debt and the other half would be distributed in lots of equal value amongst the veterans of the six years of war and non-property-owning neighbours. However, many of the poor neighbours were opposed to the sale of the council lands, not being able to compete with the wealthiest people of the town in the purchase of these lands, which they could at least use. Ferdinand VII legalised the occupations and enclosures made by President Bardají Azara and the triennium. Even after 1823 there were illegal occupations that he himself came to recognise, although with the kind reminder that they wouldn’t be repeated. There were also the large number of entailed estates which, as in the United Kingdom and other European countries, allowed for some significant accumulation of capital for agricultural investment and improvement. However, in Spain there was little incentive to improve farm yields and introduce useful improvements to crops; landowners because of the lack of demand and limited market for their products that would allow them to recoup their investments; and tenants because they didn’t own the property.

All these pending problems reflected²⁹ objective difficulties marked by inherited poverty and the slow process of recovery of intergenerational savings. With a broken traditional rural society and a new bourgeoisie struggling to develop an incipient capitalism, this generated a political division intermingled with a succession dispute.

Ferdinand VII's younger brother, Charles, was called to succeed him as Head of State according to the secular Salic Law -from the Salian Germans- compiled in the 5th century in Latin regulating the monarchic succession in Europe in favour of males. Although in Spain -also in England- the so-called Law of Succession, based on the

²⁸Vid. Comellas García-Llera, José Luis (2009): “El sexenio de plena soberanía real (1814-1820)”, in *Historia de España contemporánea*, J. Paredes (coord.), pp. 99-100. Both the mantle and the crown were taken for a few hours from an image of San Fernando.

²⁹García Sanz, A. (1985): “Crisis de la agricultura tradicional y revolución liberal”, in “*Historia de la España contemporánea*, Barcelona.

Seven-Part Code of Alfonso X, had prevailed; with attempts of modification such as those of Charles IV, which Fernando VII finally sanctioned on his deathbed, under pressure from his entourage. So, in the absence of a son, the new-born Isabella was declared heir to the throne, which led to an uprising that, under the trilemma “God, Country, King”, took root in the rural areas of the North, East, and other areas of Castile and Andalusia starting at the end of 1833, the so-called first Carlist war. They were convinced that the majority of the population shared their traditional sentiments, and that it was enough to connect the different points of Spain with Carlist contingents from North to South and East to West by means of mobile columns, although -as they would later argue- they were betrayed. Hernando de Larramendi's great-great-grandfather had participated in it, as did tens of thousands of Spaniards who passed on orally to their offspring those ideals, of which Ignacio's own father felt especially proud. Because that succession dispute and the principles and values derived from it, would one hundred years later, vitally mark the forging of his multifaceted personality.

The “embrace of Vergara” in 1839 between generals Maroto and Espartero, who had fought together in America, put an end to the war,³⁰ recognising the traditional Basque *fueros* and integrating the most possibilist Carlism. The pretender would abdicate in 1845 in favour of his son granting, as a moral compensation, 69 noble titles to his most prominent and ruined followers. He ended up in exile in Trieste, then part of Austria, where he died and in 1855 would be buried in the Chapel of St. Charles in the Cathedral: “*Modest in fortune, constant in adversity, but of remarkable piety*” reads his tombstone in Latin.³¹

A Carlist mystique was thus created. Of upright, fallen, and mythologised idealists, like the already hero Zumalacárregui. Or an elusive and romantic “Tiger of Maestrazgo”, Ramón Cabrera, from a middle-class family from Tortosa, who was guided towards ecclesiastical studies by his young, widowed mother, he enlisted in the Baron of Herbés' party. When the latter was assassinated by the liberals, he'd soon show his military and leadership skills.

There was then a wedding project between the son of the pretender, Carlos Luis de Borbón Braganza, and the child queen Isabel, sponsored amongst others by Jaime Balmes and Donoso Cortés. After the failure of the project, a second Carlist attempt was made in 1846 in the form of isolated groups in the north-east. Carlos Luis was imprisoned for attempted insurrection, abdicating his claim, but later renouncing it when his brother Juan, Count of Montizon and new pretender successor had already recognised his first cousin Isabel II. It was a frustrated “attempt” at war; Cabrera went into exile in England and an amnesty was decreed for 1,400 Carlists who returned to Spain, whilst others remained in exile. Carlos Luis, called Count of Montemolin died in

³⁰Pirala, Antonio (1943): *Historia de la guerra civil y de los partidos liberal y carlista*. 2nd edition extended with the history of Espartero's regency. Editorial Católica Española. Seville. In addition to the economic and human losses was the cost of outside interference. The death toll is confusing. According to Pirala, the entire Spanish army had 21,784 dead during the first Carlist war, whilst the foreign troops who came to support one of the sides and were normally used as shock troops, had between 4,000 and 5,000 dead. Other authors have given figures of as many as 60,000 Carlists who fell in the first war alone, compared to 65,000 supporters of Isabel and 7,700 and 2,500 French and English allies respectively. Vid. also Bullón de Mendoza, A. (1987): “La intervención extranjera en la primera guerra carlista”, in APORTES, No. 6. September

³¹Vid. González Llano, Luis M^a et al. (2004): “Notas para el recuerdo de un paseo por las calles y los archivos del Trieste Carlista”, in Aportes. Revista de Historia contemporánea, No. 54, Year XIX- 1-2004, pp. 84-93.

Trieste. Many of the Carlist veterans would later fight in the African War of 1859 - 1860. Some would even join the Civil Guard. In the meantime Cabrera, named Count of Morella and Marquis of Ter, married the rich young Englishwoman Marianne C. Richards in England in 1851. His eldest son would later join the Spanish diplomatic corps.³²

The early words of Senator Barroeta-Aldamar in 1864 may have been somewhat prophetic: *"You see looming on the horizon, towards the noon part of the day, a bloody and monstrous spectre. For that spectre is the revolution, with its trappings of socialism, of which we have already seen some of its spawn before now. If that spectre becomes a body, that spectre advances, be sure that the Queen, the good men, the society that is to be destroyed, one of the nuclei of resistance will be concentrated in the Basque Provinces"*.³³

Spain wasn't and hadn't ceased to be on the fringes of the destabilisation and revolts that followed the Napoleonic aggressions in Europe and the subsequent legitimist struggles. Amongst others, the dethronements in 1830 of Charles X and then of Louis Philippe I in neighbouring France; even revolutions such as those of the Paris Commune of 1848, which established a second republic that also failed. Again, too, influenced by the French events, in 1868 the dethronement of Isabel II was to take place, giving way to an uncertain Regency of the Kingdom, looking for a new King.

This is when the son of the Count of Montizón, Carlos María de Borbón y Austria-Este, made use of this to vindicate himself as belonging to both the Houses of Bourbon, Austria and the Carlist House. Now the so-called Duke of Madrid, in addition to religious and traditional demands, would add popular discontent against the disorders and anti-clericalism of the *Sexenio*, the enthronement of a foreign dynasty—the Savoy—and the First Republic. Deputies such as Nocedal, since his youth a member of the Progressive Party, also adhere to Carlism.

José Miguel Azaola wrote about how this "second" great attempt took place, especially in the north of Spain: *"Faced with the accentuated liberalism of the Regimes that followed the Revolution of 68; faced with the freedom of worship that was written into the Constitution the following year; faced with the institution of civil marriage; faced with Freemasonry in power, the new pretender raised the banner of Catholic unity, and a good number of moderate supporters of Isabel, having lost all hope of seeing their queen on the throne again, swelled the ranks of the followers of Don Carlos. For rural Vasconia, the monarchy of Amadeo I (the son of the "Pope's jailer", Victor Manuel) was a devil's spawn, and the First Republic was an infernal abomination. To make a pact with them, even in exchange for the broadest autonomy, would be tantamount to rushing into eternal fire. Before them only one attitude was licit: the Crusade. First, the "rights of God" and then, but only then, the "fueros". The*

³² Vi., Urcelay Alonso, Javier (2000): "La historia autógrafa del hijo de Ramón Cabrera redactada por su hijo". APORTES Magazine No. 43. Year XV, 2/2000, pp. 49-60. Ed. Actas.

³³ Vid. Talón, Vicente (1988): "Memoria de la guerra de Euzkadi de 1936". Volume I, "From Peace to War", p. 17. Editorial Plaza y Janés. Three volumes. Barcelona.

*thesis that this new uprising had, above all, a foralist nature (in the sense of “autonomist” or “particularist”) doesn’t stand up to criticism”.*³⁴

This “second” Carlist attempt³⁵ managed to mobilise up to 90,000 men, in the same areas of the North, East, and interior of the peninsula, against 300,000 soldiers of the regular army. However, the enthronement of Alfonso XII in 1874 soon left them with no options. The mythical “Duke of Maestrazgo” had already resigned in 1870 as “Political and Military Chief” of Carlism because he believed *“there were no reasonable conditions to achieve victory by force of arms”* and he didn’t want to expose the country to another internal rift. Thus, he recognised King Alfonso XII by accepting the Constitution of 1876. The pretender would end up, like his predecessors, in exile in Trieste and without resources to pay his troops, trying to morally compensate his most suffering followers by granting 102 noble titles, later recognised by Franco after the 1948 Law.³⁶ In the cathedral of Trieste called “the Carlist Escorial” rest the remains of the pretenders, wives, children and relatives. Next to them, in the Cemetery of Santa Ana, remain the amazing graves of the most faithful Spanish exiles and their families, advisers, doctors, secretaries and personal assistants. From then on, Carlism would become a political party, affected by successive splits.

Ignacio's father would write that *“...exonerated, outlawed, confiscated, in prisons, fought against, shot, murdered, persecuted, betrayed, slandered, silenced, and sold for more than a century, left for dead a hundred times, only Carlism has never died because it’s . . . the unfading tradition of eternal Spain”*³⁷, putting the number of fallen who supported traditionalism at 80,000 up to 1936. For Ignacio, the Carlist Wars were *“a consequence of the reaction of a deep-rooted civil society in some regions of Spain, who defended their freedom and their “fueros” against the liberal Madrid lords, the yuppies of the time, who wanted to “turn the country upside down”, as has recently been the case. They were convinced of their superiority, they believed themselves to be more modern and more scientific, just as Marxist scientism was admired a short time ago”*.³⁸

In any case, and following the abrupt arrival of the Republic, with its abnormal constitutional rupture, change of flag, its objectively sectarian Constitution and its continuous attacks on religion, the Church, the Monarchy, and the most traditional principles, it was foreseeable that the “red berets” would resurface everywhere. So much so that they were forced to return to the usual flag, refusing to fight under the improvised tricolour. Especially in the same areas, but now also in many other areas of Spain that were to nourish the *Tercios de requetés*, incorporating old and new fighters from the most diverse corners. Also the young Hernando de Larramendi. The Carlist hero's own grandson, Ramón Cabrera Gil, who had served as a Regular Officer in the African campaign under the command of González Tablas, placed himself at Franco's

³⁴ Quoted by Talón, Vicente (1988): “Memoria de la guerra de Euzkadi de 1936”, Volume I. “De la Paz a la Guerra”, “Un pueblo contra la revolución”, pp. 23-24. Editorial Plaza y Janés. Three volumes. Barcelona.

³⁵ During 1873-74 they even took towns like Cantavieja in Teruel, Olot in Gerona and others in Cuenca. The internal disputes ended up making a dent in the Carlist ranks.

³⁶ The previous pretender, Carlos Luis, had granted five other titles. Since 1955, due to the historical-artistic value of the Santa Ana Cemetery, the Spanish Government has paid for its maintenance. Vid. o.c. González Llano, (2004).

³⁷ Hernando de Larramendi Ruiz, Luis, in “Boletín de los estudiantes carlistas”, clandestine multi-copy 1-11-1942.

³⁸ Hernando de Larramendi, Ignacio (1990). “Carlismo y nacionalismo”, in El Debate de Hoy, 28-5-2019. Unpublished text, p. 2.

disposal. In fact, after 18 July he joined the military intelligence service from Switzerland and died in 1938.

This is how Dolores Ibarruri herself describes the situation in “El único camino”:
*“The descendants of the old Carlists lived in Navarre, organised and framed in groups of requetés with an iron discipline, with religious fanaticism and untouchable hierarchies. Everything was almost the same as in 1876. The only thing that had changed was the weaponry. In 1936, the Navarrese requetés were armed not with the old rifles and pistols buried at the end of the Carlist war but with modern Mausers and machine guns. This military organisation, half Carlist and half fascist, constantly conducted exercises and shooting practices, military parades and manoeuvres, which the authorities tolerated . . .”*³⁹

Juan E. Delmas of Basque origin would say of his fellow Basque countrymen
“Love for the homeland, for religion, for independence, for the old customs, for tradition itself, to which one is deeply attached, constitute the essence of his life and actions. Do not ask the Basque people for the immediate introduction of reforms to their way of being and living, however good they may be, because they won’t accept them”.⁴⁰

To all this, Jaime⁴¹, only son of the “Duke of Madrid”, married to Nieves de Braganza -daughter of Miguel I of Portugal- died in 1931 without children, after creating the “Order of Prohibited Legitimacy”, *“the only distinction considered worthy of wearing with pride”* according to Ramón María del Valle Inclán. His nephew and successor, Alfonso Carlos de Borbón y Austria, 78 years old, would lead Carlism from 1931 to 29 September 1936, presiding over the “Supreme Military Junta” that participated in the preparations for the uprising by providing a large number of weapons. When he died childless, run over by a military truck, he was buried in the Castle of Puchheim, Austria, thus ending the direct dynastic line of Carlism. His personal lawyer would be Ignacio's father himself, Luis Hernando de Larramendi Ruiz, who drew up the so-called Regency Document of 23-1-1936, much to the displeasure of those who thought that the rights converged on Don Juan de Borbón. Hence, whilst the dynastic differences were being resolved, a “pretender regent” was appointed in the person of a nephew from his sister Nieves' branch, Javier de Borbón-Parma, who had also participated in the preparation of the Rising with Sanjurjo and Mola.

“The Carlist uprising in the north,” wrote the pro-nationalist Arturo Campi3n, *“was a reaction of an eminently national character, provoked by revolutionary politics; something similar to the retching of a stomach that has ingested poisonous substances and struggles to expel them”*.⁴² Whereas according to Salvador de Madariaga *“for the Carlist it was important to keep the whole of Spain under the undisputed authority of the King and the Church”*.⁴³ The prestigious magazine “Revue des Deux Mondes” noted with regards to the Basque Nationalist Party itself: *“Several weeks before the outbreak*

³⁹ Vid. Ibarruri, Dolores, (1963): *El único camino*. Ed. Lenguas Extranjeras. Moscow. Quoted by Tal3n, Vicente (1988): *“Memoria de la guerra de Euzkadi de 1936”*, Volume I. “De la Paz a la Guerra”, p. 49. Editorial Plaza y Jan3s. Three volumes. Barcelona.

⁴⁰ Vid, Vicente Tal3n, o.c. p. 22. Volume I.

⁴¹ Jaime had also declared himself successor to the throne of France.

⁴² Quoted by Vicente Tal3n, p. 24. Volume I “La guerra civil en Euzkadi”

⁴³ Quoted by Vicente Tal3n, p. 25. . Volume I “La guerra civil en Euzkadi”

of the Civil War, from June 1936, when sacrilegious fires, plundering and murders were multiplying, the leaders of the PNV met to decide on the attitude they should adopt in the event that they should take up arms. They decided that if the state of anarchy gave rise to a purely military insurrection, to an uprising, the Basque nationalists wouldn't support that reaction; that if, on the contrary, it wasn't only the military, but the whole population, who in a burst of patriotism, rose up against the anti-patriarchy, then they would join common cause with the Basque traditionalists and with the Spanish national movement".⁴⁴

In the middle of the Civil War, Larramendi's father would publicly slap the director -later Head of the Civil House of the Head of State- of the newspaper "La Voz de España" in the Café Madrid in San Sebastián for adding an article praising Franco, from whom he always kept his distance. For Stanley Payne *"When Generalissimo Franco insisted on the absolute necessity of achieving a close political unity to win the war, the Carlists accepted their political subordination in the single party".⁴⁵* This wasn't the case with Larramendi's father who, with the 1937 Decree of Unification between Traditionalism and the Falange, abandoned all political activity. He understood it as that *"wisdom accumulated by the efforts of preceding generations, ...and with them the veneration of their parents and their parents' parents and their ancestors, whose blood preserves so many assets that . . . oblige them to the duty and honour of deserving, by their own love and self-sacrifice, to be worthy of the admiration of future generations".⁴⁶*

Ignacio's mother, Maria Montiano Uriarte, also had a powerful influence on his personality. She was the daughter of a doctor from Bilbao of whom he always said that *"she was very important to me. She was a pure Basque who knew up to 240 surnames of that origin, with a great fondness for genealogy...she looked like a painting by Zubiarre (...); . . . as the mother of the Graco family, she saw how two of her sons, aged 16 and 17, volunteered for the war, without shedding a tear".⁴⁷* It was then that he met the other great woman in his life, his wife, Lourdes Martínez Gutiérrez, *"almost a child watching the young requetés parade with her friends in the summer of 1937 . . . in Fuenterrabía where she lived".* Of those months and at the age of 16—his younger brother had enlisted even before him—he remembered how . . . *"we stood guard in the dungeons of the prison in Irún, where those of the international brigades were, . . . there was no danger, . . . what they wanted was to go".⁴⁸*

The young Ignacio would later be incorporated into the company of Tolosa of the Tercio de San Miguel, where he found his friend José María Querejeta as a second lieutenant: *"The company was established by Carlists from San Sebastian who went to Pamplona under the command of Elías Querejeta, a mythical figure..., an industrial engineer, brother of José María, cousin of his namesake Elías Querejeta, the film director. I always remember him with admiration . . . I was lucky (during the war) as in*

⁴⁴ Quoted by Vicente Talón, p. 39. Volume I "La guerra civil en Euzkadi".

⁴⁵ Payne, Stanley (2010): Prologue to *Requetés, de las trincheras al olvido*, by Pablo Larraz Andía and Víctor Sierra-Sesúmagu. La Esfera de los Libros. p. 11.

⁴⁶ Hernando de Larramendi Ruiz, Luis, in "Boletín de los estudiantes carlistas", clandestine multi-copy 1-11-1942.

⁴⁷ Cfr. HdL, Así...o.c. p. 38.

⁴⁸ Ibidem, p. 84

almost all the activities of my life . . . the first time I went into direct fire I was next to one of my old comrades from Tolosa. When we were in very barren landscape, he bent down to tie his boots slowly. I was afraid but he and all the others were not . . . (at the end)...we arrived in Barcelona the day after the entry of the national troops . . . and we continued to the border in very long marches The situation of an army in defeat was unforgettable, corpses in the ditches, abandoned machinery, rifles on the ground At 17 years old, I was almost a witness to one of the great dramas of the war".⁴⁹

The war had also been tragic for the Mutual Society. Almost all its representatives had been killed: 32; except for the few who remained or were able to switch to the national side.⁵⁰ In Badajoz the first representative there was in the province in 1935, Federico Manresa, a fervent Catholic, was always remembered. Although in August 1936 the lawyer and poet of the Generation of 1927 José María Hinojosa, who introduced surrealist poetry in Spain, co-director in 1929 of the magazine "Litoral", member of the Traditionalist Communion and friend of García Lorca would also be "paraded" in Malaga.⁵¹ On the other side in Valencia we remember Rafael Sornosa, whose father was in the insurance company since 1933. He was a general in the Republican army and MAPFRE agent until his death in 1998, with his son Rafael continuing his work, who would provide very efficient services in Castellón, and his daughter Concepción. Four of the sons of Cándido Martín, an important member of the Mutual Society in Valladolid, also died at the front, and another, Dionisio Martín Sanz—later chairman of MAPFRE in 1955—was seriously wounded.

For Payne *"the Carlists embodied the cause of Spain's dynastic, religious, and institutional traditionalism for more than a century, but they didn't come forth in 1936 for reasons of no political affiliation or sectarianism. They stood for a highly national, religious and core value cause. They knew how to subordinate their own political interests to those of the common cause. The very term Glorious National Movement was coined by the Carlists much earlier, in 1869.../. ... A great testimony of courage and self-sacrifice in one of the greatest crises in the history of Spain".⁵²*

Despite everything, both the young Ignacio and that modest Mutua Agrícola of 1933, would survive such a drama and that economic crisis of the 1930s, of a magnitude unknown until then. It was one whose great depression led to that bloody European Civil War that began in 1936 and didn't end until 1945, with its more than 60 million dead.

⁴⁹Ibidem, pp. 87-88.

⁵⁰Ibidem, pp. 496-562-591.

⁵¹He would be shot with his father, his brother, and Luis Altolaguirre, brother of the writer Manuel Altolaguirre, along with 46 other detainees at the walls of the cemetery of San Rafael on 22 August, by militiamen after a "saca" of the Provincial Prison of Malaga.

⁵²Payne, Stanley (2010): Prologue to *Requetés, de las trincheras al olvido*, by Pablo Larraz Andía and Víctor Sierra-Sesúmagá. La Esfera de los Libros. p. 11-12.

"The problems of Spain and the world are confusing. It is necessary to go into them with humility, approaching the truth without dogma or monopoly . . . I would like to help a great reconciliation..."

Ignacio Hernando de Larramendi ⁵³.

LARRAMENDI: A BEFORE AND AFTER IN THE EVOLUTION AND RECONSTRUCTION OF THE INSURANCE SECTOR IN SPAIN.

The insurance sector, in its long and irregular history in Spain, had already gone through some turbulent years. In the independent *Regnum Hispaniae* formed after the fall of Rome from 476, the previous intense maritime trade had been complicated by the political breakdown and long civil war in Italica and Frankish occupation of Gaul. The stammering, rudimentary insurance mechanisms that had been developed up to that time came to a halt in the midst of economic impoverishment, although they persisted in that Isidorian "*Mater Spania*" within the institutional, natural, and legal "*continuum*" of authority, which flourished with capital in the Hispano-Gothic *civitas Regia* of Toledo. With an elective monarchy, then regulated in 633, maintaining the transport and a lucrative commercial activity and exports, improving and enlarging the old Hispanic-Roman roads and ports.

Beyond Narbonne, however, chaos and robbery reigned on the roads of Europe for overland trade. Despite the insecurity unleashed in the *Mare Nostrum*, maritime trade was almost the only possible trade, the uncertain end of which was still being minimised with crude insurance protocols. In this sense many of the thousands of ships tried to be insured by means of different types of contracts, which with vessels of oil, wines, fruits, and other numerous products were exported mainly to the port of Ostia, from Gades, Malaca, Abdera, Carthago Nova, Dianium, Valentia, Saguntum, Tarraco, Barcina, Emporion, or Pollentia in the current Majorca.

However, from the 8th century onwards, commercial navigation in the Mediterranean went into a tailspin again with the invasion and subsequent Mohammedan piracy. It isn't strange that the oldest maritime insurance policy found corresponded to a shipment that undertook the Genoa-Mallorca route in 1347. Nor that the 1435 Ordinances of Barcelona —the former Barcina —compiled the provisions on insurance, later collected in the first code of maritime law in the book of the Consulate of the Sea of the same city in 1494. Soon after, the Bilbao Ordinances were drawn up in 1520 and, in 1536, the most important Ordinances of the Consulate of Burgos, from where many of the insurance policies of the fleets that sailed the "Route to the Indies" would also be insured.

With the greater dynamism and risks involved in transatlantic trade, the Consulate of Seville—together with the northern Consulate of Burgos—took the lead

⁵³Vid., *Anotaciones de política socioindependiente*, 1977.

in Spain, establishing a series of provisions relating to insurance from 1543, almost half of which were included in its Ordinances of 1556. From Seville, in 1717, Philip V moved the *Casa de Contratación* (House of Trade) to Cadiz, making it “the capital of Spanish insurance”⁵⁴ even creating joint-stock companies. With Charles III, from 1765, the freedom of maritime trade was opened in Spain with Barcelona also entering into the overseas trade.

Another collapse would come to the world of insurance in Europe in the early nineteenth century. In Spain, the long crisis already analysed didn’t allow the new Code of Commerce of 1829 to bring about the advance of the insurance sector, which remained small in size and mainly of a mutual nature.

With Isabella II no longer being under legal age, the successive tax reforms by the minister Alejandro Mon from 1837, president of the Government in 1864, and by Ramón Santillán would take place. Until Bravo Murillo, after a succession between 1820 and 1851 of up to 38 prime ministers or presidents as opposed to their 12 equivalents in England, attempts were made at occasional and discontinuous reforms, with the emergence of various insurance companies in Spain. Although weighed down by political instability as opposed to the English institutional predictability that Larramendi would value so much, as a strong business leader to develop sustained long-term strategies.

However, the “*Barcelonesa de Seguros*” for the maritime sector emerged in 1838, and “*General Española de Seguros*” in 1841, with headquarters in Madrid, presided over by Luis María Pastor, a lawyer and prestigious free trader. Moreover, the “*Catalana General de Seguros*”, or “*La Ibérica*” in 1845 and 1846 respectively with headquarters in Barcelona, were also dedicated to marine insurance, although they later moved on to agricultural insurance. Pastor's company, “*La Española*”, from the beginning offered rates based on mortality tables corresponding to seven European countries, becoming a pioneer in scientific life insurance, with actuarial criteria already introduced in England. Pastor, who would become Minister of Finance in 1853, together with the later Nobel Prize winner José Echegaray and others, moved from “*El Economista*”—which he had managed—to create the “*Gaceta Economista*”, also a body in the insurance world, subtitled “*Periódico Político, de Comercio, de Navegación Mercantil y de Seguros*”. Evidencing such continuity, it includes a list of “*Redactores y Colaboradores* (Editors and Associates)”. Amongst these Laureano Figuerola, Cipriano Montesinos, Segismundo Moret, Antonio Alcalá-Galiano, Francisco Canalejas, Emilio Castelar, Sagasta, and up to 42 more members,⁵⁵ many of them prestigious Civil Engineers, the most familiar at that time with economic-mathematical calculation for actuarial analysis. Other publications also began to deal with insurance issues such as the illustrated magazine “*Banca, Ferrocarriles, Industria y Seguros*”, or the “*Gaceta de los Caminos de Hierro*”⁵⁶ with interest and involvement in the sector itself.

⁵⁴Tortella, G., Manzano, A., García Ruiz, J. L. (2015): “Breve Historia del Seguro en España”, in *Actuarios*, No. 37, Autumn 2015, p. 33

⁵⁵ Vid. “*Gaceta Economista*”. *Periódico Político, de Comercio, de Navegación Mercantil y de Seguros* No. 33, Year II, Monday 7-1-1861, p. 1. Its editorial office and administration is located at C/ Barquillo, nos. 4 and 6. Madrid.

⁵⁶ The “*Gaceta de los Caminos de Hierro*” related to the illustrated magazine “*Banca, Ferrocarriles, Industria y Seguros*”, would dedicate a necrology to the pastor's death in 1872 (p. 634).

In any case, the period of stability and growth that Bravo Murillo's government would open up during the second half of the century was clear. This would be the framework in which “La Unión” and “La Peninsular” would also stand out, appearing in 1857 and 1860, respectively. This, being created by the economist Pascual Madoz, was oriented towards insurance in construction and the insurance known as “*substitution of fifths*”, collaborating with those who sought to obtain lucrative extra money for joining the military service and even as a means of personal promotion, and those who tried to avoid it. Madoz had presided over the Statistical Commission of 1843 and institutionalised, as Minister of Finance with President Narváez, the General Statistical Commission of the Kingdom in 1856 “*to measure public wealth*”, knowing that good statistical sources were needed for the actuarial calculations required by the insurance sector. He states, “*Without statistics it can't be known whether a nation is rich or poor, since wealth and misery also have their deceptive appearances, whether it's enlightened or ignorant, whether it's happy or unhappy, whether it's powerful or weak, and whether it's virtuous or corrupt. Without statistics, it isn't possible to ascertain whether communications accept improvement, whether uncultivated territories are susceptible to cultivation, whether the population can be increased, the known mines benefitted, and perhaps others discovered, which the soil of the earth contains. In short, statistics is the balance of power of nations . . .*”.⁵⁷ “La Peninsular” ended up becoming the first large construction company in Spain.

Soon after, in 1864, in addition to the “Catalana de Seguros de Incendios”, “El Fénix Español” stands out, created by the Pereire family of Jewish descent expelled from Spain in the fifteenth century, owner of the Crédito Mobiliario Español—later Banco Español de Crédito—incorporated in 1856. It merged with “La Unión” in 1879, creating “La Unión y el Fénix Español” specialising in fire and international reinsurance; with branches in Paris, Belgium, Holland and Portugal, and direct insurance activities in these countries since 1883, it became the pioneering Spanish company in the truly internationalised insurance sector, although with mainly foreign capital.

In 1880 “La Previsión” Life Insurance was created by Antonio López, named Marquis of Comillas due to his entrepreneurial activity, even suffering a serious setback when he managed to insure Alfonso XII himself, who died prematurely in 1885. However, the second Marquis of Comillas, his son Claudio, continued to expand it by merging it with the Banco Vitalicio de Cataluña, created in 1881, constituting in 1897 the Banco Vitalicio de España, with significant advertising investment. Specifically in *El Economista*, which from 1886 included amongst its recipients and subscribers “Insurance Companies”, as well as banks, the Treasury, Industry, railways, and other significant economic agents. The very environment of stability and growth experienced during the decades following the Restoration attracted French and English companies to Madrid, Barcelona, Malaga, and Bilbao.

Through the Salamancan businessman Isidoro García Barrado, the new owner of “El Economista”, American investors also arrived, who from 1886 and during the following decades were important advertisers and promoters of the world of insurance. As “*La Equitativa. Sociedad Americana de Seguros Mutuos de Vida*”,

⁵⁷Madoz, Pascual (1848): *Diccionario Geográfico, histórico y Estadístico de España y sus posesiones de Ultramar*. INE. Madrid.

established in 1859 and domiciled in New York with Juan Angel Rosillo as CEO of its branch for Spain and Portugal; with headquarters in Madrid it had been authorised in Spain since 1882.⁵⁸ From 13 February 1886 onwards, the Sociedad Anónima de Seguros “El Trabajo”, presided by Arturo Soria and whose administrator was the Count of Nieva del Tajo, also competed in advertising, advertising regularly with a half page. It was presented as the *“First class insurance from one peseta upwards, against accidents due to accidents caused by carriages and trams, fires, oil burns, gas explosions, steam-driven machines, falling scaffolding”*⁵⁹, and any person from Spain or abroad could be insured.

Soon after, another American company *“The New York Life Insurance Company”* established in 1845, was added to the market. It was advertised as an entity without shareholders, like a mutual company, where only the policyholders were the owners of its Guarantee Fund, as well as of the profits. Its insured capital in 1884 was 318 million pesetas, and its Guarantee Fund at 1-1-1885 was more than 307 million pesetas. Based in Madrid, it sold life and death insurance, dowries, capital for widows and minors; to guarantee debts, loans, and commercial operations, annuities, and pensions. Its director was Dwight T. Reed, former secretary and chargé d'affaires of the U.S. Embassy in Spain.

“La Unión y el Fénix Español” and the Banco Vitalicio de Cataluña would also continue to gain market share as an insurance company, whose number of policies up to 31-12-1884 was 2,563, rising to 3,878 just 12 months later,⁶⁰ an increase of more than 51 per cent. At the height of 1914, the percentage of premiums over GDP in Spain was approximately 0.53 per cent, falling in subsequent years to 0.46 per cent in 1919,⁶¹ more because of the rise in GDP than the fall in premiums.

In Barcelona, an entrepreneurial figure similar to Hernando de Larramendi, Francisco Moragas (1868-1935), creator of the Caixa de Pensiones para la Vejez and other social works, linking Insurance and Savings, would stand out. Moragas was also a Catholic admirer of the social, economic, and commercial evolution of England, as an example of an advanced country. *“The Ministers of Finance disappear as soon as they’re appointed and end at the precise moment when they begin their studies on the economic situation of Spain . . . and thus, by force, without reflection or studies of any kind and in complete divorce with the country, this current is created from the individual to the State, which shows not a normal circulation, but the suffering of a real bloodletting . . . the life of the nation can’t be at the mercy of the merchants of politics. Public finance is the essence of national life”*.⁶²

In any case, the 19 foreign companies established between 1864 and 1883 is significant compared to the 15 Spanish companies created between the first of these dates and 1899. In 1920, “La Unión y el Fénix Español” was the sector leader, backed by Banesto, followed by “La Catalana de Seguros” and “Banco Vitalicio” with 17.3, 11.9

⁵⁸ From No. 1 of El Economista, 3rd era, 9-1-1886, the advertisement of “La Equitativa” covered the entire back cover.

⁵⁹Ibidem.

⁶⁰ Vid., El Economista, 27-2-1886.

⁶¹Vid. Tortella, p. 35. This fall should be qualified by pointing out the increase in GDP in Spain in previous years.

⁶² CABANA, Francésc (2018): *Francesc Moragas i Farret, el fundador de “la Caixa”*. Foreword by Isidro Fainé. Fundación Bancaria “la Caixa”, Palma. p. 91

and 9.5 million policies, respectively. Barely a decade later, Spanish companies already held a market share of more than 65 per cent. A general rise in the insurance sector in correspondence with the economic stability that the institutional continuity of the Restoration had guaranteed, which was to consolidate a rising cycle of economic growth that, with its ups and downs and the Carlist fragmentation, would last until 1931, as we have seen. Significantly, from this date onwards, Spanish insurance companies began to lose market share, contracting with foreign insurers, as a result of the lack of confidence in the immediate economic evolution; a trend that increased after the armed anti-constitutional revolution against the Republic itself in October 1934.

“... the basic idea of the need for intermediary societies between the political power and the citizen, which defend the latter from the excesses of the former. This is the knot of traditionalist politics as it has always been, and will continue to be in all nations even in the 21st century, where, relying on the institutions and circumstances of each country, man will have to defend himself from the increasingly omnipotent and absolute power of the State”.

*Ignacio Hernando de Larramendi*⁶³

THE MAN OF ACTION AND THOUGHT IN THE WORLD OF INSURANCE. FROM THE ECONOMY GEARED TOWARDS THE STABILIZATION PLAN.

Ignacio Hernando de Larramendi resumed his studies in 1939. Traditionalism had fragmented itself again, many of its members joining the new regime, seeing their principles represented in it; others *“accepting it as a lesser evil against the common enemy”* as Payne says,⁶⁴ or hoping that one of its aspirants would end up enthroned in Franco's new “Regency”, a kingdom without a King.

Others, like Ignacio's father and his family, didn't recognise *“at any time the legitimacy of Franco's government, nor did we admit any direct or indirect favour from him”*.⁶⁵ It seems that he even went so far as to reject the Justice portfolio that was offered to him through intermediaries. One of his last political actions was to take part in the meeting of the National Carlist War Junta at the Insúa Palace in February 1937, under the presidency of the so-called pretender regent Javier de Borbón-Parma.

After finishing his law studies in 1941 and working for a year in his father's law firm, he decided to prepare for and pass the official examinations for Public service in 1944, obtaining the post of Inspector of the Higher Corps of the Directorate General of Insurance. Hence his participation in the International Congress of the World of Insurance in Santander in 1947, which was important for his future international activity. The CEO, Joaquín Ruiz, had managed to overcome the major insurance problems after the war, which had already been raised at the successive meetings of the insurance companies, from the one in Seville at the beginning of 1937 to the one in San Sebastián in May of the same year by Jesús Huerta Peña, executive director of “Seguros España” and the first great Spanish qualified actuary. The latter had written a proposal stating that *“he couldn't imagine leaving the victims of the communist revolution and the war without protection . . . and that if compensation had been paid for the damages of the revolution of October 1934, it should also be paid now”*.⁶⁶ This was the case only with life policies. In May 1940 Minister Larraz had created an “Insurance Compensation Consortium” to settle outstanding payments, especially those more complex ones referring to claims for *“events of the Spanish war of liberation or execution of capital punishment, injuries, homicide, or murder derived from the revolution”* also paying indemnities for the so-called *serial murders* that

⁶³Vid., HdL., Así . . . p. 58.

⁶⁴Payne, Stanley (2010): Prologue to *Requetés, de las trincheras al olvido*, by Pablo Larraz Andía and Víctor Sierra-Sesúmagá. La Esfera de los Libros. p. 11.

⁶⁵H d L. o.c., p. 34. Of his father he highlighted “his permanent struggle against any kind of injustice”; admiring how “he filled me with useful ideas for society”. On his religiosity, “I don't remember a single day of his life, except for illness, when he didn't go to Communion”. (p. 26)

⁶⁶Tortella, Gabriel y García Ruiz, José Luis (2015): “Breve Historia del seguro en España”, in *Actuarios*, No. 37. Autumn 2015, p.37.

affected both national and foreign companies, sharing the cost between companies and insured.

The progressive analysis and study of all these and other circumstances brought to light what we consider to be the first six facets of Larramendi's multifaceted enterprising personality after the forging of his "all-purpose"⁶⁷ character in the severe years of campaigning:

1. His vocation and search for the international environment would become permanent. On the occasion of the International Congress convened by the Directorate General of Insurance, leading figures from the world of insurance were invited to share what was being done inside and outside Spain in the difficult post-war period. It was a success because it was the first international meeting of those years in Spain. This helped him to make contact with important players in the sector from different countries, which he'd use to his advantage in the future.

2. Also a man of thought. In addition to his already clearly proven qualities as a man of action, he'd begin to show his intellectual restlessness. In fact, after finishing his degree, he studied and passed the subjects in a PhD with flying colours. From that period there are several publications such as the book *"Los riesgos catastróficos en los seguros personales"* for which he received the Medalla de Plata del Seguro (Silver Medal for Insurance), the first of many prizes and awards he'd receive throughout his life, including the Medalla de Oro del Seguro Gold Medal for Insurance). In our opinion, it would be that intellectual restlessness of a man of thought, but pragmatic, which would soon lead him to attend national and foreign congresses and meetings related to the sector. The desire to write and publish a good number of articles in magazines such as *Assicurazioni*, of Rome, or in that of the Reinsurance Institute of Brazil, an activity that, together with that of lecturer, would accompany him all his life. On the generalisation of powers to the Autonomous Communities he wrote in 1990 that *"With our Carlist criteria the current problem would have been better approached, exacerbated during the transition, in which for not recognising a historical differential fact, a "coffee for all" formula" was sought, with egalitarian criteria that offended Catalonia and the Basque Country, more than what other communities were grateful for When you think it's convenient to "give in" you have to do so with generosity and give more than what is indispensable, to end the complaints for good; I've successfully tested this "operating method". Instead, after the initial egalitarianism, what was promised hasn't been fulfilled, seeing its danger, facilitating a dynamic of requests, in which the one who doesn't have the maximum is considered humiliated. In the transition, by offering 10, with historical difference, permanent stability would have achieved, and now 50 is offered and it seems insufficient"*.⁶⁸

3. Continuous dual training. Although officially the regime promoted French, his obsession with English in education was permanent and he was a staunch defender of its learning and perfect bilingualism. He would promote it for all its associates,

⁶⁷Great businessmen thus shaped would be José Manuel Lara himself, of Grupo Planeta, or before him José Salamanca and so many others.

⁶⁸Hernando de Larramendi Montiano, Ignacio (1990). "Carlismo y nacionalismo". El Debate de Hoy, 28-5-2019. Unpublished text, p. 1.

thinking both in internationalisation and in the expansion of his customer portfolio amongst foreign companies present in Spain. For such an apprenticeship, the *Canning School* in London would become the centre of reference for MAPFRE's executives and associates. He himself decided to improve his knowledge of the British market and his own English, so in 1947 he went to London for an eight-month stay, supported by his Directorate General. There he worked without remuneration at, amongst others, C. E. Heath, then a leading broker at Lloyd's.

The dynamic of continuous training applied to himself and this kind of advanced "dual training" within the company, which was also self-imposed, would be extended to all his subordinates. Also worth mentioning is the admiration and special relations maintained with the Mondragon Cooperative and its applied training systems of the "Industrial School" created by the priest José María Arizmendiarieta. The latter created it with a document signed in the office of Larramendi's uncle, Mariano Montiano Uriarte. He would maintain a great friendship with Arizmendiarieta through the MAPFRE representative in Guipúzcoa, José Iribarren, who would manage the Cooperative's insurance until it created its own insurance company. A "*growing number of Mondragons and civil society institutions*", he said, is what he would have tried to multiply had he had political power. In other words, "institutions" that would bring "spirit" to a free and competitive business market and to many public services. In his opinion, governments should favour a kind of "*entrepreneurial institutionalism*" and "*not wild liberalism or brutal collectivism*".⁶⁹

4. The British political system: Tradition and Modernity During that time, as well as in later stays, he took the opportunity to link that ideological "institutionalism" with his intellectual concern by preparing his book "*Tres claves de la vida inglesa*". He ended up seeing in England almost a practical materialisation of his political thought, all the more relevant insofar as those years 1945 - 1951 coincided with the Labour government of Clement Attlee: "*England*", he writes, "*possesses qualities which have contributed to her importance in the world concert and for which the study of her politico-social institutions provide a special interest since she coordinates the private with the public so that society freely exercises a series of roles, of transcendent common importance that many have believed to be inherent in the state sphere. Their evolution and organic growth isn't the product of chance, nor of temperamental or psychological causes independent of directed human action, but the logical consequence of facts which elsewhere have been disregarded and destroyed. It is the only country whose political-social system is linked to that which gave rise to what is called medieval civilisation, with its sense of the public, of the collective, the use of tradition as the most perfect instrument of political creation While much of the continent, undermined by the French Revolution, considered them as reactionary, backwards, . . . the foundations on which it rests have impalpable powers such as dynamic aristocracy, educational selection, the crown, tradition, the organic expression of public opinion, the strength of commercial and labour corporatism, the organisation of justice, in short, everything that has a direct and effective impact on public life*".⁷⁰

⁶⁹HdL, o.c. pp. 140-141.

⁷⁰ Hernando de Larramendi, I (1952): *Tres claves de la vida inglesa*, Editorial Cálamo. Madrid, p. 16.

Larramendi expressed the quintessence of his traditionalism by praising the British political system. Due to its gradual historical evolution and the way in which it had managed to wade through the revolutions and siren songs that had weighed down the other countries of Europe, starting with overcoming the French Revolution in the eighteenth century and its “Enlightenment”, as Jovellanos used to say. England had taken advantage of the victory at Waterloo, also marking its economic hegemony in Europe and opening its great period of nineteenth-century expansion outside the continent. Its elite then knew how to ignore events such as those derived from the Paris Commune and the Communist Manifesto of Marx, who even welcomed him in its British Library and at its Highgate cemetery. English society was also able to leap over the Bolshevik Revolution, face the Great Depression, Nazism, the Second World War, Stalinism and then the Cold War. Knowing how to maintain and adapt the “traditional” institutions of the old regime, without trauma or harsh “disentailments”, always taking advantage of the best of what already existed so as to project it into the future. What we see pulsating in his thoughts is his honest identification with a country that, in spite of everything, presents remarkable similarities and closeness to Spain in Western Europe, from where both have contributed to create and connect the world we know today. Although Spain, for Larramendi, did at least know how to get rid of Robespierre's mobs, of the absurd first great European Civil War 1914 to 1918, and even of the “Soviet claw”, in this case at a much higher price as was that of our own Civil War, for a demographically and economically more vulnerable country.

As a consequence, on the socio-political level, according to Larramendi, the key lay in the need to have intermediate societies between the political power and the citizen that protect the latter from the excesses of the former; and that, relying on the “intermediate institutions” —as Vázquez de Mella pointed out —and the circumstances of each country, they can defend themselves from the increasingly omnipotent and absolute power of the State. While being aware that “institutional continuity”, such as that which has characterised English history, won't be possible everywhere. In fact, only in the United Kingdom does he see that social life is full of citizen institutions “*against the de facto dictatorship of the official*”, which can be considered autonomous pragmatic structures, including those of a business nature. For Larramendi, the ideal would always be the combination of “Tradition and Modernity”, not only in the political aspect, but in all aspects of his life, both personal, family, professional, business, and institutional.

5. Know how to rectify and recognise the mistake. At this time, Larramendi also admired Lloyd's as “*the symbol of the spirit of economic adventure, of the efficacy of well-ordered free competition and an example of the transformation of the commercial spirit...*”⁷¹. He would later admit that he was wrong to praise the greatness of Lloyd's, which he believed to be “*a gentleman's institution and then turned out not to be, because someone had taken advantage of its nineteenth-century heritage to defraud those who invested in it. It was one of the disappointments of my life*”.⁷² In the same way, the system of trial and error in business dynamics wouldn't make him hesitate to rectify, honestly and quickly, if he had to correct a wrong decision.

⁷¹ Cfr., o.c. “Tres claves...”, p. 21.

⁷² Cfr., HdL, o.c. p. 96.

6. Publisher with values. On his return to Spain in 1951 he started a small publishing venture: “Cálamo”, based in his own house, in which Vicente Marrero from the Canary Islands participated, publishing four books. The last of these, somewhat provocative for the regime, was entitled “*El poder entrañable. Picasso y el toro*”, by Marrero, which would have notable success, being republished several times and translated into several languages. Also a text that his father had tried to publish in the early 1940s entitled “El sistema tradicional”, but which the regime had forbidden. He published it in 1952 under the new title of “Cristiandad, Tradición y Realeza”, bringing together the three works he considered the most important of the “Traditionalist Political Doctrine” of the twentieth century: a) that of Vázquez de Mella, b) “El Estado Nuevo” by Víctor Pradera and c) the “Tratado de Derecho Político” by Enrique Gil Robles. He came to consider the publication of this book⁷³ as one of the great satisfactions of his life. This was despite the fact that his father had been a fierce political adversary of Vázquez de Mella, and hadn’t supported the son of the Carlist Gil Robles in the CEDA, although he always respected them. He thus indissolubly linked his vocation as a publisher to that of transmitter of thought and values.

* * *

He also played an important role at that time in the configuration and promotion of the public insurance company MUSINI, helping his colleague from the Directorate General of Insurance, Ernesto Caballero, who had been entrusted with its creation at Franco's initiative. The latter apparently considered that excessive and abusive insurance commissions were being paid by large companies without justification. When the State Attorney Faustino Sainz was appointed chairman but with Caballero as CEO of MUSINI, Larramendi had the opportunity to analyse the situation of other insurance markets, large policies, and the way to improve them. What Larramendi didn't see was that MAPFRE would end up buying and absorbing MUSINI within the privatising dynamics of SEPI, Sociedad Española de Participaciones Industriales, in 2003.

However, his work in the public sector still didn't satisfy him. In 1952 he accepted an offer from Royal Insurance, which he joined despite being offered the same salary. Two years later, the Law for the Regulation of the Insurance Market was passed, with great divergence of criteria between the government and the insurance companies themselves. It is also then that Larramendi, after two years as Head of the Madrid office of the Royal, thought that the company's strategy might be wrong; amongst others, with working only in fire insurance in Spain. So at the beginning of 1955 he ended his leave of absence and returned to the Directorate General of Insurance, where, by the way, his annual salary was already 25 per cent higher than that of the Royal Insurance. This hadn't been a great business but the experience would later enable him to join MAPFRE.

It so happened that the newly elected chairman of that “*Mutualidad Agrícola de Propietarios de Fincas Rústicas de España*”, Dionisio Martín Sanz, had placed an

⁷³ The book would be republished in 2011 by the Fundación Ignacio Larramendi..

advertisement in the newspaper looking for a manager. He went for it. After the corresponding selection and personal interview, he began his life in what was then known simply as Mutua de Seguros Agrícolas. In 1955, it was ranked 36th in the ranking of insurance companies in Spain in terms of income, and was practically insolvent.

"I don't believe in the dogmatism of mutualisation, but I do believe in the desirability of collective ownership that can't be changed by "market force". It isn't a guarantee of permanence but is instead a brake, an anchor in pure capitalist struggles, especially in the current "super-active" period of globalisation. The insurance association movement has been important in all countries, and although some circumstances are changing its permanence in national hands, at least in Spain, this principle continues. I am proud to have preserved this character in MAPFRE, which has allowed it to create a "national power" in the area of such importance as insurance, and I think that if it's changed in any way it will be gratuitously prejudicial to its collective and national interests".

Ignacio Hernando de

Larramendi⁷⁴

MAPFRE's new spirit: leadership and entrepreneurship in the 1950s of the Spanish economy.

It was on 2 September 1955 that Ignacio Hernando de Larramendi took over the de facto management of the Mutual Society, after his leave of absence from the Administration had been published in the Official State Gazette the previous day. The economic framework is that of a country with a strong inflationary component, especially negative for the insurance world, and which will progressively worsen from that year onwards, reaching 11.7 per cent in the following years 1955-58.

The inflation of our economy came from a permanent deficit in the public sector, which Minister Larraz had already warned about in 1941. A deficit that was financed through the pledging of public debt. In other words, the banks took the debt issued by the State with the possibility of obtaining or pledging credits from the Bank of Spain, thus causing an increase in monetary circulation and the corresponding inflation. A second reason for this was the continuous wage increases encouraged by Falangism from Girón's Ministry of Labour, without corresponding productivity increases. A third cause would be the inelasticity of the supply of agricultural products with weak productive restructuring.

The re-industrialising wave of those years is almost entirely framed by a managed economy, still in full autarchy and trying to get out of an economic isolation, which would extend until 1959. A framework in which the Head of State concentrates all the levers of power, defined as *"an authoritarian, but not fascist regime"*⁷⁵; centralising both political and economic decisions, trying to maximise time and decision-making capacity. A decade that can't be considered as lost for the Spanish economy.

Moreover, as early as 1955, the nationalisation of the Seguro de Accidentes de Trabajo was considered imminent, since it was said that Franco wanted a "decommercialisation" of work accident insurance, as Larramendi had been demanding in his writings. All types of commissions had been prohibited in that area and it was considered necessary to put an end to commissions from public or related companies, which were used as a means of irregular remuneration for their managers

⁷⁴HdL, I. o.c. p. 147.

⁷⁵ Vid. González, Manuel J. (1979). *La economía política del franquismo*. Editorial Tecnos. Madrid.

without any justification whatsoever. Most of the insurance companies didn't believe it, but Larramendi prepared the Mutual Society for such a situation, which in the end came about through the Law of 21-4-1966. This, however, caused a small loss in 1968, which was the only one during the 35 years of his mandate, because of his network of representatives still working in Agricultural Accident and Workplace Accidents who had to be compensated.

As a result of the losses, the insurance industry began a general reduction in costs; however, Larramendi, acting against the tide, decided to intensify expansion for the future, which is considered to be the beginning of the old Mutual Society's great growth.

Meanwhile, the regime's attempt to maximise overall economic growth, whilst generating inflationary pressures, had also resulted in a productive apparatus that wasn't very competitive in international markets. This was also influenced by the lack of many basic industrial inputs for certain sectors, preventing their normal development and slowing down the general development of the country, despite having already surpassed pre-war levels. These are the years that Larramendi calls "survival" for the Mutual Society. The import substitution policy had shown its limitations. The trade balance ended up showing a rickety export capacity, whilst import barriers were also the cause of the lack of industrial competitiveness. If we add to this a rigid and strict nationalist legislation in the face of foreign investors and the lack of a realistic exchange rate, we can explain the strangulation of the foreign sector caused by the change of course brought about by the Stabilisation Plan of 1959.

The balance sheet of the Mutual Society for 1954 showed a loss of 1,700,000 pesetas, plus 300,000 uncollectable pesetas and another million and a half pesetas in arrears from other years, also uncollectable. A real loss, therefore, of between 2 million and 3.5 million pesetas. The company's policy of public health insurance since 1945 had led to losses running into the millions and a serious crisis. The employees didn't believe that it was possible to overcome this, and the "baby face" of the new manager didn't help to change their minds either.

Here, we return to the business action linked to the specific people who develop it. They aren't "the masses". They're people. Usually a similar type of people. It is man and his circumstance in the world and the specific environment from which he emerges, and in which he has chosen to live. Because here again, unique facets of Larramendi's personality will begin to show themselves, a classic revolutionary of situations.

1. Lead by example. After becoming aware of the financial reality of the company, he proceeded to reduce his salary by 40 per cent, compared to the 250,000 pesetas a year he had agreed on, which took him three years to recover. This would be another of his characteristic traits: always lead by example in the company. Larramendi had found himself with more than 200 people on the payroll when less than half were needed. However, he continued to adopt "rescue" measures and efficiency improvements, whilst dismissing 11 doctors and two state attorneys, all of whom were on the payroll for no more than an hour a day. Little by little, with rigour

and exemplary action, he began to earn the respect of all employees. When the historic chauffeur of MAPFRE's management retired in 1967, he decided not to replace him, even though the company could afford it. So, he said he'd stay much closer to the people by using taxi, bus, or subway for the rest of his life. He added an additional benefit to this situation: when visiting each of the delegations, he was taken by the person in charge of each of delegation to the different offices, which allowed him a better knowledge of the people who managed them. It was his "poor formula" of the "company plane", *"avoiding the status of supremacy for vanity's sake"*.⁷⁶ In this way he visited all the territories and got to know all the employees. He even attributes a large part of MAPFRE's success to this kind of behaviour that was only used in the sector by *"Assurances Generales"* and which he later found was used by Sam Walton, the founder of Wal-Mart, who became the richest man in the world. Santiago Gayarre tells⁷⁷ how, even on his business trips in the 1980s and staying at the Hotel San Felipe in Puerto de la Cruz, Tenerife, he didn't want to have breakfast at the hotel because it was a few pesetas more expensive than having it in an adjoining bar. Gayarre, later the CEO of MAPFRE, in 1990 said of him that *"it was easy to follow his teachings because of his character as a charismatic leader, not authoritarian and of great 'HUMANITY' with capital letters"*. Thus Larramendi applied the traditional *"Ad exemplum Rex..."*. In other words, *"The whole kingdom is governed according to the example set by the King"*.

2. Make a virtue out of necessity. One of the first problems Larramendi had to face in 1955 was that of reinsurance, due to the serious problem created by the deterioration of the Mutual Society and the progressive cancellation and abandonment by the reinsurers of its risks. Here, too, the reaction was offensive, just as it had been with the venture intended to publish his father's book. Instead of seeking out new cover for those willing to take on losses, the aim was to reduce the reliance on self-insurance, forcing the resurgent mutual company to improve its efficiency. This also marked the beginning of the brilliant MAPFRE Reinsurance, once the company was cleaned up and the tables were turned. The first person in charge of this branch would be Luis Reyes, a lawyer who had been exiled from Uruguay possibly due to his sympathy with the Tupamaros, later having in Andrés Jiménez one of his most brilliant chairmen.

3. Intuition as marketing. Concurrently, and only with his own sensitivity and imagination, without marketing and advertising teams, he wanted to start changing the image of the old *"Mutua de Seguros Agrícolas"*. He began to discreetly propose and regularise the use of the acronym *"MAPFRE"*, which was then an enigmatic "company name" for the general public, instead of the restrictive *"Mutua de Seguros Agrícolas"* which had been in use. He always boasted that he had never had an image consultant, which, due to the company's weak cash flow, he wouldn't have been able to hire then either: *"Some people used to say to me 'If you had an image consultant, how far you would go!..' MAPFRE has an extraordinary image throughout the world without the need to use the assets of the mutual members or shareholders with cosmetic measures with a short-term effect It's a name given by the people, not*

⁷⁶HdL, Así..., p. 278

⁷⁷In-depth interview at his home, 14-2-2019

the product of image studies".⁷⁸ This image update, with the simple generic of its acronym, was a brand success that would later also serve for international expansion. Once again he had used, as he would always do, his sense of modernity within tradition.

4. Honour the word that is given, with an obsession for legality. When he arrived at the Mutual Society, it had a basic problem that Larramendi began to call "political debt", a consequence of the claims of the Instituto Nacional de Previsión (National Welfare Institute), INP, and of all the Pharmaceutical Associations. The company didn't have the funds to appear in court, so he met with the Director of the INP and explained the real situation and the immediate danger of a suspension of payments and dissolution of the company if they didn't desist from their lawsuit. Thus it was agreed to sell all the properties and pay 50 per cent of the annual surplus of the Mutual Society until the settlement was achieved, and the lawsuit was therefore withdrawn. Keeping one's word, in years when, due to the scarce executive efficiency of our legislation in terms of payments, with bad debts and too frequent "back and forth" of bills of exchange and unpaid bills, honouring and meeting the commitments of payment would be another important note of his personality. This came at a time when double accounting and "secret slush funds" were a widespread practice in both small and large companies, perhaps until the tax reform of Fuentes Quintana and Fernández Ordóñez, and without taking this into account which meant statistical comparisons aren't entirely accurate. Especially because in MAPFRE there was never this "Secret Accounting".

As a consequence of such self-imposed standards of excellence, it also had the "virtue" of endowing a regular part of the surpluses to reserves. With a business behaviour that we would call healthy growth with profitability. As a consequence of his "obsession with legality and taxation",⁷⁹ both in terms of contracting and tax payments, he soon set up an external Accounts Auditing Department, which has been progressively strengthened. Arthur Andersen was hired for this purpose, whose report for 1972 left him "*disappointed*" because in his "limited" opinion despite its "*very high fee*" of 1,500,000 pesetas at the time, although "*it is undoubtedly a guarantee and a reassurance for this Directorate General*".⁸⁰ Still in 1983 it was one of the first business groups in Spain to present an external global audit, with Arthur&Young, a consolidated report and the first to do so in the insurance sector.⁸¹ In any case, an advance of what today we would call "compliance" that is updated and as demanded by law. Also in this, in accordance with his personality, Larramendi applied to himself the famous Canon 75 of St. Isidore of the year 633, "*Rex eris si recte facias . . .*", "*King you are if you act righteously, otherwise you won't be*".

5. Knowing how to freely incorporate and integrate. He started doing this with the original agreement he reached with the Pharmaceutical Associations, asking their

⁷⁸HdL, Así..., p. 153.

⁷⁹ Personal conversations and in-depth interviews with Sebastián Homet Duprá, (10-12-2018) and Santiago Gayarre, Andrés Jiménez (14-2-2019)

⁸⁰ MAPFRE. "Reports presented by Mr. Ignacio Hernando de Larramendi y Montiano as Managing Director and Chief Executive Officer to the Board of Directors (1972-1985)". Internal typed publication. Exhibition of 23-7-1973. Ed. MAPFRE, Mutualidad de Seguros, Madrid, 1985.

⁸¹ MAPFRE, Reports to the Board, o.c. 25-4-198, p. 5.

chairman to join the Board of Directors of the Mutual Society to monitor its income, improving the relationship and trust. This way of helping the company grow, derived from the need to find a solution to a problem by raising it, or expanding it by “integrating”, was going to be a constant. This was the case in Spain with the Canary Islands insurance company Guanarteme, or in Asia with the Macao Insurance Company. In this case it entered with 4 per cent of the capital in 1982 together with the main Portuguese insurance companies and banks, being the only non-Portuguese entity accepted in the world. Also that year the office in Mexico was opened and soon the ones in Lisbon, Sao Paulo, Manila, Hong-Kong, Singapore, and Caracas and Bogota would follow. Larramendi went so far as to compare the process to that of the Japanese “zaitbazus”, encouraging a coordination, at first also informal, of the MAPFRE system “*perhaps more effective than with some formal bodies*”.⁸²

The insurance market in Spain was then very rigid and oligopolistic. Also competitive but “*at the expense of policyholders, as they were more concerned with protecting themselves than offering their policyholders a service that could improve on that of their peers*”.⁸³ Larramendi was always against this oligopoly situation. In fact, in 1949, in his lecture at the School of Insurance in Barcelona, he already expressed his views on what should be done. He defended freedom of competition and rates, abolishing compulsory rates, which he had maintained since he was in the Treasury Department's own inspectorate. All this didn't win him great professional affection from his colleagues, and even less so in the corresponding vertical union.

6. Prohibition of kinship. For hiring amongst employees and executives, the prohibition of kinship was established as a statutory rule. This implied the express elimination of a nepotism that no company had an official record of in those years and allowed, amongst other objectives, for the fact that no employee had their internal professional career limited except by their own ability and decision. It was, at the same time, considered that after the death or retirement of an outstanding person due to their example and vital dedication to the company, the existence of a certain continuity in some other member of another generation of their family wasn't excluded. It was a kind of stimulus to strengthen the esprit de corps in the company and the professional and business memory itself, provided that it was to MAPFRE's benefit. The same applied to the historical directors, which would contribute to strengthening the cohesion and continuity of the best values and references of the company.

7. Good selection of young people with potential. The attention to young people through personal interviews and public advertisements in the press—as he himself had been selected—and then training them in the company, was another success from the beginning of the Larramendi era. Although at the beginning he counted on the important Navarre delegation of Tudela, which played a significant role in the recruitment of executives. Some even joked that you could only join MAPFRE “*if you were a Carlist or from Tudela*”.⁸⁴

⁸² Ibid., Report for 1983.

⁸³ HdL. Thus... p. 253.

⁸⁴ Ibidem, p. 600.

It was about recruiting young university students with potential, even without finishing their studies, but whom he managed to turn into great business leaders, guided by motives that weren't strictly selfish. In this way he was able to surround himself with a team of people who were surprisingly competent. Although some later flew on their own to other fields, such as Blas Calzada, later chairman, amongst other entities, of the National Securities Market Commission; or the later Professor Antonio Torrero Mañas, an agricultural insurance administrator when he was studying his degree, and later important for the development of MAPFRE's financial activity and in the Central de Obras y Crédito, which was transformed into Corporación MAPFRE. Others undertook their entire careers in the company, such as Larramendi's successors in the executive management, Julio Castelo, or José Manuel Martínez. The former joined the company in 1972, becoming chairman in 1990 until his retirement in 2001. Castelo, also an exponent of the insurer's successful selection and training processes, joined the company when he was 20 years old, studying law and retiring after four decades in the company, also as chairman in 2012, after succeeding the former.

"Every office boy has a marshal's baton in his backpack" Larramendi used to say. So it was amongst others like Andrés Jiménez, recruited by Larramendi himself *"in 1966, a 14-year-old in shorts. People always worked with targets. People and merit were of the utmost importance"* we were reminded,⁸⁵ by who was the chairman of MAPFRE Reaseguro: *"Don Ignacio was a person who offered a future, even though we saw the giants of the sector at the time, such as La Unión and Banesto's Fénix, and the rest of the tough competition"*. Continuous training and internal promotion, also for MAPFRE's Board Members and chairmen in other countries, such as Santiago Gayarre from Navarre in Argentina; or in powerful sectors, as in the case of Homet Duprá from Barcelona, later the chairman of MAPFRE Vida, who was hired when he hadn't finished his studies as an actuary, *"at a time that required buses, rail travel and bad inns"*. Some also because of his inspiration and personal confidence, such as the young Carlist students Benito Tamayo—who would end up being the head of Banco Hispano-Americano—Antonio Briones, and other university colleagues to sell life insurance, a branch that he managed. He also required them to write about two handwritten pages to learn more about their sense of logic and then an interview in which he observed other factors. At the end of his life he said that in no case was he wrong and that his system proved to be much better than that of the competition, some with complex structures dedicated to *"human resources"*. In fact, in 1985, he stated in his report to the Board that *"in the future, bringing in outsiders will have to be considered a structural defect.... no other entity of any kind in Spain is in a position to select high quality personnel from hundreds of different locations"*.⁸⁶

CHAIRMEN AND DIRECTORS: MAPFRE'S EXECUTIVE LEADERS SINCE 1933

Enrique Granda Calderón de Robles⁸⁷ (Chairman 16-5-1933)

⁸⁵Personal interview at home, 17-1-2019.

⁸⁶ Vid MAPFRE, Reports to the Board, o.c., 19-4-1985, p. 11.

⁸⁷ Granda, with his prestige and ascendancy in the rural world, shouldn't be denied the merit of having been the significant promoter and first chairman of the entity, although he soon had to be substituted due to health problems, as well as A. Rebuelta, after taking over the chairmanship from 15-6-1949 to 27-2-1955. His son would occupy it from 1972 to 1990. The Mutual Society didn't stabilise its executive management until the arrival of Larramendi in 1955, as we can see with the alternation of partially

Andrés Rebuelta Melgarejo (Chairman, 1933-1937)
Isidro de Gregorio (Director. 1933-1937)
Alfonso Pidal Chico de Guzmán (Temporary Chairman. 1937-1938)
Andrés Rebuelta Melgarejo (Chairman, 1938-1942)
Isidro de Gregorio (Director. 1938-1949)
Mariano Rodríguez de Torres (Chairman, 1942-1943)
Custodio Miguel-Romero Gil de Zúñiga (Chairman, 1944+)
Mariano Rodríguez de Torres (Chairman, 1944-1949)
Andrés Rebuelta Melgarejo (Chairman, 1949-1955)
José M^a Unceta (Director. 1949-1955)
Fernando Romero Carvajal (Chairman, 27-2-1955 to 30-9-1955)
Dionisio Martín Sanz (Chairman, 30-9-1955 to 1972)
Ignacio Hernando de Larramendi (Director and CEO, 1955-1990)
José Antonio Rebuelta (Chairman, 1972-1990)
Julio Castelo Matrán (Chairman, 1990 - 2001)
Santiago Gayarre (General Manager. 1990 - 2001)
José Manuel Martínez Martínez (Chairman, 2001 - 2012)
Antonio Huerta Mejías (Chairman and CEO, 2012.-

Note: own compilation. The executive management between 1955 and 1990 was Larramendi's, later distributing his power.

8. “Brutal concern for quality”. The search for quality was “always” part of the obsession and the seal that Larramendi stamped on the insurance company since his arrival in 1955. He wanted its slogans “MAPFRE Quality” and “MAPFRE is quality” to be permanent seals of the future applied to all the services provided. Specialisation was always an obsession.

9. Great modesty with compliments. From the beginning of his professional career he showed great detachment and humility towards the awards and distinctions he received. He said he accepted them because his family liked that it be thought he was worthy of them, and because they honoured MAPFRE. This was the case with the last ones he received, the Order of Isabella the Catholic in 1995, or the Order of Civil Merit in 1998, amongst others. Also, on at least two occasions and without his knowledge, he was nominated for the Prince of Asturias Awards. One promoted by the *John Carter Brown Library*, and another later by Emilio Botín, chairman of Banco Santander.

10. The meaning of “Public Service”. Even if it was a private entity, Larramendi considered that the sense of public service was obligatory for all companies that manage large assets. His argument was based on the considerations of Vázquez de Mella and Víctor Pradera whose critique of capitalism based solely on the market and profit was radical, being doomed to failure, just as Marxism was. The entire network of foundations that he created, which ended up coming together in Fundación MAPFRE, all followed this direction. In the mid-1970s, this foundation sponsored scholarships and research prizes, organised symposiums on Industrial Hygiene, Traumatology or Rehabilitation, whilst financing the training and apprenticeship of 17 handicapped scholarship holders.⁸⁸ In this sense, MAPFRE was able to overcome its precarious initial

executive chairman who shared their power with the executives. In 1985 Manuel Ocón was appointed CEO and Castelo CEO. The latter, after Larramendi's final retirement, would be appointed as the chairman, Gayarre as the managing director and Luis Leguina as the CEO, with J.A. Rebuelta becoming the chairman of the Control Committee.

⁸⁸ MAPFRE, Reports to the Board, o.c. 11-1-1978, p. 17.

situation in the 1950s, consolidate itself during the 1960s and grow during the 1970s, overcoming the crisis of 1977-78 to expand globally in the 1980s: *“seeking service in institutional relations and considering the social sense as a basic element of its action. If my successors forget this, it will be difficult for MAPFRE to be what it could be in the future”*.⁸⁹

11. Early concern for the environment. This was reflected in the creation of Instituto de Seguridad MAPFRE, as an Environmental ITSEMAP reinforced in 1983 with its own funds, which he considered *“one of the most effective and important creations for the future of MAPFRE”*.⁹⁰ With powerful research and testing facilities in Ávila, such as the Instituto Tecnológico de Seguridad MAPFRE, and later considering a change of name to “MAPFRE Ambiental” from a commercial and market perspective, due to the explanations that the name “Institute” required. He understood that it gave it less strength as a real company, proposing to extend its consultancy division to engineering and to extend the laboratory division beyond industrial pollution to the physical environment.

12. Entrepreneurial spirit with personal detachment. At the end of the 1950s, he opposed the possibility of converting the Mutual Society into a public limited company, even though the figure that would have corresponded to him was 10 per cent of its net assets. However, he thought that a company with an “institutional spirit” encouraged the support of employees, associates, customers, and the public in general, with an ideal that everyone can be proud of. He never bragged or was concerned about, nor did he want to spend company resources on his safety. As he said, he also never *“wanted the pomp and status of bodyguards guarding my life, which on the other hand I’ve always been able to do on my own and without dodging the risk on many occasions”*.⁹¹

13. Larramendi is difficult to understand without his sense of Ethics and Equity based on Christian humanism. These two basic considerations of his life's work were also what earned MAPFRE the respect and admiration of all those who were part of the insurer or collaborated with it, as well as its policyholders. This humanism constitutes, as will also become clear in the following pages, one of the fundamental personal and public traits shown by Larramendi and which he tried to impregnate from the beginning in all his business and individual activity.

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The reality is that everything seemed possible thanks to the power delegated to him by Dionisio Martín Sanz, who looked after his many other political and business interests. It was thanks, too, to the absolute power that he came to have since 1972. Therefore, with few exceptions, the reality is that the lines of action for MAPFRE's development and future already bear the imprint of what we could call the “Larramendi spirit”. In other words, Larramendi transmitted for the future what we could call a new “MAPFRE spirit”.

⁸⁹ H- de L., I. (1990): “Farewell speech”, General Meeting of MAPFRE Mutuality, 15-6-1990.

⁹⁰HdL, Así... p. 110

⁹¹O.c., Farewell Address.

“Insurance is a complex institution, reflecting the changing realities of life, and can’t be limited by unalterable formulas subject to theoretical principles or doctrines. Its growing complexity and the diversity of its operational manifestations are a consequence of the new society and human relations, to whose development it must permanently adapt if it is to fulfil the role that justifies its existence. When a new risk appears following a social change, insurance must offer a formula, not always a complete solution, to help people, either personally or in their natural groups, to deal effectively with the impact that this new risk has on their assets. Risk is the basis of insurance and justifies its existence. This seems an elementary reflection, but it’s useful to repeat it, because those who are involved in the insurance business run the risk of ending up believing that what is important are the insurance structures and their assets, their business interests or those of their employees. When a market and its leaders are influenced by this sentiment, insurance is diminished, it ceases to be a social institution to protect man and becomes an instrument of speculation or a simple modus vivendi.

I. Hernando de Larramendi. *“Seguro y catástrofe. Su definición jurídica”*⁹²

ETHICS, AESTHETICS, AND VALUES OF HERNANDO DE LARRAMENDI IN MAPFRE AND ITS FOUNDATIONS: BASES FOR THE FUTURE FIRST LARGE SPANISH MULTINATIONAL INSURANCE COMPANY.

During the three decades following the enactment of the Insurance Market Law, there were no regulations to implement it. Amongst its aims was to effectively regulate a market where more than 800 companies were operating for the distribution of a small market. It was in the context of the negotiations for accession to the European Communities that the opportunity was taken to regulate it by means of the Private Insurance Law of 1984.

By then, the fundamental foundations that were going to finish projecting MAPFRE into the future had been laid. They were all a reflection of the characteristics identified and established by “Don Ignacio” and which had shaped a new way of managing and leading MAPFRE, together with those that became evident later on.

1. MAPFRE's strategic purchase of real estate with offices at street level. In 1955 the only important real property was a building of flats and premises in Jerez de la Frontera, which was also the only significant asset saved from the seizures and payments agreed by Larramendi with the Association of Pharmacists and other creditors. As soon as he could, however, he began to acquire real estate and would immediately install the offices on the ground floor. This plan was already a success. Then creating and installing the so called “Loss Adjustment and Quick Payment Centres”, called in internal jargon “PPR”, to better serve the customer by providing speed, an own, very professionalised service in the procedures, and preferring a payment without many delays, or disputes in court, which in addition to improving the image and relationship with the insured ended up saving time, legal and management costs. For the acquisitions, the young economist Torrero Mañas had been entrusted with a real estate management studies department, which in 1969, as a real estate investment department, became AGECO, Sociedad de Asesoramiento y Gestión Económica, an important part of the insurance company in financial matters. The

⁹²Hernando de Larramendi Montiano, Ignacio. *“Seguro y catástrofe. Su definición jurídica”*. Madrid. p. 38

construction of Torre MAPFRE in Barcelona, with its landscaped roofs, low energy consumption and great respect for the environment, is an emblematic building of Ignacio Hernando de Larramendi's legacy in the real estate sector. From a meagre million pesetas of real-estate assets in 1955, it had risen to 80,000 million pesetas in 1990.

2. Limitation of investments and macro-salaries for executives and directors of MAPFRE and its foundations. The review and limitation by the members of the Mutual Society of their shareholdings in the companies in which MAPFRE participated was a relevant decision as soon as the authority of “Don Ignacio” was established. It was a matter of separating interests and forcing a concentration of effort on the insurer and then also on its foundations. In time the situation wouldn't be the same as MAPFRE became a holding company of listed companies. Everything had to be declared to the Institutional Control Committee and “macro-remuneration”, which was always criticised in the British and American business world as disproportionate and unethical, was avoided at all times.

3. Global Presence The old *Mutualidad Agraria de Seguros* had never considered leaving the rural environment and even less abroad. Everything had changed with Larramendi and his vocation to move in the global environment with his expansive and “explosive” character, as described by the former Minister of Labour Fernando Suárez González.⁹³ This began as soon as he was able to guarantee the survival of the company, restarting his travels abroad, with MAPFRE's future expansion in mind, either as an attendee or speaker at international congresses, and convening companies from other countries in Spain. Such as the 1961 meeting on “Hailstorm Insurance” at the *Hospedería del Valle de los Caídos* with the presence of all the Agricultural Insurance Mutual Societies in Spain and the main specialised insurance companies in the world. He would soon become a member of the International Hailstones Committee of Europe, based in Switzerland. The results of these activities were subsequently incorporated into the European Insurance Committee, in processes that in some way also constituted small steps and precedents in the construction of the European Union as far as the insurance sector was concerned. He also frequently participated in all kinds of events abroad, including Europe and the United States, with the “*International Insurance Seminar*”, the “*International Association of Mutual Insurance Companies*”, in the “*International Association of Insurance Law*”, AIDA, created in 1960 in Luxembourg, later SEAIDA; in the “*Association for Productivity in Insurance*”, created in France in 1961; also, from 1964 in Eurofinas, the European Association of Financial Companies in Stockholm, constituting the Spanish Association of Financing Companies, or in the *International Association of Mutual Companies*, AISAM. His participation in the Pan-American Congress of Insurance Law in Buenos Aires in 1969 was also important, with a speech on “Insurance and Inflation”, always paving the way for MAPFRE's presence.

⁹³ Personal conversation about Larramendi's personality held with Fernando Suárez González at the Courses of La Granda, Asturias, on 7 - 9 August 2019.

Chapter I. Larramendi from the Great Depression and the establishment of MAPFRE to the creation of the euro

LARRAMENDI: CHRONOLOGY OF A BUSINESSMAN:

1921. Ignacio Hernando de Larramendi Montiano born on 18-6-1921.

1931. The Agrupación de Propietarios de Fincas Rústicas de España was created in August. The International Confederation of Catholic Patrons (ICPC) was established in Italy.

1933. The Mutualidad Agraria de Propietarios de Fincas Rústicas de España was created, 6-5-1933.

1934. Revolutionary general strike and anti-constitutional October uprising against the Republic.

1936. The war began. He enlisted in the Requeté.

1939. He restarted his studies.

1941. He finished his law studies.

1944. He passed the public examination for Inspector of the Senior Corps of the Directorate General of Insurance.

1947. He participated in the organisation of the International Insurance Congress in Santander.

1947. He began the first of his three stays in London.

1948. *Quadragesimo Anno* of Pius XI: the Union of Catholic Associations and Patronages, UNIAPAC, is re-adapted.

1950. He married Lourdes Martínez Gutiérrez (1924 - 2015) on 5-10-1950, with whom he'd have nine children.

1951. He took the last of three trips to England, where he delved into the world of insurance. He created the Cálamo publishing house.

1952. He took a leave of absence from the Administration. He started at the Royal Insurance Company, in Spain. He edited "Cristiandad, Tradición y Realeza", which was written by his father in 1937 and banned by Franco's regime. He published his "Tres claves de la vida inglesa".

1955. He returned to the Directorate-General for Insurance. He joined the Mutualidad Agraria de Propietarios de Fincas Rústicas de España, 2-9-1955, thirty-sixth in the Spanish insurance rankings.

1957. His father, Luis Hernando de Larramendi Ruiz, faithful to the Traditionalist Communion, died on 27-12-1957.

1966. He established MAPFRE Mutualidad Patronal de Accidentes de Trabajo. He acquired the IBM 360/30 computer.

1970. New structural reform of MAPFRE whose group is composed of MAPFRE Mutualidad, Aseguradora de Automóviles, MAPFRE Industrial, and MAPFRE Vida.

1972. "Dionisio Martín Sanz" crisis, who left the chairmanship.

1973. MAPFRE, the eight-largest insurance group in Spain.

1974. MAPFRE, Spain's fifth-largest insurance group. Internationalisation in Belgium is started.

1975. He created Fundación MAPFRE, which would eventually bring together his other creations: Fundación Cultural MAPFRE Vida, Fundación MAPFRE América, Fundación MAPFRE Estudios y Fundación MAPFRE Medicina.

1976. He published "Anotaciones de sociopolítica independiente". MAPFRE, Spain's 2nd largest insurance group. His mother María Montiano (b. 1886) died.

1978. Elected chairman of Acción Social Empresarial, ASE.

1981. Corporación MAPFRE, controlled by MAPFRE Mutualidad, becomes a holding company, owning the rest of the insurance companies. He was elected as the chairman of UNIAPAC Europe.

1982. He created MAPFRE-Re.

1983. MAPFRE, Spain's largest insurance group. The MAPFRE 85 system was approved, giving the three entities autonomous management but with a nexus in the Mutual Society.

1984. Internationalisation continued: Mexico and Colombia.

1985. He chaired the Control Committee. The MAPFRE "Policyholder Ombudsman" was created. He closed the Ibero-American Conference on Crop Insurance in Panama, creating the "Asociación Latinoamericana de Aseguradores Agropecuarios" (ALASA). He delegated organisational responsibilities in MAPFRE whilst maintaining control.

1987. He received the Gold Medal for Spanish Insurance.

1988. The new "MAPFRE 92 System Plan" was implemented. The corporation assumed ownership of the remainder.

1990. He planned the creation of Banco MAPFRE. The great futuristic and ecological project to build Torre MAPFRE in Barcelona.

1990. He took early retirement in order to devote himself to writing and his founding activities with the RSCL.

1992. He published "*Utopía de la nueva América*".

1995. He published "*Crisis de Sociedad*" and "*Reflexiones para el Siglo XXI*",

1996. He published "*Panorama para una Reforma de Estado*". He received the Gold Medal of the *International Insurance Seminar Founders Award* in the United States. He received the Order of Isabella the Catholic.

1998. He published "*Bienestar solidario (cementerio de nuevas intenciones)*". He was awarded the Grand Cross of the Order of Civil Merit.

2000. He published "Así se hizo MAPFRE", the profits of which were donated to Cáritas.

2001. He died in Madrid on 7-9-2001.

2002. He posthumously received the Medal of Merit in Work in Spain.

2004. He was posthumously awarded the Order of Grand Officer of the Civil Merit of Portugal.

2005. His name was posthumously inscribed in the Insurance Hall of Fame, which lists approximately 130 of the greatest insurers of all time: www.insurancehalloffame.org

Source: Compiled by the author

4. Milestones in R&D investment. Several technological milestones can be said to show the evolution of MAPFRE as well as that of the insurance sector in Spain. The first major investment, in 1960, almost still in the survival phase, was the acquisition of a Bull punching machine, which made it possible to reduce mechanical work, thereby improving efficiency and productivity, especially in the territorial offices. The second impact was the following year, when SDOMSA was created to boost computerisation and putting the company at the forefront in terms of management, whose head, Blas Calzada, would later help draft the Moncloa Pacts and serve as the chairman of the Madrid Stock Exchange. The third great innovative milestone in the sector came in 1966 with Larramendi's purchase of the first IBM 360/30 computer, several years ahead of the competition. MAPFRE was also the first entity in Europe to have a fully integrated concept of the benefits of using microfiches with its Microfilm Utilisation Plan.⁹⁴ He saw the world of email coming: *...I must refer to the challenge that the adequate use of the means provided by computers and office automation represents for our future. The future success of any company and especially of any insurance company, even more so if it aspires to an international presence, largely depends upon the success of its IT policy. MAPFRE has long understood this We are simultaneously interconnecting our growing text and telex processing equipment in order to achieve an integrated system with different forms of e-mail. If we are successful in all this, we will have taken a great step towards improving our competitive position and turning CORPORACION MAPFRE into an internationally established entity....*⁹⁵

5. Innovative support for the legal community. An investment milestone, albeit in a different sense, was the technological advancement promoted by MAPFRE, which led to the creation of Colex Data. Its origin was in an external database, which began as a collection of case law files on four significant subjects: Civil, Criminal, Labour and Contentious-Administrative Law. However, with MAPFRE's drive and muscle it ultimately offered lawyers, law firms and the legal community in general a simple, timely and easy-to-use product in the innovative CD-ROM format. It was a different modality to *on line* which, at the time, had transmission problems and many law firms lacked such a capability. An excellent panel of judges, prosecutors, magistrates, state lawyers and specialists, notaries and registrars was available for this purpose. In 1989 it reached a turnover of 110 million pesetas, of which 40 million were texts from the collection of jurisprudence and the remaining 70 million came from the 46 texts published. In 1990 it reached a profit of 13 million pesetas. Also published were the answers to the examinations of judges and prosecutors. The development of computer applications then generated a new dynamic in the legal field, publishing CD Rom's with quarterly updates that allowed customers direct access to the legal bases from their own offices. Having fulfilled its mission, the company was sold in 1996 when its turnover reached 331 million pesetas. Thanks to Larramendi's own idealistic and, at the same time, pragmatic vision, Colex Data had promoted a new way of practising law.

⁹⁴“Reports presented by Mr. Ignacio Hernando de Larramendi y Montiano as Managing Director and Chief Executive Officer to the Board of Directors (1972-1985)”. Internal typed publication. Exhibition of 31-10-1972. Ed. MAPFRE, Mutualidad de Seguros, Madrid, p. 10

⁹⁵ IHdL, in a speech given to the General Meeting of Mutual members. 10983.

6. Innovative also in the small and the “micro-enterprise”. The “counting” method was initiated in Spain in the loss adjustments specifically for hail, rationalising the damages in a determined area. Larramendi used this as an example of the need to avoid any fraud or chumminess in the quantification of damages, trying to objectify both the small and the large. In hail he started to do it by throwing a hoop over the damaged surface and counting the damaged ears of corn inside it; if there was no agreement, it was thrown again until an objective average was reached for all parties. The consideration of “micro-enterprise” is also significant in the context of the small, almost 20 years ahead of the European Commission⁹⁶ where it recognised, also with reference to the United States, its specific relevance even if it is composed of less than 10 people: *I don't know if I've expressed the importance of small businesses in social life properly. In any case, I would like to add that it will also be a key element, as it already is in the United States, . . . micro-enterprises, . . .*⁹⁷ Today micro-enterprises carry out more than 12 per cent of all exports in Spain, and more than 15 per cent in countries such as Denmark, the United Kingdom or Austria.

7. Always regardless of criteria and action. We have found Larramendi's independence reflected in many aspects and situations. One of them was the continuous clashes with the officialism of the Sindicato Vertical del Seguro (Vertical Insurance Union), from whom he always kept his distance. When the latter was dissolved, it was replaced by UNESPA, but it continued to clash due to the oligopolistic and competition-limiting mentality of this employers' association, to such an extent that he left it in 1980.

8. Knowing how to “laissez-faire, without jealousy”. Granting great autonomy to his subordinates was another key to his leadership success. Without seeking monopolies of power that would have limited effective action. It was an application of his principle of subsidiarity. He combined it with a permanent monitoring of productivity in the company, initially measured as the ratio between premiums and the number of people in the entity,⁹⁸ a measurement that was later perfected. In practice, Larramendi's leadership differed from what was used—for example—at La Catalana de Seguros, which was also on the verge of disappearing until the arrival of Jesús Serra. He managed to recover it, although with a very centralised management controlled by his family nucleus, obtaining a notable fortune, measurable by the percentage of his stake in the company, estimated at the end of the 1990s at around one hundred billion pesetas; but with much more limited expansion in spite of his historical advantage at the outset. Larramendi, however, maintained a net worth of less than the annual income of any executive of an equivalent company, disassociating his family from the ownership. MAPFRE has gone farther, with greater wealth and capitalisation, with José María Serra himself, Jesús' son and current chairman, leaving evidence of his admiration for Larramendi.⁹⁹

⁹⁶Commission of the European Communities (2001): Draft Recommendation on the Definition of Small and Medium-sized Enterprises, Brussels, European Commission, pp. 5-7.

⁹⁷ IHdL, “La empresa como motor de recuperación económica” conference. Assembly of Acción Social Empresarial. Madrid, 17 December 1983.

⁹⁸The first of the Reports on the subject between 1971 and 1972 estimated a productivity improvement of 15 per cent. Vid. “Reports submitted . . .”, 31-10-1972.

⁹⁹ Vid. José M. Serra recorded interview about I. Hernando de Larramendi, from the Fundación MAPFRE Archive, documentary collection.

9. Training also for third parties. Training for third parties became an equally fundamental aspect from the beginning of Larramendi's mandate, starting with the employees but also developing a pedagogy towards the outside of the entity. Thus the technical training courses for loss adjusters, through manuals and videos, with courses for accident insurance loss adjusters, or bodywork and painting for teachers of Vocational Training of the Ministry of Education and Science; courses for reconstructions of traffic accidents for workshops outside the insurance company, Civil Guard, municipal and regional police or for the disabled. Courses also abroad and in Portuguese, English, or French. Everything was complemented by a network of repair shops owned by the insurance company, publication of manuals with monographic studies for the different makes and models of cars, including industrial vehicles and motorcycles, with a publishing capacity that would reach 20 manuals a year. In this sense, the Centro de Experimentación y Seguridad Vial MAPFRE, CESVIMAP, ended up being a real laboratory and research centre, with repair time scales for each job and for each type of damage.

10. The creation of the Policyholder Ombudsman. The so-called Policyholder Ombudsman was created at the behest of Larramendi in 1985 following his study of the possible precedents existing in this respect in Spain. He found, before other countries, two figures that serve as a reference. The “Justicia Mayor de Aragón”, as an institution that tried to be a counterpoint to the absolute power of the Monarchy, and which, even in an imperfect way, he understood to be based on a sense of collective justice and a desire for a balanced organisation of society. The other was the “Trials of Residence” in Castile, which was later extended to America, to avoid administrative abuses by public officials and the viceroys themselves. It was also applied to the “oidors”, all of whom were mandatory, always assuming a reminder that in the end they would be examined and judged for their actions. Thus, in 1986, he convened the First International Meeting of Policyholder Ombudsmen to analyse the situation in other countries and incorporated this figure into MAPFRE's Articles of Association. There were no specific insurance ombudsmen in the United States, Canada, Australia, or New Zealand at that time, although there were in the United Kingdom and Nordic countries. In Spain, the innovative initiative of Larramendi, who was later visited from Italy to see how it worked,¹⁰⁰ ended up influencing Spanish insurance legislation, since, as the Director General of Insurance, José María García Alonso, acknowledged, it was an important step forward. As a result of Larramendi's initiative, the BBV, Savings Banks and other entities also tried to create similar figures. The first person in charge would be the Professor of Labour Law, former Vice-Chairman of the Government and former Minister of Labour, Fernando Suárez. This person, during more than 15 years, arbitrating more than 6,000 claims, stated that he hadn't received a single indication from Larramendi on any specific claim, which fits in with the system of transparency that had been generated.¹⁰¹

11. The creation of “Editorial MAPFRE”. As we have pointed out, publishing and intellectual work was an early vocation for Larramendi. Editorial MAPFRE soon served to publish different collections and industrial production of books, magazines, and different types of texts. Amongst them, the famous “Colección MAPFRE 1492”

¹⁰⁰ Statements by Fernando Suárez. Interview in “Trebol”, 1990. No. 18-2.

¹⁰¹ Personal conversation with Fernando Suárez at the Summer Courses of La Granda, Asturias, August 2018

made up of 245 volumes on the occasion of the Fifth Centenary of the Discovery of America, which would have such a great influence on the popularisation and knowledge of MAPFRE amongst the general public in Ibero-America as well as specialists, and which also contributed to the pioneering expansion of the insurance company in the new continent. An expansion that began very reflexively and with an intellectual action that started precisely from Editorial MAPFRE under Julio Castelo, later Larramendi's successor as MAPFRE's top executive.

12. Pioneer in road safety campaigns. Mortality and all the damage and social costs of all kinds resulting from traffic accidents were an early priority for Larramendi of what he called “road insecurity”, promoted and paid for either by the Mutual Society, by the Foundation or by CESVIMAP itself. Campaigns and studies on the influence of alcohol, tobacco, drugs, caffeine, or the lighting of roundabouts at night have been the subject of subsequent campaigns by Fundación MAPFRE, which even today continues to award grants on road safety. Since 1996, the Instituto MAPFRE para la Seguridad Vial, as the social work of Fundación MAPFRE, has centralised everything aimed at this purpose.

13. The creation of the “Bibliographic Documentation Centre”. Larramendi created a “Bibliographic Documentation Centre” that concentrated and created a very complete collection concerning the insurance sector. It continues to operate in the small palace at Paseo de Recoletos 23, in Madrid, bought during the Larramendi era by MAPFRE itself at the behest of Rafael Galagarra. This is where you'll find, amongst other things, all the MAPFRE documents and bibliography which, to a large extent, have also served for the preparation of this and many other studies and research works.

14. Supporter of 0.7 per cent. Larramendi was a fervent supporter of donating not 0.7 per cent of GNP to poor countries, but 1 per cent. He considered it part of the “social responsibility” of the nations that have achieved the wealth that Spain has today”.¹⁰² In this respect, he had an initiative in 1987 which, in our experience, is very typical of companies in the United States, given that it isn't known to what extent social causes and international cooperation have real support in society beyond theoretical support. For this, he proposed that executives, employees, and delegates make voluntary contributions to CARITAS, as the Mutual Society and Larramendi himself had been doing for some time. In North America it's usual that the company gives an amount equal to the amount donated by all its employees, which also serves to measure the popularity or sincerity of support for a particular cause. Larramendi describes it as “the least pleasant experience of my time at MAPFRE”. The “cold reception” that the proposal received led to the fact that at his farewell “in memory of his service to MAPFRE, a regular contribution is made to CARITAS, which I consider to be the institution that brings aid more directly and responsibly, and with less intermediate costs, to the truly needy and marginalised . . . These are for the most part the consequence of the rich, arrogant, unsupportive and hedonistic society that is being created in today's Spain . . . not wanting to remember those who suffer . . . ”.¹⁰³

¹⁰² H. de L., I. (1998): Speech at the awarding of the Cross of the Order of Civil Merit, 9-9-1998.

¹⁰³ H. of L. I. Farewell speech, o.c. 16-6-1990

15. Promoter of “Corporate Social Responsibility” and patronage: Larramendi was an early promoter and a true patron in what today we call “Corporate Social Responsibility”. Thus he created a series of non-profit “*Foundations*” for different purposes. One of those foundations over which he presided in 1975 with ambitious objectives is the “**Fundación MAPFRE**”, with a still modest insurance company, the result of his innate passion for altruistic contribution to society. In the end, he would see it as a holding company that absorbed almost all the specific foundations that he created over time, depending on the circumstances. In the same way that he chaired it, the executive chairmen of the MAPFRE group continue to do so.

- One of these foundations was **Fundación MAPFRE America**, created in 1988, especially dedicated to this continent. It was one of Larramendi's most beloved creations. He would devote part of his activity to it after retiring in 1990, creating the **Instituto Histórico Tavera** within it that same year. This was the forerunner of the **Fundación Histórica Tavera**, which was established in 1996 to promote activities related to historical and genealogical studies, which he so much appreciated (like his mother), by vindicating the figure of his ancestor Manuel Montiano, governor of La Florida, a contemporary of his also admired prime minister José Patiño. He did so conscious of the need for a better understanding of the evolution of Spain not only in its historical aspects but also in its socio-economic and cultural aspects, even within the political complexity of certain periods. In this sense we have undertaken to draw up, also as a result of this work, a chart—to be published in due course—referring to the bulky, and not always placid, chronological list—unlike in the United Kingdom—of prime ministers, government presidents, or equivalent—starting with Patiño, one of the great statesmen of our history, and up to 1931—making possible a greater understanding of our common past according to its specific protagonists in each situation, as Larramendi always wanted.¹⁰⁴

He argued that “*The Spanish monarchy since 1492 documented everything; our wealth of this kind is by far more important than that of any other nation in the world, but today it isn't adequately cared for*”. That is why he asked the Ministry of Education and Culture to regularly incorporate, every two years, during the first decade of the 21st century, some 50 “*archivists with a historical speciality*” from the Faculty of Archivists to give a boost to the work of accessibility, knowledge, and preservation of this documentation. He also sees it “*as a path of hope for the dozens of History and Humanities graduates who find themselves without a professional horizon and who deserve it*”¹⁰⁵

The expectation was also to collaborate in a project of the Ministry of Culture to bring together the Nobility Section of the National Historical Archive at the Hospital del Cardenal Tavera and, with the help of the Instituto Histórico Tavera, to incorporate family archives, making use of what it called **DOCUMAP** with the idea of creating a Genealogical and Population Research Centre in the future.

¹⁰⁴ Of his admired Montiano ancestors are Manuel, Governor of La Florida, and Manuel's nephew, Agustín Montiano, Secretary of State with Felipe V and creator and first director of the same Academy of History. Patiño was “Universal Secretary”, named by Felipe V Secretary of War and State, accumulating later those of Treasury and Commerce.

¹⁰⁵ H. de L., I. Speech at the ceremony for the awarding of the Cross of the Order of Civil Merit, 9-9-1998.

- Likewise, his “**MAPFRE Estudios**” initially considered it to be a basic element for converting it “*into an academic institution that in 2000 will provide a useful educational service to Spanish society as a whole*”.¹⁰⁶ In fact, he taught the Insurance Degree directed by Antonio Guardiola, as well as numerous courses of Integral Security and International Management. Normally it was intended to be the hub of other MAPFRE entities linked to institutional purposes, but that weren’t foundations, such as “CESVIMAP”, “ITSEMAP Ambiental” or “ITSEMAP Fuego” with its research laboratory. The latter two were the most promising and the most cutting-edge and forward-looking. Also “RELECMAP”, “SERVIMAP”, and “SERMAP” with the idea of providing the insurer with technical knowledge and “know-how”, which until then was only available to large reinsurers, in order to acquire the competitive advantage that MAPFRE later achieved. The idea of “Don Ignacio”, according to Santiago Curbera,¹⁰⁷ in strengthening all these companies was to create something more integral than a mere international insurance group but to manage risks by levels according to the different groups of customers. In other words, it wasn’t just a question of selling policies but of offering risk control programmes based on the most specific knowledge of the risks, offering specific services and cover with the greatest possible transparency.

- The “Fundación MAPFRE Medicina”, created in 1989, was also included in Larramendi’s original design as a “*basic piece of the foundational policy of the future*”. However, it was no longer possible for him to take part in its launching as he opted to bring forth his retirement by a year, which he later regretted, without it later having the route Larramendi had intended. Like the Fundación Cultural MAPFRE Vida, also created in 1989, it would eventually become part of Fundación MAPFRE.

“The problems of Spain and the world are confusing. It is necessary to go into them with humility, approaching the truth without dogma or monopoly.... *Not only professional parties should express what they believe is best for the country, but so should anyone who has something to say or experience to communicate..... My contribution, the result of dozens of years of analysing facts and situations, is far from a partisan intention and obligation, which seeks to clarify aspects that are incompatible with the direct struggle for power, that create enemies and don’t serve to win supporters. However, intentions aren’t enough. Spain won’t get through this difficult period with books or words. It needs example, selfless personal sacrifice of those who feel a special vocation for it, and hard work, at the cost of material advantages of all the people. ...*”

Ignacio Hernando de Larramendi¹⁰⁸, 1976

UNIAPAC in Larramendi's life and professional career.

We have already pointed out how Christian humanism tried to become the keystone of his personal, business, and foundational actions. In this respect, the incorporation of the Mutual Society with Larramendi into UNIAPAC, the International Union of Catholic Associations and Employers' Associations, was important. This had been created in 1931 at the International Conference of Christian Patrons as a result of the Encyclical *Quadragesimo Anno* of Pius XI. In 1948 the name UNIAPAC was adopted, and groups of businessmen joined, especially from Holland, Germany,

¹⁰⁶H de L, I. (1990): Comments to the Board of MAPFRE Mutualidad de Seguros on 16-6-1990. It was the last Board Meeting in which Larramendi took part.

¹⁰⁷ Vid., Santiago Curbera. Fundación MAPFRE's documentary collection. Personal recorded interview with S. Curbera.

¹⁰⁸ I. HdL, (1976): *Anotaciones de sociopolítica independiente*. Ed. Plaza&Janés.

France, Belgium, Italy, Ireland, Luxembourg, and Nordic countries but also from Ibero-America. The relationships and strong integration in this International Union of Christian Business Leaders also provided Larramendi with the possibility of sharing and extending his business principles based on the Social Doctrine of the Church, which integrated his principles of subsidiarity and corporate social responsibility.

In fact, the possibility of meeting, sharing, and getting to know a whole network of people of faith better, with whom he ended up getting on perfectly, also gave him great confidence in terms of the advice and agreements to introduce his foundations and MAPFRE's extension abroad, especially in Hispano-America. The Spanish section of UNIAPAC called "Acción Social Patronal", and since 1966 "Acción Social Empresarial", A.S.E., had been created in 1951 with Santiago Corral as its first chairman, and contributed to awakening social conscience in Spain with the organisation of conferences and seminars on socio-economic issues.

In UNIAPAC and ASE it was thought that *"the only possible link to give efficiency and reality to the union between the European peoples is the Christian conception of man"*.¹⁰⁹ ASE had outstanding leaders from the business world, including Carlos Botín, Pablo Garnica, Javier Benjumea, Oriol Urquijo, Aguirre Gonzalo, or Noguera Roig, from Banco de Valencia and founder of Banco de la Exportación, who would become the second chairman of ASE. In June 1959, the UNIAPAC European Conference held between Knocke and Brussels focused on the social aspects of continental cooperation embodied in the European Coal and Steel Community, ECSC, the European Economic Community, EEC, and the Free Trade Area project on the basis that it was this Christian vision that could give a satisfactory channel to the communitarian ideal. Larramendi would actively participate in the international meetings of UNIAPAC, based in The Hague, which in turn would become a breeding ground for contacts, relations, and staff for the global MAPFRE. At the same time ASE was extraordinarily strengthened by Larramendi's capacity and example of Catholic business activism.

In the Europeanist impulse of the foundational community institutions came together the personalities of a clearly Christian nature who played a leading role in the founding of what is today the European Union, Adenauer, Schuman, De Gasperi, or De Gaulle. They linked up with the Spanish government, through traditionalist personalities such as Esteban Bilbao, or from the Catholic Association of Propagandists, with Christian Democrat tendencies, such as Ruiz-Jiménez from the Ministry of Education, between 1953 and 1956, Martín Artajo, in the Ministry of Foreign Affairs, between 1945 and 1957, his successor Castiella, or Navarro Rubio and Alberto Ullastres, from the economic sphere. Along with many others¹¹⁰ who would play important roles in the progressive opening of the regime and the great agreements with the international institutions that made possible the successful political process of transition after Franco's death.

Precisely "Democracy and responsibility" would be the theme chosen by the members of ASE, to organise the corresponding 26th Social Week of 1967, held in

¹⁰⁹ Andrés-Gallego, J., y Barba D., (2002): *Acción Social Empresarial. 50 años de empresariado cristiano en España*. Ed. ASE. Madrid.

¹¹⁰ Although of a clearly Statist mentality, we should include here the strongly integrating Catholic Falangist sectors committed to the recovery of Ortega and Unamuno for national Spain, such as Dionisio Ridruejo or university rectors such as Laín Entralgo and Tovar, representatives of this tendency, or Fernando Suárez himself.

Malaga. Future personalities who weren't well known to the general public at the time, such as Landelino Lavilla, José Jiménez Blanco and Luis Sánchez Agesta as well as Joaquín Ruiz-Jiménez himself, Catholic trade unionists such as Julián Gómez del Castillo, or the Minister of Finance Mariano Navarro Rubio, would take part in it. His conclusions left little room for doubt:

"All members of the political community have the right and the duty to participate in public life and to have the means to take an active part in it (...)... The just aspirations of many Spaniards for progress in . . . the rights of the individual, namely the right of free assembly, of free association, of expressing one's opinions and of professing one's religion publicly and privately, are to be commended.... (...) new political structures that allow, without any discrimination, to participate in the establishment of the basic laws of the State, in the management and control of public business . . . and in the election of its leaders".¹¹¹

ACCIÓN SOCIAL EMPRESARIAL. LIST OF CHAIRMEN

Santiago Corral Pérez (1951-1965)
José Antonio Noguera de Roig (1965-1969)
Manuel Mendoza Gimeno (1969-1971)
Martín González del Valle (1971-1976)
Fernando Bianchi (1976-1978)
Ignacio Hernando de Larramendi (1978-1983)
Eugenio Marín García Mansilla (1983-1989)
Alfredo Jiménez Cassina (1989-1990)
Carlos Álvarez Jiménez (1990- 2013)
Luis Hernando de Larramendi Martínez (2013-

Source: Own compilation.

The National Commission of ASE was part of the National Board of Catholic Action, along with various sectoral, youth, women's, and scouting entities; also the Hermandad Obrera de Acción Católica HOAC, and the Juventud Obrera Católica, JOC. The broad Catholic Action movement was still a powerful organisation with extensive reach in Spanish society during the 1960s through to the late 1970s. However, from its membership of 500,000 in 1966, it plummeted. The JOC, for example, went from 87,000 members to 800 in 1979. Between 1964 and 1978, 95 per cent of its members left Catholic Action.

Already at the 7th Conference of Catholic Action held in June 1966 in the Valley of the Fallen, the ecclesiastical hierarchy clearly saw the drift of some apostolic workers' movements such as HOAC and JOC, towards positions close to the so-called liberation theology and "Christians for socialism". This unleashed a reorganisation process and rupture in Catholic Action as the criterion was maintained that Catholics couldn't collaborate with Marxist parties according to the papal magisterium. Nevertheless, the Centre for Social Studies of the Valley of the Fallen continued to organise numerous meetings and seminars such as the one organised by ASE on "The reform of the company: experiences and prospects" from 2 to 7 November 1970,

¹¹¹ Informaciones Sociales, I.S., ASE publication, April 1967, pp. 11-14.

which would continue to take place until 1982, when the Centre for Studies was suspended.

For ASE, the 1960s and 1970s in Spain hadn't only produced a spectacular "economic miracle" but also a change in the field of associations and social relations: *"our society has materialised. There is an eagerness, in all social classes, to enjoy material goods, comfort, ostentation of visible signs of wealth and wellbeing"*.¹¹² It was at the ASE Assembly of 1978 when Ignacio Hernando de Larramendi would be elected as its new chairman *"taking into account the moment we are living and the response that ASE must give in it"*.¹¹³ The sixth chairman of the entity had already attracted the attention of the General Assembly for years due to his open-mindedness. He had contacts with UNIAPAC, where here he coincided with Domingo Sugranyes, secretary general of this international organisation since 1974. In him he found one of his great associates, becoming a member of the Board of Directors of Corporación MAPFRE and Managing Director of MAPFRE.

The new chairmanship of ASE meant a wake-up call for this organisation in the different provinces and regions of Spain. It was especially so in Portugal for the UCIDT association, the Portuguese branch of UNIAPAC, following the meeting held in the Algarve from 24 to 27 January 1980. Leading personalities participated in ASE meetings and study groups. From prestigious economists such as Fuentes Quintana, Juan Velarde or Manuel Lagares -later appointed Director of MAPFRE-, and politicians of different tendencies such as Carlos Bustelo, those from the PNV such as Mikel Unzueta, jurists such as Andrés Ollero, or foreign personalities such as Guido Brunner, or former ministers such as Fernando Suárez, later Policyholder Ombudsman. The revitalisation was also palpable in other parts of the world, as in the Colombian UNIAPAC with the presence of Andrés Restrepo. Larramendi would later also be elected chairman of "UNIAPAC Europe" at its 16th World Congress held in Abidjan, Ivory Coast, from 1 to 5 March 1981. In 1996, and supported by Larramendi, Domingo Sugranyes, already at that time CEO of MAPFRE, was elected chairman of UNIAPAC worldwide in Lille. Also from ASE incorporated as Directors were figures such as Jiménez Cassina, CEO of Land Rover-Santana and the chairman of ANFAC. From the ASE of that time the "Asociación para el Estudio de la Doctrina Social de la Iglesia (Association for the Study of the Social Doctrine of the Church)", AEDOS, was also created, which with works of a more academic nature was run by Fernando Fernández Rodríguez.

For ASE, the long presidency of Felipe González couldn't be explained without the Catholic substratum existing in Spanish society, and of which most of the leaders of the Sevillian PSOE formed part. A large proportion of his 1982 voters were Catholics, 82 out of a hundred, still in 1996, of whom 31 per cent were practising.¹¹⁴ The editorial of its publication "Acción Empresarial", was very explanatory in this respect: *"The socialist envoy proposing public moralization of the country, as an important part of its*

¹¹² Concluding remarks by Fernando Guerrero, Member of ASE on "Public morality in today's Spanish society", the theme chosen for the round table held in the Valley of the Fallen, 1975. Vid., *Acción Empresarial*, V, no. 58, November 1975, pp. 16-23.

¹¹³ 22nd Extraordinary General Assembly of Acción Social Empresarial, Madrid, 17-10-1978. In "General Assemblies" ASE, 1975-1978, p. 3. Madrid.

¹¹⁴ With the exception of Alfonso Guerra, González himself had taken an active part in the activities of the JOC, in 1961-62, in connection with the political actions of Manuel Giménez Fernández's Christian Democratic Left. See Ramón Jaúregui, "Cristianos y socialismo", *El País*, 14-5-1998.

*programme, was received with satisfaction.... The socialist moralization programme was received as a hopeful challenge, when the PSOE came to power supported by it. Christians suddenly realised that socialism was taking a place that others had cowardly abandoned".*¹¹⁵

In the specific field of entrepreneurship, Cardinal Antonio Rouco Varela himself recalled Larramendi's words during ASE's pilgrimage to Santiago de Compostela in 1982 at the offering to the Apostle: *"We want, he said, to know how to put our ethical obligations and human commitment before economic results. In short, we want you to help us so that our companies may be elements at the service of man and not that men may be mere instruments for the purposes of our economic action. As Christians who are aware that we have to give evangelical witness before others, we also ask for your help so that we and our Association, Acción Social Empresarial, may be able to radiate before others the example of a behaviour according to God's designs for our world."*¹¹⁶

These coordinates were maintained transversally, as one of the main public features shown by Larramendi. His legacy is the result of a personality and a life and business trajectory that reflects deep moral convictions. Not of something theoretical and superficial with regards to the company he managed, but of an action also *"concerned with the fairness of prices and services and within ethics that are practised and whose application is demanded"*.¹¹⁷

In his own farewell speech "Don Ignacio" makes it clear: *"You all know my background, Christian and specifically Carlist. In my 35 years at MAPFRE, I've tried to create a company inspired by Christian principles, which has nothing to do with making ideological politics or discriminating against those who think differently, which has never been done at MAPFRE. MAPFRE has been, in everything that has depended on me, a company that has arisen from the application of those principles I've demonstrated with facts that with those principles it is possible to comply and perhaps that only with them is it possible to have a permanent success. In any case, without what I've just said MAPFRE and my performance in it can't be understood. MAPFRE's future is great In 2000, MAPFRE will be a great institution in the world . . . and to a large extent this will happen because we have always remembered the principles I've just explained"*.¹¹⁸

¹¹⁵ Acción Empresarial. Editorial, No. 114, April-June 1983, p. 2.

¹¹⁶ Hernando de Larramendi, I. (1982): collected by J. Andrés-Gallego in *Acción Social Empresarial. 50 años de empresariado cristiano en España*. Ed. ASE, Madrid. 2002. p. 17.

¹¹⁷ H. de L., I. (1990): "Farewell speech". General Meeting of MAPFRE Mutuality, 15-6-1990.

¹¹⁸ H. of L. I. Farewell speech, o.c. 15-6-1990.

“The sense of perfection, inherent in man, is transmitted by him to the institutions he creates”.

Ignacio Hernando de Larramendi, 1947¹¹⁹

DIGIBIS and the Fundación Ignacio Larramendi.

The great creation of DIGIBIS deserves special mention, as does the continuation of the work of personal patronage through the “Fundación Hernando de Larramendi”, outside MAPFRE. He created it as a non-profit organisation in 1986, in homage and memory of his father, who believed that, despite his strong independence, he hadn’t received the satisfaction and recognition he deserved during his lifetime. It changed its name to the current “Fundación Ignacio Larramendi”, as decided by his wife and nine children, after the death of the patron-founder in 2001.

Within his intellectual activism and, at the same time, practical activism “Don Ignacio” had started and promoted an innovative and pioneering task related to the digitization of archives in an area he had called DIGIMAP, which is today DIGIBIS, digitising a million pages, including those of the manuscript collections of the Naval Museum or those of the Dukes of the Infantado. This has continued for 30 years in different archives of public and private entities, and recently it has encompassed the personal archive of the former Prime Minister Felipe González.

When Fundación MAPFRE America merged with Fundación MAPFRE in 1997, DIGIBIS was left outside the MAPFRE group and today it is the most innovative and important digitization company in Spain, with international projection and the most advanced and cutting-edge technology in the field. This foundation also participates in the audio-visual and cinematographic field by producing documentaries, and with its stake in the funding of television series highlighting singular aspects related to our history and the history of Carlism in collaboration with academic and university institutions. As in the chapters of the series *“Mitos al descubierto. 75 años de la guerra civil”*, by Tele-Madrid, or *“Gruneisen, primer corresponsal de guerra”*,¹²⁰ presented to the Goya Awards, in collaboration with the CEU Institute of Historical Studies, and in 2020 screened by Televisión Española. Additionally, its participation in documentaries on persecuted Christians in Syria, Iraq and other countries in Africa and Asia, the ninth of which was presented on 25 May 2020 in Madrid.

DIGIBIS highlights the original creation of its Virtual Polymath Library, i.e., the great multifaceted creators, whose works marked a turning point in the various fields of science, literature, economics, philosophy, thought, exploration, and others. This allows direct access to hundreds of Spanish, Portuguese, and Ibero-American multidisciplinary thinkers. With ebooks published in ePub, Mobi and pdf formats and free to download. A work of compilation, arrangement, study, and dissemination of authors of the Visigothic Hispania, of the translators of the School of Translators of

¹¹⁹ Cfr. I. HdL, “El riesgo catastrófico en los seguros personales”. Publications of the Insurance Compensation Consortiums, 1947 p. 19.

¹²⁰ It is worth highlighting the measured, efficient production costs with which the FIL always acts -following Larramendi's philosophy- resorting to friends and free environments. In this case with “extras” such as the undersigned and other university professors, taking advantage of dependencies ceded by the Real Gran Peña de Madrid in some shots. The same in the chapters due to the journalist Fernando de Haro in his “austere” travels through different countries in conflict for the documentaries on the situation of Christians.

Toledo, of the School of Salamanca, Cervantes, José de Ancheta, Andrés Bello, Fernando Pessoa, Menéndez Pelayo or Ramón y Cajal.

One of the latest is a study about the multifaceted deputy of the Cortes de Cádiz Antonio de Capmany Surís (1742-1813), conducted, like others, by researchers of the Spanish National Research Council, CSIC, in this case José Checa Beltrán. Along these lines, the aforementioned Thematic Virtual Libraries of Spanish Polymaths and Authors, with almost 1,000 of them, are one of the most important, original, and exceptional cultural projects and achievements currently being carried out in Spain.

Additionally, the Fundación Ignacio de Larramendi, in its work of patronage, and with the support of DIGIBIS has created the Heritage Hub Virtual Library, the result of a European consortium that aims to show how schoolchildren see European heritage through videos and various activities.

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CHAPTER II. IGNACIO LARRAMENDI'S PEOPLE MANAGEMENT STYLE

PhD Mercedes Rubio Andrés

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"The amount of the work capacity of each person in the service of the company is said to be its main asset. *I think it is the only important asset.* Under these conditions, ethics and social equity aren't the only reasons that demand a satisfactory policy with the staff, but an absolute necessity for their livelihood".¹²¹

Ignacio Hernando de Larramendi, 1965

¹²¹ IHL (1965): "Reforma de la empresa", Lecture given at the course on "Reforma de la empresa", organised by Acción Social Patronal de Madrid, on 26-27 January 1965.

OBJECTIVES AND METHODOLOGY

The work carried out by various historians on Larramendi's management of MAPFRE attributes the extraordinary success of the insurance company to him and his team as well as the undoubted leadership he exercised in the company.¹²² However, to date there has been no research intended to analyse his leadership style and delve into the real keys to his business success, which is the main objective of this chapter.

This chapter begins with a brief presentation of the evolution of theories and practices in people management from the beginning of the twentieth century to the present day, as a preliminary step to the study of people management at Larramendi's MAPFRE. To do so, we shall identify his values, which marked his leadership style as well as the most innovative aspects and best practices in terms of recruitment, selection, integration, training, performance, and remuneration management. The objective is to determine to what extent the management style and human resources management was pioneering with respect to the practices of the time, and contributed to MAPFRE achieving its objectives in the period 1955-1990.

The methodology used to prepare the chapter is based on a review of the existing literature by various authors on MAPFRE and Larramendi, on the one hand, and on the strategic elements of people management in companies, on the other. Obviously, we have also analysed Larramendi's numerous publications, lectures, notes and reports, which offer the keys to his way of thinking and acting in economic and business matters, and their evolution.

In turn, through interviews conducted by Fundación Ignacio Larramendi in 2017 with a number of executives and associates, information has been obtained on the characteristics of the human resources management in the Larramendi era and the opinion of different people who worked under his management.

A final line of analysis has focused on the study of the insurance company's collective agreements, which provide objective information on remuneration management, working hours, training, and other relevant aspects comparing MAPFRE with other companies in the sector, which will enable us to ascertain their differential characteristics.

Within this framework, the main hypothesis to be compared in this chapter is whether Larramendi's people-management style was coherent with his principles and values, which, as shall be seen, should place the person and his dignity at the centre of the company's actions. Additionally, an analysis shall be made of whether MAPFRE's human resources management, in terms of recruitment, training, professional development and remuneration, were key elements in explaining the success achieved by the insurer, and to what extent these practices were differentiating and pioneering.

¹²² See Tortella et al. (2008), Pons (2000), Caruana de las Cagigas (2009), Caruana de las Cagigas (2014) and Caruana de las Cagigas (2019).

HUMAN VALUES AND BUSINESS LEADERSHIP

The knowledge of how to manage and lead people is a consequence of the principles and values of the people who exercise the mission of making business decisions. Hence the importance of highlighting those values and qualities that a good executive should have because of their impact on human resources management. "From amongst the literature that analyses the characteristics required to be an executive or business leader, we are now interested in presenting the proposals of Barceló Matutano (1972) and Fernández Aguado (1999), as they are, to a certain extent, complementary.

For Barceló Matutano, the leader must have the following characteristics, by way of a decalogue:¹²³

1. Fair and impartial
2. Wholesome and unwavering.
3. Responsible and effective in action, judgement, and decision.
4. Transmitter and organiser. Delegates as much as possible.
5. Communicative and accessible.
6. Flexible and adaptable. Takes advantage of opportunities.
7. Positive and optimistic.
8. Motivating and tolerant. Knows how to listen, encourage, motivate, and teach.
9. Creative and innovative. Intuitive. Imaginative. Decentralised.
10. Prospective and forward-looking.

In turn, Fernández Aguado lists the following:¹²⁴

1. Desire to achieve goals, often difficult. So-called "n" factor from "need for achievement". This is a trait that differentiates people between "businessmen" and "followers" or "disciples".
2. Self-confidence. This ability is complemented by a relentless dedication to work.
3. Ability to take controlled risks.
4. Organisational capacity.
5. Must be creative. Show a permanent initiative.
6. Be able to tolerate ambiguity. Be able to respond appropriately to complex situations.
7. Optimism. Necessary to transmit enthusiasm, a weapon for the correct motivation.
8. The leader must have integrity.
9. The desire for training. The fourth stage in the assimilation of training should be: a) unconsciously incompetent; b) consciously incompetent; c) consciously competent; d) unconsciously competent. In this last stage the person is in a position to carry out their work effectively without being aware of it, and without the excessive slowness of the third stage.

¹²³ Barceló Matutano G. (1972): *El dirigente del futuro*, APD, Madrid.

¹²⁴ Fernández Aguado (1999): *Dirigir personas en la empresa*, Pirámide, pp. 38 y ss.

10. Management skills, aimed at improving productivity.
11. Market orientation must predominate over managerial orientation.
12. Detect business opportunities.
13. Global vision.
14. It is desirable for the leader to have a desire to "make a mark".
15. Respect for others.
16. Ability to overcome: not to be discouraged in the face of difficulties.
17. Intuition, although serious and rigorous work sufficiently, and sometimes more than enough, makes up for the lack of intuition.

The true leader of an organisation will get the submission of the people around him through *auctoritas*(authority), as a term different from *potestas* (power), because the authority means that some people place their trust in others, regardless of the position or office they hold, because of their intelligence, dedication, ability to work, or any other virtue that the leader has or has achieved.

Potestas (power), on the other hand, comes from holding an office that implies the ability to make decisions about others, whether they like it or not. The quality of an executive's authority is measured by the amount of power he exercises to get the people under him to do what is expected. If there is power and little authority, there will be no choice but to submit, but the atmosphere will be unpleasant.¹²⁵

On the other hand, leaders perform the function of *Managing* in terms of *deciding*, but it is also *educating* in its double meaning of, on the one hand, "to take outwards (educere)" and, on the other hand, "to lead, guide, accompany (conducere)", trying to change people's behaviour in order to improve it, respecting in all cases the freedom of others, which implies that this behaviour is based on human values to improve coexistence and work in the organisation. This requires the executive to have a personality rich in human values but also a balanced, harmonious personality because one can't teach what you don't know and, above all, what you don't practice.¹²⁶

The values described, which the executive possesses, underpin the leadership style, so depending on these we can distinguish between the authoritarian or autocratic, which is sometimes presented under paternalistic tints, and the democratic and laissez-faire.¹²⁷ Autocratic leaders make decisions without consultation, expecting employees to go along with them; however, democratic leaders involve employees in decision making; and finally, laissez-faire leaders simply let employees decide for themselves.

Finally, it is interesting to analyse the implications of the CEO's values on the corporate culture and the results achieved. In this sense, the academic literature proposes three major systems¹²⁸:

1. First, we find CEOs who primarily value *self-management*, freedom of thought and independence, creativity and show a greater propensity to face challenges

¹²⁵ Fernández Aguado (1999): *Dirigir personas en la empresa*, Pirámide, pp. 2225-2226.

¹²⁶ Gómez Fernández, J.M (1999): *Recursos Humanos: Fundamentos del comportamiento humano en la empresa*. Editorial Encuentro, Madrid.

¹²⁷ Lewin con R.Lippit y R.K.White, (1938,1939)

¹²⁸ Ver Berson Y., Oreg S. y Dvir T. (2008): "CEO Values, Organizational Culture and Firm Outcomes".

and take risks. These people tend to introduce a culture of entrepreneurship and opportunity-seeking into their companies, which translates into high growth.

2. A second type of leader is characterised by placing a higher value on aspects such as *security*, order, stability, and predictability. These leaders focus on establishing clear and explicit rules and procedures, resulting in bureaucratic-like business cultures, and often have performance characterised by high organisational efficiency, but low employee satisfaction.
3. Thirdly, the *benevolent* CEO is highly empathetic and has a priority to promote the wellbeing of the people around them by attending to the needs of employees and encouraging cooperative and supportive attitudes. The result will be a high rate of job satisfaction amongst the staff.

Illustration 1: Leader's values, corporate culture, and results.



Source: adapted from Berson et. al (2008).

OVERVIEW OF MANAGEMENT THEORIES UP TO THE PRESENT DAY

In order to subsequently characterise the managerial style that Larramendi introduced in MAPFRE, it is useful to explain the historical evolution of the trends in company organisation systems according to the different theories or schools, which analyse how roles and tasks are distributed amongst employees, how one remuneration system or another is used, what work methods are employed, how hierarchical relationships are established, or how work is managed in individuals or in teams.

Around the beginning of the twentieth century, Taylorism emerged, the first theory that used scientific research as an instrument for the study of human problems in the business organisation, and that focused mainly on the work method, on the time

needed to perform tasks and on specialisation.¹²⁹ From this theory derived the study of jobs to find improvements in productivity, the standardisation of processes, the hiring of specialist workers in a position or designing incentive systems based on production. The aim was to banish all irrational elements in the preparation and configuration of the work.¹³⁰

This theory gave rise to the Instructional Management technique, which is nowadays considered only suitable for repetitive situations of low complexity such as simple assembly lines.

Although the system proposed by Taylor achieved higher levels of standardisation and productivity, these came at the cost of unsatisfactory quality of production and high levels of conflict. The fact is that the foundations of Taylorism contain important gaps such as a negative anthropology, due to the appreciation that workers will tend to be carried away by the law of minimum effort and the consideration that man functions according to the Paulovian model of stimulus-response; denial of initiative for workers and reductionism of the motivational process to chrematistic considerations; visceral rejection of teamwork and radical separation between the design and practical execution of a job, leaving the former to executives and the latter to employees.¹³¹

The School of Human Relations, led by Elton Mayo,¹³² emerged in the 1930s as a reaction to the Taylorist system. This approach considered that the Industrial Revolution had alienated workers and proposed a recovery of the centrality of the person in the productive process. Thanks to the experiments conducted¹³³ on the behaviour of individuals and groups, it was found that in order to increase productivity the salary and incentive scheme was less important than pressure, acceptance, and job security.¹³⁴ Hence, it was proposed that it was necessary to give satisfaction to workers and promote their interrelationship in order to increase productivity.

In 1954 Peter Drucker published his fundamental work, considered as the first proposal of Management by Objectives (MBO)¹³⁵, which has had a great influence until today. Drucker focused on how to manage "knowledge workers", who don't accept the degree of control of manual workers. The five basic functions of the executive are:¹³⁶ 1) setting objectives jointly between executives and subordinates; 2) organising; 3) motivating; 4) measuring the achievement of objectives; and 5) communicating in a multidirectional way. For all this to work, it is necessary to contribute to the personal development of the people who work in the company, since a well-trained, motivated worker is the essential element for success.

In this brief overview of the theories that influenced the leaders and management styles of companies in Spain, it is necessary to include the influences

¹²⁹ Valero Matas, J (2008): *Recursos humanos*, ed. Tecnos

¹³⁰ Martínez Martínez, M.A. (1990a): *Organización I: Conceptos generales y escuelas. Los clásicos: Taylor, Fayol y Weber*. Instituto de Dirección y Organización de Empresas, No. 78

¹³¹ Fernández Aguado (1999): *Dirigir personas en la empresa*, Pirámide, p. 56.

¹³² Mayo, E. (1933): *The human problems of an Industrial Civilization*, Nueva York, The Macmillan Co.

¹³³ Elton Mayo's Hawthorne Experiments (1924-1930) are interesting to explain the importance of the group in organisations.

¹³⁴ Robbins, S. P. (1998) *Fundamentos del comportamiento organizacional*, Prentice Hall, Mexico, 5th Edition

¹³⁵ Drucker P.F. (1954): *The Practice of Management*, Heron Books, London

¹³⁶ García Ruiz (2003): *Grandes creadores en la historia del Management*, Ariel, Madrid, pp. 63-64.

derived from the recommendations of different encyclicals, mainly from Pope Leo XXIII, and the consequent appearance of the so-called Social Doctrine of the Church. In this context, different theoretical contributions emerged, including that of the Jesuit Martín Brugarola (1945),¹³⁷ which set out ethical criteria to be adopted by the businessman. Thus, although this doctrine admits the lawfulness of the businessman's desire for profit, it warns about the pernicious effects this has if the desire becomes immoderate or excessive and the "vices of capitalism" appear.¹³⁸ Alongside these theoretical contributions, arose business initiatives of a markedly social nature, including the foundation in 1904 of the Caja de Pensiones para la Vejez y de Ahorros, the origin of today's Caixabank, by Francesc Moragas,¹³⁹ and the work of the priest José María Arizmendiarieta, founder of the Mondragón Cooperative in the 1950s.

Amongst the recent proposals in Management Theory, the emergence of Management by Values (MBV), which links with the concept of Corporate Social Responsibility (CSR), and puts it into practice as a way to motivate employees, is of extraordinary interest for this study. The term MBV is due to two ESADE professors, García and Dolan (1997),¹⁴⁰ but also, and in parallel, to Blanchard and O'Connor (1997), who coined it the same year in their book "Managing by Values"¹⁴¹.

For Fernández Aguado, "MBV is one more step in the search for effective means to improve organisations that is on the rise, perhaps because it is increasingly commonly accepted that the failure of many companies is due to having forgotten the radical importance of the values that underpinned it".¹⁴² Amongst the different definitions of the MBV values we are interested in two proposed by Salvador García:¹⁴³

"MBV is a humanist project (the person at the centre) to make explicit the final and instrumental values to be shared by the whole organisation, in order to generate cohesion, enthusiasm and full sense for the action of high business performance and the generation of strategic competitive advantage".

"MBV is a source of competitive advantage for the company, consisting of doing things very well with people from the perspective of a balance of economic, ethical and emotional values; understanding people as owners, employees, customers, suppliers, partners and citizens in general. In short, it is all about building harmony and trust between all the people who make up the company's stakeholders".

The fundamental objectives of the MBV are¹⁴⁴: 1) placing core values as a reference point for strategy; 2) a more satisfactory and efficient behaviour of employees amongst themselves and with management, which will increase profitability; and 3) collaborating in increasing the weight of ethics in business entities.

Values can be defined as the stable belief that one behaviour and goal of existence is personally and/or socially preferable to an opposite, different one. The values will contribute to the appropriate use of technical skills. Because not everything that can be done must be done.¹⁴⁵

¹³⁷ Martín Brugarola (1945): *La cristianización de las empresas*, Ediciones Fax, Madrid

¹³⁸ García Ruiz (2003): *Grandes creadores en la historia del Management*, Ariel, Madrid, p.167.

¹³⁹ See Moreno C.M. et. al. (2019): "Francesc Moragas y la fundación de la Caja de Pensiones para la Vejez y de Ahorros: un ejercicio de responsabilidad social corporativa", *Cuadernos de la Cátedra CaixaBank de Responsabilidad Social Corporativa*, No. 40; Cabana F. (2019): *Francesc Moragas el fundador de la Caixa*, Fundación Bancaria La Caixa.

¹⁴⁰ García S y Dolan S (1997): *La dirección por valores. El cambio más allá de la dirección por objetivos*, McGraw-Hill.

¹⁴¹ Blanchard K. y O'Connor M. (1997): *Managing by Values*, Berret-Koehler Publishers Inc., San Francisco.

¹⁴² Fernández Aguado, J. (2001): *Dirección por valores*, Asociación Española de Contabilidad y Administración de Empresas, p.11.

¹⁴³ García, S. (2011): "La dirección por valores", Fundació IL3-UB.

¹⁴⁴ Fernández Aguado, J. (2001): *Dirección por valores*, Asociación Española de Contabilidad y Administración de Empresas, p.14.

¹⁴⁵ Fernández Aguado, J. (2001): *Dirección por valores*, Asociación Española de Contabilidad y Administración de Empresas, p.15.

The essential conditions for setting up a MBV are:¹⁴⁶

1. They must be coherent values.
2. They must be explicitly communicated. Employees can't be asked to be mind readers.
3. Credible. Values should be challenging but achievable.
4. Assumed by the executives.
5. Integrated into the normal operations of the organisation.
6. Incentives will enhance the specified values.
7. Line executives, and—as already mentioned above—not only the Senior Management, must assume and defend them.

From the perspective of people's motivation, MBV tries to strengthen the so-called motivational factors, as opposed to the hygiene ones. Hygiene factors are those which, if absent or inadequate, produce dissatisfaction in people.¹⁴⁷ These are factors related to company policies, in terms of how supervision and control are exercised, working conditions and salaries.¹⁴⁸ On the other hand, the factors that achieve satisfaction or motivational factors refer to achievement and recognition, the type of work, responsibility, professional recognition and the possibility of a professional career. Since hygiene factors don't lead to satisfaction, motivational factors are needed for satisfaction to be achieved. There is also a higher motivation than the previous ones, called transcendent motivation, where the purpose is constituted by the ethical dimension and involves looking out for the betterment of others.

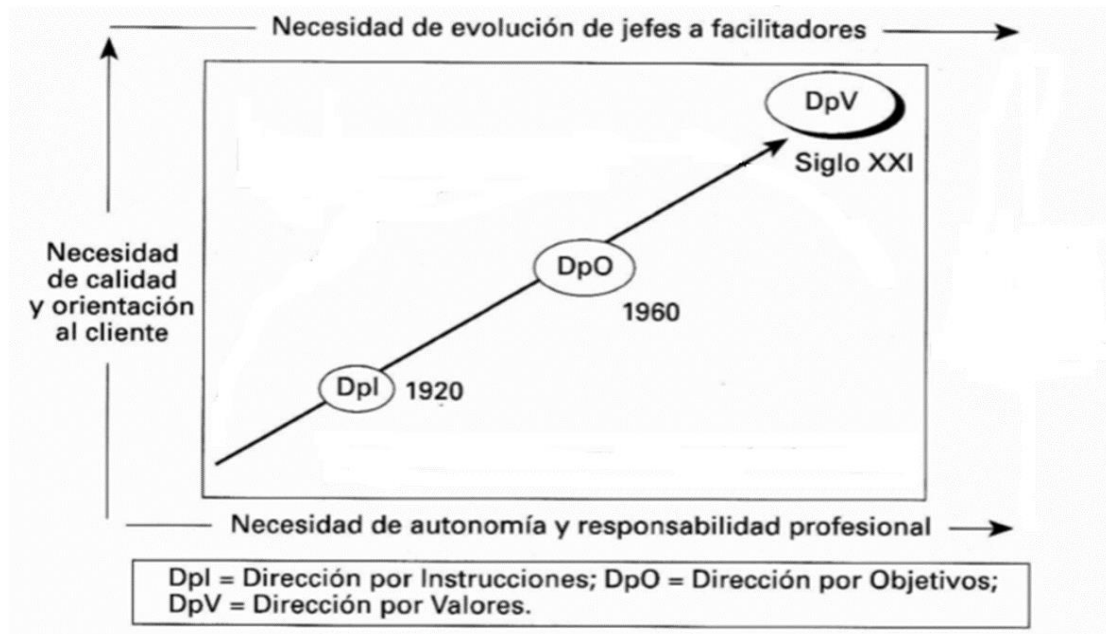
By way of recapitulation, we can identify the emergence and rise of Management by Instructions around 1920, Management by Objectives around 1960, and Management by Values in the 21st century. This evolution is justified by the growing need for companies to give greater professional autonomy and responsibility to employees, to improve quality and achieve customer orientation and to evolve in labour relations from the figure of the boss to that of the "facilitator" of the performance of his subordinates, as shown in the following illustration:

Illustration 2: Evolution of three ways of managing a company: by instructions, by objectives and by values.

¹⁴⁶ Miguel Ángel Alcalá: "De la dirección por valores a la dirección por hábitos".

¹⁴⁷ Herzberg, F. (1966). *Work and the nature of man*. Oxford, England: World.

¹⁴⁸ Martínez Martínez (1990b): *Organización II: Psicología y sociología*. op.cit



Source: adapted by García y Dolan (1997).

"The most important asset of any company are the men who compose it, from the first to the last".

Larramendi, 1983 "concordia social y riesgo empresarial"

THE LEADERSHIP OF IGNACIO DE LARRAMENDI

This section will deal with IHL's management style, how he dealt with his associates, the principles (dignity of people, meritocracy, etc.) that inspired his management and that explain his extraordinary leadership.

Main traits in his personality

The 76 interviews conducted by the Fundación Larramendi during 2017 with people who knew and dealt with him in the context of MAPFRE, its foundations, or family environment, allow us to characterise his personality. Although every opinion always involves a degree of subjectivity, the fact of having a large number of interviews gives it sufficient rigour, and even more so if we take into account that a large part of the opinions are based on empirical data and verifiable actions.

Alberto Elzaburu provides an initial synthetic vision of great interest: "his values are summed up in the principles of Christianity". In turn, the former chairman of

MAPFRE between 2001 and 2012, José Manuel Martínez, highlights his “ability to spread optimism and his status as a great motivator”. In our opinion, the characterisation made by his eldest son, Luis, is the most complete, and to a certain extent, incorporates those made by most of the interviewees. The personality traits pointed out by Luis Larramendi were: “infinite curiosity, vision of the future, honesty, capacity for work, sociability, ability to make true friends, loyalty to others, consistency, self-confidence, boldness and commitment”.

Other traits mentioned repeatedly by the rest of the interviewees were: independence, humility, tolerance, transparency, optimistic, “traditionalist and revolutionary”, humanity, generosity, kindness, austerity, imaginative, spirit of service, excellent communicator, impatient, born organiser, patriot, innovator, rebel, skilled negotiator.

If we compare these traits with the ideal characteristics that leaders should have according to business management theorists and which were analysed above, it can be concluded that Larramendi had innate qualities and a scale of values that were certainly adequate to become a leader.

The following is an analysis of some of the traits attributed to Larramendi by those interviewed, most of which were reflected in MAPFRE.

- a) Humanity- The associates and employees of “Don Ignacio” were surprised because he knew all the employees personally, and he remembered and was continuously interested in their personal and family circumstances, etc. Another remarkable fact is that he treated everyone equally, regardless of their professional category in the company. One goal he stated in his writings was to enable people to develop their full potential by giving opportunities to all employees, especially young people. “Larramendi knew how to turn young men into men because he gave them a lot of responsibility and delegated a lot” (Juan Antonio Labat, former MAPFRE executive); “his greatest achievement was to make a deeply human and deeply profitable company” (Daniel Restrepo, MAPFRE foundations executive).
- b) Honesty. The associates of this executive agree that honesty presided over all his actions. There is no doubt that throughout his professional career he had countless opportunities to have significantly improved his income and/or do private business, but he never wanted to take advantage of this. “Years later, after doing my summer internship at the MAPFRE office in Alicante as an office boy, I found out that it was my father who paid for my salary out of his own pocket, as he thought it was wrong that the delegation should pay for it” (Miguel Larramendi, son).
- c) Humility. This trait has also been continuously pointed out amongst the interviewees, since it isn't frequent that people who receive great professional recognition and accumulate a lot of power adopt an attitude of true modesty. Possibly his humble attitude has to do with his profoundly Christian concept of the world, recognising the dignity of each person, as brothers and sisters and

children of God. "He was a person who, when he didn't know a subject well, sought advice and informed himself, which isn't typical amongst people who have achieved great business or professional success" (Alfonso Bullón de Mendoza, historian, chairman of the ACDP)

- d) Tolerance. This virtue is also significant, since his firm traditionalist ideological stance didn't prevent him from always showing great respect for approaches that differed from his own. One of his daughters interviewed explains that her father always had great empathy with people, and tried to make people see that their vices or faults had some origin such as not having received a correct education, their difficult personal circumstances, etc. "He was a man who always put himself in your place" (Manuel Lorente, senior executive responsible for MAPFRE in Catalonia)
- e) Sociability, ability to make true friends and to select people well. His associates in MAPFRE declared to have spent some excellent moments during dinners and trips accompanied by their wives and the Larramendi couple. He left behind a wide network of friends in European and Ibero-American countries, which was of great help in the internationalisation process of the insurance company. It was even partly thanks to his personal relationships that MAPFRE was saved from bankruptcy in 1955, as his friendship with Donald Warrener, a director of the English company Mercantile & General, led the latter to provide MAPFRE with reinsurance cover, even though he was warned that the Spanish mutual society wouldn't be able to pay the balances.¹⁴⁹ "Creció haciendo crecer a los demás" (Irene Prada, sobrina).
- f) Work capacity. He himself described himself as a *workaholic* at a conference. During his time at the helm of MAPFRE, he was totally dedicated to his professional activities during the week, usually working at home at night, and at the weekend it was customary for him to summon his closest associates to his home on Sundays for work meetings. "He was very active, he never wore a coat" (Duke of Segorbe, manager and owner of historical archives).
- g) Austerity. On a personal level, his lifestyle always manifested the utmost moderation. This virtue was "exported" to MAPFRE, where he never had a company car, always flew economy class, work lunches were extremely frugal, the hotels where he stayed were always the cheapest, etc. "I was embarrassed when I greeted Larramendi on a flight, I was in first class and he was in economy class" (Ex-employee of UNESPA).
- h) Infinite curiosity, innovative, imaginative, rebellious, visionary. These five features were undoubtedly decisive in MAPFRE's rise to first place amongst Spanish insurers. His constant thirst for learning led him to make several stays and trips abroad, which allowed him to introduce the practices of the leading insurance companies of the world at that time, such as Lloyd's, Metropolitan

¹⁴⁹ AA.VV.: (1991): *Ignacio H. de Larramendi y Montiano*, p.119.

Life, Prudential and State Farm.¹⁵⁰ On the other hand, his rebellious nature made him not accept the situation when he saw that things weren't being done in the best possible way, whilst his imaginative and innovative capacity allowed him to look for creative solutions to problems. Quite possibly his accurate vision of the future came from having the right information and analysis for each situation, since he always sought out the person who knew the most about the subject when he had to get information or ask for an opinion. "He was a great visionary, since the 1960s he was obsessed with us learning English" (Sebastián Homet, MAPFRE executive); "He used to invite me to lunch so that I could tell him what was happening and what trends there were amongst young people" (Pilar Troncoso, niece).

- i) **Businessman.** The good executive is the one who makes decisions and takes risks. Larramendi took many decisions that bore excellent results, but which originally had their detractors internally, because of the change, the novelty and the risk they entailed. "When Don Ignacio preferred to invest the surplus of the premiums of the policyholders in the company instead of returning it to them, some executives thought that MAPFRE would collapse, and not only did this not happen but many insurance companies followed suit (Ángel Luis Sierra, former executive of MAPFRE's personnel department)
- j) **Communicator.** He had a natural gift for convincing people, exciting them with his projects, and at events he was able to give lectures without reading his notes. "He was a great motivator" (José Manuel Martínez, former chairman of MAPFRE)
- k) **Consistency.** In the different spheres—personal, political, and professional-, he maintained an attitude perfectly in line with the values he professed. "He never voted because he had traditionalist values" (Luis, son).

Leadership style

We can see, in short, that Larramendi's leadership was based on a very solid foundation, which began to take shape shortly after his arrival, when he took the decision to reduce his initially agreed salary after discovering that the mutual society's financial situation was much worse than expected. "Don Ignacio" was considered by many of his associates as an example to imitate, and several of the people interviewed acknowledged the great influence he had on their way of being.

Two years before Larramendi arrived at MAPFRE, in 1953, he attended a conference organised at the chair of the Professional Insurance School in Madrid, where the director of the French Insurance Productivity Action Committee, Jean-Raymond Fouchet, explained the keys to achieving significant savings in personnel and administration costs in various companies. As a result of this event, Larramendi wrote

¹⁵⁰ Caruana de la Cagigas L. (2019): "La introducción de nuevas tecnologías en MAPFRE (1960 - 2000)", Transport, Services and Telecommunications, 40, p. 48.

a note entitled "Productivity and public relations in insurance", in which some of the ideas that marked his management style at MAPFRE are set out. So he stated:¹⁵¹

"Fouchet not only considers productivity as a cheaper and faster method of production but also as a true state of mind that demands enthusiasm and resolution, which must be instilled in all the components of a company to imbue them with a sense of improvement in their work and above all a sense of solidarity that identifies them with the institution to which they belong. Productivity isn't something mechanical but something human, in which man's bonding is the most important thing, because if this state of improvement isn't achieved, of always looking for things that can be done better, the technical progress that is used is of little use . . . "

On the other hand, the characterisation made by two of Larramendi's associates, José Luis Catalinas, a fundamental help in his last years, and Alberto Manzano, who would become the chairman of the foundation, is very illustrative:¹⁵²

"Larramendi imposed a peculiar management style at MAPFRE, characterised by his intuition for detecting problems and finding imaginative solutions, his enormous tenacity and capacity for work, his concern for continuous modernisation and simplification of administrative systems and processes and his travelling spirit, the seed of his future international activity, which at that time led him on a continuous pilgrimage around Spain, visiting the Branches and promoting a climate of optimism, work and confidence in MAPFRE's future".

He was a charismatic leader who exercised a leadership style that was a mixture of autocratic, making decisions for himself, but also democratic, involving others, and laissez-faire, delegating to other executives as the company grew. He himself, in his farewell speech, determined that:¹⁵³

"There is no personal succession. This has been achieved with something that could be called "charismatic dictatorship". I may be a person with characteristics that prevent me from abusing power, but dictatorship did in fact exist, which isn't good even if it is exercised well. That is why I was convinced of the need for a new structure when my time at MAPFRE came to an end. "I've never been a salesman. I haven't known how to do it, but I have known how to manage structures with success".

¹⁵¹ Larramendi I. H. (1953): "Productivity and public relations in insurance", Unpublished study topic.

¹⁵² AA.VV.: (1991): *Ignacio H. de Larramendi y Montiano*, p.120.

¹⁵³ Larramendi, I (1990): Farewell speech as the chairman of Fundación MAPFRE and Corporación MAPFRE and of the MAPFRE System Control Committee. General Meetings of MAPFRE Mutualidad and Corporación MAPFRE 16 June 1990, p. 6

PRINCIPLES THAT ILLUSTRATED LARRAMENDI'S LEADERSHIP AT MAPFRE

“Companies that choose badly, end badly, and if the quality of the top management is poor, so will be the lower level be poor”¹⁵⁴

Ignacio Hernando de Larramendi, 2000

Importance of the social role of the insurance company

Larramendi's solid traditionalist principles explain his aim of promoting a business project with a marked social character, which he called “business institutionalism”, as opposed to wild liberalism and collectivism. In 1965 he declared:

“The company isn't an institution to achieve the maximum return on capital or labour. Its purpose is to provide a service to the public and, in particular, to customers, thus fulfilling a specific mission within the general interests of the country's economy”.

The institutional nature of “his MAPFRE” was based, according to him, on the fact that *“its ownership was associative, its founding contributions weren't cosmetic and because there was an express declaration of this nature incorporated in its bylaws”*.¹⁵⁵

Significantly, the fact that the executive would reject the proposal to transform the mutual society into a public limited company in the late 1950s, even though, as he himself stated, it would have meant a significant financial gain for him. However, Larramendi was convinced that if MAPFRE had dispensed with its institutional character it would have achieved much less. Thus, he stated that¹⁵⁶

“a large part of its success comes from a generous willingness to share with others, beyond contractual obligations . . .”

since

“. . . a company with an institutional spirit favours the loyalty of its employees and associates, who render their services more generously when they consider it worthy. Loyalty can't be maintained only with a carrot, nor only with a stick, but with an ideal that fills everyone with pride”.

The social aspect of the insurance company, however, permeated all the executives and it was common for them to collaborate altruistically in its foundations.

¹⁵⁴ Companies that choose badly, refers to what we understand as recruitment and selection.

¹⁵⁵ Larramendi, I. H. (2000): *Así se hizo MAPFRE*, p.139.

¹⁵⁶ Larramendi, I. H. (2000): *Así se hizo MAPFRE*, p.141.

Ethical Code

Both Ignacio Larramendi and MAPFRE's chairman, Dionisio Martín, were convinced of the importance of establishing regulations from the outset to prevent misuse of power and potential abuses by executives and employees. The influence of Dionisio Martín in this action was truly relevant, in fact Larramendi pointed out that this issue was “almost an obsession” of the chairman of the mutual society.¹⁵⁷

In Larramendi's words:

“MAPFRE isn't only made up of those who provide its services but also of its members, its customers and those who relate to it and entrust their interests to us. That is why it has always been a special concern of those of us who are at its head, Directors and Executives, to seek formulas to defend the rights of those, against the possibility of abuse by ourselves”.¹⁵⁸

The main principles, both statutory and non-statutory, which had to be respected referred to very diverse areas:¹⁵⁹ limitations on executives and directors holding shares in MAPFRE Group companies; prohibition on the use of the insurer's resources for ideological, political or other purposes, with the sole exception of contributions to foundations promoted by MAPFRE; prohibition on the incorporation into the company of second-degree relatives of executives, managers or employees; compulsory retirement of executives and staff at the age of 65; guarantee of total independence from outside the insurer; and finally, the principle of overall remuneration: the remuneration of executives was calculated on a flat-rate basis, with no allowances for attending board meetings or similar allowances being permitted.

The executives of the insurance company had to maintain a code of conduct, the “Larramendi Decalogue for Success”, which included the following commandments:

1. It is essential to be ethical to be profitable.
2. You have to be frugal in your spending.
3. Always tell the truth.
4. There is no cheating in the economy or even with the Treasury.
5. You have to be serious about your work.
6. Fairness in decisions must be maintained.
7. You have to maintain great transparency with your employees and customers.
8. You have to be very objective when judging and assessing a situation.
9. You always have to show your face when confronted with difficulties, you have to be courageous in business.
10. You must have great respect, especially for the workforce.

Larramendi's MAPFRE was a company in which the rules and codes of conduct were explicit and highly relevant, a circumstance that clearly differentiated it from its competitors. On the other hand, from its beginnings the insurance company had a clear social mission, since it was an institution oriented towards the development of people, it protected the interests of the mutual members, and it returned part of its profits to society.

¹⁵⁷ See Larramendi, I. H. (2000): *Así se hizo MAPFRE*, p.143.

¹⁵⁸ Larramendi, I. H. (1982): Speech at MAPFRE's General Meetings.

¹⁵⁹ See Larramendi, I. H. (2000): *se hizo MAPFRE*, p.143-154.

An indicative fact of the importance of respecting the rules and achieving transparency and internal control is that MAPFRE was the first financial or industrial group in Spain, not just in insurance, to offer a full consolidated audit of all its entities, without legal obligation.¹⁶⁰ In this regard, it is worth noting that the person who encouraged Larramendi to introduce external auditing was Santiago Burón, partner in Chile of Pinedo Hermanos-Arthur Young and chairman of the Union of Christian Businessmen of Chile between 1970 and 1972.

Another unique aspect of Larramendi's MAPFRE was his policy of strict compliance with its tax obligations, from the very beginning, in line with the fourth commandment of its decalogue. This executive, although in his writings he expressed the need to improve the efficiency of the public sector, at the same time was clear about the need to provide the Administration with sufficient resources to finance public services. Thus, in 1977 in his lecture at the Club de Aseguradores Internacionales he stated that:¹⁶¹

"...the biggest mistake of the socio-political set that dominated the country (during the last few years) was to believe that a market economy was possible without strict compliance with fiscal obligations. The situation of tax fraud that Spain has gone through justifies, or at least explains, the generalised challenge to companies that today seriously endangers their immediate equilibrium.

Tax fraud hasn't been limited to the corporate sector, much less to large companies, but it is true that the corporate finance sector has always made it difficult to practically implement effective tax reforms. Now, when perhaps economic relaunch requires a greater emphasis on job creation than on equity, tax reform is needed for ethical reasons.

If with regards to unemployment we can talk about the irresponsibility of trade union leaders, in taxation we should talk about the irresponsibility of business leaders".

When assessing the importance of the role played by ethics in MAPFRE's success, Larramendi stated on several occasions that in his opinion it was the most important element. In 1995 he wrote¹⁶²:

"Naturally, MAPFRE hasn't only been the result of ethical principles and social responsibility, although this has been the most important thing, but it has also resulted from its methods of action, which have contributed to its success".

In 1997 he declared:¹⁶³

"After many years in which there has been a lack of concern, the importance of ethics in business is gaining ground. There are three positions on this:

Those who believe that ethics is only a hindrance to business success;

Those who believe it can help.

Those like me who believe that only with attitude and ethical concern can a great and lasting enterprise be achieved."

A year earlier, he had published an article entitled "La ética como elemento determinante del éxito empresarial", in which he criticised the scant attention that business schools have traditionally paid to ethics. In the article he explained that he doesn't see himself in a position to enter into abstract considerations of what ethics is,

¹⁶⁰ See Larramendi I. H. (1989).

¹⁶¹ Larramendi I. H. (1977): "Empresa 78", Lecture at the cycle organised in Madrid by the Club de Aseguradores Internacionales.

¹⁶² Larramendi I. H. (1995): "Empresa y directivos en la España actual", Instituto de Dirección y Organización de Empresas, Num.1, 1st Quarter.

¹⁶³ Larramendi I. H. (1997): "Apertura del Encuentro" First Meeting of the Insurance Sector, IESE, Barcelona, 27 February.

and to describe what he considers to be ethical conduct in business, he referred to what he tried to impose, which he summarised as follows: ¹⁶⁴

"I haven't lied, except in cosmetic aspects, nor have I harmed any person with false information, either internally or externally. I haven't broken my word, and for that reason I've had problems and difficulties, even with personal financial outlays. I haven't made a decision to select, promote or dismiss personnel or other types of influence in my direct interest, or in that of my family, or by ideological criteria, nor that would cause, to my knowledge, harm to employees, partners, or customers. I haven't stopped accepting risks, personal, over and above managerial, if this attitude was in the company's interest. I haven't consciously disregarded fairness in any of my decisions. I haven't made any public proposal that was actually favourable to what I was managing, but always what I thought was good for everyone, nor have I induced actions that were convenient for the company but dangerous for those who had to carry them out.

It can be seen, in short, that the features of Larramendi's management style with generally consistent with the approach proposed by the theory of Management by Values, which emerged at the end of the 1990s, thus giving his management style at MAPFRE an absolutely pioneering character.

Other areas of Larramendi's strategy

Obsession with growth

A trait pointed out by all of Larramendi's associates was his obsession for MAPFRE's growth and for becoming the leader in the Spanish market, which was achieved in 1984. In 1989, the executive declared that "the company that doesn't aspire to grow ceases to be a real active company and becomes a company in liquidation, transformation or on the eve of absorption". ¹⁶⁵

Larramendi's obsession with growth must be related to his aim of leaving his mark and creating something transcendent that will last over time. His statement is eloquent in this regard:

"When talking about growth, we must always ask ourselves why or what for. The existence of the company implies by itself the will to grow; if this is lacking, there is no real company as a social institution, even if it has the legal characteristics for it. However, there is always something else, a differential element between one company and another, which ends up giving it its own personality in the market. In some cases, the economic ambition of those who promote it dominates, who see the possibility of enriching themselves in balanced and self-financed growth and creating a family or personal wealth. It is apparently the most widespread cause, the only one seen by critics of free enterprise, but in reality it is rarely the main driver in leading companies. There is more often a yearning for action, for the creation of something transcendent that will last in time, as happened with discoverers and colonisers or with the creators of an agricultural heritage through work: a desire to overcome; a challenge in the face of obstacles. In the end, the maximum use of the talents with which God has endowed men and women and of which the Gospel speaks to us". ¹⁶⁶.

In addition to the above motivation, it should also be noted that Larramendi was aware that in order to improve efficiency in the insurance sector it was necessary to increase the size of companies and raise the degree of concentration, as the Spanish sector was excessively fragmented. In this respect, the study provided to the

¹⁶⁴ Larramendi (1996): "La ética como elemento determinante del éxito empresarial", *Situation*, No. 3, pp. 241-250.

¹⁶⁵ IHL (1989): - RIESGOS ESTRATÉGICOS DE ALTA DIRECCIÓN [Lecture delivered at the 3rd International Seminar on Risk Management and Solvency of Insurance Companies, Santiago de Chile, 18-20 April 1989]

¹⁶⁶ IHL (1983): "POLÍTICA Y ESTRATEGIA DE CRECIMIENTO DE UN GRUPO ASEGURADOR", lecture given on 2 February at the Mexican Association of Insurance Institutions of MEXICO

Directorate General of Insurance in 1984¹⁶⁷ is of great interest. It calculated the aggregate market share of the five main insurers in 1977 and their evolution up to 1982, and showed that the Spanish market was the most fragmented of the 25 countries analysed, with the five main insurers (Unión y el Fénix, MAPFRE, Catalana/Occidente, Mutua Madrileña and Sanjurjo) having a combined market share of 17.2 per cent, compared to values of around 40%-50% in many of the other countries.

Standardisation and ultra-information

Ignacio de Larramendi approached bureaucratisation in MAPFRE in Weber's positive sense, understanding that it is necessary to establish action protocols for those operations that are performed in a repetitive manner. Let us bear in mind that even 90 per cent of insurance actions have this characteristic.¹⁶⁸ The importance of standardisation in the insurance company is included under a new term, "pre-programming", and even points out the problems derived from its application, in the sense of the problem of the increase of necessary documents, which shouldn't paralyse its implementation, due to the advantages of the standardisation of processes and for the improvement of training, due to the fact that it entails more efficiency.

The standardisation of processes is necessary in insurance companies, with performance standards that allow those who have to carry out an activity to be able to act more quickly by knowing the working methods. The consequence is the improvement of the company's performance. We know that organisations need the right level of regulation to gain efficiency.

MAPFRE tried to mechanise certain activities in order to gain efficiency, for example, accounting activities, data bank, direct debit of receipts, etc. All this allowed technical auditing, data collection to be improved and costs reduced. Larramendi also uses the term "manualisation":

*"Manualisation involves collecting complete instructions for the company's regular processes and operations as well as precise guidelines"*¹⁶⁹.

Thus, in the confidential report on MAPFRE's situation in 1955, he pointed out:¹⁷⁰

"The need for a large mechanisation of the work and a methodical exploitation, with prepared production campaigns, of the network with specialised local agents"

This understanding of mechanisation indicates that the emphasis was on tasks, following the Taylorist idea. On the other hand, he was noticeably clear that in order to gain efficiency, he must move away from bureaucratic processes, defining the need to

¹⁶⁷ See Larramendi I. H. (1984): "El seguro en el mundo y en España", [Lecture delivered at the Official Event of the Directorate General of Insurance, Madrid 10 May 1984].

¹⁶⁸ Larramendi, I (1966): "La nueva dirección Revista doctrinal . . . " op. cit. p. 90

¹⁶⁹ Larramendi, I (2000): *Así se hizo MAPFRE. Mi tiempo...* Op, cit

¹⁷⁰ Ignacio de Larramendi wrote a confidential report on the situation of the company in 1955, in which he pointed out the deficiencies he had detected in the insurance company. Amongst them, he pointed out the necessity of a great mechanisation of the work and a methodical exploitation of the network of local agents. He also pointed out that a reorganisation of all methods of control of agencies and branches is indispensable....

implement an anti-bureaucracy, because if it isn't fulfilled, it wouldn't be possible to compete in the sector and the company would disappear.¹⁷¹

"Bureaucracy has led to the end of all empires and of all large companies, especially by losing the direct influence of their creators. Bureaucracy is the accumulation of people who have outlived their usefulness or never had any, and to whom artificial jobs are assigned and cornered to avoid the discomfort of correcting wrong decisions".

All of this makes it possible to improve productivity, in a context in which it will be increasingly important to reduce costs in order to be able to compete, and bearing in mind that a fundamental cost for insurance companies is personnel costs. Larramendi in 1985 before Spain's entry into the European Economic Community declared that:¹⁷²

"the greatest challenge of the next few years will be to eliminate any type of expenditure that isn't absolutely essential in order to reach an adequate level of competition".

With regards to "ultra-information", Larramendi, a few months after arriving at MAPFRE, despite the serious problems, began to use punched card equipment, maintaining the attitude that it was necessary to get ahead, and using distributed computing and other improvements in communications before anyone else. It should be noted in this regard that MAPFRE installed the second fax machine in Spain, the first was in Banco Santander.¹⁷³

Common sense and the importance of delegating

On management style, Larramendi pointed out the need to use "common sense", to delegate and to reject mystical management styles, surrounded by majesty. In 1984 he noted that :¹⁷⁴

"The basic quality of the manager, which is often forgotten, is "common sense". Managers who survive are the ones who have common sense, and many managers trained in great universities or management schools, with outstanding master's degrees, fail in their roles because they're so conceited about what they know that they forget common sense".

"The manager must fulfil his obligation to govern the assets and the group of people that make up the company to the best of his ability. That is why we must demystify management and, above all, distribute it, make a large number of people participate in governance with the possibility of making their own decisions, until many of them can become managers".

"...the manager is just one more at the level of all his associates and all the employees and not someone surrounded by majesty, above good and evil. [...]"

People as the main asset

In most of his works, Larramendi makes an express reference to the vital importance of people for the success of companies. Ethical reasons, together with

¹⁷¹ Larramendi, I. (2000): *Así se hizo MAPFRE. Mi tiempo...* Op, cit. p. 213

¹⁷² Larramendi, I. (1985): Some comments on insurance in 2000, "Seguros Caribe" meeting, Bogota 5-3-1985, pp. 7, 9

¹⁷³ See Larramendi I. H. (1995): "Empresa y directivos en la España actual", Instituto de Dirección y Organización de Empresas, Num.1, 1st Quarter.

¹⁷⁴ Catalinas J. L. and Manzanos A. (1991): "Pensamiento empresarial", in Ignacio H. de Larramendi y Montiano, MAPFRE, p. 88.

practical reasons, make it necessary to take care of employees and associates. In Larramendi's words:¹⁷⁵

"The amount of the work capacity of each person in the service of the company is said to be its main asset. I think it's the only important asset. Under these conditions, ethics and social equity aren't the only reasons that demand a satisfactory policy with the staff, but an absolute necessity for their livelihood".

For this reason, the success of a company's labour relations policy is the main determinant of its success. He affirmed:

*"The former Head of Personnel, with merely passive roles has been transformed into a fundamental piece of the company for the selection, training, appropriate framing and creation of a satisfactory environment amongst workers as well as to collect and meet their wishes and interests as much as possible and maintain the most cordial relations with the higher bodies of the workers that allow a satisfactory job stability"*¹⁷⁶

In 1967 he explained the keys to employee loyalty and motivation:

*"The great modern company tends to achieve the support and sentimental bonding of those who work in it, as an almost indispensable fact for its success. More important than financial incentives are sincerity and human warmth, which can't be faked. When this is achieved, the employee is disengaged from the Trade Union, which seeks to isolate them from a direct relationship with their employer. By linking workers to their company, they're integrated into a community that protects them above and beyond their strict rights and obligations".*¹⁷⁷

Another characteristic feature of his style was to give people autonomy, since only in this way could all potential be exploited. In his view, one of the main shortcomings of the Spanish company isn't giving enough freedom to subordinates. This he stated in 1994:¹⁷⁸

"Maybe we Spaniards are a bit different, we like to work less, but I consider it secondary. Our workers are excellent but they aren't always allowed to create, it is thought that they can only obey, that they lack interest for the high hierarchies because they're theoretically inferior to their bosses, a serious mistake".

On the other hand, he was a strong advocate of the specialisation of people. In his quest for specialisation, it was clear to this executive that each division manager had to be the one who knew the most about their area¹⁷⁹

The loyalty of the employees towards the company was high, achieving a very warm working environment. Despite the long days involving 12 or 13 hours, the employees had internalised that MAPFRE "was their home" and that every effort had to be made to achieve a good result.¹⁸⁰

For this reason, the tendency at MAPFRE was for employees to remain with the company from the time they joined until they retired, except in the case of personal

¹⁷⁵ Larramendi (1965): *Notas para la estructuración y reforma de la gran empresa*, Lecture delivered at the "Reforma de la empresa" course, organised by Acción Social Patronal de Madrid, 26-27 January.

¹⁷⁶ Larramendi I. H. (1965): "Notas para la estructuración y reforma de la gran empresa", lecture delivered at the "Reforma de la empresa" course, organised by Acción Social Patronal de Madrid, 26 and 27 January 1965.

¹⁷⁷ Larramendi I. H. (1967): *La empresa como cuerpo social intermedio*. Unpublished document

¹⁷⁸ Larramendi, I. H. (1994): "Empresa y crisis actual", lecture delivered at the University of Albacete, 23 May 1994.

¹⁷⁹ Under Larramendi's management there was a constant search for specialisation with a wide prominence of the new technologies available at the time. See Larramendi, I. H. (1984), A simple Insurance Strategy for the Future, in International Insurance and Risk Management Conference.

¹⁸⁰ Interview with Ángel Luis Segura, former executive of the personnel department

circumstances that involved leaving or economic problems that made it unfeasible for the employee to continue.¹⁸¹

"The objective was for all employees to pursue their professional careers at MAPFRE".

Staff recruitment

For Larramendi, the personnel policy practices of the Spanish insurance sector in the 1960s were very inefficient:

"the personnel policy of the Spanish insurance sector has been contrary to the suitable one in almost all aspects. There hadn't been an effective initial selection, nor had there been concern for their subsequent training and adaptation, nor had it been possible to demand performance, because for this it would be necessary to start from a good organisation. All this had given rise to a real anti-selection, in which employees with initiative moved to other sectors, whilst many remained unsuitable or without a spirit of improvement".¹⁸²

During his first years as an executive, he was dedicated to recruiting "young and enthusiastic people"¹⁸³, and they were pioneers in implementing what we know today as one of the most important measures within transparency and good governance. This is how he explained it:¹⁸⁴

"We believed in the man and recruited without prejudice or discrimination, not amongst rich yuppies but amongst modest people, without recommendations, who wanted to get a decent job where they could be proud of the service they rendered."

As for the candidate profile that was sought in the company, it was to some extent different to that of the sector, looking for a new way of leading. Specifically, in the 1960s, MAPFRE was a pioneer in recruiting young university students, with the aim of turning them into the business executives of the future.

In 1964, job offers were published and advertised in the press, due to the need for recruitment. The novelty also consisted in launching specific offers to look for candidates with specific training, for example, law graduates for the job offer of head of organisation.¹⁸⁵

Nevertheless, this form of recruitment wasn't simple:¹⁸⁶

"Employment should increase in the insurance sector, as its technification requires more people full time and reduces the number of amateurs, so the profession will also be dignified and attract more university students, although perhaps not the brightest".

Universities and recommendations from executives were mainly used as external recruitment sources. In this sense, we found that more than 40 executives at MAPFRE were recruited through external sources, mainly universities, which permeated a spirit of improvement at all levels and of generating the attraction of

¹⁸¹ Larramendi (2000): *Así se hizo MAPFRE. Mi tiempo*, p. 212.

¹⁸² Larramendi (1961): *"La empresa. . ."* op. cit. p. 2

¹⁸³ *MAPFRE: un liderazgo ganado a pulso a pulso*, interview with Ignacio Hernando de Larramendi, *Actualidad Económica*, 1-04-1982

¹⁸⁴ Larramendi, I. (1994): *"Empresa y Crisis Actual . . ."* op. cit. p. 1

¹⁸⁵ Tortella, G. Caruana, L y García Ruíz, J.L (2008): *De mutua a Multinacional . . .* op. cit. p. 117

¹⁸⁶ *Actualidad Económica* (1987): Interview given to Ignacio Hernando de Larramendi: *Años para afianzarse*.

what we know today as talent. Indeed, the concern for the recruitment of senior staff was notorious, and special attention was paid to it. This was he ratified it in 1984:¹⁸⁷

"About 20 or 25 years ago we used to select young university students in my company, back then it was easy, those who came out of university could afford to choose a job. Sometimes we would run stimulating advertisements that not a single graduate would answer. How times have changed! When I made the selection, which I did personally, I always asked them "do you want to be a manager or an advisor?" and I explained that a manager is the one who takes risks and accepts the responsibility of making mistakes, whilst an advisor advises or explains so that someone else can make the decision".

The recommendations of executives were also used to incorporate new people into the organisation, with the regional director being in charge of recruiting several candidates, selecting a shortlist of three, from which Don Ignacio himself was in charge of choosing the most suitable one.¹⁸⁸

Exemplariness and transparency were important values in the company, so in order to avoid recommendations of executives leading to recommendations of family members, as mentioned above, the company's Articles of Association included a prohibition on hiring family members of employees:¹⁸⁹

"Persons who are related up to the second degree of kinship, even by affinity, to the chief executive officer, managing director, executives, managers, heads or employees in active service of the Mutual Society may not join the Mutual Society as chief executive officers, managing directors, executives, heads or employees. The incorporation of persons related to the third degree of kinship requires the authorisation of the Board of Directors".

Larramendi himself explained it:¹⁹⁰

"What really led to success in a company was the selection of its executives and employees, due to their own talents and not due to friendship or sympathy, with concern for the interest of the company, immediate and future, and not due to the interest of their power team".

During the years 1970-80, due to the important growth of the company, the line executives began to carry out the whole incorporation process of employees into the organisation. The aforementioned organisational structure provided additional justification for decentralisation. The new structure complicated direct recruitment by the central office, and gave it up in favour of territorial recruitment, also taking into account the need to recruit at this level. The territorial aspect, as has been pointed out, was important, so it became more important, and it became increasingly necessary to delegate recruitment actions from the head office to the territorial organisation. This is how Larramendi understood it when he predicted for 2000:¹⁹¹

"Major insurers that make up the market, each with their own personality, characteristics and even historical circumstances, will maintain common denominators that make them relatively similar. They will have a structure with small, sophisticated central services, few, but very specialised employees, which may not represent more than 15 per cent of the total number of employees of the entity".

The selection of people was linked to the future internal promotion in the company, looking not only for people to be hired for a specific job but also for them to pursue a professional career in MAPFRE in a vertical sense, through internal promotion. In this sense, any incorporation of administrative or junior employees was

¹⁸⁷ Larramendi, I (1984): El reto de la nueva empresa . . . op. cit. p. 7

¹⁸⁸ Interview with S. Homet

¹⁸⁹ Article 7 of MAPFRE's Articles of Association

¹⁹⁰ Larramendi, I (2000): *Así se hizo MAPFRE. Mi tiempo...* Op, cit. p. 205

¹⁹¹ Larramendi, I (1993): El Seguro en el año 2000 . . . op cit. p. 11

done with their commercial, managerial, or technical promotion in mind.¹⁹² This implied a particularly important intrinsic motivation based on professionalism, since the employees had real possibilities to pursue a professional career, motivating improvement day by day.

Generally, new positions were usually filled through internal promotion, hence employees at second and third organisational levels were motivated to perform well because they knew that new, higher ranking positions would be filled by company personnel. For internal promotion it was also important to occupy territorial positions, and then move on to important positions in the head office. This also prompted the idea of integrating the territorial delegations into the head office.¹⁹³

This candidate selection process, based on good practice, involves achieving two major premises: on the one hand, a clear evolution towards transparency and good governance in the incorporation of people into organisations, and on the other hand, the professionalisation of profiles.

As a singular note we should point out that Larramendi's MAPFRE followed a policy of not hiring people with a *Master in Business Administration (MBA)*, since, "coming out of a distinguished school, they demanded several times more than that a *classic employee would*, and they're the ones who have created my MAPFRE".¹⁹⁴ It is interesting to note Larramendi's assessment in 2000, in the introduction to the "territorial curricula" section, when he states that his greatest pride is to have achieved success at MAPFRE "*thanks to the influence of decentralisation, whilst the studies and qualifications of each person have been of little importance*".¹⁹⁵

Training and development

The efficient allocation of resources was essential for Larramendi, so training and development played a fundamental role in his objectives. Let us bear in mind that the entity is legally independent and national, without institutional interference or support from banks. This casuistry implied not wasting any resources, seeking specialisation, gaining in competitiveness, which made it necessary to invest in training with the aim of making its employees increasingly capable of managing their tasks better and more efficiently.

On the other hand, when Larramendi explained the criteria for the Christian businessman amongst others, he pointed out:¹⁹⁶

"Obligation of maximum professional promotion of all the components of the company, who must find a vehicle for their personal fulfilment in it. This promotion is achieved through the delegation of duties, the creation of areas of autonomous decision-making and the independent exercise of authority, with ample information and objective promotion in the hierarchical scale".

and amongst the measures to improve business in Spain he pointed out three areas:¹⁹⁷

¹⁹² Ibidem

¹⁹³ Interview with S. Homet

¹⁹⁴ Larramendi (2000), p.196.

¹⁹⁵ Larramendi (2000), p.397.

¹⁹⁶ Catalinas J. L. and Manzanos A. (1991): "Pensamiento empresarial", in Ignacio H. de Larramendi y Montiano, MAPFRE.

¹⁹⁷ IHL (1970): Practical orientations for the reform of the Spanish capitalist enterprise : communication.

"[...] Special concern for internal corporate fairness, the personal dignity of employees and fairness in promotions and in the allocation of roles and responsibilities, of particular importance for the individual rights of those who work in the company and for the use of their human potential.

Professional and technical training of employees to the limit of each individual possibility, a complementary aspect of the previous one, considering this action as the most effective system of professional promotion and participation of work in the company.

Staff participation in as many business decisions as possible . . . "

With these principles, it is easy to understand the great importance given by MAPFRE to the training of its employees, which evolved over the years, until it became a very intensive company in training, firmly committed to it. To have well-trained people, to alleviate the great deficiency of the sector in staff training was a priority objective, which wasn't the case in other European countries such as England and France, where complex training courses were provided.¹⁹⁸

In Spain, the few training institutions in the insurance sector were:

a) ICEA, Investigación Cooperativa ente Entidades Aseguradoras, created in 1963. Larramendi believed it was the only institution dedicated to training with the capacity to provide training to insurance companies. It promoted market research, new products, insurance prevention and distribution, and organised courses and seminars.

b) Professional insurance school. It offered "preparatory degrees" for office boys, auxiliaries, and officials as well as specialised courses by branches. Their work should be improved, and not be limited only to these profiles, but as Larramendi indicated:

"They should be the instrument of technical training for the market, and not be limited to auxiliaries and officials but to those who constitute the nucleus of intermediate departments, and executives, giving appropriate prestige to the titles awarded, as has happened in regards to England"¹⁹⁹

c) Labour Universities. They began to offer a diploma course in Insurance, starting in the 1962-1963 academic year, with a three-year duration.²⁰⁰

Within the company, Larramendi promoted different internal training actions:

a) Continuous training for employees by correspondence and training meetings, allocating a budget for continuous training from 1965 onwards.²⁰¹ The transmission of the identity and the way of transmitting knowledge so as to further professionalise the learning of employees, was materialised in the production of manuals that were the basis of the first courses. Amongst them, the correspondence course on motor claims in Spain and later on life claims was particularly noteworthy. The training followed MAPFRE's organisational structure: firstly, it was aimed at senior management and executives at the highest hierarchical level, who had to pass on the knowledge

¹⁹⁸ Cfr. Larramendi, I. (1961): La empresa aseguradora española . . . op. cit., pp. 2, 3

¹⁹⁹ Larramendi (1965): Note on the training of inspectors and agents, Colloquium on the training of inspectors, ICEA, October 1965 p.10

²⁰⁰ Professional School of the Insurance Syndicate, 1972

²⁰¹ Interview with S. Homet

acquired to the rest of the employees. The training meetings at the Hospedería del Valle de los Caídos, Madrid, served to exchange professional experiences.

b) Going abroad and language training: following in Larramendi's footsteps, trips abroad were promoted to study insurance, mainly general and life insurance. Additionally, executives were encouraged to learn English, and were encouraged to spend their summer holidays abroad to learn the language and try to establish professional contacts.²⁰²

c) Internal training courses provided by territorial executives to efficiently transmit their knowledge to employees. This training was conducted in a totally delegated and different way in each entity, depending on how each organisational unit considered it was more appropriate, with the clear intention of avoiding the "straitjacket" that a centralisation in a training department and the bureaucracy that would be associated with it would entail. Larramendi stated that:

*"Some of our territorial executives dedicate five or six hours each week to personally give courses to their various teams of employees, inspectors or agents. This multi-training is positive; however I consider the concern for coordination that ends up not allowing to act as negative"*²⁰³

d) "Disciple-teacher" training: Particularly important in the company, it involved direct learning based on learning the roles by working with a professional having satisfactory performance:

*"At that time we used the system of putting them to work for a month with an inspector, whose performance we considered satisfactory, and gradually, perhaps within a period not exceeding one month, we launched them to produce"*²⁰⁴

This system alone wasn't enough, and Ignacio de Larramendi himself determined that further preparation was necessary.

e) Internal rotation: Training to undertake positions of special relevance in the insurance company, involved devising a complete system with different phases, starting with training based on courses with theoretical learning and specific documentation about insurance, along with on-site training in various departments to properly learn the insurance business such as the Issuing and Contracting Policies Department or the Claims Department, ending with learning on the street, in contact with the customer:

"Once in the Regional Directorate, we gave the Inspector a period of three or four months of purely technical preparation. We started by assigning them to the issuing and contracting department . . . trying to get them to perform the work of a normal employee in at least two or three branches . . . For a period of 15 days to a month, they went to the claims department . . . After this period, we tried to get them to spend one or two months in production work with an experienced inspector, doing street work . . . In fact, they started their real professional apprenticeship after a full year of independent work".

As advantages of the training process in the company, we found:

²⁰² Interview with S. Homet

²⁰³ Larramendi, I (1984): Formación en el Seguro Español. Remarks at the closing ceremony of the ICEA meeting, Madrid, 30 November 1984, p. 7

²⁰⁴ Larramendi, I (1965): Note on the training of inspectors and officers. Colloquiums in the training of inspectors, ICEA, October 1965, p. 2

- The establishment of a formal and standardised training process for specific jobs such as that of Inspector.
- A successful combination of different types of technical training based on scientific method, through the preparation of manuals, training provided by territorial executives with decision-making capacity and training through direct learning for the roles to be performed.
- Achieve differentiation by using training as a strategic element. Ignacio de Larramendi, considered that:

*"Training is a competitive weapon, and no one can give up their weapons to others A company that doesn't pay attention to training won't be able to resist the strength of its competitors with a spirit of training"*²⁰⁵

- Attraction and retention of talent thanks to the assumption of responsibilities as a result of the training process. It was in the 1960s when the training policy was developed with the aim of achieving the subsequent promotion of young employees, who had started their professional activity as clerks. Thanks to this training system, the employees took on increasing responsibilities, combining their university studies with their work. This training plan for university students meant that between 40-50% of them subsequently stayed on to work at MAPFRE.
- To be a "training school for Spanish insurance executives": thanks to the training and experience acquired, some executives and employees received offers to work in other insurance companies, generating a process of dissemination of human capital to the insurance sector as a whole.

Remuneration

Internal equity plays a fundamental role in the design of the insurer's remuneration system, seeking a fair way to redistribute the benefits achieved, according to the division and burden of the work borne. This is how Ignacio de Larramendi himself understood it:

"The cost of the CEO or highest chief executive should represent a ratio of the income; this ratio is decreased as the income increases. This is fair, because the increase in operations forces a division of labour process and the executive has to unload duties that continue to have a cost that no longer belongs to senior management. The whole process of business growth involves a gradual division of labour in the managerial duties when the company is small; top management absorbs many duties, from which they gradually detach themselves from. For example, the executive cost ratio in a new insurance company could be as high as two or three per hundred of the premiums collected annually, but as the volume increases, the cost must be reduced to one per 1,000 or even 10,000, although it is possible that the set of functions originally retained by the executive maintains a similar overall cost. For example, in my company's case it wouldn't be correct to compare the relative cost of my remuneration now and when I was appointed in 1955. At this time, the managing director was the only senior management position, and today there is a deputy managing director, two managers and three deputy managers".²⁰⁶

The following is also proposed:

²⁰⁵ Larramendi, I (1984): Formación en el seguro . . . op. cit. p. 8

²⁰⁶ Larramendi, I (1966): La nueva dirección Revista doctrinal de la dirección general de seguros, Nos. 15-16, p. 87

"A logical and equitable system of remuneration for executives, which allows the most useful ones to be retained without creating situations of social injustice".

Remuneration management in the company evolved from the beginning of Larramendi's management until his retirement.

The first years under his management were difficult due to the crisis situation the company was going through, which directly affected its remuneration policy. In 1955, wages lost purchasing power, there were social tensions, and the wage increases with which the government tried to contain the wave of strikes only fuelled the inflationary spiral.²⁰⁷ Faced with this economic and social situation in Spain, and MAPFRE's own accumulated losses, Larramendi had to set an example and began by cutting his agreed salary by 40 per cent. The search for social justice was a common denominator in the regulations governing insurance companies, where salaries were set according to wage categories, not exceeding a specific number of times. For example, in 1956, in the National Regulation of Work in Insurance Companies, we saw in the salary scale that the average salary of a boss was 2.54 times that of an employee.²⁰⁸ For example, in MAPFRE's first collective agreement in 1980, the salary scale in the insurance company was 2.26 times, according to the calculations made²⁰⁹ As for the salary concepts paid in 1955, the most significant were the following:²¹⁰

- Punctuality and permanence in the company: a check-in and check-out control was established whereby workers who strictly complied with their timetable would be rewarded.
- Start of incentive plans for employees and managers: remuneration based on the achievement of objectives, which was a new approach for the years in question.
- Bosses: salary and profit sharing. This initiative was equally novel, and established in the agreements, with a percentage in premiums.

In 1965, bonuses were granted to executives based on their effort, starting a variable remuneration based on the achievement of objectives, a common system nowadays in management by objectives.

On the other hand, the concern for the employees and their welfare was reflected in the social aid that the company granted through the "Employee Assistance Fund". This was a budget item that MAPFRE had available to assist its associates with non-refundable amounts when they were experiencing financial difficulties due to extraordinary circumstances. This aid, which was granted on a discretionary basis, without any regulations governing it, was part of the mutual society's commitment and social responsibility towards its employees, and played an important role in motivating and building employee loyalty, providing them with a certain economic safety net against possible contingencies.

²⁰⁷ Tortella, G. Caruana, L y García Ruíz, J.L (2008): De mutua a Multinacional . . . op. Cit

²⁰⁸ The salary of a graduate after two years was 40,000 pesetas gross per year, whilst that of a specialised labourer was 15,700 pesetas gross per year. Cfr. Order of 26 October 1956 amending the National Regulations on Work in Insurance Companies.

²⁰⁹ According to the 1980 MAPFRE agreement, the senior manager had a gross salary of 1,006,434 pesetas whilst the building porter, with the lowest salary, was 443,782 pesetas.

²¹⁰ Tortella, G. Caruana, L y García Ruíz, J.L (2008): De mutua a Multinacional . . . op. Cit

The arrival of MAPFRE's first own agreement

Until the arrival of the first company collective agreement in 1980, MAPFRE was regulated by the inter-provincial collective agreement for insurance, reinsurance, and capitalisation companies²¹¹, as were other competing companies such as Grupo Asegurador la Estrella²¹², Grupo Asegurador Catalana-Occidente²¹³ and Grupo Asegurador Zurich-Vita-Hispania,²¹⁴ which also drew up their own company agreements. We find these first own agreements interesting in order to be able to compare the conditions of MAPFRE employees with respect to other insurance companies, and to analyse the possible differences according to the criteria of the remuneration systems such as salaries, bonuses, incentives, scholarships, and others.

In the MAPFRE agreement, a total of 21 categories were included in the salary tables, ranging from Head Legal Advisor to Legal Assistant, and the salaries of senior management weren't taken into account.

Base salary

By comparing the base salaries of the aforementioned insurance companies for different professional categories (senior manager(s); section head(s); graduates more than a year; and graduates less than a year), we can analyse the differences that existed and determine a relevant issue in terms of external equity. The first thing we have found in order to proceed with the comparison is that, according to the collective agreements of the different companies, there is homogeneity in the designation of the positions, which facilitates the analysis, with one exception: in both MAPFRE²¹⁵ and Zurich-Vita-Hispania, the "section head" category had a lower salary than graduates of more than one year, so we understand that they would have different competencies and responsibilities. All insurers improve on the wages of the state agreement from which they came in 1979, over and above the annual increase required by the high inflation of those years. We note that the La Estrella insurance company sets the highest gross salaries in its collective agreement in comparison with the other insurance companies mentioned, between 14 per cent and 17 per cent in comparison with Zurich-Vita-Hispania, which has the lowest salaries. This is only surpassed by Catalana-Occidente for the category of senior manager. In the case of MAPFRE, the base salaries for the categories studied are in second place, except for the senior manager category, which is third place in the comparison. Specifically, they're between 3 per cent and 4 per cent below La Estrella, and they're 3 per cent and 5 per cent above Zurich-Vita-Hispania.²¹⁶ Amongst these companies, there is external equity for jobs within the same category.

²¹¹ See Official State Gazette (BOE) no.147

²¹² See Official State Gazette (BOE) no.59

²¹³ See Official State Gazette (BOE) no.234

²¹⁴ See Official State Gazette (BOE) no.203

²¹⁵ MAPFRE had the category of Head Legal Counsel (1,174,425 pesetas) and Lawyer (1,021,230 pesetas) with salaries higher than the senior manager.

²¹⁶ Comparatively, MAPFRE paid 14 per cent more for the category of Section Head, 12 per cent more for graduates with more than a year and 17 per cent more for graduates with less than a year than Zurich.

Table 1. Base salary comparison. MAPFRE and other companies in the sector.

	Insurance companies agreement 1979	MAPFRE 1980 (*)	La Estrella 1980	Catalana-Occidente 1980	Zurich-Vita-Hispania 1980
Senior Manager/s	782,400	888,030	925,020	1,006,434	947,232
Heads of Section	588,690	786,840	814,170	757,265	712,720
Graduates + 1 year	637,890	841,305	866,730	820,556	772,288
Graduate – 1 year	581,190	783,855	823,245	747,609	703,632

Source: Prepared by the authors with data in pesetas from the collective agreements of insurance companies.

(*) MAPFRE had the category of Head of Legal Counsel (1,174,425 pesetas) and Lawyer (1,021,230 pesetas) with salaries higher than the senior manager.

Evolution of remuneration between 1980 and 1990.

It is important to measure not only the salary at a given moment in time but also its evolution over the last decade, which we are studying. Salaries in the insurance company were above the inter-provincial agreement in all categories. If we compare the salaries of 1980 and 1982, the increase between these years was 43 per cent for senior managers, 34 per cent for graduates with more than one year, 13 per cent for graduates with less than one year, and 24 per cent for heads of section. Let us keep in mind that inflation in 1982 was 14 per cent.

In 1982, salaries at MAPFRE were fixed in accordance with the salary table of the state wage agreement, and a bonus was added directly to the approved amount. For example, for a graduate, the gross salary according to the state agreement was 908,145 pesetas per year, which MAPFRE increased with a bonus of 150,000 pesetas per year. This information is significant, because it once again places MAPFRE with salaries above the average for the sector. In 1985 this same formula was used, so attracting and retaining talent via salaries is important in the company.

Already in 1990, the categories are grouped by levels, so we can't make the previous comparison.

Salary supplements and other improvements for employees

In addition to the base salary, it is important to assess the existence and relevance of the different salary supplements and other improvements that insurers provide to employees. Taking into account those appearing in MAPFRE's first collective agreement, we highlight the following:

Economic supplements:

The supplement for attendance, punctuality and permanence was higher than the inter-provincial agreement and the rest of the competing insurance companies, being 80 pesetas per day and increasing considerably in subsequent agreements. With regards to the length of service payments, employees were offered a monthly bonus payment for 25 years' service in the company. However, this supplement, as will be analysed later, is significantly extended in the following agreements. For marriages (6,000 pesetas) and births (4,000 pesetas) were also significant amounts. For

Christmas, employees received 3,000 pesetas for the purchase of gifts, and additionally, for the Three Kings holiday, 500 pesetas for each child under 15 years of age.

Scholarships for Studies:

The entity subsidised 75 per cent of the cost of the employees' studies, at COU (Preparatory Course for University Study), FP (Vocational Training) and university levels.²¹⁷ As for the studies of the employees' children, 15,000 pesetas were financed for the children's studies at nursery, pre-school and the first stage of EGB, and 20,000 pesetas for the second stage of EGB (Elementary School), COU, FP and university studies.

Other improvements for employees:

Employees enjoyed life insurance and a pension fund, medical check-ups, and loans with very advantageous conditions for the purchase of housing, 500,000 pesetas for the purchase of the first home and 400,000 pesetas for an exchange, with the first 300,000 pesetas being interest-free. The insurance company granted other loans to employees up to a maximum of 100,000 pesetas, with interest.

Evolution of supplements at MAPRE²¹⁸

Punctuality, seniority, marriage, and birth bonuses established in the first company agreement were maintained throughout the decade of 1980-90, increasing their amounts, by above annual inflation. For example, in 1990, the punctuality allowance reached 8,160 pesetas gross per month.

Life insurance, medical check-ups, pension funds, housing loans and other extraordinary expenses as well as employee participation in premiums were retained.

As novelties from 1982, the supplement for economic assimilation to the higher category due to seniority appeared for some categories such as auxiliaries, second officials and first officials, who would receive 50% of the difference between the salary in the tables of their respective categories and those of the next higher ones. In the 1988 agreement, the categories that could benefit from the allowance were extended to Administrative and Office Assistants and the percentage of the allowance: 75 per cent upon reaching 14 years' seniority.

It is significant that in 1985 the collective agreement included the situation in which both spouses provided their services to MAPFRE, in which case the right to certain allowances (marriages, births or children's education allowances) would only be granted to one of them.

Of great interest at this stage is the payment for languages, if the corresponding tests established by the company are passed, which appears for the first time in the 1988 agreement, unlike other competing companies that had already

²¹⁷ Seventy-five per cent of the enrolment, textbooks and monthly fees were subsidised.

²¹⁸Based on MAPFRE's collective agreements for 1982, 1985, 1988 and 1990

established it in previous years. In the subsidies for employee training, the 1980 percentages are re-established: Seventy-five per cent of the total for enrolments, textbooks, and monthly fees.

The economic allowances for Christmas and Three Kings gifts, which until now were individualised per worker and members of the family unit (dependent children and ascendants), undergo a change, and are now directly per worker, without taking into account family responsibilities.

Aid for children's studies is also maintained and increased considerably in 1988, with a maximum amount of 40,845 pesetas for all education, from nursery school to university.

According to Larramendi himself, there were improvements in the collective agreement:

*"In 1990 for non-managerial employees: increases on sector salary tables; incentives for positions of responsibility; pension plan contributing twice as much as the employee; bonus in the contracting of insurance: improvement in the amount of life insurance with respect to the agreement; awards for punctuality, attendance, marriage and births; permanence; subsidy for studies of the employee and children; loans for the purchase of housing; reduction of working hours for those over 63 years of age".*²¹⁹

A note for reflection

MAPFRE, with a truly clear and structured wording, typical of agreements of later dates, managed to be very transparent from its first agreement with the concepts and specific amounts that are defined, avoiding ambiguities that appear in other collective agreements of competing companies such as "to be determined by the committee". The agreements analysed describe a wide variety of supplements that made MAPFRE a company that today we would call socially responsible, highly committed to its employees.

We see that MAPFRE stood out in the sector for being the company with the highest amounts paid for attendance, punctuality, and permanence bonuses. Additionally, it had different elements such as compulsory medical check-ups, help for the purchase of housing and loans for extraordinary expenses. None of these complements and aid were offered by Grupo Asegurador La Estrella; only Catalana-Occidente and Zurich-Vitas-Hispania offered a marriage bonus,²²⁰ and the latter offered a home loan with worse conditions than MAPFRE. The great importance of the pension fund for employees can also be seen, being again the only company of those studied that has included it in its agreement. The insurance company La Estrella²²¹ didn't present any improvements related to Christmas, marriage, medical check-ups, loans, or pension funds in its agreement. Only for births and scholarships for the study of employees' children but with lower amounts than MAPFRE and not including university studies.

²¹⁹ Larramendi, I (2000): *Así se hizo MAPFRE. Mi tiempo...* Op, cit.

²²⁰ The marriage allowance was considerably higher in these companies, 23,000 pesetas per employee or child in Catalana-Occidente and 23,200 pesetas in Zurich.

²²¹ La Estrella insurance company had the highest gross salaries of the companies compared.

Likewise, MAPFRE was the only company amongst those analysed that gave each employee's child a gift on the feast of the Three Kings, for the purchase of "specific gifts" for the date. This fact, together with the fact that it was the company that allocated the largest amount to scholarships for children's studies, including university level, shows the concern for the family nucleus and how it made the employees' children participate in being part of the company as well.

The training subsidies for employees stood out, which included, unlike other insurance companies with their own agreement, university education, with a grant for 75 per cent of the costs (enrolment fees, text books, etc.)²²². Moreover, it wasn't limited to the Professional Insurance School alone, which is in line with Larramendi's view that insurance schools were ineffective and didn't solve the problem of lack of training.²²³ This aid was transferred to the closest circle of workers, their children, also setting grants for their training at all stages of education. Additionally, MAPFRE was the only company amongst those compared that had Christmas and Three Kings gifts for employees and their children.

The insurance company was also the only company amongst those compared that offered an annual medical "check-up", later called a health check-up, provided a pension fund during all the years studied, and granted loans for the purchase of the first home with advantageous conditions (without interest for the first 300,000 pesetas) as well as other extraordinary loans. It also gave a supplement for marriage and birth of children, which was increased especially from 1988 onwards.

It was incredibly significant that employees also had life insurance and, from 1985, in addition to the seniority bonus, higher salaries for those who met the requirements of permanence in the company. Those employees who substituted workers in higher categories for more than a month were paid the salary of the latter. Employees also had a share in premiums, in general 0.25 per cent of the proceeds. All of this is in line with Larramendi's stated desire for MAPFRE to give all its employees the opportunity to pursue a professional career, rewarding effort and commitment.

There was special recognition for pensioners and the disabled to whom, according to the agreement, he gave the "employer's insurance" supplement. In case of death of the employee, the insurance company also helped their families with one month's pay, or three month's pay if it was during service.

The working hours in the 1980s were below the inter-provincial agreement of insurance companies, to which it belonged until 1979, decreasing by 55 hours a year later.

The design of the social benefits established in the agreement responded to the values of the company as can be seen, highlighting remuneration for training, loyalty, commitment, and responsibility of the employees. MAPFRE was also concerned about the employee's family, the image of the unit, and possible groups that could be more vulnerable, for example the company's retired employees.

²²² In the 1979 inter-provincial agreement of insurance companies, 20% of the employees' basic salary was granted for university or higher studies and 10% for specialisation in professional insurance schools. In 1980, in La Estrella, 11,000 pesetas for studies in the professional Insurance schools. In Catalana-Occidente and Zurich-Vita-Hispania, according to the committee.

²²³ Larramendi, I,(1961): "La empresa . . ." Op. cit.

MAPFRE today leads the prestigious "Great Place to Work" ranking of companies with more than 5,000 employees, occupying the first position in 2019. This situation is undoubtedly partly the result of Larramendi's legacy and the solid foundations he laid during his term of office.

LARRAMENDI, FORERUNNER OF THE MANAGEMENT BY VALUES STYLE

As early as 1990, Larramendi used the concept of the soul of the company to refer to the ability of companies to succeed whilst respecting ethics, a quality he recognised in MAPFRE: "MAPFRE companies, at least many of them, are something that is living, with a soul, with a *heart*, with their own methods that allow them to succeed, without irregularities or temporary *get rich quick schemes*, and without harming mutual members, shareholders and employees".²²⁴

The executive was aware of the radical importance of human capital in insurance companies, and even more so in the case of MAPFRE, since without financial or other types of support, it depended on itself to be able to grow and succeed in the market. For this reason, he placed great emphasis on achieving optimal management in this area, involving himself very directly. As this chapter has shown, the main characteristic features were:

- Development of codes of ethics and other measures to limit the power of executives and ensure that their actions and motivations were aligned with those of MAPFRE and focused on defending the interests of policyholders and enhancing MAPFRE's contribution to improving society.
- Exemplarity. In order that principles and values are respected, those which one wishes to instil, the indispensable requirement is that the general management and senior management set an example to the rest of the employees.
- Seeking to motivate employees through various mechanisms beyond financial remuneration. These included enhancing meritocracy and promotion opportunities, taking responsibility and being part of a "family", where one received "human warmth" and participated in a transcendent project aimed at improving society as a whole.
- Adoption of an innovative personnel selection policy, using advertisements in the press and demanding candidates with suitable profiles for the business project to be conducted over the long term.
- High investment in the training of employees and executives, also through innovative methods, seeking a high level of technical training and specialisation of people.
- Promotion system based on professional development.
- Establishment of economic incentives that reward productivity and the fulfilment of objectives as well as other complements of a social nature, which respond to workers' needs.

²²⁴ Larramendi, I. H. (2000): *Así se hizo MAPFRE. Mi tiempo*, p.136.

Ignacio de Larramendi, a pioneer in the manner by which he recruited his employees, used external sources to recruit young university students, who later became executives. He exercised transparency and good governance in hiring, not allowing family members to join the company. Promotion and career development were fundamental pillars in the company, and motivational elements. From a centralised model, he moved to a more decentralised, flexible one, managing to give more value to territorial organisation in MAPFRE's organisational structure, delegating the recruitment of people.

A pioneer in understanding employee training as a key aspect of human resources management, Ignacio de Larramendi was concerned about having well-trained employees, valuing university studies positively and giving in-company training courses even in the early years of his management. In 1961, he stated that *"companies that carry out research are growing, and since the insurance sector doesn't need large facilities, experimental laboratories or pilot plants, what is really necessary and unique is to have trained personnel for this specific research mission"*.

Concerned about the working method to standardise processes and improve, he implemented regulations in the company to cope with business growth and improve in efficiency. Under the school of human relations, we can affirm that Larramendi approached this school, managing people knowing that the work environment, recognition, and continuous improvement were the fundamental bases.

He went farther, however, because his management style corresponded to a great extent with an authentic Management by Values, a strategy that emerged at the end of the 1990s as a new theory of Business Management, which put the person and his development at the centre of the system, and proposed that the bonding and commitment of employees be achieved by appealing to transcendent values and the common good, always respecting well-defined explicit values.

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ANNEX

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CHAPTER III. INNOVATION AND ITS RESULTS AT LARRAMENDI'S MAPFRE

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I call a "leading company" the large company that reaches an institutional character in its sector, coordinated with an aggressive commercial action and the will for greater penetration, with agility to adapt to each new change, the absence of bureaucratisation and a capacity for the innovation and creation of new products or services at a prudent, minimal cost.

Ignacio Hernando de Larramendi, 1983

OBJECTIVES AND METHODOLOGY

In this section, we first propose to identify the main trends in the evolution of innovation and technology management practices in insurance companies since the 1950s; a starting point for subsequently addressing the possible distinctive nature of innovative activity at MAPFRE under Larramendi's management. This should make it possible to determine whether the management of innovation and technology was a key aspect for MAPFRE to achieve its objectives in the 1955-1990 period.

The introduction of new information technologies in MAPFRE is a phenomenon that has attracted the attention of scholars of Spanish business history. In this regard, it is worth noting the works of Caruana de las Cagigas (2014) and (2019), which detail the processes of introducing IT into the Spanish insurance sector and in MAPFRE, respectively.

Our approach is broader, since we propose to study the characteristic features of the innovative activity promoted by Larramendi as a whole, as well as its consequences. Thus, the main hypothesis of the chapter is to check whether Larramendi's MAPFRE can be considered an “innovative” company, and as sub-hypotheses, the following are proposed:

- a) - that innovation was a key element in explaining the insurer's success between 1955 and 1990; and
- b) - that the innovations introduced under Larramendi's leadership were mainly of a progressive nature and affected many different areas such as the product, organisation, human resources, and marketing aspects.
- c) Most importantly, innovation allowed the company to develop a competitive advantage in costs, which accentuated rivalry in the Spanish insurance market, with positive consequences on the efficiency of the sector and on the Spanish economy as a whole.

THE MEANING OF “INNOVATION” IN BUSINESS

Business innovation is generally understood as an improvement in the business model or product which consists of making organisational, productive, or technological changes, in order to be more efficient and achieve a better position in the market or even create a new market.

A common mistake is to limit innovations to the realm of technology. Freeman²²⁵ distinguishes between innovation and technological innovation, the latter referring to the body of knowledge related to techniques and dedicated to the

²²⁵ Freeman, Christopher, *The Economics of Industrial Innovation* (1982). University of Illinois at Urbana-Champaign's Academy for Entrepreneurial Leadership Historical Research Reference in Entrepreneurship.

advancement of knowledge, whilst innovation itself is the dissemination and improvement of products and processes.

Amongst the many definitions of innovation, the one we're interested in adopting for this study is the one offered by the American consultant John Kao,²²⁶ according to which "innovation is the ability of people, companies and entire nations to continuously achieve their goals". Innovation is identified with a certain "muscle" with which organisations can equip themselves, and which will allow them to achieve their proposed goals such as, for example, expanding their market share, achieving high profitability, improving the conditions of their employees or the public services produced, reducing environmental impact, maximising welfare work and expanding scientific knowledge, etc. However, for an action to be classified as innovative, it must be based on resources related to scientific knowledge, technology, analysis, or creativity.

If we look at the classification of innovations widely used by the Organisation for Economic Co-operation and Development (OECD), we can distinguish four types: product, process, organisational and marketing innovations. Within each of these categories, in turn, a distinction is made between "progressive" innovations, which involve an improvement on something existing, and "radical" innovations, which involve completely different products or processes.

Applying this approach to our research, to the cases of MAPFRE and Larramendi, the study of the innovative activity of the insurance company consists of analysing the strategies and specific actions based on intelligence and knowledge, which allowed this institution to achieve the goals that were set at each moment. Hence, from Ignacio de Larramendi's personal perspective, his "innovative action" corresponds to his ability to achieve his goals in the field of business leadership and social action through the mutual society and the foundations he promoted.

The fundamental consequence of business innovation is that it promotes efficiency, in other words, it manages to increase the productivity of the resources used, either by generating greater value—without increasing consumption—or by reducing the number of inputs used without reducing production. According to the approach of the Nobel Prize winner in Economics, Robert Solow, innovations are largely responsible for the so-called Solow residual or Total Factor Productivity (TFP), which is identified with "the increase in production that isn't due to a greater application of traditional productive factors: labour, capital or land".

The increase in TFP can be achieved through greater training and/or motivation of employees and executives, the improvement of process efficiency, for example, by avoiding excessive bureaucracy and improving coordination, or the obtaining improvements that discover new ways of organising physical object by using technology and research to achieve products or production methods with greater added value.

²²⁶ Kao, J. (2007): *Innovation Nation*, Free Press

According to Schumpeter's Theory of Economic Development, innovative organisations are key to improving the economic welfare of society, since beyond the positive consequences for their employees, customers, and owners, most of the benefits generated are often not internalised, but rather, as imitators emerge, the new technique or idea spreads amongst the rest of the companies in the sector.

INNOVATION IN THE INSURANCE BUSINESS

Innovation isn't simply the investment in new technologies, but the integration of these technologies into business processes and strategy. According to Laudon and Laudon,²²⁷ the main advantages associated with investment in new technologies and innovation are:

- Automation of information processing activities: lower cost of data collection, storage, and retrieval.
- Automation of the activities of the physical component.
- Reducing the cost of development (R&D) and launching new products: information systems reduce the time and cost of creating and designing new products.
- Reduction of the costs of adapting products to new segments and customers, which has an impact on the reduction of promotion and customer service costs in new markets.
- Reduction of the costs of coordinating activities on a global scale.

The innovations by companies in the insurance sector in the last century can't be separated from those in the financial sector.²²⁸ In both sectors, companies in the more developed European countries began to introduce computers into their day-to-day operations in the 1960s.

As for insurance companies, this introduction of IT innovations resulted in the centralisation of many decisions, delegating much of the power of the branches to the head office (see Bátiz-Lazo, 2016). This was common in companies throughout the industry. This increased centralisation, coupled with cost savings, allowed us to develop a competitive cost advantage.

The value chain is useful as a means to understand how different companies in the insurance industry can use information systems most efficiently to improve their competitive position.²²⁹ It should be noted that the business is analysed as a chain of

²²⁷ Laudon, K. C. & Laudon, J. P. (2016): *Management Information System*, Pearson, Estados Unidos

²²⁸ Bátiz-Lazo, B., 2013. Direct Line Insurance: A case study on telephone banking and its impact on the competitive performance of the Royal Bank of Scotland, 1985 - 1995, *Zeitschrift für Unternehmensgeschichte/The Journal of Business History*, vol. 18, pp. 54-72

²²⁹ Porter, M. E. (1989). From competitive advantage to corporate strategy. In *Readings in Strategic Management* (pp. 234-255). Palgrave, London.

primary and support activities that add a certain value to the products or services it offers.

Thanks to information technologies, most of the new companies in the professional service sectors have broken the traditional entry barriers, based on physical infrastructures and the face-to-face service relationship. All of this has driven these sectors towards new levels of competitiveness and quality of service at a cost that is difficult to match.

Today, thanks to the use of enabling technologies such as big data, cloud computing and blockchain, many sectors have undergone a comprehensive transformation, adapting to customers' needs through a customised service offer. Fully inserted in the information technology revolution, new digital or virtual business models are emerging in the sectors of banking and insurance. In this context of new business models is the sector of new insurance intermediaries or *Insurtech*.

Innovations in the insurance sector are designed to achieve and maintain two types of competitive advantages, cost, and differentiation, which arise from the execution of activities in the value chain:²³⁰

- In *cost advantage*, the business offers its products or services cheaper than its competitors thanks to the efficiency in its operations and the reduction of different types of costs.
- In the context of *differentiation advantage*, the business is able to differentiate its products or services from those offered by the competition, providing greater value to the customer.

INNOVATIVE ACTIVITY AT MAPFRE UNDER LARRAMENDI'S MANAGEMENT

The innovative attitude and commitment to the use of technology by MAPFRE's executive, Ignacio Hernando de Larramendi, is vital to understanding the insurer's success. A large part of the innovations introduced were aimed at reducing costs, and for this executive, cost control was a priority in the insurance sector, and a large part of his actions were directed towards this goal. This is what he said in 1958:

*"We are reaching international (productivity) figures, and we will do our best to contribute to the reduction of the cost of insurance, as an indispensable fact for Spanish insurers in the new economic situation of the country, especially if they don't want to expose themselves to growing animosity and distrust by policyholders and the dangers that this may imply in terms of interventionism and nationalisation".*²³¹

Also, in 1982 he stated,

²³⁰ Porter, M. E. (1989). From competitive advantage to corporate strategy. In *Readings in Strategic Management* (pp. 234-255). Palgrave, London.

²³¹ MAPFRE. Report for 1958

*"Despite claims to the contrary, solvency problems are often not the result of insufficient rates but of excessive costs. A company's primary obligation is to offer its products to the public at the lowest possible price that doesn't harm its solvency position".*²³²

In the same article, he added:

*"For many years MAPFRE has devoted its utmost attention to this objective, with a demanding general line, perhaps difficult to understand at times for the staff, who see a disproportion between the increase in their remuneration and the increase in the company's revenue and profit".*²³³

He always took into account and applied to business decisions what he called "creative imagination" in management through new technologies and innovation as well as his role in improving Spanish society as a whole. At the same time, he also valued the role that other companies could play, regardless of the sector, in contributing to the improvement of Spain thanks also to their possible advances and innovations.²³⁴

The following is an analysis of a series of innovative actions linked to each other, which characterised Larramendi's management within a framework of continuous search for productivity improvements as a way to improve the service received by mutual members and policyholders.

Innovations in processes and introduction of information technology.

A first aspect to consider is that the Spanish insurance sector found it difficult to introduce the innovations arising from the development of information technology in the period of 1950 to 1990, partly due to their fragmentation.²³⁵ Indeed, smaller companies faced difficulties due to the indivisibility of certain investments in new technologies, which made their introduction unfeasible if there was no minimum size, and due to their lesser possibilities to recruit the necessary qualified personnel.

However, Larramendi's MAPFRE, a staunch advocate of technology, wasn't left behind. The constant search for information, transparency, and productivity, to a large extent marked the training of its staff, who, under his leadership, achieved a continuous innovation of its processes. Recent research conducted by Caruana de las Cagigas has concluded that "an explanatory part of his (Larramendi's) success was his determined support for the incorporation of new technologies, which placed MAPFRE amongst the insurance companies that were most committed to this strategic decision from its beginnings".²³⁶

²³² Larramendi, 1982

²³³ MAPFRE. General Meetings, 29 May 1982. (Box 15, unit 25)

²³⁴ See Larramendi, I (1997) in the First Meeting of the Insurance Sector organised by IESE Business School

And Larramendi I. H. (1987) in Associação Brasileira para a Ciência do Seguro and the Brazilian Section of AIDA

²³⁵ Caruana de la Cagigas L. (2014): "La introducción de las nuevas tecnologías en el sector del seguro (1960 – 2000)", XI International Congress of AEHE, Madrid.

²³⁶ Caruana de la Cagigas L. (2019): "La introducción de nuevas tecnologías en MAPFRE (1960 - 2000)", Transport, Services and Telecommunications, 40, p. 48.

Two years after Larramendi's arrival, in 1957, the Adrema machine was replaced by the Remington Rand, which was later replaced by the French-made Bull computer in 1960. They were on the point of acquiring a computer from IBM, but they didn't complete the purchase with the American supplier because MAPFRE's management considered that the latter had poor after-sale service. The search for constant improvement of processes through continuous investment in software is seen today as a benchmark for innovation in the insurance sector. Regarding software, in 1962 MAPFRE decided to create its own company called Servicios de Organización y Mecanización (SDOMSA), in charge of the development of programmes in the motor industry, training its programmers with foreign personnel. This commitment to mechanisation brought great benefits for MAPFRE in the motor sector.²³⁷

It is worth noting that, although in the 1960s everything was manual, MAPFRE created a system to stop doing things by hand thanks to its perforated card. Each operation had its own punch card (which was later replaced by the IBM computer). As the 1960s drew to a close, he trained a team of people from different areas in order to make them aware of the importance of advancing in these innovations.

In 1966, the Board of Directors considered commissioning work from IBM, with the company finally working with Bull and IBM. Subsequently, they chose to work with IBM. Thus, in 1967 the first IBM 360 computer was purchased for 1 million dollars. MAPFRE, despite being a medium-sized company, made this investment practically at the same time, and even earlier, than larger companies did. La Unión and Fénix incorporated the IBM 360 in the same year, whilst La Estrella and Mutua General de Seguros did so in 1968.²³⁸

The main objective with the purchase of this computer, which was assembled in an air-conditioned room, was to increase productivity. Shortly afterwards, the IT department was created, which was quite a novelty. It implied a certain loss of power by the regional directors, as the central organisation would carry more weight. A methods and analysis department was also created.

The central computer made it possible for agents to provide information on their work, reducing any kind of opacity, which in some branches led to savings in management costs of up to 40 per cent.

In 1973 the punched card disappeared, and a CMC multi-keyboard system for recording data on disc was installed. This led to an improvement in the productivity of the IT department, which made it possible to reduce the number of employees in drilling by 36 per cent, whilst increasing the number of programmers. Significant savings were also made in the management of direct debiting of bills as well as an IT package to improve the accounting system with respect to territorial offices.

To reduce management costs, computer equipment was implemented in the territorial offices. They even rented 24 IBM model 3741 computers (each of which had

²³⁷ The study by Caruana de las Cagijas L. (2019) quantifies that this mechanisation of the motor industry meant a saving of 41 per cent in 1965.

²³⁸ Caruana de la Cagigas L. (2014): "La introducción de las nuevas tecnologías en el sector del seguro (1960 – 2000)", XI International Congress of AEHE, Madrid.

8K of memory, two floppy disks, a screen and a printer). The reduction of work estimated by the company was 70 per cent, as indicated by Caruana in his study.

In the second half of the 1980s, the process of implementing software more adapted to the needs of the company continued as well as the connectivity of the computers of each delegation with the central office, reducing, amongst other things, the previous bureaucratic activities.²³⁹

On the other hand, MAPFRE promoted a subsidiary company, ITSEMAP, an engineering company dedicated to risk management services in the areas of industrial safety and fire prevention, emergency plans and environment.

MAPFRE's Road Safety and Experimentation Centre.

The creation of CESVIMAP (Centro de Experimentación y Seguridad Vial de MAPFRE (MAPFRE Centre for Experimentation and Road Safety) in 1983 also stands out as an innovation of processes, although its antecedents date back to the end of the 1970s, when the aim was to professionalise the work of motor insurance loss adjusters to the maximum by updating their knowledge.²⁴⁰

CESVIMAP has played important roles since its creation and up to the present day, such as:²⁴¹ a) it allowed a reduction in claims costs; b) it is a training school for people both internal and external to MAPFRE; c) it has served as a commercial instrument, offering services that no other company offered; and d) it has collaborated in MAPFRE's international expansion.

CESVIMAP's background is the need to provide technical training to MAPFRE's own loss adjusters, which the company decided to undertake, unlike the rest of the sector, which used loss adjusters shared with other insurers. The own loss adjusters, suitably trained, made it possible to reduce the average amounts of the claims, by "using the knowledge of what is real and technically fair".²⁴²

The training of loss adjusters was undertaken with practical demonstrations in the workshop by means of the so-called *crash test*, an impact of the vehicle at low speed that marks the beginning of the investigation.

The centre, located in Avila, tried to calculate the costs of the claim for each car model. While at that time competitors set prices without taking into account the different possible repair costs for each model, through this centre, MAPFRE crashed different types of cars in order to see how many parts needed to be replaced in each one depending on the impact. So, for example, they found that some Japanese vehicles were more expensive to repair after a crash than other European vehicles, as the former required a greater number of parts to be replaced and were less compact.

²³⁹ The decentralisation of the company and the elimination of bureaucracy were fundamental areas in his management, as Larramendi stated in an interview in Dinero Magazine in April 1983.

²⁴⁰ CESVIMAP, 2008. Cesvimap, su primer cuarto de siglo. (p. 16)

²⁴¹ Larramendi, I. (2000): Así se hizo MAPFRE, Editorial Actas S.L. (p. 736)

²⁴² Larramendi, I. (2000): Así se hizo MAPFRE, Editorial Actas S.L. (p. 738)

Since the main competitors didn't know how to set prices for each vehicle, the different companies in the sector began to set prices after MAPFRE did so.

Another major role of CESVIMAP consisted in the development of road safety systems, by analysing and conducting studies on the constitution and behaviour of vehicles for their active and passive road safety. It became the first research centre to explain in a report, through a series of mathematical calculations, the circumstances involved in an accident between two vehicles, specifically a Fiat Uno Turbo and a tractor. This was a milestone in the investigation and reconstruction of traffic accidents, developing a reliable methodology.

Following the success of CESVIMAP, MAPFRE decided to establish similar centres in Brazil and Argentina, giving rise to Cesvi Brazil and Cesvi Argentina. Subsequently, Cesvi Mexico, Cesvi Colombia and Cesvi France were created.

Establishment of technical service companies for customers in non-life activities

In a permanent search for technological leadership and comprehensive customer protection, Larramendi, followed by an enthusiastic team, created, in addition to CESVIMAP, a whole series of service companies that complemented the insurance activity in the different lines of business. This work facilitated a reduction in outsourcing of services by increasingly performing all activities in its in-house value chain. It also implied greater control, a reduction of costs and highly specialised training for all its employees. At this time, MAPFRE was the only Spanish insurance group and one of the few in the world to have this structure. The following companies were involved:

ITSEMAP FUEGO. Dedicated to advisory services and personnel training, testing of equipment and materials, technical and practical research in the area of fire protection, investigation of material damage in major disasters. It had a technology centre with a laboratory and practice field provided with the most advanced technology.

ITSEMAP AMBIENTAL. It shared headquarters with Itsemap Fuego. It had an independent laboratory, and was focused on technical services and safety and environmental audits, environmental risk assessment and improvement plans. It was also active in the field of industrial hygiene.

SERMAP. Commissioned for safety damage, prevention, and evaluation of losses for transport risks both in maritime hulls as in goods transported by any route. Perform claims investigation and mitigation and recovery management.

SEGURMAP. Security against risks of theft and intrusion by means of its own alarm reception centre. Open 24 hours a day and offering services in different languages, it was one of the first of its kind in Spain.

RELECMAP. Loss-adjustment services and other auxiliary insurance services such as processing, evaluation and settlement of property-damage claims on behalf of third parties. Additionally, it specialised in the repair and recovery of electronic equipment affected by a disaster.

SERVIMAP. Repair and maintenance of buildings and their facilities. It had a qualified technical team and repairers throughout the country coordinated by a permanent call centre.

CONSULTMAP. Consultancy services for the provision of advisory, management and administrative services related to the insurance and reinsurance activities of third parties.

MAPFRE'S decentralisation

Larramendi was a strong supporter and promoter of decentralisation in MAPFRE's organisation. This stance was possibly at least partly a product of his strong Carlist political convictions. He explained the need to decentralise companies in 1966 with these words:

*"Excessive centralisation reduces the efficiency of the business and is somewhat akin to the situation of those who use excessive materials because they haven't mastered the technique of construction and fear that their buildings will collapse".*²⁴³

He also made the following point:

"More accurate can be the decision of a mediocre person near a fact, than that of an intelligent man 500 kilometres away". This happens because the information from a distance comes through the mediocre one who doesn't know how to explain the situation, although on many occasions he isn't mistaken in decisions that are truly clear in that place.

However, for Larramendi, efficient decentralisation required adequate control:

"You can't decentralise without a good organisation. Problems are inevitable when roles are delegated without the means to control the activity of those who've been given decision-making powers or to quickly correct deviations resulting from erroneous decisions.

Decentralisation doesn't mean creating "anarchic kingdoms of Taifas". On the contrary, it requires delimitation and coordination".

In the 1960s, the insurance company followed an organisational model in which the basic nuclei of the organisation (Technical Directorate, Administrative Directorate, General Sub-directorate) and 17 Regional Directorates²⁴⁴, which were headed by a responsible province, were differentiated. From the latter, sub-central offices were created. We could define it as a divisional model by geographical areas,²⁴⁵ with a clear territorial structure. In 1965, a new organisational chart was established, incorporating the concept of division.²⁴⁶

In the 1970s, the regional directorates evolved and developed the objective of "attending to and controlling" the provincial network, establishing a territorial hierarchy, since it became difficult for the Central Office located in Madrid to deal with all the delegations. The problem called "administrative bureaucracy" arose in the head offices of the region called regional directorates, so in 1975 a new formula was

²⁴³ IHL (1966): "La nueva dirección". Doctrinal Journal of the Directorate General of Insurance "Riesgo y Seguro". Nos. 13 and 14, First and Second Quarters of 1966.

²⁴⁴ Western Andalusia, Jaén, Catalonia, Levante, Cordoba, Castile, North, Aragon, Southeast, Eastern Andalusia, Ciudad Real, Toledo, Badajoz, Asturias, Cáceres, Galicia, Canary Islands

²⁴⁵ Tortella, G. Caruana, L y García Ruíz, J.L (2008): De mutua a Multinacional: MAPFRE 1933/2008, MAPFRE, Madrid, p. 116

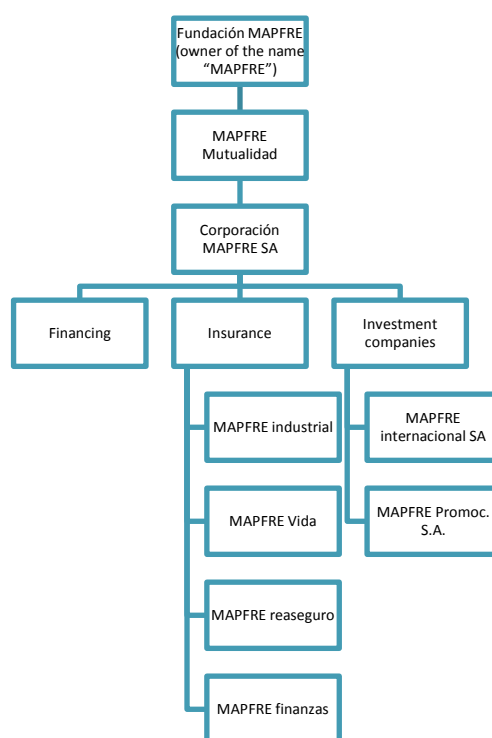
²⁴⁶ Ibidem p. 117

proposed: the transformation of the regional directorates into sub-central ones, allowing a direct administrative relationship with Madrid but with the exclusive supervision of a sub-central manager, normally the director of the most important province in the area.

It was also in 1975 that the MAPFRE²⁴⁷ Group was created, with three entities: MAPFRE Mutualidad (general insurance) and subsidiaries: Later, as a result of a restructuring, MAPFRE Mutualidad focused on the exclusive development of the motor branch, Vida in life insurance and Industrial on non-life insurance. These divisions were joined in 1982 by MAPFRE Reaseguro and MAPFRE Internacional.

In the 1980s, Fundación MAPFRE became the owner of the name "MAPFRE", on which the following depended: MAPFRE Mutualidad and Corporación MAPFRE, as can be seen in the following organisation chart:

Illustration3 MAPFRE's organisation chart in the 1980s



Source: MAPFRE (1982)

Not only was the decentralisation process of the group important, but even more important was the coordination process of the organisational structure. This thinking was motivated by the study of the failure of a competitor, La Unión y el Fénix. Ignacio de Larramendi, indicated that:

²⁴⁷ García del Val, M. (2004): El sistema MAPFRE. "Desarrollo de una organización mutualista líder en el sector asegurador español, Economía Social. La actividad económica al servicio de las personas" Mediterráneo Económico

"The origin of the failure of La Unión y el Fénix stemmed from the lack of capacity to integrate the territorial structure into the company, keeping it at a distance and discriminated against".²⁴⁸

Hence, he was the main driver of the structure, drawing conclusions from observing how it was designed in various organisations. He believed the company with the best organisational structure was Mutua Madrileña Automovilista, thanks to which they were able to achieve outstanding success in the market. The problem they faced was that the Mutua model couldn't be imitated at MAPFRE, mainly because of commitments made to former delegates. Mutua Madrileña didn't need agents, and paradoxically it attracted customers like a magnet.²⁴⁹

Nevertheless, MAPFRE undertook a novel idea in its organisational model, which implied achieving a great difference with respect to other competing companies. It consisted of creating an organisational structure based on the territorial, thus creating its own "blue ocean".²⁵⁰ The figure of MAPFRE's exclusive delegate, and the large number of offices open to the public outside its headquarters, even exceeded that of all its competitors combined. This meant the elimination of the less professional agents, where direct contact with the customer and the representation of a single company created closeness and trust with the customers.

Its divisional structure that continued to grow and was divided by geographical areas²⁵¹ led to success, through the integration of the delegations or sub-central offices, which felt that they were part of a whole, of the company as a whole, being an important part. This way of proceeding, of creating the territorial as fundamental in the company, is what from the organisational point of view made it create a solid company, where the organisational principles are transmitted.

MAPFRE's decentralisation process implied, from the perspective of the organisation of employees and executives, the need to assume a high degree of geographical mobility. As a result, it was common for many of the employees to rotate between different regional offices, or even, later on, abroad.

²⁴⁸ Larramendi, I (2000): *Así se hizo MAPFRE*. Mi tiempo, Actas editorial, Madrid

²⁴⁹ Tortella, G. Caruana, L y García Ruíz, J.L (2008): *De mutua a Multinacional* . . . op. cit.

²⁵⁰ Blue Ocean is a strategic concept used to define those companies that instead of competing with others trying to attract customers from the competition (red ocean), create their own market. MAPFRE, thanks to its integration of the territorial aspect in the company as a whole, of its own organisational structure, managed to provide a high-quality service to the customer by creating its blue ocean.

²⁵¹ The divisional structure by geographic areas refers to the territorial organisation.

Capillarity of the distribution network and ground floor offices.

A unique strategy of MAPFRE in the Spanish insurance context was its “ruralisation”, understood as its presence in population centres, however small they might be, throughout Spain. Although MAPFRE had this orientation since its origins, this characteristic was sharpened by Larramendi.²⁵²

The ground floor offices were also a great idea of Ignacio Hernando de Larramendi. He paid very little for the premises and was the first company in the sector to establish itself on ground-floor offices.

Human Resources

One area in which MAPFRE stood out for was in undertaking a differentiated and innovative policy in human resources management. Although this issue has been analysed in the previous chapter, we believe it is worth mentioning some of MAPFRE's singularities in this section:

a) At the end of the 1950s, incentives were established for managers and employees based on the achievement of objectives. This policy, together with other singular actions, clearly pioneering in the sector at the time, came to provoke friction with trade union liaisons and the Ministry of Labour (Tortella 2009, p. 94).

b) In the 1950s and 1960s the selection of personnel was a “quality recruitment”, based on the signing of recent graduates through advertisements in the press, with the aim of training them, offering them to be able to pursue a professional career in the company, and giving them responsibility and freedom of action to achieve a high level of motivation. This policy allowed us to increase loyalty and reduce staff costs. The criterion of not incorporating MBA graduates was also applied, as it was considered that they demanded higher salaries.²⁵³

c) Stock option plans for executives in the 1980s was a practice that was introduced 10 years earlier than in other companies.

d) Larramendi promoted the principle of single remuneration for executives, avoiding the receipt of additional allowances and per diems for participating on boards. This tendency prevented people from becoming attached to jobs, avoiding tensions and problems.²⁵⁴

e) The management style implemented by Larramendi corresponded to a large extent to a Management by Values, which sought to build loyalty and motivate employees by giving opportunities and responsibility, taking advantage of each person's potential, in a climate of transparency and justice, which appealed to transcendent values and fostered a feeling of family that provided “human warmth”, and promoted pride in the

²⁵² Larramendi (2000), p. 214.

²⁵³ Larramendi, I. (2000): Así se hizo MAPFRE, Editorial Actas S.L. (p. 196)

²⁵⁴ Larramendi, I. (2000): Así se hizo MAPFRE, Editorial Actas S.L. (p. 317)

contribution that the company made to the improvement of Spanish society, and later, to the brother nations of Ibero-America.

Introduction of the policyholder ombudsman

This figure, now mandatory for any insurance company of similar size, was first introduced in MAPFRE in 1984 at the request of Larramendi. The initiative, which influenced Spanish insurance legislation, seeks to prevent frictions with policyholders due to slow judicial processes, in which, as Larramendi points out, "the company has superiority over the claimants".²⁵⁵ The jurist Fernando Suárez González was appointed chairman of the Policyholder's Committee, in which two other jurists of recognised prestige participate.

This initiative was a major milestone in the improvement of MAPFRE's quality and was bound to have a significant impact on the insurer's reputation, as it clearly positioned and signalled its desire to act fairly and look after the interests of policyholders.

Prompt payment policy for claims. Quality and Service

This was another of MAPFRE's differentiating actions, aimed, like the previous one, at improving quality. This action avoided lawsuits and the cost of litigation and positioned MAPFRE as an insurance and reinsurance company of unquestionable quality.

For Larramendi, quality in insurance corresponded to:²⁵⁶

"paying out accurately and promptly what was contracted in the policy, helping prevent the occurrence of claims, and helping reduce the consequences of loss to policyholders."

The culture of quality and service to policyholders was clearly differentiating in Larramendi's MAPFRE. This service culture was especially important for employees who had contact with policyholders.

Innovations in the insurance offer.

As indicated in previous sections, Ignacio de Larramendi was a leader obsessed with MAPFRE's growth, which led him to continuously seek out and take advantage of opportunities. He instilled a culture of innovation and risk-taking in MAPFRE, seeking at all times to anticipate market trends, positioning itself in the insurance branches with the greatest growth potential.

Additionally, MAPFRE was a pioneer in incorporating complementary services to insurance, launching the concept of "insurance-service", beyond mere monetary

²⁵⁵ Larramendi, I. (2000): Así se hizo MAPFRE, Editorial Actas S.L. (p. 181)

²⁵⁶ Larramendi, I. (2000): Así se hizo MAPFRE, Editorial Actas S.L. (p. 197)

compensation. Hence, it incorporated legal assistance and roadside assistance for cars, and the industrial prevention service for industrial risks.

The main strategies undertaken along this line are described below.

a) Life insurance

Life insurance wasn't very popular in the mid-1960s due to the economic situation of Spaniards, their low salaries and low education, together with inflation and competition from Social Security, which meant that customers were more attracted to insurance of other types, including motor insurance.²⁵⁷ The weight of life insurance in the total premiums of the sector in Spain, in 1966, was 7.3 per cent. This situation was reversing, and in 1985 it accounted for 14 per cent and more than 50 percent in 1990.²⁵⁸

In the 1960s, MAPFRE changed the image of life insurance, talking about "hope", "life" and "enjoyment". It renewed its products, increased the networks of life sellers, commercial and marketing lines. It started using PM49 mortality tables, whilst the rest of the companies continued to use tables from the previous century. The success of this strategy, as Larramendi acknowledged, was due to the excellent work of Fernández-Layos.

Subsequently, in 1970 he created MAPFRE Vida insurance, which sought to create a more modern, dynamic, and profitable insurance, through a reduction in agents' commissions, intensification of the recruitment of inspectors, incentive with conventions for salesmen and agents and important television campaigns. Since its establishment, MAPFRE Vida has introduced numerous original products, not only in Spain but in many countries.²⁵⁹

It is worth noting that the MAPFRE Vida advert was the first advert for an insurance company in Spain. It cost 25 million pesetas, which was equivalent to its share capital, as MAPFRE Vida was established with capitalisation of 25 million pesetas.

In the 1980s MAPFRE Indosuez and MAPFRE Inversión were created. The Fundación Cultural MAPFRE Vida was also established during this decade. Important products include Invida, which guaranteed the payment of the established capital to the insured if they were alive at the end of the contract, the Millón de Vida, basic short- and medium-term savings insurance, and Permanent Flight Insurance, which insured the passenger on all the flights they took for a single payment.

b) Hail insurance

In hail insurance, MAPFRE introduced various innovations, including what was known in Spain as "counting" in the loss adjustments, which consisted of the loss

²⁵⁷ Fernández-Layos, J. (1980): Situación actual del seguro de vida en España y posibles estímulos para su desarrollo, ICEA.

²⁵⁸ Tortella et al. 2014, pp. 304

²⁵⁹ Larramendi, I (1987). Historia de MAPFRE, Artículo Revista de Mercado.

adjusters arguing about the percentage of damage to a given area, using a ring that was placed on the damaged surface and then counting the damaged ears of corn within the surface of the ring. This practice, which Larramendi learned from the Swiss Hail company, was an evolution from the previous “unscientific” and informal agreements that were usually reached between the representative and the insured.²⁶⁰

c) Motor insurance.

In 1966, Larramendi pronounced these premonitory words about the importance that motor insurance would have for the company:

*“Until life insurance is fully developed, and this depends partly on political factors, the strongest entity in the Spanish market will be the one with the largest volume in motor insurance. For this reason, if MAPFRE aspires to a pre-eminent position in the insurance industry as a whole, it must devote special attention to it”.*²⁶¹

Along with motor insurance, MAPFRE tried to specialise in the marine hull and transport insurance business, reaching the top positions in a few years. It also started underwriting aviation insurance, a limited field in Spain with poor results.

As far as motor insurance was concerned, he managed to carve out a niche for himself in the industry without any previous experience in the sector. The success was achieved thanks to the constant innovations that improved its competitiveness, to the important distribution network that the company had, to which was added an increasing investment in advertising.²⁶²

Beginning in 1967, the compulsory nature of motor insurance gave a significant boost to this branch, with MAPFRE offering an additional service at this time, such as the Green Card, a document issued by the Spanish Office of Motor Insurers (OFESAUTO) which accredited the existence of motor insurance at an international level. Omnia, the insurance company of the Royal Automobile Club of Spain, stood out during this period, having a strong weight in the sector at the time.

In the 1970s the service became more specialised through the contracting of motor insurance loss adjusters (based on lower-level graduates), the preparation of Motor Insurance Manuals, campaigns to combat fraud in motor insurance, specialisation since 1975 in the management of personal injury and property damage claims, increased technical and human resources in the specialised claims departments, improvement of voluntary motor insurance (as a complement to compulsory insurance, incorporating occupant insurance, criminal defence and damage claims), and launch of new packages (Large Damage and Good Coverage policies, with bonuses for not declaring claims).

Special mention should be made of the innovation introduced in 1978 called “Loss adjustment and quick payment”, which allowed the insured to go to certain centres located in provincial capitals with their damaged vehicle, have the loss adjustment made immediately and receive a cheque with their compensation. This

²⁶⁰ See Larramendi I. H. (1997): “Apertura del Encuentro” First Meeting of the Insurance Sector, IESE, Barcelona, 27 February.

²⁶¹ MAPFRE. Report for 1966

²⁶² Tortella et al., 2014

differentiating service offered important advantages to workshops, loss adjusters and policyholders.

While in 1975 the leading company in the sector was Mutua Madrileña, followed by Unión y Fénix and MAPFRE, this situation changed over the years. The aforementioned actions, such as the creation of CESVIMAP, the specialisation of loss adjusters, improvements in insurance conditions and premium bonuses for not having claims, made MAPFRE the leading company in the insurance sector in 1983.²⁶³

Exploitation of new markets and social role in America.

Larramendi was aware of the important advantages that internationalisation offered insurance companies in terms of diversification of risks and markets and exploitation of economies of scale. In the late 1960s, he began to lay the foundations for MAPFRE's internationalisation process, for which he developed a network of personal international contacts that would be key to identifying and exploiting business opportunities abroad. Additionally, the books on the insurance sector published by Editorial MAPFRE were used, which served as an unbeatable business card for the Spanish insurer in Ibero-America.²⁶⁴ MAPFRE's internationalisation strategy in Ibero-America would also enable it to strengthen Spain's ties with the brother nations of the Americas. Hence, the insurance company and its foundations would perform not only an important economic but also a cultural function in the region.

3.4.11 Development of financial projects

Along with the development of the insurance business, Larramendi's MAPFRE promoted important projects in the financial area. In 1962 a company was acquired that four years later would give rise to Central de Inversión y Crédito (CIC), initially focusing on financing operations for the purchase of cars, with the idea that this activity would allow MAPFRE to increase its penetration in motor insurance. In subsequent years it grew significantly, promoting the creation of provincial finance companies in collaboration with local shareholders, and in 1973 it began a policy of diversification, acquiring shares in industrial companies and promoting real estate companies. However, the economic crisis that began in 1974 made it necessary to carry out a profound restructuring, giving rise to Corporación MAPFRE in 1978.

Hence, in 1963 and 1964 the Mutuality of Investors SA (MUNSA) and MUNVER were established under MAPFRE and SAFEI, to manage independent real estate funds, and the MAPFRE Investment Department was created, which years later became the company Asesoramiento y Gestión Económica, in which various savings banks participated.

²⁶³ Tortella G., Caruana L. and García Ruiz L. (2009): De mutua a multinacional. MAPFRE, 1933 - 2008. Madrid, MAPFRE SA.

²⁶⁴ Caruana de las Cagigas L. and García Ruiz J. L. (2009): "La internacionalización del seguro español: el caso de MAPFRE", Información Comercial Española, núm 849.

On the other hand, in 1967 an agreement was reached with a small credit cooperative in Barcelona, Crédito y Previsión, to promote its activities in coordination with the mutual society. After a period of expanded activity and the opening of offices in different regions, in 1975 it was agreed to transfer its business to Banco de Gredos, which in return made a significant contribution to Fundación MAPFRE.

Another important milestone was the purchase in 1989 of Invherbank, the second brand of Banco Herrero, with a view to MAPFRE having its own bank, and thus taking advantage of the significant commercial and financial synergies existing between the banking and insurance businesses. The expansion of Banco MAPFRE's branches throughout most of Spain occurred in the early 1990s, but the project didn't work out, and in 2002 it transferred all its business, around €1,800 million, to Caja Madrid. In 2000 Larramendi acknowledged that he hadn't achieved his goals in this area.

"The poor evolution of Banco MAPFRE hasn't allowed me to achieve an objective that I started late in my professional life, that of facilitating the transformation of MAPFRE into a commercial network of banking and insurance services that could compete with Savings Banks". (Larramendi, 2000, p. 390).

THE RESULTS OF INNOVATION

As couldn't be otherwise, the set of actions described in the previous section was reflected in the main indicators representing MAPFRE's performance: business growth, productivity, and profitability. The actions aimed at achieving high quality, such as the high level of specialisation of its divisions and staff, the quick payment of claims, the figure of the policyholder ombudsman, and its vocation to serve the policyholder, enabled MAPFRE to develop a "differentiating competitive advantage" with respect to its competitors. At the same time, the demanding policy of cost control and austerity, the results of investments in technology and the exploitation of economies of scale made the insurer the cost leader in the Spanish market. All this led to a remarkable growth of its business between 1955 and 1990, always maintaining a positive profitability.

Regarding revenue growth, the figures speak for themselves. MAPFRE in 1955 posted 33 million pesetas in premium income, compared to almost 122 billion pesetas in 1990. In the last year, MAPFRE topped the ranking of the Spanish insurance sector, with a premium turnover far higher than that of the following operators, Euroseguros SA (105 billion), Grupo Vitalicio (85 billion) and Unión y el Fénix Español (54 billion). See Table 2-. It was in 1984 that MAPFRE managed to surpass Unión y el Fénix for the first time, with 25,138 million pesetas in premiums, compared to 24,458 million.

Table 2. Ranking of Spanish insurance companies in 1990.

COMPANY	INCOME
Grupo MAPFRE (1)	121,964

Euroseguros, S.A.	105,351
Grupo Vitalicio	85,276
Unión y El Fénix Español	54,030
Mutua Madrileña Automovilista	48,671
La Estrella, S.A.	43,846
Catalana-Occidente, S.A.	40,003
Winterthur Sdad. Suiza Seguros	35,575
Musini, Sdad. Mutua de Seguros y Reaseguros a Prima Fija	34,235
Santa Lucia, S.A.	33,023
Asistencia Sanitaria Interprovincial A.S.I.S.A.	29,503
Schweiz Cia. Anonima Española de Seguros y Reaseguros	26,945
Multinacional Aseguradora, S.A.	26,699
AGF Seguros, S.A.	25,872
Plus Ultra Cia.	23,877
Aegón-Union Aseguradora, S.A.	23,211
Ocaso de Seguros y Reaseguros	22,848
Cia. Española De Seguros Crédito y Caución	22,040

(1) Comprising MAPFRE Mutuality of Seguros y Reaseguros at a fixed rate (61,320 million), MAPFRE Vida (36,297 million) and MAPFRE Industrial (24,347 million).

Source: Spanish Insurance Yearbook (1990).

The change in MAPFRE's turnover between 1955 and 1990 represents a cumulative annual growth of 26.5 per cent over the ensuing 35 years. If the effect of inflation is eliminated, the premiums collected in 1990 by MAPFRE would amount to some 4,600 million pesetas in 1955 pesetas, a difference implying annual growth of 15.2 per cent.

Amongst the main Spanish insurance companies, MAPFRE was the second fastest growing in the period studied, behind only Mutua Madrileña Aseguradora, which posted a slightly higher annual variation of 17.6 per cent, although it started from a premium income figure of just €6.3 million.

Table 3. Income growth of the main Spanish insurance companies between 1955 and 1990.

				Cumulative annual growth
--	--	--	--	--------------------------

Insurance company	1955	1990	1990 (in 1955 pesetas)	Nominal (in %)	Real (in %)
Mutua Madrileña Automovilista	6.3	48,671	1,836	29.1	17.6
Grupo MAPFRE	33	121,964	4,600	26.5	15.2
La Estrella S.A.	26	43,846	1,654	23.7	12.6
Winterthur Sdad. Suiza Seguros.	22.3	35,575	1,342	23.5	12.4
Catalana-Occidente, S.A.	48.1	40,003	1,509	21.2	10.3
Grupo Vitalicio	151.1	85,276	3,216	19.8	9.1
Santa Lucia, S.A.	87.9	33,023	1,246	18.5	7.9
Plus Ultra Cía.	129.6	23,877	901	16.1	5.7
Unión y el Fénix Español	327.1	54,030	2,038	15.7	5.4
Ocaso de Seguros Y Reaseguros	152.9	22,848	862	15.4	5.1
Mutua General de Seguros	140.1	19,542	737	15.2	4.9

Source: prepared by the authors based on Revista del Sindicato Vertical del Seguro (1955) and Anuario Español del Seguro (1990).

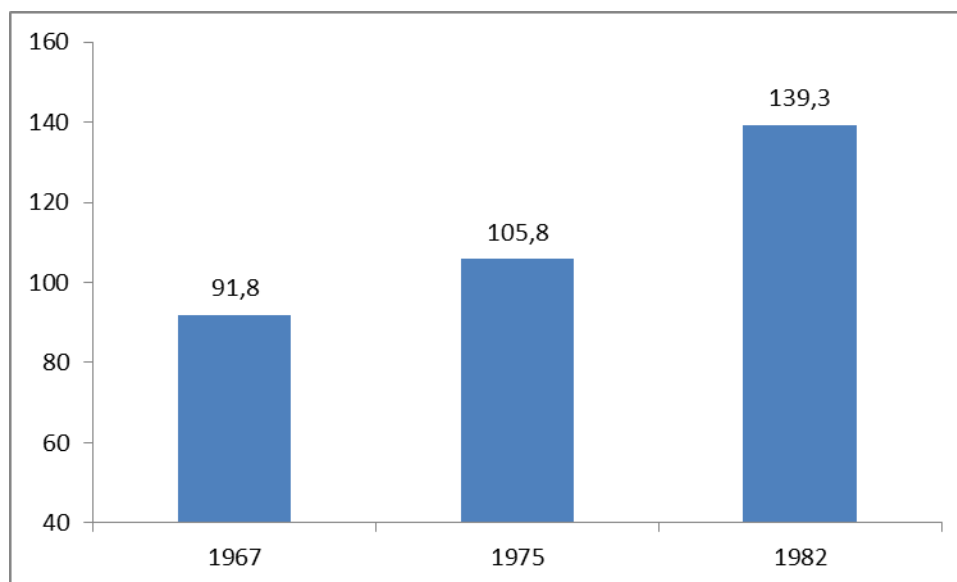
As far as productivity is concerned, and using the “premiums per employee” indicator in constant terms so as to avoid the fictitious rise due to inflation, it increased at an annual rate of 6.4 per cent between 1967 and 1982, the years for which it has been possible to draw up a homogeneous series. This rate of growth was clearly higher than that of the Spanish insurance sector as a whole, which stood at 3.6 per cent (see

Table 4. Evolution of “Premiums per employee” in MAPFRE and the insurance sector as a whole. 1967, 1975 and 1982. (Thousands of pesetas)

	1967		1975		1982	
	MAPFRE	Sector	MAPFRE	Sector	MAPFRE	Sector
Current prices	900	966	3,308	3,126	14,351	10,299
Constant prices (1967)	900	966	1,621	1,532	2,296	1,648
	MAPFRE	Sector				
Cumulative annual growth (in %)	6.4	3.6				

Source: prepared by the authors based on MAPFRE's Annual Reports, Private Insurance Statistics (UNESPA) and Annual Statistics (National Insurance Union). Note: The CPI has been used to deflate the series.

According to this productivity indicator, MAPFRE started from a level below the sector average in 1955, and managed to surpass it in 1975 (see Graph). In the mid-1980s the difference in favour of the company was already close to 40 per cent.

Graph 1: MAPFRE's relative level of “premiums per employee” compared to the average for the Spanish sector

Source: prepared by the authors based on MAPFRE's Annual Reports, Private Insurance Statistics (UNESPA) and Annual Statistics (National Insurance Union).

MAPFRE's greater efficiency was acknowledged in internal reports in the mid-1980s, estimating a management expense ratio of 30.5 per cent of premiums, more

than 10 points lower than that of its main competitors, with the sole exception of Mutua Madrileña.²⁶⁵

At the time of the liberalisation of rates in the sector, which occurred in 1985 (Official State Gazette (BOE) of 21 January), MAPFRE had a very favourable competitive position, thanks to its higher levels of efficiency and productivity, lower average production costs and the differentiation of its products. It should be noted that at this time the large insurance companies, unlike MAPFRE, had a large bank behind them, which gave them a large captive insurance niche and their own financial muscle. Nevertheless, MAPFRE managed to surpass them all, positioning itself as the leader in its market.

MAPFRE, A PROMOTER OF EFFICIENCY IN THE SPANISH INSURANCE SECTOR.

Previous sections have analysed the significant improvement in efficiency achieved at MAPFRE de Larramendi thanks to its various innovative activities. It is important, however, to identify which economic agents benefitted from productivity improvements because the consequences on a country's economic welfare can be quite different, depending on how the results of technical progress are distributed.

Thus, in monopolistic environments, productivity improvements often have an impact mainly by improving the remuneration of internal productive factors, capital, and workers. On the contrary, from a social perspective, it is appropriate that there are positive effects on customers, who will enjoy an improvement in the quality-price ratio of the service, increasing the "consumer surplus". Whether the benefits of innovations are passed on to customers will depend on the market power of the innovating firm and the degree of competition to which it is subject. Highly competitive environments and rivalry between producers automatically lead to a pass-through of cost reductions to prices. On the contrary, a cartel structure, such as the one that had characterised the insurance sector in the first half of the twentieth century, will allow companies to improve their results without customers benefiting from technical progress.

Unlike the widespread trend in the Spanish and European insurance sectors, which proposed syndication and the establishment of single rates,²⁶⁶ Larramendi always had firm convictions about the desirability of competition between insurers as a way to improve the competitiveness of the sector and provide a better service to policyholders.

Generally, Larramendi was a strong advocate of trade and competition as an instrument for the improvement of economic efficiency at all levels. Thus, in his 1952 book, *Tres claves de la vida inglesa*, he gives the following statement.

²⁶⁵ Larramendi, I. Chairman's Report, 1984

²⁶⁶ Pons Pons J. (2003): "Diversificación y cartelización en el seguro español: 1914 - 1935", *Revista de Historia Económica*, No. 3, págs. 567-592.

"Two effects of extraordinary public and political impact are achieved through trade: that in the life of the country those who are most suitable stand out . . . and that each person ends up being placed in the place which corresponds to them due to their natural conditions, and their aptitude is greater, since elsewhere it would be displaced" ²⁶⁷

The mention of competition as a dynamic element of business efficiency is a constant in his writings.²⁶⁸ This was stated, for example, in 1965:²⁶⁹

"A freely competitive regime is indispensable for the reform of enterprises with a low average level of technical organisation. A few years of so-called economic liberalisation have produced more effective business reforms than the exhortations of religious associations, such as this same Acción Social Patronal, the advice of economists, the diatribes of extremist politicians, and the array of provisions that have sought the same objective.

Only with free competition will Spanish business be adequately reformed to become an efficient instrument that contributes to raising the economic level of our people...

. . . The economic regime of free competition, although it can give rise to high remunerations and material satisfactions, is the most uncomfortable and hardest of all those that man can submit himself. The constant tension of struggle, the hardness of the decisions, that anyone can be an active or passive subject, demand an extraordinary and permanent effort. Regimes without freedom, even the most enslaving, are in many cases more comfortable. The tension of free competition is the current and future price of material wellbeing".

In 1977, he concluded his speech at the International Insurers' Club with seven recommendations, including:²⁷⁰

"Avoid the temptation to eliminate free competition. The independent company is justified by the advantage offered by its action in market competition; if this disappears, its justification would cease. History, however, is dominated by the pressure of businessmen to reduce free competition, if possible with state protection, against the general interest."

In keeping with his convictions, he was an executive who sought competition and shunned corporate attitudes that protected the interests of the companies in the sector against those of the insured. This is how he stated it when referring to the situation in 1955.

"The market was competitive but at the expense of policyholders, as there was a situation of single, compulsory rates maintained by distinguished insurers, more concerned with protecting themselves than offering their policyholders a service that could improve on that of their peers. I was always against it, I can quote the lecture I gave in 1949, at the School of Insurance, with my views on what should be done, in which I defended freedom of competition and freedom of rates. Naturally, my colleagues didn't have much professional affection for me. What I defended then as an inspector of the Ministry of Finance I've always maintained and I maintain it now." ²⁷¹

He adds:

"In the 1950s and 1960s well-meaning people considered immoral the only thing that was moral to me, which was to break a compulsory rate or get rid of a cartel. I remember being accused by my colleagues of lack of solidarity, but I always maintained that what I was doing was the right thing, as is now generally accepted; today, however, what was then desirable isn't even understood". ²⁷²

Larramendi also explains MAPFRE's contribution to the liberalisation of fire insurance in the 1970s, which until then had been "cartelised" through the Vertical

²⁶⁷ Larramendi I. H. (1952): Tres claves de la vida inglesa, Editorial Cálamo, p. 61 y ss.

²⁶⁸ Without being exhaustive, the idea that competition must be encouraged is expressly stated in Larramendi (1965), Larramendi (1977), Larramendi (1994) and Larramendi (1997).

²⁶⁹ Larramendi I. H. (1965): Notas para la estructuración y reforma de la gran empresa, Paper presented at the course on "Reforma de la empresa", organised by Acción Social Patronal de Madrid, 26-27 January.

²⁷⁰ Larramendi I. H. (1977): "Empresa 78", Lecture at the cycle organised in Madrid by the Club de Aseguradores Internacionales.

²⁷¹ Larramendi, I. (2000): Así se hizo MAPFRE, Editorial Actas S.L. (p. 253)

²⁷² Larramendi, I. (2000): Así se hizo MAPFRE, Editorial Actas S.L. (p.141)

Insurance Syndicate, since "MAPFRE believed in free competition and opposed agreements against the interests of policyholders".²⁷³

Equally significant is his speech at an event at the Directorate General of Insurance in 1984, where he denied that the difficulties experienced by some companies in the sector are the result of excessively low rates:²⁷⁴

"In my opinion the level of motor rates is reasonably satisfactory and hopefully will remain so. I don't agree with the widespread assertion that insufficient premiums in this line are the most important cause of some insurers' difficulties. I believe that if there are entities in difficult situations, it isn't because they haven't been able to apply sufficient rates (except perhaps in the medical assistance branch, with which I've never had any relationship), but fundamentally for other reasons: payment of unsustainable commissions, excessive level of expenses, failure to properly assess claims and lack of knowledge of the real results of each financial year, due to being deceived by the initial effect of a policy of delay in the payment of claims".

He concluded his speech by stating that the time of crisis is also:

"a time of great opportunities for Spanish insurance and for those within it who have the vocation of free businessmen, those who genuinely believe in individual initiative, in freedom and in risk, who don't complain about competition or governments and who don't need "combinations" to the detriment of the public..."

These convictions explain why MAPFRE left the sector's employers' association UNESPA in December 1980, following a series of frictions with this association, when the insurer refused to follow some of its guidelines, for example in the area of staff remuneration. Larramendi, on the other hand, always encouraged a good collaboration with ICEA, considering that training and research in the sector were fundamental elements to improve the competitiveness of Spanish insurance companies as a whole.

MAPFRE thus broke the status quo in the insurance sector. According to the Economic Theory of Cartels, if firms competing in a market have similar cost structures it is unlikely that price rivalry will be reinforced. Therefore, no firm has an incentive to start a price war, as there is no clear winner. For this reason it is precisely companies with lower cost structures and/or those which have achieved an "differentiation advantage", such as MAPFRE, which potentially have more interest in establishing a framework of free competition, avoiding collusion.

With regards to relative costs, Larramendi stated in 1995 that "in motor insurance MAPFRE has reached a comprehensive management cost of less than 20 per cent, probably more than 10 points lower than the market average and more than 15 points lower than that of many entities".²⁷⁵ In the same vein, in 1997 he stated that in the Canary Islands motor insurance market, some companies suffered losses of 5 per cent on premiums, whilst MAPFRE achieved an operating profit of more than 5 per cent.²⁷⁶

²⁷³ Larramendi, I. (2000): *Así se hizo MAPFRE*, Editorial Actas S.L. (p.319)

²⁷⁴ Larramendi I. H. (1984): "El seguro en el mundo y en España", [Lecture delivered at the Official Event of the Directorate General of Insurance, Madrid 10 May 1984].

²⁷⁵ Larramendi I. H. (1995): "Empresa y directivos en la España actual", Instituto de Dirección y Organización de Empresas, Num.1, 1st Quarter.

²⁷⁶ Larramendi I. H. (1997): "Apertura del Encuentro" First Meeting of the Insurance Sector, IESE, Barcelona, 27 February.

Larramendi explained on several occasions the effects that leading companies have on the rest of the sector and the economy as a whole. Thus, in 1991 he stated:²⁷⁷

"I call "leading company" those large companies, which reach an institutional character in its sector, coordinated with an aggressive commercial action and the will for greater penetration, with agility to adapt to each new change, absence of bureaucratisation and capacity for innovation and creation of new products or services at a prudent minimum cost".

"If a country wants to maintain or improve its economic balance and its presence and influence in the concert of peoples and nations, it needs to have a sufficient number of companies that meet these conditions in its main economic sectors".

Amongst the characteristics for the qualification of "leading company", Larramendi points out that they must have:²⁷⁸

"...competitive costs with regards to its colleagues, allowing them to offer reduced prices that contribute to lowering market averages and force other entities to follow the same line".

Subsequently, Larramendi used the distinction between "active" and "passive" companies. All of them are worthy according to him, but the active ones can serve as an engine, they're locomotives of the economy, since they influence industrial quality, they can go abroad, and they promote free competition and with it the reduction of costs and improvement of quality.²⁷⁹

We can conclude, therefore, that in the case of MAPFRE, the efficiency improvements achieved thanks to the innovative activity were mostly passed on to the company's millions of policyholders and mutual policyholders, and indirectly, to Spanish households and companies as a whole, since the rest of the insurance companies responded to the competition exercised by MAPFRE by imitating some of its measures and improvements in its offer.

The insurance sector in the 1990s had a notable weight in the Spanish economy as a whole. In this sense, in 1995, Spanish household spending on insurance exceeded 557,000 million pesetas (€3,350 million), whilst that of companies stood just above 313,000 million pesetas (€1,880 million). The main branches of production demanding insurance in Spain in 1995 were the transport sector, construction, and the chemical industry (see Table 5).

Table 5. Main sectors demanding insurance

Sector	Insurance expenditure
Land transport and transport via pipelines	29,496
Construction	24,986
Chemical industry	16,192
Rental of machinery and household goods	14,349

²⁷⁷ Catalinas J. L. and Manzanos A. (1991): "Pensamiento empresarial", in Ignacio H. de Larramendi y Montiano, MAPFRE.

²⁷⁸ Catalinas J. L. and Manzanos A. (1991): "Pensamiento empresarial", in Ignacio H. de Larramendi y Montiano, MAPFRE.

²⁷⁹ Larramendi, I. H. (1994): "Empresa y crisis actual", lecture delivered at the University of Albacete, 23 May 1994.

Retail trade; repair of personal effects	14,212
Hotels and restaurants	12,753
Wholesale trade and intermediaries	11,648
Metallurgy	8,812
Other	124,083

Source: INE. Input-output tables 1995.

In terms of the weight of insurance in total expenditure, the sectors with the highest demand for insurance were Machinery rental, Extraction of metallic minerals, Petroleum and Health (see Table 6).

Table 6. Productive sectors with the highest insurance expenditure over production level

Rental of machinery and household goods	7.9%
Mining of metal ores	4.5%
Forestry and logging	3.4%
Crude oils, natural gas, uranium, and thorium	3.2%
Health and welfare	3.2%
Sea transport	2.9%
Land transport and transport via pipelines	2.8%
Ancillary activities	2.8%
Research and development	1.9%
Associative market activities	1.8%
Gas production and distribution	1.7%
Anthracite, hard coal, lignite, and peat	1.6%
Recreation and culture	1.5%
Coke ovens, refining and nuclear fuels	1.5%
Fishing and aquaculture	1.4%

Source: INE. Input-output tables 1995.

Poor value for money in insurance implies a certain degree of inefficiency that will be passed on to the prices of Spanish companies, reducing the competitiveness of the industrial sector and the rest of the service branches. It should be pointed out in this respect that, unlike what happened with other branches of services, the studies conducted in regards to the Spanish insurance sector at the end of the twentieth century show that it was in line with other European countries. Although it is impossible for us to estimate the counterfactual scenario—what would have happened if MAPFRE and Larramendi's pro-competitive attitude hadn't existed—we believe the available evidence allows us to affirm that the role played by this insurer in modernising and improving the efficiency of the Spanish insurance sector as a whole was decisive.

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Chapter III Innovation and its results in Larramendi's MAPFRE

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CHAPTER IV. IGNACIO HERNANDO DE LARRAMENDI IN MAPFRE'S INTERNATIONALISATION PROCESS

PhD José Manuel Muñoz Puigcerver

“MAPFRE's great success is to have been, at least in the insurance sector, the first Spanish company with a foreign vocation to become a multinational”²⁸⁰

Ignacio Hernando de Larramendi, 2000

²⁸⁰ Vid. HERNANDO D E LARRAMENDI, I. (2000).

THE INTERNATIONALISATION PROCESS IN THE INSURANCE SECTOR. THEORETICAL FOUNDATIONS

When trying to understand the reasons that encourage a company to undertake an internationalisation process, we start from different models such as Coase's²⁸¹ transaction costs model, Vernon's²⁸² product life cycle, Hymer's²⁸³ industrial organisation theory, Uppsala's "gradualist" model, Rugman's²⁸⁴ risk diversification model or Porter's²⁸⁵ localisation model. In MAPFRE's internationalisation, as we will show, the predictions of these different models have been fulfilled.

The internationalisation process of a company has a series of characteristics common to all sectors and industries. Undoubtedly, the first step to take into account is the identification of the markets in which you want to operate. This is important not only when determining the proximity or remoteness of the country of destination in order to determine the transport costs of the product—a matter, for obvious reasons, less relevant in the service sector and therefore in the insurance industry, which concerns us—but also for conducting certain market studies that guarantee the sale of products abroad. In this phase, a PESTEL study is usually prescribed, examining the Political, Economic, Social, Technological, Ecological and Legal situation of the markets that could be of interest a priori in order to subsequently select the most suitable ones.

In addition to the knowledge of the general characteristics of the new country in which we are going to sell our product, it is necessary to delve deeper into the specific characteristics of the market in which we are going to operate, especially—at least in the first exploratory phase—with regards to the state of the market concerning its dynamic process. From this perspective, we can find ourselves before the different stages of the product life cycle model, namely:

- Introduction phase. The sales of the product in the market grow very slowly and don't compensate the high initial investment made by the company, which is why its profitability is usually negative.
- Growth phase. This is the phase in which the company makes up for the losses incurred in the previous phase, as sales of the product increase very considerably as the company achieves a competitive market share.

²⁸¹ Vid. COASE, R. H. (1937).

²⁸² Vid. VERNON, R. (1966).

²⁸³ Vid. HYMER, S. (1976).

²⁸⁴ Vid. RUGMAN, A. M. (1981).

²⁸⁵ Vid. PORTER, M. E. (1990).

- **Maturity phase** Most of the potential consumers of the product have already purchased it, so sales will stabilise, growing at very slow rates until they reach a turning point where they will begin to decrease. In this phase, the investments made by the company in its attempt to maintain the product in the market are usually very high, for example, by making modifications to the initial characteristics that can provide new competitive advantages over its competitors.
- **Decline phase** This is the final phase of a product in a given market, when sales growth has stagnated or even become negative, at which point the efforts made by the company to sustain the product are no longer profitable.

In any case, the differentiation of the product with respect to those of the competition is essential. For this reason, the definition of a strategy is the next natural step after the selection of the target markets and, for this, it is best to carry out a SWOT analysis, i.e., an internal analysis to determine the weaknesses, threats, strengths, and opportunities of the company itself. This is where it is essential to take into account the possibility of minimising risks, such as different protectionist measures, existing trade agreements between the countries in question or specific market conditions such as interest rates and exchange rates.

The service sector has a series of specific characteristics that must be taken into account when conducting an internationalisation process. Special attention should be paid to the fact that the insurance sector is sensitive to certain economic variables. This is what happens with inflation—generalising the financial sector as a whole—as the countries that experience significant price level increases will be less conducive to providing services as a creditor as they're penalised in favour of borrowers.

Preceding the product life cycle theory is Coase's theory, being based on transaction costs. Traditionally, this theory has been analysed from the legal perspective, assuming a synthesis between the more rational aspects of economics and the more formal aspects of law. This is because transaction costs are defined as those that need to be incurred in order to materialise any agreement, which, in practice, tends to be assimilated with contracting costs. However, transaction costs go beyond the purely legal and, as we define them, encompass any type of cost necessary to reach an agreement.

By incorporating transaction costs we can be more aware of the important role they played in MAPFRE's internationalisation process, especially considering that the company's international expansion derived, to a large extent, from Larramendi's personal relationships. Without a predefined international development plan, MAPFRE started in Ibero-America when the Spanish market was starting to become too small, given that unlimited growth was one of its obsessions and, to this end, Larramendi took advantage of the numerous contacts he had to drive the process forward. Thus, the reduction of transaction costs was a key factor in the internationalisation led by Larramendi, as it made it possible to operate in the different markets from positions of

a certain competitive advantage. In-depth knowledge of the political and economic situation as well as of the insurance sector itself, in countries with similar cultural traits—including a common language—and with well-established friendships, enabled the exploitation of economies of scale materialised in fully trusted strategic partners.

"I've always had an Americanist vocation, even before visiting it. My professional life has given me the possibility of applying it. I encouraged MAPFRE to set up in America. Many years ago, I thought that MAPFRE needed—and I perhaps needed—America. I don't hide the fact that, together with the sentimental factor, there was another factor: this objective forced me to travel, to get to know new lands and new people, since perhaps my vocation has been more to make history than to study it, and the one I liked was created from personal and direct contact with new friends from other countries".²⁸⁶

The application of Hymer's theories of industrial organisation and the gradualist Uppsala model developed by Johanson and Valhne is also relevant to MAPFRE.²⁸⁷ Hymer distinguishes between direct investment and portfolio investment, since the latter, unlike the former, is more sensitive to cyclical market circumstances—such as changes in interest rates—even if it doesn't discriminate greatly between different types of business organisation across countries. However, in direct investment decisions, firms try to maximise their competitive advantages—through economies of scale or product differentiation—in order to try to control the output of the new market or, in other words, to obtain the largest possible market share. In order to maintain this position, the company will try to accumulate as many factors of production as possible, such as skilled labour, capital, or technology.

The relationship between Hymer's postulates and MAPFRE's internationalisation process lies in the fact that the main motivation for the company is not to reduce costs—on the contrary, setting up in a new market usually entails additional costs, even if these are part of a medium or long-term investment plan—but rather to take advantage of the company's characteristics in other markets—its relative advantage—to maximise its potential market share. Larramendi himself was aware—and even stated so on occasion,²⁸⁸—that MAPFRE would never achieve anything if it didn't leave Spain, and that is exactly what it did: the saturation of the Spanish market, in accordance with the industrial organisation model, motivated its own internationalisation.

The internationalisation process of MAPFRE initiated by Larramendi was, basically, a personal commitment of his own, despite which being very controlled at all times. The strategy was very well planned by Editorial MAPFRE itself in order to minimise risks, something to which Hymer attaches great importance in the postulate of his theory regarding direct investment. Additionally, as mentioned above in reference to transaction costs, portfolio investment in local companies in which it gradually increased its shareholding until it took full control—several specific examples of this will be discussed later on—was a constant in this process. Thus, MAPFRE not only managed to penetrate a new market thanks to its strategic alliances, but also, in the end, eliminated potential competitors in order to obtain a sufficient market share

²⁸⁶ Vid. LARRAMENDI, I. H. (1994).

²⁸⁷ Vid. JOHANSON, J. y VAHLNE, J. (1977).

²⁸⁸ Santiago Gayarre y Andrés Jiménez. In-depth personal interview (14-2-2019).

that would eventually allow it to lead that new market. Hence, the internationalisation scheme initiated by Larramendi follows the guidelines of Hymer's theory of industrial organisation.

The Uppsala model predicts that a given company will have a greater presence in a country the more knowledge it obtains of that country, a prediction that fits in perfectly with the line followed by MAPFRE in its commitment to reinsurance, precisely in order to obtain greater information on the markets in which it decides to operate.²⁸⁹ Thus, gradually, the resources invested by the company will gradually increase as the accumulated experience and, therefore, the performance in dealing with local competition becomes more efficient.

There is several specific evidence of Larramendi's commitment to reinsurance. Thus, in the report to the Directorate General dated 28 September 1974,²⁹⁰ Larramendi refers to the trip to Taipei to take part in the International Insurance Seminar as well as to Moscow, Tokyo, and Hong Kong. Of these trips, he highlights the possible “*productive*” contacts established with the Ingrostach International group to obtain shares in the Russian reinsurance market as well as the progress in the relationship with various Japanese companies for this purpose. It is particularly revealing that, in the same report, he underlines the need to coordinate the opening towards South-east Asia with Latin America, a continent that would end up being the company's destination market par excellence.²⁹¹

This greater involvement in foreign markets has been one of MAPFRE's main hallmarks in the internationalisation process initiated by Larramendi, as the company never opted to establish itself directly in any country from the outset. Instead, they proceeded with a minimal investment in an existing company. Subsequently, the investment in the company increased until, finally, total control was achieved. In turn, the experience acquired in the consolidation in certain markets can be considered as a process that feeds back on itself since, despite the obvious and intrinsic differences between the different markets covered by the internationalisation process, the learning acquired in some countries can be applied in order not to make the same mistakes in others.

It is also important to point out, with respect to the Uppsala model, the vocation of permanence in the new markets in which MAPFRE established itself, which is why information is particularly relevant when it comes to making a direct investment -which in turn is closely related to the Hymer model. Consequently, the information provided by reinsurance wasn't only valuable in gauging the desirability of implementing certain investments but also in adjusting to the particularities and needs of individual countries. To this end, the ability to act flexibly is absolutely essential in a company that aspires to industry leadership. This flexibility was particularly put to the test in Ibero-America since, in the words of MAPFRE America Chairman Rafael Casas, “*MAPFRE's internationalisation in Latin America has been a learning process*”.²⁹²

²⁸⁹ Sebastián Homet Duprá. In-depth personal interview (10-12-2018).

²⁹⁰ Vid. LARRAMENDI, I. H. (1972 - 1985). Report 28-6-74, p. 4.

²⁹¹ Vid. LARRAMENDI, I. H. (1972-1985).

²⁹² Vid. Casas, R. (2010).

MAPFRE's involvement in the target markets, beyond mere speculative investments, has been another of the hallmarks of the internationalisation that Larramendi had implemented.

This vocation of MAPFRE to remain in the Ibero-American markets, as will be seen below, is part of the context of the responsibility which, in a way, Larramendi believed Spain should exercise in those territories with which it shares unbreakable historical ties and interests far beyond the economic sphere. The social work Larramendi thought should be carried out on that continent is still part of MAPFRE's corporate culture today. By hiring local staff and training them, innovating and transferring knowledge through MAPFRE's different operating units—decentralised and autonomous—Larramendi not only sought to ensure the solvency of investments with consolidated returns but also to contribute to the development of the communities in which MAPFRE operates in its most diverse dimensions.

A foretaste of Larramendi's Americanist passion can be found in what is probably his most heartfelt definition of Ibero-America:²⁹³

"What is Ibero-America?...your identity, mine, it is important because it takes into account the human soul, it is less impregnated with selfishness, and it has allowed a civilisation that is not of "purely me" but of the "you"; of brotherhood and solidarity because it hasn't in vain managed to maintain its Christian roots".

It is worth mentioning two other relevant theories on international trade, those of Rugman and Porter. With regards to the first, the way companies proceed in international markets when they make a direct investment doesn't differ so much from when they make a portfolio investment, since they act using the same principle as a guide: risk diversification. Thus, internationalisation should be carried out in markets whose interdependence is as low as possible -the greater the degree of heterogeneity, the lower the risk of correlations- in order to minimise possible negative impacts on the company in hypothetical negative situations. Therefore, geographical, cultural, sociological, and economic diversification—from a structural perspective—is decisive when selecting target markets.

Given the potential risk involved in Larramendi's strategy of entering markets with unstable economic conditions, the requirement for diversification was more imperative than ever. This will, in fact, be the reason for the decision to make a strong commitment to Europe after MAPFRE's presence was already a reality in the most powerful Ibero-American markets. The European markets were highly mature and had little scope for expansion compared to the scope for growth offered by the American continent. Nevertheless, the need to face the more established competition from the Old Continent was successfully fulfilled. Furthermore, although it didn't represent a turning point in the internationalisation process itself, Spain's membership of the EEC from 1986 onwards made it easier to establish itself in those countries that made up the common market.

²⁹³ Vid. LARRAMENDI, I. H. (1989b).

It was clear to Larramendi that for MAPFRE to continue to grow, it had to operate abroad, which is why, when the Spanish market became too small, he decided to make the leap to Ibero-America.²⁹⁴ However, when it came to selecting the specific markets to be targeted, he wasn't guided by economic criteria alone.

As for Porter's theory, it can be seen as a derivative of his famous diamond model and its five forces applied to international trade. In an attempt to explain the comparative advantage of companies, Porter sheds light on the determining role played in the establishment of companies abroad by circumstances as diverse as differences in the number of productive factors, geography, climate, infrastructure, and the skills of the workforce. Porter also includes exogenous factors in his model such as differences in administrative rules or, simply, luck. In MAPFRE's case, this somewhat “random” component in the selection of markets is evident.

We must not forget the importance that Porter also gives to supply in the internationalisation strategy, that is, the decision to go abroad when the domestic market is considered mature and market shares remain relatively stable—which makes business growth extremely difficult—as well as the relationships between the different companies -also in the different links of the production chain- in the target markets, all of which are dealt with in the case of MAPFRE's internationalisation process undertaken by Larramendi.

The crucial role played by innovation in business growth and development as well as training, is well known. Larramendi saw this clearly from the beginning and MAPFRE managed to stand out in a very stagnant insurance market in Spain, according to his own opinion.²⁹⁵

If we delve even more specifically into the field of insurance companies, a good entry strategy in the country of destination may be to opt for reinsurance, as MAPFRE did, since this option allows the company with internationalisation intentions, to obtain greater knowledge of the market in which it wishes to operate. In fact, in Spain, the insurance sector internationalised very little during the twentieth century, with the exception of the reinsurance market niche.²⁹⁶

In the last 20 years there have been a series of factors that have led to a boom in the internationalisation of the service sector in Spain:²⁹⁷

- Entry of foreign capital, especially from the European Union.
- Improvement in the level of training and skills development of human resources
- The prominent role played by R&D&I in the promotion and expansion of the service sector.

²⁹⁴ Sebastián Homet Duprá. In-depth personal interview (10-12-2018).

²⁹⁵ Vid. LARRAMENDI, I. H. (1985).

²⁹⁶ Vid. GARCÍA-RUIZ, J. L. and CARUANA, L. (2009).

²⁹⁷ Vid. RUBALCABA, L. and MAROTO, A. (2008).

Once the theoretical framework on the internationalisation of insurance companies has been analysed, including the most decisive factors of the process in Spain in recent years, we have established the reference from which, in the following sections, we can analyse the context of the insurance sector in Spain and, therefore, the context in which MAPFRE operated in order to identify the differentiating feature between the theoretical basis and the implementation of the process carried out by Larramendi.

*"Spain has been an important part of the old Europe and should be an important part of modern Europe. MAPFRE wants to contribute, within its limited means, to ensure that Spain isn't a second-class country and that it not only knows how to receive but also knows how to give and contribute actively with original business and technological ideas and applications".*²⁹⁸

CONTEXT OF INTERNATIONALISATION IN THE SPANISH INSURANCE SECTOR 1955 - 1990.

The end of the period between 1955 and 1990 in the Spanish insurance sector will be clearly marked by Spain's entry into the EU in 1986. In fact, the 1950s were conditioned by the ups and downs in the ownership of capital in the sector during the previous decades. At the beginning of the twentieth century, 40 per cent of the Spanish insurance market was controlled by foreign capital, a situation that took an abrupt turn in the 1940s as a result of the autarkic economic policy imposed by Franco's regime immediately after the Civil War. The policy's rejection of foreign capital caused the aforementioned 40 per cent figure to drop to 20 per cent in 1942.²⁹⁹

This situation changed in 1952 when the limitations on the entry of foreign capital were eliminated—at that date, the percentage had already fallen to 15 per cent—and, in fact, the Insurance Law passed in 1954 was *"very liberal, even careless, with the sector"*.³⁰⁰ At this time, Spanish insurance companies didn't have sufficient capacity to operate in other countries in competition with much more efficient companies. The only exceptions were La Unión and El Fénix Español, a leader in the insurance sector in Spain at the time and which became strong in Paris. This was somewhat logical, on the other hand, considering that when it was established in 1864 60% of its capital was French-.³⁰¹ Only La Estrella tried to compete with MAPFRE when it came to spearheading the internationalisation process. However, it failed in the attempt, whilst just the opposite occurred with MAPFRE.³⁰²

During the Transition in Spain, the economic crisis that the country experienced was a major stumbling block that insurance companies had to face. However, the situation was much more bearable for MAPFRE, which climbed steadily until it reached

²⁹⁸ Vid. LARRAMENDI, I. H. (1989a).

²⁹⁹ Vid. GARCÍA-RUIZ, J. L. and CARUANA, L. (2009).

³⁰⁰ Vid. GARCÍA-RUIZ, J. L. and CARUANA, L. (2009).

³⁰¹ Vid. GUTIÉRREZ, J. A. y MARTÍNEZ F. J. (2014).

³⁰² Vid. GARCÍA, J. L. (2017).

national leadership in 1983, most particularly thanks to the independence it enjoyed. Until then, insurance companies were linked to banks such as La Unión and Fénix, which belonged to Banesto, or La Estrella, to Banco Hispano Americano. At that point, the way was clear to begin an internationalisation process which, in order to continue to grow and be a leader, was inevitable.³⁰³

A fundamental aspect of the beginnings of MAPFRE's internationalisation was the need to accompany Spanish companies, both large and medium-sized, in their need for insurance, which during the 1960s were beginning to seek new markets thanks to the process of opening up Spain at that time. The lack of international experience of most of the national companies made them a natural customer when undertaking these new projects. It is therefore unavoidable to link the moment in which MAPFRE internationalises to the economic and social situation that Spain was experiencing in that period.

On the other hand, Larramendi perfectly understood that, for a company to achieve leadership in its sector, it was crucial to obtain a relevant competitive advantage through specialisation and economies of scale, an aspect in which Larramendi managed to open a decisive gap with respect to its competitors. His obsession for the constant growth of the company, together with his constant desire to lead the sector, led him to take the decision to internationalise MAPFRE, focusing, as will be seen below, on Ibero-America, the choice of this region being more for sentimental than strategic reasons.

This inseparable relationship between leadership and internationalisation is clear in Larramendi's thinking. In fact, in a lecture given in Sao Paulo in November 1983, he describes as a "new company" . . . *"that leading company which a country needs in each area of activity, to achieve, if it does so broadly and as a whole, internal economic balance and influential international presence"*, pointing out, moreover, as one of the characteristics of any "leading company" the *"vocation for growth and, if necessary, foreign expansion to participate in the objective of international presence"*.³⁰⁴

An insurance company that doesn't internationalise can't be a leader and, in order to materialise this unavoidable need, as analysed in the theoretical introduction, domestic demand emerged as one of the key factors. The Spanish insurance market in the 1950s and '60s was clearly insufficient to meet the expectations Larramendi had placed in MAPFRE's expansion. The structure of the Spanish insurance market was therefore decisive in at least two ways:

- On one hand, a demand made up of demanding buyers who know the characteristics of the products they purchase is an important component of the increase in competitiveness of companies, since this type of customer tends to put pressure on national companies to raise the quality of the goods offered and, if possible, at increasingly competitive

³⁰³ Vid. TORTELLA, G. (2000).

³⁰⁴ Vid. LARRAMENDI, I. H. (1983).

prices. In the light of what has been said so far, this wasn't the case in the Spanish market, where the insurance culture was rather scarce and, as a consequence, resulted in a very stagnant market. Larramendi, as a pioneer in the modernisation of the insurance industry, was fully aware of the limited incentives that the Spanish market provided to aspire to increase the efficiency of the company.

- On the other hand, the size of the market also contributes to the achievement of decisive economies of scale. Obtaining a critical mass of potential customers, with the consequent increase in market share, provides the necessary stimulus to carry out the relevant investments that will lead to the modernisation of the sector through technical change. For this reason, Larramendi considered that Spain's membership of the European Union would act as the boost that the Spanish insurance market needed.

"For international markets and for multinational activities, regional monetary units are important, which always imply a loss of national sovereignty, as Europe is feeling in its process towards a single currency".³⁰⁵

With few resources and using above all his intelligence, his business acumen and, above all, his contacts—he became close friends with key businessmen who helped to introduce MAPFRE in their respective markets and to make the brand internationally known—Larramendi never doubted that a strong MAPFRE abroad would also contribute to the economic and social development of Spain. In fact, he made this clear in many of his writings.

"Spain has been an important part of the old Europe and should be an important part of modern Europe. MAPFRE wants to contribute, within its limited means, to ensure that Spain isn't a second-class country and that it not only knows how to receive but also knows how to give and contribute actively with original business and technological ideas and applications".³⁰⁶

Some of these contacts are expressly mentioned in the reports made to the Board. For example, in the one dated 28 June 1979, Larramendi expressly refers to the trip he made to the American continent to participate in the General Meeting of the company Aseguradora Nuevo Mundo S.A. with the aim of strengthening the position of the stake that MAPFRE Internacional held in that company. The same report also mentions his participation, as chairman of a Working Group, in the International Insurance Seminar also held in Dallas in 1979, thanks to which he managed to increase his contacts in the United States, specifically to participate in a Syndicate of reinsurance acceptors that was to be created in New York.³⁰⁷

It is worth analysing in a little more detail the relationship established by Larramendi with some of the key figures in certain countries in order to better understand not only the process by which MAPFRE entered these new markets but also to link, by way of a common thread, with the success that the insurer is achieving

³⁰⁵ Vid. LARRAMENDI, I. H. (1992).

³⁰⁶ Vid. LARRAMENDI, I. H. (1992).

³⁰⁷ Vid. LARRAMENDI, I. H. (1972 - 1985). Report 28-6-79, p. 3.

today in many of these countries. A clear example of this is Brazil, where in 2018 it managed to strengthen its strategic alliance with Banco de Brasil, which dates back to 2011-. However, MAPFRE's interest in the Rio de Janeiro market originated in 1971 when, during Larramendi's first visit to Rio de Janeiro, he had the opportunity to make friends with Leonidio Riveiro Filho, CEO of Sulamérica, the most important Brazilian insurance company at the time. Additionally, Larramendi had already established a relationship with the chairman of Sulamérica, Antonio Sánchez de Larragoiti, and with his father, who had lived in Madrid.³⁰⁸

This pattern was repeated in many countries, especially in Ibero-America. Although the list of contacts harvested by Larramendi in the American continent is innumerable, it is worth mentioning some of the most outstanding ones. For example, in Argentina, the participation in Aconcagua was possible after having deepened its relationship with Luis Orcoyen, founder of the National Reinsurance Institute -INDER- and chairman of Aconcagua itself.³⁰⁹ Closely linked to the Argentine market was that of Paraguay, where MAPFRE continues to enjoy a high reputation today. In fact, in 2019, Zaida Gabas de Requena, the CEO of MAPFRE PARAGUAY, was chosen as the businesswoman of the year by the Spanish Chamber of Commerce in Paraguay, the first woman to win such an award. In Larramendi's own words about Paraguay: “... is a little jewel of MAPFRE in Ibero-America”.³¹⁰

Larramendi's friendships in Colombia were also key. Some of the most prominent were Efrén Ossa, director of Compañía Central—dependent on the Banco Central Hipotecario de Colombia—Luciano Herrera, of Colombiana Seguros, Ariel Jaramillo, of the company Agrícola del Banco Cafetero, Bernardo Botero, of Colmena—belonging to the Grupo Social de los Jesuitas in Colombia—or Andrés Restrepo Posadas, chairman of UNIAPAC in Colombia. This last case is particularly relevant because it shows how Larramendi took advantage of the influence derived from his membership of this ecumenical organisation for Christian businessmen.³¹¹

Finally, we can also highlight the personalities Larramendi met in Mexico, Venezuela, and Peru. In the first case, the figure of Manuel Gómez Linares, secretary of the Asociación de Aseguradores Mexicanos (AMIS), was important. In Venezuela, Pedro Manuel Arcaya, director of the company Caracas, should be mentioned. In Peru, he established a relationship with René Corpancho, the CEO of Reaseguradora Peruana.³¹²

We will now examine in greater detail the choice made by Larramendi for the internationalisation of MAPFRE, with special emphasis on the profound twinning relationship he felt between Spain and Ibero-America, which is why MAPFRE's presence on the American continent was so intense.

³⁰⁸ Vid. LARRAMENDI, I. H. (2000), p. 646.

³⁰⁹ Vid. LARRAMENDI, I. H. (2000), pp. 643-644.

³¹⁰ Vid. LARRAMENDI, I. H. (2000), p. 645.

³¹¹ Vid. LARRAMENDI, I. H. (2000), p. 650

³¹² Vid. LARRAMENDI, I. H. (2000), pp. 651-652, 654.

*"Nobody in 1970 believed in Ibero-America, and even less in the insurance sector, reinsurers avoided it, a mistake that MAPFRE didn't make, because for the most part they worked with intermediaries, without direct contact with each assignor, whilst MAPFRE decided to do it personally, with higher travel expenses, but a more specific, personal approach to customers, along the lines that had been followed since the nineteenth century by the world's leading reinsurers, especially Munich Re and Switzerland Reinsurance"*³¹³

THE IMPRINT OF IGNACIO HERNANDO DE LARRAMENDI ON MAPFRE'S GLOBALISATION PROCESS

Larramendi's personality, embodied in his leadership skills, was amply reflected in the internationalisation process that MAPFRE underwent during his tenure. From a personal point of view, we could define Larramendi as a charismatic and accessible leader, characteristics that are completely essential to understand his wide network of contacts in Ibero-America, which ultimately allowed MAPFRE to make the leap to the American continent. From a business standpoint, he was a visionary and highly innovative leader who took risks under the premise of inevitability for the continued growth and expansion of the company, both of which were his great obsession. The decision to land in Ibero-America, a continent that in the 1980s was suffering a serious debt crisis, is framed both by the cultural proximity to these peoples and by the desire to strengthen ties with Hispano-America.

*"Spain and Portugal will inevitably be a meeting point between the EEC and Ibero-America, as Britain has been with the United States and the English-speaking world".*³¹⁴

It should be noted that his passion for the American continent led him to publish several works related to it, including *Utopía de la Nueva América. Reflexiones para la Edad Universal*, as well as a series of books published under the title of *Colecciones MAPFRE 1492*, were written on the occasion of the celebration of the fifth centennial of the discovery of the New World. In fact, prior to this time—specifically, in 1988—Larramendi had initiated the Fundación MAPFRE America project, within the framework of which the aforementioned *Colecciones* were published, resulting in a compendium of more than 250 works carried out by 330 historians from more than 40 countries. The subjects covered in the books published in the *Colecciones*, were diverse but were all related to the great historical events that occurred in 1492. For this reason, in addition to the milestones related to the discovery of America, others as significant as the expulsion of the Jews from Spain, Al-Andalus or issues related to the Maghreb are included.

In the aforementioned *Utopía de la Nueva América. Reflexiones para la Edad Universal*, he made clear in the same prologue his vision of the objective of these publications, basically aimed at giving back to Ibero-America at least part of what it contributed to us. For this reason, the main activity of Fundación MAPFRE America consisted of promoting, through different activities of both a scientific and artistic nature, the twinning and solidarity between the different Ibero-American peoples.

³¹³ Vid. LARRAMENDI, I. H. (2000), p. 643.

³¹⁴ Vid. LARRAMENDI, I. H. (1985).

Although the book belongs to the aforementioned *Colecciones*, Larramendi himself indicated that, although the books published in them refer to the past, with *Utopia* he made an exception and projected the analysis into the future.

"... this book is an exception and looks to the future, to what may be the New America of the twenty-first century and of the third millennium, that of two neighbours, enemies and friends, condemned to live and survive together, forming a continental unit that is destined to strengthen reciprocal ties, not forgetting their historical and future relations with their homeland and with Europe. Spain, being in it, is split to the point that America, at least the part twinned by the language, really begins in the Pyrenees, although Europe ends in Gibraltar, whilst Anglo-America could be thought to begin in the English Channel".³¹⁵

There were reasons to advise against the American market as a destination for MAPFRE's investments. Without going any farther, in Brazil in the middle of the twentieth century, there was a hyperinflation that particularly affected the insurance industry, and it wasn't until 1986 that foreign capital was allowed to enter the country's insurance companies. Despite the economic problems that Brazil was going through, MAPFRE, thanks to Larramendi's determination, was one of the pioneers in having a presence in the Brazilian market that same year. Also, in 1986, MAPFRE entered Argentina, a country where the insurance sector didn't begin to deregulate until 1991. And, in this case too, Larramendi's Americanist strategy had to cope with galloping inflation, which would reach price increases of up to 3,000 per cent in 1989. The same could be said of other countries in the region such as Nicaragua, Bolivia, Peru, or the aforementioned Brazil, which had an inflation rate of 2,700 per cent in 1993.³¹⁶ In the specific case of Argentina, MAPFRE's journey began with the acquisition of the Aconcagua insurance company which, in 1986, occupied 42nd place in the Argentine market, with a 0.63 per cent market share.³¹⁷

In Chile, on the other hand, private initiative in the insurance sector was allowed earlier, in 1980. This country is a clear example of how Larramendi used reinsurance to enter the markets of Ibero-American countries. In 1931, the Caja Reaseguradora was created in Chile and reinsurance was compulsory until it was sold to MAPFRE in 1989. The situation in Mexico could also be considered somewhat better, as the country had enjoyed great economic development during the two and a half decades prior to MAPFRE's presence in the North American country.³¹⁸

It should be noted that MAPFRE's internationalisation process, although led by Larramendi at all times, was possible thanks to the involvement of the various teams that carried it out in each country. Although it is true that the workforces were made up of local workers, Larramendi looked for reliable people with a consolidated track record in the company to start each project. Some examples are Rafael Casas in Venezuela, when he was manager in Alicante or Alfredo Fernández Larrea in Colombia, when he was manager in Valencia.³¹⁹

³¹⁵ Vid. LARRAMENDI, I. H. (1992), p.19.

³¹⁶ Vid. FADUL, W. R. (2010).

³¹⁷ <https://www.mapfre.com.ar/segueros-ar/sobre-mapfre-argentina/historia/30-anos-argentina/>

³¹⁸ Vid. FADUL, W. R. (2010).

³¹⁹ Santiago Gayarre. Phone Interview. 26-6-2020.

This particular human resources policy abroad was quite characteristic of MAPFRE. Unlike in the banking sector, where entire families were “disembarked” in the country where the new operations were to be undertaken, Larramendi preferred to propose individual candidates with sufficient experience. This was the case with Santiago Gayarre, who left the Canary Islands to execute MAPFRE's expansion in Argentina. According to Gayarre himself, the beginnings were extremely hard, as they started by acquiring the aforementioned Aconcagua at a time when its most qualified personnel had been hired by competing companies and when, in addition, technological resources were scarce. Precisely in this last respect, MAPFRE Soft was created in 1986, a company that would manage MAPFRE's *software* not only in Argentina, but throughout Ibero-America.³²⁰

Consequently, what was in Larramendi's opinion one of MAPFRE's major shortcomings—information technology—began to be mitigated in the international arena. In fact, according to Larramendi:³²¹

“IT is the main factor of weakness that concerns us (...). This is our main challenge because, in IT, movements and changes are slow and it takes many years to correct any mistakes, and because our starting point isn't at the same level as MAPFRE's other achievements”.

The relevance of cultural factors in the internationalisation process of companies has been highlighted by several authors. This is the case with J. J. Duran,³²² for whom Ibero-America should be the natural destination for Spanish companies wishing to venture into new markets. J. Noya also highlights some of the advantages of this relationship with the American continent:³²³

- The image of Spanish companies in Ibero-American countries is extremely good, with a high level of confidence in the products they offer, although there are differences between countries.³²⁴
- There is a good general perception of the country's economy.
- The difference in the level of development existing in Spain and the Ibero-American countries is also perceived by the latter as an opportunity to improve economic conditions in the region.

Precisely, this last aspect also acquired a special importance in the decisions that Larramendi chose to execute in Ibero-America since, instead of entering the continent through the acquisition of consolidated companies, he advocated the contribution of a certain know-how that would contribute to a substantial increase in the welfare of these countries. The feeling of responsibility towards those territories with which Spain had historically maintained unbreakable ties was a determining factor for Larramendi. In this sense, several of his statements are more than

³²⁰ Santiago Gayarre. Phone Interview. 26-6-2020.

³²¹ Vid. VARIOS (1983), p. 221.

³²² Vid. DURAN, J. J. (1999).

³²³ Vid. NOYA, J. (2003).

³²⁴ Vid. NOYA, J. (2009).

significant, making clear, moreover, his absolute conviction that cultural aspects such as language represented an important competitive advantage.

*"...those of us who spoke Spanish and Portuguese had superiority [in Ibero-America] over the English-speaking competitors, because we represented the same understanding of the world".*³²⁵

It was in 1969 when MAPFRE's Board of Directors approved as an objective *"the start of a policy of expanding operations outside the national territory"* during the 1970s, choosing the Portuguese and Spanish-speaking countries as the most suitable ones to carry it out.³²⁶ Thus, the acquisition of small stakes in companies in the sector began, in addition to initiating reinsurance operations in MAPFRE Industrial. This second fact was especially relevant in the internationalisation process, since the volume of reinsurance increased to such an extent that it was decided to found the company MAPREA to manage these operations. Thus, MAPREA contributed greatly to the expansion of MAPFRE Industrial's reinsurance. In fact, the success was such that, of the premium volume of 2,000 million pesetas reached in 1981, 80% came from outside Spain and only 20% came from the domestic market.³²⁷

Finally, in 1981, MAPFRE Reaseguro was created, an entity that would begin operations in 1982 under the management of José Manuel Martínez, with the same management team as MAPREA and the business segments established by MAPFRE Industrial. Its headquarters were established in Las Palmas de Gran Canaria, a geographical symbol that served as a link between the three continents designated as the main frameworks for action: Europe, America, and Africa.³²⁸ MAPFRE International had already been established in 1976, which was the first international step from reinsurance to insurance. The company was established in 1976 with capitalisation of 50 million pesetas, which rose to a total of 14,893 million pesetas of equity in 1990.³²⁹

Likewise, the trips made by Larramendi as CEO to Ibero-American countries were decisive in making the MAPFRE brand more widely known. For example, taking advantage of the invitation received to attend the II Pan-American Congress of Insurance Law and the Hemispheric Insurance Conference held in Buenos Aires and Viña del Mar in 1969, he took the opportunity to visit most of the countries of the continent.³³⁰

Larramendi, in fact, became better known in America than in Spain and took advantage of his personal contacts to introduce MAPFRE to those markets. Moreover, aware of the high risk generally involved in investing abroad, his strategy was clearly conservative. This is what he said in 1989:³³¹

"Within this framework, we are developing our international strategy, which is the result of intense and tenacious work in this "decade of the 1980s", based on our own people, on our friends and on companies with a clear and

³²⁵ Vid. LARRAMENDI, I. H. (2000).

³²⁶ Vid. VARIOS (1983), pp. 151-152.

³²⁷ Vid. VARIOS (1983), p. 152.

³²⁸ Vid. VARIOS (1983), p. 153.

³²⁹ Vid. Pons, J. (2017)

³³⁰ Vid. VARIOS (1983), pp. 153.

³³¹

solid situation, without risky or high-cost acquisitions..... Our investments have all been made directly, without “crossovers”, as I said before, without debt, amortising all acquisition costs in each financial year, including Life insurance, exclusively with our own funds, and therefore without risk for policyholders, as we don’t use the “technical reserves” for this purpose and, also, without our dividends having arisen from updates or realisations”.

Particularly noteworthy is the fact that the first economic activity carried out on that continent was through the editorial MAPFRE, whose main activity was the sale of insurance manuals. Hence, the MAPFRE brand began to open up its small market niche, ceasing to be a complete stranger to potential customers. The second step, reinsurance, allowed market penetration in a much more consistent and solid way by obtaining key industry information in each country. This was done by offering reinsurance training in exchange for small shares in the companies.

*“It is logical that reinsurance should be a major player in the globalisation process of insurance, especially when one notes the resistance of national markets, with and without government influence, to the prominent presence of direct insurers from other countries”.*³³²

Some evidence of the important role that the MAPFRE publishing house played in the internationalisation process can be found in the express mentions that Larramendi makes of it in some of the reports to the Board. For example, in that of 23 October 1977, referring to an internal training plan that would cover both MAPFRE Industrial and Editorial MAPFRE, he states that this plan would consist of the publication of 12 texts, under the name of *Textos MAPFRE*, which would deal, in a didactic manner, with various aspects related to the particularities of companies in the insurance sector. These texts would be given to those who participated in the aforementioned training process with the intention of extending it to Hispano-America and facilitating the sale of these 12 publications on the American continent. Hence, the MAPFRE brand was growing in visibility by enabling other insurance companies to access its own published material.³³³

Editorial MAPFRE also had a significant impact as a publishing house specialising in insurance in other parts of the world. With reference to Europe, without going any farther, Larramendi mentions, also in one of his reports to the Board of Directors dated, in this case, 25 September 1980, the possible collaboration in the French edition of the Fire Protection Manual, which had already been published in Spanish by the same publishing house. In turn, with regards to the United States, Larramendi mentioned certain meetings held with various executives of the National Fire Protection Association (N.F.P.A.) for the expansion of Editorial MAPFRE in that country.³³⁴

Also relevant is Larramendi's involvement with UNIAPAC—Unión Cristiana Internacional de Ejecutivos de Empresa (International Christian Union of Business Executives)—a Christian organisation with an ecumenical vocation for men and women in business that allowed Larramendi to establish a considerable network of contacts. UNIAPAC's objectives were perfectly aligned with Larramendi's humanist pretensions, considering that capitalism is a powerful tool for development as long as it is guided by

³³² Vid. LARRAMENDI, I. H. (1984).

³³³ Vid. LARRAMENDI, I. H. (1972–1985). Report 23-10-77, p. 5.

³³⁴ Vid. LARRAMENDI, I. H. (1972–1985). Report 25-9-80, p. 4.

principles of social justice. In his view, the constant pursuit of corporate profit is not, in itself, indicative of the contribution made to society. Throughout the entire internationalisation process, Larramendi would always bear this principle in mind.

"Capitalism needs corrective principles that are put into practice by business leaders capable of operating new combinations of the economic and the social until a harmony of justice is achieved".³³⁵

Thus, it could be said that what is nowadays known as corporate social responsibility was the cornerstone of MAPFRE's internationalisation strategy devised by Larramendi. Aspects such as the brand or customer loyalty through the trust generated with the insured were the signs of identity pursued by him, in order to establish a lasting and stable presence in the target markets. Hence, a virtuous circle is generated that leads to an increase in business competitiveness and, in turn, strengthens its position in the market whilst instilling greater certainty in potential customers. It was not, therefore, a task conceived from a merely altruistic perspective: the responsibility that Spain had acquired with Ibero-America was an opportunity that a businessman with Larramendi's intuition shouldn't let slip away.

Furthermore, this virtuous circle also operated in a second direction since, by increasing the size of the market and acquiring sufficient economies of scale, the resources available and, therefore, the investments that MAPFRE could make were greater, which allowed it to have an impact on a more inclusive business model. The capital used for this could be considered as an investment in itself since, by focusing on the needs of local communities and the personal and local development of those groups with more difficulties in accessing the insurance market, the target segment increased considerably. Today, public pressure for corporate social responsibility to be incorporated as a matter of course in the business policies of multinationals has led many businessmen to choose this path. However, the merit is even greater when, like Larramendi, the strategy is applied at a time when corporate social responsibility wasn't in vogue.

"... great economic power without social responsibility leads to formulas of wild and anti-social capitalism such as the one that appears and can dominate the western economic world".³³⁶

Starting from scratch in a new market was excessively onerous, hence the importance of Larramendi's leadership skills in reaching agreements with strategic partners. The ultimate objective was to be present in these markets and, since the necessary economic resources weren't available to acquire companies in their entirety, the participation in them would begin as a minority and would gradually grow. Furthermore, not only with the aim of saving costs but also for purely operational reasons, when MAPFRE finally acquired its first premises in third countries, it would respect the work teams of the acquired company, a practice it would continue to carry out over time.

Table 7. Number of MAPFRE employees by country in 2019.

³³⁵ Vid. LARRAMENDI, I. H. (1982).

³³⁶ Vid. LARRAMENDI, I. H. (1989c).

PAÍS	Nº EMPLEADOS	PAÍS	Nº EMPLEADOS	PAÍS	Nº EMPLEADOS
ALEMANIA	566	ESTADOS UNIDOS	2.616	PERÚ	1.536
ARGELIA	49	FILIPINAS	314	PORTUGAL	411
ARGENTINA	1.105	FRANCIA	53	PUERTO RICO	614
AUSTRALIA	64	GRECIA	110	REINO UNIDO	546
BAHREIN	15	GUATEMALA	187	REPÚBLICA DOMINICANA	424
BÉLGICA	21	HONDURAS	219	TÚNEZ	74
BRASIL	5.762	INDIA	6	TURQUÍA	1.289
CANADÁ	15	INDONESIA	548	URUGUAY	178
CHILE	503	IRLANDA	92	VENEZUELA	440
CHINA	139	ITALIA	877	OTROS (Hungria, Japón, Taiwan y Singapur)	46
COLOMBIA	959	JORDANIA	49		
COSTA RICA	72	MALTA	318		
ECUADOR	334	MÉXICO	1.748		
EL SALVADOR	180	NICARAGUA	122		
EMIRATOS ARABES UNIDOS	9	PANAMÁ	486		
ESPAÑA	11.032	PARAGUAY	196		
TOTAL EMPLEADOS A 31.12.2019					34.324

Source: MAPFRE. Integrated report 2019.

The first office opened in 1984, in Mexico, with a Mexican team.³³⁷ This fact, however, didn't prevent, in order to maintain MAPFRE's philosophy, staff from Spain from travelling frequently to the different offices that were being opened abroad to train local staff and also to transmit the austere character that characterised Larramendi.

A good example of the latter were the seminars and symposiums held from 24 to 29 September 1984 in Sao Paulo, Buenos Aires and Santiago de Chile on protection and prevention, with the participation of Spanish speakers, of whom Larramendi highlights in his report to the Board of 23 October 1984 the high quality of these seminars and symposiums, as well as their high participation, estimated by himself at between 400 and 600 attendees per country. In fact, he was so pleased with the success in Brazil, Argentina, and Chile that he planned to repeat these events the following year in Venezuela, Mexico, and Colombia. Hence, Larramendi managed not only to make the MAPFRE brand more widely known to the rest of the world, with special emphasis on what for him has always been Ibero-America but also to contribute to the association of the brand with the quality that is imprinted by the concern for training. As indicated above, his interest in what we understand today as corporate social responsibility was one of his great hallmarks and, without doubt, one of his great legacies, without which it would be impossible to understand the role that MAPFRE plays today at a global level.³³⁸

³³⁷ Santiago Gayarre y Andrés Jiménez. In-depth personal interview (14-2-2019).

³³⁸ Vid. LARRAMENDI, I. H. (1972–1985). Report 23-10-84, p. 4.

The above-mentioned Schumpeterian character is key to distinguish MAPFRE's current way of operating, in which it does manage to acquire companies at 100 per cent. Larramendi's intuition, that instinct which distinguishes the businessman who takes risks when entering new markets, can't be separated, in order to better understand the internationalisation process, from the closeness he exuded in his constant travels around the world, thanks to which he earned the admiration and respect wherever MAPFRE was established.

Precisely, the trips made by Larramendi were so frequent that they deserve to be analysed in greater detail. Even before the internationalisation process, during the 1950s and 1960s, professional trips throughout Spain in search of talent were abundant. Nevertheless, the trips to London, Paris and, above all, the one made in 1959 to the United States with a select group of national businessmen in which he was the only one belonging to the insurance sector and whose purpose was to learn about new models of business management.³³⁹

The decade of the 1960s would bring him new trips to the most diverse European territories: France, for the annual meeting of reinsurers in Monte Carlo, Italy, to attend the World Congress of the International Association of Insurance Law in Rome, Belgium, to prepare an action plan for European mutual societies, taking advantage of the Brussels Expo, and Sweden, to attend a seminar of the European Federation of Financial Institutions in Stockholm. In 1962 he made a second trip (this time alone) to the United States to analyse American insurance and also to attend the meeting of the International Insurance Seminar (IIS), which that year was held in Austin. The decade would end with his first trip to Ibero-America, the aforementioned trip to Argentina in 1969, which would literally change his life.³⁴⁰

"America is in Spain; we Spaniards are Ibero-Americans and we don't cease to be Spanish".³⁴¹

In the 1970s he travelled to the American continent but also expanded his list of destinations: New Delhi, Moscow, or Osaka, to participate in another IIS meeting, would be some of them. In fact, his participation in IIS meetings will be recurrent in this decade and would take him to places as different as Berlin (1971), Mexico (1972), Taipei (1974), San Francisco (1976), Oslo (1977), Manila (1978) or Dallas (1979). The UNIAPAC congresses also gave him the opportunity to visit the Ivory Coast in 1975 and Manila in 1979.³⁴²

The 1980s would follow a similar trend in terms of travel. He attended several UNIAPAC meetings such as the Hong Kong meeting in 1981 and also the Third World Insurance Association (TWIC) meetings in Casablanca (1984) and Beijing (1986). Of course, he continued his tour of Ibero-America and continued to attend IIS congresses in Paris (1980), Rio de Janeiro (1981), Toronto (1982), Singapore (1983), Vienna (1985)

³³⁹ Vid. CATALINAS, J. L. (2001).

³⁴⁰ Vid. CATALINAS, J. L. (2001).

³⁴¹ Vid. CATALINAS J. L. (2001).

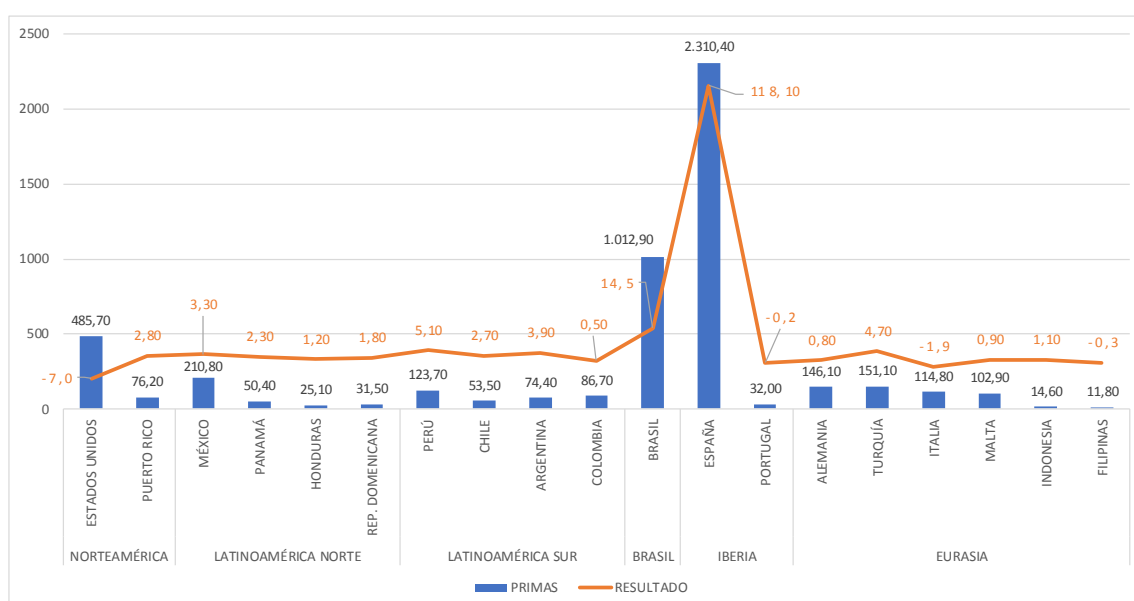
³⁴² Vid. CATALINAS, J. L. (2001).

and Orlando (1986). Finally, in 1990, he made his last professional transatlantic trip to Chile.³⁴³

Despite what has been said so far, not all the adventures were successful. Without going any farther, MAPFRE's step into the direct insurance market, for example, in Colombia, where it acquired a stake in Seguros Caribe, was a challenge due to the extreme disorganisation that the company was experiencing and, since the internationalisation process didn't follow any predetermined strategic plan, but was adjusted to the decisions that Larramendi was taking in the short term, the operation had to be carried out on a country-by-country basis. Even in Mexico, MAPFRE was forced to sell its stake in Seguros La República, an investment once again oriented towards reinsurance, which didn't yield the profitability initially expected.³⁴⁴

Nevertheless, the balance of MAPFRE's landing in South America is clearly positive, which can't be said of all the territories in which MAPFRE has a presence. MAPFRE Philippines, for example, hasn't obtained good business results and yet, for Larramendi, being present in these places was almost a moral obligation, a question that went far beyond mere economic factors and that can only be understood from the knowledge of the determining factor of his humanist nature—the company understood not only as a generator of profits but also as an element of social and cultural cohesion—in the internationalisation process. The differences in the results of the different countries in which MAPFRE currently operates can be seen in Illustration 4.

Illustration 4: MAPFRE's premiums and results in the first quarter of 2018 by country (in millions of euros).



Source: Compiled by the authors with data published in Expansión on 9-6-2018.
<https://www.expansion.com/empresas/2018/06/09/5b1aafa0e5fdeaf3078b45e2.html>

³⁴³ Vid. CATALINAS, J. L. (2001).

³⁴⁴ Vid. LARRAMENDI, I. H. (1972–1985).

Although Larramendi's obsession with the Ibero-American continent is evident due to the factors already analysed, this wasn't the only region of the planet in which MAPFRE decided to establish itself. In fact, Larramendi himself explains that, although Europe didn't offer the same business opportunities as Ibero-America, his presence in the Old Continent was necessary in order to maximise risk diversification.³⁴⁵ For this reason, the first country MAPFRE entered in the 1970s—10 years before embarking on the Ibero-American adventure—was Belgium. In Belgium, the Assubel mutual society was subsequently incorporated as the public limited company CIAR and, although its shares were initially divided equally amongst its participants, they were eventually acquired by MAPFRE.³⁴⁶

At the end of the 1980s, Belgium was followed by other countries of the Old Continent such as Italy and Portugal in 1986, Ireland in 1987 and Luxembourg in 1988. As a curiosity, it should be noted that Larramendi considered Europe to be a difficult place for an insurance company to establish itself (outside of Portugal) and exemplifies this precisely in Italy's case, showing pride in the fact that MAPFRE was the only insurance company—both national and international—with its own building in Sicily.³⁴⁷

Portugal always deserved a special consideration for Larramendi due to the close relations of the neighbouring country with the Spanish business network. In fact, from 1980 onwards Larramendi would visit the Fidelidade Insurance Group to obtain as much information as possible about the Portuguese insurance market as well as about the general situation in the country. He always attributed to Portugal the status of a sister nation and, for him, the physical presence in Portugal was to be a strategic move that would tie in with his quasi-simultaneous expansion into Ibero-America.³⁴⁸

It is also interesting to analyse MAPFRE's international expansion at the end of the 1980s, making inroads into countries that were to some extent exotic. This is the case with Tunisia, where the company was established in 1986, the first time it has done so on African soil. Nevertheless, MAPFRE's presence in Africa is quite modest and, even in Tunisia itself, it was limited to the Assistance branch through Afrique Asistance in collaboration with the Maaoui family: the intention was to make Tunisia a springboard for expansion throughout the Maghreb (today MAPFRE is also present in Algeria and Libya).³⁴⁹ The success can be considered remarkable if we take into account the growth of the workforce in that country since, from five employees in 1997, it grew to more than a hundred in 2018, with the team being 100% Tunisian.³⁵⁰

The Philippines was another of Larramendi's personal commitments, given the common past of this nation with Spain. In this case, MAPFRE's presence dates back to 1985 with the direct opening of an office to carry out reinsurance operations. In a similar way to what was discussed in the case of Tunisia, Larramendi's idea was to use

³⁴⁵ Vid. LARRAMENDI, I. H. (2000), p. 663.

³⁴⁶ Vid. LARRAMENDI, I. H. (2000), p. 663.

³⁴⁷ Vid. LARRAMENDI, I. H. (2000), p. 664.

³⁴⁸ Vid. LARRAMENDI, I. H. (2000), p. 662.

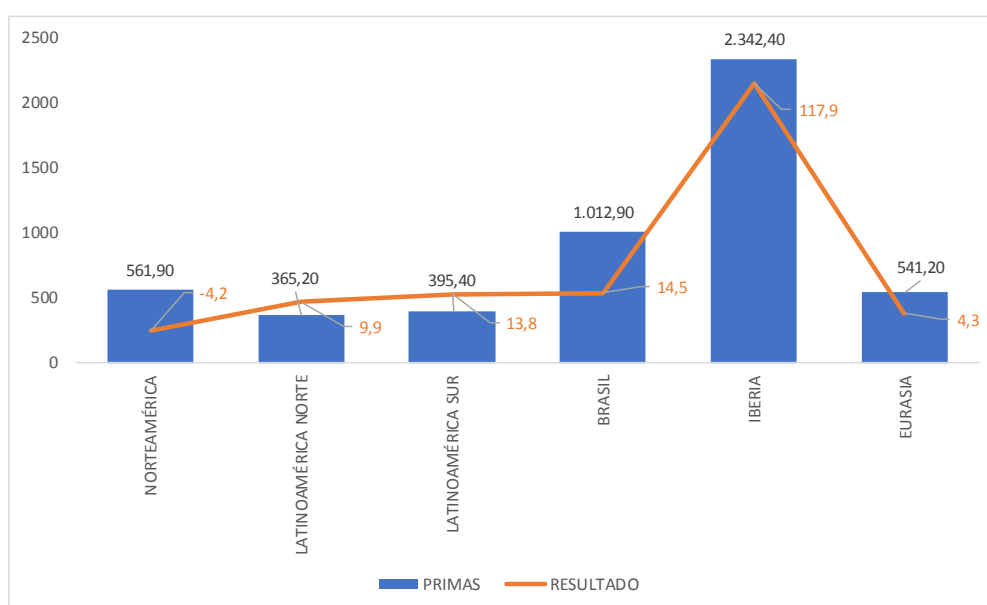
³⁴⁹ Vid. LARRAMENDI, I. H. (2000), p. 664.

³⁵⁰ <https://noticias.mapfre.com/mapfre-exito-cumbre-espana-y-tunez/>

the Philippine market as a bridge to expand throughout the Asian continent—including the Middle East—and, in fact, MAPFRE has been operating in Bahrain and Singapore since 1994 and 2015, respectively.³⁵¹

As far as the United States is concerned, once again Larramendi's preference for those territories with obvious cultural affinities is palpable. Not by chance, MAPFRE's spearhead in this country was Florida, also with the expectation of making the leap from there to other Caribbean nations such as Cuba. Its presence in the North American country dates back to 1986, with the creation of a motor insurance subsidiary.

Illustration 5: MAPFRE's earnings and results in the first quarter of 2018 by geographical area (in millions of €).

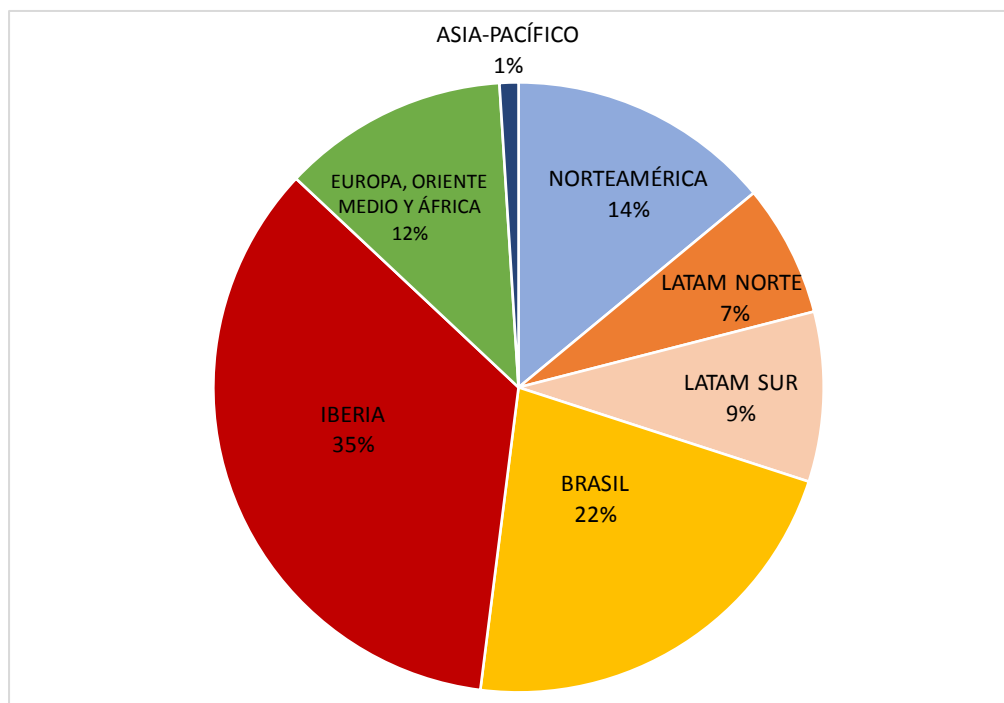


Source: Compiled by the authors with data published in *Expansión* on 9-6-2018.
<https://www.expansion.com/empresas/2018/06/09/5b1aafa0e5fdeaf3078b45e2.html>

Graphs 5 and 6 show the importance that the international business currently represents for MAPFRE, both in absolute and relative terms. Although the Iberia region (comprising Spain and Portugal) continues to be the most relevant, it is appropriate to highlight the case of Brazil, a country that accounts for almost a quarter of the total, and which stands as a geographical region in its own right for MAPFRE's international policy. Furthermore, it can be seen how the American continent, as a whole, represents more than half of the turnover (52%), which clearly indicates the long-term success of Larramendi's commitment to this region of the world. It is particularly significant that MAPFRE disembarked in Ibero-America in the 1980s, a decade considered, precisely, as the lost decade of that region.

Illustration 6: Breakdown of MAPFRE's premiums by geographical area (as a percentage of the total).

³⁵¹ Vid. LARRAMENDI, I. H. (2000), p. 665.



Source: MAPFRE. <https://noticias.mapfre.com/la-apuesta-de-mapfre-por-latinoamerica/>

In any case, MAPFRE's commitment to internationalisation was clearly conservative, in the words of Larramendi.³⁵²

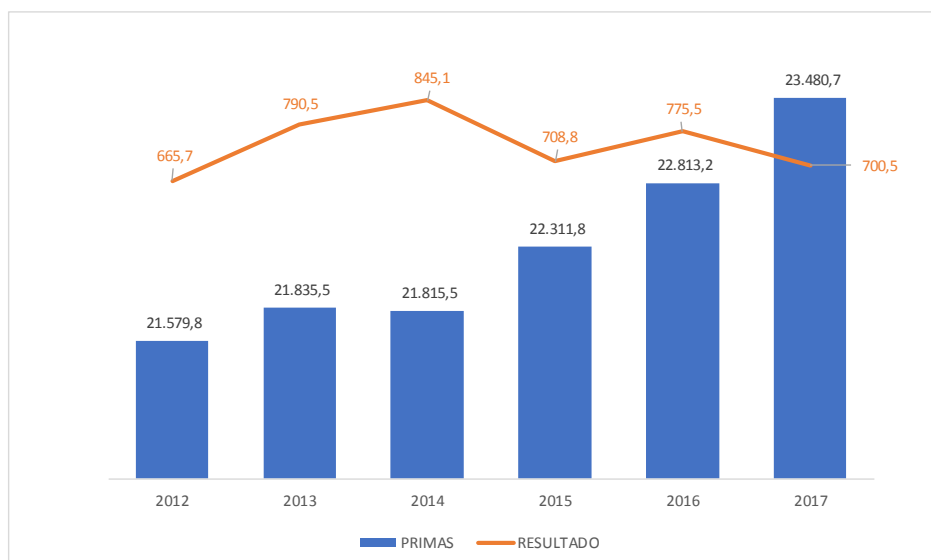
“Some say that our apparent action (abroad) is greater than our real action and they’re right, for we have sought maximum reduction of the risk that this action represents. Of the 7 billion, more than 1 billion is real estate acquired for logistics support in excellent condition: 4,500 million are in Europe and the United States and only 1,500 million in Ibero-America, always in insurance companies with very upwards-oriented activity, with operational balance, likely revaluation and without any loan or complementary obligation of the debt type, which has created problems for many financial institutions”.

Today, MAPFRE is present in 49 countries on five continents. This makes it one of the leading insurance companies in Ibero-America and the world. It has 34,324 employees in its 13,024 offices around the world.³⁵³ Graph 7 shows the evolution of MAPFRE's premiums and results worldwide, showing that the business is expanding constantly. Undoubtedly, the result of the path initiated by Larramendi more than four decades ago, whose entrepreneurship allowed MAPFRE to become the successful multinational it is today.

³⁵²

³⁵³ Vid. MAPFRE (2019), p.12.

Illustration 7: Evolution of premiums and results 2012 - 2017 (in millions of euros).



Source: Compiled by the authors with data published in Expansión on 9-6-2018.
<https://www.expansion.com/empresas/2018/06/09/5b1aafa0e5fdeaf3078b45e2.html>

Finally, having analysed MAPFRE's internationalisation process and the impact that Larramendi had on it, Table 8 shows the list of countries in which MAPFRE has an international presence, in chronological order of arrival in the country in question:

Table 8. Chronography of MAPFRE's internationalisation.

Country	Year
Belgium	1974
Colombia	1984
Mexico	1984
Philippines	1985
Panama	1986
Paraguay	1986
Tunisia	1986
Argentina	1986
Brazil	1986
Italy	1986
Portugal	1986
Chile	1986
U.S.	1986
Ireland	1987
Venezuela	1988
Luxembourg	1988

Puerto Rico	1989
United Kingdom	1991
France	1994
Uruguay	1994
Bahrain	1994
Greece	1994
Turkey	1995
Dominican Republic	1995
Ecuador	1995
Peru	1995
Guatemala	1997
Germany	1997
Costa Rica	1998
Russia	1998
Bolivia	1999
El Salvador	1999
Honduras	1999
Nicaragua	1999
Canada	2000
Hungary	2001
China	2004
Poland	2006
Egypt	2007
India	2007
Algeria	2008
United Arab Emirates	2008
Libya	2009
Malta	2011
Australia	2012
Taiwan	2012
Japan	2012
Indonesia	2013
Singapore	2015

Source: Compiled by author based on GARCÍA-RUIZ, J. L. and CARUANA, L. (2009).

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CHAPTER V. Case Studies

Case Study 1: Larramendi as the architect of change. The transformation process at MAPFRE from 1955 to 1990: Strategic change and its effect on the company and the insurance sector.

PhD Manuel R. Tejeiro Koller

MAPFRE TODAY

Mutualidad de Seguros de la Agrupación de Propietarios de Fincas Rústicas de España or better known as MAPFRE is currently the largest Spanish insurance company in the world. It is number two in the Spanish ranking by premiums, with a market share of 11.43 per cent in 2019, just 1.9 per cent behind the market leader, Vidacaixa. It is worth mentioning that in this data it should be taken into account that many companies transformed deposits into life insurance to use them as investment tools in a context of extremely low interest rates. This may have artificially inflated some figures. The first two together account for 24.8 per cent of the market and more than a third if the Mutua Madrileña Group is added (see Table 9). Behind these figures are 6.5 million customers who enjoy their insurance, investment funds and pension plans.

Within the MAPFRE Group are as the main entities, MAPFRE España, MAPFRE Vida, Bankia MAPFRE Vida, MAPFRE Global Risks, Bankinter Vida, Bankinter Seguros Generales, Ccm Vida Y Pensiones, Verti Aseguradora. In addition to these there is a long list of entities by country and with a certain diversification, as is the case with Funespaña SA, a funeral company.

The business group has a total of 34,324 employees, 12,526 branches and a partnership of 86,500 agents. Its income for 2018 amounted to €26.59 billion, of which it earned a profit of €529 million.

Table 9 Ranking of Total Direct Insurance by Groups and Entities in 2018

No.	Entity/Group	Premiums issued direct insurance (Euros)	Growth	Market Share	Accumulated market share
1	VIDACAIXA	8,217,652,695.19	-14.99%	12.76%	12.76%
2	MAPFRE	7,291,086,999.07	8.03%	11.33%	24.09%
3	MUTUA MADRILEÑA GROUP	5,270,255,730.30	5.30%	8.19%	32.28%
4	ALLIANZ	3,612,449,058.26	2.78%	5.61%	37.89%
5	ZURICH	3,559,582,114.71	-6.48%	5.53%	43.42%
6	GRUPO CATALANA OCCIDENTE	2,854,016,029.33	0.97%	4.43%	47.85%
7	GRUPO AXA	2,599,050,814.05	7.82%	4.04%	51.89%
8	SANTALUCIA	2,583,883,458.63	1.89%	4.01%	55.90%
9	GENERALI	2,408,746,660.21	-1.50%	3.74%	59.64%
10	SANTANDER SEGUROS	1,976,757,398.32	31.27%	3.07%	62.71%

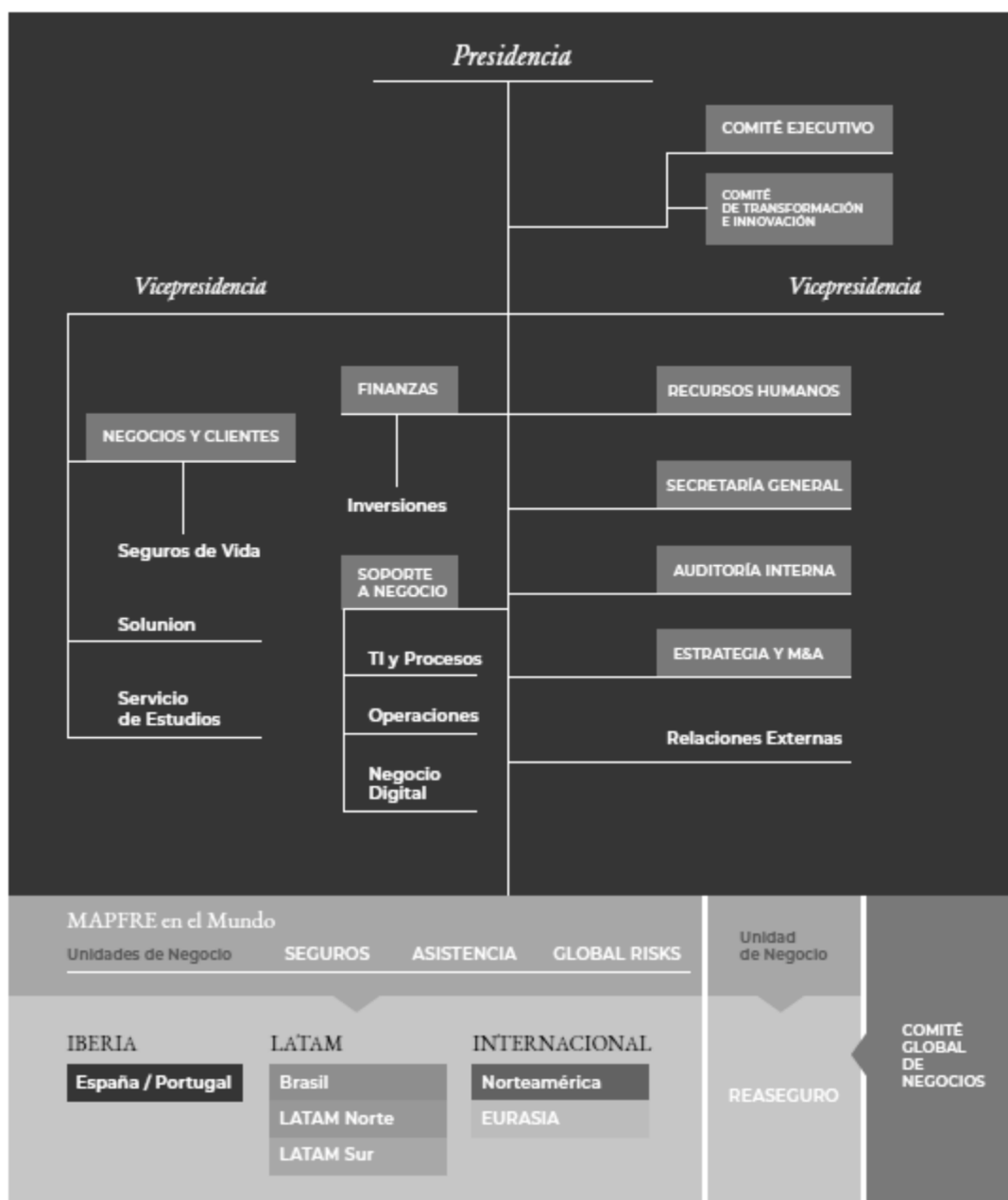
Source: ICEA 2019, Rankings : Total Sector

The parent company of the group is the holding company MAPFRE SA, whose market capitalisation in July 2019 stood at €8,385.6 million. Its shares are listed on the Madrid and Barcelona stock exchanges and it is registered in the IBEX35, Stoxx Insurance, MSCI Spain, FTSE All-World Developed Europe Index, FTSE4Good, FTSE4Good IBEX and Dow Jones Sustainability World indices. The shareholders behind the holding company are Spanish and international institutional investors, Spanish private individuals and to a lesser extent international non-institutional investors. However, the majority of the shares are in the hands of Fundación MAPFRE, which holds 68.2 per cent of the capital.

Internationally, MAPFRE is present in 45 countries on five continents, with 5,256 direct offices, positioning itself as the third-largest insurance group in Latin America and the leader in non-life insurance in this region. In Europe they're ranked tenth and have managed to establish themselves in the top 20 in motor insurance in the United States of America.

The company is organised into four business units: insurance, assistance, global risk, and reinsurance. While the first three are in turn subdivided by region, according to their presence in the different countries (Iberia, LATAM, International), the reinsurance unit is managed on a global level (see Figure 4). Antonio Huertas Mejías has chaired the company since 2012, after joining the company in 1988 and holding a long list of positions, starting with Regional Director of MAPFRE MUTUALIDAD in Asturias and Extremadura. In addition to Antonio Huertas, the board of directors is made up of 15 other members.

Illustration 8 MAPFRE S.A. Organisation Chart



Source: Annual MAPFRE report 2018

However, this company, which has managed to reach the top of the market with an enviable competitive position, wasn't always like this. It was established in 1933 as a humble mutual society to cover work accidents in the agricultural. It suffered heavy losses and was on the verge of bankruptcy in 1955, when Ignacio Hernando de Larramendi became director of the company. It was up to him to transform this company or go down with it. He faced a complicated internal situation, with a company with accumulated losses, low profitability and straitjacketed in a rigid regulatory environment. The Spanish post-war period was still very much in evidence and their competitors were large and firmly established in the market. Nevertheless, Larramendi decided to face the challenge and not only managed to avoid bankruptcy but also to build the foundations of the company we know today.

Illustration 9 MAPFRE'S Development



Source: MAPFRE Website - MAPFRE's History

As we can see, the MAPFRE Group was created in 1970, Corporación MAPFRE in 1981 and Sistema MAPFRE in 1985. It became a leading insurance company in 1983 and began to expand internationally the following year. Settling in one market before expanding to the next (cascade strategy) as an international expansion strategy would become its most common form, as we will see below. We also see a gradual expansion of its business areas such as the integration of motor insurance as early as 1952 or the vertical integration with roadside assistance (included in MAPFRE Asistencia). Another important milestone was the launch of the company Verti, through which a sales channel is created exclusively by internet and telephone in 2011. With this company MAPFRE strengthened its direct online sales and created an offer with cheaper prices for a younger audience.

MAPFRE UNTIL 1955

The Mutualidad de Seguros de Accidentes del Trabajo was established on 16 May 1933, which began to be known as “Mutua de Seguros Agrícolas”, which received the acronym by which it is known today by its founding body, the Agrupación de Propietarios de Fincas Rústicas de España. It began its insurance activity by insuring accidents at work in agriculture, quickly including fire and theft coverage. Despite the outbreak of the Civil War, the company continued its operations in the national area, even managing to expand its insurance portfolio to include livestock in 1938. When the government later implemented Compulsory Health Insurance in 1944, MAPFRE began to collaborate in the implementation of this insurance in rural areas as Collaborating Entity No. 35. After accumulating losses of 26.77 million pesetas, it ceased operations in 1953. Low wages and high mortality of agricultural workers were identified as causes of this unfavourable development. The crisis with the Collaborating Entity No. 35 and the National Welfare Institute (Instituto Nacional de Previsión - INP), which was behind it on behalf of the Ministry, reached its pivotal point with the arrival of Larramendi in 1955. That year, the INP was claiming 15 million from MAPFRE and even higher amounts were being claimed by the pharmaceutical associations. In order to meet these debts, the vast majority of the buildings owned by the mutual society were impounded. Thanks to a personal negotiation carried out by Larramendi with INP's CEO, a lawsuit that had been filed against MAPFRE was withdrawn and a payment of 50% of the debt was agreed in the future and against profits. This led to a habit of building up reserves before turning a profit to ensure a sound financial position, before seeing profits committed. This unfavourable financial situation was compounded by an internal conflict within the Board of Directors, with opposing sides making normal operations almost impossible. The problems didn't end at the management level but extended to the employee level with an excess of almost double, according to Larramendi's initial estimates.

In 1954, the year prior to Larramendi's incorporation as CEO, MAPFRE recorded losses of 1.7m pesetas, together with accumulated debts with agents and delegations of 1.3m pesetas. In addition to this, there were liabilities of almost 4 million pesetas in bank loans and other creditors as well as some 1.7 million pesetas in overdue taxes pending payment. In total the debt amounted to 7 million pesetas or one third of the balance sheet. The company's situation was so worrying that Larramendi thought about why he had accepted responsibility for the company during many sleepless nights. However, he quickly identified that the company's two main problems were cash flow and financial equilibrium. The first, because of the accumulated debt and the losses recorded, and the second because of the type of insurance marketed and the disbursements for claims. It was also important to understand the relationship between the head office and the agents. These were a fundamental asset of the company, as they showed growth despite the company's poor situation and represented a variable expense. Nevertheless, it was necessary to transmit them security and seriousness in how it operated, and that their efforts would be greatly diminished if they thought that the company was bankrupt, accelerating the fall. Although MAPFRE's commercial network can be considered its greatest asset at the time, even this didn't appear to have value in the market of companies, as no competitor made a takeover bid. Had this been the case, MAPFRE's fate would have

been sealed, as it was something that Larramendi considered and even promoted as a solution to the serious crisis.

Situation of the insurance sector up to 1955

After the Civil War, the insurance sector in Spain faced an extraordinarily complex situation. On the one hand, the premiums collected and the companies' reserves fell far short of the amount of claims payable and, on the other hand, there was a lack of clarity regarding the companies' obligations in the event of war. After a period of debate, the Law of 17 October 1940 was signed. To address the first issue, the Insurance Compensation Consortium was created and a formula was found for shared support of damages with the insured (the "losses community"). The second question tried being resolved, referring to the coverage explicitly stated in the contracts signed, excluding those cases in which coverage in cases of "social revolution or civil war" hasn't been explicitly stated. The situation experienced during the war was also compared with the only eventuality then covered by insurance contracts, known as "mutiny" (defined as "determined by the more or less tumultuous actions of undisciplined masses"). It was decided that those situations furthest from this description would be compensated at 50 per cent, increasing the percentages as the case came closer to the agreed definition. Approximately two-thirds of the insured claims were covered by reinsurance with foreign companies, on which part of the payments fell. These difficulties led the Spanish insurance sector to unite in a common front in order to overcome the difficulties, thus explaining to a certain extent the great normalisation and trade unionisation that can be observed in the period after the Civil War.

Here it is worth mentioning several points that characterise the post-war Spanish insurance situation. Firstly, the Insurance Compensation Consortium went from being a transitory to a permanent solution and was in charge of coverage for extraordinary events. To finance it, a 10% increase was applied to the premium, which used to be 1 per cent of the sum insured, so the impact on premiums was minimal. Additionally, there was a change from a system of variable premiums to fixed premiums, improving the conditions of clarity for policyholders. Insurance gained prominence and justification in society because it proved to have lessened the effect of the destruction suffered during the war. For insurance companies, on the other hand, it led to a more rigorous control of the calculation of premiums on insured capital.

An important development was the entry of the public sector into insurance. Although the policy of the Franco regime was benevolent towards private capital and, in fact, tried to protect it, a series of circumstances were identified in which state intervention was considered necessary. These include "old-age", maternity and unemployment insurance, and later on insurance against sickness would also be added. As we already know, Social Security would end up taking care of a large part of these insurances, after its formal creation in 1964. However, it is worth mentioning that before that, in 1944, the Collaborating Entity no. 35, composed of MAPFRE and Unión and El Fénix, which would manage the insurance financed by the National Fund.

This agreement was dissolved in 1954 at a loss to all concerned and after proving unsuccessful.

Despite the entry of the public sector into insurance, post-war hardships, a difficult international geopolitical environment and years of autarchy (which particularly affected the lack of foreign exchange), the number of insurance companies grew (see Table 10 for industrial accident insurance).

Table 10 Industrial Accident Insurance Companies, 1935-1964

Año	Compañías mercantiles	Mutuas industriales	Mutuas agrícolas	Total mutuas	Total entidades
1935	30	155	78	233	263
1941	38	160	52	212	250
1945	63	101	44	145	208
1949	82	169	46	215	297
1955	95	189	52	241	336
1960	108			246	354
1964	113			250	363

Source: Tortella Casares, Caruana de las Cagigas, García Ruíz, Manzano Martos, & Pons Pons, 2014

This was a highly regulated and rigid sector in terms of regulations and limitations to free competition. The premiums followed a system of single rates that were compulsory for all insurers. Two bodies with great power in this Franco era were the Sindicato Nacional del Seguro, which imposed strict conditions on relations with agents and employees, and the Junta Consultiva, which issued recommendations on regulations. The latter played an important role in maintaining a sort of “status quo” amongst the insurance companies that made up the market, as it had great influence on the various laws that regulated the sector and limited the access of new companies. Perhaps the most noteworthy would be the law of 20 December 1952, which required a minimum capital of 25 million pesetas (50% paid up), with 5 million pesetas deposited as a guarantee. Foreign companies were required to ensure that their countries of origin had benevolent policies towards Spanish companies. It can be argued that this set of regulations was a reaction to an initially very fragmented market with overly lax requirements.³⁵⁴ In any case, the entry of new entities was very limited, which may have contributed to the fact that the market leader, La Unión y el Fénix Español, remained at the top of the table for almost five decades (1930-1975).³⁵⁵ In the year in which I. H. Larramendi took the reins of the company, 1955, MAPFRE didn’t appear in the Top 10 of the ranking, the leaders being La Unión and El Fénix Español with more than double the amount of premiums invoiced than their followers, Banco Vitalicio and Plus Ultra. It wasn’t until 1983 that MAPFRE managed to lead the table.

³⁵⁴ Pons Pons, 2013

³⁵⁵ Tortella Casares, Caruana de las Cagigas, García Ruíz, Manzano Martos, & Pons Pons, 2014

Table 11 Top 10 by Premiums and Ranking, 1950 y 1960

	Company	Premiums 1950	% Share	Company	Premiums 1960	% Share
1	La Unión y El Fénix Español	202.3	7.8	La Unión y El Fénix Español	661.4	6.9
2	Mutua General de Seguros	102.2	3.9	Banco Vitalicio de España	331.3	3.4
3	Federación de Mutualidades de Cataluña	93.8	3.6	Plus Ultra, Compañía Anónima de Seguros	305.1	3.2
4	Banco Vitalicio de España	93.8	3.6	El Ocaso, S.a.	280.7	2.9
5	El Ocaso, S.a.	87.9	3.4	Mutua General de Seguros	279.2	2.9
6	Plus Ultra, Compañía Anónima de Seguros	69.8	2.7	Federación de Mutualidades de Cataluña	255.5	2.6
7	Compañía Hispano Americana de Seguros y Reaseguros	69.6	2.7	Santa Lucía, S.A.	196.4	2.0
8	Bilbao, Compañía anónima de Seguros	43.7	1.6	La Equitativa (Fundación Rosillo), Riesgos diversos	164.8	1.7
9	La Equitativa (Fundación Rosillo), vida	43.3	1.6	Sociedad Catalana de Seguros	154.2	1.6
10	General Española de Seguros	42.6	1.6	Bilbao, Compañía anónima de Seguros	151.4	1.5
	Total top 10 companies	849.0	33.0	Total top 10 companies	2,780	29.2
	Total premiums 1950	2,571.6	100.0	Total premiums 1960	9,504	100.0

Source: Pons Pons, 2013

In terms of branches, it is transport insurance that shows its greatest growth, starting, curiously, with marine insurance due to a law that made this insurance compulsory in 1942 for all hulls in entities registered in Spain. However, the greatest

growth in motor insurance can be seen from 1955 onwards, with motor insurance revenue increasing fourfold between 1955 and 1960.

An indicator of the beginning of the professionalisation of the industry was the inclusion in 1953 of actuarial studies at university, thus improving the skilled workforce for the industry and reducing the need for in-house basic training by insurers.

THE TRANSFORMATION PROCESS

According to the former chairman of MAPFRE Vida from 2001 to 2006 and member of the board of directors until 2011, Sebastián Homet Duprá, Larramendi's arrival at MAPFRE was like the arrival of someone who acquires a house in ruins. Like someone who wants to restore a decayed mansion, Larramendi approached the work of recovering the company in phases, starting by shoring up the ruins to carry out extensions.

Underpinning: avoiding ruin

As we have already seen in the section 0, the mutual society into which Ignacio Hernando de Larramendi entered as CEO had a series of problems. A cost structure that was too high and a lack of liquidity were the two most urgent problems to address in order to avoid bankruptcy. This forced hard cost adjustments, with numerous lay-offs and an adjustment to a more cost-effective structure. These were tough years, in which the company was on the verge of suspension of payments on more than one occasion and had to adjust its accounts to the maximum, postponing payments in order to survive.

Larramendi did something unusual for the time. Not only did he demand an ironclad philosophy of austerity, but leading by example, he cut his salary by 40 per cent. The managerial class wasn't exempt from this adjustment, with the average wage cost of a manager going from 2.47 times that of an employee in 1955 to 1.57 in 1957. This gesture gained the trust of the employees and conveyed the message that they were all in the same boat. It was this attitude, that he was the first to be held accountable for the consequences of his decisions, which was decisive in convincing the rest of the team. He described the working atmosphere as good at this time, even in spite of the bad situation they had to live in, because everyone felt united by the same struggle for the survival of the company. Thus, the harsh cutbacks that reduced the plant's workforce from 86 employees in 1955 to 39 four years later didn't create an atmosphere of panic or rejection amongst the other employees. The turnaround strategy was clear: cost reduction for the economic viability of the company. Efforts were focused on reducing costs in the cost centres (mainly the head office) and strengthening the revenue centres, such as the branch offices. These were increased from 1103 in 1955 to 1242 in 1958.

In line with the philosophy of greater cost control, a system was implemented to increase control over schedules, demanding greater rigour from employees. The

punctuality effect wasn't only intended to increase worker productivity but also to improve the quality of customer service. In return, a profit-sharing measure was introduced for executives and target-based bonuses for employees, a novel measure for the time and the sector, which was governed by a wage agreement. Amongst the bonuses, promotions were also introduced based on merit and not on competition, which was also rare at that time.

In this phase austerity was implemented as a value in the organisation. It was justified, because it saved the organisation from bankruptcy and it was supported by the staff, because they understood its necessity. It had the effect of uniting those who formed part of MAPFRE even more, as they feel like survivors who together fought to refloat an almost sunken ship. This value wouldn't leave the organisation and can be recognised in various actions implemented in subsequent years.

During this period Larramendi was accompanied by José García, who rejoined the company after a leave of absence in 1956, and who was appointed auditor of MAPFRE shortly afterwards. As number two in the company, he was able to decisively support and implement the decisions of the CEO. Larramendi described him as an excellent accountant with great management and administrative skills. The latter's execution style complemented Larramendi's creative approach in the professional field very well. The management team was joined by Benito Tamayo and Fernando Sadornil, whom the CEO acknowledged as having played decisive roles in MAPFRE's transformation. While the former brought a young and aggressive commercial initiative, the latter introduced a technical approach to insurance diversification beyond those related to agriculture.

Restructuring: back to business as usual

In this second phase, MAPFRE's common operations were reviewed for the purpose of seeking greater technification, professionalisation and strategy in its operations. This was reflected in all areas of the company, from human resources policy to commercial and technological development.

An important change was the introduction of new recruitment practices, where higher qualifications were sought and university graduates were recruited. The emphasis was on technical preparation but also on the motivation to learn and dedicate oneself to the cause, as the insurance training received at that time in Spanish universities was minimal. In order to avoid nepotism and promote a professional meritocracy, an internal policy prohibited the hiring of direct relatives.

In the commercial sphere, a system was introduced whereby priority was given to marketing those insurances that were most profitable, seeking to maximise the return on the scarce resources available to the company. In line with the search for greater efficiency and cost-effectiveness, the delegation of responsibilities over the territorial network was increased. Not only was claims management transferred to the branches, but a system of quotas and incentives was introduced for them, dependent on sales growth. To grow is to survive, as it increases capital inflows and improves the cash position. The recruitment of the provincial delegates was supervised by head office and their bonuses depended on the performance of their team, to which they

themselves could assign a variable part of the salary. These measures are common today, but they were a revolution in a sector that was highly regulated and intervened by the Trade Union Organisation. MAPFRE developed its “organic plan” for the control of local delegates in 1959, thus formalizing control over delegations and establishing the basis for its expansion. Additionally, the figure of the comptroller was introduced, who was to keep control of expenditures and supervise the performance of the provincial delegates. From an independent study, it was concluded that commissions had diminishing returns and that these organisational measures were vital for continued growth.

A decisive external factor was the liquidation of Entidad Colaboradora No. 35, which corresponded to MAPFRE's management of the compulsory health insurance it had contracted with the Ministry of Labour since 1944. When it was concluded that the company's loss-making development was due to a contribution well below the national insurance average and not due to poor management of the company, the State took over the debts contracted by MAPFRE and agreed to the settlement, relieving the company of these responsibilities in 1959.

Rebuilding: business growth and development

At the Board meeting of 19 May 1958, it was decided to turn the page and move on to another stage in MAPFRE's life. The New MAPFRE must consolidate itself, characterised by “intensification in production” and diversification. This last feature was implemented through the incorporation of the Life, Transport and Machinery Breakdown classes in 1958. The following year, it also introduced a voluntary sickness and health insurance. The business development initiative continued with the territorial expansion, starting with Catalonia and with a branch with great potential, although reduced presence at that time, which is Motor Insurance. In this phase, product diversification was combined with market development, with growth at the national level. Despite what one might think (and what can be observed in many other companies), the strategy of territorial expansion was not, in general, to enter with force in large cities. Totally the opposite. Remaining true to its roots, the company decided to go for an expansion in rural areas, only to move on later to conquer the big cities. Hence, the greater competition that existed in these areas was avoided and the differential positioning that the company enjoyed in rural areas was taken advantage of. Larramendi narrates how this strategy resembled that of Wal-Mart, which in the United States had been a remarkably successful one. The U.S. was conquering the rural areas less served by the big competitors, to later unseat them from the main shopping streets of the big cities.³⁵⁶

The external development was accompanied by an internal restructuring, whereby the *Sales Expansion Service* was transformed into a *Marketing* department. It supported delegates and agents with commercial material and relevant information as well as direct attention to potential customers. This service included an Information, Statistics and Direct Contracting Service for the collection, processing, and dissemination of relevant information. The process of territorial growth inevitably led to an increase in the number of agents and delegates, whose professionalisation was a

³⁵⁶ Hernando de Larramendi y Montiano, 2000

priority. This process was accompanied by a significant investment in computer equipment that would facilitate communication with the “capillary network” of offices that would characterise the company from then on. This push towards technology made it possible to speed up the gathering of information, allowing the status of sales and claims to be known on a daily basis. Two guiding principles of the new corporate policy appeared here: austerity and innovation. The obsession with lowering costs and the search for new market opportunities led to a series of actions in which both principles went hand in hand: innovation in pricing processes, commercial innovation with the use of street-level premises and with the selection of the most profitable insurance lines to the detriment of the less profitable ones, increased efficiency of internal processes thanks to the use of IT. The use of premises allowed the increase in direct sales and in the savings in payments to agents, a very novel practice for the time. It was normal for an insurance company to be located on an upper floor, where you went by appointment and rarely on your own initiative. A reduction in commissions was also introduced: 4.5 per cent was paid when other companies paid 12 per cent. This can be justified by increasing growth and volume.

Expansions: market development and new commitments

Although changes have been made since the new CEO joined the mutual society at the time, it is in this last phase of the transformation that the most important changes were made. It was the transition from defensive to offensive. It was about putting the “hardship” of recovery behind us and changing our perspective. MAPFRE was no longer a small mutual society on the verge of bankruptcy, but a competitive company, with the capacity for development and a spirit of growth, which had managed to make a name for itself, become more professional and had much to contribute to the sector.

Having established the business in Spain, the company was now looking abroad. Larramendi stated at the ceremony for the awarding of the Grand Cross of Civil Merit: “Nobody in 1970 believed in Ibero-America, and even less in the insurance sector [...]. I foresaw in the 1960s that a process of foreign expansion would take place in Spain, both economically and socially, and that MAPFRE should take advantage of it”.

In the internationalisation strategy it was decided to start with less developed markets, where it could stand out from the competition, and where there wasn’t only a cultural connection but also a personal connection by the chairman. Although the first international excursion was in Belgium,³⁵⁷ Hispano-America was the priority because it fulfilled both requirements and had a great cultural proximity, with the same language and where Larramendi had managed to develop personal ties through Larramendi's participation in the various meetings of the International Association of Christian Directors (UNIAPAC). Additionally, MAPFRE had created an image of technical knowledge of the sector and gained a good reputation thanks to the wide distribution of various publications by Editorial MAPFRE. After the first step taken by Editorial

³⁵⁷ This first formal move abroad was part of the creation of the CIAR group for co-insurance with Schadeverzekering-Maatschappij NV of the Netherlands, Assubel Accidents et Domages of Belgium and L'Occidental de Réassurance (GAMPF) of France.

MAPFRE, reinsurance began with the company “MAPFRE Industrial” (which is what the current MAPFRE Reaseguros was called). Reinsurance was a common way to enter a new market, as contact with the end customer was more difficult. In a first step, the company assumed the risks of companies already present in the territory through reinsurance, thus allowing it to better understand the market and open channels. This technique was applied in markets such as the Philippines or Mexico, amongst many other countries. Secondly, insurance training and partnerships with local companies were offered. The wide dissemination of insurance manuals by Editorial MAPFRE (particularly in Ibero-America) had created an image of the company as an insurance loss adjuster. As such, the brand image preceded MAPFRE's entry on many occasions, with the brand often being associated more with insurance manuals than with the insurance business itself. The third step was to open a representative office and to seek equity from established companies. These were competitive markets, regulated by licences and with their own idiosyncrasies, which led to entry through partial or total acquisition of established companies. If there weren't sufficient funds to enter as a majority shareholder, it was entered as a minority shareholder, with the prospect of increasing that shareholding. The first country in which MAPFRE opened its own office was Mexico in 1984 (even though it had previously opened in Belgium), directed by Andrés Fernández Avilés, who, like the team that was subsequently formed in this country, was local. With this situation, the following question arises: How can MAPFRE's experience and know-how be transferred to less developed markets? While respecting local teams, due to their knowledge of the market and contacts, it was normal to send MAPFRE employees to introduce the way of working and the culture of the company. The aim wasn't to replace the local workforce of the acquired companies but to complement their local market knowledge base with the know-how and best practices, reflected in MAPFRE Spain's processes and procedures. This was one of the fundamental contributions to the acquired companies, in which we always sought to add value from the head office.

Participating early in the international expansion was Andrés Jiménez Herradón, who pursued his entire career in the company (46 years), passing through various management positions related to the international business. He describes MAPFRE as “builders” in the first phase of international expansion, as they sought to develop and expand the business of the companies they entered. These were purchases of companies with room for improvement and at a lower price. Later they become “real estate” because they acquire more competitive companies with less need for intervention by the MAPFRE team. Ready-made companies, in which the importance lies more in market presence than in development, with the contribution of the head office being minor.

After the initial success in Latin America, horizons were broadened and markets sought in the United States of America, Japan and, finally, Europe.

In the same way that the opening of new international markets was sought, an internal development of the company was also sought. On the one hand, it included the offer of new product lines (new insurance) and on the other hand it implied a constant improvement of internal processes. Once again we find innovation as a driving force or as a consequence of MAPFRE's vision of growth. In 1957 Larramendi

introduced UNIVAC perforated tokens and a calculator, which were major advances for the time. The part that today we would call IT was centralised in the Servicios de Organización y Mecanización S.A. (SDOMSA), where all the company's data was processed. In 1971 the first computer was installed at MAPFRE, the IBM 360, which led to a salary freeze in order to finance it. Andrés Jiménez described Larramendi's interest in technological innovation as an “obsession with mechanisation”, which is how the use of IT was described at the time. The computer had its own air-conditioned room, but it allowed a significant speeding up of data processing and storage. The more processes were streamlined, the more costs were reduced and the less time it took to serve customers.

Another important innovative initiative came with the creation of its R&D centre for motor insurance in 1983, CESVIMAP, the Centro de Experimentación y Seguridad Vial MAPFRE (MAPFRE Centre for Experimentation and Road Safety). For the first time, experiments were carried out with new vehicles to estimate the costs of repairs associated with claims, so that premiums could be calculated more accurately. Car manufacturers gave CESVIMAP new vehicles, which simulated accidents and carried out the necessary repairs, in order to calculate the costs. This activity continues to this day, in addition to others related to R&D related to the car and its components. The information obtained from this in-house research centre enabled the company to calculate car insurance premiums more accurately. It was found that some vehicles, which were more expensive to purchase, as was the case with Volvo, were then cheaper to repair than their lower-priced competitors. Such was the case with the Japanese models of the time, whose spare parts came in assembled packages, forcing the replacement of entire parts, rather than being able to repair individual components. The practice of setting premiums in motor insurance based on this scientific process converted MAPFRE into a *benchmark* in the market. The other companies were waiting for MAPFRE to set their premiums before positioning themselves in relation to them.

It is worth adding other innovative activities for which MAPFRE has become known outside the technological sphere. It introduced a change of concept by offering solutions to claims, rather than the usual financial compensation and was the first company to offer travel insurance as part of motor insurance, also offering this type of insurance on a usage basis, rather than by contract. It was also the first insurer to include a profit share in life insurance. The Policyholder Ombudsman was practically an invention of MAPFRE, as no other company had this figure before in Spain and a large part of Europe.

A good manager is the one who gets things done. A good manager is able to rectify when he has made a mistake, instead of insisting on his decision, just because he is the manager. I. Hernando de- Larramendi, 2000

LARRAMENDI, THE ARCHITECT OF CHANGE.

Ignacio Hernando de Larramendi y Montiano, born in June 1921, joined MAPFRE as CEO at the age of 34. To do so, he gave up a post as an Insurance and Savings Inspector, which he obtained through a public exam after completing his law degree in 1944. He was able to finish his studies after the end of the Civil War, in which he enlisted as a volunteer at the age of 16. His previous education had been at the Colegio de Nuestra Señora del Pilar in Madrid, although his childhood was spent between San Sebastian and Madrid. He had seven siblings and his parents, of Basque ancestry, passed on to him many of the values that are recognised in his life's work. His father, Luis Hernando de Larramendi (1882-1957) was recognised as a prominent lawyer and important Carlist politician, with a key influence on his son's value structure.

When Larramendi joined MAPFRE in 1955, it was after two years at the head of the Spanish office of the English insurance company Royal Insurance Company. During this time, the young lawyer had tried to introduce innovative changes in the organisation, but had been frustrated by the procedures and bureaucracy in this large multinational. In MAPFRE he found the freedom to act as he saw fit and to introduce all the innovations he considered necessary.

Larramendi's stamp can't be called a stamp but rather a creation, if we consider that MAPFRE went from having 40 branches in 1955 to 1,648 when, in 1990, he left all his positions in the company (except for the chairmanship of Fundación MAPFRE America). He transformed and created a company on the verge of bankruptcy with less than 200 employees into the market leader with nearly 4,500 employees in 1990 and a turnover of 200,000 million pesetas and 500,000 million in assets.

In his 1961 article, "La Empresa aseguradora española ante el mercado común", Larramendi showed a pioneering vision for the time, in which he set out a rationalist and open company management perspective. He based his statements on a rigorous study of the national and international competitive environment, where he looked for the quantification of measures that he considered key for the company, by means of preparing indicators chosen by himself. Comparing the situation of the Spanish insurance industry and the company with its European (particularly France and England) and US counterparts, he highlighted the weaknesses that needed to be addressed. He demonstrated the urgency of change in view of the forthcoming opening of the Spanish market and the resulting increase in competition. His proposals were clear and specific, explaining the relationship between the proposed changes and the expected results. He provided a global approach to the company, with special emphasis on the "company philosophy" as an integrating and guiding element of the entire company. This term refers to what is known today as corporate culture. Here he didn't neglect the ethical component, which he considered fundamental in strategic formulation.

The company's independence was paramount in the development of the company. MAPFRE was never backed by any bank, nor was it accountable to any political power, whilst its major competitors were backed by financial institutions such

as La Unión and Fénix Español with Banesto, Seguros Vitalicio with Banco Central or Seguros Bilbao with Banco Bilbao.

It is evident that he drew his inspiration from his experiences abroad (especially in England) and his spirit of reform and non-conformism is remarkable. This stance was very logical when he expressed his concern about the performance of the company and the industry in general, stating that if the necessary changes aren't made, they won't be competitive and will eventually disappear. He clearly saw the urgency of change and set no limits to what needed to be changed. There were no "sacred cows" in his vision for the future.

Santiago Gayarre Bermejo, who joined the company in 1970 and left it in 2013 as a member of the board of directors, after having held various management positions throughout his career, gives a multifaceted description of Larramendi. He describes him as a charismatic and firm, though not authoritarian, leader. A person close to his associates and demanding but with an extraordinary ability to inspire confidence in those around him. He was a visionary, an innovator and a non-conformist. He constantly questioned the status quo. It was clear to him that MAPFRE had to be transparent and fair, avoiding, whenever possible, any type of litigation, even if this meant paying compensation before some claims had been clarified. Gayarre describes his management as both professional and human at the same time. While introducing clearer and more formal processes and procedures, he tried to maintain maximum closeness with all employees. As well as demanding total dedication, he often pushed his staff out of their comfort zone. He made them go farther than they themselves thought they could go, following their vision for the future of the company. He had a clear vision of what needed to be done and he counted on his team to help him achieve these goals. This included the opening of new national and international markets or the introduction of technology and new practices in the company. However, these efforts were always accompanied by two fundamental things: his own example and unconditional support. He always gave a chance to whoever he saw capable.

He encouraged agile communication, both formally, requiring the production of "notes" in any meeting and as a tool to follow up on actions, and informally, where he held personal conversations with his associates. The notes went back to their sender, with comments and annotations for the sender to act upon. Larramendi had a direct relationship with both his closest associates in the management team and with employees at more operational levels. Throughout his travels he sought direct, first-hand contact with everyone he could and was interested in the person, rather than the employee. For Larramendi it was important to see the problem personally, in addition to the reports he received, and to hear the opinions of those directly involved. At the same time he demanded this practice from his associates, which would later become known by Toyota as *Genchi Genbutsu*, go and see for yourself.

In addition to his interest in understanding first-hand the business issues on the ground, it was his habit to ask about the family and to acknowledge in detail important personal events such as a marriage or the birth of a child. In his own words, he expressed his philosophy towards employees as a *humanistic respect for the freedom*

of employees and associates that would lead him to be able to affirm “...we wanted free men, and we had free men that weren’t afraid”.

Larramendi was a person with a very broad vision of the business, not afraid to get involved in too many issues. Personally, he is described as “tenacious, independent to the point of heterodoxy and provocation, intuitive, willing to listen, but disinclined to take notice, skilful and determined to quickly avoid obstacles and inconveniences . . .”³⁵⁸

He showed confidence in people and pushed them out of their comfort zone to stretch the company's reach. People had to constantly acquire new skills, as they were challenged very often. However, these were accompanied by a trust placed in the individual and a policy of staff retention and internal promotion that gave employees enough security to dare to move forward. Even when they themselves didn't feel capable, as was the case with Santiago Gayarre in his first position as head of claims in Zaragoza and so many others.

Even though he was the top manager of the company and had great informal authority, he was integrated into the company as one more, without boasting of greatness, although with a clear presence in any meeting. He had a very captivating personality and that kind of charisma that made the centre of a meeting to be where he sat.

Those who worked in the organisation with him say that “As he did it before, how could we not do it?” When the step into the unknown was taken, which Larramendi asked for, his personal and formal recognition could be counted on, through internal promotion and salary increases. Finally, he was characterised by severe personal and professional austerity. He was usually accompanied by his old tatty briefcase, he was humble in the hotels he stayed in during the trips he made for the company. He didn't drive, as he didn't have a driver's licence, nor did he have his own car or a company car, and he had the curious habit of bonding with an associate whilst on a business trip, in which the associated would be behind the wheel and he'd do the talking. These travel times served both as a time to catch up professionally and to build human relationships beyond formal dealings. He demonstrated a unique ability to connect with the people he worked with, achieving a loyalty that went beyond the strictly professional.

This philosophy extended to his management of MAPFRE and explains many of the actions that have made the company what it is today. The values that Larramendi demonstrated during his tenure have become deeply embedded in MAPFRE's corporate culture and can still be recognised today in many aspects.

³⁵⁸ Fundación Ignacio Larramendi, 2009

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ANNEXES

Annex 1. Balance sheet 1954

ACTIVO		BALANCE DE SITUACION.—EJERCICIO DE 1954		PASIVO	
	PESETAS		PESETAS		PESETAS
Caja	4.511,53				
Bancos: Efectivo en cuenta corriente	97.410,54				
Valores mobiliarios: Fondos públicos y valores en garantía del Estado Español	6.608.030,—				
Inmuebles:	1.343.168,71				
Delegaciones y Agencias: Saldos activos en efectivo	1.089.835,45				
Recibos de Primas pendientes de cobro:					
Ramo de Accidentes	1.735.758,65				
Ramo de Pedrisco	224.247,40				
Ramo de Incendios	118.292,79				
Ramo de Seguro Individual	83.617,60				
Ramo de Robo	5.319,10				
Ramo de Ganado	67.305,05				
Ramo de Responsabilidad Civil	170.329,90	2.404.870,49			
Coaseguradores: Saldos activos		359,28			
Reaseguro cedido: Reservas a cargo de los Reaseguradores:					
<i>Riesgos en curso:</i>					
Ramo de Incendios	371.883,48				
Ramo de Responsabilidad Civil	428.027,04	799.910,52			
<i>Siniestros, capitales vencidos y rentas pendientes de liquidación o pago:</i>					
Ramo de Accidentes	404.065,93				
Ramo de Incendios	1.352.709,27				
Ramo de Seguro Individual	57.094,90				
Ramo de Responsabilidad Civil	233.105,45	2.046.975,55			
<i>Saldos activos en efectivo:</i>					
Ramo de Accidentes	139.416,94				
Ramo de Ganado	344.499,93	483.916,87			
Deudores diversos:					
a) <i>Consortios de Riesgos extraordinarios:</i>					
<i>Saldos activos en efectivo:</i>					
Consortio de Riesgos Catastróficos		358.219,23			
b) <i>Otros deudores</i>		619.954,42			
Fianzas:					
En efectivo para garantía de siniestros	240.431,41				
Otras fianzas	1.527.209,08	1.767.640,49			
Mobiliario e instalación	3.126.308,53				
<i>A deducir:</i>					
Amortizaciones efectuadas	1.657.120,76	1.469.187,77			
Material		192.716,79			
Pérdidas y ganancias:					
Ejercicio actual		1.665.319,13			
TOTAL		20.952.026,77			
		Conforme:			
Reservas patrimoniales:					
Estatutarias			2.595.912,19		
Reservas técnicas legales:					
<i>Para riesgos en curso:</i>					
Ramo de Incendios — Seguro directo	459.012,85				
Ramo de Responsabilidad Civil — Seguro directo	434.255,29	893.268,14			
<i>Para siniestros, capitales vencidos y rentas pendientes de liquidación o pago:</i>					
Ramo de Accidentes — Seguro directo	6.565.070,46				
Ramo de Incendios — Seguro directo	1.405.930,32				
Ramo de Seguro Individual — Seguro directo	136.554,90				
Ramo de Ganado — Seguro directo	246.830,50				
Ramo de Responsabilidad Civil — Seguro directo	290.465,10	8.644.851,28			
<i>Para pago de comisiones de las primas pendientes de cobro:</i>					
Ramo de Accidentes	126.751,54				
Ramo de Pedrisco	15.560,52				
Ramo de Incendios	16.144,97				
Ramo de Seguro Individual	11.932,11				
Ramo de Robo	572,85				
Ramo de Ganado	4.760,43				
Ramo de Responsabilidad Civil	25.112,48	200.834,90			
Reaseguro cedido:					
<i>Saldos pasivos en efectivo con los Reaseguradores:</i>					
Ramo de Pedrisco	14.595,53				
Ramo de Incendios	425.621,99				
Ramo de Seguro Individual	90.652,91				
Ramo de Robo	24.483,51				
Ramo de Responsabilidad Civil	753.507,35	1.308.861,29			
Delegaciones y Agencias: Saldos pasivos en efectivo			1.317.205,04		
Acreedores diversos:					
a) <i>Consortios de Riesgos extraordinarios:</i>					
<i>Saldos pasivos en efectivo:</i>					
Consortio de Accidentes	17.738,64				
Consortio de Riesgos Catastróficos	324.649,49	342.388,13			
b) <i>Impuestos vencidos pendientes de pago</i>		1.728.554,11			
c) <i>Fondos de previsión para empleados</i>		2.199,—			
d) <i>Créditos bancarios</i>		1.992.425,28			
e) <i>Otros acreedores</i>		1.925.527,41			
TOTAL			20.952.026,77		

Madrid, Mayo de 1955

Annex 2 Summary Annual Accounts MAPFRE SA 2018

Non-Consolidated Annual Accounts	31/12/2018	31/12/2017	31/12/2016
	EUR	EUR	EUR
	12 months	12 months	12 months
Operating income	N.A.	N.A.	N.A.
Ordinary income before taxes	457,438,000	459,054,000	438,652,000
Profit/loss for the financial year	493,455,000	495,530,000	468,831,000
Total assets	10,265,690,000	10,072,689,000	9,874,349,000
Shareholders' equity	7,384,036,000	7,334,129,000	7,272,687,000
Economic profitability (%)	4.46	4.56	4.44
Financial profitability (%)	6.19	6.26	6.03
General liquidity	N.A.	N.A.	N.A.
Debt (%)	n.s.	n.s.	n.s.
Number of employees:	N.A.	513	480

Source: SABI

NOTES FOR CASE 1: LARRAMENDI AS THE ARCHITECT OF CHANGE. THE TRANSFORMATION PROCESS AT MAPFRE FROM 1955 TO 1990:

Key terms: organisational change, innovation, internationalisation, leadership

Summary

It comments on the transformation of a company that was on the verge of bankruptcy into one of the most successful companies in Spain. It shows how they managed to avoid its demise and rebuild the organisation, following different business policies and strategies. The figure of the executive is discussed as a central element in this process, studying both management style and decision-making. Ignacio Hernando de Larramendi is the executive who led the transformation process described above, when he joined the company in 1955. In the year of his retirement from the company, 1990, he left behind a leading insurance company in the national market, diversified and internationalised. His influence in the process stands out as key, due to his personality and management style, in addition to his sound strategic decision making. Although the current situation of the company is described, the case focuses on the time when the transformation took place.

Learning Objectives

Concepts such as organisational change, change management, organisational adjustment (*lean*), internationalisation and innovation strategies as well as the role of the leader are reviewed. With the use of this case, students will be able to see a practical example of these concepts and develop:

- What the steps in the transformation of a company can be, applying defensive strategies of cost savings and supply limitation.
- The development of corporate strategies for business growth such as diversification, product development and internationalisation.
- See the importance of innovation in business growth and its role as a source of differentiation.
- Discuss the role of the leader in a transformation process, highlighting change management techniques.

Application of the Case

The case can be used to deal with subjects such as Strategic Management, Business Management, Human Resources, Innovation Management or Business Organisation.

The case can serve as an example to demonstrate a process of change but also to develop creative solutions around the situations raised. In this sense, students can reflect on alternative solutions to the problems posed. It is recommended that the case be read outside of class, even if a discussion of the questions takes place during a face-to-face session.

Suggested timeline for 90-minute session:

- Reading: 30 minutes
- Answer three questions in groups: 30 minutes
- Resolution of questions and debate: 30 minutes

Recommended Reading

- Cuesta, F. (2010). Transformación empresarial para superar la crisis. *Harvard Deusto Business Review*, (187), 70-79.
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Questions

1. What have been the key dimensions that you can see in this business transformation?
2. How would you assess the role of the executive in the change process? Additionally, assess whether the leadership style followed is appropriate for the situation.
3. Relate what you have observed in the case to the theories of adaptability studied.
4. Highlight the innovations achieved over the years and how they have contributed to the company's competitive advantage.
5. What leadership traits can you highlight in Ignacio Hernando de Larramendi and how have they influenced the development of the organisation?
6. Describe MAPFRE's internationalisation strategy. Critically appraise this approach and compare it with the alternatives.
7. Analyse the human resources policy followed by Larramendi and how it has influenced the renewal of the company.

Case Study 2: Social Responsibility and Philanthropy: the foundations promoted by Larramendi at MAPFRE

PhD Manuel R Tejeiro Koller

Case study on the use of foundations as a structural tool for the execution of the businessman's social intention, showing the implementation of values inside and outside the company.

“The company isn’t only bound to the efficient provision of its own service, but is also subject to institutional obligations deriving from its influence on social life and its participation in the national heritage”.

I. Hernando de Larramendi, 1996

FUNDACIÓN MAPFRE TODAY AND ITS ORIGINS

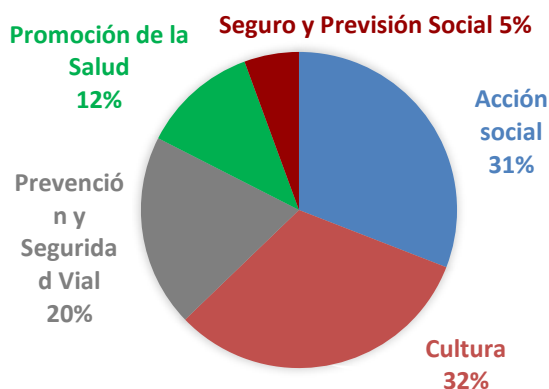
MAPFRE Fundación Cultural Privada is one of the most recognised and largest foundations in Spain. The figures are truly striking. It has assets of €2,780.8m (December 2018), with income of €64.4m, which comes almost entirely from dividends on the shares it holds in MAPFRE Group companies. It is present in 28 countries, most of them in Ibero-America, where it carried out more than 1,600 activities in 2018 with the collaboration of 8,618 volunteers.

It declares its mission as “...to contribute to the improvement of people's quality of life and to the progress of society through multinational programmes and activities”,³⁵⁹ by acting in five different fields: *Social Action, Culture, Health Promotion, Prevention and Road Safety and Insurance and Social Welfare*. Each of them is looked after by an independent institute. The two main areas of activity, by application of funds, are Culture and Social Action, and the least important is Insurance and Social Welfare (see Illustration).

Illustration 10 Distribution of funds by area of activity 2018

Culture

The area of culture aims to disseminate culture in all its artistic expressions, including training in art accessible to all and the collection. Exhibitions, workshops, and training courses are held. Throughout the 30 years of its activity, more than five hundred exhibitions have been organised, and it currently has 4,500m² of exhibition space in two permanent collection of the Espacio Miro, with more than 60 works by the master, is one of the most complete collections dedicated to this artist. Hence, Fundación Cultural MAPFRE has managed to become a benchmark in the art scene and exhibition halls, in places as competitive as Madrid and Barcelona. In keeping with its goal of bringing art to all audiences, a large part of the collection has been posted online. In addition to the activity of art collection and organisation of exhibitions, workshop visits are carried out, in which certain works, artists or periods are studied in depth. The visits have been adapted for the hearing impaired, including sign-guides or audio-description for the visually impaired.



Source: Compiled by the authors from Fundación MAPFRE 2018 annual report

Social Action

³⁵⁹ Fundación MAPFRE, 2019

This area focuses on improving the conditions of the most disadvantaged people in 25 countries, following the principle of equal opportunities for all. The aim is to mitigate the risk of social exclusion and poverty, through activities focused, above all, on education and facilitating access to the world of work. Its impact is considerable, with a figure of almost three million beneficiaries.³⁶⁰

Amongst the initiatives carried out are examples such as the “Sé Solidario” programme, which collaborates with small NGOs in Spain and addresses areas such as the welfare of people with rare diseases, the provision of basic necessities for disadvantaged people and support for families in vulnerable situations. Likewise, social projects are undertaken at an international level (health, training, empowerment of women, etc.), social programmes for employment or education programmes. The Volunteer Programme also serves as a channel to help participating organisations publicise their projects and find volunteers.

The initiatives carried out here have received various recognitions, with five different awards in 2017, such as those received by the Sevillian Asperger's Association and the RANDSTAD Foundation for the Social Employment Programme.

Prevention and Road Safety

The aim is to reduce, if not completely eliminate, accidents, especially those involving vehicles but also in the home. This involves activities aimed at safe driving, road safety education for pedestrians (especially young people) and those related to risks in the home such as fire and drowning. €5 million was invested in 2018 for the promotion of safety in society in training, awareness and communication, and research programmes. The actions are carried out in 23 countries, especially Spain, Ibero-America, Portugal, Germany, the Philippines, Turkey, and Malta, with the collaboration of public administrations or local NGOs. In Spain, there is cooperation with the General Directorate of Traffic and Civil Protection, whilst abroad work is undertaken with national or supranational organisations such as the Ibero-American Road Safety Observatory (Observatorio Iberoamericano de Seguridad Vial - OISEVI) and the Ibero-American Firefighters Organisation (Organismo de Bomberos Iberoamericanos - OBA). The Foundation is a member of several international organisations active in this field, such as the UNRSC (United Nations Road Safety Collaboration), a working group and advisory body of the United Nations for road safety.

In addition to the work already mentioned, this area awards prizes for the best initiative in prevention and road safety, for innovation in mobility and road safety as well as grants to obtain a driving licence.

Promotion of Health

The Foundation focuses its attention on non-communicable lifestyle-related diseases such as heart problems, obesity, and addiction. Educational, awareness-raising and research activities are conducted in 13 countries in collaboration with public institutions, scientific societies, and schools. Some examples are the *Mujeres por el Corazón* campaign, which seeks to raise awareness of the risks of cardiovascular

³⁶⁰ Fundación MAPFRE, 2019

diseases in women, or the *SOS Respira* campaign, which worked with staff in the hospitality sector to act in the event of choking. Programmes such as *Vivir en Salud* have trained more than 800,000 people since 2009 in healthy habits and nutrition. On the other hand, research grants amount to €700,000 per year.

Insurance and Social Welfare

In this area, the aim is to promote knowledge of insurance in society, especially focused on social welfare. This objective is achieved through the teaching of courses at different levels, both school, undergraduate, graduate, and professional. Its activities are also international, being present in 11 countries (mainly in Ibero-America), where work is undertaken in collaboration with universities, professional and business associations, public administrations, and NGOs. It also manages an important knowledge base on the insurance sector, which it expands annually with the publication of reports and monographs. Its extensive collection on this subject, with more than 145,000 references in its Documentation Centre and its insurance reference dictionary, the *Diccionario MAPFRE de Seguros*, is available to the public, with 90,000 annual queries recorded in the dictionary since 2017. It also has a gamification tool for the dissemination of insurance culture as well as the Insurance Museum, located in Madrid, all with the aim of developing insurance culture.

From 1974

However, it didn't always engage in these areas of activity, nor did it achieve its size and impact from the outset. The origins of this great foundation can be found in the promotion in 1974 (although it wasn't formally constituted until 1975) by MAPFRE Mutua Patronal and MAPFRE Mutualidad.

Prior to the creation of Fundación MAPFRE, the entities promoting it, MAPFRE Mutua Patronal and MAPFRE Mutualidad, had already initiated certain activities that were later continued by the Foundation. Such were the activities in the field of occupational risk prevention, which were spurred on by the department with the same name existing in MAPFRE Mutua Patronal prior to the Foundation, which already had its Prevention and Rehabilitation Centre in Majadahonda as well as the research centre in the Industrial Hygiene Laboratories. On the other hand, MAPFRE Mutualidad had significant experience in road and fire safety, areas in which the foundation continued its research. The social and scientific work to be conducted by the foundation is based on the previous experience of its sponsoring organisations.

Fundación MAPFRE 's international activities began in 1984, with congresses in Buenos Aires and Sao Paulo, and expanded with the sponsorship of various conferences in Colombia, Venezuela, Chile and Uruguay the following year. Also in 1985, scholarships began to be awarded for the training of professionals from Ibero-America in Spain. After opening delegations of the foundation in Argentina, Brazil, Mexico, Portugal, and Venezuela, it continued its expansion to reach 28 countries at present.

When, in 1989, activities related to medicine became the responsibility of Fundación MAPFRE Medicina, Fundación MAPFRE increased its training and scientific activity with close collaboration with universities, reaching more than 30 agreements with institutions in Spain and South America. Postgraduate courses, grants and scholarships are offered and research projects are developed in these. The translation of manuals in the field of safety prepared by MAPFRE is also conducted. The Ergonomics Institute, a field that was little researched in the 1990s, was also established in collaboration with the General Motors factory in Zaragoza, conducting training, information, and research activities. In turn, the *Instituto MAPFRE de Seguridad Vial* (MAPFRE Institute for Road Safety) carries out similar activities in this area. It is also worth mentioning the *Instituto de Prevención, Salud y Medio Ambiente* (Institute for Prevention, Health and Environment), which focuses its efforts on technological developments.

In 2005 the creation of the foundation as it's known today began. The Board of Directors of MAPFRE Mutualidad approved the merger of MAPFRE' s national foundations (Fundación MAPFRE América, Fundación MAPFRE Vida, Fundación MAPFRE Estudios and Fundación MAPFRE Medicina) into Fundación MAPFRE, which was established the following year and whose objectives are detailed as:³⁶¹

- To promote the safety of people and their property, with special attention to road safety, medicine, and health
- Improving the Quality of Life and the Environment
- To promote the dissemination of Culture, Arts and Literature
- To promote training and research in matters related to Insurance
- To promote research and the dissemination of knowledge in relation to the common history of Spain, Portugal and the countries linked to them by historical ties
- To contribute to the improvement of the economic, social, and cultural conditions of the least favoured people and sectors of society

Following the contribution of €24.4 million by the various foundations, Fundación MAPFRE continues with the activities conducted in five specialist institutes:

- Prevention
- Health and the Environment
- Road safety
- Insurance Science
- Culture and Social Action

THE SOCIAL PERSPECTIVE OF THE EXECUTIVE

“The only justification for leadership is accountability.” – Larramendi, 1966

³⁶¹ Annual Report Fundación MAPFRE 2006

The promoter of the foundations that gave rise to Fundación MAPFRE was the CEO of the insurance company between 1955 and 1990, Ignacio Hernando de Larramendi. In addition to managing to refloat the bankrupt company when he joined and transforming it into one of the most striking business success stories in the history of insurance in Spain, he contributed significantly to the country's foundation landscape.

What might have motivated the executive to take these social initiatives?

To understand the executive we must speak of the person and make a brief mention of his origins, since it will be here where we will find the shaping of his character and the source of the values that marked the decisions of his life. Ignacio Hernando de Larramendi y Montiano grew up between San Sebastian and Madrid, receiving the first years of his education under the tutelage of a private tutor. He received a great Carlist influence from his father, who was very present in his education and who, as he himself acknowledges in his book *Así se hizo MAPFRE: Mi tiempo*, he provided a value structure that would influence his decision making for the rest of his life. In this sense, we can suppose that certain notions of freedom and clear rules in the interest of justice and order may have their origin here. At the same time he received an education in which the Catholic religion played a fundamental role and which would mark his lifestyle and convictions. Being a member of a large family with nine siblings and with a traditionalist background, he made the family a central value in his personality.

Two of his most intimate convictions are loyalty to oneself and respect for freedom. If we refer to a review of 60 interviews held about him with colleagues, employees, and family members, we can see that the terms that are most often repeated when describing Larramendi are: honesty, independence, non-conformism, tenacity, dedication, humanism, humility, austerity, curiosity, Christian humanism, and closeness. He is described as a creative person who placed great trust in others and thus managed to stimulate personal growth, especially amongst the young people he hired at MAPFRE.

Traditionalist thinking and “social Christianity” were the pillars of his ideology, which made itself felt both personally and professionally. For Larramendi the Christian *caritas*, that is, the charity of giving to alleviate situations of injustice and to alleviate the suffering of others, was a fundamental principle throughout his life. Therefore, we can observe a conception, first, of doing business, in its human resources policies and its dealings with employees and customers, and then in its foundational activity that always seeks the welfare of others. As MAPFRE became more consolidated and profitable, Larramendi felt he had to give back to the company part of what it had given him. At the same time that the company was earning more profits and having guaranteed in the company a way of operating in which the human being occupied a central place, it was shaping in the diverse foundations the values that it considered necessary to promote.

He described the “traditionalist socio-political doctrine” as his third way, between the social doctrine of the church and liberalism. He believed in both sides and sought a balance, which would allow men to be free, whilst protecting the weaker

from abuse by the stronger through a system of strict rules. His understanding of duty was that duty was above rights and that personal dedication to a cause ennobled the person.

In 1998 Larramendi received the highest state recognition with the Grand Cross of Civil Merit for his activity in MAPFRE and his promotion of its foundational activities.

As far as business was concerned, Larramendi was convinced that ethics in business was a necessary condition for lasting success, being first and foremost the moral obligation of every citizen. According to his conception of what a company should be, it had to be useful to society and contribute to social balance. He stated that *“with ethics, it’s not only possible for a “big company” to be successful, but it’s indispensable, in the face of “getting rich quick” systems, enrichment and abuse of the managerial function”*.³⁶² We can recognise a strong collectivist spirit in his decisions, where the company was to be put above oneself, which in the end would be for the good of all. The notion of subordinating oneself to a greater purpose, both a specific task and the common good, is recurrent in the statements of the executive and the individual.

He summarises his own concept of business ethics according to fundamental values such as honesty, responsibility, and fairness. He emphasizes that he always tried to be faithful to his convictions even when it could involve personal financial outlays or various difficulties and that he sought to establish himself in the business activity. This is reflected in the pursuit of equity and the fight against nepotism, taking hiring decisions without discrimination. In the most global decisions of the organisation, the executive insists on having always put the organisation first, even taking into account the consequences for those workers who had to carry them out.³⁶³

For Larramendi, ethical behaviour helped to win the loyalty and trust of workers and customers. He also emphasised the role of the executive as an example to follow, with the greatest responsibility falling on the executive to create an ethical company. He wasn’t only to act ethically at all times but to design the rules and culture that would lead others to do so.

He considered the prominence of ethics in business to be inevitable, since it arose from his deepest religious and moral convictions, and he was also convinced that it ensured long-term business success. It goes farther, stating that ethics also shows positive effects in the short and medium term. The union of religious and business values is developed in the forum of Christian businessmen, *Acción Social Empresarial* in Spain and *UNIAPAC* in Europe and Latin America.

³⁶² Hernando de Larramendi y Montiano, 1996, p. 243

³⁶³ Hernando de Larramendi y Montiano, 1996, p. 245

CORPORATE SOCIAL RESPONSIBILITY IN THE COMPANY UNDER LARRAMENDI

Before analysing the actions related to corporate social responsibility (CSR) conducted at MAPFRE, it's necessary to place ourselves in the historical context of the company during Larramendi's first stage in the company and after a tough phase of adjustments to save the company (1960-1980). The historical moment was one of protectionism, with Francisco Franco's regime running the country, with significant state intervention and almost total control by the insurance unions. This meant that wages and working conditions were heavily regulated and didn't allow for free competition in this area between companies and restricted freedom in the design of compensation. Despite what might be expected in this context, salaries weren't high and there was no common practice of transparency and meritocracy in the organisations. The common corporate culture was autocratic, with leaders imposing their criteria and setting clear distances between executives and employees.

We can find the first reflection of Larramendi's conception of CSR already in MAPFRE Mutuality's Articles of Association of 1965, where it's established that two foundations financed by the company should be created, one for the improvement of Spanish agriculture and the other for consumer protection. Later, in 1969, it was decided to join forces in a single foundation, thus laying the foundations for Fundación MAPFRE, which was created in 1975.

Larramendi was clear about the difference between personal ethics and organisational ethics, the former being the way of making decisions in all areas of a person's life, whilst the latter referred to the system created in an organisation to promote the ethical behaviour of its members. The importance of the company's own culture, based on ethical values, is extremely important when creating this system.

In order to formally regulate certain basic principles, a series of rules were introduced into MAPFRE's articles of association:³⁶⁴

- I. The executives may only receive a salary and never receive allowances for participating on the Board and Committees, nor may they participate in businesses or companies that are related to MAPFRE or that compete with it.
- II. Prohibition on the employment of children and relatives, up to the second degree, of employees and directors.
- III. Prohibition of any kind of donation or contribution of corporate resources for political, ideological, or religious purposes.
- IV. Decision to act rigidly within administrative and fiscal legality.

For the executive, freedom had been a maxim, along with social justice, and he understood that there had to be a regulatory body inside and outside the company to ensure compliance with rules that would benefit the operation of the company and ensure a fair and transparent system. This is why he established the practice of hiring by selection tests and the prohibition of hiring immediate family members. At the same time, he maintained a very personal management style, where he himself served as a guide and leader for the organisation. This imprinted a style that radiated throughout the rest of the organisation, thus transferring his values to the corporate

³⁶⁴ MAPFRE, 2019

culture. His example showed the importance of discipline and tenacity, of work and personal and close involvement in matters. At the same time, he showed a sincere concern for his employees, always seeking direct contact and personal involvement. His continuous travels not only gave him first-hand knowledge of the problems on the ground and enabled him to pass on instructions but also allowed him to establish personal ties with the people involved.

He also demonstrated that with freedom comes responsibility and that responsibility leads to successes that are recognised. He was quick to place confidence in his associates, even when they weren't confident in themselves. He pushed them out of their comfort zone, but at the same time gave them the necessary support and recognised their efforts with promotions within the company. Hence, he encouraged dedication and outlined a future in the company for people who showed loyalty and dedication. In a social context where an entire family (including grandparents) often depended on one worker and low unemployment compensation had just been introduced in 1961, job stability was of vital importance. Larramendi understood that his responsibility extended to the families of his employees, but he conceived stability from a liberal perspective. Instead of forcing it through rate agreements and ironclad contracts with the unions, he understood that the company must recognise the efforts of its workers and that they wouldn't only not see their jobs jeopardised, but would be able to freely access promotions and additional compensation in accordance with their dedication. Internal promotion was always sought first before external recruitment. This is why he broke away from the rate agreement and offered a freer and more competitive remuneration system than the unions had established.

However, he felt that his social contribution must go beyond the business sphere, so he embarked on the creation of several foundations, through which he sought to materialise his convictions.

CREATION OF FOUNDATIONS

However, the most important part of my action has been the annual contributions to Foundations for actions of general interest [...] “This is my true legacy, the work of a “poor retrograde Carlist” who wanted to collaborate with his national and Ibero-American environment”. - Larramendi (in Fundación MAPFRE Tavera, 2002)

Prior to Fundación MAPFRE, a series of independent foundations had been created, each with a different objective. We see here their founding objectives in chronological order of the year of their foundation.

Fundación MAPFRE - 1975: *To contribute to meeting the needs related to safety in all its forms through studies and research and the provision of services and activities, aimed at the prevention of industrial accidents, protection against fire and other material risks and the promotion of physical and professional rehabilitation of victims of accidents of all kinds and the improvement of prosthetic systems, the promotion of preventive medicine and others as determined by the Board of Trustees.*

It expanded its founding activities in the 1980s. It is dedicated to activities related to medicine, such as preventive medicine, rehabilitation, traumatology, and professional training until 1990, a year after the creation of Fundación MAPFRE Medicina, transferring its activities to the latter.

Fundación MAPFRE Guanarteme - 1985: *To cooperate in the educational, cultural, and charitable welfare of the society living in the Canary Islands.*

Fundación Hernando de Larramendi - 1986: *The Foundation aimed to contribute, through the free satisfaction of physical or intellectual needs, to the following purposes of general interest:*

- a) Promotion of charity in social relations as a specific expression of love and preference for the weak and poor, the basis of the doctrine of the Catholic Church, and protection of persons or groups who are economically or otherwise disadvantaged.*
- b) Analysis of the role of independent institutions as a means of optimising resources and making society more dynamic.*
- c) Study of the historical influence of the action of Carlism in Spanish society.*
- d) Promotion of studies or actions of a scientific nature of general non-profit interest.*

It changed its name after the death of Ignacio Hernando de Larramendi in 2001 and became the Fundación Ignacio Larramendi.

Chronology of the Foundations

- 1975 – Fundación MAPFRE
- 1985 – Fundación MAPFRE Guanarteme
- 1986 – Fundación Hernando de Larramendi
- 1988 – Fundación MAPFRE América
- 1989 – Fundación MAPFRE Vida
- 1989 – Fundación MAPFRE Estudios
- 1989 – Fundación MAPFRE Medicina
- 1996 – Fundación Histórica Tavera
- 2006 – Merger of all foundations (except Hernando de Larramendi and

Fundación MAPFRE América - 1988: *The development of all kinds of scientific and cultural activities that contributed, on a disinterested and non-profit basis, to the following purposes of general interest:*

- a) *Promotion of the sense of solidarity between Iberian and American peoples and cultures and the establishment of bonds of brotherhood between them.*
- b) *Defence and dissemination of the historical, sociological, and cultural legacy of Spain, Portugal, and American countries in their pre- and post-Columbian stages.*
- c) *Promotion of cultural, technical, and scientific relations and exchanges between Spain, Portugal and other countries of the European Economic Community and American countries.*

Other activities determined by the Board of Trustees of the Foundation in the spirit of the preceding sections.

Fundación Cultural MAPFRE Vida - 1989: *To carry out activities aimed at promoting and disseminating culture and art, by calling for and awarding artistic and literary prizes, organising exhibitions of paintings or sculptures and organising meetings of an artistic and literary nature, and disseminating studies on art and literature.*

It has its origins in the prizes awarded by MAPFRE Vida, the González Ruano Prize for Journalism in 1975, the Penagos Prize for Drawing in 1982.

Fundación MAPFRE Estudios - 1989:

- a) *To facilitate access to specialised teaching in subjects related to private insurance, security in all its manifestations, Social Security in general, business management and administration.*
- b) *To contribute, through the above, to improve the level of training and efficiency in the companies of people who participate in it, especially in areas related to insurance and safety.*
- c) *To promote research and dissemination in the business world of techniques and knowledge related to the aforementioned subjects. Its activity would be mainly oriented to Spain and Ibero-American countries.*

In 1997 it absorbed the Fundación MAPFRE America.

It achieved international recognition for its postgraduate courses, conducted by the Instituto de Seguridad Integral.

Fundación MAPFRE Medicina - 1989: *The promotion of support for scientific research in the area of health, training and professional and scientific technical training of people whose training may be of collective interest in contact with the medical specialities of the Foundation, which are: traumatology, ..., for which purpose the Foundation may create or support centres or institutes of teaching and research as well as grant aid to research teams or individual researchers and grant scholarships.*

It absorbed all the medical-related foundations that were previously managed by Fundación MAPFRE.

Fundación Histórica Tavera - 1996: *development of programmes, individually or in collaboration, aimed at the preservation and dissemination of the historical bibliographical and documentary heritage of the countries that make up the Ibero-American Cultural Community.*

Promoted by MAPFRE Mutualidad and integrated into the MAPFRE system in 2002, changing its name to Fundación MAPFRE Tavera.

It was a pioneer in the digitization of documents, using the CD-ROM in 1995 for the digitization of the *Colecciones MAPFRE 1492*.

CSR AT MAPFRE TODAY

MAPFRE SA describes its position towards sustainable business as its “sustainable value creation model”, which it bases on its mission, vision, and values statements. It defines its values as follows:³⁶⁵

- **Solvency**
Understood as financial strength with **sustainable results** over time that give us full capacity to meet our obligations to our stakeholders.
- **Integrity**
MAPFRE's executives, employees, agents, and associates must have ethical conduct at the core of their behaviour and a **socially responsible approach** in all their activities and long-term commitments.
- **Vocation of service**
We permanently seek excellence in the development of our activities. Our initiative is continuously oriented to the care of the **relationship with the customer**.
- **Innovation for leadership**
We understand differentiation as a key aspect to grow and improve constantly, with **technology at the service of our businesses** and their objectives.
- **Committed team**
Full involvement of employees, executives, agents, and other collaborators in the MAPFRE project and constant development of the team's skills and abilities.

It also publishes its good governance policy as its “Institutional, Business and Organisational Principles of the MAPFRE Group”, which details the company's Articles of Association, various regulations, corporate policies, good governance reports and remuneration of the Board of Directors.

Globally, MAPFRE carries out its responsible activity in accordance with three pillars:

1. Good governance
2. Environmental social responsibility

³⁶⁵ MAPFRE SA, 2017

3. Contribution to society

The first area serves purposes such as ensuring compliance with the law, promoting ethical behaviour, ensuring transparency and maintaining good corporate governance practices. The tool through which these are articulated is the code of ethics, published on its website (<http://www.mapfre.com>). It consists of 18 pages and includes a code of conduct applicable within the organisation and with regards to third parties.

The second area focuses on the impact of the company in the social and environmental sphere, analysing its different stakeholders. The aim is also to promote the company's environmental performance and to demonstrate the transparency of CSR activities using international standards. To implement these lines of action, the documents defining the CSR policy and the Sustainability Plan, which is still 2016 - 2018, are published. The CSR policy carries out a detailed and structured exercise of what this means for the company, taking into account each of its stakeholders. It defines nine general principles and six more for each of the stakeholders. The application of the CSR policy is supervised by the Sustainability Committee, which reports directly to MAPFRE's Board of Directors, the Delegate Committee or the Executive Committee. The Committee is chaired by a member of MAPFRE's Executive Committee.

The third area seeks to contribute to society beyond the business activity and to make reference to Fundación MAPFRE for its development.

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NOTES FOR THE CASE OF SOCIAL RESPONSIBILITY AND PHILANTHROPY: THE FOUNDATIONS PROMOTED BY LARRAMENDI AT MAPFRE

Key terms: corporate social responsibility, corporate philanthropy, responsible leadership, business ethics.

Summary

The case describes the creation of one of the largest foundations with most impact in Spain, Fundación MAPFRE. This is promoted by the company that gives it its name, Grupo MAPFRE, thanks to the impetus of one of its most important executives, Ignacio Hernando de Larramendi. The case shows the creation of several foundations promoted by the executive, which almost all end up merging into the one that currently exists.

Likewise, the corporate social responsibility (CSR) policies implemented in the company are reviewed, allowing a certain comparison between the activities conducted within the company and those which are carried out by the foundations.

Learning Objectives

Students will be able to study the case as an example of CSR activity in the company and apply theoretical frameworks of business ethics. The difference between philanthropy and CSR will be discussed as well as the importance of an executive in promoting these types of activities. The concepts of business ethics and responsible leadership will be established.

More specifically, it will be possible to learn through this case:

- The relationship between the executive's personal values and the ethical activity of the company.
- The mechanisms by which companies can develop corporate social responsibility and ethical activities.
- The identification in practice of theories on business ethics.

Application of the Case

This case can be used in a Business Ethics, Business Organisation, Management or Human Resources class. It will serve to demonstrate in practice the theoretical frameworks related to business ethics and responsible leadership. It also shows how philanthropy in its expression in foundations is different from corporate social responsibility, although both can be rooted in the values of the executive.

Suggested timeline for 90-minute session:

Reading: 30 minutes

Answer questions in groups: 30 minutes

Resolution of questions and debate: 30 minutes

Questions

1. Describe the difference between philanthropy and corporate social responsibility based on the actions performed by Larramendi at MAPFRE.
2. What schools of ethics can you identify in the thought of Ignacio Hernando de Larramendi?
3. Highlight the elements used for the creation of an ethical organisation mentioned in the case.
4. Discuss whether or not companies should engage in philanthropic activities.

Recommended Reading

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THE BASIS OF HUMANIST DIFFERENTIAL AT MAPFRE

JOSÉ ANDRÉS-GALLEGO

PART ONE

AT THE ORIGIN, THE INSTITUTIONAL TRADITIONALISM OF ENGLAND AND THE POLITICAL TRADITIONALISM OF SPAIN

AT THE ORIGIN OF A BUSINESS STYLE, *TRES CLAVES DE LA VIDA INGLESA* (1952)

Speaking of Ignacio Hernando de Larramendi's dedication to insurance, it has already been noted to what extent his decision was a random one; he had studied law; he learned that official examinations for Public service were being held for senior inspectors to work at the Directorate General of Insurance: he applied, passed, and worked as an inspector between 1944 and 1952.

At that time, it was England that offered the best prospects in the insurance sector, and the future businessman took a decision that was unusual at the time (it was a time when French civilization was still the main reference for the most cultured Spaniards and that was the language studied by most baccalaureate students). He understood that he needed to find out about the world of insurance in England and off he went there, on short trips, between 1947 and 1951, to master the language and that particular sector of the British economy.

This meant, of course, that he sought not only information on how the insurance sector worked and the predominance of contractual arrangements in it, but also about the channels through which disputes arising from such arrangements were resolved. And that required knowing about two main things: how justice was administered by English judges and how the interests of each party were defended; that is, how the legal profession worked.

He probably already knew what was said about the so-called British *common law*; in continental European countries (and in Iberian America), the rationalising reforms imposed with the French Revolution (1789) and culminating in the Napoleonic code of the early 19th century had been assimilated, while England remained faithful to a legal system—the *common law*—which certainly involved the application of legal rules emanating from the competent authorities, but maintained the primacy of jurisprudence and the force of custom.

However, knowing that was not enough to foresee what Ignacio Hernando de Larramendi found in England. As far as we know, only Emilio Gómez Orbaneja—when translating the book *Jueces y tribunales en Inglaterra, Francia y Alemania*, by Robert Ensor, published by *Editorial Revista de Derecho Privado* in 1935—had anticipated some of the things that surprised him (Cachón and Petit, 2014). It was not a bad precedent; Gómez Orbaneja was an eminent specialist in procedural law, a chair he

had held in Valladolid until 1937 when he was removed from the position, in principle because he had been absent (in 1936, at the outbreak of the war, he was in France, from where he returned in 1938 [Petit, 2012: 353]) and had worked in the Court of Constitutional Guarantees in 1934, in the days of the second republic. Before that, he had studied the judicial procedures of France and Germany *in situ*, as an intern of the *Junta para Ampliación de estudios* (Board for Extension of Studies) until 1930; but he had been denied the request he made in January 1934—before being appointed member of the Court of Guarantees—to study the same thing in London, under an English perspective, and he contributed to the need to delve into these procedures by means of the bibliography he had at his disposal.

What he enjoyed, in any case, was litigation, and what Ignacio Hernando de Larramendi set out in his 1952 book *Tres claves de la vida inglesa* was broader (and less technical; let us say more vivid). Another thing is that, in the studies for the degree in Law, the latter would have handled the extensive bibliography of a litigation lawyer (who, by the way, was already then reintegrated into the service; he had been granted this in 1941, due a transfer as a penalty that took him to the University of Salamanca).

Of the vision that was the *Tres claves de la vida inglesa* that Ignacio Hernando de Larramendi highlighted in that book, there are two that clearly had surprised him in a particular way: one, that no rationalization of the law had ever been undertaken in England as it had been in continental Europe; the other, that private companies that came to provide a particular service to society in such terms that their service could duly be regarded as performing a role of public interest. Therefore, they obtained formal recognition which constituted a crucial incentive—in terms of honour or prestige—for them to subsist and maintain these benefits even if they were no longer particularly lucrative. The distinctive feature was to allow them to put the word *royal* before their name.

The first news of the use of this adjective dates from the 14th century; in 1952, it was a privilege that had to be expressly granted by the monarch and that is how Ignacio Larramendi found out about it. He could not foresee that, in the following thirty years, many businessmen in the English-speaking world would reward their own initiatives in this way until the *Flags, Emblems and Names Protection Act* of 1981 expressly prohibited it in New Zealand (Macaulay, 1992).

In a way, it could be said that British law remained not only jurisprudential and customary, but also casuistic (as had been the case with Spanish law until the application of the rationalising legislation of the Cortes of Cádiz, from the beginning of the 19th century, and that of so many European and American countries). In fact, the legal systems of the new Ibero-American republics that were formed in the first decades of the 19th century were also based on these new principles, the liberal principles; although the enactment of the consequent codes was delayed in some countries until the beginning of the 20th century, so that, as unusual as it may seem, the *Partidas* of Alfonso X (13th century) remained in force in them as far as private law was concerned.

It said that until the rationalization of Cadiz, general rules were promulgated in the Spanish monarchy, but many more referred to the resolution of specific cases explained in the corresponding preamble. And these resolutions, even though they

were not strictly speaking court judgements, but legal regulations—most of the time royal warrants—were incorporated into the jurisprudence that, by analogy, the judges applied.

The very fact that the application was analogical, on the other hand, meant that judges had to carry it out at their own discretion, to the extent that the opposite was true: that the king would sign a ruling for a specific case and, if the competent judge in the case considered that the evil caused by that measure could be greater than the one he was trying to correct—or simply that the circumstances had changed and were no longer relevant—it was left to his own discretion, which in the Spanish monarchy was usually ruled with the phrase “obeyed but not complied with”. The judge, of course, had to give reasons for “not complying or enforcing” that regulation, to the extent that, if they were not convincing, this could lead to prosecution of the judge himself.

In this way, not only was the judicial function exercised with a freedom (and a responsibility) that was, at the same time, an honour and a danger difficult to understand in mid-20th century Europe, when Ignacio Hernando de Larramendi was writing his book; the judge was sometimes forced to act as a true legislator; he passed regulations when he thought it necessary so that the crimes would not be repeated and, if the circumstances demanded it he asked for the monarch's acquiescence not before but after it was promulgated.

These initiatives by the judges were not intended as part of a perfectly rational organisational project, but as specific changes to remedy specific aspects. And this gave continuity to the legal order that allowed—in the case of Spain, until the Cortes of Cadiz (1810-1813), in the case of England up to 1952—to continue in roles—appropriate to the present moment—bodies and positions that were quite a few centuries old.

Well, that is what Ignacio Larramendi discovered and was characteristic of the way in which England was organised—specifically in the legal and economic system—in the years of the second post-war period of the 20th century. Without going any further, the most important and famous British insurance company, Royal Lloyd—to which he dedicated the third part of *Tres claves de la vida inglesa*—had been founded in the 18th century in *Lloyd's coffee house*, a “café”, we would say today, where London insurers met, so that those who wanted to take out insurance used to go there. The owner had the practical sense, the entrepreneurial sense, to see to it that they continued to do so, so that any Londoner who needed to take out or pay for insurance knew that he had to go to that *coffee house*; one of the things he started to do was to print out and display the names of the policyholders who had made this place into their own office on a sheet of paper, adding the financial conditions offered by each of them. What surprised Ignacio Hernando de Larramendi two centuries later was not only that the *coffee house* had become one of the world's leading insurance companies, but that it continued to operate as an insurance “market”. It had almost nothing to do, it was obvious, with the 18th century coffee establishment—neither *Lloyd's* nor the *New Lloyd's coffee house* that opened with the intention of competing with the former (Burling, 2014: 13-15)—but had been changing and growing reform after reform without ever making a decision that implied a total transformation.

Reform after reform, it was adapted to the needs and convenience of the users until it became a company that could be said to provide an unavoidable public service. But Larramendi discovered even more; this was not an exception in the English business world, but it was a response to the desire to give continuity to the corporations that became irreplaceable—or simply necessary—responses for the English to have certain services settled. That meant, of course, that someone would say when a particular company reached that level and how those companies could be encouraged to survive, even if they were private and no longer profitable to the extent desired. And someone pointed out to Ignacio Larramendi that this was achieved⁸ through the title of *royal* (regia, royal, of the king). *Royal Lloyd's* was called *royal*, because that was the way to declare that a private company was performing a public role that should not cease, and that was for the common good of the British people. In England as elsewhere, one of the reasons for setting up a business was to meet a need that was not well served. This meant that companies that emerged in this way generally went through a period in which the important thing was people should know that a particular service was being offered; they therefore tended to be particularly profitable, for as long as it took for competition to emerge that offered the same service on better or similar terms. From that moment on, businessmen could redirect their initiative to the search for new “gaps” in the supply of services. At that point, however, it became clear that it was not they—the businessmen—but the consumers or users who needed the service to continue to be provided and, therefore, for the company to survive, and the way to encourage them, even if the profit was lower, was to award them a *royal* status.

In *Tres claves de la vida inglesa*, there were therefore two main messages: one, which we have just said, implied a certain underestimation—with respect to the European continent—of the public sector or, as required, a singular “institutionalisation” of the principle of subsidiarity which weighed up the services considered public much more than in other countries; the other, also in the economic institutional system, the preference for using the legislative power to reform what had emerged bottom-up, that is, from the private sector, instead of establishing premature state patterns through which private initiatives were channelled even by force of law.

What was unique about Ignacio Hernando de Larramendi's book was not, however, that he explained these things, but rather that he related what he saw in England with the traditionalist political ideology that he professed and that deep down an idea of the company that was consistent with this relationship would be germinated.

“CORPORATISM”. A MISNOMER

To better understand the scope of what I have just said, it is necessary to recall what was understood by traditionalism in Spain from a business point of view and, apart from that, what the political organisation was, which had been articulated since 1936 within the *Régimen* (as Franco's regime used to be called) to channel not only business initiatives, but all Spanish economic activity. Of course, as we know, we will only recall what Ignacio Larramendi criticized when he drew attention to the institutional “buildings” that arose from the reform of what needs to be improved, arising from the base, and those created from top to bottom as ideal and, therefore, empty constructions.

With the decree of 20 April 1937—the one creating the *Falange Española Tradicionalista y de las JONS* as a national political entity that excluded any other group from joining—Franco had assumed the “points” of the *Falange* as the only “programmatic regulation” and the ninth point stated that Spain, “in the economic aspect,” was created “as a gigantic trade union of producers”. This was the starting point. Understood literally, this wording meant that “the economic” was one way of creating Spain and, on the other hand, that “the social” was the same; in both cases, in a “totalising” sense. We mean that the “total Spain” could be seen—all of it—in an economic perspective and, equally, all of it, in a social perspective and that, from both perspectives, it could be said that they had to be linked through the channel of a single trade union: if Spain, in the economic field, was conceived as a “gigantic trade union of producers”, Spanish society would be organised “corporately by production branches through a system of vertical trade unions”, at the service of national economic integrity.

The adverb “corporately” might sound great to the traditionalists and was accepted by many Falangists (some did not); the creation of the community as a set of bodies arranged amongst themselves was already clearly seen in the 13th century and, in the pre-war period of the 20th century, it had been taken up by all those who affirmed—and they were the majority—that the Great War (1914-1918) had ruled the death of liberalism and party democracy.

Corporatism was not, in other words, a heritage of traditionalism or fascism. That unity was strength and that this must be articulated in the most effective way, that is, in people and groups that were arranged to achieve an end, was a principle of common sense. A few months before declaring itself to be statutorily socialist, at the congress of the General Union of Workers held in 1928, a major paper had been approved that advocated the corporate articulation of state political representation; those belonging to UGT had thus crowned their collaboration with Primo de Rivera in the National Corporate Organisation of which we will soon speak.¹ The current constitution of the USSR (1936) defined the Union as an exercise of power by the workers “represented by the soviets of workers' deputies” (Article 2) and admitted two forms of ownership: that of the state and that of the cooperative associations that were the *Kolkhoz* (Article 5), a fundamental part of which were the “collective enterprises” formed within it (Article 7). Only on that basis was it understood that “the economic life of the USSR was determined and run by the state plan for the national economy” (Art. 11), which was therefore a plan involving the corporate organisation of men and associations. The Union of Soviet Socialist Republics itself was precisely that, a (federal) corporation of republics (art. 13) (*Constitution*, 1936).

In fact, the same *laissez-faire* of the liberals did not oppose the obvious, but above all supported freedom of association, also in the field of business, taken to the extreme

¹ I tried to explain it in *El socialismo durante la Dictadura, 1923-1930*, Madrid, Tebas, 1977. The main documents were included in the documentary Appendix, which was formed by Ignacio Olábarri. He himself had suggested this subject to me as a “master class” in the “official examinations for Public Service” in which Miguel Artola made Ricardo de la Cierva an assistant and therefore a university professor. I gave Ignacio the opportunity to sign the book jointly because of the generosity with which he had provided me with a fundamental part of the documentation I used. He did not accept; I offered him the original as I had finished it so that he could adopt what was largely based on his knowledge and publish it under his name alone; but he did not accept this either.

of considering any intervention by the authorities as harmful and, consequently, reducing distributive justice to the jurisdiction of the individual conscience of businessmen and capitalists; in fact, of owners.

This was not, however, what Ignacio Larramendi found in England, and it should be noted that here, also on a theoretical level, one could find a kind of corporatist liberalism that was very close to what he discovered through observation and conversations with experts (apart from reading as much as he could get hold of on the subject). We cannot say for sure that he was familiar with John Stuart Mill's economic thinking in particular; but if he was, he must have seen some of what he wrote in the book of 1952 reflected in it; John Stuart Mill thought that, in fact, large-scale enterprises, including those of a strictly capitalist nature, should be true social institutions, and the latter in the sense that they should not be reduced to bodies that make the capital invested profitable, but also to impose a fairer social system by means of paying special attention to the needs of their employees. The latter not only gave priority to capital-labour relations, but also advised that "corporatisation" be extended to employees so that they could negotiate on a one-to-one basis with the businessmen. In this way, what some called a true "economic democracy" could be achieved (Christie, 1984).

This was not the case, as Ignacio Larramendi did in practice, when he projected what would come to be called "corporate social responsibility" that was well beyond labour relations alone, which would constitute a contribution to the improvement of Spain's institutional structure.

It is very interesting, however, to know how these approaches developed in the United States, went so far as to include, in a way that is unusual for the Latin world, the fourteenth amendment to the United States Constitution, which was adopted in 1868 to recognise the equal rights of all persons, regardless of their characteristics. The amendment had emerged as one of the tools to legally address the racial problems arising from the abolition of slavery. What was very unique was that, in the Supreme Court, it was understood that this did not only serve to put an end to racism, but also that corporations—every corporation—had the character of a person and, therefore, their rights should be equal to those of any citizen; natural persons and legal entities should be equal before the law, which meant this equality was expressed in terms derived from Roman law. The case of the *Santa Clara County-Southern Pacific Railroad* dispute (1886) made this particularly clear: the equal protection of the laws recognised to all persons in the 14th Amendment included corporations of all kinds as persons. This interpretation undoubtedly had to do with the desire of many North Americans that it not be applied, however for black people, for whom it had been primarily enacted and, in fact, the Amendment was used to defend corporations rather than to defend individuals; between 1868 and 1896, one hundred and fifty cases expressly involving the 14th Amendment came before the U.S. Supreme Court. Well, 135 of them had to do with *business entities* and only 15 with black people.

Although the waters have returned to their course since the second decade of the 20th century and North American jurisprudence has refocused the so-called *Equal Protection Clause* on matters relating to equality between individuals. It was mainly applied in the field of education and access of black people to the same educational facilities as white people and in the field of labour rights and the conflicts they caused.

But there was a quarter of a century (1886-1910, roughly) when the vast majority of the cases that judges had to decide in relation to the 14th Amendment concerned corporate entities and their egalitarian “personal” nature (Kellman, 2000; Meyers, 2001; Hammerstrom, 2002).

The supporters of the four sets of political proposals that I have mentioned so far (traditionalists, fascists, socialists and liberals or, better, free traders) disagreed, without a doubt, on the way to set up the corporations and swung from the traditionalist assertion that it should be respected as a natural tendency, arising from bottom-up; the free trade movement, which defended the same thing but emphasized the restriction of individual freedom that all association entailed and therefore thought the corporation to be a lesser evil, although indispensable, and the Statism movement, in which socialists, communists and fascists coincided and distinguished itself from the others—on paper—in that the resulting corporations were previously defined as a constituent part of the state.

What happened next is that the corporatist vagaries of Italian Fascism and its defeat in 1945 in the World War disrupted several basic concepts in Latin countries, and among them, “corporatism” came to be presented as a form of Fascism or as a nostalgia for the past when one heard traditionalists sighing about the good results that had been achieved, for centuries, by the guilds, in the face of the novelty that, in the 20th century, had begun to receive the name of “trade union”.

In Anglo-Saxon countries, this idea did not stand up; *corporations* remained the backbone of social and economic organisation.

Let us understand each other: on the continent, too; but, there, and especially in the Latin sphere, since 1945, after the defeat of Fascism, you had to be careful when using these derivatives of “body”; they could call you a Fascist at the drop of a hat and, if you were careless, they would put together all the nicknames and come out with such grotesque accusations as “conservative militant Catholic.” They mixed apples with oranges; I know. But that is the way it was. For the time being, those corporate whims approved at the 1928 UGT congress were erased from history, and the USSR's corporate organisation was also hidden in the freezer that, after all, was the “cold war”.

Well, in spite of all this, Luis Hernando de Larramendi and the Spanish traditionalists in general did not give in to the confusion between corporatism as a natural solution and the military defeat of fascism in 1945; they insisted that the corporate articulation of society is not a convenience, nor is it enough to value it as a necessity; it is, strictly speaking, a pure and simple fact derived from the inter-relational nature (they preferred to say “social” nature) of every human being; but it must arise from bottom-up. It must be the result of human freedom that translates into actions that seek all possible good and, even more so, do the least possible evil. They maintained, in other words, the ideal of “the creative tradition”. Ignacio Larramendi himself maintained this when, after Franco's death, at the dawn of the Transition (to a democracy of political parties) he wrote up two facts: that corporate organisation existed everywhere, whatever the form of government, and that “organic democracy” tried out in Salazar's Portugal for forty-five years and in Franco's Spain for around forty was, in fact, a “symbiosis [...] of corporatism and fascism”. He was talking about two different things I

think: organic democracy as a form of government as contemplated in political law and organic democracy as a synonym for real society:

“In reality, inorganic democracy has never existed in a stable way. Political formulas based on universal suffrage have been supported, and this is the basis of their political roots, by social situations or institutional developments that have given them an organic nature in practice. The removal of the right to vote in large social sectors and the disproportionate nature of the constituencies is characteristic of the United States and England, to the extent that in the nineteenth century it could have been considered a lordly-rural oligarchy and not a real formula for democracy. The entrenchment of European democracy has depended on strong structures that provide a basis of stability that mitigates against the pure application of universal suffrage. In France, with no such deep social roots, the coordinating factor has been a public administration with greater social strength than in other countries. Political parties, institutionalized in the United States and England and probably in other countries, are another factor of balance and stabilization.

But they are, he said, precisely because they interrupt what constitutes the essence of the form of government called democracy: “They have become organic institutions that reduce people's scope of choice, whose suffrage has psychological importance but does not constitute a real factor in decision making, remaining a symbol of the individual's influence on the State. The difference between Republicans and Democrats in America or between Labour and Conservatives in England has not become substantial, except in election promises. Universal suffrage has become a method of selecting political leaders after an organic process of purging, a flexible formula of oligarchy with the mechanism of classic democracy” (1977: 51). The latter, yes, was what defined it as a form of government in the strictly legal-political sense: oligarchy with the mechanism of classical democracy.

Certainly, expressions such as “creative tradition” were repeated so much among traditionalists, that they could also degenerate into empty concepts if they were not “filled” with realities and, in the days of which we speak, specifically since October 1936, the supreme power in the Spain that rose up on 18 July against the Government of the Republic—that is, the two institutions from which that void could be filled—was not, purely, either in the Social Democrats, Liberals, Traditionalists or Fascists; it was in the above-mentioned Government of the Republic, whose members could barely just keep alive, and in Francisco Franco, who was interested in convincing Mussolini and Hitler—and their Spanish addicts—that he was one of them.

It is thus understood that the corporatism of the *Régimen* seemed to Luis and Ignacio Hernando de Larramendi a complete mistake destined to failure. And it is surprising that the censorship allowed for the emphatic sentences found on this subject in *Tres claves de la vida inglesa*, in 1952: “Statification”, he wrote, “is not the best system for defending the public interest ... The tendency towards statification has the same origin as that which seeks to organise teaching into uniform bureaucratic moulds or to “rationalize” justice in the continental way. It is the easy solution, useful to convince the masses, but of an “impolitic” nature” (1952: 67).

England had shown him that what we have already seen was better: to paraphrase what we have just quoted, statification was not the best system for defending the

public interest; the best was to recognise the public interest of the services provided by private initiative (provided, of course, that private initiative assumed the priority of serving the public interest, which was what was recognised by giving the title of *royal* to companies that deserved it for that reason).

They thus “crowned” an economic system in which very ancient guilds, even “medieval” ones subsisted, fully adapted to today's needs.

The fact is that the latter is what the Spanish traditionalists repeated as the main principle of their creed; they continued to invoke the goodness of the business organisation set up by the guilds until the liberal revolution abolished their privileges and, thus, the freedom to create companies was imposed. In Spain, it cannot be said that the disappearance of the guilds was imposed by law; what the royal decree of 8 June 1813, in the Cortes de Cádiz, meant was the imposition of the property and contract regime, and that—after the legislative ups and downs between the Old and New Regime that took place between 1814 and 1840—ended up making the guild organisation inoperative. In the 20th century, some survived, however, especially among fishermen and, in general, the so-called “Seafarers” (thus in Iver, 2013).

What Larramendi discovered in England was that, there, survival responded to a principle of law that was not the Spanish one or that of the rest of the European continent and that, deep down, it conveyed a true cultural trait, which was the use of law to improve what was real, rather than to build what was ideal. And that was what he meant—I think—when he used the word “medieval” in *Tres claves de la vida inglesa* (1952) and said: “The fundamental error made by those who wanted to be inspired by the corporate system of the medieval economic regime is that they believed that the public power, at a certain moment, could create institutions equivalent to those that had been so hard to form naturally and, instead of an entity with its own soul and life, bureaucratic machines arose in which nobody had faith and they failed” (1952: 89).

THE IMPOSITION OF VIOLENCE

It is singular that, without knowing how far his differences could go, Ignacio Hernando de Larramendi was appointed Managing Director of the then Mutualidad de Seguros Agrícolas by a man intimately linked to the project of turning Spain into a gigantic trade union of producers. I am referring to Dionisio Martín Sanz, who had become chairman of the mutual society in 1955 and before the end of the year had to give his approval to hire the young insurance inspector.

Dionisio Martín Sanz had been born in a village in the province of Valladolid (Tudela de Duero, 1909) and was twenty-two years old, therefore, when his fellow countryman Onésimo Redondo, a little older than him (1905), founded the Juntas Castellanas de Actuación Hispánica (1931), one of the first Spanish parties that defined themselves as supporters of German Nazism as it declared itself in those days. Still in 1931, Onésimo Redondo's JCAH joined the “Juntas de Ofensiva Nacional-Sindicalista (JONS)”, created in October of that year by the philosopher and politician from Zamora, Ramiro Ledesma Ramos, a disciple of Ortega y Gasset. In 1933, the lawyer José Antonio Primo de Rivera, son of who had been the dictator with Alfonso XIII between 1923 and 1930, formed the *Falange Española* in view of the elections of November of that year and, in 1934, they chose to merge with the JONS in the party that became *FE de las JONS*. It was precisely in the *Falange Española de las JONS* programme that the merger took

place, where the purpose of turning Spain into a giant trade union of producers was assumed. Through that bridge, that of *FE de las JONS*, Dionisio Martín reached the Central Technical Committee for Agriculture that Franco constituted in October 1936. From there, the Committee, Dionisio would go on to the Under-Secretariat of the Ministry of Agriculture, entrusted to his friend Raimundo Fernández-Cuesta in 1938, in the first government formed by Franco.² He remained as under-secretary until 1939³ and, in 1943, he joined the first Cortes put together by Franco as a court lawyer for trade union representation, and as court lawyer in Cortes he continued in 1955 (and would continue until 1976) (Santos, 2002). He therefore experienced the evolution of Spain very close at hand and, in particular, that of the Spanish state and administration.

But the Larramendi family also experienced it and the result was not the same, as we will see.

Before Dionisio Martín and Ignacio Larramendi became chairman and general manager, respectively, of the *Mutua de Seguros Agrícolas*, specifically in the twenty years between 1955 and 1936, many things had happened that marked their way of thinking and living. It is enough to say—to begin with—that Larramendi assured sixty years later, from the second date (1936), that what happened in the Eastern countries: that a Marxist political regime was imposed “could easily have happened in Spain in 1936” (1996: 94).

In those countries, it had another chronology; in some, it had already happened in 1917-1921 and, in those and other countries, it happened in 1945. Spain was left in the middle and, according to the businessman whose work we are examining, “the atmosphere immediately prior to these elections [those of February 1936] was [already] charged with the worst omens.” The formation of the *Popular Front*—precisely in view of these elections—gave them a great deal of impetus. For this reason, the Carlists chose to form coalition candidacies wherever possible; in Catalonia—a Carlist defence in those days—it was called the *Frente Catalán de Orden* and, in the electoral candidacy that emerged from it for the district of the province of Girona, was Luis Hernando de Larramendi, Ignacio’s father (2000): 57).

² Cf. the obituary of Santos, 2002, where it expressly states that he was the Under-Secretary of Agriculture. The chairmanship of the Central Technical Committee, in *Lucha: Diario de Teruel al servicio de España*, ii, No. 72 (25 February 1937) 4. His appointment as Under-Secretary of Agriculture appeared in numerous newspapers: thus, in *El Diario palentino: Defensor de los intereses de la capital y la provincia*, lvii, No. 16286 (3 February 1938) 1; *Diario de Burgos de avisos y noticias*, xlviii, No. 19579 (3 February 1838) 1, among many others.

³ The cessation, signed by Franco on 19 August 1939, in the *Boletín oficial del estado (Official State Gazette)*, 22 September 1939, p. 5260 (ref. 14943).

The *Popular Front* won 82,466 votes throughout the province and, with that, five seats in the Cortes, while the Frente de Orden obtained 60,000 and had to settle for two: Joan Estelrich and Carlos Badía i Malagrida, two diplomats who belonged to the *Lliga catalanista*. The first of those six was José Puig Pujadas, who was convicted of involvement in the Catalan Revolution of October 1934 and served sixteen months in prison when he won that election—in February 1936—and was therefore immediately released. *El Heraldo*, a monthly newspaper in Figueres with a Protestant evangelical orientation, reported on the victory of the *Frente d'Esquerres* with a caricature worthy of *El Motín* in which a friar looking like a gorilla represented what would have been imposed if *Frente Catalán* had won. But that was the culmination of the editorial, entitled *Alegrémonos*, whose wording is an excellent example of how one can present oneself as a very restrained conservative and put an end to a hope that presupposes that there must be violence (even if only legal violence): in the editorial, they declared themselves—in that order—entirely unconnected with politics and, immediately, liberal. They were therefore pleased with the result of the elections, which was “the national crusade to *reconquer the Republic*” (not in italics, but in bold). It was a matter of recovering the political freedoms defined at the end of the 18th century, which now demanded an end to “ecclesiastical power” and “papal sovereignty” that subjugated the Spanish, it is understood that while the winners of the 1933 elections governed, who were now the losers.

I draw attention, in passing, to the fact that they presented themselves as actors in



Este es el cuadro macabro y vergonzoso que hubiese presentado el mapa de España ante Europa y el mundo civilizado, de haber triunfado en las pasadas elecciones la reacción. La conciencia española se hallaría sumisa bajo el yugo despótico papal y la reacción la hubiese pisoteado vociferando ¡muera la libertad! La conciencia y la libertad del país han sido gloriosamente rescatadas llevando así la tranquilidad y la satisfacción más absoluta a los espíritus, restableciéndose la justicia y el derecho.

a “national crusade”. Years ago, I published a brief study on the use of that word in those months and I noticed that, well into the 19th century, it had become a term of even more extreme political liberalism.⁴ It could be due, in part, to the idealised medieval studies that was Romanticism.

That, obviously, must be taken into account to understand how, on the other side, already during the war of 1936, they began talking about “crusade” in the same sense that the editor of *El Heraldo de Figueras* (and so many others) did and the concept was reinforced until it became a definition of war, but on the other side (and this despite the reluctance of many bishops to call it that; they saw the danger that the military rebels would act as “crusaders” who, like those of the Middle Ages, did not hesitate to bring the bishops themselves into line. In fact, they did not speak of the war as a “crusade” in the *Collective letter* addressed by the Spanish episcopate to all its brothers and sisters throughout the world, as early as 1937.

LUIS HERNANDO DE LARRAMENDI BEFORE THE POPULAR FRONT AND FRANCO

In San Sebastian, where the Hernando de Larramendi y Montiano family lived at that time, Ignacio was able to see the same thing that—perhaps with greater brutality—spread throughout Spain, not only, but especially in the regions where the CNT (*Confederación Nacional del Trabajo*) had greater strength, such as Catalonia. In San Sebastian, after the February 1936 elections, it could be expected that the weight of the Carlists and the Basque nationalists would stop the violence that was unleashed everywhere; but, even so, Larramendi the son, would remember “the conflicts that terrorised the atmosphere daily after the triumph of the Popular Front” and pointed out, among them, the assault on the existing Carlist Circle in the capital of Gipuzkoa. “Immediately, with the speed and recklessness that characterised him, my father set up a protest meeting with no other resources than his own, which had little significance bar a symbolic one, because the people were already afraid and locked themselves in their homes” (2000): 57).

Fear had also won over the people; the landowners of Salamanca affiliated with the *Bloque Agrario*, for example, tried to keep the legal channels open in the negotiations they had to face with the working class, but requested handguns from a foreign company in case they had to defend themselves from an attack or something similar. It was not the middle of July 1936 yet (Rodríguez Almeida, 1986: 223).

It was like that; people were afraid; a fear, simply, of losing their lives. But some, as we have just said, perceived, each in their own way, that this transcended the choice between dying violently or simply living, and that it was also the way of living that was at stake even in the most intimate aspects of each person. On 29 March 1936, a banquet was held at the premises of the *Lliga Catalana de l'Alt Empordà*, in Figueres, to pay tribute to the two members of the *Lliga* who had won a seat in the Catalan *Parlament* and the other two who had won it in the Spanish Parliament for heading up the candidacy in which Luis Hernando de Larramendi was running. We already know that the latter were the diplomats Joan Estelrich and Carlos Badía i Malagrida; let us add that those in the Catalan *Parlament* were Tomás Carreras and Artau, philosopher

⁴ “The name of ‘Crusade’ and the war of Spain”: *Aportes*, No. 8 (1988), 65-72.

and professor of ethics at the University of Barcelona, the businessman Joan Vallés i Pujal and the historian Raimon d'Abadal.

It is revealing that, in that homage, two things were mixed that seemed to contradict each other: that they resorted to the form of homage that had been imposed in the 19th century—offering a banquet with speeches—and to hear in the latter expressions that made one think that they were in a historical moment of enormous gravity and of western, not to say universal, scope:

Vallés referred to the “serious political-social situation in Spain” and urged everyone to face it with courage and without a trace of desertion. “It is not possible to play the role of a prophet,” he added, “but, whatever the events that occur, the members of the *Lliga* will always move within the guidelines of patriotism” (a term that, at that time, surely referred to Catalonia, created, however, as the call to save Spain).

Joan Estelrich went on to ratify this by presenting Catalanism as “the only ideality [*idealitat*] within Spain, which can save Spain by example”. He did not hide “the danger of destruction of Spanish society” which he perceived at that time to the point of endangering “our civilisation”; “today, in Catalonia, the only conservative force, giving the word the most liberal meaning, is the *Lliga*. Therefore, those who want to save our civilisation should join the *Lliga*”.⁵ He did not add it; but it was an indication that he did not put aside Catalan Carlism.

The strikes and attacks against property that were repeated in the following months throughout Spain (Sánchez Pérez, 2011; Plaza, 2012) did not hide the ant-Catholic attitude of many left-wing militants; in some dioceses (I have documentary evidence in Toledo and Granada [Martínez Sánchez, 2015, and Titos, 2005, respectively]) many parish priests left their parishes and took refuge in the seats of the bishopric, and that not because, let us say, precaution, but because, the militants of the *Popular Front* explicitly told them that they should either leave or be killed.

When the war broke out in the middle of July 1936, all of that spilled over and it is fair to say that it did so on both sides. This is not the subject of this research and, as a historian, I have expressly rejected the unilateralism of historians who only study the barbarity of one of the two sides, be it the one or the other; I distrust accounts that coincide in favour of the militancy of the historian who makes them and I have tried to provide elements of judgement from another perspective, that of the Spaniards who, on both sides, did everything possible to save their political enemies or people in whom they saw, simply, people. I have published something about it and I refer to.⁶

It is not a question of implementing do-goodism, but of contributing to bring the panorama of what happened closer to reality; most Spaniards, including those mobilised in both armies, did not want war; the insistence of the leaders of the two

⁵ “Homenatge als diputats de la Lliga per la circumscripció de Girona: *Diari de Girona d'ads i notícies*, xlviii, No. 73 (Tuesday 31 March 1936) 4. All the phrases in this article that we put in quotes above are in Catalan in the original.

⁶ “The Civil War as a confrontation between Christians,” in *Religión y guerra civil española: Gran Bretaña, Francia, España*, Santiago de Compostela, CSIC (Institute of Galician Studies “Padre Sarmiento”), ed. by Antón M. Pazos, 2011, pg. 117-148. He had shaped the proposal in “Historical or simply shared memory (of the Civil War and Repression),” in *La República y la Guerra civil, setenta años después*, coordinated by Alfonso Bullón de Mendoza and Luis E. Togados, t. I, Madrid, Editorial Actas, 2008, pg. 170-187.

sides on fighting and winning the propaganda battle is revealing in that this was the case (Rollo, 2013); it was not only a matter of washing their respective faces with a view to attracting the sympathy of the rest of the world, but also of “mobilising” the very Spaniards, whom they saw as too lukewarm in their respective favour; the Jesuit Toni was forced by the censors of the *Régimen* to remove the reference from a text he was going to publish in 1937, to the many Spaniards who had the legal age to take up arms, which he saw in the terraces of the bars while those of his call—up fought and died in the front.⁷

Let us say it with all the words that are relevant: the repression, in both areas, especially until November 1936 (in both), was the work of cowards who, armed to the teeth, dared to take on totally defenceless enemies.

They were the counterpoint of the idealists, who, in the respective front or rear guard, only saw the good part.

Perhaps Luis Hernando de Larramendi did not see Franco with sympathy—at least politically—from the moment the spirited “African” military man was appointed a gentleman of the house by King Alfonso XIII; honour (and nothing more than honour) that was, above all, a way of expressing royal appreciation. That I did not think much of him at the outbreak of the war, is deduced from what Luis Hernando de Larramendi told his son Ignacio on 17 July 1936, according to the latter’s memories, when news of the Moroccan army uprising began to reach San Sebastian and Franco’s name rang out; “it was when my father told me that, if he was going to control the situation, *all was lost*. I could never find out why he thought that way, although he obviously did not like him and perhaps he foresaw his cruel actions in the post-war period” (2000): 82).

In any case, what was the last straw for the discontent in Luis Hernando de Larramendi may have been the way he took power.

The uprising of July 1936 had failed; what the military rebels intended and expected was a minimum of military resistance from the Republican Government that they could finish off in a few weeks. But they found that this was not the case and tried to save what they had achieved, to reorganise it and for this, to reorganise themselves in order to achieve the greatest warlike effectiveness and to see if, in that way, they could—step by step—straighten out the situation.

Among historians, it has been discussed whether the uprising was supported—understood as within the next forty-eight hours—by the majority of the army officers or whether they were not in the majority. Without wishing to be a third party in the debate, perhaps the role of indecision should be assessed a lot more. I mean that there are sufficient indications to think that, on 18 July 1936, many officers refrained and waited to see what would happen before deciding on one side or the other, and one of the first things that happened was that the civil authorities of the Government of the Republic and those who remained faithful to them, in all the places where there was an arsenal, found themselves with that very thing: the doubt as to whether they had sufficient officialdom for the regular army itself to defend the constituted order. And, in doubt, they opened up the arms depots to the leaders of the trade unions opposed

⁷ That and more episodes, I studied in *¿Fascismo o Estado católico?* already mentioned.

to the military coup, the main ones, the CNT and the UGT, and found that many of these leaders, especially anarcho-syndicalists, did not bow to the corresponding army officers, but set themselves up as strictly military commanders.

Then, how can I say, not without a certain gracefulness, in his memoirs, one of General Emilio Mola's close friends, Felix Maíz (2008), the armed trade unionists—called “militiamen” from now on, as members of the “popular militias” that they were—gave priority to undertaking the revolution in the rear guard, and the rebel military took the opportunity to reorganise and overcome the situation of defeated.

It is true that they counted on thousands of volunteers who joined the flags of the Falange and the *tercios of the Requeté*, even though the men who took this decision did not consider themselves to be either of them. It was simply the Falange and the Requeté were the main channels for people who considered the republic constituted between 1931 and 1936 to have been simply a disaster.

In the following months, the heads of the rebel military who, constituted in the National Defence Board, understood that the direction of the war had to be in one direction in order to make it more effective; on 28 September 1936, they took the decision to appoint Franco “Head of the Government of the Spanish State,” with the title of “Generalissimo” of the army and with “all the powers of the new State”; these phrases were included in a decree signed by General Cabanellas and published in the *Boletín oficial de la Junta de Defensa Nacional (Official Gazette of the National Defence Board)* on the 30th. Historians have given different versions of what happened in those days. In principle, it can be said that, between 28 September and 2 October, Franco became Head of State by the simple procedure of removing the expression “of the Government” that we read in the *Boletín de la Junta* and that we have just transcribed. I suppose any historian who thought about it would say—in my opinion, with good reason—that it was a white-collar coup d'état. What was done was to put the fait accompli in front of the generals who formed the Junta. How? By getting all the newspapers with the largest circulation in Spain, which defined itself as “nationalist” for the time being, to publish the content of the decree of the 30th within the following 48 hours with the expression “Head of State” instead of “Head of the Government of the State”.

THE COUP D'ÉTAT OF 29 SEPTEMBER 1936 AND THE TRADITIONAL SYSTEM OF LUIS HERNANDO DE LARRAMENDI

Why did the generals who had decided on the appointment allow it and abide by it as published? Some historians downplay the importance of this change of name, that of the “Head of Government of the State,” since it was followed by the recognition that all the powers were left to him, whether he continued as head of Government or did what he did, which was to leave the phrase in “head of State,” and they therefore maintain that the question we are asking ourselves—why did the other generals tolerate it—is not appropriate.

We will not go into that; we must admit that there was an aggravating factor that invited silence; do not forget that the coup in mid-July 1936 had failed and that this did not only give decisive importance to the Army of Africa, which was the one commanded by Franco. Even so, the forces at their disposal were still insufficient, or so they thought; for this very reason, they had to rely on volunteers as a shock force; at

first, most of the thousands of volunteers who joined the Falange or the Requeté (or one of the smaller groups that appeared or were reinforced at the time, such as *Acción Ciudadana*, a kind of militia in its origin), had been entrusted with auxiliary or secondary missions, such as border surveillance. But as early as the summer of 1936, they began to fight at the front.

The latter—the abundance of volunteers—no doubt depended on the national sentiment being as emotional as was necessary, in the rear guard, for the men of arms-taking age to join in. And, in those circumstances, to bring to light the dissensions among the rebel generals and discover that there was a struggle for personal power among them—especially between supporters of Mola and supporters of Franco—could end or excessively weaken popular support and encourage the enemy to reassemble.

The advance from Navarre along the Cantabrian coast—where the uprising did not succeed—was slow and costly. Ignacio witnessed the entry of the *requetés* in San Sebastián, by Ategorrieta, with his brother Luis Manuel, on 13 September 1936. “At about twelve o'clock in the morning, the *forty of Artajona* arrived”, which was the number four company of the *tercio* of Lácar, commanded by Captain Ignacio Ureta Zabala. “It was impressive, they came in rags, with dirty red berets, some with espadrilles, “resolute” more than due to the struggle of walking in the mountains. They were Carlist volunteers from that town, who knows what their children and grandchildren would think now. There was no defence, the previous night people had fled through the port and by road to Bilbao. [...] San Sebastian was absolutely empty, hardly anyone dared to leave their homes, only us reckless youngsters” (2000: 83). A few hours later, the streets of San Sebastian were full of people with their arms raised, the “imperial salute” renewed by the Italian Fascists and taken up by the Spanish Falangists.

Was it a warning that the Donostians believed that they should greet the *requetés* in this way?⁸ In any case, the truth was that Franco and his people had managed to act more quickly; under the command of the Army of Africa, they had advanced from north to south through Extremadura until they united the east of Spain with the area dominated by the Army of the North, under the command of Mola. But Franco decided to delay the arrival and presumed takeover of Madrid a few days in order to strike a blow: to free the more than two thousand military and civilians, men, women, and children, who had made themselves strong in the Alcazar of Toledo and had been enduring a very hard siege for two months. On 27 September 1936, Franco took the city called “Imperial”; on the 28th, those of the Defence Board appointed him “Head of the Government of the State”. What followed, we already know.

We are interested, however, to know what could reach the lawyer Luis Hernando de Larramendi from all of this and, if instead of sticking to the most read newspapers then, we look at the ones with a smaller circulation, we can get closer to the confusion

⁸As far as I know, it was not surprising that the Donostians who felt liberated that day made that gesture and to what extent hereinafter the photographs of that Donostian crowd published in Spanish newspapers could have an impact. It would then become compulsory whenever the national anthem, the *Oriamendi* of the traditionalists or the *Cara al sol* of the Falange (cf. Sánchez Erauskin, 1994: 83-85). But it was not on 13 September 1936, and the subsequent obligation would fall into disuse. Around 1950, in multitudinous meetings—for example, sports meetings—in which the national anthem was played, it was striking that some of the people present, very few, raised their arms.

that was created among the common people (the ones who read newspapers and talked about what was going on). At Franco's inauguration ceremony, presided over by General Cabanellas as the senior military officer of the *Junta de Defensa Nacional*, he must have said these words: "Dear Head of the Government of the Spanish State: in the name of this Board, which I chair, I hand over to you the Powers of State".⁹ If we now look for the news in the Soria newspaper *El Avisador Numantino* we have to wait until 3 October and admit that it was because it had not received the necessary "reports", as its editor claimed. Whatever the case, the first page transcribed the decree of 30 September and therefore listed Franco as the head of the Government of the Spanish State, as he was also called in the title of an article on page 2 entitled *Resumen de los sucesos más destacados (Summary of the most outstanding events)*.

But, in this one, the words attributed to Cabanellas when he invested Franco were no longer only the ones we have read, but several were changed and, in particular, the ones I put in brackets were added: "I give you [absolutely all] the Powers of the State", he would have said.

On the third page, the congratulations of the Management Committee of the Provincial Council, of Soria, presumably, dated 30 September and addressed to the "Head of State" were inserted, while on the fourth page, the congratulations that had been addressed, apparently jointly, by the military and civil governors of the province to the "Head of Government of the State" were added.

The icing on the cake was when they turned from page three to page four; in the third, they warned that the *Junta de Defensa Nacional* had published "an interesting decree" in the first article of which "all political actions and trade union and business actions of a political nature" were prohibited and only "the groups exclusively subject to the authority of this *Junta de Defensa Nacional* and its delegates" were authorised. However, on page 4 (under the heading *Al cerrar*) it was stated that, on 2 October, "the Head of Government of the Spanish State" had promulgated "a very important law" on the organisation of the new "National State" in which he declared, firstly, that "the management and administration of the State will be in accordance with nationalist principles" and that, for this, "a Technical Board and various Committees" (specifically, the Finance, Justice, Industry, Commerce and Supplies; Agriculture, Employment, Culture and Education, Public Works and Communication committees were created—the last two sectors, in a single Committee—and several other positions and bodies, among which was the "General Secretariat of the Head of State".¹⁰

The editor of this last review excused himself from publishing the law in its entirety due to lack of space. But the truth was that by doing so, perhaps without intending to, he avoided placing the emphasis that was perceived in the regulation when he spoke of the creation of the "Technical Board of the State" and pointed to the "Head of State" in the second and fourth articles as the last instance that would take the corresponding final decision, in each case that was presented. This was stated in

⁹ In *Heraldo de Zamora*, xi, number 12808 (1 October 1936) 4.

¹⁰ All of this, in *El Avisador Numantino*, lviii, 2nd period, no. 5391 (Saturday, 3 October 1936) 1-4.

the *Official State Gazette* published in Burgos on Friday, 2 October 1936, with the identification “Year 1” and “number 1.”¹¹

On the same day, 2 October, the last issue of the official *Boletín oficial de la Junta de Defensa Nacional* was published (which disappeared, of course).

It is completely implausible that Luis Hernando de Larramendi would not follow this war of names (and jurisdictions) without discovering that, behind it, there was a coup d'état and that Franco had just established a dictatorship, even if he did not call it that. It cannot be assured; but it is possible that the anti-Francoism of Larramendi father and son had a decisive milestone, in that fact. The gentlemen of Alfonso XIII rose up with the saint and the alms.

That was the political situation in February 1937, when Luis Hernando de Larramendi wrote *El sistema tradicional*, a book in which, maintaining himself on a theoretical level, he expressly repudiated “The Dictatorship,” the title of one of the chapters and, as a whole, the “new law” of which the jurists who supported the Spanish Falange had begun to speak. His son considered it much later “his most ambitious political work”. He wrote it in San Sebastian, spending a month in the Hotel Londres, and [...] the myopic censorship of that time did not allow it to be published for 14 years. Great public figures were members of that censorship, many of whom later pretended to set an example of freedom... It was a satisfaction for me, in 1952, in a minuscule editorial adventure with other Carlist friends, to publish that book, outwitting the censorship, under the changed title of *Cristiandad, Tradición y Realeza*. It was one of the great satisfactions of my life to see the satisfaction of my father [...] It still deserves to be read for the timeless wisdom it contains... *El sistema tradicional*—my father says—does not need to be implanted, it is always implicit in the social nature: that is why society, not knowing how to interpret it in many occasions in an affirmative way [...] misses it by an inexhaustible route of exclusion, knowing that, for every new unfortunate attempt or formula, that is not!” (2000: 58); this last sentence perhaps intentionally paraphrased the title of the article *No es esto, no es esto* (This is not it, this is not it), which José Ortega y Gasset had published in *Crisol* on 9 September 1931, when he became convinced that the politics of the Second Republic were beginning to take excluding paths [Ortega, 1931]).

The words used by Luis Hernando de Larramendi in the chapter on “The Dictatorship” in *El sistema tradicional* were, in any case, inadmissible for anyone defending Franco's legitimacy as head of state. For the author, the dictatorship was the revolution's own response to its failure, and this to the revolution's recourse to violence. To explain it, he did need to say that this was what happened because of the misgovernment of Spain that the *Popular Front* had committed itself to:

“When the decomposed, contradictory violence of all the loose revolutionary tyrannies makes social life, political life, impossible for man,” wrote Luis Larramendi at the beginning of 1937, “the Revolution turns to personal power: precisely its excessive and thematic enmity. But not to the paid personal power, justified by tradition and fair titles, but to anyone, to the most unprepared of men, to the most inexperienced of the unknown, or to the most discredited of the tyrants in circulation” (2011: 90).

¹¹ Year 1, No. 1, in www.boe.es > *Gazeta: colección histórica*.

And it must be acknowledged that a physiognomic selection like this one was not digestible for those who admired Franco, especially if other signs of identity were added, even if they referred to the First World War (1914-1918) and not to the one that was being waged in Spain when he was writing the book; it was enough to change the expression “European war” for “current Spanish war”:

“The European war demonstrated the indispensable need for a single command, so much so that from then on, those who want to pass for monarchists but have a revolutionary background generally call for a monarchy: unity of command, under the general impression of that experience [...] that is, the absolute suppression of democratic life and of parties in order to leave the unity of command in the army [...] and in the full powers of the dictators”.

Was this what led to his opinion of Francisco Franco? “The dictator is not a conductor who has unexpectedly entered into conducting; he usually only reads the score of his instrument on a stave and does not know or have the habit of reading, on the fly, simultaneously, in each bar, the multiple staves of which the singing and accompaniment for the string, wind, brass and patch instruments that make up the orchestra are integrated. Nor does he know more than the score itself” (2011: 91, 98).

LAÍN ENTRALGO’S REASONS

We know that Luis Hernando de Larramendi attributed to Laín Entralgo the prohibition to publish *El sistema tradicional* and, certainly, it is enough to read what the later prestigious humanist (until then, a scholarship holder of the prestigious Colegio del Patriarca, in the former kingdom of Valencia, now affiliated to Falange) wrote in those same days (1937) in the first newspaper that FE de las JONS had, which was *Arriba España*, of Pamplona. *Arriba España* had begun to be published on 1 August 1936, and was the result of one of the many coups d'état that took place on both sides in those days: while most of the Basque nationalists in Navarre were registered in the Requeté or Falange flags to join the military uprising and go to the front, the premises of *La Voz de Navarra*, precisely the Basque nationalist newspaper of Pamplona was attacked; it must have been around 19 July, because its last issue came out that day. And it was its machinery that was aggressively requisitioned to found *Arriba España*. The existence of the newspaper soon attracted a group of university students—including the philosopher Eugenio d'Ors, also Dionisio Ridruejo, Laín, Antonio Tovar, among others—who made the Falange newspaper their first spokesman.¹² And, in it and among many other things, Pedro Laín Entralgo explained his vision of traditionalism clearly enough to understand that, in fact, it would later prevent—when he could directly influence the censorship of the New State—the publication of *El sistema tradicional*:

The then young psychiatrist saw four poles that attracted Spaniards in 1936 (and, therefore, being poles that attract, they divided);¹³ he did not mention traditionalists with this term, but spoke of the “remains of the great Spanish traditional culture,” whose last bastion had been the magazine *Acción Española*, published between 1931 and 1937. This description tacitly limited Laín's criteria; it made it clear that he was not talking about ordinary people, but about Spaniards with the necessary training to read

¹² I studied the trajectory of this group of Falangist university students in *¿Fascismo o Estado católico? Ideología, religión y censura en la España de Franco, 1937-1941*, Madrid, Ediciones Encuentro, 1997, 283 pg.

¹³ From here until the moment we point out in a note, all quotations and references to Pedro Laín Entralgo, in “Cuatro polos y cuatro dimensiones”, *Arriba España*, 6 October 1937.

a magazine that we will call—provisionally—“intellectual,” as they themselves would start to call themselves. (Strictly speaking, all human work is “intellectual” work)

Nor did Laín strictly refer to all educated traditionalists, but to those who had developed, consciously or not, the conviction of the superiority of the Spanish tradition and, therefore, what was already more of a nationalism founded on the idealisation of the past (we would say that “Spain as a thought,” which is how the writer José Pemartín titled the presentation of the last issue of *Acción española*, issue 89, already in March 1937).¹⁴

Now we will go into the possible reasons why Luis Hernando de Larramendi was not simply known, but appreciated and even “classified”, but was not among the contributors to that magazine. *Acción española* could be considered a Latin nationalism in which it was assumed that each of the Romantic cultures (especially the French and then the Spanish) had their own characteristics and required total autonomy. They could not include the Italian one because of the weight that, here, Fascism had its own work, which was differentiated, among other things, by its greater disposition to violence and by its mere possibility in relation to the monarchy.

The name itself, *Acción española*, did not refer to Spanish traditionalism, but rather to the French traditionalist nationalism that its spokesperson in the magazine *Action française* had and its most relevant mentor in the writer Charles Maurras. Maurras was, in France, perhaps the main definer of this “Latin Union” (Dard, 2017).

It certainly included Catholicism, but in the way it was also defended in Spain by Ledesma Ramos, an agnostic like Maurras: as a constitutive component of the being of both countries. However, they defended it with such force that people like the Cardinal Primate of Spain in those days, Isidro Gomá, saw the magazine with good eyes.

It had been in one of the 1932 issues where Luis Hernando de Larramendi had appeared for the first and penultimate time; it was the tribute paid to Ramiro de Maeztu in those days at the Ritz in Madrid in order to award him the Luca de Tena award, which had been instituted in 1929 to reward journalists who defended the values of the *ABC* newspaper. The event had been organised by those responsible for *Acción española* and was therefore chaired by the magazine's director, the Marquis of Quintanar. In a chronicle published by the organisers themselves, the “classification” of the most distinguished spectators—among those present, it is understood—was introduced, perhaps unconsciously, but not negligibly: Quintanar “seated on his right Mr Ramiro de Maeztu, and on his left the Marquis de Luca de Tena, and, successively, on both sides, at the presidential table, Mr Garcia Mercadal and Mr Pujol, from *Informaciones*, who with Aznar, director of *El Sol*, formed the jury of the Luca de Tena Award, Marquis de Valdeiglesias, Hernando de Larramendi, Barreto, Herrera Oria, Tarduchi, Dr Enríquez de Salamanca, Luca de Tena (Mr Fernando and Madariaga, respectively directors of *La Época*, *Criterio*, *La Nación*, *El Debate*, *La Correspondencia Militar*, *Medicina*, *Blanco y Negro* and *Libertad*, of Valladolid”.¹⁵

We would not vouch to explain that, precisely, the directors of *El Sol* (Aznar) and *El Siglo Futuro* (Senante) sent their apologies for not attending—even if it was because

¹⁴ *Acción española*, xviii, No. 89 (Burgos, March 1937) 365–407 (ref. Evernote).

¹⁵ “Homage to the Hon. Mr. Ramiro de Maeztu”: *Acción española*, ii, No. 7 (16 March 1932) 82.

they were out of Madrid; with their absence, they perfectly defined the range of positions that were present: from the “right” of those inspired by Ortega y Gasset to the left of the newspaper of the Integrant Party, both exclusive. (The left of fundamentalism was Carlism.)

We still find Luis Hernando de Larramendi on pages 325-328 of the copy of *Acción española* corresponding to 16 January 1933 (it was a fortnightly magazine); a speech was transcribed on those pages, which he had given at the Monumental Cinema in Madrid on Sunday, 8 January, and the first thing that stands out is that it was inserted as one of the “Cultural activities,” both his own and those of others, which satisfactorily attracted the attention of the editors. In fact, the text—and even more so with the paragraphs that were not transcribed—was large enough to be included as another *Acción española* article. The fact that it was not done so, but as one of the latest successes of the “traditionalist secretariat,” makes one think that the magazine's mentors saw it with sympathy but not as something of their own. This is not surprising, because the author of the non-existent *El sistema tradicional* did not hide his reticence about the concept of “nation” as something very different from the concept of “fatherland,” and the collaborators of *Acción española* defended both and knew that it was not a Byzantine distinction. That same reticence, by the way, was inherited by his son Ignacio, who expressly assumed the usual distinction between nationalism and patriotism; “the former is based on hatred, resentment and, in many cases, revenge; patriotism is a manifestation of deep love for one's own and respect for the love of others' fatherland,” he would recall in *Utopía para la nueva América* (1992): 114n).

Now we have to be faithful to history and say that it was not perhaps this that led to the insertion of the text in *Acción española*, but the fact that—according to them—it had spoken of the “traditional monarchy,” an affirmation that meant distorting *pro domo sua* which, in truth, had happened. The reader might have thought that this was the theme of the conference; but there was no such thing; Luis Hernando de Larramendi had spoken about “The natural and organic regime of Spain and Christian civilisations”; he must have got excited when defining “the traditional system” and “pronouncing a certain word that some of the audience interpreted as an allusion to the Monarchy” and one of the spectators expressed disagreement; a large part of the audience in the stalls started to leave the hall, while in the amphitheatres shouts could be heard that dissuaded Luis Larramendi from continuing the conference. He recommended serenity so that the cycle would not be interrupted; it was certainly organised by the traditionalist secretariat and Victor Pradera and the Count of Rodezno, Tomás Domínguez Arévalo, were present. Nothing more happened; on the way out, groups of those attending formed in plaza de Anton Martin and calle de Leon, and the members of the security forces who were there peacefully dissolved them.¹⁶

In fact, what Laín Entralgo wrote about traditionalism as the first of the “Four Poles and Four Dimensions” that he listed in *Arriba España* in 1937, first adhered to *Acción española*, but then expanded, unconsciously, to a much broader spectrum that coincided with what we have just seen at the Luca de Tena award ceremony: he said that “his men, champions of Cultural Hispanity during the most turbulent years of Spain, lacked,

¹⁶ All this, in “Traditionalist Conference held yesterday at the Monumental Cinema gave rise to several incidents that forced the suspension of the conference”: *Hoja oficial del lunes*, iv, No. 12 (9 January 1933) 5. The next day, the news was literally copied in *La Libertad*, xv, No. 3997 (10 January 1933) 10.

however, a revolutionary-authentic revolutionary [sic] vision of the Spanish problem, and for this reason they did not manage to reach the people's hearts or win over the spirit of young people”.

Perhaps he did not realise what he was writing in Navarre, where male youths and more so female youths had mobilized as one man in favour of the military uprising, and that—almost certainly—without reading *Acción española*.

“Another pole of the Spanish cultural split,” Laín Entralgo continued, “was called Europeanism and its arena was “*Revista de Occidente*”. There was copious information and formal scientific actuality in it; but its people did not know how to twin them with the being of Spain, before whose more exalted manifestations they took a criminal hostile attitude.

Then the communists:

“Orthodox or Leninist communism was the third pole in the life and cultural mosaic of Spain. In it there was vigour, a certain air of youth, promises of this future. But the revolution it was postulating was only to calm—at best—a hunger for bread, which is after all a partial hunger: and dialectical materialism is too superficial and crude a thing for the human depth of Spanish minds. That is why only subjects as vulgarly sectarian as those of “Leviathan” fell into the net of the so-called Marxist culture. (They then; afterwards, who will believe it, much finer minds, because God blinds the one who he wants to lose.)”

Finally, anarchy, also a profound concept of Hispanic culture:

“The last of the poles of attraction in the cultural sphere was, strangely enough, an anarchism that we could call racial or Celtiberian. Strictly speaking, *faista* anarchism (belonging to the Iberian Anarchist Federation) is the indigenous version of communism. And even when anarchism's literary production does not allow one to speak without sacrilege of an anarchist culture, it is certain that this feeling of racial independence sometimes unexpectedly colours cultural productions of higher value: for example, that of Valera, [...]; that of Ganivet, and more recently that of Valle Inclán, and, above all, that of Baroja.”

The Falange was not here to destroy but to overcome these four beams by bringing them together:

“National Unionism, which hungers and thirsts for unity and totality, must overcome this cultural division in Spain by creating a culture that is both traditional and new, and which takes the best or only good from each of these poles. The purest traditional catholicity of tradition; the universal breadth of Europeanism; the yearning for bread of communism [...]; and the primary vitality of the Celtiberian impetus. Then the National Syndicalist Culture will not have four poles, because it will be one and universal: it will have four dimensions, as St. Paul attributes to man in grace. Four dimensions, *quae sit longitudo, et latitudo, et sublimitas, et profundum*.”¹⁷

Universal and one and, at the same time, long, wide, sublime, and deep. “No one,” he repeats, “should think of serving the national syndicalist culture unless he is

¹⁷ So far, the quotes of Laín Entralgo taken from “Four poles and four dimensions”, *Arriba España*, 6 October 1937.

attentive to the thoughts of all those who think, in order to accept it or to annihilate it: in order to appraise it, in any case. St. Thomas said that, back in the vituperated Middle Ages, the truth had to be taken from wherever it was, without asking who had it, and this seems to have been forgotten by the traditionalists at all costs would not go beyond Suarez or Melchior Cano".¹⁸

That was the point: that the "creative tradition" was seen as a way of staying, in reality, in Suárez and, therefore, at the beginning of the 17th century.

NOBLESSE OBLIGE

Before going into this, I would like to undo a possible confusion, even if it requires a few pages in which neither Luis nor Ignacio Larramendi appear. And that is because, really, Noblesse oblige. I have spoken about Spanish fascism and it is necessary to warn that I have done so in the sense that they themselves—the Spanish fascists of the 1930s—gave to that word. It is only fair to emphasize this because, on the communist side, anyone who is "right-wing" has begun to be called a "fascist". I do not go into this question because it was no more than a means to insult, a replica of the "Marxist hordes" seen everywhere by the spokesmen of Franco's side, who thus replaced Bakunin with Marx and made him the inspiration of the anarcho-syndicalists themselves, their enemies within the First International sixty years ago. (Remember that this first great institutional organisation of what they themselves called the "workers' movement" had, among other problems, the confrontation between Marxists and Bakunin followers over how to organise that community: whether with Marx's criteria of efficiency at any cost or as a democracy in perpetual constitution from the bottom up, according to Bakunin's idea of politics [Angaut, 2007].)

It is clearly very difficult to define what fascism was in the strict sense, not least because it can hardly be linked to a proposal for a strict political philosophy, which is where the necessary definition should be found. Besides, I have not found any text where Ignacio Larramendi spoke about that matter. On the contrary, we will see one, at the time, in which he stressed the conviction that he had done well in the face of two things that had happened since 1936: one, having taken part in the civil war affiliated to Requeté; the second, never having accepted any kind of collaboration with the *Régimen* (as Franco's regime was called).

In theory, fascism was characterised by a "totalitarian" conception of the state; but this other adjective, which had become fashionable in those days throughout the West, was not easily defined either. Luis Hernando de Larramendi came close to achieving this in *El sistema tradicional* (1937) when he recalled that the traditionalists had been "reasoning, clarifying and demonstrating that nothing is further from absolutism than their tradition". "Practical reality has come, as was ill-fated, to justify them, and in a tragic hour that divides the attention of the immense masses¹⁹ between the attractions of Stalin's absolutism, on the one hand, and, on the other, the germinating experiences of Germany and Italy seeking a new order in the totalitarian State, Spain presents its old and perfect legitimist political formula: the substantially natural and experienced organic order of all legitimate jurisdictions" (2011: 153). It

¹⁸ Pedro Laín Entralgo: "Dimensión de universalidad [III]", *ibidem*, 20 October 1937.

¹⁹ By "immersed"?

was precisely the criterion by which his son Ignacio would understand the English political and legal order, one of the main pieces of which was the primacy of a constitution that was not written, but “experienced” and, we would say collectively “memorised”, so that its existence depended entirely on the English keeping it alive in their way of life (and, therefore, it would cease to exist the moment it was forgotten, even without the need for rejection). Philosophers called this “ecstatic” memory, which only really exists while it is kept in the mind, shared, in the form of a habit (Chawla, 2014).

There is, in the phrase just quoted, an important detail which—perhaps fortunately—is difficult to understand today, let alone justify: Luis Larramendi said that real masses were immersed in the attraction that Russian communism and Italian and German totalitarianism aroused in some. That is crucial. It is not possible to understand what happened in the world between wars if one does not assume that liberalism was considered to be as outdated as traditionalism could be and that what was attractive, what was new, the future was seen in these new forms of government.

Such a view of reality was, in part, very simple: the war of 1914 and the revolutions of 1917 had certified the failure of liberalism, which was seen as something as old and outdated as its traditionalist opponent. The second part—the appeal of communism and fascism—is more difficult to understand if one does not accept a vital criterion of the first order: that beauty is far more convincing than reason, and both communism and fascism were, to a large extent, aesthetic ways of expressing oneself and living. Falange was a “style”, Laín Entralgo and many others would write at that time, and it is not necessary to remember to what extent they were two important seedbeds of avant-garde art (even if Hitler attacked it, perhaps when he warned, precisely, of its effectiveness, that it could turn against him) (Egbert, 1970; Traverso, 2010).

The bad thing, it is obvious, is that, in those cases, the style and beauty were disguising what it clearly was, pure and simple absolutism, for which, now, a substitute had been found that did not have the arbitrary and enslaving sound of “fascism” or “Stalinism”: the word “totalitarianism”.

Such was its strength that it was more predictable than that of “fascism” around 1936, when the war broke out, and, like that of “empire”, taken from Italian fascism and the German Reich, it was expressly reinterpreted, moreover, in a *Hispanic way*. Ortega himself took part in this reconsideration; in 1923 he had published *El tema de nuestro tiempo*, which was, in his opinion, subjectivity as a basic principle of culture and life, and in 1934 he was preparing the third German edition, for which he wrote an introduction, a *Prologue for Germans*. In the book, Ortega returned to the laws of reason as a way of overcoming subjectivity and historicism. However, in the case of Spain, this opened up a creative horizon of the utmost importance, given that, in his opinion, the Spanish had not assumed the principles of “modernity”; Spain had not become totally “modern”. The overcoming of modernity (so linked to subjectivism and historicism) did not present, for the Spanish, the obstacle that it could imply in other countries.

And the German edition led him to conclude that one of those other countries was Germany and that it was in the Germans' interest to understand that his work, *El tema de nuestro tiempo*, had to be understood in a different way from that of a Spaniard. In

the *Prologue* (which was not published until 1958, and the latter in its original language, that of the Hispanics), he recalled, for that very reason, that Spain had been, in the history of Europe, “the first imperial people, chronologically and quantitatively” and that, in Spain, “the modern idea of the State, the great national State, something completely different from the old States” had been invented, including the expulsion of Jews and Moors and the concern for “purity of blood” (1958: 79). Spain, in short, was possibly the country best able to transfer the experience it had made centuries ago of several of the fundamental changes towards which Europe was moving. (Hitler had only been in power for a few months)

In an introductory note published in 1958 in front of the *Prologue*, it was clarified that it remained unpublished because Ortega had refused to include it in the third German edition of *Del tema de nuestro tiempo* when he found out about what had happened in Munich in 1934, in the “Night of the Long Knives”, the one from 30 June to 1 July of that year; a night that the Germans preferred to call *Röhm-Putsch*. SS and Gestapo agents had carried out a bloody purge within the Nazi Party itself. Above all, members of the *Sturmabteilung* (SA) had fallen, including Ernst Röhm, its founder and leader, a minister without portfolio in Hitler's government. The SA was a Nazi paramilitary force that had taken street violence to such an extreme and on its own initiative that Hitler came to see it as a threat to his own power. That is why one would choose to talk about the *Röhm-Putsch*, “Rohm Coup d'état”, from which Hitler precisely feared a coup d'état.

We have said that some—not a few—FE de las JONS militants admired Nazism above all. Well, before going any further, it is only fair to emphasize that, with the prudence that the moment demanded, there were also Falangists who put it in writing and, precisely, in relation to the Nazi idea of “Empire”.

The young historian Manuel Ballesteros Gaibrois made this clear before the end of 1937, in the second issue of *Jerarquía*—the so-called “black magazine of the Falange”—which began to be published in Pamplona (and in Pamplona it died the following year): “if we are going to create the National Syndicalist State with our kind of justice, we have won the Empire.” But, “in saying Empire, we do not find in our craving and in our destiny any of the other nationalisms that also cry out Empire. If before it used to be said that “Castile is wide”, today we can say “the world is wide”; let each one go back to their rightful place and allow the earth to continue turning”²⁰

Pedro Laín Entralgo repeated the idea, in his own way, in *Arriba España*: the decomposition of democracy in Italy and Germany, he explained, crowned by Mussolini's march on Rome in 1922 and Hitler's electoral victory in 1933, has ensued the creation of a new order.

“Also in Spain. But with originality. Because our Empire does not come through a series of democratic victories like the German empire; nor like the Italian, through a barely risky March on Rome. It comes through the path of an atrocious war, [...]”

²⁰ “El Imperio de España”, *Jerarquía*, No. 2 (1937), 163. This aspect of Spanish fascism, I tried to make clear in the chapter dedicated to “Brotherhood and dissimilarities between national syndicalism, fascism and Nazism” of the book already mentioned, *Fascismo o Estado católico? Ideología, religión y censura en la España de Franco, 1937-1941*, Madrid, Ediciones Encuentro, 1997.

"... let us not be tempted to rationalize events according to preconceived or imported schemes".²¹

Those were the days when Pius XI publicly said that, after the incarnation, death and resurrection of Jesus Christ, there is no race but the human race, and several of the Falangist scholars who took over as the management team of the General Secretariat of the Falange resulting from the mergers we have mentioned made it clear, in the press, that Spanish totalitarianism was not racist at the same time that they claimed to be Catholic. One of those who warned about it was Laín Entralgo.²²

This already long excursus seems indispensable to anyone who read it when it was written. It was, we said, about justice. Now it should be added that those who had the opportunity to deal with Ignacio de Larramendi for years were able to see that his convictions did not usually eliminate reflection and the effort to assume all the aspects presented by things and people. This is how I understand his book *Anotaciones de sociopolítica independiente* (1977), dated—perhaps with symbolic precision—18 July 1976, in the months following Franco's death (November 1975) and one would say at the starting point of the Transition (as it was rightly called, the transition from the Franco dictatorship to the parliamentarism of political parties that others called "synarchy", something like "co-government" in its Greek roots [Mury, 1946]).

Let us leave it, therefore, in that the transition from the Spanish one-party dictatorship to what was then (1977) beginning to become the Transition par excellence, allowed Ignacio Larramendi to reflect on what he saw and to introduce important warnings; he observed the frequency with which, in those days, rulers and opposition politicians, including union leaders, travelled "to make contacts and receive instructions in foreign countries" and it seemed to him that this was "one of the symptoms of the special collective psychosis of this transition period." He considered it "an obsession with what people will say" that could have serious consequences: the main one being that Spanish policy was unconsciously or consciously submitted to advice that suited the countries in which criteria or support was sought and not that suited the Spanish people.

Of course, he was no less harsh on those who preferred continuity: "If we truly want a new, fairer and purer Spain, we must achieve a transparent Spain and this cannot be achieved in a dictatorship that institutionally demands concealment and obscurity. It is worth asking whether, behind the senseless continuist action that has created unnecessary dangers to the current political change, there is not precisely the terror of a line of transparency that would open up to the Spanish people the socio-economic frameworks of many years of darkness, much more contained in this transition period than the spiritual values that it is intended to protect."

Of course, he still saw the solution in traditionalism (attention: as a criterion and set of criteria for action, without reducing it to pure ideology, much less to a party). That is how he explained it in those days:

"The battle for specific freedoms and the indispensable rights for the dignity of men and peoples is linked to the crisis of Christianity. The defence of jurisdictions during one hundred and fifty years, romantic and anachronistic, may be the symbol of what Spain still has to offer to the world of the future [...]. The substance of the jurisdiction is in the

²¹ Pedro Laín Entralgo: "Magisterio y originalidad de la historia", *Arriba España*, 28 April 1937.

²² I have to refer again to *Fascismo o estado católico*?

right to be, individual and collective autonomy, which arises not only in its territorial content in such a powerful way that its excess could be a serious danger for Spain, but in other aspects of growing importance of the social and sociological structure. Self-management and participation, words as seductive as they are little known and badly used, have in their basis a common substratum with jurisdiction, man's right to take an active part in the collective decisions that affect him" (1977: 84-85, 232, 104-105).

Let us emphasize what he had assumed with these last words: jurisdiction, self-management, and participation. Now it is worth returning to Laín Entralgo's statement that, in the end, the traditionalists were keeping with Melchor Cano and Suárez.

FRANCISCO SUÁREZ? BETTER, JUAN ROA DÁVILA

If we are allowed to play with words without deforming reality, we could conclude that Laín was not misguided in what in the 20th century seemed to defend a position that was expressed with very particular strength around 1600; but it had nothing to do with Francisco Suárez or Melchor Cano, whom he quoted, but with Juan Roa Dávila. It is true that, in the days of which we spoke before—the Spanish post-war period of the 20th century—the rediscovery of the Spanish political tradition did not fully distinguish—as far as one knows—between Suárez and Roa Dávila (focusing on the extremes and leaving Melchor Cano alone, whose work only dealt directly with politics, in what one knows; he had touched on it when writing the *Tratado de la victoria de sí mismo* (1551) and *De locis theologicis* (On Theological Places, Salamanca, 1563). Especially in the first one, where he talked about the seven deadly sins, politicians can see themselves reflected without too much effort (of course we are talking about those of the 16th century only). But Suarez and Roa Davila agreed to be part of the next generation; they were born in 1548 and 1552 respectively, and—they did—deal directly with political theory.

I would almost assure you that Ignacio Hernando de Larramendi did not expect his children to pay him a posthumous tribute by digitally publishing the main work of Roa Dávila, in the version that had been sponsored by jurists and historians José Manuel Pérez-Prendes and Vidal Abril at the Spanish National Research Council in 1970. In 2009, they had already started with the work of Juan de Mariana, who, among many other things, had defended tyrannicide in its pure state, so to speak, not long before his colleague Francisco Suárez rushed to put conditions in place to make something of this magnitude effective (Crespo, 2009).

He said that the differences between the two were hardly known in the days of the Spanish Civil War (1936-1939); one could certainly refer to some pioneers, such as the philosopher and jurist Eloy Bullón, whose most significant work on the subject was, we believe, *El concepto de la soberanía en la escuela jurídica española del siglo XVI*; the second edition was printed exactly in 1936, and we do not know with what intentions, if that of reminding the deputies in the Cortes of the Popular Front, the generals who rose up in the middle of July or Franco, of that concept, that of sovereignty. But it was in the post-war period when it became clear—insufficiently so, in fact, in the present day—to what extent Francisco Suárez accepted the starting point, the origin of authority in the constitutive pact between the people and the ruler, but set such a number of conditions that had to be met that the people refused to obey (and not for

it to be lawful to resort to tyrannicide) that, in the long run, his thinking had as much influence on traditionalism as on liberalism, specifically on juridical positivism.²³

Perhaps even more than Suárez, Juan de Mariana was to be one of the most widely read Spaniards in the two hundred years that followed his life; Roa Dávila was not. But the fact is that Roa Dávila's work had ended up at the Inquisition and would not leave there except with enormous difficulty and vigilance, while Mariana, a collaborator of the Inquisition as he was, had the honour of having his work publicly burned at the Sorbonne. As a prize—as deferred as you like—it would be reissued with an “Introductory speech” by the federal republican and follower of Proudhon, Francisco Pi y Margall, to whose left only anarchism remained, and—attention to the date—in 1939, as a corollary of the civil war, it would be studied by a young Falangist and later count of Beretta, Manuel Ballesteros Gaibrois (1939), who would immediately turn to the study of the history of Spanish-speaking America.

Why Roa Dávila for Ignacio Larramendi? You see, a human group becomes a political community by giving itself an authority, according to Aristotle. This endowment implies a pact, in which the elected authority, whether individual or corporate, commits itself—according to the Christian ideology contained in traditionalism—to respect the divine right and the natural right and also, the specific conditions specified in this kind of contract. The Castilian jurists and theologians of the 16th century precisely warned that, in Castile, no conditions had been placed on those who, one day, began to exercise authority, unlike what had happened in the crown of Aragon. But that did not mean that, in Castile, the power of authority was absolute. No one can ever transgress the two rights, the divine and the natural. The repudiation of absolute authority is explicit in the work of the Castilian Diego de Covarrubias, one of the peaks of 16th century philosophy of law, and it is just that, divine law and natural law, that he argued to affirm such a thing.

Roa Dávila did not understand democracy as a form of government—as an alternative to the aristocracy and the monarchy and all the systems valued in Greece—but as a condition that must be fulfilled in every regime, and not only to constitute but also to change and, therefore, to legislate when establishing new institutions and new laws that modify custom, especially when it comes to taxes and their distribution.

In other words, he understood democracy to mean the participation of all subjects in the exercise of authority. How that participation should be undertaken is not the key issue. What is decisive is that it really happens, whatever the form of government. In that way, if it is participatory, the monarchy itself can be considered democratic. Certainly, participation entails “taking sides” and therefore acting as a “party” does not entail a contradiction as Rousseau would assert. It could be said that, in short, if there is participation within the real reach of all, there is democratic representation. On the contrary, not so; when we delegate power, we do not alienate it, but entrust it to someone who is part of the community and, as such, has to manage to really know how it wants to be governed. If it does not do so and acts in such a way as to violate the constituent agreement, the lawfulness of the tyrannicide may be raised.

²³ I tried to explain it in “El replanteamiento de la filosofía del derecho en torno a 1600 como parte de un giro histórico capital”, in *Homenaje al profesor José Antonio Escudero*. IV, Madrid, Editorial Complutense, 2012, pg. 89-119.

This is the position that Suarez would tacitly oppose almost at the same time.

Ignacio Hernando de Larramendi never showed any signs of considering the legality of the tyrannicide and he may never have read Roa Dávila; but his idea of *polytheia*, including business, was rooted in these principles. Just read his *Panorama para una reforma del estado* (1996).

What does this have to do with business? Everything. The purpose of the emperor is not to bring about the common good, but to ensure the best possible coexistence, as the bishop of Hippo had stated centuries earlier. In the 16th century, Francisco de Vitoria had added another observation along the same lines, and that is that—if I may paraphrase St. Augustine—the emperor will be legitimately so by virtue of a pact (a condition that assumes that no Roman emperor was legitimately so); in the constitutive pact the political community—Francisco de Vitoria continues—the natural or legal person invested as an authority is not outside the community, but—almost always—is part of it. The constitutive pact is, therefore, singular (and its consequences, too): it is not a pact between community and authority, but a pact that occurs within the community, between those who constitute it. And this was signed by father and son, Luis and Ignacio Hernando de Larramendi.

Mutatis mutandis, which Ignacio would assume and define in the distinction between “absolute democracy” and “institutional democracy”. “The absolute proposes electing parliaments and having them elect governments, and in reality electing political parties that in turn elect parliament and government. Institutional democracy, together with a legitimisation of access to power, maintains the strength and influence of the series of civil structures that participate in the nation and the pragmatic reality of political power, humanising it, making it more difficult to be arrogant and preventing absolutism” (1996: 58).

It is a fundamental principle because it implies that the original pact of the political community never implies the assignment of “all” the authority to the elected person or persons. The ruler has to make decisions in “tune” with his subjects, even in the sense that he has to listen to them and listen to their reasons, even if, at the moment of truth, they seem to him to be such a mistake that he does not feel obliged to do what they want. Afterwards, he will have to answer for that decision of opting for a different solution.

The latter too: “In the public sphere, every power must be responsible, that is, effective, and actively concerned with the service or function that justifies it to the citizens. ...] The responsibility for the effectiveness of the rulers must be demanded in compensation for the advantages they receive. This is what has become known as *active legitimation*” (1996: 78).

In fact, this was a variant of the “imperative mandate”, an institution that had been ended, in Spain, by the Cortes de Cádiz, but that the traditionalists maintained in their programme. Until then (1810-1813), representatives in the Cortes of the so-called “underclass” or “third estate” often had to sign a document in which the councillors as a corporation pointed out to them the matters they had to defend; so that if they did not comply and did not justify why they had not done so, they could be prosecuted and held accountable. The introduction of the French liberal regime not only meant, therefore, an egalitarian rationalization of the elections, but the consideration that

those elected did not only represent their electors—those of each constituency—but the “nation” and, consequently, their mandate was only representative, not participatory; they could use their vote as they saw fit. It is striking that this was one of the main differences with Rousseau's democratic proposal, which defended direct democracy and the imperative mandate. In time, only two movements as distinct and significantly marginal as traditionalism and anarchism would maintain this principle.

We do not know what Ignacio Hernando de Larramendi thought about the imperative mandate; but, if he ever thought about it, he surely found it an alienation that the elected representatives, by relying on their vote, could do as they pleased when making decisions that would bind others, their subjects. For me, he would have been happy to know that it was that, the annulment of the imperative mandate, which was one of the reasons why the American deputies in the Cortes of Cadiz disagreed with the 1812 constitution (Porras, 2013).

In fact, the responsibility (understood to be legal) of the authorities that Ignacio Larramendi defended went even further; in the imperative mandate, the representative committed himself to defend specific points; in demanding responsibility for the way of exercising power, it evoked rather the “trial of residence” to which the authorities of the Hispanic monarchy were subjected when their mandate ended: a judge was appointed to hear anyone who had anything to say about the way in which that authority had been exercised; furthermore, all the supporting documentation was carefully reviewed, especially the prosecutor's documentation and, in general, that involving the handling of money. At the end, the judgement was passed.

This did not ensure that there was no corruption and injustice; what it did was to make it extremely difficult and to keep the king's delegated authorities, while exercising as such, the shadow that implied that they were, after all, accountable (Mariluz, 1952, 1953; Herzog, 1994, 1997; Collantes, 1998).

THE (RESERVED) OPINION OF THE SINGULAR JURIST WHO WAS MANUEL MARINA

Note that the *Régimen* had already been dissolved between 1975 and 1977, when Larramendi was writing these things, and that the main result of the Statist criteria in the business initiative itself had been maintained to the end, and even more so; in 1941, the National Institute of Industry (known as the INI) had been created to replace private initiative, anticipating it and thus ensuring the corresponding service—just as the criterion he had rejected in 1952—and, until 1980, the INI continued to be the largest and most important business group in Spain. Its enormous business assets were gradually privatised in the following decade and the National Institute of Industry itself was abolished in 1995; but it was replaced by a so-called *Sociedad Estatal de Participaciones Industriales* (SEPI) and by a network of “official institutions not integrated into the regular public administration”—of course called by different names—which would multiply the intervention of those in power for a very different purpose: to have autonomous instruments that would allow for less transparency and, therefore, greater effectiveness if the opacity served to seek improvements and not to increase. And it is clear that this was not what Larramendi thought a company should be; on the contrary, he believed that transparency and political independence were fundamental.

Now, "Noblesse Oblige" was the title of a few pages that seemed indispensable to us today. I must say that the same thing happens with everything we said at the beginning about the difference between the economic regime proposed by Ignacio Larramendi after his English experience and the articulation from above of what had been the Vertical Trade Union and the National Movement. It is too easy to make firewood from the fallen tree, especially if the same has not been done when the tree was upright and covered with leaves. We are going to close this part, therefore, with an assessment of the trade-union superstructure of the *Régimen* that meets these conditions: first, that it does not bear the surname Larramendi; second, that it does not arise from the political opposition; third, that it is solvent; fourth, that it is private, without censorship of any kind. This last step backwards seems essential, again, to finish this first part of the research.

In May 1938, Pius XII had appointed the diplomat Gaetano Cicognani as apostolic nuncio in Spain and it is clear that he had difficulty in understanding the whole process of institutionalisation of the National Movement to which we refer; he went to the Jesuits and the task of clarifying things fell to the Aragonese jurist Manuel Marina, a former propagandist (i.e. member of the ACNdeP), a career judge and journalist specialising in labour issues. His contributions to the newspaper *El Debate* and everything else that was needed had made Angel Herrera Oria see that he was called upon to take over the running of the newspaper. But when he went to take the step and appoint him, the jurist told him that he had decided to become a Jesuit and, as such, he was one of the driving forces behind *Fomento Social*, the institution (long before it was a magazine) that channelled a good deal of Jesuit "social" activities before the civil war.

Well, his opinion was this, as he explained it to Cicognani in his report dated January 1943: not only the state jurisdiction of those big National Trade Unions foreseen in the law of Bases of Trade Union Organisation in December 1940, but—much more—that priority of the economic mission over "the social part"—which corresponded to the Provincial Head Offices—favoured the businessmen. It was the very state or "national" leadership of each Trade Union that was formed "in the final analysis by business elements".

Neither the "social" nature nor the local or, at most, the provincial level of the other bodies of the Trade Union Organisation ceased, strictly speaking, to constitute as many ways of preventing—in fact—the interests of the employees from being transformed into economic policy decisions that would overcome the (very laudable) desire for assistance and foresight. In the words of the same Jesuit and jurist, "the former [the Provincial Head Offices], operating also from the periphery, and the latter [the local ones] [...], coming from the periphery, were detained in the provincial organisation without reaching the summit".²⁴

The father of the Bases for the Trade Union Organisation promulgated in 1940 had been Gerardo Salvador Merino, a jurist openly in favour of the understanding with the Nazis, whom Franco had appointed as the national delegate of Trade Unions in September 1939, precisely in the days when Hitler forced the outbreak of the Second

²⁴ Report, pg. 25, Archives of the Province of Aragon of the Society of Jesus (Valencia), Papers by Manuel Marina.

World War. In the following months, Salvador demonstrated a very effective capacity to draw crowds and rescue former revolutionary trade unionists for Franco's Trade Union Organisation. Accused of having been a Freemason, he was prosecuted in 1941 before the Court for the repression of Freemasonry and Communism and sentenced to twelve years in prison, which Franco commuted to twelve years of internal exile that he served in the Balearic Islands (Seville, 2014).

The Trade Union Organisation was left unscathed and there was no turning back on a single, vertical trade union membership. Not only was there none, but a further step was taken, which was to force the trade union membership of all employees (Aparicio, 1976, 1980). Until then, this could be taken for granted; but, in truth, it was just that, an assumption that had to be made.

But the new national trade union delegate was a man of very different temperament, even though he was a militant among the Falangists who refused to proclaim themselves corporatist. It had nothing to do with traditionalism but rather with belonging to the Catholic Church. I am referring to Fermín Sanz Orrio from Navarre, also a jurist, who would remain in office until 1951. In the January 1943 report, Manuel Marina defined Navarre's policy in this way:

"Well, without fundamental legislation having changed in any way, a profound change is taking place at present, in the sense of avoiding the dualism that we have just indicated. The National Trade Unions are intended to be the natural extension of the Local and Provincial Trade Unions and to fulfil, together with the economic purpose, another social mission. This means that the concept of verticality is to be given a fuller content and that it not only means the harmony of classes within the same Trade Union, but the convergence of all social and economic interests, of the periphery and the centre, for the same purpose."

"According to this same criterion, which the National Delegation of Trade Unions continues to instil, the following levels would be distinguished in the latter:

"1. It frames the producers in the base, who form the so-called trade union cells, whether they are companies or isolated artisans for industry, or even peasant and fishing families;

"2. It is constituted by the Brotherhoods, Guilds, Unions and Local Business Trade Unions;

"3. Regional and Provincial Groups;

"4. Economic Zone Organisations;

"5. National Organisation of Vertical Trade Unions, Products and Services."

The Jesuit was not, however, optimistic:

"It is not possible to make a definitive [criticism] because of the state of gestation in which the work is still in. The tendency to overcome class antagonisms is extremely plausible, but in fact there is again a tendency for the capitalist classes to arrogate power over the working classes against all that could have been expected. The rank-and-file trade unions do not arouse any interest in the masses of workers, who certainly welcome the improvements they are given, but without the slightest enthusiasm."

"The performance of the large national trade unions is very diverse, often inefficient and too bureaucratic, although they must also be recognised for their meritorious efforts and process of improvement."

"Perhaps one of the fundamental defects is the desire to fit the entire economic order of the Nation within a simple Delegation, a Deputy Secretariat, a Secretariat, a political party..., this one does not even aspire to full national representation."

"Another defect, perhaps the most serious, is the lack of spontaneity of this trade union movement, which is far from the corporate ideal traditionally expressed by Christian sociologists."²⁵

²⁵ These last four paragraphs are only one in the original. We introduce the full stops and sections in order to make its reading easier.

That last criticism—which the religious man presented as the main one—pointed to the waterline and therefore referred to the question of being or not being: Franco had opted for the single, gigantic trade union that they wanted Spain to be in economic terms and, consequently, in principle, there was no room for even that “spontaneity” that Marina and, years later (1952), Ignacio Hernando de Larramendi, talked about, to be channelled. In the Jesuit's approach, “spontaneity” meant—without a doubt—freedom of association. But freedom of association implied, in turn, two capital things that had not always been fulfilled by the trade unions of the left and the right, revolutionary and counter-revolutionary, which existed until the days of the war: it implied not only freedom to create and give life to the trade unions, but also freedom of the workers to join the trade union or not and, once they joined the trade union, to exercise their own freedom within the corresponding grouping. In this—unfortunately—it must be said that neither the UGT nor even less CNT and the long list of minor trade unions could give lessons to those of the Vertical Trade Union. The years (1916-1923 above all) when they forced all the employees of the company in question to join a trade union in their organisation, at gunpoint if necessary, were far behind (Olábarri, 1995). They were far behind; but the behaviour that those trade unions had and imposed since February 1936, plus the war, did not exactly make them regret it.

WHAT WAS LEFT OF THAT GIANT TRADE UNION THAT SPAIN HAD TO BE

In 1926, the dictator Miguel Primo de Rivera had introduced a novel solution, the National Corporate Organisation. It responded to the slogan “the free trade union in the compulsory corporation.” The freedom of association was respected (with the exception of the CNT and communism); but conflicts had to be resolved obligatorily, without a strike or prior threat of any kind, in “joint committees”—of employers and workers—that were part of the state administration.

The result had not been bad for the latter, the workers; the parity of representatives, if it led to a tie, gave the decisive vote to the Government representative and, in fact, most of the time resolved in favour of the workers. The problem is that the Organisation had been oriented to fulfil Primo de Rivera's desire to attract the UGT, and the members of UGT only accepted on the condition that the militants of the Catholic trade unions could not take part in the elections of workers' representatives in the joint committees. The reason they claimed is that they were mixed, and certainly many of them were. But others were not.

This had had a serious effect: committee members were paid and this led to the creation of what would later be called “liberated” committees, and, in addition, subsidies were given for the construction of buildings so that the entities represented on these committees could have real life; this generated a first—and not negligible—private trade union wealth. In 1930-1931, the leaders of the UGT opted to return to the trade union struggle (even revolutionary, in 1934) and the result of the dictator's work was in fact contrary to the interest of achieving a policy that was even stable; the General Union of Workers—which was not officially socialist—it declared itself to be such in 1931, at the time of the proclamation of the republic and already had a notable number of buildings that would become its network of “people's houses,” the result of its collaboration with the dictator from Jerez.

The truth is that, in the second post-war world, in most Western European countries, labour relations were channelled according to this principle: freedom to organise workers' and employers' trade unions—it is understood that within the law—and the obligation that their representatives—elected by the trade unions—brought the problems to the joint committee therefore formed by the trade unionists elected by the workers and the employers elected by the employers themselves (Hyman, 1995).²⁶

It is revealing that, when the Republic was proclaimed (1931), the President of the Government, Manuel Azaña, channelled the request of the Minister of Labour, the Socialist Francisco Largo Caballero, to form “mixed juries” which were, in fact, very similar to the joint committees. There was one main difference: the committees from 1926 onwards formed a pyramidal organisation, from the bottom up, to the state jurisdiction. The mixed juries did not go beyond the local sphere, although they were under the direct responsibility of a provincial authority, the provincial delegate of labour. Only article 101 of the 1931 law provided for the possibility of the Minister of Labour to arrange “special forms of support for joint bodies” “with official administrative entities of a regional or provincial nature.”²⁷

The truth is that this allowed trade union representatives to continue to receive benefits for serving on mixed juries. But even that was ahead of the “intellectual” time we will say in which many lived. What made many Europeans suspicious at the time was the attraction of Soviet Marxism, particularly in the workers' milieu; an option that, in those years, was shown, expressly, to be in favour of violence that could put an end to the institutions and people that supported the states of the West.

That solution having been rejected, in the case of Franco's Spain, the main, but not the only, instrument for trying to get workers to trust the Trade Union Organisation could be the elective nature of the trade union offices carried out with the utmost honesty. And it was not something that escaped Sanz Orrio. For this, the order of 3 October 1944, in which rules were issued to guarantee trade union elections (and which were therefore part of the project to be developed), responded, albeit in a different way.²⁸

It remained, however, a pyramid truncated by the conviction that, in the end, it was from above that the basic institutions mentioned should receive encouragement and—also—guidance. Deep down, Sanz Orrio's idea could be a little closer to that of the National Corporate Organisation that Eduardo Aunós had designed with Primo de Rivera in 1926, if the presence of those brotherhoods, guilds, and trade unions that we have seen was completely free; but now it is better understood that he warned that he was not a corporatist; remember that this Organisation was based on the principle “the free union in the compulsory corporation”, but that this “obligation” was only to accept the corporate arbitration, that of the joint committee; it was not a question of

²⁶ The National Corporate Organisation, I studied it in *El socialismo durante la Dictadura*, quoted above. Martínez Gómez (2005) has studied its functioning in Almería, and there is already a lot of research on specific joint committees.

²⁷ In *Gaceta de Madrid*, No. 332 (28 November 1931).

²⁸ A copy of the order, stencil-printed, in the General Archive of the Administration (Alcalá de Henares, Spain) (hereinafter AGA), 6(86) FNR 3 TOP. 35/31.105-109.

serving as a channel to make effective the economic policy of the Government, which is what remained in place in the Spanish Trade Union Organisation of the *Régimen*.

Sanz Orrio's management did not change the Larramendi's attitude; in *Tres claves para la vida inglesa* (1952), there were still more phrases that the Spanish state censors could hardly like; Ignacio Hernando de Larramendi did not mention the country he was referring to, but left no doubt that they were looking to him and from him:

“The lack of an operative demand for purpose and role, which only arises from voluntariness—one could read, for example—is the great defect of associations of obligatory membership, which can be maintained artificially, without objectives of interest to their members, or with a role that is not beneficial to the community of their members or the country, lacking this possibility of immediate adaptation of needs to the instrument” (1952): 116).

Any moderately educated reader of 1952 could deduce that this was the case with the Trade Union Organisation formed by Franco and, at most, could doubt whether there would be another country in Europe that would suffer from the same defect. What I could not doubt was that this phrase described the Spanish Single Trade Union and the rejection it aroused. This was not, in short, the opinion of Ignacio Hernando de Larramendi and his progenitor and no one or almost no one else; it was what all Spaniards who disagreed with the *Régimen* thought, at least, including those who did not agree either with the Popular Front whose government, at the end of the winter and during the spring of 1936, had been the trigger of the civil war.

PART TWO

FOR A BIOGRAPHICAL SKETCH OF IGNACIO HERNANDO DE LARRAMENDI

THE FIGURE OF THE FATHER

In short, the unification of all parties that existed in the rebel Spain of 1937 into one, by Franco's decree, had ended up creating an authoritarian, dictatorial system, in which the fascist lexicon was maintained for the essential time—until well into the 1940s—to make some feel something like “controllers” of the *Régimen*; others realised that they could participate—and did participate—in the control without giving up their fundamental principles, and their way of expressing, while others kept their distance without giving up their weapons in the war that had started in 1936. The latter considered that on 18 July they had spoken out against a political order that was stifling freedom to the point of suffocating the most intimate beliefs and convictions; they had not risen up to imitate Mussolini's “march on Rome” in a “march on Madrid” that had a similar objective to that of the Italian Duce. “The so-called *right-wing conspiracy* [of 1936, Ignacio Hernando de Larramendi thought] was largely an attempt to defend the country from the purpose of extending Soviet influence in the southern European nation” (2000): 34). It referred, no doubt, to what, in the times of the *Régimen*, was called “national uprising”.

Luis Hernando de Larramendi had joined the third option, that of rejecting the continuation of the dynamics that had been introduced with the Popular Front and also that which had emerged from Franco's coup d'état; he was one of the many traditionalists who rejected the unification that added the “T” to *FE de las JONS* by turning it into the “Traditionalist Spanish Falange and the National-Syndicalist Offensive Boards.” “After the Unification Decree [of April 1937, his son Ignacio would remember from his father], he abandoned all political activity, rejecting the Justice portfolio that, through intermediaries, was offered to him during one of Franco's governments” (2000): 58).

Perhaps with all this, it is better understood that, in 1998, Ignacio Hernando de Larramendi wrote these paragraphs:

“After an examination of my long, hectic, varied, and successful life, there are two facts that I feel especially proud of, apart from having created a great family, which remains united and successful as an independent professional. These facts are:

- ✓ My participation in the Civil War, in the Carlist army of Navarre; I have never again felt with more dignity, which was that of those around me.

- ✓ No one from the “Larramendi”, directly or indirectly, has participated in the politics and management of Franco after the war, which we would have considered treasonous to the line of our family history” (1998: 11-12).

We can doubtless object that Luis Hernando de Larramendi was aware of everything I have just said; but it is more debatable that his son Ignacio Hernando de Larramendi, who was sixteen at the time (1937), was. This is not to deny that a person of that age could brood at their own peril. What I would like to emphasize is that—in addition and above all—the son did not think like his father by happy coincidence, but lived with his eyes fixed on him every time he thought about what he should do. It was not that he “alienated” himself from his father's will; surely what he was doing was reflecting on what he heard from him on the basis that his father's opinion inspired the greatest confidence in him.

What I have just said is deeper than it may seem and the parent-child relationships have changed so much that it will be difficult for me to explain. I would start by making this fact clear: Ignacio Larramendi belonged to a generation in which the father—when he was a sensible man—inspired respect and one would say veneration. To say this seems obvious because it is supposed to be true of all times; but it is not entirely so and, moreover, what is true of almost all people tends to manifest itself in very different ways in each of them and at different times in each person's life.

Already MAPFRE's Managing Director since 1955—and not to mention in 1990, when he brought forward his retirement—Ignacio Hernando de Larramendi was aware that his profile as a successful and relevantly innovative businessman could turn into a great surprise when he warned of his inclination towards Carlism; he often did so in spite of this, even though he did so at times of relaxation of the conversation he was having, however business-like it was, and, moreover, he used to add a slightly amusing phrase that would make the other party see that it was a family inheritance to which he was true. It could easily be thought that he did not have to be; family fidelity is not at odds with political dissent. However, for him, one could say that it was a way of maintaining—first of all, in itself—the awareness of belonging to a specific lineage.

At the moment of truth, it was perceived that it was a matter of giving continuity to the personality of his father, not in the sense of assuming it as his own—although it is clear that it was—but as the one who, in this way, keeps the figure of the father alive, so that he does not allow it to be erased from his own existence.

To a large extent, if one rereads the stories he wrote about his family roots, one comes to the conclusion that, in truth, his father, perhaps without intending to, brought together in a single reality a professional career as a jurist, a political career as a Carlist and a family life that made him and his family a whole that could be said to constitute a tradition to be perpetuated.

Only that this tradition had roots—and no doubt consequences—that were not reduced to the relevance that his father, Luis Hernando de Larramendi, might have in Spanish political life. Rather than explaining this, which I find very difficult, I will give an example that illustrates the background of what I would like to express: his son Ignacio may not have been aware that, when he spoke as he did of his father, the times when Luis Hernando de Larramendi sat among his children at home and pretended to be a fisherman weighed more heavily than he himself believed. It is not that he gave more

importance to this—which, perhaps, he did—but that his father represented for him a sum of attitudes duly united among those that were more effective than what one can suppose, of dedication to his own family when he thought of pretending before them that he was fishing in the corridor of the house.

Forty years later, his son Ignacio said this: “I have never been able to stop remembering him with admiration, nor the teachings I have received from him and that I want to transmit to my children as much as possible; I try to do so in part with the comments I make in this book” (2000: 35).

Why did he say before that it was an intellectual world in which the father inspired respect and one would say veneration and that this other aspect needs to be underlined? Because in the United States—where the change began, it seems to me—in the post-war period of 1945—and almost at the same time in England, in the 1960s in Spain and in almost all the other countries of the western half of the European continent, precisely western civilisation took a major turn, one of the main signs of identity of which—according to the experts—was and is the denial of parental authority, generally on the basis—in the case of those who tried to found it—that the morals that parents had instilled in their children were simply hypocrisy.

I am talking about a well-known fact that is very well studied in Anglo-Saxon historiography (Altschuler, 2003); in the same post-war period in which the young Ignacio Larramendi expressed his admiration for the way in which tradition was valued in the English economic order, the 1940s and first half of the 20th century, a historical fact of enormous ethical significance came to light; the new generation of young Americans who were attracted to Afro music (jazz, then rock) discovered the inconsistency of their parents' euphoria as belonging to the great nation that had defeated fascism, while at the same time seeing, hearing and feeling the racism that those same parents showed towards the descendants of the slaves brought from Africa, whose music was winning them over; winning over the young “whites”. And from then on, many thought and many affirmed in a strict way that their parents were simply hypocrites.

Strangely enough, this is one of the main roots of the cultural change that all those who experienced the consequences of this approach were able to bring about. Not unconnected with this, but quite the opposite, are some of the beautiful claims of May 1968: for example, “Banning is banned”. And a much deeper one, but with the same root: “Power to the imagination.” It was, in fact, the denial of the authority of the parents (who, moreover, for all that has been said, would be said to have unauthorised themselves with their allegedly hypocritical behaviour).

That neither in Europe nor in the Spanish-speaking countries was there an *apartheid* like the one that actually existed in the United States? Indeed, it was so; but there were other forms of exploitation or rejection of others that induced the same judgement; the morality of the parents was pure hypocrisy. If not the key, it was aesthetics, a main element that led young people on one side of the Atlantic to see in those on the other side a mirror in which they recognised themselves as being moved by the same impulse, exactly the same one; it was also Afro music and, above all, rock, which had already acquired the character of an anthem for the new generations and, therefore, a sign of identity of a youth that had thus become intercontinental (or, at

least, that is what it seemed). Elvis Presley, the Beatles, definitely the Rolling Stones stood out among the common agents of change.

In Spain, the dictatorial form of the *Régimen* was decisive so that the importance of those engines shared with half the world was not clearly seen (Garrigó, 1970; Gómez Pérez, 1971; Villena, 1975; Álvarez Cobelas, 2003; Nadal, 2006).

I cannot dwell on a matter that would require a long explanation (which, in my opinion, is certainly worthwhile); but it is not easy to understand the importance that the figure of the father—his own in particular and himself as a father of a family that transmits a way of being that seems fertile and good to him—had for Ignacio Hernando de Larramendi without drawing attention to all that. Put simply, what emerged on the European continent in May 1968 was a Gnostic vision of life, the key to which—at least one of the main pillars—was the denial of authority. And this implied an enormous range of fundamental elements for the support of Western culture: it implied the closest thing—almost palpable, the rejection of the power of parents—until what, precisely in this way, seemed most distant and even alien, the denial that God is father. It should not be forgotten that the few or many Westerners who had notions of philosophy of law learned from the manuals that political authority is founded by extension and analogy on parental authority. But at that juncture (in 1968) there was more: the umpteenth Gnostic denial of the divinity of Jesus Christ. If there was no father, there could be no son. This is how the trio of French-speaking ecumenists saw it and wrote it immediately, even without 1968 having ended, who were formed by Le Guillou, Clément and Bosc; in 1973, Le Guillou would go further into the “modern gnosis” in *El misterio del Padre*.)

I remind you that Gnosticism is an alternative to Christianity whose first known manifestations are from the second century, but which perhaps came from much earlier esoteric beliefs. For Gnostics, Jesus was a demiurge, a demigod, not the son of God the Father.

If anyone is surprised that we are touching on these topics in a study of what marked the imprint of Ignacio Hernando de Larramendi as a businessman, we had better go ahead and invite anyone who thinks like that—quite rightly, of course—to reflect for a moment on the possibility that his own strangeness is rooted in just what we are saying: that the cultural change that all this entails has already taken place—it came to light in Spain around 1970—and, therefore, this surprise is perhaps part of that transformation. This same historian is aware of how unusual it is today to talk about these issues in order to study the work of a businessman and for many other subjects, I would say a very comfortable majority; someone may take him for a “conservative militant Catholic”; but it is precisely that which is part of the history we are trying to remake, the fact that things have changed to such an extent and how Larramendi faced and weathered that storm.

THE WAR AND THE POST-WAR PERIOD OF CHILDREN, YOUNG BOYS AND SOME OTHER PEOPLE

What I have indicated about the starting point of the cultural change to which I refer in the Anglo-Saxon world has to do—perhaps—with the extent that Ignacio himself gave to the regression of the Christian faith in England in the 1940s and early 1950s and what that might mean for the British economic order itself: “The

culminating influence of the economic in the development of his mentality [the English mentality, we read in *Tres claves de la vida inglesa*, 1952:133] has served to prepare the ground more quickly for a suitable arrangement of his commercial life; but in the long run it will lead to the disappearance of the system created, since an excessive concern for all things earthly makes the development of free trade and freedom in general easy at first, but not stable.

Shortly before that, in the same book, he had warned that the advance of what he considered “materialism” in the mentality of the managers of the British economy was only one of the possible causes of the fact that the future of England did not seem as promising as the present (that of the 1950s) and that it probably came before, maybe—he pointed out—from the 19th century.

Even earlier, he had questioned whether it had anything to do with the Protestant Reformation of the English schism of the 16th century. Let me say now that yes, and that, strictly speaking, all the dates he handled (the English schism of the 16th century, the Protestant element that had just been imposed in the 17th century, the anthropological orientation of English science in the 19th century) are milestones in a process that shows the resistance of a stable economic order in wanting to die.

In the social thought of Luis Hernando de Larramendi—his father-, the basis was the same: “Remove those born from the authority of their parents of nature or whoever acts in their stead and there is no family, nor are children raised.” “There is something sacred in the family, obviously. In it is uninterrupted human succession, in it is [...] the first and everlastingly reproduced legitimate power of human society: the Father. [...] The power of the father is a law of God that is natural and specifically positive” (2011: 135, 140).

Deep down, one can guess what the son’s personality was like, consistent with that idea of fatherhood when one reads, in *Así se hizo MAPFRE*, that one of the great satisfactions of Ignacio’s life was to verify that of his father’s, to paraphrase his own statement: “that this book” (which the lawyer had written in 1937 and to which the phrases I just quoted belong) “should be published, and that it should be published by his son!” (2000: 58)

For Ignacio, it was undoubtedly very important to know about the existence of this letter written by his father to his friend the architect Eduardo Gamba from San Sebastian and in the spring of 1938: “Ignacio is also here, has spent three weeks, despite being only 16 years old, alone, going round all the fronts in search of his brother and making huge treks in trucks that he stopped on the roads, by train, on horseback and on foot, through lands unknown to him, in Aragon and Catalonia, and often under shrapnel. He is a man.” His brother—one year younger, that is, at fifteen—had enlisted in the *tercio* of San Miguel and there was no way of finding him (in Hernando de Larramendi, 2000: 82).

Possibly, Ignacio Hernando de Larramendi never knew that, in the same city where he then lived, San Sebastian, there were others who did what he did. José María Hernández-Sampelayo, future Under-Secretary of the Ministry of Information and Tourism with Alfredo Sánchez Bella, falsifying the documents that were required, enlisted at the age of thirteen in the 1st Flag of Biscay, in Falange, with a relative of similar age, and in this way they were sent to the battle front. It was also 1938 and,

more than likely, the reasons why he did it were very similar. In his case, his parents had been surprised by the war whilst in Madrid and he felt that absence, even though they had entrusted his care in someone they could totally rely on (Hernández-Sampelayo, 2020).

During those same months (1938), Manuel Azaña, as President of the Republic, ordered the conscription that, with the one that followed in 1939, would receive the colloquial name of “the call-up of the baby’s bottle.” It concerned all males born in 1920, and therefore there were quite a few that were under the age of eighteen. They were, however, forced, whatever their political position. But again it is fair to point out that there were those who were only fourteen and it cannot be said that anyone forced them; I refer to Piera, 2006. Not all of them were forced.

If we want to look for the differences that might exist between one and the other, this historian would start by trying to understand why many of the Aragonese peasants who were mobilised by the Catalan anarcho-syndicalists who took over the eastern half of the region and imposed the collectivisation of the property rightly or wrongly, took their sons to the trenches. But the truth is, that is what they did. Late in the war, the authorities of the Republican army reacted to the absurdity of the situation: several hundred children's colonies were set up on the coast and in the Mediterranean *Hinterland*, in Catalonia and Valencia, and also in the eastern Pyrenees, and they ordered all the children who were there as we have just said, to be transferred to them (Crego, 1989).

There was, in fact, a “children's war” on both sides; no one was surprised that they played precisely at that, war, often in the vicinity of the barracks.

It was also, as can be seen, a situation with very different profiles, which do not support Manichaeism. It was not the bad against the good. And there were men and women who, without having to give up their way of seeing things, understood that they were all right, one and the other; that it was not something that could be solved by comparing those of some against the others to know who was more right and that, in cases like this, it is only right that the one who has more strength should give up exercising it over the one who has less. In 1941, when the war was over, in the midst of official euphoria over the victory and with state censorship at its height, precisely the women we have just talked about, those whom people called “*butiñanas*,” most of whom lived in Catalonia and northern Spain, published a *Breve historia* of their ordeal during that three-year period of the civil war, and began as if they were returning to mid-July 1936. The reader is again surprised that the *Régimen*’s censors allowed this; perhaps despite the fact that it bore the *nihil obstat* of the Bishop of Gerona, José Cartañá. What is certain is that it began by evoking “the gravity of the moment, letting us see the horrible fury with which the disorder, the scarcity of work and the slavery that capital has exercised, in the worker, alleging desires of vindication, where arrogance rises up looking for the realization of its black programme in crime and profanation.”

It may seem like a lie to some, but it was written by nuns. And they also added:

“The Spanish people, united until now with feigned fraternal bonds, break the weak bonds and, thirsting for well-being, launch themselves into the fight against their

brother, opening up a tragic breach from the very beginning, an indelible stain that only a generous forgiveness can erase" (*Breve historia*, 1941:5).

No doubt, that was the main thing at that time, forgiveness; but it was not the only thing. On each of the two sides, an internal war had been fought, which, on one side, became bloody (in Catalonia in "the events of May 1937 [Orwell, 1938]) and, on the other, it was resolved, in its own way, by Franco.

Ignacio Hernando de Larramendi graduated in Law just at that time, in 1941. He took the official examination for public service in the Superior Inspection Body of the General Insurance Directorate in 1944 and remained there until 1952, under the orders of Joaquín Ruiz y Ruiz as General Director, a post he occupied from 1939 and would continue in until 1951. As for their main task, suffice it to say that before them they had the need to meet the premiums owed by persons and things that, being insured, had been damaged by the war of 1936-1939, either indirectly or directly, and that it was estimated that the total would amount to seven hundred and fifty million pesetas; an amount that the insurers could not meet.

Already in May 1940, a few weeks before the creation of the National Trade Union for Insurance, a law regulating life insurance had been enacted to deal with one of the sums owed through the creation of an Insurance Compensation Consortium, which was the entity that served to solve the problem. Needless to say, the problem was not that there was an institution, but that a compensation system was created that had to be accepted by everyone: policyholders (or their heirs), including those who did not claim damages, and insurers.

The same would be done—creating the corresponding Compensation Consortium and sharing the losses—in the other affected sectors (individual accidents and "riots", which was the concept that already appeared in pre-war legislation and was now understood as "war" that had damaged insured property. The one formed for this last purpose was called the Compensation Consortium for Riot Insurers and was created by the law of 24 June 1941. Three years later, it was more modestly named the Compensation Consortium for Catastrophic Risks on Things.

Also in 1941, the Compensation Consortium for individual accident insurers was created (Sánchez Ceballos, 2017).

The detail of what was done is not something to be listed here. Suffice it to say that not all the files were resolved until 1956 (Tortella, 2014: 200-201), the year after Ignacio Hernando de Larramendi joined the management of the Mutua de Seguros Agrícolas, which he himself began to call MAPFRE.

He had taken part in the great settlement process that we have just recalled since 1944, after passing the official examinations for public service and the knowledge that he had to acquire about that problem was included in his first book, *El riesgo catastrófico en los seguros personales* (1947), for which he received the Marín Lázaro Award. Of those years with Ruiz and Ruiz, he recalled in particular the importance, for his future activity outside Spain, of attending the International Insurance Congress that the aforementioned director general organised in Santander in 1947, of course, with the help of his collaborators, including Ignacio; Santander had suffered a catastrophic fire in 1941 and was the most appropriate place; "Spain was at that time [1947] at its

lowest ebb, the French had isolated us, they would not allow us to cross their borders, and everything Spanish was outside the international circuits. Joaquín Ruiz, who was very imaginative, had solved the major problems in insurance after the Civil War in a very acceptable way and decided to invite world insurance personalities to a meeting to publicise what was being done and the interest it could have in the world" (2000: 93).

The conversion of these three Compensation Consortia into a single permanent body was not the least of it; it was perhaps the first of its kind in the world; the fire in Santander had convinced Joaquín Ruiz of the need to maintain it and to do so, furthermore, in such a way that it would not be a sort of dry riverbed; in other words, he arbitrated the means necessary for the Consortium to have an economic fund capable of dealing with new disasters.

The Santander Congress, Larramendi summarised, "was a success, above all because it was the first international meeting in Spain at that time. As I knew some, but very little, English, and was restless, he asked me to collaborate in the organisation along with Fernando Herrero, Manolo Suárez Inclán, Salomé Baldasano and Elvira Suárez Inclán. Back then the Directorate-General for Insurance was full of influential people from Santander.

"An interesting and fun period of my life, not for the benefit I later got, but for itself. It was my first participation in a collective meeting, also with acceptable responsibility, and there I met Ralph Blanchard, Bruno de Mori, William Juul, David Ainge, William Delaney, Edmundo Merchan and George Lutfalla, important players in insurance in different countries" (2000: 93).

IGNACIO HERNANDO DE LARRAMENDI, PURITANICAL MENTALITY AND THE TRUTH

In his memories of Joaquín Ruiz, the general director under whose orders he worked, there is an amusing detail and I can testify that it reveals an aspect of the businessman's way of being that gives rise to these pages; the general director of Insurance thought that the General Directorate should have a helicopter to attend to those accidents that required urgent action; so he arranged an interview with the British company's managers and off he went there with his wife and the inspectors Fernando Herrero and Ignacio Hernando de Larramendi, plus Esteban Olascoaga, who was Joaquín Ruiz's private driver. They travelled by car. As a businessman, at the end of his life, he valued—negatively, by the way—the usefulness of that journey. What is unique is that he was not afraid to add an anecdote that was in keeping with the ethics of travellers, including his own: to cover the costs of the trip, they of course asked for the daily allowance provided for by Spanish law and, with it, they made a common fund. And he adds: "we were spending, always in luxury restaurants, ordering the most expensive dishes as well; none of us wanted to make savings if the others did not."

Knowing him, there is no doubt that this is not the comment of a punctilious man who does not want to leave everything he knows out of the book, and that is because of a moralistic mentality that demands sincerity even if it goes against him. No doubt, it is a faintly humorous comment that comes from his ability to laugh at attitudes like that, for which he did not excuse himself. It was just that they had really done that and it had those consequences. "When we arrived in Paris," he continues, "passing through

the entire French Atlantic coast, we had run out of money, although everyone, including Olascoaga, had a hidden reserve" (2000: 196).

I draw attention to this anecdote and relate it to moralism because this was a characteristic of the time among educated people throughout the Christian world (and it is obvious that I do not randomly use this adjective, instead of "Catholic"; moral legalism had become more pronounced with the Reformation, which arose—it should not be forgotten—as a reaction to the immorality that Luther encountered on his second trip to Rome and within the papal curia itself. (The strange thing is that he did not repudiate it in the previous trip, the first one; something that has occupied the specialists on the subject but that here is not the case.) The moral legalism to which the Christians inclined to since then and until the second half of the 20th century, has one of its main reasons of being in that historical fact, Lutheranism as—firstly—ethical reaction, and not doctrinal nor much less theological. This came later.

And—what makes the case here—at the end of the 16th century the Church assumed the moral legalism and became part of the most cultured Catholicism (and, consequently, more conservative), a part of whose main Spanish defenders became part of the Carlism, especially since the 1860s. The latter was, in itself, a pure and simple political option; Isabel II had let them down from that point of view and, in the end, had contributed to the fact that the 1868 revolution could be presented precisely as a moralising response. Whether that and other aspects would lead to the greatest failure would be another question; by then, the so-called "*ultramontanos*" or "neo-Catholics" were already involved in Carlism. From then on, there was a learned Carlism that advocated moral legalism at all costs and a Carlism, let us say a popular, which was Catholic but had nothing puritanical about it. A large part of it would renounce Charles VII in 1888 and would go on to form the Integrist Party. The latter was not, then, a pejorative adjective; they considered themselves and said they were "the integrals", in the sense of wanting the "integral" Catholic conception of public life to become a reality. The "cheating" on his wife, obviously with other women, which was attributed to Charles VII was not the only or the main one, but it was one of the most important arguments to break the traditionalism in 1888 (Obieta, 2018).

That the Carlism we have called popular remained with Don Carlos does not mean, of course, that he was left without learned men in his ambit; but what we know about some of them—Navarro Villoslada for example—invites us to think that, among them too, fidelity to Don Carlos was maintained because, in the moral order, they were simply more tolerant.

Well, in my opinion, in this last sector of loyal learned people we must place Luis Hernando de Larramendi and his children, including Ignacio. It is enough to look at the pages of the *Guía sociológica de aspirantes al matrimonio: Centón enciclopédico de filosofía científica materialista pedantísima*, which was probably finished in 1919 and published in 1920, to find some phrases—with a touch of humour like the whole book—which a Puritan would refrain from putting in writing: so when he states that "the Argentine tango, the *matchicha* and other respectable productions have a certain desirable elimination value against getting *arthritis*²⁹, since there is no one who cannot

²⁹ We read "arthritis".

stop sweating dancing them or even simply witnessing their contortions; [...] something similar happens to those Viennese waltzes that fill you with vague anxieties and indefinable yearnings, but do not tell you the name and address of your ideal love, nor do they provide you with the rent to ask her parents for her hand in marriage".

This no doubt has to do with his own statement that "the first description of the sensations experienced upon entering marriage refers to the male's impulse to embrace the bride." "There has been no lack of wise colleagues of mine, celibate in the service of science and greying due to their study, who appreciated the timeliness of such a description; even the actual fact itself deserved their disapproval and either denied its existence or declared that they did not understand it. But it seems to me that things could not be clearer, nor have greater sociological transparency." Specifically, this is because the male "is *Aryan* [sic]. He takes her in his arms in the same way as the Aryans and their Greek and Roman descendants, when the new bride arrives at her new mansion, took her in their arms, raised her on the floor and carried her into the house, taking great care that she did not stumble on the threshold. It is the same solemn ceremony these days, [...]. However impatient that instinctive imperative of the Aryans of the day may be, they disregard the detail of the threshold and do not embrace the bride until the staircase" (1920: 39-42).

In private, his son Ignacio smiled at least when someone joked about similar things and, on more than one occasion, added some comment that was like his father's humour. In any case, he did not blush eighty years after the edition of that *Guía*, when he referred to "the two months of honeymoon, in 1950", which he spent in London, even though he devoted much of that time to writing *Tres claves de la vida inglesa*. "When we returned, we looked for and quickly found a flat to live in, in December 1950, [...] where fortunately we still live; its 140 metres have allowed us to happily constitute a large, brilliant family of 9 children" (2000: 43).

Deep down, in Ignacio Hernando de Larramendi, not feeling any inhibition when talking, including details that approached (and only approached) the intimate, must have had to do with two things (besides being his father's son): one is his self-confidence; the other, his handling of the truth.

As for what I call "handling" of the truth, I refer to his attitude towards occasions when he could tell or hide the truth. A realistic—and truthful—man, the frankness with which he even put in writing how he "handled" it refers again to that lack of puritanism to which I have referred. When he wrote *Así se hizo MAPFRE* (2000), at the end of 1999, he had no qualms about warning, from the very book he was finishing: "They are not personal memories, which would require something I am not willing to do; I do not tell any lies but I do not say everything I think". And at the end of the same paragraph, in italics: "*I don't say everything I think, but everything I say I think.*" "I've dedicated a major part of my life to defending: *The truth in the face of lies* and deceit; only the truth dignifies and saves."

And quite a bit further on: "There is a culture of truth and a culture of lies, which is hiding what exists and hiding reality. Almost fifty years ago, I told one of my bosses, Joaquín Ruiz y Ruiz, the Director General of Insurance at the Ministry of Finance, that "I hardly ever told lies", he replied "How do you dare to acknowledge that?"; "Because I have respect for the truth," and if I had said that I had never failed to do so, I would

have lied, since white lies are told, especially when something indiscreet is asked that could lead to harm to third parties. I have tried all my life and in MAPFRE to always tell the truth. This is the only way to gain the trust and respect of employees and customers. I identify truth with good and lies with evil in that permanent struggle between the two, although it seems that the success of “the business life” is knowing how to lie with skill. I have not done so, and a sign is that in my MAPFRE no irregular commissions have been given for any real estate operation or other kind of bribe in that area or in others, nor support for “changes in land use” to friends and fellow believers. MAPFRE has acted with “truth”, acknowledging responsibilities, as in the case of third parties injured in cars, without exhausting legal proceedings, for example. It is a “MAPFRE standard”, and the reason for its success so far” (2000: 19, 160-161).

That had its drawbacks, without a doubt; if one was truthful with him and, without needing to speak ill of anyone, gave him their opinion on the negative progress of a matter without him having asked for it (even if he was grateful for it). In *Colecciones MAPFRE 1492*, one of the least complete is that of *Portugal and America*; of course, there were Portuguese-speaking historians, perhaps without exception, and a Portuguese person was also entrusted with the coordination of the authors who accepted. Well, as this was not yet up and running, the coordinator of the *Colecciones* went to Lisbon, saw how things were going, foresaw how they might end up and, on his return to Madrid, said to Ignacio Hernando de Larramendi plainly and simply: “The *Portugal and America* collection is not coming out.” It was a way of introducing the necessary conversation, of course; what was needed was to put things right and that is what was talked about on that occasion.

Well, the coordinator jumped up from the chair where he was sitting when, a few days later, when the three mentioned above and a few others were gathered, Ignacio asked the Portuguese coordinator to report on the matter; he did so in a discreetly positive tone and he replied: “Well, José Andrés thinks it's not like that and it's not going to come out.” José Andrés would have preferred to say it himself, in his own way and to the Portuguese managers themselves; but he made the mistake of avoiding it when he saw it so clearly before leaving Portugal.

SECURITY AS A BUSINESS AND ALSO AS A POLITICAL RESOURCE

Since it is not a question of justification, this last point gives rise to another consequence of that truthfulness, and that is that someone who had that intelligence that is sometimes found in enormously cold, secondary and active people (those we tend to consider very “cerebral” and psychologists call “phlegmatic”), someone who was phlegmatic and intelligent, I mean, could get Ignacio Hernando de Larramendi to trust him just by perceiving that he was telling him the truth above all, and it turns out that he was not.

This happened to him sometimes. But trusting others—with the most realistic criteria—compensated him.

This could be the result of that mixture we just pointed out: that of combining self-confidence with the confidence that some people came to inspire in him. To put it another way, one might ask whether a person like him was more likely to trust others just because his self-confidence led him to cut someone off with a clean break when someone betrayed that trust. Because in effect he was cutting them off; at least

apparently he did not seem to hesitate; he probably knew that the mutual benefit society called MAPFRE was not his and that therefore the decision to do without someone, if necessary, meant defending an interest as legitimate as that person's; other people simply depended on the company.

It is curious that this self-confidence, he called it "pride" or at least linked both features:

"Everyone has his own kind of pride, just as he has his own kind of impatience or anger. In my business and foundational activities I have sinned from this. I believed that I could do everything, forgetting future limits, and I did not consult with people, which still made the defect worse.

But he himself slipped that assessment into the way of designating the trait he recognised in himself: "Most of my original actions have been possible because of feeling secure regarding the future, even if this was excessive. I foresaw what had to happen and it happened. It was important in my first stage at MAPFRE, in the face of an environment that was contrary to everything I considered desirable. What I did I could only do due to the "security of pride", otherwise I would have been content with that of my competitors in the 1950s and 1960s."

Of course, he paid for acting like this: "Pride was useful in my operational evolution, but it led me to an excessive confidence in my strengths, in my pretensions, in my decisions; hence, wishing to leave a perfect MAPFRE, quite well tied up, I kept too much confidence in what I believed would happen, which unfortunately affected not only me but MAPFRE in general and some people in particular" (2000: 103).

I can vouch for that.

And I also attest that this was his "pride"; it had nothing to do with a person who breathed arrogance or presumption or superiority. On the contrary, perhaps it also had to do with the tendency, one would say systematically—a real habit—to speak well of the people closest to you. One would say that too well, and that was because those who perceived the rotundity of this tendency could come to underestimate these praises. Clearly, they could be excessive. Once, one of his collaborators commented it amusingly to Lourdes, Ignacio Hernando de Larramendi's wife; he told her that he had observed how well her husband spoke of each and every one of the people who worked with him and that this made him happy since, as a consequence, he would also speak very well of him; a comment which, in my opinion, did not please Lourdes at all; she did not even smile when she heard it.

But it was like that; of his own children, he left the impression that he himself once put in writing: "I have reason to trust in your selflessness, your dignity and your ability for work and sacrifice" (2000: 43). I do not know if he ever wrote the same thing about his professional partners, but verbally he was not exactly sparing with his praise. That this was a real attitude can be deduced from what he would say about MAPFRE's chairman when he joined in 1955, Dionisio Martín: "We had a good friendship despite differences in criteria, character and ideology, and he supported me, despite his lack of confidence in his partners"; "he never really had any confidence in his relatives or in his partners, or in the evolution of his companies, or in MAPFRE" (2000: 276, 325).

We already know enough about Ignacio Hernando de Larramendi to understand that he was ideologically placed at the antipodes; he had not accepted the union between the so-called Traditionalist Communion and the Falange Española de las JONS, which Dionisio Martín Sanz however had accepted. With the unification which created FET and de las JONS—where Dionisio Martín continued—Franco had wanted to liquidate the plurality of the Republic's parties and what he seemed to have achieved was that personal interests and even those of the group—legitimate or not—were in charge of breaking this supposed unity. It would seem that he had succeeded in turning politics into a kind of private rather than public sphere. Tensions between them would be settled within the *Régimen* itself, and state censorship was in charge of preventing struggles from transcending outside the offices where they were aired. It is even possible to think that, in the end, the systematic criticism of partisanship as a vice of the past that was made from the *Régimen* and without distinctions was reduced in fact to value mainly (no less than) the instability produced by the projection of partisan struggles in common people. With the *Régimen*, struggles of legal political parties had been eliminated, by the very simple way of reducing them to only one, but internal fights remained alive. They used to occur within each party and now they only occur in one.

The fact that, within it, an articulation was generated in “political families” reminded us, to tell the truth, of the “political friends” of the Spanish Bourbon Restoration, that of 1874-1923, when the general party meetings appeared in the press as “the friends of Mr.” Silvela, Sagasta or whoever. The difference was that, in the Restoration, the so-called “friends of” were those who, strictly speaking, formed each of the governing parties and were called upon to occupy government positions at least up to provincial level. Now it was the same, but they did not coincide with a party, but all the “families” were within the only one there was and, consequently, they may have had more strength than before.

The Mutua de Seguros Agrícolas had been founded before the war; it had existed since 1933 and, in 1955, people from the *Régimen* and people from outside the *Régimen* lived together in it; there were Falange men, such as Martín Sanz; there were Don Juan monarchists, voluntarily exiled with him in Portugal, and others who continued in Spain. There were also people who, in the days of the Republic, were members of the CEDA and, in their own way, continued in similar positions in the post-war period. By definition, however, they had to be owners; their promoters had a very clear purpose, which was to provide themselves with an instrument to deal with the occupational accidents suffered by agricultural workers contracted by the members of the mutual societies and, between both defining features, the political and that of the owners, there were many other attitudes, of all kinds, which allowed them to live together, even to be friends, and to dissent if necessary.

This can be seen from what happened in 1955 at the General Meeting of the Mutua de Seguros Agrícolas, which met to appoint a new chairman. There were two nominations and both were ultimately supported—in different ways—by personalities of the same origin. If Dionisio Martín came from the Boards of Onésimo Redondo, the Minister of Labour, José Antonio Girón de Velasco, came from the same board and supported the alternative candidate, Ernesto Castaño Arévalo, a member of the mutual society from Salamanca who was already a member of the board of directors

of the Mutual Society before the war and who had had a relevant political career. But in another direction: he had been a deputy of the CEDA and one of the founders of the Catholic Agrarian Federation (which Franco had forced to join the Trade Union Organisation in 1940 despite the enormous resistance he encountered there) (Rodríguez Almeida, 1986; Robledo, 2007).

There were also family ties that were intertwined with political and economic ties, Ernesto Castaño was the brother-in-law of the MAPFRE delegate in Salamanca, Joaquín González Coca, who was in turn related to Fernando Coca de la Piñera, director general of Previsión in 1955, and all of them were linked to the family that gave its name to Banco Coca, which had contributed to financing Franco's army during the war and was then (1955) experiencing a notable growth (García Ruiz, 2001; Prado, 2006).

The Mutual Insurance Company was not silent in all this; in the Republic, the work to expand it in Salamanca lands had led to negotiations precisely with Ernesto Castaño as a director who was from the Salamanca Agrarian Bloc, constituted in 1931, with whom the Mutual Insurance Company ended up establishing very close institutional relations. Ignacio Hernando de Larramendi would later speak of “the union of MAPFRE with the Block” (2000: 225); it is possible that it had to do with the matters that had been discussed at the Provincial Assembly that those of the Block held in Salamanca in November 1931, among which the need for services from mutual insurance companies and legal and economic advice was weighed up (Rivas, 1986: 232).

The heterogeneity of the institutional origins—whether political, commercial, or family—of Castaño's candidacy was similar to that of Dionisio Martín. Let us say they were men of the *Régimen* or respected in the *Régimen* (the younger ones, like Ignacio Hernando de Larramendi, perhaps unknown, but, for the same reason, far-removed from any kind of suspicion). Dionisio Martín was also supported by people who came from CEDA, as well as the Falangists, and, on the other hand, he had the firm support of the main owners of the olive sector; he was particularly linked to the cereal and olive-growing agricultural sector of the province of Jaén (plus that of Salamanca and Valladolid).

The devastation of the war continued to show its face between 1945 and 1946, when the mortality rate in the province of Jaén rose by more than five points, which, in the case of children, meant an increase from 90 to 150 per thousand born, and experts did not hesitate to attribute this largely to hunger, rickets and vitamin A deficiency. Perhaps the fact that the National Institute of Colonization, which had been created in 1939, gave preference to this province and approved in 1953 what was called “the Jaén Plan”, technically called “plan for the coordination of works, colonization and electrification”, and that almost two thirds of the six million pesetas spent on the Jaén Plan between 1954 and 1964 were invested in hydraulic and colonization works, had something to do with all this.

Note that this means that the designers of this other “company” (it was, in the broadest sense the Jaén plan) tried to get to the root of it; it was not enough to distribute food to the hungry, but to restructure the economic order. And this was not far-removed from either the Mutual de Seguros Agrícolas or to Dionisio Martín, who was one of the strongest members of the mutual society, due to the size of his

agricultural assets and his personal qualities as a businessman with his own ideas; had a marked “social concern”, to use a colloquial term.

The Jaén plan would put 11,363 hectares under irrigation until 1964. The distribution of land was not considered to be the main criterion, but the basis was to respect the structure of the ownership and to make it possible for as many workers as possible to have an orchard garden to supplement their wages. To achieve the latter, the managers of the Jaén plan acquired some large properties before starting the work; but these lands were not sufficient to do anything other than what has just been said; the large landowners successfully resisted dispossession of their land, and when the final results were achieved, those who owned properties of over fifty hectares in the areas that were to become irrigable took up much more than three thousand hectares, or almost a third of the total, and the colonization villages that were built were strategically placed so that those who lived there could work on the large estates on a daily basis. This was the case of the town of Guadalimar del Caudillo, which was built near Torrubia, where Dionisio Martín Sanz had properties, which won an award, as we saw, in 1955, when the Jaén plan was just starting.

It must be said that this last fact does not necessarily mean that Dionisio Martín contributed to the development of the Jaén plan in order to use it for his own benefit, nor that those who designed it thought of the benefit of a few; assuming respect for the existing structure of property, organising colonization in such a way that the work of the workers could be assured benefited both sides—day labourers and owners—and, in order to find out other possible intentions, it would be necessary to be capable of what no human being is capable of—to get into the conscience of the other person; we have already said that the designers took care to ensure that large properties were acquired to be distributed later, and—we add now—not only tried to distribute them in plots that produced the necessary complement to complete the wages for a day’s work and make it independent of its continuity; an important part went to plots capable of producing what was necessary for the maintenance of a family without the need to complete it with wages. This was, in general, one of the facets that failed, however; the new owners knew how to grow cereals and olive trees, but were intended to produce cotton and tobacco, and it became clear that they simply did not know how to do so, and the plan did not provide for this eventuality effectively enough. Many abandoned those lands (Araque, 2006: 16-21).

The failure was relative because agriculture was important from the social point of view, but not to the same extent from the point of view of production; the Spanish agrarians of the time, like Dionisio himself, thought that agriculture as a way of life should give way—without disappearing—to creating it as an economic activity in itself. They did not define what they understood by this because they used the expression “economic activity” in the sense that everyone took it for granted and that we dare to define as the activity of the production of goods and services in itself, disregarding what, clearly, is not disregarded because it is implicit in the concepts of “service” and “goods”, which is its impact on the life of human beings. Ultimately, they meant that agricultural holdings had to be governed by the same criteria as industrial companies and that this meant concentrating much more capital than was usual in Spain. They were essential, for the time moment, to introduce “the means of traction”—the machines—that could now be counted on. By then, the land consolidation law (1952)

had been passed and we saw that the colonization plans were underway. The very awards for “exemplary exploitation” (such as the one given to that of Torrubia) were directly intended to encourage this transformation, which certainly meant eliminating jobs that could, however, be described as pure “underemployment”. Jobs were to be created preferably in the industrial and service sectors and, in agriculture, only insofar as there was a need for well-paid employees (in addition to owners of rural estates that were sufficient to support a family on the basis that they were transformed in the sense described above (Maceda, 2014).³⁰

CONCERN FOR ECONOMIC DEVELOPMENT AS PART OF THE INTEGRAL DEVELOPMENT OF PEOPLE

That Dionisio Martín Sanz was guided by this type of approach was demonstrated by his criticism of the Development Plans that began to be defined and implemented in 1964 and continued until 1975. Certainly, they represented a change in economic policy of such a magnitude that they managed to change the economic structure of Spain and, in that sense, they definitively relegated that idea of converting it into a gigantic trade union of producers. It is logical, therefore, that the confrontation of the men of the Trade Union Organisation with the so-called “technocrats”, who were the ones who proposed and applied the Plans, arose (Beltrán, 1994). And it must be said that Dionisio Martín, as a court lawyer in the Cortes, became one of the systematic critics of the planning, precisely because he understood that the economic prevailed over the social. It was probably his criticisms that had a decisive influence on the fact that what had begun to be called a “Development Plan”, with or without the adjective “economic”, became known as the “Economic and Social Development Plan” (Martín Sanz, 1969b, 1972).

More important, of course, was that the latter was felt in the passing from Plan I to Plan II. In the second (1968), the raising of the standard of living, the fairest distribution of income and the respect for the freedom and dignity of the person were explicitly placed above production growth, its financing and the adaptation of the infrastructures to all this (Alsina, 1987: 91).

Even so, the problem arose again when Franco died (1975) and freedom of expression was respected and it was then—as far as I know—that Ignacio Larramendi came out in defence of common sense: “An intellectual entertainment of recent years, and not only in our country, has been the systematic attack on the concept of economic development, after the uncivil spirit of the right wing had long been accused of hindering the technical and economic progress of the people. One might think that development was becoming a black word, humiliating the dignity of man. In the face of the objective of economic improvement, the basis of a level that allows the human quality, difficult to obtain in misery, has come to be described as a degrading instrument of oppression.” “Attacks on development are a fallacy; no one has the right to renounce the economic well-being of those who in many cases have not achieved it to any appreciable degree.”

³⁰ *Vid.*, in this sense, the summary of the “Conference of the Minister of Agriculture: Unequal distribution of rustic wealth”, *ABC*, Wednesday 19 October 1955, p. 49.

To each his own, though: “The technocrats, so influential in recent years, have prevented attempts at tax reform to improve the distributive equity of Spanish income. If we were to suffer serious consequences as a result, we would have to hold them responsible not only for not protesting but also for taking advantage of the situation” (1977): 54, 55, 92).

And despite the efforts he made to become chairman of the Mutua de Seguros Agrícolas in 1955, he would not lose sight of that aspect—that of justice—when governing what soon became MAPFRE. Forty years later, Ignacio Hernando de Larramendi noted another affinity between the two: Dionisio Martín strove to “avoid inbred influence and deviations of managers from their own comfort, and compensation of decisions between them” (1995:21). What did this last sentence mean? Perhaps that there were leaders of the Mutual Society who made decisions for their own benefit and, sometimes, for the benefit of leaders who acted reciprocally.

In any case, that implied a third affinity, and that is that both had very much the corporate articulation of the community; although they conceived it in a substantially different way.

THE PRIORITY OF SPEAKING FACE TO FACE AND SEEING GESTURES (OR AT LEAST HEARING THE VOICE)

When Ignacio Hernando de Larramendi was giving free rein to his memories, one thing that drew attention—because it was repeated—was that he often included in the story the people he met and dealt with as a result of the specific event he was talking about in each case. For example, more than sixty years later, in 1999, referring to several people he met and dealt with in San Sebastian during the war (1936-1939), he wrote that he mixed with the secretary of the AET, “a man from Navarre who I never saw again, Miguel Ángel Astiz, and with the head of the AET, José María Olazábal Zaldumbide, from a very important Carlist family in Bilbao and with whom I had a good friendship, which I could not strengthen because he was part of the collaborationists and, in my family, we never accepted that position” (2000: 85; Olazábal, 1946). Often, it was as if I had the impression that I had found someone “valuable” and yet lost the possibility of being enriched by the kind of the benefit that friendship consists of.

One might think that this is a criterion shared by many other businessmen, and it is true (although one would have to think whether, to be a businessman, one needs, among many other virtues, the one I have just mentioned); one of the things that took the longest to discover by the historian writing these lines is that, for businessmen, having friends is a part of the “human capital” that someone can offer. At least, that is what he deduced—the historian I am referring to—from the frequency with which Ignacio Hernando de Larramendi jovially reproached him for this or that fault committed “by that friend of yours.” The historian—a public official—reacted for a long time by making it clear that he did not select partners for reasons of friendship, but sought the best in each case. To which the businessman used to respond with a “Va, va, va”, typical of those who, at the same time, could be said to express that they do not give it any importance and that, moreover, they do not believe it.

The latter, it seems to me, had nothing to do with lack of trust: it is one thing to value having friends who solve problems when necessary and another to trust them. It did not take long for the historian I mention to understand that Ignacio Hernando de

Larramendi did not trust him; so he chose to wait (I mean: to continue with his work and his criteria for selecting people while waiting for the day when he would trust him; a day that, indeed, came).

This had relevant costs on some occasions; every time the businessman went out on a trip, the coordinator of the future *Colecciones MAPFRE 1492* knew that, on his return, he would let him see that he had contrasted his opinion—that of the coordinator—with that of another historian and that the latter had let him know that they had chosen the worst on the market or that, at least, there were much better ones, whom he—the person questioned—knew well. The businessman would let him know with a jovial “I’ve been told that your friend...” and José Andrés—the coordinator I mention—would rush to defend his ethical criteria, until the day came when he chose to tell him to wait for the work of the person he had proposed and see if the solution was good or not. I will only give one example with a name and surname, given that the main protagonist—a French historian, Xavier Guerra—died years ago and, today (2021), the book he wrote for *Colecciones MAPFRE 1492* has not only been reissued, but is a true classic of Americanist historiography, and that to the extent that I have just checked that there is even a pirate version that is offered for free on the Internet. I am referring to *Modernidades e independencias*.

The coordinator of *Colecciones* guessed what happened: Ignacio Hernando de Larramendi had made a trip to Paris and had asked for an interview—a lunch or a dinner without a doubt—with a very relevant historian. He did not know that French historians do not tie up dogs with sausages either and what was to be feared happened; Xavier Guerra was not worth a penny. The coordinator of the *Colecciones MAPFRE* had already had experience in these projects, however, and this time he replied with the same joviality and, on leaving Ignacio Hernando de Larramendi's office, what he did was to make sure that the contract with Xavier Guerra had already left Madrid for Paris and that it was signed by the general director of MAPFRE.

He was already experienced because Ignacio Hernando de Larramendi had told him some time ago that he wanted to personally meet the authors of the future books that formed *Colecciones MAPFRE 1492* and that they would do so at lunches and dinners. When he heard such a proposal, the coordinator of *Colecciones* trembled; he guessed what was happening and what was going to happen; the businessman wanted to meet and deal with wise men, sure to have conversations with them that would open the doors of Olympus to him, even if it was only to hear stories and opinions from wise men, ways of being very different from those of the business world. And he was going to meet with many characters who would do one of these two things if they did not try to do both: first and foremost, pull a fast one, that is to say, assure him that he—the author—was carrying out another project of enormous magnitude and transcendence that would be no small feat on MAPFRE's budget. The second forecast was that they would ask for information about the books already ordered and would claim that how we had not counted on Tom, Dick and Harry, his friends, who would do it much better, or that we had forgotten a subject of incalculable importance and that we had the main specialist at hand.

José Andrés realised the enormous workload that those dinners and lunches would entail: he would have to listen to what nobody could imagine and without the possibility of showing them up, due to being purely polite, and then, alone, he would

have to reveal, before Ignacio Hernando de Larramendi, the plot that was hidden behind the comedy he had just witnessed. Well, it happened just like that and in spades.

It was not only—that of the coordinator of the *Colecciones*—a fear raised by the time they were going to waste, but, above all, by the impression they were going to make on the businessman; an impression, he thought, so general, that it was going to seem really corporate. And that added, to the conversations alone that followed the dinners and lunches, a reiterative message that was an ultimatum: it was to assure him that things were so, but that those same people would write a good book and, in some cases, an exceptional book.

It was quite some time before Ignacio Larramendi called the former coordinator of *Colecciones MAPFRE 1492* to his office and told him briefly: “I know what's wrong with you; we businessmen have the compensation of money, but your only compensation is ego.” The historian nodded with a smile and did not add any more comments; everything had been said.

Everything is understood, of what Ignacio Larramendi had thought then. Episodes like that would happen from time to time, but they did happen: one day he realised something that consisted mainly of getting to know a person better or unravelling what, for him, was an unknown and the procedure was repeated. I can testify that he did it several times with the coordinator of *Colecciones* and I suppose he would do it with other people. The coordinator was able to deduce, without fear of being mistaken, that he trusted him when he first told him to convince him on a sheet and a half that he should accept such a project that someone had proposed to him. It was not the only time; it became something normal—I do not say very frequent—which, from one moment on, Ignacio Larramendi came to the astonishing conclusion that the historian I am talking about knew everything. Thus, some projects of true cultural importance came to fruition, such as the inventories of Colombina Library or the Documentary Collection of the Discovery, which would become an instrument used by several Spanish ambassadors to inform their peers in Ibero-American countries of the reasons why the Discovery was not something that should be celebrated with the Italian ambassador as a representative, at least symbolically, of Christopher Columbus.

The good reputation that Ignacio Larramendi sowed in favour of the historian and coordinator of those projects resisted even the day he asked him who El Tudense was. Many years ago—perhaps when he was studying his degree—the *Chronicon mundi* by Lucas de Tuy had crossed his path, but he simply failed to remember and told him so. It does not seem that this failure influenced Larramendi too much, judging by the same emphasis he placed in those days on commenting to others that he had finally discovered that there were things he did not know. In fact, there was another day when he called the historian back to the office and told him a new conclusion he had reached: “I know why you're not a history scholar;” after a slight pause, he added the reason. The historian smiled and answered with that tone that is not just a question or a statement, but both at the same time: “You've realised...” He nodded his head in affirmation and each went about his business, which was the task of the day.

In his relationship with the businessman, he had, it is true, received lessons from another sign. That Larramendi was particularly interested in the Hispanic world is

clearly seen in the process of international expansion being studied elsewhere. It is sufficient to review the chronology of the penetration of the mutual society in countries other than Spain. That, in that preference, he included without any reservation the Portuguese-speaking world is easy to verify too. However, in the old Hispanic baccalaureate teaching, the Portuguese-Spanish treaty signed in Tordesillas in 1494 was studied as a major milestone in the relationship between the two worlds, simply because the treaty consisted of dividing the world into two halves, and Ignacio Hernando de Larramendi knew perfectly well that this milestone was seen differently in Portuguese and Spanish historiography.

So he thought that it was the most propitious occasion that could be found to gather both visions in a single volume, of course both dealt with by first a Portuguese outstanding scholar and a Spanish outstanding scholar. He told the project coordinator about this, who wrote to a Spanish academic, since they already had the Portuguese academic. He received the answer in a few hours, maybe a couple of days (there was no e-mail yet): he did not usually consider works of that nature, replied the guest historian. Ignacio Hernando de Larramendi's comment was quick and direct: "Of course, you've written to him, and there are things that you must do face to face whenever you can. When you talk to someone, you see them coming."

The case contains more substance than it may seem and lends itself to very different interpretations. Mine is this: as a confident man, he was not shy; he liked to meet people and talk to them. Without a doubt, the results of that preference extended to very diverse aspects, which were perhaps consequences, but which were not unimportant. When you talk to someone, it is true, you can "see it coming"; we all do it, even if it is unconsciously. Conversations are forms of communication that are habitually constructed in such a way that the speaker arranges the ideas, sounds, gestures and everything else in human speech, and arranges it in order to convince. To "see" the other person coming, in that case, is to anticipate knowing—by sound, by gesture—if you have convinced him or, if not, what you can add before he replies (or after).

Then comes the agreement, if there is one, and, in that case, the priority criteria are then others. We have talked about the way Ignacio Hernando de Larramendi tended to trust others and about the precautions he took, which, in spite of everything, played tricks on him. Let us now say that, reciprocally, when someone trusted him, he considered that he acquired a "moral obligation, even if it was not legal; for me, he would explain years later, both have always been of equal value" (2000: 328).

But it was not just a negotiating tool; it had a lot of what he called "human treatment" in itself and, because he liked it and enjoyed it, he tried to make it part of MAPFRE's style as well, both in the relationship with policyholders and in the relationship between the people who worked in the mutual society. "It also seems to me," he wrote at the end of his life, "that because of my influence, which is very personal, a spirit of affability and simple and not tawdry comradeship has dominated in MAPFRE. The treatment between "hierarchies" and between equals and non-equals has been informal and I think human. This is what my instinctive way of being has led to, in no way mixed with favouritism" (2000: 196).

“Channels” were built, of course, so that this attitude would flow everywhere, in the mutual society and outside it; this sense—perhaps among others—gave way to “conventions” and publications. “Regular conventions of different characteristics have been very valuable in developing the MAPFRE culture, as they create friendship between everyone, those at the top and those at the bottom, not simply that of a colleague in the partner’s office or at the table opposite.” “In the conventions, the “human treatment” to which I have referred was particularly widespread, and this has contributed to the creation in MAPFRE of a set of friendships, those of Gerona with those of Huelva, etc., and those of one MAPFRE with another or with others” (2000: 199-200).

But it cannot be considered that this was the development of a project for the promotion of relationships, but rather the opposite of what it seems: it was perhaps the principle that “human treatment” should be encouraged in all senses, which led different people—with the means and authority to do so—to begin with this type of meeting. “They were Juan Fernández-Layos’ idea,” said Ignacio Hernando de Larramendi, underlining the importance of conventions, “and I do not know exactly how it came about; I did not participate. Their purpose was to reward those who sold life insurance, a modality in which this is very important. It was also thought that by involving their family, the efforts required for the sale of life insurance would be better acknowledged. This is true, but at the same time the company culture was being created and promoted, which also extended to families. The first convention was held in 1970, in Paris, and 25 people attended, without wives. One objective was a visit to the SAFR, with which we had an excellent relationship. MAPFRE Vida permanently established the conventions, thus expanding the inter-company relationship. The success of the conventions was such that other “MAPFRE companies” were envious or interested in something they considered very positive” (2000: 200).

Also the publications: “Everything that was obtained in quality improvement and training has been disseminated and the consequence is the “wave” of regular publications of different types. Simply communication, improving relationships between the different people who work at MAPFRE. But others are also highly specialised” (2000: 198).

I know that the latter—the quality of the books on the insurance sector published by Editorial MAPFRE—was decisive in opening up new markets. And I am afraid it is not going to take up the place it deserves in this research. The publishing house was created in 1970 and today it is justified in this way: “in the absence of technical literature in Spanish on insurance and safety.” The *Colecciones MAPFRE 1492* were undertaken under this same label, but I think it is important to emphasize that this preceded them, as can be seen, by more than twenty years and that its effectiveness was enormous for an infinite number of insurers. I feel that the introduction that can be read (2020) on its website is no exaggeration, where it says that “since then [1970] the work published by Editorial MAPFRE is an obligatory reference in the Spanish speaking world in publications about private insurance, prevention and protection against fire, security and hygiene in the work place, as well as about environment and medicine.”³¹

³¹ On <https://www.mapfre.es/segueros/mapfre-espana/publicaciones/editorial.jsp>.

PART THREE

LARRAMENDI'S PRIVATE INSTITUTIONAL ENTERPRISE IN THEORY AND PRACTICE

MAPFRE CULTURE

It is important to emphasize that the “human treatment” we spoke of earlier was strictly that: what he himself expressed in the terms we have just described; it was a treatment that generated “a spirit of affability and simple and not tasteless comradeship”. Friendship could become intimate; but that was not what was intended nor—it seems to me—what was usual. It is more than a mere indication that he himself—Ignacio Hernando de Larramendi—spoke to all MAPFRE employees, in principle, using the formal you: “I have generally treated all my closest male collaborators with the formal you, and only the informal “you” with those I have had old relationships outside of work, without this representing an advantage for anyone, nor deteriorating my authority; this attitude does subsist and I celebrate it”, he declared in 1999. Was it another inheritance from his father? Without relating it to his own criteria, much less giving explanations of any kind, his son Ignacio remembered Luis Hernando de Larramendi who had carried out his baccalaureate schooling at the San Isidro Institute in Madrid, “where he had the only friends with whom he would later address with the informal you, [...] which he did not do with those of his adolescence or with those of his political activity” (2000: 28).

Since he never “theorised” that fact, there is room for very different hypothetical explanations; one is that he did not want to be carried away by the spread of using the informal you that was imposed in Spain in the 1960s; he simply saw no reason to accept what, in his opinion, was probably an impoverishment of the language that, deep down, distanced the person using the informal you from the person the informal you was addressed to; the treatment “of the formal you” allowed him to express degrees of rapprochement even unconsciously. Strange as it may seem today, it could be (and I think was) a manifestation of respect.

We said earlier that Larramendi would go so far as to say that he devoted “a major part” of his life to defending the truth against lies; but now we must add that, in the same grammatical sentence, he included two more things: “respect for men” and “obsession with quality”; the latter trait was better understood if it was related to the one immediately preceding it, that is, “*respect for men* [sic], demanding from them but not overwhelming them.”

And he added, once again confident even in the face of the possibility of being judged vain: “I have been told that I am a humanist manager; I have tried to be one and on many occasions I have succeeded, although I have not spent much time on what we would call *the individual lives of my collaborators*; my wife usually reproaches me for it” (2000: 19) (and of this last thing, once again, I bear witness; the first time that one of his collaborators spent a Saturday with him and, at the end of the conversation, Ignacio Larramendi made a reference that “tomorrow” they would continue, the collaborator exclaimed: “But tomorrow is Sunday...”. Luckily, this happened in his house and his wife, Lourdes, was in front of him, who immediately argued with him: “See? People rest on Sundays” and added something about family life; he made a joyful gesture of acceptance and repentance as he said “All right, all right...” as if to ask that his comment be considered as if he had not made it).

For this purpose, Ignacio Hernando de Larramendi was one of those people for whom working hours did not count; at the MAPFRE that he managed, they certainly counted for the employees; but, as they did not count for himself, his “invasions” of extra—working hours were frequent for the mutual society’s managers. He did not consider it a remarkable part of the “MAPFRE culture”, but it certainly was. The employees themselves felt that the salaries of MAPFRE’s managers were not commensurate with their dedication. “Now I think—he wrote in 1999—that MAPFRE should establish, except for very special cases studied expressly, adequately remunerated retirement from the age of sixty for territorial executive positions, especially provincial, with great friction of wear and tear and tension; in the last years of my actions I proposed it informally on several occasions, but I did not manage to impose the formula.”

And he added in an unexpected way, as if he were talking about the same thing: “I also think it would be appropriate [...] to create a “Council of Emeritus”, under 75 years of age, to intervene in certain circumstances and favour the line of continuity; not having established it was a very negative aspect of my action, although after I retired I proposed it and it was not accepted” (2000: 152). This had to do, no doubt, with what he designated as “MAPFRE culture”.

Not only did he certainly talk about the existence of a MAPFRE culture, but he also thought it was fundamental for every company to have a “culture”: “A company has culture when its components are considered to be adhered to by more than a simple labour or service contract. [...] A company’s culture requires that competition be oriented towards the quality of products and services; without this, workers and employees cannot feel that they are adhering to it, and the same goes for their ethics and the equity that this implies, and of course, as I said before, it must be a “culture of truth”, which seems impossible in a competitive market, although MAPFRE shows that this is not true” (2000: 195).

What exactly did he mean by giving the name of culture to that which he valued in this way? Culture—all culture—is a group of habits that allows the coexistence of those who share them and, therefore, gives continuity to the group that coexists as such. Note that I say “share them”, not that I say “think them”. Extracting, from the reality of any human group, the habits that shape their culture and make it possible for them to live together is very difficult. Ignacio Hernando de Larramendi would expressly point out four “aspects that have been factors in the creation of the MAPFRE culture”

(2000: 197): truth, training, quality, and service. And it was probably like that. But one would say that culture is diluted—it escapes our knowledge—as soon as one tries to define it by means of precise concepts (and truth, training, quality, and service are these).

It is not that such concepts are alien to reality; what happens is that, from this exercise of conceptualization, culture is something else: it is a conscious task, belonging to those who strive and can do it, to inculcate attitudes that correspond to the consciously defining concepts, and that to the extent that it succeeds in informing—even unconsciously—the habitual behaviour (again, habits) of the people who form the group.

Perhaps that is why Ignacio Hernando de Larramendi made such a surprising comment on it: “In a company with culture there is always a high dose of paternalism, which I claim to be positive, because only in those that it exists, if it is sincere, will permanent business action be possible” (2000: 195). Is he talking about his own role? I think so, and that it was his activity in that sense—that of instilling truth, service, quality, and training—that demanded a further step and a realisation that his concept of business culture had a very important intentional charge; it was a matter of getting people to embody those four values—at least—until they became a reality. He was fully aware of what it meant for the businessman and the company, and so he added: “I would dare to say that company culture is an ideal, an objective that is not always fulfilled but is always dreamt of” (2000: 197).

The businessman dreams it, in short: he dreamed it in the case of MAPFRE.

And let us note that all this refers to one of the main and most difficult characteristics to explain as a historical fact: that which he designated as “MAPFRE culture” came to impregnate the behaviour of the more than two thousand people—quite a few more—who came to work with him. Of course there would be exceptions—and simulations—but the “climax” was perceived without any further ado by any employee.

I confess that this is—of all that has gone before and what follows—the matter that will leave me least satisfied in drawing up this outline of a semblance: to know—and to say—how Ignacio Hernando de Larramendi’s enthusiasm—because he was an enthusiastic man—managed to infect the vast majority of his employees, including those who had only heard of him. I think it was a phenomenon of osmosis; but that does not answer the question: how did you get a phenomenon like that to spread until it sealed the life of a group that coexists.

And I am afraid that the answer errs on the side of being simple: there are people, simply, who convince and drag; they are natural “leaders”, we could say. He once called it—talking about himself—“charismatic dictatorship” and it can be assured that, in doing so in a public act, the general laughter that followed that definition was the most eloquent way of agreeing with him. What he said was done. There were times, of course, when he was wrong. He accepted the error, whether he said so or not; he rectified it and moved on.

This was what made possible, for example, that very relevant part of his cultural activity which was the collection of “Clásicos Tavera”; he set out to ensure that,

throughout the Iberian world, people who were well acquainted with the existing bibliography would select the main works that were difficult to access, almost always because it may have been a century since they had disappeared from the book market, apart from specialists in precisely antique books. A library would be located where there was a copy, it would be digitized and published on CD-ROM, which was the best technique at the time. For the specialist's geographical or cultural field, it could be a collection of little use; but, as a whole, it meant forming a virtual library of over a thousand works and offering the possibility of knowing and, therefore, comparing the most diverse realities of the Hispanic world, especially from the point of view of their history. Basically, it was an attempt to take another step towards breaking the rigid "national" division of historical consciousness of all the Iberian-speaking communities and to promote a reflection on each of them and, at the same time, on the whole. It was, in short, an effort to bring out the cultural unity of the Hispanic world and to make those who, by profession, could spread it in their respective fields aware of it.

In fact, this had perhaps been the main intention of the Colecciones *MAPFRE 1492*. It is significant that, when they were thought of, Ignacio Hernando de Larramendi set the criterion of doing so by "states", that is, by each and every one of the sovereign political units that existed in America. Proof that he wanted to do that—to provoke a gigantic reflection—was that the person he entrusted with coordinating the *Colecciones* tried to make him understand that, from a scientific point of view, it did not make sense to produce a book about the indigenous people of Peru, for example, and another about those of Bolivia. The ethnic divisions that the Spaniards encountered and, in part, survived did not conform to the administrative boundaries that were eventually imposed. The correct thing was to dedicate a book to each ethnic or related group.

The response to the observation was stark: Ignacio Hernando de Larramendi wanted to talk about the indigenous people of Bolivia in Bolivia and those of Peru in Peru (with the addition, no doubt, that by putting all the *Colecciones MAPFRE* in the hands of the Bolivian indigenous people—I am following this example—he would have the possibility of comparing the situation with that of the rest of the American states).

No, it was not only a question of advancing in the knowledge of these ethnic groups, but of putting before the eyes of Bolivian readers (and the same in all other cases) the reality of this aspect in their own country and of provoking the necessary reflection in each and every one of the countries, precisely as political units governed by legal systems that affect—well or badly—these people, the indigenous people. And the Spanish as a human group that was in contact with these people on a continental scale? For them, he had another remedy that he expressed in a very practical way in the book with which he contributed to the very *Colecciones MAPFRE 1492*, *Utopía de la nueva América* (1992): in the general budgets of the Spanish state of each year, a substantial item should be allocated for the development of the indigenous peoples of the Hispanic world.

Again, the coordinator disagreed and, of course, it was useless. At times like that, he did not usually challenge other people's arguments; he used to say, firmly, that he wanted to do it that way.

Well, when it came to launching the project that was *Clásicos Tavera*, he brought together the few people (two, three, maybe four) who would have to carry it out. Among them was the coordinator of the *Colecciones MAPFRE 1492*, who, once he had heard the explanation and the first steps to be taken, did not hesitate to say what he thought; letting “loose” a specialist to design the ideal minimum library, and that multiplied by fifty or sixty, meant that many of the books were unique copies preserved anywhere in the world, from Spain to the antipodes on either side and from the North Pole to the South Pole. And the “digitizer” would have to go to each one of them, since it was a question of making reproductions of the best possible quality, and this would be followed by the problem of the infinite number of librarians who, all over the world, thought they were custodians of their libraries and refused to allow their precious unique copies to be handled or—as happened in one case—asked for a million pesetas for the reproduction of some fifteen of their books.

Ignacio Hernando de Larramendi listened to the coordinator—that and the other objections he made—and did not comment; henceforth the coordinator observed—with the greatest understanding in the world—that he was not called to the meetings of the small group destined to carry out the project. There was no prior discussion; Larramendi simply dispensed with it for a task that he saw as unachievable before he began it.

It could have been 1996 when that meeting took place—I cannot say for sure—and it seems to me that it had not ended in 1998 when he called the reluctant coordinator into his office to tell him plainly, without harshness or softness, simply as a fact: “You have to take over the management of *Clásicos Tavera*.” The coordinator was not stupid in asking him why, let alone chanting “I said so.” He said something like, “Okay, all right, I’ll see how things stand right now and think of a plan of action that I’ll pass on to you.” He studied what had been done up to that point, rearranged things as he thought they could be done; he presented it to him at the time and, three or four years later, the “CD-Rom” volumes published had surpassed sixty; surely, they contained more than a thousand books unjustly buried up to that moment (although, according to my bibliographical archive, they are more than one thousand seven hundred and seem to me to be too many). No explanation was ever found between them; they both knew perfectly well what had happened and that, fortunately, the project—which was worth the trouble—had finally proved to be feasible (and that this was not the merit of the two alone, but of the effectiveness of the work carried out by all those involved). I do not know if I am wrong when I say that it was the first major work carried out at Digibis and that it probably contributed to the development of the technique that would make that company one of the most prestigious in the digitization sector.

THE RELATIONSHIP OF COHERENCE BETWEEN BUSINESS ACTIVITIES AND THE WAY OF CONCEIVING LIFE

Previously, we have linked the obsession with quality, which Ignacio Hernando de Larramendi acknowledged to have, with respect for others. It is true; “in all the services and work of my unit and also in other activities outside MAPFRE, I have tried to ensure that they are done with quality and that this characterises MAPFRE, although in many aspects I am what some call *mayhem*”. But then he takes an unexpected turn: “*Quality* comes from the love of God, love of truth, which a company needs, even if

some think it is inconvenient; in the long run, I believe that not only this is not, but it is the only possibility of success” (2000: 19-20).

If one rereads this sentence, one comes to the conclusion that there is a leap in his reasoning: it means—or so it seems to me—that the only possibility of success lies in quality, whose roots—here begins the main thing—are in the love of truth, which is, in turn, the love of God. In other words, it does not say that one must govern a company with God's love, among other things because the phrase would lend itself to confusion, and Ignacio Hernando de Larramendi was completely unaware of what we call “religious bigotry”. It was frequent that, in the conversation with someone who had just been introduced to him, when some matter bordering on religion was outlined, he would transfer this to Lourdes; “My wife is very religious”, he used to say in those cases (when the conversation required it). But there were exceptional occasions when he expressed the relationship between business activity and Christianity with no other concern than to make clear precisely what I said, that it was not religious bigotry or softness in the exercise of authority; he thought of the Christian aspect of his work, I think, as if it were the foundations that could make a company unshakeable. In fact, and although the contrast with the mention made of God may be surprising, one of the criteria that he expressly included in MAPFRE's articles of association was the prohibition of *dedicating resources to political, ideological, or religious institutions or activities*, since it is an association of people with different thoughts and ideologies, who must find a neutral field in this.”

He adds in the next line—and it is only fair to state this, to exhaust the truth—that “the exception to this principle was only admitted, in very small quantities, from twenty-five to fifty thousand pesetas, for cloistered convents and very poor religious orders, *but always with special authorisation and inclusion in a register of the Institutional Control Committee*” (2000: 91).

That, in spite of the latter, he considered coherence—a form of relationship—between belief and professional activity as the foundation of economic reality—it is understood that as with any other reality—it suffices to return to *Tres claves de la vida inglesa* to have proof of this; in that book, he expressed what, at that time, nobody in Spain said (neither before nor after nor even today): that the professional and judicial system of England was the most notable consequence of the application of traditionalist principles to the world of business and that a private company can provide a public service and must be recognised as such precisely so that it is maintained and serves as an example. But it included a critical chapter that was ultimately summed up by this other observation: in his English stays, he had observed to what extent the profit motive was gaining ground as a priority at times in the English economic order. And he had linked it to the decline of Anglicanism, which must also have been drawn to his attention. The conclusion was clear (or so it seems): Christian nonsense (very practical and real), a system that aims at making private management work for the public good has no future.

The quotation that proves this interpretation—taken from the farewell speech he gave at the General Shareholders' Meeting of MAPFRE Mutualidad in mid-June 1990—is long, but it is also the most explicit one I know in all the aspects I have just indicated:

"You all know my background, Christian and specifically Carlist. In my almost 35 years at MAPFRE, I have tried to create a company inspired by Christian principles, which has nothing to do with making ideological politics or discriminating against those who think differently, which has never been done at MAPFRE. MAPFRE has been, in everything that has depended on me, a company that has emerged from the application of those principles; and, as a company director, I have always acted as I have believed that those who call themselves Christians should act. One of the satisfactions of this 16 June is to proclaim this without blushing or with "shifted shame" that some who think like me have; in saying this I am not harming "my cause", since I have demonstrated with the facts that with those principles one can accomplish things and perhaps only with them can one have permanent success. In any case, without what I have just said MAPFRE and my performance in it cannot be understood" (in 2000: 115).

That these words spoken at the end of his business life were so similar in meaning to those he had written about England in *Tres claves de la vida inglesa* almost forty years earlier, in 1952, suggests that we are dealing with one of the most intimate specifications in his view of life.

Perhaps it is pointless to further clarify the matter of which we speak—the coherence between belief and professional activity as the foundation of economic reality—and an *accusatio manifesta* the *excusatio non petita* that we can now add; but the intention of what follows is not to excuse or excuse ourselves, but to note that I have measured the words very much in enunciating the principle of which we speak. He also tempered these assessments by considering himself to be a lucky man; he had been lucky in everything, he admitted. But I attributed that to the same thing we have just seen: "God has been magnanimous with me and that is why I have tried to compensate him and contribute as much as possible to the whole of Spanish and Ibero-American society", he said publicly in 1998, upon receiving the cross of the Order of Civil Merit (2000): 120).

Once again, he referred to his father's way of thinking; Luis Hernando de Larramendi, "he always considered himself within the social doctrine of the Church, to which, in one way or another, the Carlists have been linked, especially those who, like me, have had no specific political action, no ambition, no possibility of seeking any kind of power" (political, we understand) "and who, therefore, have not been forced to fight for it, for [which] many deviations and transactions may be necessary" (2000): 50). He was referring, no doubt, to politics in the noblest of words, which is the one that refers to his own linguistic origin, the Greek *polytheia*, not to party politics.

Luis Hernando de Larramendi, in fact, had devoted part of his early years as a lawyer to a group of Carlists who were to lead, at the beginning of the 1920s, to the creation of the first Spanish Christian Democratic party, the Partido Social Popular (Alzaga, 1973). In Zaragoza, a group of *Jaimistas* (that is, supporters of Don Jaime, Carlist pretender to the throne in those days) had decided to focus their "political" activities on social action. They were few in number, but some of them had notable professional prestige; among them was the historian of law Salvador Minguijón and the also professor Inocencio Jiménez; although the man of action par excellence was the also *Jaimista* Severino Aznar, doctor in law, who presented himself as a "sociologist", a word that had been imposed for these cases in the Latin world since the end of the 19th century. Among other things, they created a Centre of Catholic Publications—a "seal" more than anything else—from which several translations by the also "French sociologist" Luis Garriguet emerged, also some by Roguenant, several of which were taken over by Luis Hernando de Larramendi.

It was the last years of the first decade of the twentieth century and the young lawyer who was Luis (born in 1882) had drawn special attention by two legal actions as

disparate as attractive so that they were talked about in all political circles in the country. The first had been a prudent request to the Courts to open the corresponding process for the Minister of Grace and Justice, Count of Romanones, for the publication of a royal decree on civil marriage and to urge the authorities to proceed against the Bishop of Tuy. It was the matter that, in the decree, the judges were urged not to allow (nor to allow themselves) to ask the spouses if they were Catholic, as the current legislation required of those who did not wish to marry in the Church, but in the civil sphere exclusively. With that, Romanones intended to better respect religious freedom in matrimonial matters. And the bishop of Tuy had responded by warning that, in this way, Spanish couples who were Catholic merely because they had been baptised at birth could be allowed to engage in pure and simple "concubinage", expressed in this way.

It was an old issue in all the majority Catholic countries where civil marriage was introduced. What attracted the attention of Luis Hernando de Larramendi's petition was that he did not go against that, but against the invasion of the judicial power that implied urging judges to act in that way and, in the case of the Bishop of Tuy, to do the same so that he could be brought to trial for calling the above-mentioned marriage "concubinage". In "the young Carlist lawyer"—as he was quoted in the press of those days—in October 1906, it was clear that it was a matter of giving a political and legal lesson to the minister and—perhaps—of arousing surprise when a Carlist lawyer had to remind liberal jurists of the respect they owed, by law, to the division of powers. I say this because the request included this paragraph: Larramendi had "not the least unjust attempt to annoy or offend the personality of the most excellent minister of Grace and Justice, to the extent that, after the restoration of the right, if the Senate declared that it had been disturbed, my humble voice would be the first to ask for a pardon."³²

"Romanones to the bar!" headlined the news in the Carlist newspaper *El Correo Español*. "Success has exceeded our hopes." "The *vox populi* has already reached the Palace of the East. Yesterday there was no talk there of anything else but the "Romanones process""³³.

In June 1907, not a year had passed when "the young Carlist lawyer" managed to get the anarchist Aquilino Martínez Herrero acquitted of the alleged crime of hiding the also anarchist Mateo Morral after the latter made an attempt on Alfonso XIII and María Eugenia de Battenberg, who were returning from their wedding in the Madrid basilica of San Jerónimo on 31 May 1906. He did not deny that he had taken him in, but was unaware of the reason for the attempt to hide it.³⁴

In these works by Garriguet—and in all the rich content of the first five years of publication of the magazine *La Paz social*—they addressed "social" issues with a consistency—with their own convictions, it is obvious, that the liberal politician, Catholic by the way, José Canalejas, did not hesitate to call as "socialists" in the

³²Transcribed in "El conde de Romanones, acusado", *El Lábaro: Diario independiente*, x, no. 2928 (Salamanca, Wednesday 24 October 1906) 1,

³³ Reproduced in *La Cruz: Diario católico*, vi, no. 1534 (28 October 1906) 2.

³⁴ According to "Ferrer, Nakens, etc: The great process", *Tribuna libertaria: Published by the Centro Internacional de Estudios Sociales*, i, No. 2 (Montevideo, 23 June 1907) 1. See the acts of the *Causa por regicidio frustrado* (1911).

Congress of Deputies. Property, wages, labour relations and other matters within the framework of what was then called the “social issue”, all of which were explicitly Christian in inspiration, appear in these pages, and it could be said that they make it possible to understand that a person trained in these readings—and, even more so, in conversations with his father—would be in a position to see, in the British economic order, an acceptable alternative and even understandable as a strictly traditionalist.

Luis Larramendi did not follow this Aragonese group in 1919, when they decided to leave dynastic legitimacy aside and formed the Christian Democracy Group, from which the Social People's Party emerged a few years later. The expression “Christian democracy” was misleading according to Leo XIII, who had devoted one of his last encyclicals, *Graves de communi* (1901), to this concept; in France the expression “Christian democracy” had been used not only to promote actions linked to distributive justice, but also political participation, and in this way positions had been taken rejected by previous pontiffs. Specifically, and as explained by Leo XIII, the denomination “*Christian democracy* for many is offensive because it is supposed to contain something ambiguous and dangerous: fearing, to this effect, that by this name under cover of interest the popular regime is promoted or democracy is preferred to the other political forms, that the Christian religion is restricted by reducing its aims to the usefulness of the plebs, without paying any attention to the good of the other classes, and finally, that under this specious name, the purpose of subtracting itself from any legitimate government, whether civil or sacred, is concealed” (No. 1). He intervened, therefore, to recall the correct doctrine on such matters and concluded in these terms:

“It is not, however, lawful to refer to politics as Christian democracy; for even though *democracy*, according to its meaning and the use of the philosophers, denotes a popular regime, it must nevertheless be understood in the present matter in such a way that, leaving aside all political concepts, it means only the same Christian charitable action in favour of the people” (No. 6).

This is undoubtedly how it was used by those who, for this very reason, called themselves the Christian Democratic Group. Of course, they did not understand “charity” to mean “beneficence” in the conventional sense; charity was fighting for justice, promoting the enactment of labour and worker protection standards and, of course, forming class trade unions. And we will be told how this charity can be defended without this activity being political, in the noblest sense of the word. From the years immediately following until more than the middle of the 20th century, the term “Christian democracy” was used in a misleading way, which meant that, in important circumstances, Christian democrats who adhered to *Graves de communi* acted together with Christian democrats who understood this name—at least—as an inspiration for a political party.

Luis Hernando de Larramendi did not follow them when he took the step of setting up the Christian Democracy Group. Nor did he give it to another more numerous fraction of the *Jaimismo* who, in the same year 1919, disengaged themselves from the dynastic cause and, following Vázquez de Mella, formed the Traditionalist Party. On the contrary, in the latter case, Ignacio Larramendi's father did not hesitate to attack them. See his *Omisiones y desvaríos de Mella* (1919).

THE POSSIBILITY OF PUBLIC SERVICE BY THE PRIVATE SECTOR AND THE SCOPE OF THIS FACT

Manuel Marina—the judge and journalist involved with the Jesuits whose analysis we used when assessing the “building” constructed under the name of National-Syndicalism—does not have any historical study that has taken charge of his work, to my knowledge, despite the quality of his legal analyses, especially in the relationship between the legal order and distributive justice and also despite the government work that he carried out in the Society of Jesus. The manuscripts preserved in the Archives of the Jesuit province of Aragon are only a starting point and here we must take another step towards understanding what type of humanism—in more technical words, what philosophical anthropology—underlay the business activity of Ignacio Hernando de Larramendi, of which Marina's legal solvency would surely serve as a very appropriate counterpoint.

We could continue the reasoning that began with the criticisms that the two attempts to articulate a trade unionism that Sanz Orrio did not want to call corporatism, but which contemplated, among other things—we have seen it—the existence of a National Trade Union for Insurance and the consequent geographical pyramid, in whose various seats producers and businessmen would have to be integrated. However, perhaps more new things will come out if we continue in the opposite direction and, instead of asking ourselves how Ignacio Hernando de Larramendi came up with the mutual society, we ask ourselves how he came up with the mutual society he took over in 1955 and which he named MAPFRE with a chance of cash and discreet “sleight of hand”. Without further ado, he chose that name and no one objected. Then, there must have been a peculiar and very revealing phenomenon of what we superior bipeds are: someone deduced that it was an abbreviation and, we do not know if imagination or some other virtue we do not know, it was concluded—and repeated—that the original mutual society was called *Mutualidad Agropecuaria de Propietarios de Fincas Rústicas de España*.

At the end of his days, Larramendi was very clear about this: he came up with the company as an initiative that has to emerge from below in order to provide a service to the community and that must therefore be considered a strictly public service, in the legal and political sense of the word: “It is not possible to understand the depths of MAPFRE without its institutional character,” the businessman would write.

What character was it? “The institutional is in a company that considers its objective the general benefit of society, unlike the “ordinary and grinding” companies dominated by a cold capitalism, of pure economic results, ideal for some, but not for me, and which rarely achieve effective and permanent results. From very early on I wanted [...] to create an institution with a business character but without being dominated exclusively by profit. One of my satisfactions is that today MAPFRE is considered to be providing a public service despite its private nature” (2000: 135).

It seems clear that, here, in what was his farewell speech at MAPFRE's General Shareholders' Meeting held on 16 June 1990, by institution he means the permanent organisation that is articulated in a structure that supports the social fabric, and this is important for anyone who is used to reading English texts on these subjects, in which, often, *institutions* are the set of specific habits through which, if certain conditions are met, there is a type of actor that tends to act in a specific way as well (Berger &

Luckmann, 1966). In this case, institutions could be defined as behavioural structures, in contrast to Larramendi who gave them the sense of permanent structures that usually channel behaviour. In the Anglo-Saxon form, the institution becomes a typical activity (in the sense of “typified”); in the latter, the institution does not act, but channels human activity. In this last sense, “MAPFRE—Ignacio Larramendi would conclude—more than a company, is a concept of social structure that has always existed” but that, in this time, contrasts with Statism and Liberalism, whose followers believe “that only the *market* increases wealth and direct or indirect welfare” (in 2000: 115).

In order not to confuse even more with what I am trying to avoid just that, confusion, I must warn you that, in fact, the two meanings of “institution” that I have just recalled are accepted in the two languages mentioned. In English, they are usually distinguished by an adjective: “Informal institutions” are what Berger and Luckmann point out and “formal institutions” are what Larramendi proposes. I say no more; because it is not a matter of wondering if, in the language of Hispanics, “formal” and “informal” really serve in this case (and it seems to me that they do not).

For Larramendi, it is the distinction between the private and public sectors that should be put to the test. Not that I would deny that both sectors exist, nor the clarity of the difference between them from a legal point of view, at least as far as ownership is concerned. What was envisaged—perhaps—was that a distinction should be made between legal personality and the purpose of personal legal activity: a private legal person can perform a public service or a private service. This was the novelty.

And he defined the latter, of course, in his own way, on that very occasion in 1990:

“Public Service. Companies that manage large assets, regardless of their own operational area, are obliged to care about the public service. Some say that, in today's capitalism, the only important thing is the market and profit. They are totally wrong, and just as Marxism has failed, that capitalism will fail. MAPFRE has been and will be successful because it seeks service in institutional relations and considers social sense as a basic element of its action. If my successors forget this, it will be very difficult for MAPFRE to be what it could be in the future” (in 2000: 115).

It is this concern for public service that entails placing emphasis on the legal concept we have seen—that of “formal institution”—perhaps as a way of overcoming the disjunction between the public and the private. Expressed differently, we could say that, in their view, public service is ensured by means of a permanent institutional structure that must be considered above the distinction between the public and the private. Now, if we were to ask his opinion on this last binomial, he would surely be inclined to defend the private, without annulling the need for the public.

Only this forces us to ask if his vision of the company was not only related to his vision of politics, but also consisted—in part—in a way of understanding politics in which the company became a corrector of Statism (from fascism to communism) and also of liberalism. In valuing this institutional aspect of economic organisations, I not only understood it as something that, preferably, has to emerge from “below”—that is, the private sector—but, wherever it arises, it cannot be satisfied with what we usually understand as commercial gain. In the end, the latter prevails in all cases, he concludes: “The reality is that there is never any absolutely collectivist or absolutely

capitalist organisation, because companies apply pragmatic principles, although they do not always declare them” (2000: 136).

However, seen in this light, his approach went beyond what we consider “economic” in its conventional sense; it was not that MAPFRE “made politics”, but that MAPFRE “was politics”. Here we must hasten to say that, on the second occasion, I use the word “politics” in the original Greek sense, that of *polytheia*, which refers to the ideal organisation of the city (the *polis*) as a community. But, that said, the matter is too important for us to try to explain it as it deserves.

This was what he had projected onto the British judicial and insurance organisation when he discovered that it was “applied traditionalism”. We now add that, consequently, Ignacio Hernando de Larramendi gave a very particular scope to the one he himself mentioned as the basis of his own approaches. He referred specifically to the traditionalist Vázquez de Mella tribunal, “who develops the basic idea—he said—of the need for societies that are intermediate between political power and the citizen, who defend the latter from the excesses of the former” (2000: 58). So far, the phrase we have just quoted refers to an idea shared, with Mella, by almost all Spanish traditionalists who thought and wrote or spoke about such things. But that phrase, in Hispanic traditionalism, this pointed to the guilds, which were, it is true, business corporations after all and did count as “intermediate societies between political power and the citizen”, especially when it came to regulating working conditions and prices. They were thus “corporations” and they were so in the sense that they united in one “body” apprentices, officials, and masters; in short, it was the alternative to the trade union, not the company.

Now, if the phrase quoted about intermediate societies referred to political corporatism, the issue also had notable consequences; the phrase implied—it seems to me—the participation of the subjects in the exercise of authority as professionals of what the politicians were dealing with.

It was a question of taking a step beyond what we have said about Roa Dávila. In Roa Dávila, it is true, the subjects must not only be free to make themselves heard, but also to create institutions that contribute to defining the way in which the common good and coexistence are sought; they must be free to create them, to preserve them and to change them, and this even if the result is not the most perfect. In his time (1591), it was not usual to distinguish between the public and the private from the legal point of view; but, basically, it was not that it was confused, but that almost everything was private. In this sense, in the Italian political thought of the 14th and 15th centuries, the word equivalent to “state” had begun to be used, in which a reference to public institutions could be guessed (Kirshner, 1996), and that expression, “state”, already appears with that meaning in some Spanish writings of around 1500; but it was not usual until the 19th century. Until the opening of the Cortes de Cádiz, it was usual to refer to “the Monarchy” or “these Kingdoms” when some Spanish spoke of the public thing.

The addition that we find in Ignacio Hernando de Larramendi, is to link the two aspects that we have just distinguished: the freedom to create companies and the right to intervene in the government. In other words, he spoke of a participation in politics that resided in the fact that a company's own organisation was oriented

towards public service. But not only that: also the duty of those governing to take advice from businessmen who managed to set up such a private company, which was decisive for the provision of this public service.

If we interpret Larramendi well when making such reasoning, his proposal became unexpectedly more ambitious than it might seem at first, when we were talking about *Tres claves de la vida inglesa* as the basis of his long business reflection. Now we are faced with the possibility that this step of his, whether he was aware of it or not, involved the economic and the political and, therefore, the social and the cultural. In short, it was close to a major global proposal.

It is another thing that he expressed it himself as such. At the end of his life, yes, it is clear that he tried to draw attention to these new perspectives. His works, from 1992 onwards, are basically aimed at this objective. However, there is a need to know to what extent he was aware of this—and wrote or said it—or whether what he managed to do was to outline a proposal that, in the end, went beyond the businessman's own field to that of statesman's.

I will first try to summarize it as I think it could be expressed and then go to the facts and texts that can support it:

FROM THE BASE: A DECISIVE CONVERSATION AND HIS PERSONAL BACKGROUND

Everything we have said formed, of course, a unity that we could call existential, even if it sounds very strong, and, if so, it is enough to change the adjective for another one, not less clear but less disturbing as it can be “phenomenological”. In short, all this was projected, together, in a multitude of circumstances and it occurs to me that examining one of them can help us see all this in another perspective and thus enrich our vision. Ultimately, it is a question of starting from the almost minimal and seeing if there is a solution to the larger scale.

We know that, in 1972, Dionisio Martín Sanz foresaw—like so many others—that the *Régimen* would die with Franco and that he could not delay and had to consider the possibility of using MAPFRE itself as a political instrument to intervene with some force in the political crisis which that political change would entail. Well, in 1972 and since 1955, Dionisio Martín Sanz was still Chairman of the Mutua de Seguros Agrícolas which had become MAPFRE, managed its important agricultural heritage and did not neglect politics. Raimundo Fernández Cuesta—the Minister of Agriculture whose Under-Secretary was Martín Sanz—would remember years later that, when Franco's first government was formed and he took over the Ministry of Agriculture (1938), the offices of the General Secretariat and the Ministry had been installed in the Burgos Town Hall; “we moved—he adds—with great difficulty, since the premises we had were very meagre.”³⁵ In 1972, from that point of view, Dionisio Martín Sanz's scenario was less precarious: he sat on no less than a seat in the building that had housed the Spanish Cortes for more than a century. (It had been inaugurated in 1850, built

³⁵ In *ABC*, 30 September 1955, p. 15. He goes on: “My most immediate collaborators in the General Secretariat were, first, Agustín Aznar and Fernando González Vélez as vice-secretaries; then, Juan Manuel Fanjul and Julián Pemartín. The Under-Secretary of Agriculture was occupied by Mr. Dionisio Martín, and my general directors were: for Livestock, Mr. Mariano Rodríguez de Torres; for Forestry, Mr. Florentino Azpeitia; for Agriculture, Mr. Juan José Fernández Urquiza, today director of the School of Agricultural Engineers, and for Agrarian and Social Land Reform, Mr. Ángel Zorrilla. I appointed Mr. Manuel Goytia to be the head of the National Wheat Service”.

opposite the one that had hosted them until then, since 1834, which was the church that was disentailed and without worship of the Holy Spirit)

If we go a step further and try to place him outside the Cortes and his own home, where he lived with his family, we will see that—like Ignacio Hernando de Larramendi and so many others (almost all men, as well as many women)—he not only attended this type of “social gathering” in which one simply “has to be there”—that is, one has to be present—but also belonged to the most select group according to the criteria of the journalists who wrote the news of these events.

“In the church of the Holy Spirit” (and it is already striking that it was this one, built on the site of the *Junta para Ampliación de Estudios* and as the main part of the Spanish National Research Council, perhaps the main creation of the *Régimen* for the long-term promotion of culture of greater scope), “the marriage between Miss Plañol-Roda and Mr Javier Fernández Cid de Temes took place. [...] Signed as witnesses [...] on the groom’s behalf, Mr José María Bru, Mr Dionisio Martín, his uncles Mr Luis and Mr Joaquín Calvo Sotelo, his brothers [...]”, we read in a 1955 newsletter, in the days when he became chairman of the Mutua de Seguros Agrícolas.³⁶

And that, a month before, “marking its unity once again, a representation of poultry farmers from all over Spain” met “for an intimate lunch with the three poultry farmers who have been elected as legal representatives of the Cortes: Mr Dionisio Martín, Mr Carlos Luis de Cuenca and Mr Tomás Allende García-Báxter”. The cards could be picked up at the Madrid premises of the National Poultry Group or at the premises of the National Poultry Cooperative.³⁷

Without a solution of continuity, he could not miss either the meetings where that same character of “social event” directly connected with the problems of wider perspective; for example, the conference given by the then Minister of Agriculture (1955), Rafael Cavestany, on Tuesday 18 October and at the *Instituto Nacional de Previsión* on the very expressively titled issue *Less farmers and better agriculture*. “The hall was full of agricultural engineers and experts, and among the personalities who came to listen to Mr Cavestany were the Minister of Industry, Mr. Planell, and the Secretary General of the Movement, Mr Fernández Cuesta; former Ministers Rein Segura and Suanzes; Undersecretary of Agriculture, Mr Cejudo, and General Directors of the Department; National Delegate of Trade Unions, Mr Solís, and Mr Dionisio Martín, Navarro Canales, González Bueno Mr Pablo) Echeagaray”.³⁸

The effectiveness of this aspect of life can be seen, perhaps in a very simple way, in the election of a court lawyer in the Cortes. He was already one—we said—since 1943; but he had been re-elected in April 1955, in the vote to appoint the 32 court lawyers who corresponded to the so-called “last group of the *tercio sindical*.” The voters were the 56 ex officio court lawyers who were covered by the legal system and the 82 who had already been elected in other groups of the *tercio sindical*. The range of results placed Dionisio Martín, with 81 votes in his favour, halfway between the 118 of Eliseo

³⁶ ABC, Wednesday 11 April 1955, p. 29.

³⁷ ABC, Wednesday 17 May 1955, p. 47.

³⁸ ABC, Wednesday 19 October 1955, p. 49.

Sastre Blanco, who obtained the most votes, and the 59 of Agustín Pujol Sevil, who obtained the least.³⁹

We can ask ourselves why he was interested in chairing the Mutua de Seguros Agrícolas when he achieved it in 1955. But we do not know that he said it. It was clearly not “his thing” if Ignacio Hernando de Larramendi was right when he wrote almost half a century later that Dionisio Martín had no idea about insurance. That, despite this, he was interested in that position is proven by the manoeuvres he had to carry out to achieve it. Ignacio Hernando de Larramendi would express it years later in measured words: “he had obtained a majority at a meeting of members of the mutual society by procedures that were criticized, in what was a modest scandal of the time (1995: 23). It was simply not clear what had happened to the votes committed to Castaño, which in the end turned out to be in favour of Dionisio Martín, according to the memoirs of Ignacio Larramendi (2000): 235).

Let us say that the uniqueness of the party that presided over the *Régimen* actually favoured the weight of the other elements from the combination of political, institutional, economic, and family relations that were behind the appointment of Dionisio Martín as chairman of the Mutual Society in 1955. Let us now add that it favoured it to the point of breaking the very framework of the *Régimen* and that this was one of the reasons why Dionisio Martín hired Ignacio Hernando de Larramendi as the Mutual Society's managing director; the chief executive of the former's companies, Emilio Pérez Adsuar, had married a cousin of Ignacio's wife, Lourdes Martínez, and it was he who informed Larramendi of the announcement that Dionisio was in search of a managing director. Emilio was “the main director of Dionisio Martín's companies” and, at the same time, Ignacio's old schoolmate, who had married a cousin of Pérez Adsuar's wife, Lourdes Martínez, all of this, according to Larramendi's own memoirs (2000): 244).

Historians usually call this type of events, so frequent, in which friendship and kinship become decisive to achieve better positions, as “endogamic”. Perhaps it should be stressed that, despite their frequency, they are not always intentional; they are merely the result of a normal dynamic of human relationships, which give rise to friends and which are based on kinship. Precisely because, in spite of this, there are those who make them intentional, Ignacio was careful to introduce into MAPFRE rules that would prevent what he expressly considered “nepotism”:

“There can be no successful business without some rule to protect against internal corruption, which in one part means diverting for one's own benefit, directly or indirectly, what has to be collective. In an eminently family business like Banco de Santander, nepotism has not entered, even though people from the same family maintain power. There is a difference between family power and nepotism, which occurs when decisions of that kind are irresponsible, while “family shareholding power” is not. The opposite and absolutely negative is what happened in a company with historical content, such as Tabacos de Filipinas, which, due to circumstances I am not aware of, was dominated in this century by the interests of families of directors who put themselves before business objectives”.

³⁹ Vid. ABC, Wednesday 22 April 1955, p. 35.

We will stop as little as possible to comment on the example he gives, because it tacitly establishes a relationship between nepotism and the institutional character that we have said companies should have which, in the strict sense, provide a service that can be described as “public”. In this case—very significant indeed—that public service to which Larramendi referred shows the breadth of the concept in question—that of “that which is public”—which is nothing less than its character as a permanent battering ram to ensure the presence of the Spanish in the antipodes. “To those of us who know the Philippine nation well,” the quote goes, “it came to seem like treason that, as a result of these abuses, a company that would have been a spearhead for Spanish penetration of the Far East has disappeared.” It does not say what they were or could have been. Let us only remember that the officially named *Compañía General de Tabacos de Filipinas* was one of the jewels of the holding company constituted by the Cantabrian Antonio López y López, the first Marquis of Comillas. Established in 1881, it had come to form a network of factories, especially in the Philippine archipelago; it had diversified the raw materials it produced and exported and had achieved a significant presence, from Manila and Barcelona, in the markets of Portugal, the United Kingdom, the Netherlands and Germany. Recovered from the effects of the Second World War (1939-1945), it had begun a decline that would continue for the rest of the century until it was reduced to the tobacco market and, in this situation, merged with the Dutch tobacco company Lippoe Leaf in 2007 and with the American Hail & Cotton in 2011; at which point it was definitively converted into a Philippine subsidiary of the United States company.

“In 1955”, continues Hernando de Larramendi, “there were cases of nepotism in MAPFRE, which were actually modest, as they were not relatives of directors or senior managers, but people recommended in junior positions, mostly by Máximo Sánchez, the General Management's mechanic, who, because of his contact with managers and his acknowledged goodness, was in a position to have an influence for people in his family or friends, who were also good employees in all cases. With the current complexity of the MAPFRE System, I believe it would be appropriate to seek formulas to maintain this spirit but modify the text in the rules of kinship”, he wrote in 1999. “I believe that these rules should be relaxed, while maintaining the principle and, above all, registration with the Committee on Institutional Control so that these situations can be officially recorded” (2000): 151).

He had also realised that the presence of family members, as heirs to a lifestyle and a conception of the company, precisely ensured the institutional nature which he believed was MAPFRE's main contribution to the economic order of the countries where it was established. “This line of continuity has an example in the Mutua Madrileña, which I consider to be extraordinarily effective and which is contrary to what could be considered mine, but which is the logical line in a company characterised by absolute respect for the interests of members of mutual societies” (2000): 152).

IN THE END, THE OPTION FOR TRANSFORMATION FROM THE BOTTOM INSTEAD OF REVOLUTION FROM THOSE ON TOP

With all this, we can still ask ourselves how to explain that a person in the political position of Dionisio Martín Sanz not only chose to chair an agricultural mutual society, but also to hire for it another person who thought so differently.

Let us say, for the moment, that the even lexical expression of what Franco's political regime was had been softened as much as necessary to make that at least possible. Remember the first political affiliation of Dionisio Sanz, together with Onésimo Redondo; then his integration in the first group of the Falangists who supported the *Régimen* and carried out government tasks. But we can assure you—after reading all the essentials of his bibliography—that, in 1955, he was on a different wavelength. Not to mention in 1972.

This does not mean that he would have abandoned the essentials of his way of thinking (of course, with the change that comes with the passage of time and living together in a community—Spain—that also changes); what we are trying to say is that the priorities were very different, and that was in both Dionisio Martín and Ignacio Larramendi. Let us repeat the expression “like it or not” to affirm that they had the same fundamental beliefs, also the same enemies; they belonged to the same network of social relations and, in the end, their activity, however distant it might be, did not go beyond the range of positions allowed by the current legal order, including those that were not strictly legal, but were tolerated, as was the case with Carlism.

They were not an exception; this was one of the dominant characteristics among the directors of the Mutua de Seguros Agrícola, whose political affiliation had been more inclined towards the CEDA in the 1930s, but there was no lack of Falangists.

After all, it was not all politics, and one must necessarily think that Dionisio Martín Sanz chose to hire Ignacio Larramendi in 1955 because he took it for granted that the young law graduate, an insurance inspector with work experience in English insurance companies, would be a good instrument for managing the mutual society. What he could not imagine—that is also true—was that he was germinating an idea of the company that had nothing to do with his own.

We know that Dionisio Martín Sanz was also a businessman and not only a politician, but also an important rural landowner. And we can still add that he was an agricultural engineer who was particularly concerned about the chronic wheat deficit in the Spanish economy—bread being, in those days, the main element of the diet for most Spaniards—and saw as his main objectives the increase of productivity and the improvement of working conditions. As Under-Secretary of Agriculture, he had managed the main body that his project required: the National Wheat Service (1937), undoubtedly one of those “official institutions not integrated into the regular public administration,” but no less important for that reason.

It is clear that this chronic deficit required an increase in productivity and, to this end, he had the best laboratory (and the greatest personal interest) that could be desired: his own family assets. As such, he was one of the main members of the mutual society—in the Agricultural Insurance division—in the provinces of Valladolid, Salamanca and Jaén; he himself managed the group of family properties with which he

had created the firm Autocampo (1940), whose speciality I do not know how to define. I have found it in very diverse sectors and even today; it is possible that it was precisely that, a legal firm for doing all kinds of business.

In addition, in 1955, his estate in Torrubia (Girona), which he owned with his brother, won one of the Ministry of Agriculture's awards for "exemplary agricultural exploitation".⁴⁰ His twofold source of knowledge—engineering and the administration of his own companies—had led him to devise his own ideas on the various problems of the Spanish countryside—including insurance—and he had written down into numerous documents, some of which are a valuable source for understanding the situation of rural workers and the primary sector as a whole in Spain in those years.

He was a man, therefore, of broad perspectives; let us just say, as a significant example, that he had taken a major part in the creation of the Empresa Nacional de Celulosas (ENCE) (1953) and—why not—that he would be appointed vice-president of the Spanish Football Federation in 1956.

We said he was a "public man"; let us add that he was, specifically, a man of the *Régimen* (the regime par excellence for Spanish people of his time, Franco's political regime) and everything said about him until now, gives an idea that his way of being corresponded to a kind of "man of the *Régimen*" who believed in priority of efficiency over representativeness and, even more, over participation of subjects in the exercise of authority. If anything, it seemed to him that everyone had to participate in what they were good at.

He was, in other words, neither a democrat—in any of its possible forms—nor a traditionalist like Ignacio Larramendi. He believed in "revolution from above"—a stale form of the more recent Spanish political tradition, the one mainly focused on Maurism—only carefully chosen by the novelty of fascism in the period when it was formed, "between wars" (in Spain, 1918-1936; worldwide, 1918-1939).

At this point, there is no need to explain why Ignacio's attitude in that order of things had to be expressed in exactly the opposite way; his was not "the revolution from the top" but "transformation from the bottom". Here, "top" is "the State" and "bottom" is the community.

We do not know, of course, what role Dionisio Martín gave to MAPFRE in his 1972 political project. It is likely that it had to do with the geographic network of agents he had. We cannot say for sure. It is possible to say, however, that Ignacio Larramendi was opposed to this proposal because he did not believe that the *Régimen* would change or that, whether it changed or not, it would be in MAPFRE's interest to have a partisan connotation. We also know what his idea of the company as an institution was. So he faced it without beating about the bush; "I thought a direct conversation with him was indispensable", he later recalled.

When I left Dionisio Martín's office, in a cafeteria very close to calle Sagasta in Madrid, "I phoned my wife, whom Dionisio liked very much, and I thought he might have said something to her," Larramendi would remember. When I spoke to her, he had already done so, saying he was worried about my insolence. From then on, a real

⁴⁰ Cfr. ABC, Wednesday 09 December 1955, p. 42.

war broke out, which I thought was necessary for Mapfre's defence and I admit that it was also necessary for my own defence, as I was convinced that, if I lost, I would have cut short my business life and it was not even difficult to be accused of criminal actions, exaggerating my management errors, which no doubt there were" (2000: 325-326).

This no longer had anything to do with the unification decree that gave rise to FET and the JONS or, better, it presented this action, also human, in a very different perspective from politics understood in its sad colloquial sense. Ignacio and Dionisio's was a professional battle between two families of friends who were related to each other and who, as such, dedicated much of their time to living together and talking.

However, in order to speak in all possible (and necessary) ways, courage was needed, and both had it; Ignacio Hernando de Larramendi himself would say this about both of them a quarter of a century later (2000: 207); they were men of "mettle" and no doubt they thought it was necessary to be like that to face life as it was.

Dionisio Martin told him that if he wanted a battle, he would have it, and indeed the matter was raised in the upper echelons of the Mutual Society. Ignacio Larramendi received majority support and was able to continue what, it seems, could have been the final moment of his business career, at least in MAPFRE. Dionisio, however, had thirty years left in which he would lead many more companies and prove his capacity to adapt to the political circumstances of each moment. Whether he shared with Larramendi the idea of the "private institutional enterprise" we cannot be sure, judging by what we know about it. It seems rather the opposite (Camprubí, 2017).

TWO DIFFERENT THINGS, BUT INTIMATELY LINKED: THE ECONOMIC ORDER AND SOCIAL INSTITUTIONS

If we now try to go a step further and link all this to an unexpected idea that we left behind as if we were skinning over it—that corporate governance has to do with truth, and truth with God's love—the result could be this:

It is obvious that this surprising relationship would please—or so it seems to me—the author of the encyclical *Caritas et veritate*. Only I identify it as such because, in that text, Pope Ratzinger makes a statement that has perhaps not received enough attention in the field of economic theory and applied economics; he says there, of course in his own way (and we in ours), that no economic order—we deduce that neither capitalist nor collectivist nor ultra-liberal nor materialist nor traditionalist—can be such, or simply exist, if there is not a sufficient margin of free benefits and of what has been called "fraternal reciprocity", that is to say, asymmetrical: which is not strictly equitable. In other words, it is not that we have to add free and asymmetric reciprocity to the economic order in order to make it better, more united, but that, without it, there is no economic order that can be sustained.⁴¹

This has to do, I believe, with the conclusion of the penultimate Habermas, he who ended up asserting that what he calls "natural reason" is not enough to impose a just

⁴¹ This and everything that follows about it, I have tried to explain in *Caritas in veritate: Lectura crítica*, in Rafael Rubio de Urquía and Juan José Pérez-Soba (eds.): *La doctrina social de la Iglesia: Estudios a la luz de la encíclica Caritas in veritate*, Madrid, Biblioteca de Aurores Cristianas, 2014, pg. 1203-1292.

order; something else is needed that the German finds paradoxically, from his “methodological agnosticism”, in the contest of religious principles, without, of course, any hint of dogmatism, as one more—but indispensable—element of “reflective circularity”. It seems to presuppose that this contest guarantees the presence of gratuity and asymmetry in the consideration (McLain, 2002).

It could be said that all this surpasses the insistence of one of the fathers of the social market economy by a point—specifically, Eucken (2017 [1952]; Garcia Echevarría, 2018)—when, in the years of Larramendi's professional training, the 1940s, he insisted on a principle that was, in his opinion, capital: that no natural or legal person should have so much power (including the state, of course) that it could harm the free play between supply and demand.

There is more to Ignacio Larramendi's approach (although we must be quick to say that it is not a question of making an Eucken of him): businessmen and investors must not give priority to obtaining as much monetary profit as possible, but must be prepared, if not to lose, to gain less, when the stability of the community (or what is implied by the same thing: the economic order) depends on it.

What Larramendi was warning of—and this is also true of the social market economy, in the post-war period of 1945—is that this must be institutionalised precisely so that the result is stable and, in this respect, he proposes several types of what is usually called an “independent institution”:

(1) The “official institutions not integrated in the regular public administration” we already spoke of;

(2) “Independent social institutions, created *from the bottom* or by segregation from an official institution or a department of the Administration”, for example, in Spain, the Church in its precisely institutional facies. No example is given, however, of such institutions being segregated from an official institution or from the state; it does state that “the university should be a social institution, and even the whole of education, although this is not the case now [in 2000 and in Spain].” The institutional Church, for its part, is a public law body within the state and supranational framework. They are two different forms of public, no doubt, but they have a certain similarity, at least in that respect. Private educational institutions, however, would be better suited to the third group, which is:

(3) “Private institutions, completely autonomous from the official, but with a public interest purpose”, and here distinguishes five types:

1. “Associations of legitimate interest”, such as professional associations;
2. “Trade unions and workers' associations;”

3. “Foundations” such as the Juan March, the Ramón Areces, Fundación BBV, Fundación MAPFRE or Fundación MAPFRE Guanarteme;

4. “Entrepreneurial institutions, that is, companies with a desire not to be a mere *profit centre* and that maintain fields of institutional activity”. This is the case of MAPFRE. This is not the case of companies that recognise and exercise the so-called Corporate Social Responsibility but give priority to profit if there is a conflict between the two. It does not, of course, stop at those where profit marginalizes or even

disdains that responsibility. It does cite, however, those others in which activities are recorded, let us say altruistic, which have, clearly, no other purpose than that of “creating an image” (2000: 137-138).

In Spain at the end of the second millennium, Larramendi saw this model of “business institutions” not only in MAPFRE, but also in El Corte Inglés, Mondragón cooperative, Alcor cooperative, Mutua Madrileña and savings banks in general. He finds in all of them what he is looking for, which is “market freedom with a social sense” (2000: 136), and we would even dare to add from our own part that, if the scope of the Mondragon experiment is sufficiently known (which Larramendi frequently stressed in his talks), there is a lack of a study of what the savings banks represented in the Spanish post-war economic order and, above all, in the development of the 1960s and 1970s. Many substantive contributions have been published; what I am referring to is a study designed in such a way that its institutional role in the sense given by Ignacio Larramendi could be verified, if appropriate. There is an indication that, when negotiating Spain's incorporation into the European Common Market, the representatives of the latter institution began to demand that the savings banks be placed on an equal footing with the banks from a legal standpoint. It is significant, in relation to their character as a “business institution”, one of the reasons given by the foreign negotiators was the ownership of the savings banks, which were neither public nor private (García López y Hornillos, 1976)

Now remember what the “returns” of Spaniards who emigrated to central Europe in the 1960s and supported their families in Spain from there meant, without realising that they were also making a decisive contribution to the change I have referred to, given that they preferred the savings banks to the current system of channelling these savings. The so-called “technocrats” would be correct in the use of these and other resources; but we should insist more, in my opinion, on the anthropological background—including ethics—of the enormous effort of those who sacrificed their lives in this way hundreds and even thousands of kilometres away from their family (Actis et al., 1998; Sanz, 2015; Rodríguez González, 2020).

It is clear that MAPFRE was something else in those years, but perhaps this is the point where we should value its character as a mutual society. It may be that it happened differently; but, even as a hypothesis, we would say that Ignacio Hernando de Larramendi entered the world of insurance for what we could call random reasons and that the same must be said of his choice of the Mutua de Seguros Agrícolas. Moreover, the first years of his management were aimed at making it viable, given the difficult situation it was in. There came a time, however, when MAPFRE was already consolidated and offered the possibility of doing things differently from the mere management of an insurance company. And by then—we do not know since when—he should have realised that the mutual legal formula had an enormous advantage, and that was that a mutual society cannot distribute dividends; it has to reinvest its profits for the benefit of the members of mutual societies.

He repeated the phrase we have just “composed” very often, and now I would dare to say that, by then—in the 1980s—it was clear to him that this was the cover which made it possible for the reinvestment of profits for the benefit of the members of the mutual society, to be understood with the institutionalising criteria we have seen; nothing better for the members of the mutual society than to make MAPFRE one of

the many institutions which were needed to give stability to Spanish life (and, as far as possible, to that of the rest of the Spanish-speaking world). The nature of the mutual society saved him explanations when he made a proposal that involved investment in something that was a public service and was, in the end, for the common good.

It would be necessary to know more in order to study one by one the companies that MAPFRE acquired as a legal entity or in which it participated and to see to what extent all or some of them could respond to the intention of expanding the institutionalising effort that we are talking about. No doubt it would be worthwhile to do so; reading his writings that he drafted with a different intention and, above all, when he alludes to the failure of some of these investment initiatives, it is frequent to observe that he adds an expression of it being a shame for what he hoped it would mean in real life and, without forcing the sentences, one would say that, deep down, the principle that we have seen up to now is palpitating: the possibility that this company would have given permanence to a specific social service.

In some cases, this is perceived; perhaps more often—because it is not reduced to failures—what is noted rather is the desire to shore up the institution that he wanted MAPFRE to be. These roles—and the organisations that were necessary to channel the corresponding action—are studied in various places in this work; here we would only like to point out that the institutional purpose that he wanted for MAPFRE was not a more or less brilliant idea, but rather it involved providing the company with bodies that would make it possible to achieve this because they provided what was essential to achieve it.

Between these bodies and the foundations that were also created, the differentiation was not always, nor is it simple, because these actions depend, on the one hand, on the “opportunity” to carry them out and to close this gap and, on top of that, they are sometimes ambivalent; specifically, the figure of the “foundation” is especially propitious for carrying out roles that should have an institutional nature on their own, but which, at the same time, result in the solidity of the institution that is MAPFRE (of course, in the sense that he gave to this adjective).

What I wanted to say in the previous paragraph was expressed by him in his own way and is probably better understood: those he calls “business institutions [...], being created *from the bottom*, gradually acquire this quality until they are recognised.” It is the first paradox; because it is a matter of achieving a stable quality in the service provided in such a way that it is recognised as such—as a stable benefit—and the recognition—which is, after all, social—cannot be less institutional; the recognition of the institutional nature of the company consists exactly of what is not and cannot be institutional; the recognition exists if there is someone who thinks that that company—or whatever it is—deserves to be “recognised” and disappears at the very moment when people stop thinking of it, of the company, like that. A philosopher would call it “ekstatic” reality, in the sense that it exists as long as there are those who think it and will cease to exist when there are no longer enough people to think it. “Its nature,” Ignacio Hernando de Larramendi explained about the “business institutions”, “is largely given by the people, by the citizens, and not assigned by a ministry official.”

This on the one hand; on the other hand, “they need profit”; they have to generate financial benefits; first, to become sustainable as companies that offer services in

exchange for remuneration, like all the others, and, furthermore, because only with profits is it possible to attract funding to sustain the foundations.

And he warns about this last one: “these contributions are also useful for their own “creation of image”. That is why I have always believed that, at MAPFRE, its Foundations do not reduce its assets, but rather contribute to increase it” (2000: 138).

FOUNDATIONS AS AN ARTICULATION AND EXTENSION OF THE PUBLIC SERVICE OF THE INSTITUTIONAL ENTERPRISE

This last warning can be understood as a certain “excuse” to convince that, in the end, this profit deduction was not a useless expense from a business point of view. It would make sense; he probably knew that some of MAPFRE's directors believed the opposite, and that was precisely because the results of those Foundations were not in MAPFRE's interest. In thinking that way, they were obviously acting like the real businessmen they were; they simply did not “see” what Ignacio Hernando de Larramendi had discovered and perhaps had not explained it in a way that they could understand or, more simply, it seemed so relevant to them. That and nothing more than that is the meaning that this historian gave to a phrase that was said before him by one of the most faithful and competent directors of MAPFRE on the evening of the day when the *Colecciones MAPFRE 1492* were presented at the Universal Exhibition in Seville in 1992: “Well, and all this has cost us no more than half a billion...”, it is understood that this was pesetas (said as if to say that we have allowed ourselves to throw that money away on something whose meaning we have not yet seen).

Well, there are some twists in the writings of Ignacio Hernando de Larramendi that could be interpreted as something more far-reaching and, indeed, capable of confusing us. I refer to this statement of his, inserted in the “Epilogue” of *Así se hizo MAPFRE* (2000: 761): “the important thing in my action” (we can adjectivize it, without a doubt, “business” or, perhaps better, “professional”) “has been the annual contributions that are destined to Foundations for actions of general, not business interest.” To put it this way and understood to the letter, one would deduce—at least—that, from a moment in his life that we cannot specify, he came to the conclusion that MAPFRE's greatest success was not the provision of quality services, without denying, of course, that this was the necessary starting point; the main thing would have been the possibility of withdrawing, from the business profits, a significant part of them to return them to the human communities in which he had worked, only converted into the common good (in the most rigorous and, at the same time, broad sense of this expression).

It is as if a reflection on his own life had convinced him that the main thing he had done as a businessman was not to turn a poorly situated agricultural mutual insurance company into a multi-national, nor was it the common good—precisely—of providing quality services on an international scale. By itself, the opposite had been imposed: what, in business terms, was an adjective had become the most substantive thing for others.

It is thus better understood that the capital he received upon retirement was invested in the Fundación Luis Hernando de Larramendi, which he had created in 1986, and which was not owned by MAPFRE, but by his family, so that, to his children, in such a practical way, it could be said—with all cordiality and affection and even without wishing it as an end in itself—that he disinherited them. After his death, the

Foundation took his name—Fundación Ignacio Hernando de Larramendi—by decision of his wife and children.

However great the rhetorical burden, it is also understood that, in affirming what we have said that he came to consider “the importance of my action”, he concluded: “This is my true legacy, the work of a “poor retrograde Carlist” who wanted to collaborate with his national and Ibero-American environment”.

It was not a boast disguised as humility; he had put forward this other summary of his life: “I have lived very well, without any sacrifice, with clear satisfaction, practically without problems, at ease with my way of being”.

The reader may or may not conclude that one can thus summarise the life that is lived as “a poor retrograde Carlist”. No one would have said it (nor would they have said it or will they say it); Aristotle would have related it to the classical Greek concept of “good life”, which is not the Spanish “good life”, but that of one who is at ease with the gods, is virtuous and has friends; but he would have blown a fuse if he had been told that, for that, you have to run a business that makes money. Ignacio Hernando de Larramendi would have explained to the Stagirite that it is one thing for the businessman to earn money, and another for the company to earn it, on the assumption that the company has other people as owners, only as “members of the mutual society”. I do not continue with the hypothesis because it is useless; I am sure that Aristotle would not only have understood it, but would have developed better the economic thought that appears in his works and that, the truth, is too elementary. He says that just as the grain that is sown produces many more grains by itself, you sow an *ochena* or any other coin, and no matter how much you water it and weed out the environment, it never goes beyond being that coin and may even get spoiled over time and lose the value of when you sowed it. Therefore, the philosopher concludes, making money only serves to have more and not to be more. Hence, as is well known, the reluctance of theologians towards the banking business and the persecution of usury (which was still in force in mid-20th century Spain).

We will not go on with the comparison; if anything, we will add that Aristotle never even used the concept of “common good,” which was coined in the first centuries of the Christian era and rightly so by Christians. Not only that; perhaps he did not even come close to that concept because he saw the perfection of coexistence as possible in the “*polis*,” that is, in the Greek city as it was in his time, and he understood that the perfect *polis* was characterised by what we now call a closed economy, an autarchy. The retrograde Carlist was satisfied to have collaborated with his national and Ibero-American environment with the good we are talking about. Possibly it was again his father who, perhaps unwittingly, had instilled in him what he would call an “obsession with America”.

Before explaining the latter, we would like to ensure that this dynamic relationship between institutional enterprise and foundations supported by it is understood. The concept of “institutional enterprise” is, I believe, clear enough, within the difficulty that arises when coining a definition whose limits are clear; which—in my opinion—does not happen in this case; we have already said that it is not always easy to know where the business management that generates profit ends and the action that is conventionally considered to be the creation of “common good” begins. The MAPFRE

Institute for Road Safety, for example, had been created in 1996 as a “social work” of the Fundación MAPFRE and, to be more specific, as “a clear reflection of the expressed will [of the directors] of the MAPFRE System to increase and strengthen the social prevention activities carried out by the Foundation”. It is easy to understand that “road safety”, insofar as it was translated into specific actions, was among the “social prevention activities” of the Foundation. The problem lies in knowing how road safety can be improved with specific actions. Well, the answer could only be this (or something similar): first of all, we must know what can cause “lack of road safety”, and that implies a real research task. Hence, at the MAPFRE Institute for Road Safety itself, a “driving simulator” was developed that was capable of examining the characteristics of drivers and the conditions in which they drove. This is also why calls for grants on road safety were made, giving due importance to the influence of drugs and caffeine (and, of course, drug addiction).

Hence, in short, all this was coordinated with the results that emerged from CESVIMAP (Centro de Experimentación y Seguridad Vial MAPFRE), located in Ávila since 1983, where traffic accidents were simulated and the importance was given not only to driving but also to the fact that was the accident itself and its consequences. And this certainly included those affecting the vehicle, and this not only in terms of the immediate effects of the event, but also in terms of the repair and the safety resulting from the repair itself.

It was, as can be seen, the way to generate “knowledge about driving”; then, in a logical order, an effective way had to be found to disseminate that knowledge so that it would really result in the safety that was being sought. And, for this purpose, the “Autocentro” of Alcalá de Henares was created, in which—summarised in 1999 by Larramendi himself—“theoretical and practical road training is offered to schoolchildren and from where distance learning is promoted through the didactic units that are prepared and distributed to more than five thousand schools” (2000: 748-749).

The knowledge acquired in CESVIMAP, on the other hand, in relation to the physical effects of the accident and the repair, encouraged in 1997-1998 to contact the rector of the Catholic University of Avila to design an industrial engineering course with that very specific profile—unprecedented in Spain, at least at that time—that implied, plain and simple, the training of the people who carry out the “expert opinion” following the accident (2000: 748).

Of course, if MAPFRE needed experts, it is likely that the best in each year would be offered a job in the mutual society itself and that, therefore, it could be deduced that the common good was reduced to that which redounded to MAPFRE itself as a company. But it is no less obvious that each year would be made up of considerably more people than could have a place at MAPFRE and that, therefore, an important part of the common good was generated, which was directly “common”, and not mediated by the company.

Insofar as this formula was taking hold in various sectors of the Mutual Society, coordination became necessary and this led to the creation of the Fundación MAPFRE Estudios, and it was when Ignacio Hernando de Larramendi spoke of this attention that he had no hesitation in considering it—with an adjective whose scope we already

know in his case—“a new *institutional unit*”. It would be an understatement to ask whether Fundación MAPFRE Estudios was an institution in its own right—in the sense he gave to that word—or whether that status depended on its relationship with the institution that was MAPFRE Mutual Society. It was—all of this—a living reality whose existence as a source of services required permanence, continuity, and this is how it could become part of the—let us now say the “structural”—fabric of the community it served; the institutional nature that Larramendi wanted for the Mutual Society and for that Foundation included, without a doubt, the name, that is to say, the continuity of the name that allowed those who sought it to recognise it. But it was the latter that had to be achieved, not the rigidity of an immutable institutional structure. Life had to be allowed to rule.

This did not detract from the importance of the undertaking; he himself thought years ago, in 1990, that the Fundación MAPFRE Estudios would be “extraordinarily important for the MAPFRE system in 2000, once the Fundación MAPFRE had been set up and capitalised”. He conceived the Fundación MAPFRE Estudios as a “basic piece of the foundational policy of the future”. It should become the hub of several MAPFRE entities that could be considered “peripheral”, in the sense that, not being foundations, they also had “an institutional purpose”; this referred first and foremost to ITSEMAP Fuego, ITSEMAP Ambiental and CESVIMAP. In the end, it would seem that the problem we posed—the need or contingency for each “institutional” unit to have its own legal personality—was eliminated by overcoming it. What we have just described could be seen as the planned development of a “structure of institutions”; if the union makes the force, not the dissolution of some institutions into others (which, however, could be advisable at some point), but the articulation of all of them as a whole is what really matters, if, as can be supposed, it makes them more effective.

He attributed to the Fundación MAPFRE Estudios a future similar to that of the Fundación MAPFRE Medicina, which had not yet become a reality in 1990, when he made these assessments at the Board of MAPFRE Mutual Society on 16 June of that year, the last one in which he took part. That had begun by “taking advantage of certain areas of the Fundación MAPFRE and former studies of the Mutual Society”; it was already possible to follow The “Insurance Degree” in MAPFRE Estudios, the teaching activities of the Integral Security Institute and work was being done on the design of International Management courses. But it was clear to him that it was called to be “an academic institution which, in 2000, provides/would provide a useful teaching service to Spanish society as a whole”.

THERE WERE FAILURES

On that occasion in 1990, he tied even more of these institutional structures together and mentioned the Centre for Bibliographic Documentation, Editorial MAPFRE and the Centre for Studies and Research.⁴² But no one should think of a mind that foresaw the future to unsuspected limits and that, in the end, already had a precise idea of the whole framework—once again, “institutional”—so that most remarkable part of his work as a businessman consisted of waiting, seeking or

⁴² “Considerations to the Board of MAPFRE Mutualidad de Seguros on 16 June 1990, the last time I participated”, annex 1 to HERNANDO DE LARRAMENDI, 2000: 115-116.

promoting the circumstances to make it a reality. That he “waited”—in the sense of paying attention to what happens in case the opportunity arose—there is no doubt; that he sought and even promoted the circumstances, too; but all this as long as it is not understood precisely as it has just been said, as a totally finished project of a huge institutional building. True, he was something of a “visionary”, in the sense of the person who sees a long-term future; but, if he deserves that adjective—of which I am not entirely sure—his realism was no less relentless. He knew well that his initiatives depended on the actions of others; that, in addition, risk is inherent in the company, and more so in large projects; that, of course, he could and did make mistakes more than once and that, in these and other cases, one must have the courage to cut your losses point blank.

Is it necessary to give an example? The main one, he himself states in his final report *Así se hizo MAPFRE*: he did not use all the means at his disposal to ensure that, in the future, no MAPFRE director would have an excessive share of power. A mistake related to his patronage? For example, having accepted the option proposed by some of the mutual society’s directors to develop Editorial MAPFRE and make it capable of publishing everything that was going to come out of the Fundación MAPFRE América, and this when he and the main one of those directors (who made the decision) had been offered another option that was much cheaper and of higher quality. Proof? This is better explained by an example: the book *Navarra y América*, published by Editorial MAPFRE in 1992, has still not been distributed in any bookshop in Navarra, despite the fact that by 2000 the edition had already sold out (!). Since the explanation is so small that such nonsense cannot be understood, I will give the key to such an enormous paradox: more than a thousand donations were made from that book—and from all the others in the *Colecciones MAPFRE 1492*—literally all over the Spanish-speaking world, from Madrid to Manila, including Navarra. Meanwhile, the distributor was trying to sell it in Bilbao, where he lived. Navarra, for demographic reasons, was a smaller market and it is possible that this market was not worth his while.

In this very specific situation, the option to reinforce the donations was the most realistic way to cut the losses, and also the most expensive one.

The printing of the books also became more expensive. For all this—from layout to distribution—a person from outside MAPFRE had been hired with a team of seven or eight others and simply did not demonstrate that they knew what was necessary to move forward with a project as big as the one that was being undertaken under the direction of Ignacio Larramendi. And it is obvious that the editorial function was simply decisive; it was about books.

It should be remembered that Larramendi had brought forward his retirement to 1990, and the contracting that I say was not made by him, but was agreed and specified among his successors in the management of the different branches that already comprised the tree that was MAPFRE Mutual Society. I can testify that Ignacio Larramendi did not like the choice they made; but it was no longer up to him (we mean his competence).

I am cutting short here due to this last reason, but I cannot resist telling you an anecdote. The editor hired for this purpose made the decision to print the volumes without giving the authors the normal option in any publishing house, which is to

correct the proofs. There was no way to force him to do it. As a result, there were some volumes—very few—in which, when they arrived at the Fundación MAPFRE América already printed and bound, errors were found that forced that edition to be destroyed and the books had to be reprinted once they had been corrected (I fear that this was at the Foundation's expense). In one of the cases, I do not know how (for what I am talking about happened), the texts of two different books by different authors were mixed up, one of whom had dedicated the book to his wife, calling her by name. You can already imagine what happened; one day, the other author called very distressed from the other side of the Atlantic to explain that this was impossible, that he had never betrayed his wife, who, unfortunately, was not named like the one mentioned in the dedication of the book.

José Luis Catalinas, whom we left behind as the general director of the Fundación MAPFRE América, immediately summoned the editor we spoke of and the coordinator of the *Colecciones*, and the editor downplayed the mistake and its threatening effects; he said that a kind of eraser had been invented that was capable of making the dedication disappear without a trace. The coordinator—who had been working in “editing” duties for a dozen years—expressed surprise; he had been coordinating editorial projects for more than twelve years and had no news of such an important invention. The party questioned insisted with such seriousness and such aplomb, however, that the Foundation's general manager left the remedy in his hands.

It was 1992 and there was no such method. Thirty years after that event, in 2020, the former coordinator of the *Colecciones MAPFRE 1492* went on the Internet and wrote: “how to erase texts from a printed book” and found these systems (which I copy in case the same or similar thing happens to them):

“The first to be marketed (in 2013 in Spain) is the machine known as the Toshiba eStudio 306LP, which can erase an ink (blue and heat-sensitive [sic]) specially designed to be erased.”

It therefore does not work for us; *Colecciones MAPFRE 1492* were not printed with blue, heat-sensitive ink specially designed to be erasable. We can say that, with time, it was possible to verify that they were printed on recycled paper; but we do not think that is enough to erase that page.

Let us go to the other one:

“There is now **another system** for erasing ink and reusing paper. It is being investigated by a group of engineers from the *University of Cambridge* and they are trying to carry out their prototype. Its method, like that of Toshiba, allows the ink to be **erased by means of heat**. But, unlike the Japanese device, this system erases the ink by **evaporating** it in laser printers. The *laser eraser* (4,000 microsecond laser injections) hits the thin layer of ink until it evaporates. The study states that with this method the paper does not yellow or suffer any other kind of damage. They work with conventional papers and inks and ensure that no special ink such as Toshiba's so-called e-blue is needed. The result is a paper with faint shadows where there used to be text but which is perfectly reusable.”⁴³

⁴³ <https://www.impresum.es/blog/la-desimpresora-que-borra-tinta/>

Nor does it seem to be of use to us, as it seems, it deals with loose papers, unit by unit, and not finished books. In fact, both systems make it seem as if they are intended to reuse paper, not to correct or remove a very small part of the text.

The bad news is that all this had a decisive influence on guiding Ignacio Larramendi towards digital publishing and, when he tried to do so at the Fundación MAPFRE América itself, the trustees who had bet on that eraser editor did not support the project that Larramendi set out for that purpose. He would tell it like this:

“In 1995 there were profound differences of opinion between me and the MAPFRE representatives in the Foundation, as opposed to some of my projects, precisely those to which the Fundación Histórica Tavera has been most devoted. As a result, I requested that the Fundación MAPFRE América continue with the objectives that MAPFRE wanted and that the Fundación Histórica Tavera be created, transforming for this purpose the Instituto Histórico Tavera, without the burden of a “commercial” name and which could be a vehicle for the participation of other Foundations, as perhaps they would not have done in a Foundation with a company name” (2000: 167).

These were the days of the CD and, from then on, this is how the vast majority of what resulted from these activities was disseminated, not excluding the *Colecciones MAPFRE 1492* themselves, whose books were further disseminated—and at a very small cost—in digital format. It started out that way and with *Clásicos Tavera*, and that already demanded mastery of the still emergent facet of document digitization and, in the end, the effort was such that it led to the creation of the Digibís company in 1997. It was no longer just a matter of channelling those projects supported by the Fundación MAPFRE América, but in a way it became an end in itself, of course only in the sense of opening its doors to all kinds of projects from all kinds of entities. In 1999, Larramendi could write: “It is very important for me that the last business activity I have undertaken in my life, of an original and innovative nature, is successfully developed and constitutes my last action in the business area to which I have dedicated myself since 1952” (2000: 130).

What we have just said reveals one more trait in the person of Ignacio Larramendi: his realism. Ultimately, we can conclude that, throughout his life, he changed everything that was necessary in his professional work except two things: one and fundamental, the idea of the private “institutional company” as we have seen it; the second, the call of America.

If this assessment is not made—or if I am wrong in doing so—we would have to accept that a businessman has, or should have, the possibility—probability rather—that the development of his project will force changes in it until it is distorted. And, in that case, say the experts, the businessman is forced to “legitimize” what comes out at the moment of truth.

One would say that we all do that (or that we all, at least, tend to do it). When that word is used—which is frequent in the Anglo-Saxon world (and of course in English)—one gets the feeling that experts give that expression—that of “legitimizing” the real results—a certain sense of totally voluntary and free action that aims to disguise reality. And, no doubt, that often happens. Deep down, you might think that is what the editor did with the eraser. In Larramendi's case, however, I am not so sure that he

felt obliged to act in this way. First and foremost, he did not have to. Since his retirement in 1990, he saw how MAPFRE was following the paths indicated by its new directors and possibly thought at many times that he would do things differently. But let us just say he had a “buffer” that we would have liked to talk about more. I mean his family. It is difficult—I would not say impossible—for a man who maintains the union with his wife until the end of his days and knows that, in his children, he has—more than a support—a bulletproof shelter if he feels lonely or a failure (apart from specific moments when we are capable of considering anything).

If we now test him backwards and look at texts that predate the 1990s, in how Larramendi expressed his business project, perhaps we will see what I am saying more clearly. In texts from the last phase of his life, he states that he wanted to do it this way from the beginning. But we must ask ourselves what it is that, desired rather than projected at the beginning, came to be effective.

Often, we observe that the changes between what is intended and what is achieved occur in “speech”; sometimes because the words are changed to express as continuous novelty what, strictly speaking, is the same as always; at other times, on the contrary, the person has the feeling of a continuity that the words do not support. But, in this last case, one cannot rush to deduce that where he said Diego, he says I say; the change in the speech—the “legitimization” in question—throughout thirty-five years of working in the same company can be imposed by the mere succession of very different circumstances that have to be dealt with in any case with what Rafael Rubio de Urquía calls “alternative plans” (2003). Besides, there is the fact that language is historical, just like everything else, and a history can be made of these changes.

If we were to test Ignacio Larramendi and ask when he started to make MAPFRE an “institutional” company in the sense he gave to this word and we have already seen, we would find this: first, late texts—if you prefer, late “legitimizations”—that speak lately—let us say redundantly—of the origin; this is what could be in his mind, even without being aware of it, when he said that this way of conceiving the company was learned in his family and in the approaches of Vázquez de Mella. If we do not accept this precisely because it is late and unverifiable, and if we seek to verify whether or not it is late, we find it initiated where he would later point out: the Articles of Association of MAPFRE Mutualidad approved at the General Shareholders’ Meeting on 10 June 1965; in these, it was stated that “in accordance with the public social spirit that should inspire the operation of the “Mutual Society”, it should allocate part of its income each year to promoting two public interest Foundations: one for the improvement of Spanish agriculture and especially agricultural cooperatives, and the other to promote the defence of consumers and the development of their functions for that purpose” (2000: 163). The first—agricultural cooperativism—could be the reason for the concerns of Dionisio Martín, who continued to preside over MAPFRE; in the second, there is no doubt—due to its own generality—what was later done at the initiative of Ignacio Larramendi.

MAPFRE'S FOUNDATIONAL DEVELOPMENT AND ITS LIMITS

It did not take long for things to happen that forced the introduction of relevant changes and, therefore, new solutions, which perhaps had not been thought of. In 1969, MAPFRE Mutualidad had to split up by law, obliged to separate employer's

insurance from what was known as “private insurance”, thus giving rise to MAPFRE Mutuality de Seguros and MAPFRE Mutua Patronal. It was the latter that provided the opportunity for the two resulting mutual societies to remain linked in fact by jointly setting up a Foundation that would be called precisely that, Fundación MAPFRE, and thus leave no doubt as to what all this really was: one and the same reality in short. However, we do not know if Larramendi and the other directors of the Mutual Society realised what this last solution entailed. First and foremost, the legal figure chosen—the foundations—was perfectly suited to the nature of the mutual societies, whose benefits, if any, must accrue to the members of the mutual societies themselves. But, at the same time, in the case of the mutual societies too, the mediation of Foundations made the benefits accessible to many other people and, from there, for MAPFRE to be an “institutional company” as Ignacio Larramendi understood it, the key was to choose the Foundation's activities properly. They had to be channels for potential benefits to be passed on to members of the mutual societies so that they could be enjoyed by others.

Its objectives—as stated in the preliminary draft of the Articles of Association of Fundación MAPFRE approved in February 1970—consisted of “the protection of cooperatives and other similar activities, [the] contribution to training and technical improvement, [the] improvement of the Spanish business structure and [the] stimulation of measures for the prevention of accidents”; also, attention, the “development of a new line of concern for public and social interests and other purposes”.

In this last area and in the one of “the improvement of the Spanish business structure, there was already the “institutional” idea that we talked about. “It was also understood—Larramendi added much later, recalling this gestation—that it should be extended in the Ibero-American countries to describe the ideas and activities determined in the Articles of Association” (2000: 164).

The changes in the Spanish legal system continued to impose their law, however, and required the rethinking that was reflected in the new Articles of Association of the mutual society, thus reconstituted in 1975: it was declared a “Private Cultural Foundation” and proposed, as its corporate purpose, “to contribute to the satisfaction of needs related to safety in all its forms through studies and research and the provision of services and activities, aimed at the prevention of accidents at work, protection against fire and other material risks and the promotion of the physical and professional rehabilitation of victims of accidents of all kinds and the improvement of prosthesis systems, the promotion of preventive medicine and others determined by the Board of Trustees” (in 2000: 164): everything that would later be included in the activities of the Fundación MAPFRE Medicina and the Fundación MAPFRE Estudios, both created in 1989.

It is in this chronological framework that the formation of the Fundación Guanarteme in 1984-1985 (converted into the Fundación MAPFRE Guanarteme in 1992) and the Fundación MAPFRE América in 1988 must be situated.

At the end of that same year (1988), it had been decided to create the Fundación MAPFRE Vida, whose cultural nature—in the conventional sense of the word—was highlighted for the first time in the panorama we have tried to present. Its purpose

was “to carry out activities aimed at promoting and disseminating culture and art, by calling for and awarding artistic and literary prizes, organising exhibitions of paintings or sculptures and organising meetings of an artistic and literary nature, and disseminating studies on art and literature” (2000: 168); all of these purposes could not be considered as alien to the Canary Islands and America, much less to the members of the mutual society.

However, we would like to point out that those in charge of this Foundation did not lend themselves to at least being compatible with those that would emerge from the Fundación MAPFRE América. In 1992, when the books from the *Colecciones MAPFRE 1492* began to arrive in print, it was thought that it would be worthwhile to start “to show” them publicly and it was thought that the Fundación MAPFRE Vida would be the priority place to exhibit the books to the public and organise the presentations as appropriate. And lo and behold, both proposals were rejected, without further ado, by those who governed that Foundation. They were only willing to rent the premises for any public events for an amount of money that was considered excessive, at least for the initial budgets of the Fundación MAPFRE América.

The refusal to put the books in the shop window where they normally displayed theirs—those of the Fundación MAPFRE Vida—was accepted without further ado. In his memoirs, Larramendi explained that MAPFRE Vida—the company so called, not the Foundation it would later generate—was created for reasons that we can consider linked to the legislation in force and the need to comply with it effectively for members of the mutual society; years before joining the *Mutual de Seguros Agrícolas*, when he was working at the Directorate General of Insurance, he had a discussion with “the great actuarial *guru* of that time, Antonio Lasheras Sanz”, who came to visit them. “I contradicted him on one occasion because my opinion was that the mathematical reserves in life insurance were owned by the insured and not by the insurers; he maintained the opposite. It was a public discussion and my colleagues told me how I had dared to oppose him; yet despite this we became friends. Several years later I realised that I was right and that the reserves had to belong to the policyholders so that they would not be harmed, and that is how MAPFRE Vida came about, offering 90% of the financial benefits, when what dominated in insurance was the opposite, and that is how great fortunes had been made by paying the policyholders depreciated capital and retaining the buildings with a lot of appreciation”.

From Larramendi's account, it can be seen that this may have been the reason why, in 1957, authorisation was requested from the competent authorities to set up what was to become MAPFRE Vida, but for almost a decade it was not able to get on its feet: the Spanish—Ignacio would explain—had a negative image of life insurance, which they associated with death and misfortune; their attitude to it was therefore one of indifference if not rejection, and this and the high rates of inflation shaped a “scarce and meagre market”. In a logical order, even before the difficulty of obtaining contracts, the first difficulty was in finding “sales people”.

Several people were put forward to manage MAPFRE Vida, who were not able to overcome these obstacles, until Juan Fernandez-Layos was appointed, in 1965, who would also have the support of Sebastian Homet as an actuary from a later date that we do not know, perhaps 1967. What Larramendi saw them do from now on was this: “to change the image of life insurance, to avoid negative, macabre connotations of

death and talk about life, hope and enjoyment; to increase the network of Life sellers; renew products; renew commercial and *marketing* lines; and to introduce a new style" (2000: 92, 265, 283).

However, the latter adds one more feature to the characteristics of Ignacio Larramendi's business management, which is the extreme degree of autonomy he was able to give to a person who depended on him when he thought that was how that person acted best. When he was commissioned to run MAPFRE Vida, he first realised that Fernández-Layos had his own way of thinking and acting and chose to let him do so to the extent of respecting his autonomy in decisions that he would not have taken and whose results, however, he expressly described as "extraordinary successful". "The action of MAPFRE Vida has been organic, permanent, maintaining a continuity that I consider partly mine as soon as I supported it, but which I would no longer have been able to maintain directly. I knew how to let those who deserved it do without this "jealousy", without pretending to have a monopoly of power, since this would have paralysed effective actions. MAPFRE Vida has acted in a more centralized way than the Mutual Society and wanted to always maintain its autonomy; sometimes it did not seem appropriate, but at other times I have seen that it was right. I attribute the difference to Juan Fernández-Layos' character in relation to mine, as well as to his management perception style. The only thing I can regret is that he always defended his area more than the general one, and that I thought it limited him to be my follower in the whole or MAPFRE System" (2000: 108).

The autonomy was extended to the Fundación MAPFRE Vida, which was set up in January 1989, the following year from the Fundación MAPFRE América, and three years later did not lend itself to contributing to the dissemination of the latter's results. Was he marking distances? I think so, although my opinion this is based on facts observed after the death of Ignacio Larramendi. I have no doubt that, at his death, the heights of cultural work and others of the mutual society were marked by radical distances. But the matter does not concern Larramendi's business management.

I can only add one thing of my own, having followed the activities of the Fundación MAPFRE Vida very closely—in what allows me to be an external but well-informed spectator: among the cultural projects of the Fundación MAPFRE Vida and those of the Fundación MAPFRE América, there was a capital distinction (which I never heard or read about Ignacio Larramendi seeing; it is pure perception on my part); remember that he defined as "business institutions" those that were run with a profit motive in mind and invested part of their profits in fields of institutional activity. It therefore excluded those others in which activities are recorded, let us say altruistic activities whose purpose, in reality, is to "create image". What I know about both of them makes me think that MAPFRE América was part of the former and that, on the other hand, in the Fundación MAPFRE Vida, priority was given to the image it contributed to create. On that basis—which would require a detail that has no place here—one would have to ask what happened next and what happens and—I fear—act accordingly. But what we would add about it has nothing to do with our case, which ends, in the best of cases, with the death of Ignacio Larramendi in 2001.

THE “OBSESSION WITH AMERICA”

Let us return, then, to the years when he remained active even though he was retired. In 1990, Ignacio Hernando de Larramendi publicly created the Fundación MAPFRE as a “*holding*” of all the MAPFRE⁴⁴ foundations and it was certainly on its way to being this. But what we know happened next imposed the need to reorganise the different elements that could lead him to consummate his project, which was already clearly cultural (but always institutional).

We have already said that, in 1992, the Fundación Guanarteme, created in 1984, was renamed the Fundación MAPFRE Guanarteme; it was (is) an exception among the Foundations in its territorial nature, restricted as it is to the Canary Islands, although with Cape Verde and the Azores permanently in sight. The origin of the singularity lies in the fact that it was the result of the incorporation of Mutua Guanarteme into the MAPFRE system and that, in short, it was a mutual society of similar origin to the Agricultural Insurance that gave rise to MAPFRE; it had been set up in 1933 by agreement of more than one hundred employers in Gran Canaria, many of them from the Arucas area. Its first name was Mutua Agrícola del Norte de Gran Canaria and, in its foundational projection, carried the imprint of Julio Caubín until his final retirement in the first years of the third millennium.

The uniqueness of this process would be further accentuated by the sequential nature of two other creations: that of the Instituto Histórico Tavera (1991), within the Fundación MAPFRE América (created in 1988), from which the Institute broke away in 1996 to become the Fundación Histórica Tavera and, in 2002, the Fundación MAPFRE Tavera.⁴⁵ By then, in 1997, the Fundación MAPFRE América itself had been diluted into the Fundación MAPFRE Estudios. It was its death certificate.

It goes without saying that the uniqueness of the Canary Islands we have just seen had roots and could have a scope no less peculiar due to the strategic situation of the three archipelagos in relation to Europe and America; a vision that Ignacio Hernando de Larramendi shared with Caubín. “Since I had the chance to prepare the future of MAPFRE, the former would recall many years later, the Canary Islands was one of my objectives; I believed that MAPFRE needed to be there, even though I did not think then that achieving it would be so far ahead in its market. It was an antecedent of what I thought we would have to do in Portugal and in America, as in many other aspects. The Canary Islands have been the antecedent of the American adventure in Spain. Our history is intertwined and in many aspects we take up again what began in the 15th century with the Portuguese navigators and later with the Spanish” (2000: 478).

After all, it was the “obsession with America” that he confessed to and he himself boasted about.

He shared it with many other Spaniards of his time, some of whom were perhaps too intent on highlighting “the work of Spain in America” and presenting it as the ideal and sublime reality that it was not. One believes that enough “work” has been done

⁴⁴ “Considerations to the Board of MAPFRE Mutualidad de Seguros on 16 June 1990, the last time I participated”, annex 1 to HERNANDO DE LARRAMENDI, 2000: 115.

⁴⁵ I cannot find the date of disappearance of the Fundación MAPFRE Tavera.

well, despite what was done badly, and that both of them have resulted in one of the four or five cultures of universal scope that have existed in history today. The fact that, in other cultures, the Spanish is appreciated mainly and in an extremely realistic way as the geriatric paradise does not tarnish its importance; if anything, it generates an especially vulnerable economic order; but there is no better expert than the one who wonders where he wants to end his days.

I am not sure that Ignacio Hernando de Larramendi fully agreed with this way of valuing the Hispanic; but, without intending to, he expresses it in a way that goes much further—let us say “phenomenologically”—than merely sharing a rhetorical idealisation. He wrote in 1999: “Within my impatience there has been an irresistible tendency, to call it something, not to be satisfied with a comfortable routine; perhaps this was due to my permanent concern for America, to do something with regards to its improvement, to contribute in some way to make the American phenomenon better known and the generous contribution, even sometimes cruel and contradictory, of Spain throughout that continent” (2000): 104). And its islands, we would add; it was frequent that, when someone used the toponym Latin America as a way of referring to that human group on the other side of the Atlantic and the Pacific, he would point out: “And the Caribbean”. He did not expressly include the Philippines, in that toponym; but there is no doubt that, for him, this other archipelago was part of the Hispanic world (better said, of the Iberian world; because, by the way, he used the toponym “Iberoamérica” when referring to that group of countries).

In the phrase I have just transcribed—specifically in the reference to “Spain's generous contribution, even at times cruel and contradictory, to the whole of that continent”—the idealisation of the Hispanic is tacitly rejected not only in the allusion to cruelty, but also in considering that what awaited it on the other side of the ocean was not precisely something that could be faced as a “comfortable routine”; he was aware that it was a matter of entering a world that had enormous deficiencies from all points of view. Only, for the same reason, it had enormous possibilities.

A different thing is that he felt an “irresistible tendency”. In this trend, there was already something else, which can be deduced from the “results balance sheet” of his actions in America in 1999. It is mere conjecture, but from that later assessment, the following could be deduced.

First and foremost, the idea was to set up MAPFRE on the other side of the Atlantic. The way in which he did this and the technical and rigorous assessment of all this is set out in other chapters of this work. But, at least, it can be said here that to set up MAPFRE was in itself equivalent to transferring to America his idea of the “institutional enterprise”. And anyone who knows Hispanic America can well understand the scope of this fact, precisely because these are countries in which the weakness of the respective economic order begins with legal insecurity, and this concept—that of legal insecurity—leads directly, as a result, to institutional insecurity.

This is so important for the Hispanic world that it would not be necessary to say more; but the truth is that there was more and that, in 1988, he created the Fundación MAPFRE América, and that was no less than “with the desire to dedicate myself exclusively to its objectives”. He was looking forward to his retirement in 1991, which we know he brought forward to 1990. The fact that all this coincided with the fifth

centenary of the Discovery certainly gave him sufficient reason to take the initiative in setting up this Foundation, which initially focused on the preparation and publication of some sixty books that were due to be published in 1992.

We will not detail here what that Foundation or any other did; that would turn these pages into an inventory that would have no more effect than to impress (and perhaps bore) anyone who reads these pages. In addition, those who wrote and collected testimonies of his *Cultural Patronage* in 2002 have already done so. The space and time available to us leads us to opt for something that is perhaps more important as a reflection of the more in-depth background perhaps that the initiative had.

We shall put it succinctly: Ignacio Hernando de Larramendi wanted to contribute to making the Fifth Centenary an occasion for reflection on themselves in all the Ibero-American countries.

He himself took part in this reflection in the book *Utopía de la nueva América* (1992), which was part of the *Colecciones MAPFRE* 1492. He understood that the future of the American continent was that of the Iberian world, which occupied more than half of the territory. He understood that the United States of America would be “invaded” by Hispanics, who would open up, in North America, “a less selfish society, with more solidarity and [with] less sense of superiority”. But the fact is that Ibero-America would be invaded by the culture of “the Anglos”, he said, with obvious reference to the United States of America.

He saw in it a necessary “invasion” for the Ibero-Americans themselves; but he undoubtedly perceived what others were observing, and that is that those who went from Ibero-America to quality North American universities later returned with a, let us say, “self-importance” that could lead them to form a kind of aristocratic social class in which the “aristocracy of knowledge” was confused with that of money and property, and both contributed to all those people moving further away from the reality of their respective countries. He was afraid that they would disregard—let us be clear about this—ordinary people in everything that did not benefit them economically. Larramendi thought that this could lead Ibero-America to the situation in South Africa (1992): 30), that of *apartheid*, we understand.

It is possible that he knew that in the most cultured world of Ibero-America there was certainly this last word, *apartheid*. He knew Cuba well when the Afro-Cuban poet Nancy Morejón published *Baladas para un sueño* (1989); in them, she had managed to unite the racist America of the early 19th century—from which she herself descended—with the fin-de-siecle South Africa of *apartheid*; she saw them as similar realities; in both cases, the human interracial relationship ran along the paths that slavery had propitiated, she supposed.

Nancy Morejón did not get to know South Africa, however, until 1992, the same year as *Utopía para la Nueva América*, and three years later, at the request of the editor of *Casa de las Américas* magazine, she published her memoir of that trip without any concession to poetic language, which was her own: “Overcrowding, concentration camps, no right to education or health, implementation of external values as one's own, deep-rooted hatred towards the racial and cultural identity of the subjugated, are, in broad terms, the hallmarks of the *apartheid* system”; “I have been

given to contemplate a possible hell” (1995): 130, 129) (Gabbay, 2019: 262, 268). However, to foresee this for America, as Larramendi insinuated in 1992, stood as a warning against any optimism. The liberation of 1968 and the collapse of the Soviet regimes in 1989 had been left behind.

In such a context, the necessary goal he saw for the two Americas, the Iberian and the Anglo-Saxon, also had a greater scope: “Both areas of the continent need to reflect on how to exchange and join forces in order to arrive at politically coordinated structures, in which their technological knowledge, natural resources and different mentalities are integrated politically and socially, while preserving their own original traits”.

With an added bonus that those who spoke or wrote about such things did not usually fall into: “Something similar should happen in the New Europe that reaches the Arctic, and in Africa, penetrated by Islam”.

And even more: “The crisis of the 21st century will not only influence the specific areas of Christian and Muslim culture, but also the Far East, with Japan, India, China, and countries with ethnic and economic influence from the latter, which”—attention—“despite internal divisions, will increase its relative weight in humanity”. The Orientals, in his opinion, had known how to adopt Western techniques in such a way that they were fertilized by their “capacity for individual sacrifice, collective sense and willingness to work.”

It was not going to be sunshine and flowers; the experience of German and Japanese imperialism in the 20th century had been based on the conviction of its greater socio-political efficiency, and that could happen—he did not even use place names, which I am adding only on this point—with China (1992: 30-31).

In *Utopía de la Nueva América*, he was only trying to point out facts and possibilities that would allow the necessary individual and collective reflection. It is well understood that, for this, humility was needed in everyone; “a society that is not humble enough to recognise that it is not omnipotent has less possibility of long survival than those who know how to suffer, sacrifice themselves and recognise their limitations” (1992): 118).

MAPFRE AND THE FIFTH CENTENARY AS AN OCCASION FOR REFLECTION

The idea was that the Ibero-Americans should reflect on this (in addition to the fact that it would be convenient for the Anglo-Americans to do the same), and this had a first consequence in the design of what the *Colecciones MAPFRE 1492* were: in the first meeting held with the historians (two) who were going to coordinate them, he made clear a first criterion that was a *sine qua non* condition: the authors of these books would not be Spanish, but Ibero-Americans from the country in question in each case.

This did not lead him to hide the fact that, in his own reflection, the first thing to take into account—in his opinion—was that “America cannot be understood without Spain, neither in the past nor in the future. This *reflection* helps the real knowledge of what can be, and even will be, the New America in the next centuries” (1992: 121).

But this also concerned the Spanish and their attitudes (and also the Portuguese); in the 21st century, he said, less than five and perhaps less than four out of every hundred people who spoke languages that originated in the Iberian Peninsula would

live on this side of the Atlantic; “there will have been, with tensions, defects and virtues, the transfer of the centre of that *civilisation*, from one geographical space to another. Spain has created its part of America, but it will be surpassed and absorbed by it. It is not a retrospective imperialist concept, as the Italians may have about the Roman, but the reality of a future; the real Spain of the next centuries is overseas.”

The quote is long (as some others in this research will have to be) because it is not easy to pick up with our lexicon what Larramendi wanted to express with his:

“My views come not only from direct observation, but from instinct, and in these lines I realise what this means. That is why I am promoting the concept of the “Ibero-American Multicultural Community”, something new that goes beyond the influence of what has been done from Spain and Portugal and that integrates what other human groups have created, starting with the indigenous people, followed by the African Americans and also by European peoples, especially Italy. And by Brazil, Mexico, and Argentina which, among others, will have in the next century an extraordinary global influence, greater than that which we have today.

“These ideas and impatience led me to dedicate the rest of my life to Ibero-America. I do not know whether it was a passing fancy or a relic of something earlier that made me at that time prematurely terminate my business career and dedicate my time, my thoughts and my will to it. This does not justify my haste, but it helps me to explain it” (2000: 104-105).

In the “Epilogue” to *Utopía de la Nueva América* (1992: 288-292), he insisted on the need to carry out two specific proposals to which he had already referred in previous pages, read by friends and collaborators some of whom—he said—were surprised and opposed to them:

One, the foreign debt of the Ibero-American states (and of all the others, I understand, in the world) whose per capita income in 1991 would have been less than three thousand dollars, had to be totally and immediately cancelled.

Second, the rulers of the country called Spain—his country—had to establish “a compensatory fee for errors and abuses against indigenous peoples in the conquest and colonization, with admission of guilt and giving reason to those who attack us and oppose the celebration of the 5th Centenary, generally politicised activists”. That, in their time, the Incas and Aztecs had exploited other indigenous peoples was no reason for the Spaniards to do so as well, precisely because their conquest and colonization was justified by evangelizing intentions.

Thirdly, the scope of national sovereignty (which the historian coordinating the *Colecciones MAPFRE 1492* claimed was an alienating fallacy to be eradicated from its origins in central Europe in the 17th century) had to be substantially changed and reduced.⁴⁶

Fourth, it was almost necessary to make “a new map of Hispano America”, with groups of countries that would be more easily viable.

As for the future *Colecciones MAPFRE 1492*, the idea was to produce some sixty books, which are the result of dedicating two to each republic and one more to those that had a megalopolis. As his and some other problems would be added that were

⁴⁶ I tried to explain it, above all, in *Diez años de reflexión sobre el nacionalismo, el estado, la nación, la soberanía y lo hispánico* (2008), already cited, and in “Nación: Historia universal de una palabra”, in *Europa: Patria, nación, estado en Europa: Política y religión: 6th Symposium of ADEISE, Mendoza, Universidad Nacional de Cuyo (Faculty of Philosophy and Letters)*, 2012, pg. 11-84., en <https://ia601500.us.archive.org/23/items/nacionhistuniversaldeunapalabra/NacionHistUniversalDeUnaPalabra.pdf>.

common to all (here, genocide and liberation theology), the sum would be around sixty.

Of the two books on each country, one was to deal with their respective indigenous populations and the other with their political independence and the creation, consequently, of the state that it was in 1988-1992. We know that the historian who thus began to know what he would have to coordinate put forward the irrefutable scientific objection that the geographical limits of the current Ibero-American states did not respect the real limits of the corresponding indigenous ethnic groups. Well, it was one of the first times he heard from Ignacio Hernando de Larramendi a phrase he was going to hear many more times: “Yes, but I want you to...” In this case, talk about the indigenous people in each state.

It was one of his ways of exercising authority, even if he only used it when he would otherwise be obliged to give long explanations which, moreover, he preferred to keep to himself, at least until his interlocutor inspired confidence in him. He pronounced that phrase (“Yes, but I want you...”) in a tone that combined with some precision the kindness with the “unappealable nature” of what was thus definitively established and concluded.

There is no need to explain why, in fact, provoking a reflection on these two specific aspects could help them to ultimately reflect on their own identity. There were no previous hypotheses, of course (I mean in the project). The chosen author would have complete freedom, as was otherwise required.

In his travels through Ibero-America, Larramendi had also observed the particular tendency to form megalopolises and what this implied for the most different aspects of Ibero-American life and, above all, for its future. Not all of the 21 countries that make up Ibero-America have a megalopolis, certainly; but that third item was added to the two books required by all of them. In this case, it seems to me that the concern for identity no longer predominated, but rather the need to face the future on the basis of the historical explanation in which this phenomenon had occurred.

Whoever now looks at the list of almost two hundred and fifty books that those sixty became will find gaps. I mean, you will see that there are countries that do not have a book on independence or a book on their indigenous people. This, in part, could not be avoided in such a large human group (the authors of the *Colecciones MAPFRE 1492* numbered close to five hundred); there were even deaths in between. But reflections were also discovered that were already in the minds of historians in some countries and that inclined them not to touch on matters whose “truth” did not coincide with what was studied in the corresponding textbooks. Take, for example, the remarkable case of Mexico. The proximity of the Fifth Centenary sparked off predictable debates about how that event should be assessed, and it was not long before it was referred to as “genocide”. Well, in the face of this and other similar cases, Larramendi's criteria did not change: the *Colecciones MAPFRE 1492* had to address this concept—that of genocide—and a historian who, in this case, was Mexican, had to do so. Names were considered and the one who, in those days and on that, was pointed out as the first standard-bearer of the cause of the indigenous people and, at the same time, as a rigorous and prestigious man, was chosen: Miguel León Portilla, from the Mexican Academies of History and Language, El Colegio

Nacional and the National Academy of Sciences in the United States. He was, for many, the “guardian of the old word” (Hernández Torres, 2004). His studies on Nahuatl and other pre-Hispanic languages had earned him the highest recognition. In his younger years, he was a philosopher and, in particular, had begun to work on a doctoral thesis on the sources of morality and religion in Henri Bergson; but the reading of the ancient Nahua texts that the priest Angel Maria Garibay had begun to rescue made him consider the hypothesis that religion and morality had different sources in the most developed cultures and that the Nahua was a case to be examined with special care. The writings of the ancient sages and poets seemed to prove the existence not only of aesthetics of their own, but also of a true world-view and, after all, of a different philosophy from the one that had been imported by the Spanish sages who accompanied the conquerors. And from there would emerge what was really his doctoral thesis under the direction of Garibay, *La filosofía nahuatl estudiada en sus fuentes* (1956).

There was certainly a philosophy, a world-view and a pre-Hispanic history, with whose knowledge he enriched the successive editions of the *Visión de los vencidos: Relaciones indígenas de la Conquista*, compiled by Garibay (1959-1997).

Well, said and done: León Portilla was undoubtedly the necessary man; the coordinator of the *Colecciones* spoke to him and made it so clear to him that it was a matter of spreading his arguments on the scale of the genocide perpetrated at the beginning of the 16th century, that, with no less clarity (and sympathy): Miguel answered him: “Man, the Spaniards weren't so dumb that they wanted to exterminate those they wanted to use...”

For several years, he was a generous advisor and counsellor to the *Colecciones* MAPFRE 1492; but he did not write the book. He had, however, the happy idea of advising us to divert the search for an author to the men in exile, the “exiles,” whom his own wife was studying precisely in those days, and it was the anthropologist Claudi Esteva-Fabregat who joined the project as an advisor.

It is well understood that the Catalan anarchist who was saved by the way of getting involved in the Trade Union Organisation of the *Régimen*—as he once told me—did not write the sought book either, but a valuable *Introducción a las fuentes etnográficas y la América indígena* (1995).

In the end, it would be a very different indigenist from the two mentioned, Luciano Pereña, who would write the long-awaited volume *Genocidio en América* (1992), which, of course, came much closer to a history than some illustrious Spaniards, from Francisco de Vitoria onwards, denounced that other Spaniards who did not think or act like them were doing in America. It was not what was desired at first; the intention was to really listen to the arguments that could lead to the use of the term “genocide”, of course developed *sine ira et cum studio*. And this was not achieved.

That whole story of looking for a genocide expert thwarted some other effort and had other consequences. I would especially point out Larramendi's desire that the theology of liberation be studied as well, and not precisely to sink it, but to rescue whatever was valuable in it. Never one to miss a trick, the general coordinator of the *Colecciones* MAPFRE 1492 took advantage of a trip to Argentina to ask, at the Foundation, for a credit of one hundred thousand pesetas that would allow him to visit

the old bookshops he knew in Buenos Aires. He was sure that he would find there those direct and easily intelligible booklets that usually constitute one of the steps that were then built to save the long step from the most relevant philosophers and theologians to the common people that are not relevant. Said and done. The volume of literature he gathered was so large that he could not take it on the return trip without paying almost more than it had cost him.

So he asked the MAPFRE representative in the former viceregal court to send them to him via travellers who crossed the pond.

And they began to arrive at the same time that Miguel Leon Portilla was turning, from genocide (due to knowledge), into an advisor and the attempt was being watered down. The failure affected the project in such a way that, since there was a lot of work, the search for a theologian who would tell us that, the Spaniards were not going to be so stupid as to prepare a theology that would free those who were not killed either because what they wanted was for them to work for them was abandoned.

The books acquired in the old bookshops kept arriving in spite of everything, brought from Buenos Aires by MAPFRE managers who soon began to ask José Luis Catalinas—then general manager of the Fundación MAPFRE América—who had the idea of filling the former Mutua de Seguros Agrícolas with pamphlets that insisted on the revolution with such zeal. They said it—as the coordinator of the *Colecciones* did—as a kind of unknown that, as it subsisted and went downhill, like a snowball abandoned to its own fate, was acquiring an alarming character at times. It was José Luis Catalinas, after all, who insinuated the coordinator to get out of there all that mayhem of libels that only served to unsettle the people of order and government who arrived at the Paseo de Recoletos, then the headquarters of the Mutual Society.

THE MULTIPLICATION OF THE BOOKS

Perhaps it has something to do with that—I am not saying that the search for an author for the genocide has failed, but rather that the reflection that was intended to be revived had already begun to spread among Ibero-American scholars themselves—something that seems to have come out of the memoirs of Ignacio Hernando de Larrañendi, and that is that, after a dozen years dedicated to the knowledge of Ibero-American history and life as seen by them, his own idea of “the work of Spain” was less critical than when the project in question was proposed; “I have believed retrospectively and objectively that Spain's performance in America has been highly commendable; I have had the illusion that it was even more important than it seemed, without denying its deviations. Spain, in its profound defence of Catholicism, made a unique contribution to the history of humanity and created a civilisation integrated with its own, a truly mixed race one, a premonition of the Catholic Kings, which the whole of Spain joined, with ambition and selfishness, but with generosity, which continues in the hundred years of this 20th century, in which if there were moments when we were very far apart, a new line of integration has appeared with business investments underway that will have repercussions throughout the next century” (2000: 104-105).

This is more than enough to show that he did not understand that which is Spanish as a stone guest in the Spanish-speaking world. I do not think, however, that with the initiatives we are talking about, he tried to provoke a parallel reflection in Spain. First

and foremost, many reflections had already become reality, especially since the 17th century, and it was not a matter of going back to that; although, in fact, it was impossible to get the Ibero-Americans to question their own identity without the Spaniards saying something. However, what the Spaniards said also had its own ideas, which related above all to the future.

I am not suggesting that he was not interested in the past; we have already seen how everything he did in those years in relation to the history of the Hispanic world overseas led him to soften his criteria about “the work of Spain”. He rejected the idea that Spain and the Spanish had to recover the role of the past (he could not ignore that, in addition, the role of the Spanish in Ibero-America in the second half of the 19th century had been very different from that of the 16th-18th centuries); but he affirmed relatively often that Spain had to fertilize Ibero-America from time to time.

It is not easy to explain such a conviction, even less so if we try to defend it so that it is not misunderstood. I never heard him explain why he thought that way; but, at least for a start, I would venture the idea that, in his opinion, the relationship between Spain and Ibero-America had been forged from the beginning with a specific profile and that the results, after five hundred years, were a joint historical reality that simply worked like that and, moreover, “had to” work like that for things to work. It will be said that this could mean the negation of the 19th century, that of independence, and the resumption of “dependence”. To this, if he had been told, he might have said no, but neither should he forget what came out of independence. Precisely to make them think about it, he focused the above-mentioned collections on those two main subjects: the independence of each of the twenty-one communities that had been formed with the separation from Spain, on the one hand, and the reality of the indigenous people who survived in each of them, on the other.

This other thing—affirming the need for this fertilization to take place from time to time—probably arose from a deeper reality, which is what I am trying to define (and I am finding extremely difficult).

The first and perhaps main difficulty is precisely that it would be said that this is a fact, without further ado; before any affirmation of superiority or inferiority of any kind, his direct experience of the American reality had convinced him that it was so; here, this “was” (so) must be understood as the mere discovery that it is there and is so, without further ado. Then we can think why it is so and if it is good that it is so; but the pure fact is there it is and—if it is not a mistake—it is useless to deny it. (One is tempted to put it in relation to Heidegger's eagerness to capture precisely the pure “being there” that is the real, the famous *Dasein*, and it might be worth it if, as some experts claim, Heidegger failed; pure perception is already intentional, Brentano *dixit*. We would be betraying, however, the purpose of these pages if we were to make philosophy out of what, in Ignacio Hernando de Larramendi, were simply intuitions)

By the same rule of three, one has to admit that intuitions too are, after all, intentional, even if the person who has them is not aware of it, and that does seem relevant to me in this case.

In the first meeting of Ignacio Larramendi with the two historians who were going to coordinate what would be *Colecciones MAPFRE 1492*, Ignacio Larramendi not only put that fundamental condition, that the authors of the books should be natives of the

respective country, and not Spanish historians, Larramendi said something else; I think it was he who spoke of each author receiving a million pesetas gross and that he had thought that it could be the work of young historians, who would see in the project a good opportunity at the beginning of their career. The one who was to be coordinator asked him if the latter were a priority for him or if it were possible to give entry to “established” historians who would lend themselves to it. Ignacio responded that he feared that an established historian would ask for remuneration that would go beyond the cost he had calculated for the project. The future coordinator replied that he was not so sure—that they did not want to—and that he thought it was better to at least try.

We know that the historian we are talking about had been working in “editing” duties for a dozen years and it was a fact that the first work he coordinated had almost as many co—authors as the *Colecciones MAPFRE 1492*; it had been *Historia general de España y América* (twenty-something volumes with just over four hundred co-authors), and in that post, which he left around 1982, he received the comment that Gonzalo Anes, then chairman of the Spanish Academy of History, thought that the work of historians should be rewarded with a sum very close to one million pesetas in the case of a book of some three hundred pages.

The problem, therefore, was not that, the economic one. Although the now multinational called MAPFRE was not governed by counting with one’s fingers, the truth was and is that one million pesetas for three hundred pages puts the page, I believe, at 3.333 pesetas purely on a periodic basis. In the insurance sector, this was already a trifling amount; but remember that discovery that Larramendi would make later, when he had the idea of having lunch or dinner with all the historians, anthropologists and linguists who were joining his project; I am referring to when he told the coordinator about the ego (that company men have the compensation of money and, on the other hand, the compensation of “humanists” is ego).

One might think that this is precisely because they were paid poorly; but the coordinator had the feeling that this was not the main thing, but that the ego itself, once it was assumed as the centre to be fed, made the smallness of the remuneration melt into the background. I would mention one of the world’s leading Hispanists in the 1990s—an eminent Swede who was already in his hundredth year—who wrote in alarm to the coordinator of the *Colecciones* because he was going to be left out of the project. Exactly that, “to be left out”, I do not know if that meant a sacrifice or a humiliation for him. It could be both.

This was also due to a serious setback, because nobody cared to know—nor did they have to—that the initial project was for some sixty books and that it was on its way to more than two hundred and forty, as it happened. As a result, the recipients of the donations that were made throughout the Americas and Europe, found a fairly balanced and complete set. So much so that, in Sao Paulo, I believe, probably in one of the most important universities in Brazil, a loud and brilliant reception was organised for the representatives of the Fundación MAPFRE América—including Ignacio Hernando de Larramendi and the coordinator of the *Colecciones*, who had travelled there for this purpose—and a philosopher of the house had to be commissioned to gloss over what might be the theory behind that gift. Well, the philosopher excelled himself; he went so far as to say that those *Colecciones* could only have come from a

gifted mind, really brilliant, and he designated the coordinator as the bearer of such a brain.

This was not the case; the *Colecciones* had become what they were because of Ignacio Larramendi's uncontrollable desire to talk about everything that seemed relevant to him and the consequent warning by the coordinator that accepting this or that issue as the subject of a new book was a comparative offence for many other people. In the face of this, Larramendi did not take a step back, but several steps forward. I will give an example that actually happened: on the occasion of a trip to Argentina, he surely asked for an interview with some expert in any of the great issues we have already seen (indigenous people, independence and megalopolis) and one of the people chosen did the same as happened in Madrid in those lunches and dinners we talked about at the time: he must have said to him that he missed, in the project, a book about the language spoken by the Tehuelches, he must have argued with the firmness and seriousness of the eraser editor and, on his return, that was one of the things Ignacio talked about with the coordinator of the *Colecciones*. The latter did not hesitate to tell him that, if a book were published on Tehuelche, what would those who studied Nahuatl or Quechua, which were the two "imperial" languages in the America of 1492, think and say about it, and that the fuss could be enormous because, in New Spain alone, the Spanish found more than fifty different languages. Well, let us create a collection on "Indigenous Languages". And that is what happened.

The coordinator even allowed himself to tell him one day something of what would come about if they continued like this. He told him that his father—the coordinator's—was a man of great creativity and no sense of economic opportunity, and that this had turned him—the coordinator—into a son who was on the lookout for his father's next invention in order to prevent him from undertaking it. "And here, I see," he added, "that I have a similar role to play".

Ignacio Larramendi smiled as if he could not believe his ears, and repeated in his own way what he had just said to make sure he had not misheard; he asked him if he meant that his role—that of the coordinator—had become the person who had to dissuade him from adding new things. The coordinator responded with the utmost caution that yes that was the case. Larramendi laughed at the circumstance and, as in so many other matters, they did not speak of it again.

He would add more initiatives until the time came when he asked the coordinator if he thought something was missing to complete what was wanted.

On the occasion of Sao Paulo, for the same reason, the coordinator was perplexed by what the philosopher said; it was false and unjust, even though it was a work of good will. From now on, he would not go to those events. It happened again in Mexico City, in his absence. But things were gradually put on track with regard to this issue, which was eventually forgotten. It was already 1992 and, on the plane that took them out of Sao Paulo, Ignacio Larramendi proposed three topics on which he would like them to work, once the *Colecciones* were closed. It was the Tavera Historical Projects.

PART FOUR

TOWARDS A SPECIFIC ASSESSMENT OF THE BUSINESSMAN AND THE COMPANY FROM AN ANTHROPOLOGICAL PERSPECTIVE, WHICH WE WILL SAY IS UNIVERSAL

THE MANY PERSPECTIVES OF CORPORATE HISTORY

In the first part of this research, I have tried to explain the roots of the founding of the company in Ignacio Larramendi; in the second part, I have tried to draw a profile of the businessman we are dealing with; in the third part, I have tried to focus on the concept of “institutional company” in Larramendi and how MAPFRE became just that. In fact, the first part had no more than a little semblance, and the second, no more than a little root, and in the third, the same thing. In what I have started with these lines, I intend to consider all that in reverse: there it was a matter of reflecting the idiosyncrasy of a person in relation to his business action and now I am going to try to make the starting point of what, among the experts, are considered general factors—in the common sense—to the company's tasks. The reason for adding this last part is this: once we know the conception of the life of Ignacio Hernando de Larramendi, tracing his profile and summarising his business work, let us now start from economic theory and history to see if the study we have just summarised is of any use to us, in relation to this other plan.

It is not a question of reinterpreting his career path with the patterns indicated by the experts, but the opposite: starting from these patterns and projecting on them the business trajectory we are talking about; now I will add why: because, in this way, perhaps we will discover how much an infinite number of business processes have in common and, at the same time, in what way that which is common can offer the possibility that human action leads to a creative and effective work (and that, fleeing from apologetics as from the devil).

Well, the first thing we come across is that not a few experts in business history also run away from individual careers like the devil, and that is because they assume that the businessman's task is similar to that of an orchestra conductor; he does not create the company alone; what is decisive in his endeavour is what is called “human capital”. And you know that human capital is not the number of people who come together to obtain a result, but the set of their knowledge, information, ideas, skills, competences and also their health; in short, everything that is required to achieve the specific objective that is sought in each case (Hippe, 2014).

But, in addition and above all, the human actions that are developed within a company and in relation to the production or distribution of resources must necessarily be adapted to the results of the business initiatives (and, often, to those of the non-business ones) of other people.

However, to arrive at an interpretative “pattern” of empirical data that brings together all this and much more (to contrast it later with the career path of our man) is not an easy task. It is not, firstly, because the methodological literature is enormous and, secondly, because, also among experts in business history methods, the adage that there is more than one way to skin a cat is a good one.

I must take a risk, however, and I will only claim, to begin with, that I have tried to find proposals for a method that is, above all, inclusive of the most diverse visions and perspectives. And yet, I will have to commit the audacity to bring them together to the extent that they allow me. At the end of this effort, I would dare to summarize in an elementary outline the set of methodological points of view that I have tried to know first in their current state of the issue, and then to approximate them so that, together, they constitute a theoretical proposal but one that can be expressed graphically here, as I will try to do. I am aware that all this will make the proposal more vulnerable; but everyone knows that wounds, if they do not kill, teach.

I first outline the outline offered and I use, for this purpose, a set of concepts that we can consider “established” among scholars of these things. After each of them, I will note the author or authors whose contributions have been most useful to me. Whether they are the best or not, I shall leave that to other people's judgement. They are the ones that have served me best:

1. Business history

a. Classical business history

- i. Walter A. Friedman and Geoffrey Jones, “Business History: Time for Debate”, *Business History Review* 85, no. 1 (2011) 1–8.
- ii. Walter A. Friedman and Geoffrey Jones, *Business History* (Cheltenham and Camberley, UK, 2013).
- iii. Mark Casson, John S. Lee, “The origin and development of markets: A business history perspective”, *Business History Review* 85, no. 1 (2011) 9-37.
- iv. Randall Morck and Bernard Yeung, “Economics, history, and causation”, *Business History Review* 85, no. 1 (2011) 38-63.

b. Organizational business history:

- i. Alfred D. Chandler Jr., *The Visible Hand: The Managerial Revolution in American Business* (Cambridge, Mass., 1977).
- ii. Thomas K. McCraw, “The challenge of Alfred D. Chandler Jr: Retrospect and prospect”, *Reviews in American history*, 15, no. 1 (1987) 160-178.

- iii. Alfred D. Chandler Jr., *Scale and Scope: The Dynamics of Industrial Capitalism* (Cambridge, Mass., 1990).
 - iv. Mercedes Arroyo Huguet, "Alfred D. Chandler Jr y el debate en torno a su obra", *Biblio 3w: Revista de geografía y ciencias sociales*, 4 (1999): <http://www.ub.edu/geocrit/b3w-141.htm>.
 - v. Oliver E. Williamson, "Alfred D. Chandler Jr 15 September 1918—9 May 2007", *Proceedings of the American Philosophical Society*, 153, no. 2 (2009) 225-228.
 - vi. William Lazonick and David J. Teece, *Management innovation: Essays in the spirit of Alfred D. Chandler, Jr* (Oxford, 2012).
 - vii. Adoración Álvaro Moya, Pierre-Yves Donzé, "Business history and management studies": *Journal of evolutionary studies in business* 1, no. 1 (2016) 122-151.
- c. New institutional business history
- i. Douglass C. North, *Estructura y cambio en la historia económica* (Madrid, 1984).
 - ii. Douglass C. North, *Institutions, Institutional Change, and Economic Performance* (Cambridge, 1990).
 - iii. Ilkka Mäkinen, "New institutional economics and information history – Is there a point of contact", *Library Histor*, 24, no. 2 (2011) 117-127.
 - iv. Helge Peukert, "Bridging old and new institutional economics: Gustav Schmoller and Douglas C. North, seen with oldinstitutionalists' eyes": *European journal of law and economics* 11 (2001) 91-130.
 - v. Susana Valdivieso Canal, "North y el cambio histórico: Luces y sombras de la Nueva Historia Institucional": *Revista de economía institucional* 3, no. 4 (2001) 157-172.
- d. New entrepreneurial history
- i. Jesús María Valdaliso, "La historia empresarial en España: Orígenes, desarrollo y controversias respecto a una nueva disciplina": *América latina en la historia económica* 4, no. 7 (1997) 103-132.
 - ii. Youssef Cassis and Ioanna Pepelasis Minoglou, eds., *Entrepreneurship in Theory and History* (Basingstoke, 2005).
 - iii. Mark Casson, *Entrepreneurship: Theory, Networks, History* (Cheltenham, 2010).
 - iv. Mark Casson and Catherine Casson, *The Entrepreneur in History: From Medieval Merchant to Modern Business Leader* (Basingstoke and Hampshire, 2013).

- v. R. Daniel Wadhwani and Geoffrey Jones, "Schumpeter's Plea: Historical Reasoning in Entrepreneurship Theory and Research", in *Organizations in Time: History, Theory, and Methods*, ed. Marcelo Bucheli and R. Daniel Wadhwani (Oxford, 2013) 192–216.
- vi. R. Daniel Wadhwani and Christina Lubinski, "Reinventing entrepreneurial history", *Business History Review*, 91 (2017) 767–799.

2. Human action in the business process

a. Business strategy

- i. Pankaj Ghemawat, "Competition and business strategy in historical perspective", *Business Historical Review* 76, no. 1 (2002) 37–74.
- ii. Richard R. John, "Business historians and the challenge of innovation", *Business History Review* 85, no. 1 (2011) 185–201.
- iii. Anandhi Bharadwaj *et al.*, "Digital business strategy: Toward a next generation of insights": *Mis Quarterly* 37, no. 2 (2013) 471–482.

b. Human action / Instrumental reason

- i. Félix-Fernando Muñoz Pérez y María Isabel Encinar del Pozo (2007): "Teoría económica y acción humana: Su integración en la obra de Rafael Rubio de Urquía": *Revista empresa y humanismo* 10, no. 2: 117–160.
- ii. Urbano Ferrer Santos *et al.* (2017): *Ideas 7 sobre Acción, deber, donación de Urbano Ferrer*, Madrid, Ideas y Libros
- iii. Juan José Sanguinetti, "El mundo como objeto de acción y teoría", *Studia Poliana*, 18 (2016): 27–50.
- iv. Matthew Babb, "The essential indexability of intentional action", *The Philosophical Quarterly*, 66, no. 264 (2016): 439–457.
- v. Cecilia Coronado Angulo, "Sobre la instrumentalización de la familia en Max Horkheimer", *Revista Empresa y Humanismo*, 21, no. 2 (2018), 39–58.

c. Business Leadership

- i. Delbeck, André L., "Christian spirituality and contemporary business leadership": *Journal of organizational change management* 12, no. 4 (1999) 345–349.
- ii. Joan V. Gallos (ed.), *Business leadership: A Jossey-Bass reader* (2nd ed., San Francisco, CA, 2008).
- iii. Marcela de la Sota Riva Echánove y Eduardo Zainos García Cano, "Liderazgo basado en el personalismo: Una propuesta de

investigación”, *Revista Empresa y Humanismo* 21, no. 2 (2018), 91-122.

d. The business process as development over time

- i. Christopher John Medlin, “Interaction in business relationships: A time perspective”: *Industrial marketing management* 33, no. 3 (2004) 185-193.
- ii. João Ferreira and Nicolas Gravel, *Choice with time* (<https://halshs.archives-ouvertes.fr/halshs-01577260>, 2017).

e. The institutional company

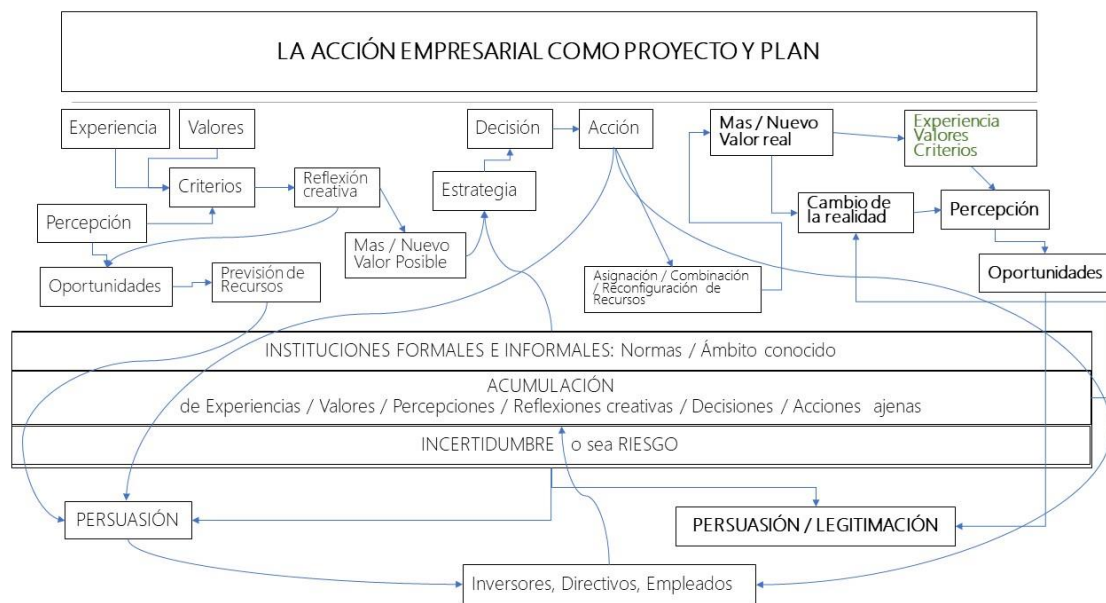
- i. Bazzoli, Laure, & Dutraive, Véronique (2002): “L’entreprise comme organisation et comme institution”: *Economie et institutions*, no. 1: 5-46.
- ii. Santiago García Echevarría (2020): *Economía y sociedad, en búsqueda de un ordenamiento económico social eficiente: El empresario y la sociedad*, Madrid, Díaz de Santos.

BUSINESS ACTION AS A PROJECT AND PLAN

From reading these and other experts in business history, I was struck by their insistence on defending their plot as something original; they do not accept the possibility that every creative process is a “business process”. But the truth is that this one is usually assigned three fundamental duties, which one finds, in fact, in any creation that is the result of an intentional process: (i) to imagine and value opportunities, (ii) to allocate and reconfigure resources, and (iii) to legitimize the novelty achieved... which need not be the one intended at the outset. The question is, however, whether these three requirements are not met, at the moment of truth, in any human “procedural” action, whatever its objective. This is the first hypothesis I dare propose:

- ✓ Every business action is a human action in the sense that it has all the characteristics of human actions. What is debatable is whether all human action can be described and understood as corporate action. Otherwise, one would have to know where the uniqueness of the latter lies.
- ✓ I am referring to what is usually called “human action”, without further ado. If I were asked to add the adjective “economic” instead of “business”, I would be forced to explain why I believe that all human action is economic, at least as a producer, distributor, or consumer of resources.

I would even encourage myself to graphically link the different elements and functions common to these various forms of analysing business activity as a human action, let us say “process”. I would do it like this:



In *Así se hizo MAPFRE* (2000), Ignacio Hernando de Larramendi recalls that he joined what was then known as the Mutua de Seguros Agrícolas somewhat later, but in the same year (1955) when Dionisio Martín Sanz, whom we know mainly as the decisive promoter of the creation of the Servicio Nacional del Trigo (National Wheat Service), a work of the Franco *Régimen* which attempted to put an end to the insufficiency of Spanish wheat production; an endemic problem, dragged along for centuries and extremely serious in times like those when bread was the main component of the common diet. That he was also a member of the Seguros Agrícolas—a private company—was due to his status as an agricultural owner.

We know that Larramendi implies, without going into detail, that in order to become chairman of the Mutual Society, he used methods that cannot be considered impeccable. Here we would like to draw attention to the fact that all this we are saying, insofar as it was consciously decided, corresponds to what philosophers call “action”, which, at least in the philosophical lexicon of the Hispanics of the time we are talking about, meant “free human act”, given that “act”, on the contrary, is doing without further ado, freely, consciously or unconsciously, and, in such a case, without freedom, let us say “actual,” even if it sounds redundant. Doing what one consciously decides to do, doing it out of habit—routinely—and doing it without realising it are not, as we can see, acts of the same type; clearly, only the first is a clear human action; the second too, but it dispenses—in the definition—with a substantial element that is reflection, and the substance of reflection lies precisely in the full exercise of freedom. Acting due to routine, even deciding, is a human action, no doubt, but it adds nothing new (and good) to reality, at least, by itself (I mean the action).

If we were now to project the “template” of this “philosophy of action” onto the important conversation that Dionisio Martín Sanz and Ignacio Hernando de Larramendi had in 1972, we would discover that they did indeed talk about actions that had become effective and which then had to be carried out. The fact that there was no

attempt to reach an agreement if one of the two did not give in is a consequence—among other things—of the disparity in the aims pursued by each: Dionisio Martín Sanz, a trade unionist and court lawyer at the Cortes for many years, tried to lead MAPFRE into the political arena (Larramendi tells us again and does not explain what he was; but we know that, a few years later, Dionisio was defending a “transition” to “trade union democracy” [1976]), while Larramendi had been trying for twenty years to make MAPFRE not only legally private, but also politically independent, or rather, independent in all respects. Not only was Larramendi not a man of the Single Trade Union, but he saw it with a dim view, as something fictitious, useless and therefore very expensive. He had written it down, with the caution that censorship required, at least in 1952, in the book *Tres claves de la vida inglesa*. Ignacio Hernando de Larramendi was a Carlist. And he was so much so that his Carlism—his traditionalism—led him to reject precisely what he would have considered mixing apples and oranges: to turn the mutual society into an instrument of the party. I use the apples and oranges metaphor as an idea, which I used when explaining that traditionalism joined the Falange in April 1937.

In order to understand why they did not reach an agreement in 1972 and, in the vote on the Directive, the option proposed by Larramendi was accepted, we have had to “contextualise” that 1972 “action”, although it was only the minimum necessary. If we return to it, we will see that it supposes two fundamental things: one, that the business action is not a human action different from any other action—I mean, of course, as such, that it is as the human action it is—and the second thing is that the action of constituting, maintaining and directing a company implies—like any other action—to decide to achieve something (this is: an end) which requires resources and, therefore, actions to achieve them and actions of allocation of those resources to achieve that end. We know that, in the two final decades of the 20th century, MAPFRE Mutualidad made significant donations to maintain the activities of several Foundations in whose creation Ignacio Hernando de Larramendi played a fundamental role; this involved cultural patronage in some cases and the use of the experience acquired in the various insurance branches since 1955 to train specialists in each of them. In Larramendi's mind, the main one should be the Fundación MAPFRE, which he designed as the future *holding* company for all the other MAPFRE Foundations or those related to the mutual society. A small multitude of own and—attention—other people's actions prevented that idea from becoming a reality, and all this constituted a process that, in about fifteen years, implied a frequent reallocation of resources (those required by the group of Foundations).

But let us be clear that—functionally—it was also a reallocation of resources that Larramendi had to direct at the starting point (1955), although it was much more modest. There is no doubt that the 1933 promoters had a purpose (an aim) in creating the Mutua de Seguros Agrícolas, to provide themselves with an instrument to deal with industrial accidents suffered by agricultural workers hired by the members of the mutual society; they raised resources precisely by choosing the mutual society as a legal form and allocated them for the purpose indicated. Then they did more, many more things, including insuring the crops and productive infrastructure of each member of the mutual society against the danger of fire. In other words, they broadened the purpose and reallocated resources, as happens not only in any other

company, but in any other action: the results of decisions and unforeseen events, mixed up despite all the actions that one wants to carry out, usually do not strictly conform to what one intends and, in the face of the new situation, it is necessary to introduce the necessary changes. We have seen it in different situations when drawing the profile of Ignacio Hernando de Larramendi.

The directors of the Mutual Society, created in 1933, had also been confronted with a war to begin with, that of 1936-1939, and this affected them fully no matter what actions they decided to take. They had developed a network of representatives over a good part of Spain and many of them were killed. Perhaps that is why Larramendi could say that in June 1939 the staff of the Mutua de Seguros Agrícolas was reduced by forty per cent (2000): 231). There is no better example than this tragedy to illustrate how what scholars of corporate history teach can happen: that the results of any company depend on a combination of specifically corporate decisions and unforeseen events. We now know, moreover, that unforeseen events can come from the effectiveness of competition, when there is any, but not only from it, but from anything that may happen, and that every businessman has to grab the bull by the horns and take decisions that are followed by actions.

This implies something else that is no longer easy to define, and that is the capacity to generate allocative actions (of resources) that are alternatives to those carried out until then (Muñoz and Encinar, 2007). In other words, in companies what is common to all human action and not only to business happens: every person makes “plans” (again the purpose), seeks resources and allocates them; but he cannot be sure that the results of human actions other than his own—which may or may not be business actions (for example, a war)—do not come about and affect his decisions and actions in such a way as to cause him to fail.

And this reinforces, in business action, the role played by risk, the awareness of which induces the adoption of what some experts call “bundles of alternative plans” (Rubio de Urquía, 2003).

That is why we Hispanics say that a man of foresight is worth two. But we also say that the one who hits first hits harder. (Please consider this another way and think that, by the same rule of three, the one who does good first is more effective in avoiding evil) Our man, Ignacio Hernando de Larramendi, said it just like that, in his own way of course: “The entrepreneur justifies himself by *risk*, by adopting financial decisions, which affect the work of the people who support him, to promote the creation of wealth (1983). It was understood that this justifying fact was not limited to the private sphere; also the public company “operates with an autonomous assets, accepting risks and submitting its results annually to the public” (1982).

Not only that; in addition, with the risk he was opening up to one more element that does not appear expressly in the table that we have drawn up from the literature on “Business action as a project and plan” and yet it must be counted on: someone who takes risks and, by taking risks, also puts the jobs of those who support him at some risk, must inspire confidence: “Those of us who feel that we are businessmen, because we dare to take risks, have an obligation to instil confidence and to not allow ourselves to be influenced by those who sometimes mix their negative attitudes with their own insecurity and their concern to hide untenable actions. (1982)

And this last one implies even more things: for the time being, ethics. And there is no need to remember that every human action (and, therefore, every business action) is moral. Here, yes, we are dealing with the concept of “Values”, which is found present in that picture. The inspiration of confidence could now be guessed—it is true—at the relevance that, in that graphic presentation, is given to “Persuasion”. And it does not seem risky to deduce that, at heart, this—the need to persuade everyone involved in the company, from investors to employees and consumers—Larramendi referred to “transparency” precisely as an attitude that increases risk by involving the “commitment” that comes from turning the cards face up. “I have linked my business life to *transparency*, to the risk involved in committing oneself and also in writing”; I considered it as an attitude “indispensable to be recognised as a *boss* in the human community that constitutes a company” (1982).

CLOSER TO THE END: BUSINESS ACTION IN THE ECONOMIC ORDER

What we have just said is so important that it should be carried out and even proposed in a different way, where it goes further. Not only would it be necessary to make the most of “Persuasion”, but it would also be necessary to know more about something that we said before and that is in the beginning, so that we find it undoing what we have been doing: the value arises because there has been a creative reflection that has taken into account the businessman's own experience, his values and, also, the “Opportunities” that the idea of creating this value raises. In other words, value seems to be found at the beginning and at the end, first as a source of criteria and, in the end, as what one is trying to achieve. Combining experience and values means that those who reflect on it have a story of their own that is not alien to the people who, in their opinion, could appreciate the value produced or distributed. And articulating all that is already beginning to look like a task that may be little less than “cosmic”.

Ignacio Hernando de Larramendi had been brought up in a middle-class family that many people would consider “conservative”, but which, in his specific case, it is only fair to call “traditionalist”, since he shared the ideas not only of traditionalism, but specifically of the Carlists of his father, Luis Hernando de Larramendi.

We know, however, that the new chairman of the Mutual Society, Dionisio Martín Sanz, was an active member of “the Movement” (the National Movement, that is, the *Régimen*), which was opposed by the two Hernando de Larramendi we have just mentioned, father and son. Dionisio came from the *Juntas de Ofensiva Nacional-Sindicalista* (Councils of National-Syndicalist Offensive) led by his fellow countryman Onésimo Redondo, and we can add that in 1955 the most influential managers in the mutual society were reproducing a range of trends—now conservative—that had come together in 1933 as the *Confederación Española de Derechas Autónomas* (Spanish Confederation of Autonomous Rights), or CEDA.

That meant being Catholic and behaving like one, also in the capacity of a businessman, and that, in turn, in addition to family ties, that is, kinship, made possible not only understanding, but even the feeling that they were on the same side, as if it were another war.

But if this had not been the case and their values had been different, the process of business action would not require any change in the picture I am referring to. Note

that it is an incipiently cyclical picture and that, therefore, the concepts located on the right of the image are highlighted in bold; this is intended to draw attention to a very simple fact, which is that they are repeated; they are some of the same concepts that can be observed in the left half.

What does that mean? That business actions are chained and require repeating actions that aim to achieve the same purpose as the first time; the success or failure of the company (and those of many human actions carried out at the same time in whole or in part) have contributed to the “Change of reality”. The businessman has accumulated a little more “Experience” and may not have transformed his “Values” system. Or yes. The truth is that the “Perception” of all this is contrasted, again, with “Opportunities,” which can never be the same as the first time. Zubiri recalled that, in order to maintain the philosophy of life that the parents had, the children often had to overcome serious difficulties and, therefore, make decisions and act in ways that the parents—perhaps—could not even imagine, much less face. Things were different.

Of course, Zubiri's argument is not typical of a business action and yet it “serves” us—it is “valuable” to us at this moment—and is pure human action.

Finally, now “Persuasion” is needed again; but it cannot be the same. And yet the businessman cannot afford to ignore the results. In the end, he has to persuade so that he “legitimizes” himself. Now, that persuasive “Legitimation” may or may not be true.

There is no need to insinuate that it means lying; there are many of us who show an unusual capacity to turn our past into the best offer for the future, and that, almost without intending it. Perhaps that is why (and, no doubt, other things), Larramendi insisted so much on truthfulness as a characteristic of the true businessman, It takes courage to sum up this aspect of their work as he summed it up in 1996, in his last, shall we say, institutional speech at MAPFRE. The date is not wasted:

“I have not lied, except in cosmetic aspects, nor have I harmed any person with false information, either internally or externally; I have not broken my word, and for that reason I have had problems and difficulties, even with personal financial outlays; I have not made a decision to select, promote or dismiss personnel or other types of influence in my direct interest, or in that of my family, or by ideological criteria, nor that would cause, to my knowledge, harm to employees, partners or customers; I have not stopped accepting risks, personal, over and above managerial, if this attitude was in the company's interest; I have not consciously disregarded fairness in any of my decisions. I have not made any public proposal that was actually favourable to what I was managing, but always what I thought was good for everyone, nor have I induced actions that were convenient for the company but dangerous for those who had to carry them out.

“This is how I see the ethics of the manager in the company, which has allowed mine and me to survive.”

And attention to the final point: “Some will say that I was successful despite these limitations; I think, on the contrary, that only in this way can there be lasting business, institutional or political success, and that, therefore, such action is socially effective”(1996).

The table summarising “Business action as a project and plan” is definitely not enough for us. We must tell the experts so that they can offer us something more than what was given to us by the authors cited in the outline I inserted before that table.

But I would not want to leave this without asking myself whether it is not precisely the creation and distribution of value that differentiates corporate action from human action as a whole. And I do not think so. If necessary, the last speech I copied, that of

1996, would be enough to conclude the opposite: Larramendi's claim in that speech explicitly refers to continuous business action which is, strictly speaking and without exception, human action.

And it cannot be said that it is a legitimizing ethical summary of a business action (in relation to that symbiosis between "Persuasion" and "Legitimization" that we talked about before). In 1996, the businessman who had converted the modest Mutua de Seguros Agrícolas into MAPFRE was speaking. But, without a doubt, Larramendi did not exclude what he had to do in the first phase of his management. In 1955, before taking over the management of the mutual society, he put his "Persuasion" skills and his prudence into play in order to find out about the situation in which the company found itself, and what he found was simply a precarious situation; the Mutual de Seguros Agrícolas was overstaffed, poorly organised in terms of efficiency in creating value (the value, for the time being, of giving real security to the members of the mutual society) and, between debts and non-payments, was approaching a situation of "technical bankruptcy".

This was so to the extent that he thought he had done wrong in accepting the running of the Mutual Society. In this case, however, "Creative Reflection" made him see the possibility of healing it; it was still a way of creating more value. But the first value consisted precisely in a reorganisation that led him to reallocate resources and reconfigure them with such painful actions as the dismissal of a good number of employees who were not needed or who were even a burden. There were doctors employed by the Mutual Society whose work was solved in one hour of work per week, and it was not because this work required this type of condition; it was simply that elements had been introduced that showed an organisation, I would dare say, that was flawed; perhaps it had served to solve specific problems for specific people, although neither the problems nor the people had any real relation to agricultural insurance, and twenty years later and one war in between, this could not continue.

It was necessary to put an end to these faults, and that demanded persuasion, certainly, but also energy.

Now, let us expand the picture (with absolute freedom, without trying to save what I have shown in the first one. In this one, I try to outline what I find behind the so-called “social market economy”. You know that this was what guided, to a large extent, the realisation of “The German Miracle” after the defeat in 1945. For years I have been reading and listening to Santiago García Echevarría, with whom Ignacio Hernando de Larramendi spoke more than once, and, some time ago, I was encouraged to conceptualize his thought and that of the economists, almost all German, whose interventions are usually published in the Institute of Business Management and Organisation that he directs at the University of Alcalá de Henares.

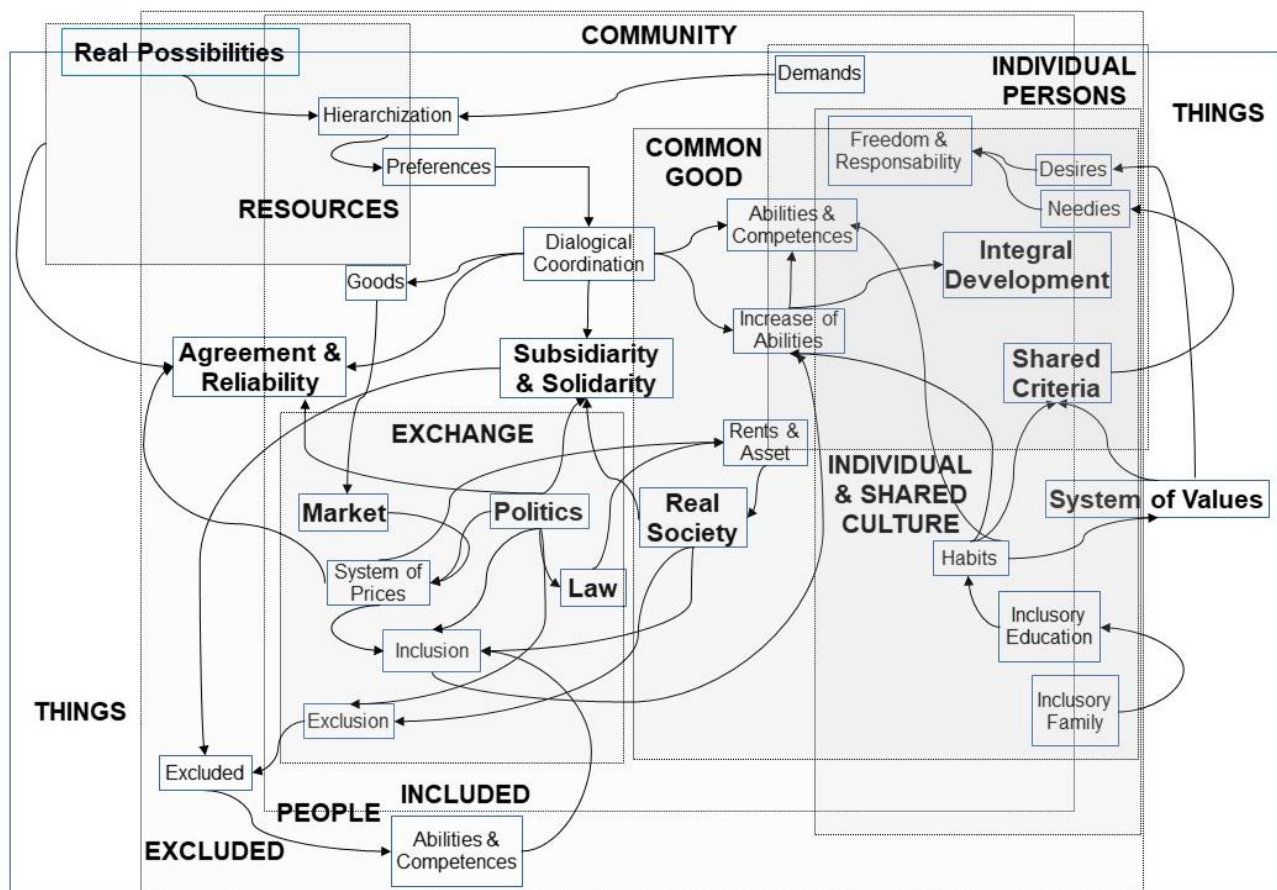
My commitment was not so much to conceptualize Eucken's economic theory, as to count on everything that they counted on and told; that is: all the elements that they take into consideration, without necessarily entering into the solutions. The result, exhibited in a seminar of the Instituto Empresa y Humanismo, was the table that I insert in this page.

I am not going to comment on it in detail; it would be too extensive; but I understand that everything it includes was part of the intellectual world—the business world-view—of Ignacio Hernando de Larramendi.

Let us see what it provides.

THE ECONOMIC ORDER AS A POLITICAL ORDER (BUT OF *POLYTHEIA*) AND THE ROLE OF BUSINESSMEN IN IT

What is represented by this second table is not a company, but the economic



order—one of the possible orders—of a whole “Community”. In it, the central role of the businessmen is that which, in the table, is called “Dialogical Coordination”. It evokes again the “Persuasion” that was included in the previous table; but it is not the same; if anything, both concepts have the need to speak in common (when it corresponds to one) and to listen (when it is the other who tries to explain oneself).

“Dialogical coordination” refers, of course, to the factors that are considered duly “economic”, not only in the social market economy but also in other economic theories. But it should be noted that, in the middle zone of the table, three concepts are integrated which, with one (and only relative) exception, are receivers of influence (if we define in this way the arrows that are directed at them) but whose influence on the rest is not indicated (arrows directed at other concepts do not come out of them). They are: “Agreement & Reliability”, “Subsidiarity & Solidarity” and “Integral Development”.

These are, of course, economic order objectives. But they overflow from it; rather they are objectives of the “Community” we are talking about. For the sake of brevity, I cannot stop to give reasons about it either; I will only say that it has to do with something that is not explicit in this second table, but is implicit in the concept of “Dialogical Coordination”: cohabitation. Every human community is a community of cohabitation, although, in this case as well, it is not only a community of cohabitation. This is what Larramendi contemplated, I think, when he spoke of “social harmony” and made a statement like the one below, taken from the conference on *Concordia social y riesgo empresarial (Social Harmony and Business Risk)* he gave in Santiago de Compostela on 21 June 1983:

“In a very special way I would like to refer to harmony and its necessity in social, economic and business life. Apparently the world we live in is based on friction, which is no longer considered inevitable but desirable, on class struggle, commercial competitiveness, electoral life, and ideological conflicts. In the face of this belief, partly the result of the error of identifying harmony with compromise in the face of pressure on the weak or the cowardice of businessmen, the reality is that only peoples and companies with a high degree of harmony will prosper” (1983).

The prediction with which he concluded is almost shocking. If anything, we can speed up this reasoning we are engaged in and ask ourselves if, in the end, what he is talking about is a prosperity common to peoples and companies and, if it is a question of it being so, how the relationship between both realities (each specific company and each community) can be channelled in a way that I dare to call “constitutive” and Larramendi called “institutional”.

I shall explain it by sections. First, he understands by “institutional”, what is meant by “institutions” to speak of the network of entities and practices that ensure the continuity and, therefore, the stability of a political community in such a way that they do not hinder, but rather channel the human actions that seek the improvement of the community itself.

Secondly, it is crucial that this happens within each company. I want to say that the company should also be a “community of cohabitation”. Larramendi expressed it this way in 1967:

“Within the social framework, the company has a dual purpose, an instrument of economic service to the community and a group of people to which its components are linked, even more than any other institution.

"Perhaps for this reason, the relationship of the worker or employee with their company is an important field of sociological research; what it represents for their human trajectory, how it influences and conditions him, how it contributes to their education, how it protects them in their difficulties and how, in short, it contracts responsibilities to them that cannot be included in any contract that is merely bilateral such as that of salary or employment" (1967).

In the framework of the economic order, this is widely represented, especially in two places: on the right, in what we will call a subset of elements framed under the title of "Individual and shared culture" and in that of "Individual persons". The other subset is the one in the bottom left corner, which deals with the problem of exclusion and inclusion of people in the community.

In the first subset, by combining the "*Individual & shared culture*" with the "*Individual persons*", the starting point of the intellectual education of every man and woman is expressed, which is completely essential to "include" it in the community: from an "Inclusory Family" and an "Inclusory Education". We know that Ignacio Hernando de Larramendi kept his father's figure as a fundamental reference until the end and we can say that his business activity was guided by what he believed should guide everyone's life: developing and making others develop, on the one hand, "Freedom & Responsibility" and, on the other, "Abilities & Competences". We have just seen, in the last paragraph we quoted from him, how this was latent in his idea of the company as the main "community" of belonging of the employees as such.

In the second subset, on the bottom left, it is about the need for the economic order (and, if possible, each company on its own) to maintain that "*inclusory*" function that we have seen in the starting point of the life of each man and woman, in the "Inclusory Family" and in "Inclusory Education". Including this other—the final thing—which involves education the *Increase of abilities* of each person. "This concern for the selection, education and recycling of the people who work at MAPFRE", explained Ignacio Hernando de Larramendi in 1984, "has left a mark on the way in which all the people who have gone through this group and who are now at the head of other companies deal with insurance activity. To a certain extent, if it can be said that MAPFRE has been a *school for managers*, not only in insurance, but in other sectors of the economy and politics" (1984).

All of it, *ad intra*. *Ad extra*, the most stable—institutional—relationship has to be, without a doubt, the effectiveness of the service provided by that company that takes it to the extreme of becoming part of the institutional structure that contributes to give stability to the community of which it is a part. In his case and as far as the quality of service is concerned, in 1982, Larramendi believed he had achieved this:

"MAPFRE is a dynamic institution with a permanent tension for improvement, not for growth, but as a concern for perfection, for me of basic Christian roots. Those who know our internal mechanics will see that we are never satisfied with our products, nor with the speed of our claims settlement, nor with the quality of our service, and we always want much more than is possible, or at least possible for us" (1982).

How did it become part of the institutional fabric? "I offer below—he said in a conference in Sao Paulo in November of the following year—I offer below some characteristics for the qualification of "leading company", that is "the one that shares with others a function of influence within a competitive market, but with effective concern for the general interest of the community":

- ✓ *High penetration.* Size is an important and stabilising factor, even if in some activities the purely internal or domestic dimension is not sufficient, but a high relative national dimension is always indispensable to allow its decisions to exert general influence and be taken into account in the market.
- ✓ *Vocation for growth and, if necessary, foreign expansion* to participate in the objective of international presence
- ✓ *Competitive costs with regards to its colleagues*, allowing them to offer reduced prices that contribute to lowering market averages and force other entities to follow the same line.
- ✓ *Operational agility* to permanently adapt to a changing society, and with very rapid changes, which require preparation to support and face any unexpected changes in the market or in the country, even those that may affect its survival.
- ✓ *Anti-bureaucratic tension* to avoid the internal creation of particular influences and interests.
- ✓ *Internal equity* between the various personal elements that make it up so that there is a balanced relationship between remuneration and working conditions based on objective, justified reasons, without favouritism or pressure from interests unrelated to its corporate purpose.
- ✓ *Comprehensive transparency* with frequent, reliable, and understandable information of its static and dynamic situation, which allows all those legitimately interested in its equity evolution and results to appreciate the deviations, completing this with an independent, objective audit system.
- ✓ *An efficient IT structure*, which provides complete, automatic and immediate information on results; assists in relations with all its internal territorial and sales services, including customers; makes it possible to have constant knowledge of the financial situation; allows the creation of new products or innovative commercial formulas and, above all, supports sophisticated budgeting systems, in order to foresee results and immediately detect deviations so that those responsible, even in small units, acquire a managerial sense of action.
- ✓ *Business technology*, as the *art of bringing together in harmony the wills of all those involved in the company*".

He did not expressly warn of this, but we have seen that he did not call a company "institutional", but "leader". In any case, in order for it to form part of the institutional framework that gave stability to the countries in which it worked (because it was already, in the case of MAPFRE, a multi-national company) "there are other aspects of a different nature, in a certain sociological sense, that are indispensable for the internal success and for the adequate insertion of the company in its socio—political community:

- ✓ *Ethical concern*, in the certainty that the undisputed application of moral principles is an essential piece for the recognition of its own employees, suppliers, customers, the public in general, and that of other public or private institutions with which a company relates. Within a market regime and free rule

of law, actions that border on the individual ethics of managers, or that of business, or affect relations of coexistence, cannot be tolerated in leading companies.

- ✓ *Sense of social responsibility*, understanding that large companies are not only obliged to efficiently provide their own service, but are also subject to institutional obligations derived from their influence on social life and their participation in national heritage. This social responsibility obliges it to be concerned about the impact of its actions on the general interests of the country, about the personal and professional improvement of those who provide its services, and about the interests, rights and needs of the public and especially of its customers with whom it has a more direct relationship.
- ✓ *Own culture*, that is, a way of being, existence and external presence that impregnates all its activity, which makes its workers feel proud of their company and that the public recognises it easily and not only by massive advertising campaigns with an idealised image that does not match reality. One's own culture implies a special distinction with respect to competitors and is an instrument for customer loyalty and, above all, a sign of collective respect. Although there are many other factors, this one provides the recognition of what I call "leading company", as it was given to former knights to recognise them as such; in both cases, it is a symbol of the general recognition of qualities obtained throughout the professional work"(1983b).

PARTICIPATION IN POLITICS

It goes without saying that he was speaking at the height of the international economic crisis in 1983, since his opinion on it went far beyond the price of oil:

"We are faced with a crisis of substance and not just transitory or superficial. Our society is trying to escape from reality in order not to be forced to act accordingly, and it seems that we are in the low wave of a normal cycle of economic or sociological development. In Spain we all know examples of business situations "managed" as transitory in order not to bravely face them and that have led to irremediable and clamorous "cracks". I hope that this is not the case" (1983c).

It was October 1983 and, in February immediately before, the Spanish Government had expropriated the *holding* company set up by businessman José María Ruiz Mateos under the name of Rumasa. It is possible that Larramendi thought about it; although, if that was the case, his opinion was perhaps light; Rumasa had been created and had grown, to a large extent, by acquiring, much below its value, companies in extreme financial situation (Gredilla, 2019).

"This crisis", added Larramendi on the same occasion, "is characterised by the fact that it affects the world's sociological and economic structure and even its legal system, and because it may also be a crisis of the concept and in any case of the unlimited freedom that many have believed to be possible and that some consider to be an individual objective, even though to achieve it, it is necessary to "destroy the temple" with all the citizens inside" (1983c).

It was the opposite of the philosophy that drove an “institutional company”, a philosophy, incidentally, with which he had apparently already arrived at the Mutual de Seguros Agrícolas. Perhaps he saw it more clearly when he realised what the legal form of the mutual society entailed; it could be the provision of a public service and, moreover, ensure this provision by institutionalising it in the legal-political sense of the term. No matter how “Carlist” Ignacio Hernando de Larramendi was, or rather how he understood traditionalism (and he proved that it was fulfilled in England in the 1940s), this was the mission that at least one great company in each of the economic sectors had to carry out, he would later say.

That it involved “doing politics”, no doubt. But again it must be said that in the most noble (and original) sense of the word *polytheism*, that referring to the dignified way of acting as a citizen, without the need to exercise power or by exercising it. Aristotle used that word, sometimes, in the sense of “*political regime*”, system of government.

Larramendi was certain that “politicians” with common sense would end up taking advice from businessmen with common and also political sense. “The businessman”, he said in the closing speech of MAPFRE Safety Week in 1982, “is irreplaceable in the solution of economic problems and, if we are respected without helping or protecting us, since no true businessman needs this, our actions will be socially recognised and we will be considered as first-class interlocutors in the struggle for national improvement. This, I must say, refers not only to the typically private company, with the risk of its promoters and shareholders, but also to the non-capitalist association, owned by a community, like MAPFRE, and to the public one” (1982).

Now, that makes “politics” the business action in the noblest sense of the word. Graphically, this aspect focuses on the fact that the exchange of goods and services (*Exchange* in the table) is regulated by the market and the policy itself (that from which mandatory rules emanate). The commitment, deeply rooted in Ignacio Hernando de Larramendi, to act subject to the positive law of the civil authorities has to do with it; the market will also generate its laws, let us call them endogenous; but the civil authority has as its reason for being the cohabitation of all the members of the community and, for that, it generates laws, which, in this case, are not endogenous—at least, they are not usually so—and, moreover, they are supported by the coercive power that, like it or not, the legitimate authority has.

It is important to expressly emphasize something of what I have just said: that the purpose of the company and that of the government of the community are not the same; the former concerns goods and services that are offered, distributed, and exchanged, and for the latter—the civil authorities—the priority is cohabitation. (I interpret St. Augustine on this point, when he states that the emperor had no duty to conform even to the natural law when this could make the remedy worse than the illness. Aquinas expressed it in his own way and offered some examples that are on the borderline, and perhaps this is why neither the Thomists nor so many others who are inspired by his philosophy speak of it; specifically, he went so far as to ask whether the emperor had an obligation to prohibit prostitution, even on the basis of natural law, and concluded that he did not, precisely because the consequences could be worse than the benefit [Carpenter, 2000; 2016; Widow, 2008]).

The political participation of businessmen, therefore, is not that of the parties, but, first, that of every member of the community, man or woman, whatever their profession or trade; second, that of those who govern the institutions—public or private—in which the community is articulated—as a political community (if any is not)—in order to achieve progress in the continuity and continuity in which progress—always—occurs. This is what Larramendi meant when he combined this participation of businessmen—specifically those in the insurance sector—in politics with the need for the company to be independent of any servitude other than that of providing the best service:

“MAPFRE, above all, is an independent company, which has known how to live isolated from the various social, factual or pressure forces that influence any human, socialist, liberal or conservative society and very specifically that of our country. Perhaps the origin of our independence is that in 1955 and 1956 no one believed we would survive and this isolated us and made us understand the advantages of this independence that forces us to rely only on ourselves, to sharpen our imagination and initiative and to dispense with having a complex that professional work is a “lottery”. I believe that if MAPFRE has been successful it has been precisely because it has been independent and that it will continue to be successful as long as it continues to be so” (1982).

But was not his training and inspiration—that of Ignacio Hernando de Larramendi—Carlist even in the way he conceived his personal professional work, that of a businessman? Certainly, he himself affirmed this; what he meant and said, however, is that, in his case, it had been in the specific political choice of his family—that of Carlist traditionalism—where he had understood that companies had to be, among other things, independent of political parties and of any communities, even the merely factual ones, without legal backing. And from that independence, he certainly did not exclude Carlism.

He was the same person who began to promote the creation of a Carlist Museum in the city of Estella through the Foundation that was then called Luis Hernando de Larramendi and of whom he said the following in his farewell speech on 16 June 1990 when he left the chairmanship of the Fundación MAPFRE, of the Corporation of the same name and of its Control Committee:

“You all know my Christian and specifically Carlist background. In my almost 35 years at MAPFRE, I have tried to create a company inspired by Christian principles, which has nothing to do with making ideological politics or discriminating against those who think differently, which has never been done at MAPFRE. MAPFRE has been, in everything that has depended on me, a company that has emerged from the application of those principles; and, as a company director, I have always acted as I have believed that those who call themselves Christians should act. One of the satisfactions of this 16 June is to proclaim this without blushing or with “shifted shame” that some who think like me have; in saying this I am not harming “my cause”, since I have demonstrated with the facts that with those principles one can accomplish things and perhaps only with them can one have permanent success. In any case, without what I have just said MAPFRE and my performance in it cannot be understood” (1990).

Perhaps this can be further understood if you perceive the extremely realistic depth of what he wrote in the epilogue to the book *Utopía de la nueva América* two years after that farewell. Realism in his own assessment of “reactionary, forgotten and ridiculed Carlism, still respected, if not shared in principle, in a society hostile to its deep religious sentiment”.

And that—I dare to deduce—because the fundamental relationship consists precisely in “tradition” as the transmission from parents to children of attitudes that do not leave aside either business or politics or any aspect of human life.

From that point, and because he believed in what I have just said, in the text I quote, Larramendi transcribes an article by his own father written “for a clandestine

publication of a group of young Carlists, who met at my home in Velázquez, 100, and at the Mella Academy, in calle Barquillo, and who did not, and never did, accept the authority of General Franco, nor his *Régimen*”:

“The hapless foundlings bear witness to their birth, but how will they be able to give that of their parents”? asked his father on that occasion. The relationship between parents and children involves "a language, and with the language, the faith of its origin and its purpose, the divine revelations, the wisdom accumulated by the efforts of the preceding generations, the history of so much self-denial and, with it, the veneration of the parents, and of the parents of their parents, and of their forefathers, from whom, by their blood, they preserve so many goods that distinguish them in their superior dignity from the irrational and oblige them to the duty and honour of deserving, by their own love and self-denial, to be worthy of the admiration of future generations.

All that Tradition is a spiritual, rational, and political current, that runs through natural channels from the past to the future, over bonds of family origin, in the common and lasting interest of the Fatherland.

“And that is natural political life, inviolable by law. When it seems to be violated, people suffer or perish, proof that the law is inviolable or indefectible.”(1992: 282--283).

THE CENTRAL ROLE OF THE DYNAMIC BETWEEN SOLIDARITY AND SUBSIDIARITY

In the table below (the second one), we intend to express how “*Politics*” and business activities are two different realities that must be put into relationship based on the mutual embrace that the dynamic between subsidiarity and solidarity implies. What is unique is that—as far as I know—Larramendi spoke more of solidarity than of subsidiarity, and for years I have been struck by the extent to which the opposite is true: in private business circles and among people who have a stronger religious concern, in the specific case, at least, of the Catholic Church, subsidiarity is claimed above all, while in meetings of people who are more concerned with distributive justice than with freedom—without needing to exclude the latter—the word “solidarity” and its derivatives are heard many more times. In Larramendi's case, this last value was once expressed as forcefully as this one in his *Utopía de la nueva América* (1992): 29-30). The sentence and the quote are excessively long; but it is time to say that the uniqueness of the person we are talking about has led this historian to approach it as a dialogue with him and, therefore, he has to allow him to express himself as he sees fit:

“The great tragedy of today's society is that it is structured for a “sectorial egoism”, sad to say, mainly of the white race, with centripetal movements in which excesses of individual rights and the primacy of personal interests are promoted, which immediately spread to those who lack everything, considering envy as the supreme basis of social construction, which may be tolerable and even useful for a limited area or people insofar as it stimulates the acquisition of material goods, but is intolerable in the whole of humanity or for a large part of it, which under no circumstances can “come close” to what is shown to it every day and from what is seen to be more distant at each moment.

“There is a vicious circle, once again mysterious and unknown, and the question arises as to whether humanity will resolve this conflict by itself, between the destitution of some and the unlimited rights of others, not in small nuclei, as was the case in the Middle and Modern Ages, but as a whole. I know of no precise solution or panacea, but there is no doubt that in order to approach it some men should stop believing themselves to be superior and recognise that unjust inequality cannot be resolved by itself, as today's society seems to suppose”.

This may lead one to think that it has nothing to do with the economy; but I will have failed if, at this point, I have not managed to show that Ignacio Larramendi did

not understand business in a conventional way; he saw it as an element of the permanent institutional structure that gives stability and, thus, continuity and, at the same time, the capacity to improve without breaking down, to every human community.

I confess that I have gone back a hundred times to the first definition of “economy” that I came across half a century ago: I came to say that it is the art of producing and distributing scarce resources. And, right away, I objected that “resource” is all anyone is good for. For Ignacio Hernando de Larramendi, the acceptance of that government position in a mutual society that already existed in 1955 served to advance the future of the family he had begun to form and, consequently, was a resource. Seen in this light, economic would be everything that can be constituted as a “resource” for someone, and therefore everything would be economic. What would almost never be is “only” economic; it would be at the same time ethical, aesthetic, religious, if we opt for Max Scheler's axiology.

If this were the case, the specifically “economic” would be the “resource” condition itself.

For that to be so and, moreover, to be somewhat better understood, it should be true that all human action is—in that sense—economic; something that goes further than asking not only if all business action is a human action, but if all human action is “business” action. The answer, I understand, would have to be that, if you produce or distribute “resources” and if, by “resource”, you mean everything that someone can “resort to” because it “serves” them for something and, in the same sense, is “valuable”, the answer must undoubtedly be in the affirmative.

But do not lose sight of its scope: the employee or worker who “resorts” to his job because it “serves” him for whatever—even if it is simply to survive—is also a “businessman”; let us say a sort of “businessman of himself and his family”.

But there is even more; when reading his writings, one notices that, in turn, the family from which Ignacio Larramendi came provided him with human relationships that came from beforehand (and others that began at that time) so that what was strictly family in origin also became a resource. One need only reread these texts to see to what extent the network of kinship and friendships of which he was a part had a bearing on the creation and development of MAPFRE. It would be very interesting if someone were to rework that network with all the rigour that such a study requires, as a personal historical phenomenon in which business creations are realities that emerge from that network, often without anyone being there to propose it; it would show how this and any other business is based on a network of relationships between men and men, women and women, and men and women which is, quite simply, what constitutes the specific channel that makes real history what it is and not what it could have been.

In a conference on patronage that he gave in San Lorenzo de El Escorial in 1994, there is a confession by Larramendi that illustrates marvellously what I mean, because it shows that, in business itself—and without harming the company; on the contrary, even -, the human being acts from impulses that, sometimes, the others—and historians as professionals, which aggravates what I am going to say—interpret to give

them coherence exactly as I have tried so far (and I refer to the leading role I have given to the two tables we have seen so far). Here is the paragraph:

"I have always had, even before visiting it, an Americanist vocation; my professional life has given me the possibility of applying it. I encouraged MAPFRE to set up in America. Many years ago, I thought that MAPFRE needed—and I perhaps needed—America. I do not hide that, together with the sentimental factor, there was another factor: this objective forced me to travel, to get to know new lands and new people, since perhaps my vocation has been more to make history than to study it, and the one I liked was created from personal and direct contact with new friends from other countries"(1994)

Nothing more or less. We have looked for "important" reasons to explain his way of acting as a businessman and now we find that he likes to travel and make friends from other countries.

Naturally, we could immediately turn to what we have done so far, which is to seek "transcendence" in his words. Fortunately, the great philosopher who was Max Scheler has given it to us determinedly; he recognised four great sets of values: religious, aesthetic, ethical and economic. Well, Ignacio's career is an ideal example of how business action involves everything, even if the businessman does not try (or even want) to do so. In his experience of English life in the 1940s and early 1950s, Ignacio Hernando de Larramendi found what he was not looking for without knowing it (remember that Brentano said that even our perceptions are intentional). What struck him—perhaps dazzled him—in the system of consolidation of British companies was not simply an "economic" phenomenon (if one accepts—even if only provisionally—that the economic value is that of "serving someone for something", that is, constituting and even becoming a "resource"); what he saw in England was a business and judicial ethic (among other things) and he did not miss the aesthetic that implied the liking of specific entities of the mid-twentieth century to maintain the character—nominal if you will—of *inn* with which some of them had been created. Lloyds was the example that attracted him the most.

The problem of defining the economy is resolved by some experts by introducing the condition in question—that is: that it be "economic", typical of the knowledge called economy—that it be, I say, of something that can have a price put on it. But that, which is not without interest, requires once again asking whether this "power" (putting a price on it) is ethical or purely functional. Because, if it is purely functional, we are in the same boat: you can put a price on everything.

However, as I have just indicated, the requirement is not negligible; Larramendi did something—many different things—to which he put a price and, in that sense, he meets that condition without us needing to consider whether or not the "power" to put a price is ethical in the specific case of MAPFRE. (One of the things he did was to make the amount of the policies independent of the increase in the cost of living, as measured in official spheres; he commissioned actuaries hired by MAPFRE to carry out these calculations using simply realistic criteria)

However, even this last way of "setting a price" still does not seem to be sufficient to define the economy (among other things, because the vast majority of businessmen do not do it as just said, through actuaries, and therefore they should be excluded from the more strictly economic field).

FROM HUMAN ACTION TO THE NO LESS HUMAN WORLD-VIEW

I have sounded out another path whose relationship with what we know about Larramendi I can only outline; it would require more space and more time. That is: as one enters into the business world as a human action developed over time, that is: lasting and prolonged, of long duration, one reaches the conclusion that, strictly speaking, not only is any human action creative when converted into a process, but that the value of every action can be weighed from the four areas of Scheler's axiology: economic, ethical, aesthetic, and religious. And, in this sense, one must lose the fear (whoever has it) of affirming that all human action is economic in the measure that it "serves" or produces something that "serves", that is, it can be in itself a "service".

This is because, in a perspective that we would say cosmological, human or not, all changes form an inextricable complex, given that each of the innumerable processes that constitute it has its own time and—also as a whole—its effects are the result of a mutual influence between the processes and their effects that is completely unavailable to human knowledge.

But this also means that any "procedural" human action involves the whole human being who carries it out, his different concerns and his environment, and all this in its temporal dimension. And that has another consequence, which is that uncertainty becomes an essential element in any long-term creative action and, therefore, the technologies, institutions and people involved in all human action are not enough to understand a creative process; its effects do not depend only on its technology, its institutions and the people who carry it out; they depend on everything else that all other human beings do, each at their own pace, in their own time and in their very different circumstances.

Now, here we enter the world-view and, at the same time, we place the economic within the framework of an interdisciplinary anthropology that includes it from the three points of view expressed in the third and last table that I insert: as a vital activity (*Economical life*), as a value (*Economical*) and as an inter-relational link (*Economy*).

The table has been expanded by this study;⁴⁷ it was not created with it. For years, I thought over the matter of "culture"; this led me to understand it as a set of shared habits that have the double effect of promoting the innovative capacity (and also the regressive one, take care) at the same time that they give continuity to the human group formed by those who behave according to those habits; finally, the reading of the historicist anthropology of Jacinto Choza (1990) surprised me with the seed of what constitutes that table: almost without stopping there—neither in that nor in any of his later works, as far as I know—he observed the correspondence, twenty-four centuries apart, between the enumeration and analysis of the Dianoethical habits carried out by Aristotle and the "sciences of the spirit" (today called "of the mind" or "human and social" or simply "humanities") identified by Dilthey in an unfinished work of 1911.

In the quarter of a century that followed the reading of Choza, I pulled that thread, and now, in situating Ignacio Larramendi, I would explain it graphically as follows:

⁴⁷ I have also expanded it, with different columns that I do not include here, in "Liberal arts and mixing methods: Good reasons to educate citizens and poor pilgrims as free men": *Arbor*, cxv (2019) 9.

Aristotle	Hartmann		Scheler	Fromm	Dilthey	
Dianoethical Habits	Intentional values			Interpersonal and Group Relations	Singular Effective Links	Constitutive Elements of community
Wisdom	Ethical from Intention	Religious		Symbiosis in Community	Religion	Worldview
		Aesthetical		Meeting	Art [Aesthetics]	
Intellect		Ethical from the Intended	Ethical	Coexistence	Philosophy	
Knowledge					Sciences	
Art [Technique]					Pedagogy	Customs, Ethos, Ideal of Life
Prudence					Economy	Technical Organization
Justice				Policy	Community Arrangement	
Courage				Law	Civil Organization	
Temperance				Economical		Bonds in Group
Liberality						
Magnificence		Mixture in Herd				
Greatness of soul						
					Individual Units of Life	

The mere possibility that such a table can be composed is enormously revealing, in my opinion. Now he would have to prove that this has to do with Ignacio Hernando de Larramendi and that, in addition, it can help to better situate his business contribution and to value it more accurately, outside of all apologetics.

First and foremost, the interesting thing is that it is possible to find five people who have studied the human in as many perspectives, in a period of time of about two and a half millennia (which is the time from Aristotle to Dilthey), and each one of them in his field of knowledge has proposed an improvement process that implies a gradation comparable to the other four). Here, by “comparable”, I mean the correspondence that the ten proposals seem to show in each of those degrees (a correspondence, for the moment, that is graphically “horizontal”).

That so many correspondences can be given, in short, is empirical proof—without theoretical mediation of any kind—that the human being—every human being—is like that. Although the chain of relationships makes this paragraph long, it must be said that, potentially, every man and woman can reach the higher stage, that of true wisdom—as a gift and as a virtue; wisdom that not only coexists with the necessary psychophysical endowment, but is inextricably incarnated in it, and therefore implies the awareness of time and space, in relation to which it can foresee and project even on a “supralogical” level, associated with sublime experiences, radically valuable in themselves, including religious ones, and in perfect adaptation to the community of which it forms part, given that all this implies a true world-view shared in the minimum necessary for cohabitation to be possible.

It is not a question of asking ourselves now what Larramendi's personality framework was like in the light of that table. What we are trying to say is that Larramendi's world-view—whatever it was—is situated within that framework and that we can “conceptualize” his own life with elements taken from there.

I ask myself, however, a question: the five represented in the table spoke different languages, and Leibniz raised this question some centuries ago: whether all humans think the same way—in the functional sense that the action of reasoning implies—and this means that he doubted it.⁴⁸ Today, any answer to that question would have to pass through the neuroscience sieve and I can assure you that the findings already made are extremely interesting and radically insufficient. I will give an example: a professor from Queen's University (Li—Jun Ji), another from Beijing University (Zhiyong Zhang) and a third from the University of Michigan (Richard E. Nisbell) in 2004 released the results of a study on the effects of language precisely on categorization in “cross-cultural” research; they had found that East Asians and especially Chinese tend to reason in a holistic and relational way while Westerners—Europeans and Americans above all—reason in an analytical way rather than being as concerned with context as the former. But they also realised that the results changed—at least, from degree—depending on which language was used to study and express the results of the research, and that the changes in question were, however, smaller for Chinese studying English than for Anglo-Saxons studying Chinese. In short, the problem was still Leibniz's, only restated like this: does each language lead to thinking in a specific way that is different from others, to the extent that “learning languages” can change the way reason works?

I am afraid so, but in a different sense than the German philosopher had. I am referring to the surprising fact that experts who use a particular language discover Mediterranean people with the confidence of those who achieve something new and without knowing that, in another language, this has already been expressed years (sometimes centuries) ago. In 2012, years after the death of Ignacio Hernando de Larramendi and, therefore, in the days when he had contributed decisively to building MAPFRE's institutional framework, Stephen Brammer, Gregory Jackson and Dirk Matter showed their surprise at the fact that scholars of Corporate Social Responsibility did not take institutional theory into account. They referred to “informal” institutions, that is, the set of habits that every community shares, and needs to share, that is, what Cicero metaphorically called “culture” before our era began and made Balthasar Gracian say, seventeen centuries later, that thanks to its greater “culture”, Greece was able to overcome other peoples.

By then (2010), Mike Valente and Andrew Cane had come much closer to Ignacio Larramendi's “institutional” idea by emphasizing the public responsibility of private companies in developing countries. Can we therefore sing victory and deduce that Spain was not a developing country in 1952 and saw visions on England?

Of course, a good part of Ignacio Larramendi's success was based on his ability to know and stir up all the people who depended on him. Will it have to do with the importance that Perry and Wise in 1990, Naff and Crum in 1999 would give to the effect of motivation in public service? You would have to ask Juan Huarte de San Juan; he lived in the 16th century, but fortunately this has already been written.

⁴⁸ I addressed it in “Are Humanism and Mixed Methods Related? Leibniz's Universal (Chinese) Dream”: *Journal of Mixed Methods Research*, xxix, no. 2 (2015), 118-132.

The very public service role that Larramendi attributed to the large Spanish companies we are talking about and the differences between them—for example, between El Corte Inglés and the Savings Banks—means that there are many *institutional logics* that Vickers and others were talking about (2017).

It goes further—it is closer to Ignacio Larramendi's proposal—the re-reading by Bazzoli and Dutraive (2002) of the institutionalism of Commons and their vision of the company as an organisation and as an institution and everything they deduce from it. I think that this would be a good starting point to “find a place” in the theory of the company for Larramendi. But perhaps progress can also be made if—in addition to all that, which seems to me to be unavoidable—the thread is followed that allows the third table I have inserted. Note that the idea of “institution” proposed by Larramendi when he spoke of “institutional companies” not only implies the formal and informal institution, but also places “*Economical life*” as one of the “constituent elements of the community”, according to Dilthey's conceptualization (1910). It is precisely these latter elements that the German philosopher considered to be constitutive of the community and, therefore, it is they—the “economic life” and the others in the table—that require the greatest attention in terms of “formal institutions” which, consequently, not only form, but also give stability to every community.

In the “*Economical life*” understood in this way, it is necessary to place—I deduce—the service that a “policyholder” expects and the one offered by the insurance company. The link that creates the confluence of both is what “*Economy*” would consist of as “effective link” of what Fromm (1965, 1966) considered “*Coexistence*” relationship.

At this point, it is decisive that the English language only has that word—I mean, of course, in the usual lexicon, including the scientific one—to express, without the need for circumlocutions, what, in ours, we call “coexistence” and “cohabitation” as different realities, at least in a gradual sense, given that one thing is “coexisting” (only) and another is to coexist in such a way that one “cohabits”. And now we must remember that it is the latter, that of cohabitation, that is the desirable sphere and that any “institutional company” can really contribute to its existence.

Economics would be, in my opinion, the word that would express the bundle of “contributing” actions to the stability and progress of the community, that is, to “cohabitation”. Only that other concept—*economics*—will be better served if the “*Singular effective link*” that is the “*Economy*” of the institutional company is expanded to the other links (*Singular effective links*) that coexistence requires: politics and law on one side; pedagogy, science, and philosophy on the other. Perhaps it will seem disproportionate—and perhaps it is—but I believe that this last territory—the one that encompasses politics to philosophy—is the one that Larramendi pursued with the formation of the specific Foundations that we have talked about. Only that he did not go so far as to conceptualize more than that—what generates the “formal institutions” that are those foundations—and included “informal institutions”—perhaps without realising that they really came first—when he said that the day should come when politicians would ask for the advice of the managers of institutional companies to define and decide the policy to be followed.

It is almost funny—but we will take it very seriously—that he chose to respect the autonomy of the Fundación MAPFRE Vida and its dedication to the arts. Look now, in that third table, where “art” remains as “Aesthetics”: “it leaves” the “*Singular effective links*”. But it leaves by being elevated, and, seen in this way, one can ask oneself if Fundación MAPFRE Vida was “leaving” the sphere necessary for “Coexistence” or rather if it dared to help that “Coexistence” open up and allow the “Meeting” of which Fromm and so many others speak; a “Meeting” that has such a strong sense that it ensures permanence in the interrelations of the community and, here, one cannot ignore that “coexistence” becomes “cohabitation”.

From an axiological point of view, this is an eminently ethical conception of the company; there is no need to prove it. If I underline it now, it is for two reasons: the first one is the title of a book by Alfonso López Quintás: *La ética, o es transfiguración o no es nada* (2016) that focuses precisely on that higher degree of “Meeting”. The other reason is to recall Hartmann’s distinction between the ethical nature of intent and the ethical nature of what is attempted in some cases. The distinction is subtle, but clear: all those we carry out “with intention” are ethical, but there are things—among those we carry out “with intention”—that are “intentional” in themselves.

And here, in the third table included in these pages, that last nuance—that of being “intentional” in themselves—is given precisely in the seven “*Singular effective links*” that underlie “Coexistence”: politics, law, economics, pedagogy, science and philosophy.

Now let us add that all this is implicit in all human business action even without the need to be aware of it (that is, without it being included in that action “with intention”); perhaps there are many businessmen who seek, with their company, their own survival and that of their loved ones, and nothing more. But that does not mean that the result of their business action does not generate ethical, aesthetic, or religious value. I have said before that, clearly, all human action seems to me to be financial, ethical, aesthetic, and religious at the same time, whatever the measure of each value and the intention of the subject in each case. Now I could qualify it more if, from axiology, I move to ethics itself and, for that, I go to the intellectual virtues that Aristotle admirably analysed and Aquinas systematized (I refer to the corresponding column of the third table); if I do so, a business action such as the one proposed by Ignacio Larramendi will require, first of all, prudence, but, in addition, a sense of justice, “art” (that is, know—how), specific knowledge (“*Sciences*”) and intelligence. If you go back over the third table, you will see that I am referring to dianoethical habits.

Notice that, in a few years ago, experts in *management* and in all types of leadership insist in a special way on the importance of the virtue that Aristotle called “phronesis” (Eikeland, 2006; Oancea & Furlong, 2007; Fariñas, 2015). They are right, in my opinion, to use the Greek expression, because if they were to say “prudence”, which is what “phronesis” is, we can consider it purely obvious. And it is not like this; it goes further than what we normally call “prudence” or at least puts it in its place: phronesis is prudence understood as practical wisdom.

This is definitely just a sketch. In the first two parts of this study, I have let Ignacio Larramendi speak, often in his literal words when some nuance could be missed if he did not. Fortunately, the Spanish copyright law of 1996 allows the inclusion of

fragments of other people's works for research purposes, of course recognising the authorship, and fortunately Larramendi tried to express his thoughts in writing mainly from 1977 until the same year of his death (2001). The enormous gap that remains from that point onwards, the Anglo-Saxon legislation—by preventing it—has created an international standard that has made a virtue of necessity. And that has impoverished the work of historians insofar as they assume it.

The third and final part of this study could be situated in this last group, and not only because I rely on bibliography that does not precisely exclude the Anglo-Saxon one—quite the opposite—but because I have tried to get Ignacio Larramendi to speak freely for himself in the two initial parts.

In any case, I have only promised an outline; these pages of mine are part of a book where all those things belonging to business and economics I have talked about are seen in a different light. I hope that the whole thing gives a satisfactory answer to what we wanted to know: how Ignacio Hernando de Larramendi contributed to moving towards the ideal way of creating and running a business.

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LARRAMENDI'S PEARLS OF WISDOM

From the article “**LA NUEVA DIRECCIÓN**” (The New Management). “**RIESGO Y SEGURO**” magazine, Doctrinal Journal of the Directorate General for Insurance no. 15 and 16. 1966

“The Company’s philosophy must be something else: a spirit that distinguishes each company from its competitors and motivates the pride of belonging to it. The philosophy must be the justification of a company’s policy and it must be transferred to all its members, imbuing them with it, not just so that they understand the policy at a given time, but so that they can see when it must be changed and be prepared for when it is changed. Only in this way can business policy become a collective endeavour; a basic form that can be shared by everyone.

*.... But there is something else that is really indispensable for the lasting success of a management: **the confidence** that it knows how to arouse in the people it manages or who relate to it. No matter how right a manager is in his decisions, these will lose their value if the people who have to carry out the orders do not have confidence in two things:*

- That the number of his wise choices is high.*
- That, even if he is wrong, he acts for objective reasons and without any personal motive or contrary to the general interest entrusted to him”.*

From the article “**LA EMPRESA COMO CUERPO SOCIAL INTERMEDIO**” (Companies as Social Intermediate Bodies). October 1967

*“Within the social framework, the **company has a dual purpose**, an instrument of economic service to the community and group of people to which its members are linked, even more than any other institution.*

*Perhaps for this reason, **the relationship of the worker or employee with his company** is an important field of sociological research; what this represents for their professional life, how it influences and conditions them, how it contributes to their education, how it protects them in their difficulties and how, in short, it contracts responsibilities to them that cannot be included in any contract that is merely bilateral such as that of salary or employment.*

For class struggle theorists, the company and its workplaces are centres of exploitation to which people resort to due to the urgent pressure of need, a permanent testimony to the injustice of our society. This is false, except in certain situations of occasional work of maximum harshness typical of unskilled labour or agricultural “temporary labourer”, sectors that are rapidly being lost.

In any case, it must be recognised that this possibility is sometimes justified by the attitude of many businessmen who ignore their responsibilities and treat men in their service as a mere financial object. But generally most companies are not

hated by their workers, who, on the contrary, work with enthusiasm and feel deeply connected to its problems and successes, even though their performance may be high and they sometimes vigorously defend their rights. This happens because the company becomes more than a workplace and becomes a centre of relations and social ties of greater importance among those that are within normal reach of the average employee or worker for most of their life.

This factor of the company's integration into the community structure must be promoted and may have an important future sociological function, although this may be made difficult by a confrontation with trade union actions that generally try to detach the worker from their company in order to horizontally define and dominate them, creating a mystique of their problems even to the detriment of specific interests. The great modern company tends to achieve the adhesion and sentimental bonding of those who work in it, as an almost indispensable fact for its success.

More important than financial incentives are sincerity and human warmth, which cannot be faked. When this is achieved, workers are disengaged from trade unions, which seek to isolate them from a direct relationship with their employer.

By linking workers to their company, they are integrated into a community that protects them above and beyond their strict rights and obligations”.

From the conference “BALANCE SOCIAL EN LA EMPRESA ACTUAL” (Social Balance in Present Companies). Instituto Social Empresarial of Valencia. February 1980

“Companies, that enjoy financial and, therefore, social power, cannot be satisfied with an objective of profit, or even of creation of wealth, but have other obligations resulting from their transcendence and public responsibility.

The social balance serves to measure the extent to which a company is meeting its social responsibility and coordinating it with its basic objective of creating wealth within a technical-financial balance. It is therefore a complement to the financial balance or part of an integral balance, which must reflect the results of financial and social management, both of which are indispensable in a dynamic consideration and stable projection of the future of companies.

It should be stressed that companies cannot exist without a good financial balance which implies technical equilibrium. If this does not happen, the company ceases to be, unless it is supported by collective financing which, with some exceptions, means the displacement, probably abusive, of the collective effort for the benefit of a few. If a company is not capable of making a profit and therefore of surviving, it is not possible to analyse its social responsibility, or to prepare a social balance, since it will have failed in its most immediate obligation, which is to be a productive community for the benefit of its participants and the group.

.... This social balance should serve to assess how progress is being made in the real application of a philosophy of action based on the principle that “it is not enough for the wealth produced to reach a high level and be distributed

according to criteria of justice and equity, if the productive system endangers the human dignity of those who work in it or weakens their sense of responsibility". The phrase is not mine, but from Pope John XXIII's Encyclical Mater et Magistra and I think it retains all its relevance".

From the closing speech of "LA SEMANA DE SEGURIDAD MAPFRE" (Mapfre's Safety Week) (50TH Anniversary). 1982

"...There are many general and particular characteristics of a company that influence its improvement, but I will only dwell on 'information'.

A permanently efficient company is not possible without vast and correct 'information to the outside', which allow it to be valued by those who are part of it and by strangers, so that it represents an effective brake that is difficult to avoid by its leaders, who frequently look for formulas to hide what interests us, with the excuse that this way it interests the company. The information allows the viability of a company to be effectively judged together with the success or abuse of its leaders, and above all prevents them from deceiving themselves, confusing their dreams with reality and knowing their mistakes only when they reach irremediable consequences.

Transparent information is an irreplaceable element in stable, constructive business life, whether public or private. A specific expression of this external information, even if it is not the only one, is external auditing, which certifies the information and avoids state interventions or individual misgivings and constitutes an effective legal instrument so that financial life can be oriented towards general benefit and private initiative can have a public sense".

From the closing speech of "LA SEMANA DE SEGURIDAD MAPFRE" (Mapfre's Safety Week) (50th Anniversary). 1982

MAPFRE is possible today because it has achieved a business culture that prides itself on the act of creating, as the most important of human endeavours, and has been able to isolate itself from the world of "standards" without ambition and strictly material considerations.

MAPFRE wants to be a human company, and believes it is achieving it. A company that believes in men, relies on them, respects them as they are, not as we would like them to be, and does not reduce them to puppets of a bureaucracy, but encourages them as motors that "drive" and promote the area that each one has been assigned and collaborate in the total area, within a positive act of creation.

MAPFRE is a dynamic institution with a permanent tension for improvement, not for growth, but as a concern for perfection, for me of basic Christian roots. Those who know our internal mechanics will see that we are never satisfied with our products, nor with the speed of our claims settlement, nor with the quality of our service, and we always want much more than is possible, or at least possible for us.

*But MAPFRE, above all, is an **independent company**, which has known how to live isolated from the various social, factual or pressure forces that influence any human, socialist, liberal, or conservative society and very specifically that of our country. Perhaps the origin of our independence is that in 1955 and 1956 no one believed we would survive and this isolated us and made us understand the advantages of this independence that forces us to rely only on ourselves, to sharpen our imagination and initiative and to dispense with having a complex that professional work is a “lottery”. I believe that if MAPFRE has been successful it has been precisely because it has been independent and that it will continue to be successful as long as it continues to be so.*

From the closing speech of “LA SEMANA DE SEGURIDAD MAPFRE” (Mapfre’s Safety Week) (50th Anniversary). 1982

“...I would like our fiftieth anniversary and these words of mine to be a song of hope, at a time when there is little hope for many companies, people and countries.

***There is no shortage of hope for those who are convinced that the future comes from ourselves and our actions**, and who are ready to carve out their own future, to create it and improve it, to make a way and not just live at the expense of others.*

*We have **confidence and hope in the future**, because it is indispensable in the current social structure and because, if we insurers act with prudence, energy and disinterest, our influence on the socio-political structure will be ever greater. As leaders in the industry, it is incumbent upon us to make insurance more than just a profit or economic interest centre for just a few, owners or even employees, and to deeply feel the responsibility it bears to the society around it.*

*We have **confidence and hope in the company**, which is responsible for promoting the creation of wealth and maintaining the purchasing power of citizens, even if there is a paradox in that it is repudiated or denigrated by those who claim this with more insistence and even violence. The entrepreneurship must be identified with the creative and inventive initiative of man and his capacity as an engine of individual and collective improvement. Even with obstacles, misunderstandings and hostility, the company will overcome this because it is indispensable. Those of us who feel that we are businessmen, because we dare to take risks, have an obligation to instil confidence and to not allow ourselves to be influenced by those who sometimes mix their negative attitudes with their own insecurity and their concern to hide untenable actions. The businessman is irreplaceable in the solution of financial problems and, if we are respected without helping or protecting ourselves, as no true businessman needs to, our actions will be socially recognised and we will be considered as first-class interlocutors in the struggle for national improvement. This, I must say, does not only refer to the typically private company, with risk from its instigators and shareholders, but to the non-capitalist association, owned by a community, such as MAPFRE, and to the public one, which operates with autonomous assets, accepting risks and submitting its results to the public every year.*

*Finally, we **have confidence and hope in the Hispanic people**, full of defects but also of virtues, who will overcome their difficulties and achieve that dignified, noble independence that has characterised us and must continue to characterise us in the future. This people comprises everyone who participates in it, from the top to the bottom, friend, or foe. For reasons of its own merit and for reasons unconnected to it, it has much to offer for that new universal humanity, for the first time made up of people who are completely interrelated with each other and in which, as I said before, the countries that use our language will have a great relative presence.*

From the conference “CONCORDIA SOCIAL Y RIESGO EMPRESARIAL” (Social Harmony and Business Risk). Acción Social Empresarial. Santiago de Compostela, 21 June 1983

*“The businessman justifies himself by **risk**, by adopting financial decisions, which affect the work of the people who support him, to promote the creation of wealth. Humanity is constantly calling for an increase in the goods at its disposal to improve the lot of millions of men who lack what is essential; the dignity of a country is largely measured by its relative financial position among all peoples; and all this requires economic leaders who accept responsibility and failure and drive progress. This corresponds to businessmen who cannot be cowards, although they can be prudent, avoiding ill-considered or irresponsible decisions”.*

*“In a very special way I would like to refer to **harmony and its necessity in social, economic and business life**. Apparently the world we live in is based on friction, which is no longer considered inevitable but desirable; on class struggle, commercial competitiveness, electoral life, and ideological conflicts. In the face of this belief, partly the result of the error of identifying harmony with tolerating pressure on the weak or with the cowardice of businessmen, the reality is that only peoples and companies with a high degree of harmony will prosper”.*

*“The businessman must create wealth, but he must also **create employment** and today we are all, in one way or another, dedicated to creating unemployment, although it is true that the Government and Trade Unions also collaborate in this, even if they say otherwise. This situation must be resolved. Employment is basic for men, our brothers and our children, to have the dignity of sufficient remuneration and active participation in national work. In this task we, the businessmen, must play the leading role”.*

From the comments of Ignacio Hernando de Larramendi to the presentation A QUEL TYPE DE CRISE APPARTIENT LA NOTRE? By PROF. VITTORIO HATHIEU. Palma de Mallorca, October 1983

*“The analysis and interpretation of history through the **relations of man with God** in its different phases and alternatives is extraordinarily important to get to really know the history of mankind”.*

“The crisis is a consequence of man abandoning God; man wants to use and abuse his possibilities of freedom to the full, unique in history, which have been due to his possibilities of wealth, also unique in history. The acceptance of restrictive rules ends up being intolerable to those who have everything and at times as now it is considered an inalienable right by the left (and a very comfortable practice by the right) to justify ‘consumerism’ in its various orientations”.

From the speech made to the General Shareholders’ Meeting of the mutual society. 1983

*“I must refer to the challenge that **the adequate use of the means provided by computers and office automation represents for our future.** The future success of any company and especially of any insurance company, even more so if it aspires to an international presence depends to a large extent on the success of the IT policy. MAPFRE understood this a long time ago and is aware of how difficult it is to get it right in this field. Very soon, in this year, we are going to start using the future basic communication line in international computing. We are one of the first Spanish companies to use it. We are also starting to use one of the most advanced databases and implementing teleprocessing systems. At the same time, we are interconnecting our growing word processing and telex equipment, in order to achieve an integrated system, with different forms of email.*

If we are successful in all this, we will have taken a great step towards improving our competitive position and turning CORPORACION MAPFRE into an internationally established entity”.

From the conference “CONCORDIA SOCIAL Y RIESGO EMPRESARIAL” (Social Harmony and Business Risk) as chairman of Acción Social Empresarial. Seville, 13 June 1983

*I am the Chairman of ACCION SOCIAL EMPRESARIAL, a group, perhaps not very numerous and with little influence, of business leaders with **Christian concern and desire to do everything possible so that the company is human, feels responsible for a part of social life and for the people who participate in it, and submits to ethical principles and not only to general and particular legal regulations.** This obliges us to disseminate it to all the geographical areas of our country and especially in a city like Seville where ASE became so deeply rooted that I sincerely wish this were to make a recovery. We do not expect excessive success in our attempt, we know that our line is not attractive, but we do not want to deviate from it because we are sure that in any case it is the right way, the difficult way that everyone wants to avoid but that it is the only one that leads to permanent success and in our case, to the reconstruction that our country and our economy need.*

All companies are different, with different problems in terms of their social function, their way of acting, their responsibilities and the impact of their problems; therefore any generalisation usually has errors. Personally, I am linked to what in the dimension of our country is called large companies, to which an outstanding social responsibility and leadership corresponds at times

of difficulty. Others, instead, participate in smaller companies whose own action is limited and which receive more influence than they can radiate. In any case, I sincerely believe that there is no conflict between large and small businesses, and in a country like ours, and practically throughout the West, small, medium-sized, and large businesses complement and depend on each other.

There is undoubtedly a difference between the “businessman” who directly takes decisions with risk and responsibility for their income or assets, and the “manager” who participates with a limited area of action.

*As businessmen, we must accept that we are not politicians and must “know how to be” only businessmen and concentrate as much as possible on our own area of business, even though for many decisions we need to know the tensions, strength and action of politicians and rulers that will influence our expectations for the future. On the other hand, it does seem **socially positive that we use our power to draw attention to general problems and that we collaborate loyally with politicians and those governing us and with those who have parallel responsibility in specific areas.***

From the conference “LA EMPRESA, MOTOR DE RECUPERACIÓN ECONÓMICA” (Companies, Drivers of Economic Recovery). Assembly of Acción Social Empresarial. 17 December 1983

“I think that the social-institutional balance and peaceful coexistence require stable rules of law, necessarily maturing slowly. Without them it is not possible to get out of a permanent state of rupture as happens in Spain.

*In Spain, where it has been said that “everything is unconstitutional even the Constitution”, **until we fully recover a true state of law we cannot eliminate our problems.***

Roman and Anglo-Saxon civilizations, the most enduring and stable in Western history, have been accompanied by the most perfect legal systems ever known, with rules of law and custom and highly efficient judicial systems. Without an effective instrument of coexistence and sociological stability, that is, a system of law accepted by the social whole, it is inevitable that a society will be torn apart by internal and external upheavals that lead to formulas of violence, even the most serious of all, the social slavery characteristic of the countries of the East. It may even be thought that this social slavery offers the only future path of human coexistence, going back to times when the supreme value of man was not recognised, the “sociological” contribution of our Christian religion.

Society’s current crisis is basically a crisis of the concept and possibilities of freedom, which we thought was automatically recognised from birth and could not be taken away from us”.

From the comments of Ignacio Hernando de Larramendi to the presentation A QUEL TYPE DE CRISE APPARTIENT LA NOTRE? By PROF. VITTORIO HATHIEU. Palma de Mallorca, October 1983

“We are faced with a crisis of substance and not just transitory or superficial. Our society is trying to escape from reality in order not to be forced to act accordingly, and it seems that we are in the low wave of a normal cycle of economic or sociological development. In Spain we all know examples of business situations “managed” as transitory in order not to bravely face them and that have led to irremediable and clamorous “cracks”. I hope that this is not the case.

This crisis is characterised by the fact that it affects the world's sociological, economic and even legal structure and because it can also be a crisis of the concept and in any case of the unlimited freedom that many have believed possible and some consider an individual objective, even though to achieve it, it is necessary to “destroy the temple” with all the citizens inside”.

From the conference “LA EMPRESA, MOTOR DE RECUPERACIÓN ECONÓMICA” (Companies, Drivers of Economic Recovery). Assembly of Acción Social Empresarial. Chapel of Colegio El Pilar, Madrid, 17 December 1983

“Small businesses are a symbol of the love of freedom and risk, typical of our western society, which should not aspire to “beds of roses” and that when they dream that these are possible, they find people or groups from another country, another social class or another civilization, which deprive them and corner them , as has unfailingly happened throughout history. That is why we should encourage, rather than protect, small businesses, without which our social life and large businesses would not be viable. Leading companies are not harmed by the existence of strong governing bodies if they are efficient, but on the contrary, they receive benefit from it; in the same way, small companies are not harmed by the existence of a set of strong entities, if they are efficient, and they also receive benefit from it.

I do not know if I have expressed the importance of small businesses in social life properly. In any case, I would like to add that it will also be a key part, as it already is in the United States, of that future world of information-related services, the only area of foreseeable employment growth, and, furthermore, that the new information technology favours the development of small and even micro-enterprises, to the point that this topic alone would justify a Seminar from our beloved Acción Social Empresarial”.

From the conference “LA NUEVA EMPRESA DE SEGUROS. CONSIDERACIONES DE UN ASEGURADOR PARA EL AÑO 2000” (The New Insurance Companies. Thoughts of an Insurer for the year 2000.) Sao Paulo, November 1983.

I describe a “new company” as a leading company that a country needs in each area of activity, to achieve, if it does so with amplitude and together, the internal economic balance and the international influential presence.

Below I offer some characteristics to describe a “leading company”, that is “the one that shares a function of influence within a competitive market with others, but with effective concern for the general interest of the community”:

- **High penetration.** Size is an important and stabilising factor, even if in some activities the purely internal or domestic dimension is not sufficient, but a high relative national dimension is always indispensable to allow its decisions to exert general influence and be taken into account in the market.
- **Vocation for growth and, if necessary, foreign expansion to participate in the objective of international presence.**
- **Competitive costs with regards to its colleagues,** allowing them to offer reduced prices that contribute to lowering market averages and force other entities to follow the same line.
- **Operational agility** to permanently adapt to a changing society, and with very rapid changes, which require preparation to support and face any unexpected changes in the market or in the country, even those that may affect its survival.
- **Anti-bureaucratic tension** to avoid the internal creation of particular influences and interests.
- **Internal equity** among the various personal elements that make it up so that there is a balanced relationship between remuneration and work conditions based on objective and justified reasons, without favouritism or pressure of interest unrelated to its social purpose.
- **Wide transparency** with frequent, reliable, and understandable information of its static and dynamic situation, which allows all those legitimately interested in its equity evolution and results to appreciate the deviations, completing this with an independent, objective audit system.
- **An efficient IT structure,** which provides complete, automatic and immediate information on results; assists in relations with all its internal territorial and sales services, including customers; makes it possible to have constant knowledge of the financial situation; allows the creation of new products or innovative commercial formulas and, above all, supports sophisticated budgeting systems, in order to foresee results and immediately detect deviations so that those responsible, even in small units, acquire a managerial sense of action.
- **Business technology,** as “the art of bringing together in harmony the wills of all those involved in the company”.

But there are also other aspects of a different nature, in a certain sociological way, which are indispensable for internal success and for adequate insertion of the company in its socio-political community:

- **Ethical concern,** in the certainty that the undisputed application of moral principles is an essential piece for the recognition of its own employees, suppliers, customers, the public in general, and that of other public or private institutions with which a company relates. Within a market regime and free rule of law, actions that border on the individual ethics of managers, or that of business, or affect relations of coexistence, cannot be tolerated in leading companies.
- **Sense of social responsibility,** understanding that large companies are not only obliged to efficiently provide their own service, but are also subject to institutional obligations derived from their influence on social life and their participation in national heritage. This social responsibility obliges it to be concerned about the impact of its actions on the general

interests of the country, about the personal and professional improvement of those who provide its services, and about the interests, rights and needs of the public and especially of its customers with whom it has a more direct relationship.

- ***Own culture**, that is, a way of being, existence and external presence that impregnates all its activity, that makes its workers feel proud of their company and that the public recognises it easily and not only by massive advertising campaigns with an idealised image that does not match reality. One's own culture implies a special distinction with respect to competitors and is an instrument for customer loyalty and, above all, a sign of collective respect. Although there are many other factors, this one provides the recognition of what I call a "leading company", as it was given to former knights to recognise them as such; in both cases, it is a symbol of the general recognition of qualities obtained throughout the professional work.*

From the conference "LA NUEVA EMPRESA DE SEGUROS. CONSIDERACIONES DE UN ASEGURADOR PARA EL AÑO 2000" (The New Insurance Companies. Thoughts of an Insurer for the year 2000). Sao Paulo, 23 November 1983

"The application of principles: ethical and social responsibility is not a burden or obstacle for companies, but precisely the opposite.

That is why I can say that the NEW COMPANY must be made, as part of the professional responsibility of insurers, but it can also be made, each one with its own characteristics and different goals since the major consequence of the magic world of freedom is that the free man knows and can promote his institutions with very different solutions within the same objective of effective service".

From the conference "EMPRESA Y RECUPERACIÓN ECONÓMICA" (Companies and Economic Recovery). Acción Social Empresarial. Valencia, 1984

*"...Our country and the world are immersed in a deep crisis of substance and not simply transitory and superficial. **One of the causes of this crisis is the phenomenon of change, and rapid change, in science and technology.** These last sixty years, so momentous in human history, have produced "brutal" changes in social and economic life.*

*Over the last 200 years, man has learned to progress and to direct progress at least in part. This means that he has "opened Pandora's box" and cannot master its effects nor does it seem easy to do so in the future; **drama of modern man, whose creative capacity is the main weapon of self-destruction.***

*Moreover, **the speed of change opens up the question of whether our social structures will be able to adapt** or whether we will feel more and more powerless and displaced in both public and private spheres, until we are*

overtaken by a civilization different from the white, western one to which we belong and which, moving forward, without ties, prejudices or selfishness, comes to destroy or dominate us, overwhelmed by a human tide with ideals almost incomprehensible to our western society, accustomed to demanding everything without offering anything in return”.

From the interview “MAPFRE ES SU VIDA” (MAPFRE is His Life). 3 May 1984

*“This concern for the individual is not reduced to those who could be important by hierarchy; it affects everyone. In this sense, **personal relationships within the company are essential**, and although I cannot say so now because of the growth experienced in recent years, not long ago I boasted to know all MAPFRE employees personally.*

*This concern for the selection, education and recycling of the people who work at MAPFRE has left its mark on the way all the people who have gone through this group and who are now at the head of other companies have left a mark in how to deal with insurance activity. To a certain extent, it can be said that **MAPFRE has been a school for managers**, not only in insurance, but in other sectors of the economy and politics”.*

From the interview “MAPFRE ES SU VIDA” (MAPFRE is His Life). 3 May 1984

“The company plays a very important financial and social role and has to be an instrument of harmony and social responsibility. Insurance is an institution with many social roots that can and should have greater economic importance, but I believe that the spirit of service should prevail in the company, which is often lost due to the obsession with profits”.

“MAPFRE has never applied rigid methods, but pragmatic ones to achieve the objective of an adequate dimension, always taking the best measures even if this meant rectifying more than once. On the other hand, at MAPFRE there has never been a concern for theory or planning, but for man. Only with good professional teams could this growth be achieved and in this - even this may sound immodest - there has been great skill in the selection of people, in their education in managerial life and in permanent recycling”.

Last speech as Chief Executive Officer of MAPFRE. Majadahonda, 11 May 1985

*“I have linked my business life to **transparency**, to the risk involved in making a commitment, and moreover in writing, and this is a sign of that spirit, which seems to me to be indispensable in order to be recognised as a “boss” in the human community that constitutes a company.*

This is for me a moment of nostalgia, but in my thoughts are many friends who have created their professional and family life in the orbit of MAPFRE, and who in turn have built it, with so many good times and few bad, that this “limited goodbye” is an act of joy. In some cases I have had to hurt people, sometimes unjustly, never in a premeditated way, but there are many times in which I have seen the transformation of an apprentice, sometimes a child, into a mature,

responsible and always loyal professional; the presence here of many of them fills me with pride and inner satisfaction”.

*“A senior business leader needs **two basic qualities to “create a future”:** “**imaginative fearlessness**” and “**executive tenacity**”. The latter is the origin of the intense work that characterises all of MAPFRE, mine would only have a negligible effect, which in thirty years has led us to be the leader in the insurance activity in Spain, both in private insurance and in Work Accident insurance, as our sister MAPFRE MUTUA PATRONAL has also achieved first place in its own sector.*

The “MAPFRE galaxy”, which is being prepared, will need tenacity to be maintained by all its directors and in the different Autonomous Units. If this is forgotten and the tension relaxes or one's comfort is prioritized, the plans to which I have devoted these years will just be a “piece of paper”.

From the conference “INVESTIGACIÓN, SEGURIDAD Y SEGURO” (Research, Security, and Insurance). Academic event on research, university, and insurance; meetings for a responsible society. Ávila (Spain), 9 October 1986.

“Corporate social responsibility focuses on several different areas:

***The relationship with our own personnel** exceeds legal contractual obligations, with two aspects of special advantages: the workers are considered as participants in the company and in some decisions, and equity is improved in favour of those with lower incomes. They reflect these many “social balances” of companies as well as French legislation on this subject.*

***Equity in social relations**, reflected for example in the U.S. favouring the employment of ethnic or social groups subject to discrimination and limited in their capacity.*

***Ethics of investments**, with respect to some activity or country that does not recognise the equality of men or because they can create dangers to direct or general health.*

***Protection of the civic environment**, mainly in places where the company has a prominent position, to cultural areas or other types of investments that are difficult to be profitable.*

***Joint action with colleagues** in “professional civic action”*

In all these cases, responsibility is manifested in non-profit actions, the logical consequence of participation in national wealth which, with or without laws, with or without direct reflection, appears in “institutional companies” which, due to their size or high market share, reach a de facto oligopoly, naturally with a social price.

Another declaration of “corporate social responsibility” of a more specific nature is the participation and assistance to customers in non-direct technical areas, exceeding contractual obligations and projecting corporate action to the

final resolution of problems. This appears in various business sectors as a logical reflection of the activity itself, in the case of insurance and security. We insurers are in the “risk business”, not only in the financial compensation of claims, and therefore some of us consider “safety” in its different forms and areas as “ours”, benefiting our customers, whose risks we take on without waiting for them to be affected by their consequences. Being in the safety area, we must investigate, not only in the improvement of measures and applications, but also in the very nature of the risks, fire, vehicle, traffic or work accident, environmental impairment, etc.

It must be taken into account that insurers, due to their own mechanics of action, are financed by their customers, since, in the first place, they receive the price of their services, which only materialize after some time, years in life insurance, leaving those funds “retained” for that reason; the social obligation of insurers is not limited to their action in safety but also implies “national financial responsibility”, which coordinates the strict and unwaivable defence of the long term interests of the insured with a collaboration in financial defence as an institution that manages a substantial part of national wealth”.

From the conference “ESTRATEGIA DE ALTA DIRECCIÓN, SUPERVISIÓN Y CONTROL” (Senior Management, Supervisory and Control Strategy). International Seminar on Risk Management and Solvency of Insurance Companies. Ávila (Spain), October 1987.

“Ethical risks affect the increasing responsibility of Boards of Directors, and are an important area of responsibility for the CEO, who has to take measures to avoid them.

Ethical risks, for actions that do not go as far as criminal, are significant and exceed what is now disparagingly called “moralising”. There is no such thing as a stable institutional company, as insurance companies must be, without a high ethical content which, even if it harms some short-term profits, contributes to the image of seriousness and trust that is essential to insurance. The credit and image of a serious, solvent company can be lost due to unethical actions”.

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“Ethical risks are increasingly being posed in the company, where actions that contravene legal regulations are possible; fraud or abuse of customers; prohibited investments and special life insurance investments by management of third-party funds owned by or with special rights of the insured. There must be a special sensitivity to this risk, which is exacerbated by recent financial manipulation scandals, which border on crime and may occur in areas of autonomous company operations or in subsidiary companies.

Ethics in a service company is part of its “operational quality” and if it does not exist or is insufficient, the company is subject to increasing financial losses.

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Article concerning the basics of MAPFRE's policy. “MERCADO” magazine. December 1987

*“.... I would like to highlight several aspects in **MAPFRE’s** policy, apart from the two basic ones: concern for good deeds, and the human relationship with customers and employees, for which reason we have often been called a “**humanist company**”, a principle that has influenced all our actions and should be considered just way of being:*

*1. **Decentralization** at any cost, in the idea that with it more people make decisions, which increases the operational capacity of the company and the service becomes more efficient.*

*2. **Technical specialisation** in each sector, in the idea that, by “mastering” a class of activity in depth, one ends up offering better service to customers and obtaining the favour of the public, from which quantitative and qualitative “leadership” is created.*

*3. The scope of decentralisation and specialisation is unlimited; more can always be achieved, but a third factor is necessary: **IT**. MAPFRE has been fortunate in that its evolution has coincided with the great development of distributed IT, which still has a long way to go, opening up enormous possibilities for decentralised and specialised action, as it allows for ongoing strategic training, absolute control of costs and immediate monitoring of deviations.*

4. Real, not cosmetic transparency This makes speculative decisions for internal stability impossible, even if they sometimes allow for stunning successes.

MAPFRE so far. What will its future be? No one knows. We began the preparation of a structure that would make the most of our position, further extending the application of the aforementioned principles, but history shows that we men cannot leave the future “tied up and well bound” and that it will continue to depend on God who governs us”.

From the article “ESTRATEGIA DE ALTA DIRECCIÓN, SUPERVISIÓN Y CONTROL” (Senior Management, Supervisory and Control Strategy). “GERENCIA DE RIESGOS Y SOLVENCIA DE ENTIDADES ASEGURADORAS” magazine. 1988

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From the conference “*SEGURO Y EQUILIBRIO SOCIAL EN IBEROÁMERICA*” (Insurance and Social Equilibrium in Ibero-America). Mexico, 21 November 1989

“What is Ibero-America? ...your identity, mine, it is important because it takes into account the human soul, it is less impregnated with selfishness, and it has allowed a civilisation that is not of “purely me”, but of the you, of brotherhood and solidarity because it has not in vain managed to maintain its Christian roots.

...Multi-racialism seems to be a weakness, but it is your strength, a symbol of the brotherhood of men. Spain and Portugal created or allowed a multi-racial culture: Anglo-Saxons did not. This unhistorical fact exalts my homeland. In the 21st century, Ibero-America will be better prepared than mono-racial countries that will lose their own defence of their material conquests and unlimited rights, where the “I” annihilates the “you” and the right to duty.

*...For an “acceptable balance”, a level of **equity and solidarity among citizens is needed**. Without this, a nation will lose its independence, at least morally, and will fall into the hands of dictatorships, even with the election of governments and parliaments, since a “legal-political” framework is not enough if there is no satisfactory social structure. This unavoidable objective is opposed by the resistance of those who have, and the radicalism of those who ask the impossible to use the “needy” in their strategy of conquering power. Intellectuals who use the poor in this way are “exploiting” them, even if it seems otherwise. The real direct aid that many religious orders have carried out with abnegation, without pride or being in the limelight, demands strength and sacrifice and therefore is gradually disappearing among the rich peoples where solidarity cannot be understood”.*

From the conference “MAPFRE: PRINCIPIOS Y ESTRATEGIA INTERNACIONAL” (MAPFRE: Principles and International Strategy). Association of European Cooperative Insurers. Milan, March 1989

“If, in the next century, those who succeed us as a whole and each of our “operating units”, maintain the same spirit, of course with efficiency in their management, MAPFRE will become a galaxy of “autonomous coordinated operating units”, the “MAPFRE 2000 SYSTEM”, in different sectors of Spanish, European and Ibero-American activity, and it will succeed if it continues to be concerned about three factors:

-institutionalisation as a basic piece of coordinated action.

-ethical principles, not only for “ideological” reasons but also as a guarantee of stability.

-sense of social responsibility, since great financial power without social responsibility leads to formulas of savage, antisocial capitalism, such as that which appears and can dominate the Western economic world.

I would like this to be my personal message and for MAPFRE to contribute to passing it on to new generations, not only in Spain, but in countries of our culture and ethnic and ideological origin and in Europe itself, of which Spain has been and must be a basic integral part”.

From the farewell speech as Chairman of Fundación MAPFRE and MAPFRE Corporation and of the Control Committee of the MAPFRE System. 16 June 1990

*MAPFRE's action is based on offering in other countries management systems, sense of social responsibility and effectiveness in management, with their own technology in several areas, especially in operational computing, mass insurance and industrial and environmental prevention methods; but above all, it offers bonds of friendship, friendship between peoples and nations, friendship between colleagues and employees of different nationalities and **deep institutional friendship**. This is MAPFRE's expansion method; it used to be national and now it is international.*

I would like to tell you - not everything has to seem transcendental - some small satisfaction and vanity of my activity in MAPFRE:

- At the General Meetings of the Corporation that I chaired since 1978, with enormous initial difficulties and where I had to appear before shareholders who unexpectedly stopped receiving high dividends, and whose shares were drastically reduced in price, from then until today, in thirteen Meetings, I have not had a single intervention by a shareholder. How did this happen? Maybe I think because I “stood up” with the truth.

- I have never used “bodyguards”; I do not know what I would have done if circumstances had made this indispensable, but I managed to avoid it. It seemed

to me to be something against my own dignity, much closer to transport by taxi, bus or underground than to the pomp and status of bodyguards watching over my life, which on the other hand I have always been able to do for myself and without avoiding risks on many occasions.

- We have never had an image consultant. Some people said to me: "If you had an image consultant, how far would you go!" I have always thought that MAPFRE's success has been precisely not having one. In any case, why would we need a consultant? MAPFRE has an extraordinary image throughout the world, without the need to use the assets of the members of the mutual society or shareholders with cosmetic measures of economic impact.

From the farewell speech as Chairman of Fundación MAPFRE and MAPFRE Corporation and of the Control Committee of the MAPFRE System. 16 June 1990

*.... You all know my Christian and specifically Carlist background. In my almost 35 years at MAPFRE, I have tried to create a **company inspired by Christian principles**, which has nothing to do with making ideological politics or discriminating against those who think differently, which has never been done at MAPFRE. MAPFRE has been, in everything that has depended on me, a company that has emerged from the application of those principles; and, as a company director, I have always acted as I have believed that those who call themselves Christians should act. One of the satisfactions of this 16 June is to proclaim this without blushing or with "shifted shame" that some who think like me have; in saying this I am not harming "my cause", since I have demonstrated with the facts that with those principles one can accomplish things and perhaps only with them can one have permanent success. In any case, without what I have just said MAPFRE and my performance in it cannot be understood.*

*....Leaving is a bit like dying. I will really leave MAPFRE poor, fairly deaf and half blind, but with the "pride of Don Rodrigo at the gallows". **Pride** is an anti-Christian quality, but we all have some defect and my Christianity, in spite of will and faith, has many, excessive defects; this is one of them. But pride is Spanish; and if I have given my professional life and the other life to the service of my country, for as long as I can remember, so the fact that I show you today a Spanish defect, does not cease to satisfy me".*

From the book "UTOPIA DE LA NUEVA AMÉRICA. REFLEXIONES PARA LA EDAD UNIVERSAL" (The New American Utopia. Reflections for the Universal Age). Editorial MAPFRE, 1992

"Around 1948, I thought (I did not get any further) about writing a book about the Public Administration, in which I was working then, pointing out defects and realities of the Spanish public life, not the circumstantial of a period. I thought its motto might be a well-known poem by Quevedo, which began:

*I don't have to keep quiet no matter how much you use your finger,
touching your mouth or your forehead,
warning me to be quiet or threatening me.
Don't we need a courageous spirit?*

*Do we always have to feel what we say?
Do we never have to say what we feel?*

It was my naive intention to speak clearly of what I saw and noticed at that time. Now, such a long time after, with personal independence and absence of future ambition, I could have used that poem for the book, but I do not because I do not deserve it. The book does not say everything I think, it discreetly disguises something of what I think and refers to aspects of the future that I do not believe in. Unfortunately, it is a polite and “civilized” sample of social life, with human respect and even Pharisaism, even written with “good intentions” and perhaps less selfish concern than usual. But even with this, it is a manifestation of the lack of freedom and fear in human beings.

My father, a whole, incorruptible man, to whom I should have made the dedication, would not have accepted it, but that is why he had less material success, and even with everything, he said: “I know not the conscience of a fiend, but I know my own, which I pass for an honest man, and it is very unedifying”.

While expressing the above, I believe in what I am commenting on and anticipating, even if it is with a 1,000-year gap. It seems paradoxical, but it is a manifestation of the mystery of humanity and a constant contradiction in which men and women find ourselves, the main reason why I am a submissive member of the Catholic Church, without ceasing to see defects and limitations which, like those of everyone else, only God can know and judge”.

*“What is predictable is that in the **21st century two tendencies will be consolidated**: that of those who think that man is a supreme being who must not subordinate his action, his rights, and interests to any principle and therefore the history of civilization depends on him; and that of those who think that man is the work of God, who plays under his signals and guidance. This chapter does not try to convince of any position; only to point out facts or possibilities that allow individual or collective reflection, but indicating that a society that is not humble enough to recognise that it is not omnipotent has less chance of long survival than those who know how to suffer, sacrifice, and recognise their limitations, which offers hope for a distant future”.*

Speech at the event “DÍA DE HONOR DE MAPFRE”. Universal Exhibition in Seville. 24 September 1992

*“At this moment I cannot resist the temptation to warn you of a **danger: that of triumphalism**. The Olympic Tower, the results for Motor, an act as brilliant as this one, the Colecciones... all great and well done, all triumphant; and triumphalism always ends badly. I will not continue because today is a day of joy and not for a sermon, but you all understand me well.*

*And to conclude, I tell you that today is not the day of the Colecciones MAPFRE 1492, nor of the Fundación MAPFRE AMERICA, it is the Day of **MAPFRE**, of the great MAPFRE of Spanish insurance, which with great solidity resists the attacks from the competition, thanks to a territorial structure almost unique in the world insurance, rooted in Spanish society, which must follow in the next*

years its victorious path, which in addition serves to finance the flowering of the Foundations and obtain a wide implantation in all Ibero-America”

From the book “UTOPIA DE LA NUEVA AMÉRICA. REFLEXIONES PARA LA EDAD UNIVERSAL” (The New American Utopia. Reflections for the Universal Age). Editorial MAPFRE, 1992

*“The 21st century will witness the acceptable continuity of Western society only if it can find a permanent balance in the universal society, with the **New Europe and the New America**. In any case, it will begin its **decline** as a centre of power and example for other societies and its share in the computing of humanity will gradually decrease. With the century begins a millennium that will offer surprises and in which the coloured or mixed-race man will acquire prominence, which Westerners have an obligation to respect. But even in this millennium, situations will arise that are beyond man's control and that can change the course of human history in ways that are very difficult to predict”.*

From the book “UTOPIA DE LA NUEVA AMÉRICA. REFLEXIONES PARA LA EDAD UNIVERSAL” (The New American Utopia. Reflections for the Universal Age). Editorial MAPFRE, 1992

“...The future of humanity must be established on new foundations that guarantee solidarity among the living, based on the brotherhood of sentiments and a profound humanistic feeling. That is, to recover the Christian, ethical background of existence, at the beginning of the third millennium of our civilization. Otherwise, humanity will not see a decided project of existence that will take it away from the current fever of progress, which does not lead to a happiness of absolute value. Technical inventions are discoveries of intelligence, but without heart; therefore, they do not lead to spiritual peace. I believe it is urgent to change the course towards which man has launched himself in order to find the true quality of life on Earth.

.... We must re-establish understanding and solidarity among peoples in the universe, in politics and in daily life, leaving behind the game of the powers, opening up the possibility of living in freedom for every human being”.

From the book “UTOPIA DE LA NUEVA AMÉRICA. REFLEXIONES PARA LA EDAD UNIVERSAL” (The New American Utopia. Reflections for the Universal Age). Editorial MAPFRE, 1992

*“The great tragedy of today's society is that it is structured for a “**sectorial egoism**,” sad to say, mainly of the white race, with centripetal movements in which excesses of individual rights and the primacy of personal interests are promoted, which immediately spread to those who lack everything, considering envy as the supreme basis of social construction, which may be tolerable and even useful for a limited area or people insofar as it stimulates the acquisition of material goods, but is intolerable in the whole of humanity or for a large part of it, which under no circumstances can “come close” to what is shown to it every day and from what is seen to be more distant at each moment.*

There is a vicious circle, once again mysterious and unknown, and the question arises as to whether humanity will resolve this conflict by itself, between the destitution of some and the unlimited rights of others, not in small nuclei, as was the case in the Middle and Modern Ages, but as a whole. I know of no precise solution or panacea, but there is no doubt that in order to approach it some men should stop believing themselves to be superior and recognise that unjust inequality cannot be resolved by itself, as today's society seems to suppose”.

From the epilogue of the book “UTOPIA DE LA NUEVA AMÉRICA. REFLEXIONES PARA LA EDAD UNIVERSAL” (The New American Utopia. Reflections for the Universal Age). Editorial MAPFRE, 1992

“.... I cannot resist quoting at this moment the reactionary, forgotten and ridiculed Carlism, still respected, if not shared in its principles, in a society hostile to its deep religious feeling.

*Therefore, I dare, with the informality of this epilogue, to transcribe **an article written by my father in 1942** for a clandestine publication by a group of young Carlists, who met at my home in Velázquez, 100, and at the Mella Academy, in calle Barquillo, and who did not accept, nor ever did, the authority of General Franco, nor his Régimen.*

A country where no one feels attached to the past is not a Fatherland, it is a foundling home. The unfortunate foundlings are a testament to being born, but how can they give what their parents gave? [...]

That is why even modern policies have long since systematically refused to call themselves fatherlands; and they fill their mouths all the time calling themselves nations. Which is not the same thing. Nation is a thing of birth. Human beings are born, but beasts are also born. In other words, beasts have a nation. What beasts do not have is a fatherland.

What do they care about the past? As soon as they are born, the irrational become independent, lose all relationship with their parents, do not recognise them, and are not recognised by them. Parents and children are dispersed, without any affection or lasting bond. They do not care about the future either. They live brutally, for the momentary satisfaction of their most elemental instincts: eating, procreating, defending themselves and standing out individually. They have nothing rational to convey.

But humans do. A language, and with the language, the faith of its origin and of its purpose, the divine revelations, the wisdom accumulated by the efforts of the preceding generations, the history of so much abnegation and, with them, the veneration of parents, and of the parents of their parents, and of their ancestors, of whom, by blood, they preserve so many goods that distinguish them in their superior dignity from the irrational and oblige them to the duty and the honour of deserving, due to their own love and abnegation, to be worthy of the admiration of future generations.

All that Tradition is a spiritual, rational, and political current, which runs through natural channels from the past to the future, over bonds of family origin, in the common and lasting interest of the Homeland.

And that is natural political life, by inviolable law. When it seems to be violated, people suffer or perish, proof that the law is inviolable or unfailing. Like it is the legitimacy of divine origin. Miserable foundling politicians, who deny or ignore their parents. They want to ignore them, imitating the irrational ones. And with this merely animalistic tendency, they do not care about the fatherland, but only about the nation. They do not revere the tradition of their parents, but allow themselves to be domesticated or run over by any master, or ruined or debased by any stepfather or any adventurous pimp. Since they do not bring with them the spirit of the fatherland, they would like to have been born French, or English, or German, or Russian, or to be thirty-blood hybrids, according to fashion.

These inclusive policies are the ruin of civilization; with their animalistic tendency, humanity returns again to the fierceness of the jungles, they return to barbarism, but not to innocent and primitive barbarism, but the regressive one by corruption. And what will become of the foundlings? If in the charity foundling homes, mortality sometimes exceeds fifty per cent, in the political foundling homes all the miserable foundlings die.

What is left in Spain of more than five hundred anti-traditionalist political parties that have appeared in a century? Who remembers who the Ayacuchos, the Fusionistas, or the Idoneos were? There were those who seemed to overwhelm and dominate everything for a moment: power, opinion, triumphs, and gains...; but they were never saved from the common fate; as soon as they were born, they perished without leaving any honour of memory, the same as the foundlings or hybrids who lived without honouring their parents.

Meanwhile, exonerated, outlawed, confiscated, in prisons, fought, shot, murdered, persecuted, betrayed, slandered, silenced, and sold for more than a century. taken for dead a thousand times, only Carlism has not died because it is the natural political life of Spain of divine origin, the inaccessible tradition of eternal Spain”.

From the book “UTOPIA DE LA NUEVA AMÉRICA. REFLEXIONES PARA LA EDAD UNIVERSAL” (The New American Utopia. Reflections for the Universal Age). Editorial MAPFRE, 1992

“Universality is an aspiration of man, even if he did not believe it possible; it was already perceptible in the 15th century when it was supposed, but without certainty, what later became America. That reality will be a source of friction and problems, as has been the unity of Germany despite the unanimous will with which it has been created. The transformation of the former Soviet Union is another example of this nature, the final results of which cannot yet be fully predicted.

Utopia has become a reality, but it is not known if man is prepared to face the consequences of universality or if it will be the main cause of difficulties, wars, and tensions, greater than those we have known so far. It is easy to manage a small village; rural relations are comfortable and humane, more so than those of a large population or country. It is hard to imagine what universality will require. International institutions, current or historical, such as the League of Nations, UN, UNESCO, etc., are forums for relations between “strangers”, with advantages for reciprocal knowledge, but without conditions for the governance of the world.

Universality leads to superior command, to effective government that demands real power. How to achieve this is the great challenge of humanity, difficult to overcome if it wants to solve everything through markets (and wars) in which only the strong will triumph.

The question for the future of Western society is whether in universal humanity there will be lordly peoples and slave peoples or at least serfs and whether all countries will agree to give up part of their sovereignty in favour of a world government and regional governments”.

From the conference “COMENTARIOS SOBRE LA CRISIS DE LA SOCIEDAD OCCIDENTAL” (Comments on the Crisis of Western Society) Graduation event for the Master’s Degree in Insurance Management. 1993

“One of the causes or consequences, I do not know which, of the crisis in Western Society is the disappearance of family or semi-family protection institutions.

*A little over a century ago, the **family** was particularly important and provided social security for each individual, who was directly covered by it. The situation is now different, the change has taken place and man has become isolated and has had to create, for his protection, public or private institutions, one of them being Insurance. Its importance is being and will be great, and of this as future protagonists you should rejoice, but it will require relentless reduction of costs.*

A company only fulfils its social objective and retains its ability to survive when its management costs are passed on internally “less than to its competitors”. Every company, and even insurance as an institution, will only survive effectively if it avoids becoming an expensive bureaucracy, a dinosaur to its own selfishness at the expense of the whole population, which will become more and more sensitive to it every day. Insurance must be effective, it is an indispensable institution, but only if it directs its structure to the general benefit of society and not to the comfort of its leaders”.

From the conference “COMENTARIOS SOBRE LA CRISIS DE LA SOCIEDAD OCCIDENTAL” (Comments on the Crisis of Western Society). Graduation ceremony of the third year of students for the Master’s Degree in Insurance Management. Madrid, 2 December 1993

“One effect of globalization is that everything can be known and everywhere can be reached, with constant and growing osmosis, technological, informational, labour, ethnic and cultural. Osmosis at work is perhaps the most direct effect for

structural transformation. Until now, in a more or less Autark way, peoples, nations and even limited geographical areas protected themselves and made different standards of living possible.

In the future we will all form the “community of men”, with billions from Africa, Asia and poor areas of Ibero-America participating at the western table, to which they bring cheap labour, which moreover does not always require displacement of people as rich people, in order to compete and survive, tend to use “on the spot” labour of citizens from poor countries. KLM Airline maintains its accounting department in India, and similar actions will be frequent, facilitating the revolution in communications and data transmission, whose costs will be dramatically reduced. You also have to think about the possibilities this can bring to Insurance, about what you are going to work on over the next four decades, which can be very different, even the most “progressive” now.

*Western civilization creates **needs in many countries that cannot be financed** in a universal competitive framework; this simple factor will serve to understand the general situation we are going through. It seems that the logical thing to do to resolve this contradiction is to lower the bar on needs that are considered essential, eliminating the superfluous ones, but I fear that this will not be pleasant.*

On the other hand, it incorporates women into the “labour market”, reducing their participation in the family, which loses even more social importance, a sociological fact that, due to various types of prejudices, has not yet been properly studied. But in addition to this effect it offers that of an increase in the supply in distinguished areas, not simply of unskilled labour, which inevitably increases the number of those seeking employment and, like any change in this dimension, produces a disturbance in the balance, until a new kind of balance is reached. “

From the conference “EL MECENAZGO EN LA DIFUSION DE LIBROS CLÁSICOS Y MODERNOS” (Patronage in the Dissemination of Classic and Modern Books). Summer course of the Complutense University of Madrid. El Escorial, 5 August 1994

“I have always had, even before visiting it, an Americanist vocation; my professional life has given me the possibility of applying it. I encouraged MAPFRE to set up in America. Many years ago, I thought that MAPFRE needed - and I perhaps needed - America. I do not hide the fact that, together with the sentimental factor, there was another factor: this objective forced me to travel, to get to know new lands and new people, since perhaps my vocation has been more to make history than to study it, and the one I liked was created from personal and direct contact with new friends from other countries”.

*“In the activities of Fundación MAPFRE I have used the business technique of marketing, which is not the one that is taught in courses and seminars, generally cosmetic and not very useful, except for those who live from it. **True marketing of any kind and in any area consists of putting yourself on a level of superiority in something that competitors do not have and will have a hard***

time achieving. MAPFRE Motor achieved this, after 20 years of constant attempts, when it managed to run at a cost of 10 to 15 points less than its competitors. Hence its latest results. The Foundation has played that very game by acting in areas that no one was interested in (you know, no votes nor profits), achieving a pre-eminent position that, in some way, we hope to maintain its commercial nature in the new field of electronic publishing, in the dissemination of digital information on Ibero-America and its historical evolution”.

*“...Today's world, with its great possibilities, also dangers, has been partly the result of the action of **businessmen who have known how to accept risks, forgetting the security of routine and the comfort of contracts with a golden parachute clause**, contrary to the interest of humanity and their own companies”.*

From the conference and research work “EMPRESA Y DIRECTIVOS EN LA ESPAÑA ACTUAL” (Companies and Management in Present Spain). University of Alcalá de Henares, 1995

*Life is risk,
that is why it is beautiful,
but it's not a bed of roses.*

Keep this in mind and forget easy and quick objectives, those of convenience and speculation, which do not serve to create effective companies of sufficient size for external expansion”.

About his principles of action in MAPFRE:

*“**Maximum operational decentralization**, in the idea expressed by me on many occasions that a fool “in situ” decides better than a clever person four hundred kilometres away, among other aspects because the clever person decides with the information from the fool, who knows what to do in view of the facts, but perhaps does not always know how to explain them precisely”.*

*“MAPFRE was never ideologically linked to any group or trend. Although most of us leaders considered ourselves to be actively Catholic, it introduced into its articles of association a **prohibition on any contribution for political, ideological, or religious purposes**, thanks to which no social or political group requested its help at the time of the Spanish transition, and of course it was not involved in any of the subsequent scandals”.*

From the prologue of the book “CRISIS DE SOCIEDAD” (Crisis of the Society). EDITORIAL ACTAS, 1995

*“I'd like to be considered an **independent man** above everything else, like my father was. Independence makes one proud, even excessively so, but it demands sacrifices, the least important of which is the financial one. It is hard and often misunderstood even by those close, but it is still the greatest of all luxuries, the only one that is really worthwhile, except for holiness”.*

*“My performance comes from **my father’s example and teaching**, from a family tradition that goes back to the War of Independence, which was passed on to me, and I hope that through my children it will be passed on to the future. What greater honour can one aspire to, and even more so if one has succeeded without ever giving in to any injustice?”*

*“**Business success** is compatible with the application of principles and values that limit abuse and defend the dignity of all men. I am proud to have succeeded in making this known to those who honestly think differently”.*

From the article “LA ÉTICA COMO ELEMENTO DETERMINANTE DEL ÉXITO EMPRESARIAL” (Ethics as a Key Factor in Business Success). Published in the “SITUACIÓN” magazine. 1996

“With ethics, not only is the success of a great company possible, but it is indispensable, in the face of systems of anything goes and get rich quick, enrichment and abuse of the managerial function.

In my opinion any business design that does not take ethics into account will lead to failure”.

“I spent many years hearing that I was “stupid” because I did not take advantage of some benefits I could have achieved, and because I put too much emphasis on defending the company and not enough on my own. Of course they were not right and I continued to act according to the principles of my family and my religious upbringing, and above all, with common sense [in this case, I admit, without worrying whether I was Christian or ethical]. I could not act otherwise, I would have been internally unbalanced and also would have lost face in front of those around me. But the result, in my own selfish way, has not gone badly for me, nor am I dissatisfied, nor are my family, and yet none of those who advised me otherwise have managed to get ahead..”.

From his last institutional speech at MAPFRE. Extracted from the article published in the “SITUACIÓN” magazine, 1996

“I have not lied, except in cosmetic aspects, nor have I harmed any person with false information, either internally or externally; I have not gone back on my word, and because of this I have had problems and difficulties, even with personal financial outlays; I have not made a decision to select, promote or dismiss personnel or other types of decisions influenced by my direct interest, or that of my family, or by ideological criteria, nor that caused, to my knowledge, harm to employees, partners or customers; I have not stopped accepting risks. I have not consciously failed to be fair in any of my decisions; I have not made any public proposal that was actually favourable to what I was managing, but always what I thought was good for everyone, nor have I induced actions that were in the interest of the company but dangerous for those who had to carry them out”. Some will say that I was successful despite these limitations; I think, on the contrary, that only in this way can there be lasting business, institutional or political success, and that, therefore, such action is socially effective”.

From the conference “**REFLEXIONES HETERODOXAS SOBRE DOS FINALES DE SIGLO**” (Heterodox Thoughts on the End of Two Centuries). Casa de America, cycle of conferences “**EL 98 DESDE ESPAÑA**” (The Year 1898 seen from Spain) . 27 January 1998

“After an examination of my long, hectic, varied, and successful life, there are two facts that I feel especially proud of, apart from having created a great family, which remains united and having had independent professional success. These facts are:

*- My participation in the Civil War, in the Carlist army of Navarre; I have never again felt more **dignity**, which was that of those around me.*

- No one from the “Larramendi” family, directly or indirectly, has participated after the war in the politics and management of Franco, which we would have considered treasonous to the line of our family history”.

*....When analysing the 20th century it is necessary to emphasize that in these last decades **institutions have appeared that I consider of Carlist spirit**, although with varied origin, useful for our balance in the next century and with the common denominator of “corporate sense” and “great business success”, which their monopoly has led each to be a leader in their sector. In any case, MAPFRE cannot be denied this character, since this was my conscious decision all the time that I promoted it and managed it.*

*- **MONDRAGON** group created by a priest of **very nationalist** ranks, Father José Maria Aizmendiarieta, with whom I had a **good friendship**. It started with an industrial school and had a vision of **overcoming** local barriers, integrating across the nation, and **extending to other countries**.*

*Its cooperative **spirit**, adapted to the situations and needs of each moment, has led to this international triumph from a small town in Guipúzcoa.*

*-**Cooperativa ACOR**, has been an important part of the associative life of **Castile** and I believe it will be an outstanding factor and reference for the sugar development of Spain in the 21st century.*

*-**MAPFRE**, to which I have been linked for most of my life. It is a mutual society that, against all odds, after a situation of absolute insolvency in 1955, has become the largest Spanish insurance group, the only one capable of facing foreign “invasions” and with a prominent international presence. At the end of the 1950s, it was proposed that it be transformed into a public limited company, but I opposed this, losing the opportunity to enrich myself, but making possible the bases of its later development, which were mostly the result of this “institutional” and “non-commercial” decision.*

*-**EL CORTE INGLÉS**, a purely individual initiative of Ramón Areces, who created the largest company of its **kind** in Spain and perhaps in **Europe**, and who before his death **contributed** almost all of his shares to a foundation bearing his name, making it an institution with the Carlist spirit that I attribute to it, although my statement would surprise its creator.*

*It is a glory of Spain; it has never depended on financial institutions and has created its **own** and become the main example of patronage in **Spain**.*

*-LA **ONCE**, Organización Nacional de Ciegos, an original Spanish **institution** that has served to resolve the difficulties and inferiority of a wide range of disabled people; it is a unique example in the world, which has been able to find its basic social function and which should be exported in some way to the countries of Ibero-America. It is a fundamental part of Spanish social life.*

*-LA **COPE**, the radio station promoted by the Catholic hierarchy, even in the form of a limited company, which is the only “media” in Spain that is really oriented towards the independent defence of citizens. Without almost knowing of its existence, I noticed that I was the only one who was absolutely opposed to the deification of Mario Conde, driven by all the other “means” of some dimension. Apart from small publications, almost “parish pages”, it is the only one with an effective Christian concern, not only ecclesiastical, to defend principles and values, and has also achieved economic success and general recognition.*

*-I must also comment that **Banco de Santander**, created by the historical effort of a family's management, without origin in monopolistic public services or in “concentration” of entities, is in my opinion the only example similar to the previous ones in the non-institutional business world.*

*With other characteristics, we must also include the **Savings Banks**, with a social spirit from their origin. They will probably constitute the main future financial base of our nation, especially if they are not instrumentalized by parties and autonomous governments and if they know how to preserve a non-market and non-partisan associative spirit”.*

Speech on receiving the Great Cross of the Order of Civil Merit. Madrid, 9 September 1998

“My life has been one of work, of service to companies and institutions and, as far as possible, of being unnoticed”.

From Mr. Larramendi's words at the presentation of the book “BIENESTAR SOLIDARIO (CEMENTERIO DE BUENAS INTENCIONES)” (The Common Good, Graveyard of Good Intentions). Spanish National Research Council, 28 May 1998

“One aspect that I would like to highlight is that I am perplexed by not knowing whether I am left or right-wing. I have never been concerned about this, but now I fear that any proposal will immediately be qualified in this way. I am telling you that I don't want to be on the left at all, nor on the right, but something less. My proposals are not ideological, but seek to improve the internal balance of society and its citizens, their internal balance, equity in the relationships of all and the protection of those who need it most. Let everyone qualify it as they see fit, although I fear that some think it is right-wing “to believe that two plus two can only be four” and thus disqualify everything I say, for I always refer

correctly or not to principles and measures inspired by reality and not by vague ideologies and reality is varied and contradictory. What I propose can be done and should be done, although I doubt it will ever be done.

...The only system to achieve maximum benefits for all citizens, that is, common good, is the austerity of the rulers. The cost of solidarity is almost inevitably increasing and creating imbalances. In order to finance it, what is important is not only to increase public revenue, that is, taxes, but also to reduce expenditure. With the elimination of corruption, of the waste of measures of political sectarian interest.

Only with this will citizens be able to obtain greater solidarity rights, but when the politicians who propose them are not austere they act with hypocrisy that must be persecuted, and it is not only a question of corruption but of many kinds of waste, for unnecessary works to favour friends or to obtain popularity; I cite in the book the creation of an international airport in a population of 4,000 inhabitants on the island of La Gomera almost an hour away from the nearest one. It is a very striking example that has been and I do not know if it is still a target of a political party, even if it lacks the slightest common sense and of course I suppose it is already paralysed”.

From the speech at the awards ceremony for the Great Cross of the Civil Merit Order, on 9 September 1998, in the MAPFRE Mutualidad de Seguros Hall. Majadahonda, Madrid

*“I have believed and still believe in **corporate social responsibility** A great company, and more an institution like I wanted MAPFRE to be, has obligations, not only to its employees, not only to its customers, but to the social whole; it acquires a very wide power, and everyone who has power has social responsibility, regardless of the operation. The Church, rulers, politicians, trade unions, and a nation have a social responsibility of this kind.*

This attitude has been the principle of my work at MAPFRE since my first moments; it has also been explicitly stated, in phrases similar to mine, by Ramón Areces in El Corte Inglés, who at the end of his days gave his property to a Foundation.

I recognise that in many cases this responsibility is undertaken without mentioning it, it is spoken in prose without realising it, but those who make an institutional or business objective are more successful.

This responsibility exceeds the contributions to Foundations, but these are its distinguished symbol, and MAPFRE has been allocating regular amounts to foundational purposes for decades, which I believe in the last year have been close to 1,600 million pesetas. I consider immodestly that these contributions can be considered my life's contribution to our society as a whole, which is perhaps related to my modest home. I admit that I feel like a patron, even if someone says I'm “the poorest patron in the world”. I hope that MAPFRE will continue in this way and that its spirit will not be distorted. (I must also say that

I consider that I have been the businessman who has made the most mistakes and has made them the most times, although rectifying them very quickly.)

From the conference “COMENTARIOS PARA LA GESTION ADMINISTRATIVA PÚBLICA EN EL SIGLO XXI” (Comments for Public Administrative Management in the 21st Century). Directorate General of Insurance, 27 April 1998

“In the 21st century, it will be essential to process all transactions of official expenditure and payments in a logical computerized way, integrating them into databases, and thus provide immediate, accurate, reliable, and comparable information, which is the best protection for citizens against official abuse and reciprocal tolerances.

With the current computer methods all political and social authorities and citizens will be able to know the reality without complicated analysis; this will be the most effective instrument, both for freedom and for the authentic participation of citizens in public life of any kind and any geographical area, avoiding interested interference. It would be a very important step for our nation, which would contribute to balance and tranquillity in the next 21st century. Could anyone openly oppose this? Will it upset the managers of public spending units? Will it offend autonomous communities and town councils? Will permanent knowledge of the expenditure of the Community of La Rioja be considered offensive? Will it be considered incorrect that these data could be known by the Community of Murcia or the Town Council of Logroño?

This “operational transparency” requires the complete “accounting standardisation” I am referring to, which must be at national, autonomous and municipal level, which is already used by large companies, in medium-sized companies and even in some small companies to get ahead in a free market, where only those who take the necessary measures more quickly will be in a position to deal with the problems”.

Words spoken at the presentation of the book “BIENESTAR SOLIDARIO. (CEMENTERIO DE BUENAS INTENCIONES)” (The Common Good, Graveyard of Good Intentions). Spanish National Research Council, 28 May 1998

“Today's Western society will face basic problems in the 21st century in two main ways:

1.- It needs to increase, companies want to earn more than in the previous year. Employees want to increase their purchasing power, citizens want ever higher levels of welfare. This mechanism seems to be dangerous to me because there must inevitably be a brake and with it a crisis or a great crisis. Is this inevitable? Is this the great threat of the century? Let everyone judge what they should and can do to avoid it.

2.-Globalization has an impact on every country, and it is good that it is happening. Let the citizens of the poorest nations increase their welfare and decrease the welfare of those who have more. But they are trying to rebel and

they will blame the rulers of the moment, inducing the citizens not to consider it inevitable, such as rain or drought are considered.

The only possibility to increase the development and welfare of a nation or not is the transparency of public management, of accounting data, of information technology; if there is transparency, the possibility of social balance and improvement of citizens will increase.

This is the objective I am seeking in this book and in other publications; if I succeed, if its transcendence is recognised, social balance will be easier for the benefit of nations and above all their citizens. That is why I am convinced that the antidote to increasing possible well-being is transparency in public management, in accounting data, in information technology. Only if there is transparency will the probability of social balance and improvement for citizens increase.

That is the goal I am looking for in this book and other publications”.

From the conference “ACTUALIDAD DE LA DOCTRINA SOCIAL DE LA IGLESIA PARA LA VIDA PÚBLICA” (Relevance of the Social Doctrine of the Church for Public Life) . Catholics and Public Life Congress. Fundación Universitaria San Pablo C.E.U. Madrid, 6 November 1999

“The de-Christianisation of our era comes much more from the hedonism and selfishness of men and women, even Catholics, than from official or sectarian influence of any kind; it has more right-wing than left-wing origins, it may be sad but it is a fact”-

*“For me personally **the only hope for the betterment of humanity** is in the Catholic Church (and within it in those who maintain “blind faith”), in Spain and especially in America”.*

“To give an example, words are not enough, of what it means to be Catholic, as in the time of the first Christians or as for a long time in England, when being a Catholic was something different that was admired even if not shared. Catholics in general, and the most representative ones in particular, must take this into account, and understand that in social life they have a personality that distinguishes them from those who are only dominated by hedonism and selfishness”.

From the book “IRREFLEXIONES PROVOCADORAS” (Inflammatory Irreflections). 2001

“Crises in companies make them improve or disappear; it is dangerous to avoid them, hide them or lie about them instead of facing them”.

“Unpredictable sociological repercussions will appear when the economic imbalance forces in one way or another to reduce by half or to a lot less the

average income of Western citizens, something catastrophic for those used to being at the top”.

From the interview with a successful businessman. “LA RAZÓN” newspaper. 4 February 2001

“The secret of my success as a businessman is based on a certain entrepreneurial instinct. Treat people well; be truthful and serious. When I joined MAPFRE the company was bankrupt and had 200 employees, I had to fire 100. There was no choice. And I always faced the consequences before those that were fired... You have to face the consequences in these difficult situations and not try to make the middlemen play that role”.

“The MAPFRE culture is based on defending the truth against lies and deception, because only the truth dignifies and saves. Also respect for men, demanding them to love the truth, which a company needs, even if some believe it is inconvenient; in the long run I believe that not only is it not, but it is the only possibility of success”.

“I point out with pride that I have stood by my religious beliefs, with “blind faith”, as I learned from my elders and I leave this to my descendants, this is an honour. My actions also show that success is possible without political and financial dependence, when this seems to be an obstacle in the society we live in. Just for the end, a word to Lourdes, my wife: thank you”.

The Larramendi Decalogue for success:

- 1. It is essential to be ethical to be profitable.*
- 2. Austere in expenditure*
- 3. Tell the truth.*
- 4. No cheating... not even with the Tax Agency.*
- 5. Be serious at work.*
- 6. Equity in decision-making.*
- 7. Transparency before employees and customers.*
- 8. Objective in playing.*
- 9. Face the consequences in adversity.*
- 10. Respect for employees.*

BIBLIOGRAPHY, ARTICLES, REPORTS.
IGNACIO HERNANDO DE LARRAMENDI

BIBLIOGRAPHY

IGNACIO HERNANDO DE LARRAMENDI

BOOKS

Ignacio Larramendi's books can be downloaded in PDF, epub and Mobi here:

http://larramendi.es/es/cms/elemento.do?id=estaticos/paginas/Libros_electronicos_de_Ignacio_Hern.html

1. **EL RIESGO CATASTRÓFICO EN LOS SEGUROS PERSONALES.** Publications of the Insurance Compensation Consortiums, 1947

Summary of Contents: This work, which received the First Marín Lázaro Insurance Prize in 1947, awarded by the Directorate General of Insurance, begins with an explanation of the general theory of risk in order to situate the so-called catastrophic risk within it. It then establishes a series of reasons that justify the need for the cover of extraordinary risks, developing the evolution of these risks in the international field, while analysing in detail the convenience of resolving the consequences that the risk of catastrophe brings with it. The work devotes special attention to the accident rate caused by the Spanish Civil War.

<http://www.larramendi.es/i18n/consulta/registro.do?id=946>

2. **TRES CLAVES DE LA VIDA INGLESA.** Editorial Cálamó, 1952. Esplandián Collection, 189 p

Summary of Contents: This work brings together the experience of Larramendi's stays in London, where he lived to broaden his professional knowledge. In it he studies the English social structure and in particular the general aspects of English justice and the legal profession, the roots of its commercial life as well as the structure and functioning of the English insurance company Lloyd's.

<http://www.larramendi.es/i18n/consulta/registro.do?id=950>

3. **ANOTACIONES DE SOCIOPOLÍTICA INDEPENDIENTE.** Plaza & Janés, 1977

Summary of Contents: In this book, written in 1976, which appears at a time when Spain was going through a stage of profound change, Larramendi reflects that not only political professionals should express their ideas of what they believe is best for the country, but that all those who have a useful experience to communicate should do so. With this

aim he writes this book, in which he contributes his opinions about the path that society should follow.

<http://www.larramendi.es/i18n/consulta/registro.do?id=947>

4. MANUAL BÁSICO DE SEGUROS. Editorial MAPFRE, 1st reed. – Madrid, 1982. 186 p.

Summary of Contents: A complete handbook on Insurance which deals with the origin of insurance, Insurance as an institution, Insurance Contract and its types, Insurance Techniques, the Insurance Company: its functions and services. Its structure and organisation, the distribution of insurance, the Agent, premiums and supervision and the institution of Reinsurance.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=23023>

5. - UTOPIA DE LA NUEVA AMÉRICA: REFLEXIONES PARA LA EDAD UNIVERSAL.

Editorial MAPFRE, 1992, Madrid

Summary of Contents: It contains geographical information about Ibero-America and Anglo-America, which systematically describes them, with statistical data, prepared and coordinated to facilitate the knowledge of what they represent. It is followed by ten “reflections” on aspects related to the book’s aim: “the future of America in the next millennium” commenting on Western society; Spain and Europe, from where the current America comes from; relations between and with the two subcontinents, to reach a perspective of the New America, from Tierra del Fuego to Alaska and Canada, and the legal environment in which their nations would coexist in the “Universal Age”.

<http://www.larramendi.es/i18n/consulta/registro.do?id=9994>

6. - CRISIS DE SOCIEDAD. REFLEXIONES PARA EL SIGLO XXI. Madrid, Actas, 1995.

Summary of Contents: In this work, Larramendi applies his extensive business and life experience to comment on some aspects of Spanish society in the 21st century, issues of which he has knowledge and on which he believes he can contribute useful opinions. The work therefore includes reflections on issues such as power, corruption, employment or solidarity, which could have key impacts for the future of Spain.

<http://www.larramendi.es/i18n/consulta/registro.do?id=936>

7. - PANORAMA PARA UNA REFORMA DEL ESTADO. Madrid, Actas, 1996

Summary of Contents: In this book the author gathers the immediate needs or advantages of undertaking a State reform to face the general crisis, not only Spanish, in the face of problems from the year 2000 onwards. Its purpose is to demand that the Public Administration be transparent and comprehensible, both for those who have to manage them and for those who have to use them. In this work Larramendi reflects on the change, improvement and operative modernisation of the Spanish State, independently of any political party.

<http://www.larramendi.es/i18n/consulta/registro.do?id=926>

8. - BIENESTAR SOLIDARIO, CEMENTERIO DE BUENAS INTENCIONES. Madrid, Editorial Actas, 1998

Summary of Contents: Reflections on the Welfare State, public spending, education, health, pensions and unemployment in Spain. In this book, Larramendi points out a series of ideas and suggestions to help public officials get a better understanding of their obligations to promote a more effective society, with decisive participation of citizens and social institutions and less prominence of the official. The work only deals with the areas of Spanish society that the author considers supportive, such as education, health, pensions and unemployment.

<http://www.larramendi.es/i18n/consulta/registro.do?id=944>

9. - ASÍ SE HIZO MAPFRE: MI TIEMPO. Madrid, Actas, 2000

Summary of Contents: Larramendi writes about MAPFRE's history in relation to him, highlighting where he played a decisive role. The book is divided into two parts: the non-operational part, in which the author recounts his family background and deals with institutional aspects and principles that explain what MAPFRE has been, why things have been done and how they have been done. In the second part, the operational part, he explains chronologically and by decades, how MAPFRE was built from the 1950s to the beginning of the 1990s and after a title dedicated to the territorial aspect, he deals with three areas: international, financial and real estate.

<http://www.larramendi.es/i18n/consulta/registro.do?id=945>

10. - **IRREFLEXIONES PROVOCADORAS.** Madrid, Actas, 2001

Summary of Contents: In this last book, Larramendi shows his will to reveal the convictions that have guided him both in his personal and professional life, especially his firm Catholicism. He also deals with social and antisocial values, reflecting on the West, Europe and Spain and on Spanish socio-politics and our future.

<http://www.larramendi.es/i18n/consulta/registro.do?id=934>

MONOGRAPHS-MANUSCRIPTS

1 **LA EMPRESA ASEGURADORA ESPAÑOLA ANTE EL MERCADO COMÚN.** Madrid : [s.n.], 1961

Summary of Contents: Reflection on the conditions, impact and expectations of Spanish insurance companies in the European Common Market.

<http://www.larramendi.es/i18n/consulta/registro.do?id=12486>

2 - **MAPFRE COMO GRUPO ORGANICO.** Madrid : [s.n.], 1962

Summary of Contents: Article in which MAPFRE is analysed as an institutional group formed by several companies for insurance, financing and complementary activities, which carry out their activities according to the principles of mutual societies and the corporation.

<http://www.larramendi.es/i18n/consulta/registro.do?id=12512>

3 **EL RETIRO EN LA SOCIEDAD FUTURA** [*Written about the 1st Meeting in Avila for a Responsible Society, promoted by MAPFRE, 29-30 October 1984*] Written by MAPFRE. It includes a card indicating that the document is the first draft of a project to be discussed with the Association des Ages, an institution promoted by the Caisse Générale de Depots de France, or another institution linked to it, which, if necessary, would collaborate in carrying out and promoting it in a wide range of French socio-economic institutions. Both the document and the card are dated 29 June 1984

Summary of Contents: This summarises the objectives of these Meetings, promoted annually by MAPFRE, FUNDACION MAPFRE and other Spanish or European institutions to monographically deal with a transcendental subject for our current society. In this 1st Meeting, retirement in the future society.

<http://www.larramendi.es/i18n/consulta/registro.do?id=12415>

ARTICLES, CONFERENCES AND OTHER PUBLICATIONS

ARTICLES

1.- **ESPAÑA, VANGUARDIA EN EL SEGURO.** *Boletín Oficial de Seguros y Ahorro, Dirección General de Seguros* (Official Insurance and Savings Gazette, Directorate General of Insurance), Ministry of Finance. Extraordinary No. 14-5-1947, No. 116; p. 707-709

Summary of Contents: Reflection on the profound importance and the extensive radius of social and individual interest of Insurance in the history of Spain and the enormous, advanced leading edge in its public and private realisation.

<http://www.larramendi.es/i18n/consulta/registro.do?id=12407>

2.- **EL SEGURO EN LA CRISIS ECONÓMICA INGLESA.** *Boletín Oficial de Seguros y Ahorro, Dirección General de Seguros* (Official Insurance and Savings Gazette, Directorate General of Insurance), no. 116; 9-1947, p. 1841-1844.

Summary of Contents: Analysis of the situation of the English insurance market in the economic crisis of the late 1940s.

<http://www.larramendi.es/i18n/consulta/registro.do?id=12394>

3.- **EL CHARTERED INSURANCE INSTITUTE.** *Boletín Oficial de Seguros y Ahorro, Dirección General de Seguros* (Official Insurance and Savings Gazette, Directorate General of Insurance), Ministry of Finance. No. 121; 10-1947, pp. 2,209-2,214

Summary of Contents: Chronicle analysing the main objectives of the activities of the Chartered Insurance Institute, an instrument of cooperation and improvement in English Insurance.

<http://www.larramendi.es/i18n/consulta/registro.do?id=12494>

4.- **ORGANIZACIÓN DEL SEGURO INGLÉS.** *Boletín Oficial de Seguros y Ahorro, Dirección General de Seguros* (Official Insurance and Savings Gazette, Directorate General of Insurance), Ministry of Finance. No. 123; 12-1947, pp. 2,809 to 2,814

Summary of Contents: Analysis of the most peculiar characteristics of the organisation of Insurance in England, inherent to its system and organisation based on freedom, tradition and seriousness

<http://www.larramendi.es/i18n/consulta/registro.do?id=12493>

5.- **HACIA UNA POLÍTICA EN LA AGENCIA DE SEGUROS.** *Boletín Oficial de Seguros y Ahorro, Dirección General de Seguros* (Official Insurance and Savings Gazette, Directorate General of Insurance), Ministry of Finance. No 124; 1-1948, Pg 75 to 80

Summary of Contents Reflection on the importance of the regulation of the insurance industry, with special attention to the agents, as well as the aspiration not only for a perfect regulation but also for a policy that, complementing the law, allows it to be really effective.

<http://www.larramendi.es/i18n/consulta/registro.do?id=12482>

6.- **LOS AGENTES PRODUCTORES DE SEGUROS.** *Boletín Oficial de Seguros y Ahorro, Dirección General de Seguros* (Official Insurance and Savings Gazette, Directorate General of Insurance), Ministry of Finance. No.126; 3-1948, P. 255 to 262

Summary of Contents: Analysis of the reasons for the special characteristics of English Insurance and why it is not possible to transplant much of what is good about the organisation of English Insurance to other countries, including Spain, where neither the history, customs nor character are the same.

<http://www.larramendi.es/i18n/consulta/registro.do?id=12461>

7.- **EL SEGURO DE VIDA BRITÁNICO EN 1947.** *Boletín Oficial de Seguros y Ahorro, Dirección General de Seguros* (Official Insurance and Savings Gazette, Directorate General of Insurance), Ministry of Finance. No 127; 4-1948, Pg 349 to 356

Summary of Contents: Study of the two types of English life insurance: ordinary insurance and industrial insurance. Includes new business figures for Insurance Companies in the UK in 1947.

<http://www.larramendi.es/i18n/consulta/registro.do?id=12372>

8.- **EL SEGURO DE INCENDIOS EN LA GRAN BRETAÑA.** *Boletín Oficial de Seguros y Ahorro, Dirección General de Seguros* (Official Insurance and Savings Gazette, Directorate General of Insurance), Ministry of Finance. No 128; 5-1948, Pg 535 to 540

Summary of Contents: Reflection on the high worldwide accident rate in this branch of insurance during 1947 and earlier and study of the technical situation of the branch up to that date in Great Britain.

<http://www.larramendi.es/i18n/consulta/registro.do?id=12451>

9.- **SEGURO BRITÁNICO DE ACCIDENTES.** *Boletín Oficial de Seguros y Ahorro, Dirección General de Seguros* (Official Insurance and Savings Gazette, Directorate General of Insurance), Ministry of Finance. No 135; 12-1948, PG 2117 to 2124

Summary of Contents: Reasons for the difficulties in analysing accident insurance through the accounts of British Insurance Companies and comparative premium volume and percentages from 1930 to 1947.

<http://www.larramendi.es/es/consulta/registro.do?id=12439>

10.- **LLOYD'S.** *Revista de Derecho Mercantil* No. 16. 1948

Summary of Contents: Study of the originality and influence in the insurance activity of Lloyd's Underwriters Corporation, analysing its psychology, its history and the characteristics of the operations contracted, Lloyd's Underwriters and Lloyd's Brokers.

<http://www.larramendi.es/es/consulta/registro.do?id=23077>

11.- **SITUAZIONE DEL MERCATTO ASSICURATIVO INGLESE.** *Rivista de Diritto, Economia e Finanza delle Assicurazioni Private.* Anno XVI, Fasc.6 1949

Summary of Contents: Analysis of Insurance in England as a national industry par excellence, with more in-depth analysis of life insurance, fire insurance and marine insurance with their corresponding statistics.

<http://www.larramendi.es/es/consulta/registro.do?id=12499>

12.- **EL SEGURO ESPAÑOL EN 1949.** *Revista de Derecho Mercantil.* No.25; January-February 1950; Pages 89-98

Summary of Contents: Analysis of the important changes operated by the Spanish private insurance legislation in 1949 within the operating regime of insurance companies.

<http://www.larramendi.es/es/consulta/registro.do?id=23078>

13.- **NOTAS PARA UNA TEORÍA DE LA SEGURIDAD SOCIAL.** *Revista de Derecho Mercantil ARBOR* No. 65. May 1951

Summary of Contents: Analysis of Social Security as an institution of social policy and its purpose of distributing the national income of consumption partly in a regime of equality and partly in a regime of freedom, addressing its social, economic and political aspects.

<http://www.larramendi.es/es/consulta/registro.do?id=12362>

14. - CLASES DE REASEGURO. *Publicaciones del Boletín Oficial de Seguros y Ahorro*(Publications of the Official Insurance and Savings Gazette). 194-

Summary of Contents: Analysis of various reinsurance rating systems with a focus on risk reinsurance

<http://www.larramendi.es/es/consulta/registro.do?id=12361>

15. - EL SEGURO ESPAÑOL EN 1952. *Revista de Derecho Mercantil*; No. 43; January-February 1953, pages 53 to 82

Summary of Contents: Analysis and legislative summary of 1952, considered by the author as one of the most important in the quantitative and qualitative upward trajectory of Spanish insurance

<http://www.larramendi.es/es/consulta/registro.do?id=12376>

16. - EL SEGURO ESPAÑOL EN 1953. *Revista de Derecho Mercantil*; No. 49; January-February 1954. Pages 79 to 106

Summary of Contents: Analysis and legislative summary in the field of Spanish insurance in 1953.

<http://www.larramendi.es/es/consulta/registro.do?id=12488>

17. - ÁMBITO DEL DERECHO DE SEGUROS. *Revista de Derecho Mercantil*; No. 52; July-August 1954, pages 43 to 70

Summary of Contents: Analysis of modern trends in the creation of insurance law: doctrinal, legislative, Anglo-Saxon and North American jurisprudence and plans comprising Insurance Law

<http://www.larramendi.es/es/consulta/registro.do?id=12464>

18. - EL SEGURO ESPAÑOL EN 1954. *Revista de Derecho Mercantil*; No. 56; April-June 1955. Pages 349 to 374

Summary of Contents: Analysis and legislative summary in the field of Spanish insurance in 1954.

<http://www.larramendi.es/es/consulta/registro.do?id=12476>

19. - NOTAS SOBRE LA IMPLANTACIÓN DEL SEGURO OBLIGATORIO DE AUTOMÓVILES EN ESPAÑA. *“Riesgo y Seguro”*, First Quarter 1963. Directorate General for Insurance

Summary of Contents: Analysis of the Law that Compulsory Motor Liability Insurance introduced in Spain as of 1 January 1964 and the justification for its compulsory nature.

<http://www.larramendi.es/es/consulta/registro.do?id=12431>

20. - OBSERVACIONES SOBRE EL FUTURO DEL SEGURO PRIVADO. *Revista Doctrinal de la Dirección General de Seguros “Riesgo y Seguro”*, Nos. 13 and 14 First and Second Quarter 1966. Pg 75-92

Summary of Contents: Review of the situation and future perspective of insurance in order to adapt it to the new social conditions that were arising in the Western world as a result of a series of factors of technological origin.

<http://www.larramendi.es/es/consulta/registro.do?id=12402>

21. - LA NUEVA DIRECCIÓN. *Revista Doctrinal de la Dirección General de Seguros “Riesgo y Seguro”*. Nos. 13 and 14 First and Second Quarter 1966. Pg 75-93

Summary of Contents: Reflection on company managers, personnel policies and management skills in insurance companies in Spain. This article is based on the paper presented by the author at the Study Seminars for General Managers, held in Palma de Mallorca on 9, 10 and 11 November 1966 and organised by ICEA.

<http://www.larramendi.es/es/consulta/registro.do?id=12504>

22. - EL MOMENTO DEL SEGURO ESPAÑOL. Article published in *El Europeo*, 14 May 1967

Summary of Contents: Reflection on the Insurance Market and Insurance Companies in Spain and the insurance crises at the end of the 1960s.

<http://www.larramendi.es/es/consulta/registro.do?id=12403>

23. - CRISIS IN SPANISH INSURANCE *Insurance Monitor*, no. 5 May 1974; pg 170- 174.

Summary of Contents: Reflection on the insurance market in Spain and the crisis of the insurance sector in the 1970s.

<http://www.larramendi.es/es/consulta/registro.do?id=12391>

24. - MADRID. [THE POLITICAL AND SOCIAL CHANGES WHICH BEGAN AFTER THE DEATH OF FRANCO ARE STILL THE PROTAGONIST OF SPANISH LIFE] *Best's review.* -

Rensselaer, N.Y. : A.M. Best, Co., December 1976, p. 53-54

Summary of Contents: The political and social changes which began after Franco's death still play a leading role in Spanish life. Day-to-day business and economic considerations are forgotten as each political group tries to prepare for the new situation and seeks to place itself in the most advantageous position for the years to come

<http://www.larramendi.es/es/consulta/registro.do?id=12532>

25. - FOREWORD TO "MANUAL DE PREVENCIÓN DE ACCIDENTES PARA OPERACIONES INDUSTRIALES". *Editorial MAPFRE, 1977*

Summary of Contents Analysis of the characteristics and purpose of FREMAP, the Mutual Society for Occupational Accidents and Occupational Diseases of the Social Security; and notes on occupational health and safety and the prevention of occupational hazards.

<http://www.larramendi.es/es/consulta/registro.do?id=12360>

26. - FOREWORD TO THE "MANUAL DE PROTECCIÓN CONTRA INCENDIOS" *Editorial MAPFRE, 1978*

Summary of Contents: Foreword to the Fire Protection Manual in which the importance of fire safety, the risk of fire and the prevention of fire hazards is discussed.

<http://www.larramendi.es/es/consulta/registro.do?id=12478>

26. - MADRID *Best's Review: World Insurance Forum, August 1981, p. 53*

Summary of Contents: Although some reports mainly refer to insurance activities, it is sometimes impossible to avoid mentioning politics. The mass media enable our "putsch" of 23 February to be followed by millions of people around the world, who were better informed than myself. I was working about 400 meters from the scene of the attempted coup, and although I heard the sirens of the police cars, I continued working in my office for another three hours. When I finished, I took a taxi in an apparently quiet and normal town in which the traffic was not very different from any other day

<http://www.larramendi.es/es/consulta/registro.do?id=12491>

27.- **SPAIN** *Best's Review: World Insurance Forum*, January 1981, p. 64-65

Summary of Contents: To further better understand the Spanish insurance market, I want to discuss some comparative studies on five markets which provide information on the development of insurance in Spain during the last decade

<http://www.larramendi.es/es/consulta/registro.do?id=12481>

28.- **"MAPFRE : UN LIDERAZGO GANADO A PULSO": INTERVIEW BY JOSÉ ANTONIO ROCA TO IGNACIO HERNANDO DE LARRAMENDI** Article published in: *Actualidad Económica*, 1 April 1982

Summary of Contents Interview with Ignacio Hernando de Larramendi on how, after twenty-five years at the helm of MAPFRE, he turned it from a small bankrupt mutual society into the second largest group and natural leader in Spanish insurance.

<http://www.larramendi.es/es/consulta/registro.do?id=23079>

29.- **EL SEGURO EN EL MUNDO** Article published in *ABC* newspaper, 1982

Summary of Contents: On insurance as a universal activity, an overview of insurance in the world and its global premium income in 1979. Basic differentiation between life insurance and other insurances.

<http://www.larramendi.es/es/consulta/registro.do?id=12408>

30.- **MAPFRE: HACIA EL FUTURO.** Epilogue of the book *Cincuenta años: MAPFRE hacia el futuro*, May 1983. Editorial MAPFRE, D.L. 1983.

Summary of Contents: Reflection on MAPFRE's history and past, what MAPFRE has been and what it is as of the date this book was published, the good and the bad, without image cosmetics and forecasting the future of the MAPFRE system, its possibilities and expansion of activities

<http://www.larramendi.es/es/consulta/registro.do?id=12458>

31.- **IGNACIO HERNANDO DE LARRAMENDI.** Interview by journalist Rosa del Río published in *Dinero* magazine in April 1983

Summary of Contents: Interview on Ignacio Larramendi's professional career at MAPFRE, from which we can extract Mr. Larramendi's role in the construction of the Corporación MAPFRE and the importance of his leadership in achieving it.

<http://www.larramendi.es/es/consulta/registro.do?id=23081>

32. - INTERVIEW IN "LA CHILENA" NEWS PROGRAMME Interview with Mr. Larramendi, published in the *La Chilena* News Programme in Santiago de Chile, on 5 August 1983

Summary of Contents: Interview with Ignacio Larramendi as chairman of MAPFRE about how he managed to position himself at the head of Spanish Insurance with a very peculiar policy, fleeing from the traditional moulds and basing his strategy on forming a great human team around him.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=23085>

33. - LA EMPRESA EN LA ENCRUCIJADA Editorial *Revista ASE*, 28 March 1983

Summary of Contents: On two issues that shook the lives of businessmen at that time: Social Security fraud in Catalonia and the imprisonment of some businessmen and the expropriation of the Rumasa group of companies.

<http://www.larramendi.es/es/consulta/registro.do?id=12467>

34. - UNE EXPÉRIENCE Article published in the magazine *Profesions et Entreprises*. May-June 1983

Summary of Contents: Article in French in which Mr. Larramendi pronounces himself on the advantages that businessmen should participate in political life.

<http://www.larramendi.es/es/consulta/registro.do?id=12398>

35. - ANTE LA REINDUSTRIALIZACIÓN Article published in the "*Acción Empresarial*" magazine. Madrid, April-June 1984

Summary of Contents: On re-industrialisation and the recovery of jobs lost as a result of various kinds of industrial re-conversions, the protection of trade unions for workers with better incomes and the abandonment of small companies without instruments of pressure, in an unsocial attitude of protection for the privileged.

<http://www.larramendi.es/es/consulta/registro.do?id=12513>

36. - "MAPFRE ES SU VIDA" INTERVIEW An interview published in the *Actualidad Económica* magazine in May 1984

Summary of Contents: On Ignacio H de Larramendi's contribution to MAPFRE, its organisation and its business culture to transform it from a small mutual society that was going bankrupt to the second largest group and natural leader of Spanish insurance.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=23086>

37. - LA NUEVA ETAPA DEL SEGURO ESPAÑOL Article for "Best" Magazine, July 1984.

Summary of Contents: Reflections on the new Insurance Law of 1984, in the pipeline after almost 20 years with various vicissitudes. He reflects on the fact that with this new Law and the problems that were posed by generally small entities in difficult situations, which were being liquidated by the Directorate General of Insurance, started a real "turn around" in Spanish insurance.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12381>

38. - EL FUTURO DE LAS MUTUAS DE SEGURO DE ESPAÑA Article published in the *Riesgo* Magazine, November 1984

Summary of Contents: Reflection on the prospects for mutual insurance companies in Spain following the publication of the Private Insurance Law on the threshold of Spain's accession to the European Economic Community, a challenge for the insurance industry.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=1005>

39. - CAPITAL RIESGO Y SEGURO Article published in "ESIC" Magazine, November 1984

Summary of Contents: On the importance of Life Insurance and Pension Funds in the "risk-capital" market, being a national objective to strengthen it, since this reinforces the capital market that industrial and technological companies need for their development for the benefit of the general interests of our country and our people.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=998>

40. - INTERVIEW IN THE "ACTUALIDAD ASEGURADORA" MAGAZINE Interview in the *Actualidad aseguradora* magazine. Madrid. January 1985

Summary of Contents: Article-interview on Larramendi's decisive role and leadership in MAPFRE's success, and the importance of his leadership and vision of the future in achieving it.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=994>

41. - INTERVIEW IN DIARIO YA, DECEMBER 1985: LOS ESPAÑOLES GASTAMOS UNA MEDIA DE 11.500 PESETAS EN PRIMAS DE SEGURO AL AÑO: EN EUROPA SE INVIERTE 15 VECES MÁS Interview in the newspaper Diario Ya, December 1985

Summary of Contents: Interview in which Mr. Larramendi analyses the fact that Spaniards spend on average less than the rest of Europe on insurance premiums per year and that Europe invests 15 times more in this area.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12438>

42. - FOREWORD "PREVIDÊNCIA PRIVADA: FILOSOFIA, FUNDAMENTOS TÉCNICOS, CONCEITUAÇÃO JURÍDICA" DE MANUEL S. SOARES PÓVOAS Fundação Escola Nacional de Seguros, 1985. São Paulo;

Summary of Contents: Prologue to the book by Manuel Soares Povoas on philosophy, technical foundations and legal conceptualization

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=982>

43. - EL SEGURO ESPAÑOL Y LA COMUNIDAD ECONÓMICA EUROPEA. Draft of the article published in the "Reactions" magazine, Madrid, 23 May 1985.

Summary of Contents: On the foreseeable consequences of Spain's entry into the EEC for the Spanish insurance market and general reflections on what this incorporation will mean for Europe and Spain.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12453>

44. - MADRID. - NEW JERSEY: A.M.BEST COMPANY, 1985 Article published in *Best's Review: World Insurance Forum*, November 1985, p. 106-108

Summary of Contents: The Spanish insurance industry is at present awaiting the repercussions from the country's entry into the European Common Market and from the new insurance law. These two circumstances may be the beginning of a new phase for Spanish insurance, once it adapts to EEC standards and after the extreme liberalization that the Reglamento de la Ley de Seguros (Insurance Law Regulations) will allow

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=962>

45. - MADRID. - NEW JERSEY: A.M.BEST COMPANY, 1985 Article published in *Best's Review: World Insurance Forum*, April 1985, p. 86-88

Summary of Contents: For many years, Spanish insurance was "waiting for Godot" as personified in the new insurance law. The delay seemed to interrupt all the reorganization, merger or coordination decisions companies had to

make. As I mentioned in my previous report, the law was enacted on 2 August 1984 and came into force at the end of the year.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=984>

46. - EL GRAN HETERODOXO DEL SEGURO: DESCENTRALIZACIÓN Y PRAGMATISMO. LAS DOS FÓRMULAS PARA LLEVAR A MAPFRE DE LA RUINA AL PRIMER PUESTO DEL SECTOR Article by Bernardo González published in *Revista Mercado*, (Madrid), April 1986

Summary of Contents: Article-interview on Larramendi's decisive role and leadership in MAPFRE's success, in which he alludes to the strategy and principles in management and organisation that allowed MAPFRE to evolve very positively in Spanish insurance.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=23087>

47. - EL FUTURO DEL SEGURO ESPAÑOL Article published under the title "Años para afianzarse", in the *Actualidad Económica* Magazine, March 1987

Summary of Contents: Reflections on the fact that the future is not predictable. However, within uncertainty, it is possible to foresee a greater weight of insurance in employment and national income, dominated by large companies that will have to compete with banks, with the author considering that the participation of insurance in national income will increase significantly

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12489>

48. - NO SOMOS COMPRABLES Interview published in *Dinero* magazine, 2 June 1987

Summary of Contents: Interview on the history of MAPFRE, its evolution and market forecasts for the coming years, extending into life insurance as the best financial product to achieve social balance and public stability.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=23088>

49. - HISTORIA DE MAPFRE Article published in *Mercado* Magazine, December 1987.

Summary of Contents: On several aspects of MAPFRE's policy: concern for the good work and the human relationship with customers and employees, decentralization, technical specialization in each sector and real transparency.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12369>

50. - SEGURO Y CATÁSTROFE: SU DEFINICIÓN JURÍDICA Offprint of *Revista Española de Seguros*, no. 51 Madrid, 1987. This article contains the lecture given by Ignacio Hernando de Larramendi on 30 April 1986 at the Spanish Directorate General of Insurance, due to a meeting held by the Ibero-American Cooperation Committee of AIDA, which took place taking advantage of the fact that a large number of Ibero-American congressmen were travelling to Europe to attend the 7th World Congress of Insurance Law in Budapest, a few days later.

Summary of Contents: On the legal aspect of catastrophic risk and its coverage. Suggesting definitions of both this risk and each of its main manifestations, in order to distinguish them from each other and isolate them from normal insurance risks.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12473>

51. - SOCIAL SECURITY AND PRIVATE SICKNESS INSURANCE IN SPAIN In *Geneva papers on risk and insurance: issues and practice*. - Geneva: The Geneva Association . 01/10/1987 Volume 12 Number 4 -1987

Summary of Contents: FUNDACION MAPFRE is very concerned about this problem as one of the most serious of our society and has started some studies on Medical Assistance in Cuba, Venezuela and other countries and it will hold a Seminar in Madrid in October on this subject.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12522>

52. - FOREWORD. *Diccionario MAPFRE de seguros* by Julio Castelo Matrán Foreword by Ignacio Hernando de Larramendi Madrid: Editorial MAPFRE, D.L.1988

Summary of Contents: Prologue of the book *Diccionario MAPFRE de seguros* (MAPFRE Insurance Dictionary), whose purpose is to explain the meaning of the different terms used in the world of insurance.

<https://www.fundacionmapfre.org/documentacion/publico/i18n/consulta/registro.cmd?id=340>

53. - LA RECESIÓN VA A SER MUY LARGA Interview conducted by the journalist Javier Arce in the newspaper *Cinco Días*, 12 May 1995

Summary of Contents: Interview due to the publication of the book "Crisis de sociedad. Reflexiones para el siglo XXI"

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12333>

54.- NO SE PUEDE DIRIGIR UNA EMPRESA SOMETIDO A CHANTAJE Interview
by Joaquín Madina Loidi published in *El Mundo*. 1995

Summary of Contents: Interview carried out due to the publication of the book "Reflexiones para el siglo XXI". Answers on corruption issues in general and on the insurance sector

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12343>

55.- LA ÉTICA COMO ELEMENTO DETERMINANTE DEL ÉXITO EMPRESARIAL Article
published in the *Situación* magazine, no. 3, 1996

Summary of Contents: In this article, the author shows, with the practical example of his experience, how with ethical concern it is possible to get ahead and that it is even possible to defend that in big companies only with it - although in addition to other factors - is it possible to achieve an acceptably long-lasting success and at the same time useful to the national community and to the social balance

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12508>

56.- INTERVIEW IN THE LA RAZÓN NEWSPAPER: "HE RENUNCIADO A MI PATRIMONIO PARA NO DEJAR HIJOS DE RICO" Interview in *La Razón: independent mainstream daily newspaper*. Madrid, 4 July 2001, Fe y Razón section, p. 36. Interview by Luján Artola and Alex Rosal

Summary of Contents: Interview on how he built MAPFRE with the "tools" of the Social Doctrine of the Church

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=3569>

UNPUBLISHED ARTICLES

1.- CARACTERÍSTICAS ESENCIALES DE LA INDUSTRIA DEL SEGURO PRIVADO [Article, unpublished] 1948

Summary of Contents: Study on the main characteristics of the private insurance industry: willingness, freedom, private initiative, proportionality between premium and risk and insurers' profit.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12396>

2.- LA CONFERENCIA HEMISFERICA DE SEGUROS. [Article, unpublished] 1948

Summary of Contents: Summary of the first Hemispheric Insurance Conference, held in New York in May 1946 with representatives from 15

American nations convened by the U.S. Chamber of Commerce to discuss their problems and get to know each other.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12429>

3.- **SEGURO POPULAR DE VIDA** [Unpublished article] 1950

Summary of Contents: Analysis of the growing importance of popular life insurance with special reference to the figures for life insurance in Switzerland and Great Britain since 1946 and their comparison with the corresponding figures for ordinary life insurance

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12465>

TOPICS OF STUDY

1.- **LA INFLACION Y EL SEGURO**. Study topics, 22 pages] 1948

Summary of Contents: Study of the effects of inflation on life insurance and property and casualty insurance in general and on inflation defence clauses in life insurance.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12373>

2.- **TASA DEL RIESGO, TARIFA DE PRIMAS** [Study topic, unpublished]. 1948

Summary of Contents: Analysis of the elements that make up the premium rates to be applied to the different risks insured by the different types of insurance.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12426>

3.- **NORMAS PARA UN EXÁMEN JURIDICO CONTABLE ECONOMICO FINANCIERO DE UN BALANCE DE UNA COMPAÑÍA DE SEGUROS** [Incomplete study topic, unpublished] 1949

Summary of Contents: Legal and accounting analysis of an insurance company's own balance sheets, offering a series of rules to carry out a correct legal-financial examination of the balance sheets of Insurance Companies.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12442>

4.- **CONCEPTO DEL SEGURO** [Study topic, unpublished] 1949

Summary of Contents: Reflection on the legal concept of the insurance contract and insurance theory.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12484>

5.- **PRODUCTIVIDAD Y RELACIONES PÚBLICAS EN EL SEGURO** [Study topic, Unpublished] 1953.

Summary of Contents: Reflection on the fact that in insurance, productivity must necessarily rely on the public, part of which is the receptiveness with which the public welcomes insurance salespeople, which is why public relations is such an important factor in the productivity of the insurance industry.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12386>

6.- **SEGURIDAD SOCIAL Y SEGURO PRIVADO** [Study topic, unpublished] 1956

Summary of Contents: Analysis of the close relationship and points of connection between private insurance and social insurance or Social Security

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12501>

7.- **PRESUPUESTOS TÉCNICOS DE LOS SEGUROS SOCIALES**[Study topic, Unpublished] Madrid 1961.

Summary of Contents: Analysis of the basic technical principles of social insurance, on which its legal structure must be configured: public nature, obligatory nature, legal regulation and average distribution.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12380>

8.- **LA EMPRESA COMO CUERPO SOCIAL INTERMEDIO** [Study topic, unpublished]. October 1967

Summary of Contents: Analysis of the origin of the economic undertaking and its dual function as an instrument of public service and as a social centre to which men and families link their lives.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12419>

9.- **INSTITUCIONES FINANCIERAS Y MERCADO DE VALORES**[Study topic, unpublished]. May 1968. Offprint of the Collection donated by Mr. Ernesto Caballero

Summary of Contents: Analysis of the main financial and credit institutions and, in general, of the elements that participate in a securities market and their specific role in the financial market.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12485>

10. - ORIENTACIONES PRÁCTICAS PARA LA REFORMA DE LA EMPRESA CAPITALISTA ESPAÑOLA [Unpublished study topic]. May, 1970

Summary of Contents: Reflection on the constructive action of the company in order to collaborate effectively in economic progress and so that it can serve for the practical coexistence of men.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12474>

11. - LA EDUCACIÓN PROFESIONAL EN LA EMPRESA ASEGURADORA [Study topic, unpublished] 1971

Summary of Contents: Reflection on the important mission of the company in the education and training of its staff and the relationship of its success with the increasing professional level of its employees.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12375>

12. - LA RENTA FIJA PRIVADA EN LA INVERSION DE LAS ENTIDADES DE SEGUROS [Study topic, unpublished]. 1978

Summary of Contents: Analysis of the general features of the role of the insurance sector in the Spanish private fixed income market and the financial nature of insurance companies and their evolution in Spain in recent years.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12475>

CONFERENCES

1. - VIGILANCIA ESTATAL Y REGIMEN DEL MERCADO DE SEGUROS. [Conference delivered on 17 November 1949]

Summary of Contents: A discussion of some characteristics of the insurance industry, the problem of state supervision of insurance, the most important aspects of supervision systems and what the supervision system should aim for, together with the Insurance Market system

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12358>

2. - NOTAS PARA LA ESTRUCTURACIÓN Y REFORMA DE LA GRAN EMPRESA [Speech given at the COURSE on "Company Reform" organised by Acción Social Patronal de Madrid, 26-27 January 1965]

Summary of Contents: Dissertation on companies and their organisation, the importance of business ethics and the participation of workers in the

company, the main characteristics that company directors must have and free competition.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12387>

3.- NOTA SOBRE LA FORMACIÓN DE INSPECTORES Y AGENTES [Conference delivered at ICEA: “Coloquio sobre Formación de Inspectores”, October 1965]

Summary of Contents: A presentation on the extraordinary importance of training for insurance companies, insurance agents and insurance inspectors.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12509>

4.- LAS INVERSIONES MOBILIARIAS [Conference in Cursillo de Vitoria on the Stock Exchange.1968]

Summary of Contents: Dissertation on the justification of real estate investment within the set of institutional activities that make up the Securities Market and, in general, in the economic undertaking.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12411>

5.- SEGURO E INFLACIÓN[2nd Pan-American Conference on Insurance Law. November 1969]

Summary of Contents Dissertation on the importance the adequate legal processing has for the insurance company regarding the economic phenomenon of inflation by specific or generic legal ordinances.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12416>

6.- EL PROYECTO DE LEY SOBRE USO Y CIRCULACION DE VEHICULOS A MOTOR
Paper presented at the Colloquium organised by the Madrid Bar Association on the Draft Law on the use and circulation of motor vehicles in 1970]

Summary of Contents: Dissertation on compulsory motor insurance due to the imminent approval of the draft Law on the use and circulation of motor vehicles.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12352>

7.- PERSPECTIVA DEL SEGURO ESPAÑOL HASTA EL AÑO 80 [Lecture delivered at the Study Seminars for General Managers. Santiago de Compostela, 23-25 March 1971]

Summary of Contents: Dissertation on the most significant positive and negative facts of Spanish insurance and comments on world insurance in the 1960s and 1970s and in 1980.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12523>

8.- EL SEGURO Y LA VIOLENCIA [4th World Congress of Insurance Law. 1972. Lecture by the Spanish Section of the A.I.DA]

Summary of Contents: Dissertation on insurance and acts of violence committed against a community and causing injury to persons and damage to property.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12417>

9.- SOME EXAMPLES OF MANAGEMENT POLICY [Lecture delivered at the International Insurance Seminar, Mexico, July 1972]

Summary of Contents: Dissertation on the characteristics of insurance companies, management, personnel policies in the company and the importance of decentralization and an adequate business strategy.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12515>

10.- COOPERACION ENTRE LAS EMPRESAS Y POSIBILIDADES DE VINCULACIÓN A TRAVÉS DEL REASEGURO [Lecture delivered at the 4th FIDES Conference: San Salvador, 15-21 November 1975]

Summary of Contents: Lecture on insurance companies and their organisation, the importance and functions of reinsurance as well as cooperation and the future structure of the insurance company and possible lines of regional cooperation

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12433>

11.- EMPRESA 1978 [Conference delivered at the cycle organised in Madrid by the Club de Aseguradores Internacionales on 29 November 1977]

Summary of Contents: Dissertation on the common characteristics of Spanish companies and their business structure. Reflection on different political, social and economic issues that have an impact on the company as well as the importance of a good business strategy.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12445>

12. - CONFERENCIA PARA LA XXVII JORNADAS DE ESTUDIO PARA DIRECTORES GENERALES Y ALTOS EJECUTIVOS [Conference for the 27th study seminars for general managers and senior executives organised by ICEA in Santiago de Compostela in March 1982]

Summary of Contents Presentation on the "spinning off" business technique followed in Corporación MAPFRE, which consists of giving business autonomy to internal services that are opened up to the general market.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12447>

13. - COMERCIALISMO ESTRUCTURAL. LA EXPERIENCIA DEL GRUPO ASEGURADOR MAPFRE Paper presented at the IVème Colloque International des dirigeants d'entreprises d'Assurance, organised by the Comité d'action pour la productivité dans l'Assurance (C.A.P.A.).1977] - Offprint of the Collection donated by Ernesto Caballero

Summary of Contents: Dissertation on the MAPFRE system: its corporate structure and the main characteristics of its commercial policy and commercial organisation

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12483>

14. - NUEVAS PERSPECTIVAS DEL SEGURO EN LA EMPRESA [Conference delivered at the Technical Seminar organised by the Higher School of Business Sciences held on 11 May 1979]

Summary of Contents: Dissertation on the various aspects that affect the types of insurance and the risks that the company bears in its activities. Joint vision and projection of future development.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12524>

15. - BALANCE SOCIAL EN ESPAÑA [Lecture delivered at the Conference at A.P.D., held on 23 May 1979]

Summary of Contents: Dissertation on the social balance in the company as an instrument to measure how it fulfils its social responsibility obligations and coordinates them with its obligation to create wealth within a technical-financial balance.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12490>

16. - COMENTARIOS SOBRE LAS EXPERIENCIAS DE PLANIFICACIÓN DEL GRUPO ASEGURADOR MAPFRE [Lecture delivered at the Study Seminars on Insurance Planning, held by the CAPA and ICEA Associations in Port Bacaes (Pyrénées-Orientales), France, on 18 and 19 October 1979]

Summary of Contents: Dissertation on MAPFRE's experience and planning for the 1980s. Its strategic planning and action targets for the 1980s.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12432>

17. - EL SEGURO EN LOS OCHENTA: UNA FUERZA SOCIAL [Lecture delivered at the 11th Conferencia Brasileira de Seguros Privados, Bela Horizonte (Brazil), October 1980].

Summary of Contents: Dissertation on the social responsibility of insurers, the development of life insurance with the contribution of macroeconomic data with special reference to MAPFRE Vida, Sociedad Anónima de Seguros y Reaseguros on human life.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12397>

18. - BALANCE SOCIAL EN LA EMPRESA ACTUAL [Speech given at the Seminar organised by the Instituto Social Empresarial, Valencia, February 1980]

Summary of Contents: Dissertation on why social balance has become an indispensable technical tool for company management and the growing importance of social balance techniques and research in business sociology

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12500>

19. - INSURANCE IN THE EIGHTIES: A SOCIAL FORCE [Conference at the 11th Brazilian Conference on Private Insurance, Belo Horizonte (Brazil), October 1980]

Summary of Contents: Dissertation on the insurance market with macroeconomic data, also addressing the relationship between geopolitics and insurance companies, the importance of business ethics and the future prospects of insurance.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12472>

20. - ASPECTOS GENERALES DEL FUTURO DEL DESEMPLEO [Speech given at the Study Seminars on Social Security, organised by Acción Social Empresarial, Madrid, 22-26 June 1981]

Summary of Contents: Considerations and different proposals for an unemployment policy, focusing on different areas of action to reduce this serious social problem as well as the relations between employment policies, trade unionism and employers.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12377>

21. - QUÉ QUEREMOS LOS ASEGURADORES [Lecture delivered at the Club de Aseguradores Internacionales, Madrid, 29 January 1981]

Summary of Contents: Presentation on the expectations of international insurers proposing a decalogue for the market with free competition. Analysis of rates, solvency and insurance associations, the role of the Directorate General of Insurance, the professionalisation of agents and the Insurance Contract Law.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12365>

22. - THE ROLE OF THE BROKER IN INTERNATIONAL REINSURANCE [lecture delivered at Rendez-vous, Monte Carlo, September 1981. This lecture was also published in Spanish in the *Revista española de seguros*, no. 31, July-September 1982, p. 427-432]

Summary of Contents: Analysis of the influence of brokers on the international insurance and reinsurance market.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12519>

23. - ASPECTOS GENERALES DEL FUTURO DEL DESEMPLEO [Speech given at the Study Seminars on Social Security organised by Acción Social Empresarial from 22 to 26 June 1981 in Madrid].

Summary of Contents: Dissertation on some necessary issues for greater efficiency in employment policies in Spain and different proposals for an effective policy against unemployment.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12377>

24. - UNIAPAC EN EL MUNDO E IMPLANTACIÓN EN EUROPA [Conference organised by UNIAPAC in Valladolid on 21 April 1982]

Summary of Contents: Dissertation on the meaning and objectives of the Unión Internacional Cristiana de Dirigentes de Empresa y de Acción Social Empresarial at national level.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12437>

25. - XVII JORNADAS DE ESTUDIO PARA DIRECTORES GENERALES Y NUEVOS EJECUTIVOS. [Conference in Santiago de Compostela 10 -12 March 1982]

Summary of Contents: Dissertation on how MAPFRE arrived at its structure and the mechanisms for coordinating the Company's common goals with the operational autonomy of each of its entities: individual responsibility,

structural simplicity, budgets, inter-company agreements and external audits.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12447>

26.- **COLLOQUE SUR L'ENCYCLIQUE "LABOREM EXERCENS** [Presentation at the Colloquium organised by UNIAPAC in Paris on the Encyclical "ABOREM EXERCENS", in Paris, March 1982]

Summary of Contents: As Chairman of UNIAPAC and coinciding with the 50th anniversary of its foundation, he reflects on the repercussions of the Encyclical "LABOREM EXERCENS" for the world of employers.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12385>

27.- **CONCORDIA SOCIAL Y RIESGO EMPRESARIAL** [Lecture delivered in Madrid Valladolid, on 7 and 20 June 1983 as Chairman of Acción Social Empresarial]

Summary of Contents: Dissertation on harmony and its necessity in social, economic and business life, since only those companies that know how to create a real climate of internal harmony will develop with a stable balance, considering that humanism, ethics and transparency are necessary to achieve this.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12423>

28.- **POLÍTICA Y ESTRATEGIA DE CRECIMIENTO DE UN GRUPO ASEGURADOR** [Lecture delivered on 2 february 1983 at the Mexican Association of Insurance Institutions of MEXICO]

Summary of Contents: Dissertation on the methods followed to ensure that for twenty-seven years MAPFRE companies have regularly maintained a higher growth rate than the Spanish insurance market, solely through internal generation, without acquisitions or mergers.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12533>

29.- **EL SEGURO EN EL AÑO 2000** [Lecture delivered on 27 January 1983 at the Assembly Hall of the COMPAÑIA LATINOAMERICANA DE SEGUROS in the city of Caracas]

Summary of Contents: Dissertation on the insurance outlook for the year 29.00 and concerning companies that withstand times of crisis are not those that specialise in theoretical planning for the future, but those that have a very deep understanding of the present and react more quickly than others to different situations.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12477>

30. - LA NUEVA EMPRESA DE SEGUROS: CONSIDERACIONES DE UN ASEGURADOR PARA EL AÑO DOS MIL [Lecture delivered in Sao Paulo, Brazil, on 23 November 1983]

Summary of Contents: Dissertation on the changes and new situations for which it is essential to prepare oneself, where it is necessary that there is knowledge of different points of view about our future of interest for the whole of our society, in which insurance must be an important piece of citizen cohesion.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12529>

31. - LA EMPRESA MOTOR DE RECUPERACIÓN ECONÓMICA [Lecture delivered at the Acción Social Empresarial Assembly organised at the Colegio del Pilar in Madrid on 17 December 1983]

Summary of Contents: Dissertation on how economic recovery can take place: when, on the one hand, representative or leading companies enter international competition and, on the other hand, when there is a group of small companies that know how to take advantage of the possibilities opened up by crises and structural changes and act in an effective and active way to find opportunities in the "changing market".

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12390>

32. - COMMENTS BY IGNACIO HERNANDO DE LARRAMENDI TO THE LECTURE "A QUEL TYPE DE CRISE APPARTIENT LA NOTRE?" BY PROF. VITTORIO MATHIEU. [Lecture delivered in Palma de Mallorca, October 1983]

Summary of Contents: Mr. Larramendi's comments on the deep philosophical vision of Professor Vittorio Mathieu on the type of crisis that our society is going through, in which the aspects that are little known in the world in which we live are analysed.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12345>

33. - EL SEGURO DE COSECHAS EN LOS PAÍSES DEL TERCER MUNDO [Lecture delivered to the 4th International Congress of Third World Insurers in Casablanca on 15 May 1984]

Summary of Contents: On the different forms of crop insurance in developing countries and the importance of agricultural insurance in these countries.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12364>

34. - A SIMPLE INSURANCE STRATEGY FOR THE FUTURE [The International Insurance and Risk Management Conference. Barcelona. October 1984]

Summary of Contents: On the importance of strategic planning, risk management and business strategy in insurance companies.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=1008>

35. - EL SEGURO EN EL MUNDO Y EN ESPAÑA [Lecture delivered at the Official Act of the Directorate General of Insurance, Madrid 10 May 1984]

Summary of Contents: Dissertation on the state of insurance in the world and in Spain and to what extent its crisis may resemble the one that exists in Spanish insurance at a time when the world is at a crossroads, not only technologically but also sociologically and with profound structural changes. Includes annexes of insurance market statistics.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12441>

36. - MARKETING ESTRUCTURAL. [Lecture delivered at the 5th International Insurance Marketing Week, organised by C.A.P.A., Paris, June 1984]

Summary of Contents: Dissertation on structural marketing in the MAPFRE system, organisational changes, decentralisation and corporate structure. Includes table of the volume of premiums and effective equity and investment income for the years 1969 to 1983

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=1013>

37. - PUNTO DE EQUILIBRIO DEL REASEGURO [Lecture delivered at the 5th International Reinsurance Forum, Panama, 1-4 July 1984]

Summary of Contents: Dissertation on how reinsurance is fundamentally a balancing instrument of the insurance institution, and therefore influences the break-even point of direct insurers and must itself have a break-even point.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=1012>

38. - UNA ESTRATEGIA SIMPLE DEL SEGURO ANTE EL FUTURO [Lecture delivered at "the International Insurance and Risk Management Conference", Barcelona, 26 October 1984]

Summary of Contents: Dissertation on the "strategic responses" that insurance must offer facing the future: simplicity of its products, maximum cutting of red tape and relentless pursuit of useless costs so as to offer

customers “good, cheap products” with efficient service in quality and price.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=1007>

39. - FORMACIÓN EN EL SEGURO ESPAÑOL [Speech delivered at the Closing Ceremony of the ICEA Meeting, 30 November 1984]

Summary of Contents: Dissertation on training as a fundamental issue for the activity of insurance companies. The author shows his conviction that an insurance company needs trained personnel and that this requires “learning to train”. The “training action” is absolutely indispensable in a company.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=1004>

40. - EL RETO DE LA NUEVA EMPRESA: EXPERIENCIAS DE UN ASEGURADOR [Lecture delivered at the Faculty of Economics of the University of Alcalá de Henares, 23 February 1984. Includes another copy that was published as an offprint of the International Journal of Economics and Business, *ESIC Market*, no. 44]

Summary of Contents: Reflection on the need for change in the business world, and that change is what he calls the challenge of the new company, which is offered mainly to leading companies that have to win over the national community with their example, encouragement and success

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=1002>

41. - EMPRESA Y RECUPERACIÓN ECONÓMICA [Lecture delivered at the Instituto Social Empresarial of Valencia, 12 April 1984]

Summary of Contents: On the social necessity of business in all its forms and the importance of governance, workers and businessmen together seeking, in deep harmony, the path of economic recovery and maximum job creation despite risks and difficulties

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=999>

42. - L' ASSURANCE RECOLTE DANS LES PAYS DU TIERS MONDE [Lecture delivered at the 4th Congress d'Assurances du Tiers Monde. Casablanca, 1984]

Summary of Contents: On crop insurance in developing countries and the usefulness and importance of agricultural insurance.

<https://www.fundacionmapfre.org/documentacion/publico/i18n/consulta/registro.cmd?id=151491>

43. - CROP INSURANCE IN THIRD WORLD COUNTRIES [Presentation at 4th Congress d'Assurances du Tiers Monde. Casablanca, 1984]

Summary of Contents: Dissertation on crop insurance and developing countries. And about the origin, evolution and importance of Agrarian Insurance.

<https://www.fundacionmapfre.org/documentacion/publico/i18n/consulta/registro.cmd?id=882>

44. - DESEMPLEO Y MODELO DE SOCIEDAD [Lecture given at the Seminars organised by Acción Social Empresarial, in Montserrat on 2 April 1982].

Summary of Contents: On the problem of unemployment and the responsibility of businessmen and managers in general socio-economic problems.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12521>

45. - EVOLUCIÓN DEL GRUPO MAPFRE Y COMENTARIOS SOBRE EL ORDENAMIENTO LEGAL DEL SEGURO EN ESPAÑA [Lecture given at the Insurance Seminar held in Bogota on 6 March 1985]

Summary of Contents: About how MAPFRE, also created on an associative basis, has reached a leading position in Spanish insurance: and about insurance law in Spain

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=986>

46. - EL SEGURO DE COSECHAS EN LOS PAÍSES DEL TERCER MUNDO [Lecture presented at the 4th Congress of Third World Insurance, 2nd ed. Spain 1985]

Summary of Contents: On the different forms of crop insurance, developing countries and agricultural insurance as well as the evolution and importance of agricultural insurance.

<http://www.larramendi.es/es/consulta/registro.do?id=23090>

47. - DEREGULATION: PUNTO DE VISTA DE UN ASEGURADOR CONTINENTAL [Lecture delivered at the British Law Insurance Association, London 16 January 1985]

Summary of Contents: On how Administrative Law is the cause of the evils of modern society, this being what beats in the entire 'deregulation' current that is making its way in Western society.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=996>

48. - COMENTARIOS SOBRE DESCENTRALIZACIÓN Y SEGURO DE AUTOMÓVILES

[Lecture delivered at La Seguridad Company, Caracas, 27 February 1985]

Summary of Contents Comments on how MAPFRE has carried out decentralisation in the field of motor insurance and the advantages of a decentralisation policy in this branch of motor insurance.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=993>

49. - ALGUNOS COMENTARIOS SOBRE EL SEGURO EN EL AÑO 2000

[Lecture delivered at the Caribbean Insurance Meeting, Bogota 5 March 1985]

Summary of Contents: Mr Larramendi's insurance forecasts for 2000 are that it will not depend on electronic machines, books, theories, laws, strategies or training plans, believing that it will depend on men, on their capacity and dedication and on the harmony that they achieve among themselves.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=992>

50. - EMPRESAS LÍDERES EN UN MERCADO ASEGURADOR

[Lecture delivered at the 20th Anniversary of the Club de Aseguradores Internacionales, Madrid 25 March 1985]

Summary of Contents: On the insurance market that cannot be achieved without a set of leaders with an overall vision and a sense of responsibility for their mission, guiding the market in the best service to policyholders. It includes an outline of the top five insurance groups in each country in the world.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=985>

51. - HACIA UN NUEVO REASEGURO

[Lecture given at the 3rd European Reinsurance Meeting, Madrid, October 1985]

Summary of Contents: Overview of reinsurance and the importance that the collaboration of the Public Administration can have with private insurers and large international re-insurers in order to provide effective protection in major catastrophes when the private insurance and reinsurance economy is not sufficient.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=970>

52. - EVOLUCIÓN DEL GRUPO MAPFRE Y COMENTARIOS SOBRE EL ORDENAMIENTO LEGAL DEL SEGURO EN ESPAÑA

[Lecture delivered at the Caribbean Insurance Meeting, Bogota 6 March 1985].

Summary of Contents: Dissertation in a first part about the training of the MAPFRE Group and in a second part about decentralization and the

Group's expertise as well as comments on the Law on the Control of Insurance Bases

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=986>

53.- EL SEGURO EN EL CAMBIO: LA ESTRATEGIA MAPFRE [Lecture delivered at the 21st Study Seminars for General Managers and Senior Executives, organised by ICEA, Zaragoza, 6 and 7 March 1986. Two copies, one in Spanish and one in English]

Summary of Contents: On the strategy and management guiding principles that have enabled MAPFRE to achieve a very positive evolution in Spanish insurance and the main points of MAPFRE's organisational evolution.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12526>

54.- AGRICULTURAL INSURANCE AND DEVELOPMENT: PRESENT AND FUTURE

[Lecture at the Third World Insurance Congress (5th. 1986. Beijing). Crop insurance experience in the world. - Madrid: Corporación MAPFRE, D.L. 1986.]

Summary of Contents: Dissertation on the importance of agricultural insurance and economic development, mainly in developing countries in the Third World, addressing different agricultural insurance programmes that should be included in government programmes.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12378>

55.- INVESTIGACIÓN, SEGURIDAD Y SEGURO: RESEARCH, SAFETY AND INSURANCE

[Lecture at an Academic Event on Research, University and Insurance, In: Ávila Forum for a Responsible Society. Ávila, 9 October 1986.]

Summary of Contents: Dissertation on insurance as an institution that has the ethical obligation and social responsibility to contribute to the security of the country and to promote different research activities for this purpose

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12516>

56.- SEGURO Y DESARROLLO AGRÍCOLA: PRESENTE Y FUTURO [Lecture delivered at the 5th Third World Insurance Congress held in Beijing, 23-27 June 1986. Two copies, one in English and one in Spanish. Includes lecture delivered in Estoril, 12-15 May 1986 on the same subject]

Summary of Contents: On agriculture as a factor of economic independence and social balance, which must be included in government programmes and especially in the actions of the sectors involved in agriculture, including insurance.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12507>

57. - RIESGOS CATASTRÓFICOS Y SU DEFINICIÓN JURÍDICA [Lecture delivered in Madrid, 30 April 1986]

Summary of Contents: On the coverage of catastrophic risks as an unavoidable requirement for insurance to carry out the social function that justifies it and the appropriate treatment of these risks for the balance of insurance companies and their market.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12454>

58. - POURQUOI MAPFRE A RÉUSSI ET COMMENT MAPFRE TRAVAILLE [Lecture delivered at the meeting convened by the insurance company SCOR, Paris, 1 October 1986]

Summary of Contents: Dissertation on the strategy and guiding principles in MAPFRE's management and organisation that allowed it to evolve very positively in the Spanish insurance sector.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12479>

59. - ENCUENTROS DE AVILA PARA UNA SOCIEDAD RESPONSABLE: ACTO ACADÉMICO SOBRE "INVESTIGACIÓN, UNIVERSIDAD Y SEGURO [Lecture at the Avila Forum for a Responsible Society: academic event on "research, university and insurance" (Avila Forum for a Responsible Society): Academic Session on "Research, University and Insurance") 9 Oct. 1986, Avila / ITSEMAP, Fundación MAPFRE.]

Summary of Contents: Dissertation on the relationship between a responsible society, the University and the world of research and the field of insurance companies.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12516>

60. - EL SEGURO EN EL CAMBIO: LA ESTRATEGIA MAPFRE [Lecture delivered at the 21st Study Seminars for General Managers and Senior Executives, organised by ICEA, Zaragoza, 6 and 7 March 1986.

Summary of Contents: On the principles that have allowed MAPFRE to evolve positively in the Spanish insurance sector thanks to a performance that has eliminated bureaucracy, maintaining ethical principles and social responsibility, always ready to adapt to changes and take advantage of opportunities.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12404>

61. - EMPRESA Y LA ENCÍCLICA LABOREM EXERCENS [Conference organised by Acción Social Empresarial on 28 September 1987 in Madrid]

Summary of Contents: Dissertation on the importance of the social doctrine of the Church for the life of the company and how "Laborem Exercens" asks that businessmen, in their role as managers of the economy, treat people as such.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12367>

62. - SPEECH BY MR. IGNACIO HERNANDO DE LARRAMENDI AT THE MEETING HELD IN SAO PAULO FOR THE ASOCIACIÓN BRASILEÑA PARA LA CIENCIA DEL SEGURO Y LA SECCIÓN BRASILEÑA DE LA AIDA [Meeting held in Sao Paulo by the Brazilian Association for the Science of Insurance. The meeting was held in July 1987]

Summary of Contents: Dissertation on extraordinary risks and extraordinary risk insurance, its importance and foreseeable evolution.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12347>

63. - SOCIAL SECURITY AND PRIVATE SICKNESS INSURANCE IN SPAIN [Lecture delivered in Berlin, July 1987]

Summary of Contents: FUNDACION MAPFRE is very concerned about this problem as one of the most serious of our society and has started some studies on Medical Assistance in Cuba, Venezuela and other countries and it will hold a Seminar in Madrid in October. Included as annexes: insurance statistics

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12522>

64. - ESTRATEGIA DE ALTA DIRECCIÓN, SUPERVISIÓN Y CONTROL [Lecture delivered at the International Seminar on Risk Management and Solvency of Insurance Companies, Ávila 5-9 October 1987]

Summary of Contents: On the risks of the top management (CEO, CHIEF EXECUTIVE OFFICER), who, under this or any other name, makes the final decisions of a company or of an autonomous group of companies or at least of its important units within a conglomerate

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12382>

65. - SEGURO Y CATÁSTROFE : SU DEFINICIÓN JURÍDICA Lecture delivered on 30 April 1986 at the Spanish Directorate General of Insurance on the occasion of a meeting of the Ibero-American Cooperation Committee of AIDA]

Summary of Contents: On the legal aspect of catastrophic risk and its coverage, suggesting definitions of both catastrophic risk and each of its main manifestations, in order to distinguish them from each other and isolate them from normal insurance risks.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12473>

66. - EL SEGURO AGRARIO EN EL TERCER MUNDO [Lecture delivered at the 6th TWIC Conference, Quito, 22 June 1988]

Summary of Contents: On crop insurance as an instrument of agricultural development in Latin America, and for the creation of a new bond of solidarity between peoples of the same culture and common geography.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12428>

67. - REPERCUSIONES EN EL SECTOR DE SEGUROS DEL NUEVO MARCO DEL MERCADO ÚNICO EUROPEO [Lecture delivered in May 1988]

Summary of Contents: On Spanish Insurance at a time of profound change, which coincides with the incorporation of Spain into the E.E.C., with the key date of 1992 and its Single Act and forecasts for Spanish insurance at the beginning of the 21st century.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12401>

68. - COMENTARIOS SOBRE EL FUTURO DEL REASEGURO [Lecture delivered in London, April 1988]

Summary of Contents On three aspects that are commonly referred to as reinsurance: "reinsurance activity", "reinsurance market" and "reinsurance companies" and forecasts for reinsurance in the coming decades.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12389>

69. - MAPFRE: PRINCIPIOS Y ESTRATEGIA INTERNACIONAL [Lecture delivered at AEI-Seminar on European Collaboration, Milan, 8-9 March 1989]

Summary of Contents: On the legal means that MAPFRE uses to preserve its nature of mutual society and achieve effective "internal democracy", while at the same time preparing itself independently to be an effective player in the "universal insurance financial market of the 21st century"

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12440>

70.- SEGURO Y EQUILIBRIO SOCIAL EN IBEROAMÉRICA [Lecture delivered at the Mexican Association of Insurance Institutions (AMIS), Mexico, 21 November 1989]

Summary of contents: It offers a vision of Ibero-America and issues in which the reality of insurance can be improved: formulas, laws, privatisations, agreements and grants are not enough; to improve a market we need: leaders, managers, technicians, agents and employees, who with their actions professionalise it.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12457>

71.- RIESGOS ESTRATÉGICOS DE ALTA DIRECCIÓN [Lecture delivered at the 3rd International Seminar on Risk Management and Solvency of Insurance Companies, Santiago de Chile, 18-20 April 1989]

Summary of Contents: Reflection on the risk landscape of senior management, which by whatever name it may be called, makes the final decisions of an autonomous company or group of companies, or at least of its important units within a conglomerate.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12530>

72.- ESTRATEGIA INTERNACIONAL DE MAPFRE [Lecture delivered at the 24th Study Seminars for General Managers and Senior Executives organised by ICEA, Palma de Mallorca, 12-13-14 March 1989].

Summary of Contents: On the situation of the insurance market in Spain and the difficulties in maintaining independent insurance companies and how MAPFRE can become an organic multinational, rooted in several countries, in which it finds an effective niche that justifies its presence.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12452>

73.- INVESTIGACIÓN, DESARROLLO Y SEGURO [Lecture given at the International Forum on Private Insurance, organised by the Instituto Superior Tecnológico de Seguros, in Lima on 2 May 1989]

Summary of Contents: Reflections on research and development linked to the insurance profession, since research in itself, and in the context of a “society of growing risks”, must be the basic driving force for balanced development.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12414>

74. - MAPFRE: PRINCIPIOS Y ESTRATEGIA INTERNACIONAL [Lecture delivered at AECl-Seminar on European Collaboration, Milan, 8-9 March 1989]

Summary of Contents: On the legal means that MAPFRE uses to preserve its nature of mutual society and achieve effective “internal democracy”, while at the same time preparing itself independently to be an effective player in the “universal insurance financial market of the 21st century”

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12440>

75. - MANUEL DE MONTIANO Y SOPELANA, GOVERNOR OF FLORIDA
[Conference, La Gran Peña. Madrid, 1990]

Summary of Contents: About the life of Manuel de Montiano Sopelana and his management as governor in La Florida, valuing his vigorous performance in the defence of San Agustín and the fort of San Marcos during the Anglo-Spanish military conflict of the Nine Years' War, which had the American colonies as its main scenario, and which brought about the rupture of the political and economic balance of the Treaty of Utrecht.

76. - LA DIRECCIÓN ESTRATÉGICA DE LA EMPRESA DE SEGUROS [Lecture delivered at the 4th International Seminar on Risk Management and Solvency of Insurance Companies: Summer School, Segovia July 2-5, 1991]

Summary of Contents: On the growing need for reflection in insurance business life in order to achieve institutionalised companies that participate positively in the socio-economic life of each country, without public or private protection.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12393>

77. - COMENTARIOS SOBRE LA CRISIS DE LA SOCIEDAD OCCIDENTAL[Lecture delivered at the graduation ceremony of the third year of the Master's Degree in Insurance Management. ICEA and the Directorate General of Insurance on 2 December 1993]

Summary of Contents: Reflection on the two different crises that, on that date, were simultaneous with reciprocal influence, but of a different nature: an economic crisis and a structural crisis. And how one of the causes or consequences of the crisis in Western society is the disappearance of family or semi-family protection institutions. Every company, and even Insurance as an institution, shall only survive effectively if it avoids becoming a costly bureaucracy. Insurance must be efficient, it is an indispensable institution, but only if it orients its structure to the general benefit of society and not to the comfort of its leaders.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12409>

78. - ¿POR QUÉ CARECE ESPAÑA DE EMPRESAS LÍDERES? Opening Lecture of the 1993-1994 academic year, at ESADE. Barcelona, 4 October 1993

Summary of Contents: On the reasons why our “big” national companies with theoretical leadership capacity are disappearing or end up depending on other foreign companies, or on others with a national character but specialised in the financial area.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12528>

79. - EL MECENAZGO EN LA DIFUSIÓN DE LIBROS CLÁSICOS Y MODERNOS

[Lecture given at the closing ceremony of the Course "El mundo del libro antiguo: investigadores, bibliotecarios, mecenas y bibliófilos", held as part of the Summer Courses of the Complutense University of Madrid (El Escorial, 5 August 1994)]

Summary of Contents: On the contribution of Fundación MAPFRE: the *Colecciones 1492*, the *Colección Documental del Descubrimiento* (Documentary Collection of the Discovery) (1479-1506), the works related to Ferdinand Columbus and the Columbus library and the actions are managed through the Instituto Histórico TAVERA, which is mainly dedicated to the collection and dissemination of “tools for research” in Ibero-American history

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12468>

80. - COMENTARIOS SOBRE LA CRISIS DE LA SOCIEDAD OCCIDENTAL. INTRODUCCIÓN DEL LIBRO EL RIESGO CATASTRÓFICO EN LOS SEGUROS PERSONALES [(First Prize

“Marín Lázaro”, 1947) Annex to the Conference “Comentarios sobre la crisis de la sociedad occidental”, given on 2 December 1993, on the occasion of the awards ceremony for the Master's Degree in Insurance Management, 3rd year, 1991-1993]

Summary of Contents: On the social crisis in Western Europe

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12418>

81. - EMPRESA Y CRISIS ACTUAL [Lecture delivered at the University of Albacete, 23 May 1994. - Included is an article published in the newspaper *Expansión* on 11 March 1994, “MAPFRE Mutualidad se convierte en la primera aseguradora por primas” and where the 1993 ranking by volume of premiums of the large insurance companies in Spain appears]

Summary of Contents: Reflection from experience on the remedies to the crisis: common sense, business integrity, ethical concern, conviction that the company is a part of the economy at the service of the community, transparency in the static and dynamic reality without evading responsibilities. In addition, it must be accepted that a large company must be socially responsible (apart from being contractually responsible) and must allocate surpluses for

this purpose. It does not detract but adds. Without it, there is no company culture and no pride in providing services in it; the MAPFRE case is representative

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12518>

82. - EMPRESA Y DIRECTIVOS EN LA ESPAÑA ACTUAL [Conference and research papers from Instituto de Dirección y Organización de Empresas; 1st quarter 1995. University of Alcalá de Henares. Conference and written research paper. Edited by I.D.O.E. University of Alcalá]

Summary of Contents: General considerations of and about the crisis of the Spanish company, the causes of the change (global, technological, national), the role of the manager in the company and the MAPFRE experience, its development, system of values and principles of action.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12355>

83. - EXPOSICIÓN EN LA APERTURA DEL PRIMER ENCUENTRO DEL SECTOR ASEGURADOR [Lecture given at IESE, at the First Meeting of the Insurance Sector in Barcelona, on 27 February 1997] [Lecture given at IESE, at the First Meeting of the Insurance Sector in Barcelona, on 27 February 1997]

Summary of Contents: In this conference, in addition to recounting aspects of his experience, he stresses on pointing out that neither the company nor any other activity is exhausted with regards to its profit and loss account or its growth; that is why throughout his life he was concerned about social institutions and the general structure of society.

Social and corporate concern is necessary in the company. A company lives in an environment, in a nation, and cannot play alone against everyone. Its action must be useful for the community, as well as being useful for all its components.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12341>

84. - ÉTICA Y ÉXITO EMPRESARIAL [Lecture delivered at the 5th Course on Human Values on 24 April 1998]

Summary of Contents: Dissertation on ethics, business culture and business managers. Larramendi reflects on the importance of ethics and how he applied it in practice and how sometimes success and ethics are opposed, hence his conclusion that not only ethics is not inconvenient for success but it is essential for it, in the company and personally.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12456>

85. - EMPRESA Y HUMANIDADES [Lecture given at the "Humanities and Business" Seminars organised by the Spanish National Research Council in October 1998]

Summary of Contents: Dissertation on the social responsibility of the company, the Foundations and Fundación MAPFRE and how the area of humanities and cultural dissemination should be stimulated in companies, as they are important for the life of men, to build society, and especially for its inhabitants, immersed in all the external influences of the current media, to acquire a greater self-awareness.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12427>

86. - COMENTARIOS PARA LA GESTIÓN ADMINISTRATIVA PÚBLICA EN EL SIGLO XXI [Lecture delivered at the Directorate General of Insurance in April 1998]

Summary of Contents: Dissertation on Public Entities and the decisive importance of financial and information transparency, public spending and administrative intervention.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12498>

87. - REFLEXIONES HETERODOXAS SOBRE DOS FINALES DE SIGLO [Lecture delivered at the Cycle of Conferences "el 98 desde España" at Casa de América in January 1998]

Summary of Contents: Lecture on two ends of the century and the 21st century, the change of century and millennium: from the 19th to the 20th century and why a "moral regeneration" is necessary in Spain, as well as the citizens' acceptance of "generous values".

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12392>

88. - ACTUALIDAD DE LA DOCTRINA SOCIAL DE LA IGLESIA PARA LA VIDA PÚBLICA [Lecture delivered at the "Catholics and Public Life" Congress organised by Fundación San Pablo CEU in November 1999]

Summary of Contents: Analysis of the social doctrine of the Church, the doctrine of solidarity and how to finance it, charity and Catholics in public life

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12469>

SPEECHES

1.- SPEECH GIVEN AT THE GENERAL MEETING OF MAPFRE'S MEMBERS

IN 1972. Collection of speeches given by Mr. Ignacio Hernando de Larramendi at the General Meetings of Mutual members (1973-1985)

Summary of Contents: In this speech, and after analysing the group's financial situation, he sets out the fundamental lines of the strategy: Absolute and overriding concern for reduction of costs. Maximum professionalisation of our activity, basing our expansion on an efficient service and a high degree of technical advice, a personal relationship as far as possible with our policyholders to meet their needs and create a direct link, not only as a customer but also as a true partner and participant in the Group's work. Strengthening of assets and special concern for financial policy. Maintenance of a wide range of information, not only for the organisation's own members but also for the public. Coordination with other entities or institutions with a social orientation similar to MAPFRE, in order to obtain in this way the basis that may be lacking to compete with future insurance groups with banking predominance.

<http://www.larramendi.es/es/consulta/registro.do?id=23092>

2.- SPEECH GIVEN AT THE GENERAL MEETING OF MAPFRE'S MEMBERS

IN 1973. Collection of speeches given by Mr. Ignacio Hernando de Larramendi at the General Meetings of Mutual members (1973-1985)

Summary of Contents: In 1973 the Group broke all growth records: 406 million, 30% over 1972, collecting over 1,760 million. To this end, he summarises how they carried out an extraordinary improvement of the administrative and managerial services in 1973, which would allow them to adapt to any kind of structural and economic changes in a very short time.

The significant increase in market penetration must be based on three factors, which he sets out in his speech: the quality of the services, the maximum possible coordination with the entities that MAPFRE has initiated or promoted in different sectors and that have some kind of relationship with it, and financial specialisation.

<http://www.larramendi.es/es/consulta/registro.do?id=23092>

3.- SPEECH GIVEN AT THE GENERAL MEETING OF MAPFRE'S MEMBERS

IN 1974 [Collection of speeches delivered by Mr Ignacio Hernando de Larramendi at the General Meetings of Members (1973-1985)].

Summary of Contents: He describes 1974 as a fairly satisfactory year; although the Motor results were not as good as expected, there was nevertheless a technical profit in the Mutual Society for the first time since the establishment of compulsory insurance. Growth was high, higher than

the budget estimates. The coverage of technical reserves was completely resolved, and the surplus of assets suitable for it was very substantial, in spite of a difficult year for the stock market. All non-insurance companies linked to the Group had excellent results without exception.

He also stated that in addition to “internal problems”, there are other more important ones, which are the general problems that social development offers to companies of MAPFRE's size

<http://www.larramendi.es/es/consulta/registro.do?id=23092>

4.- SPEECH GIVEN AT THE GENERAL MEETING OF MAPFRE'S MEMBERS

IN 1975 [Collection of speeches delivered by Mr Ignacio Hernando de Larramendi at the General Meetings of Members (1973-1985)].

Summary of Contents: First speech as CEO of the three Group companies. He says that 1975 was a good year and in some respects the Group's best year, with premiums exceeding 3 billion. The loss ratio was acceptable, although in the last quarter the effects of the country's acute inflation were felt in the Motor Branch.

He warned that the Group still had, in his opinion, an excessive rate of expenditure and did not see any easy way to reduce it. But he did not limit himself to talking about internal aspects because 1975 was crucial for the history of Spain and opened up a future with very important responsibilities for everyone and also for MAPFRE, given the institutional nature that it has always pursued.

In this speech, he expounded the following principles:

- Professional reliability, which leads to respecting the interests of customers and employees and keeping the commitments made.
- Independence from any group or sector. MAPFRE has grown in a balanced way through the sole effort of those who participate in it, without outside help, when influences and alliances of all kinds have dominated excessively in the country.
- Respect for the independence of those who participate in MAPFRE.
- Maximum internal and external information clarity.
- Concern for service to the public

<http://www.larramendi.es/es/consulta/registro.do?id=23092>

5.- SPEECH GIVEN AT THE GENERAL MEETING OF MAPFRE'S MEMBERS

IN 1976 [Collection of speeches delivered by Mr Ignacio Hernando de Larramendi at the General Meetings of Members (1973-1985)].

Summary of Contents: He considers that 1976 was a year of partisan politicisation but MAPFRE, always proud of its independence, needs to reaffirm it. It wishes to continue to be an institution at the service of all the regions and citizens of Spain. At MAPFRE, very different

personal opinions coexisted, but this should not affect their objective line of action for the benefit of the Spanish community.

Independently of the political vicissitudes, economic difficulties dominated in 1976.

In MAPFRE's business, these difficulties had a particular impact on the Motor sector, more subject to the effects of cost increases. He made no secret of his concern about these results, which worsened more than they had anticipated. In order to maintain the technical balance, an increase in Voluntary Insurance rates was requested, supported by sufficient statistical data.

<http://www.larramendi.es/es/consulta/registro.do?id=23092>

6.- SPEECH GIVEN AT THE GENERAL MEETING OF MAPFRE'S MEMBERS

IN 1977 [Collection of speeches delivered by Mr Ignacio Hernando de Larramendi at the General Meetings of Members (1973-1985)].

Summary of Contents: In 1977, the Group had greater growth and better results in each of its sectors. Written premiums increased by 1,433 million pesetas and they even made a profit in Motors, a sector that was of great concern, where they achieved a technical surplus, which is not unrelated to the increase in rates.

In this speech, he believes that those who are fortunate enough to be in companies with a sound position such as MAPFRE should think of those who are in a more disadvantaged position and increase our efforts and dedication to socially justify this preferential situation.

In this line of solidarity is inscribed what he considered the most important sociological fact of 1978: the tax reform and, above all, the speed with which large layers of Spanish society have accepted the obligation of a clear, complete taxation, which will undoubtedly harm them economically. If the Government maintains the line initiated in this area, it will achieve, in a seemingly miraculous way, a social change that is more important than any other in Spain in recent years. Fiscal seriousness is the only way to a just society. Higher tax revenues should allow the unemployment traumas resulting from the economic crisis to be reduced.

<http://www.larramendi.es/es/consulta/registro.do?id=23092>

7.- SPEECH GIVEN AT THE GENERAL MEETING OF MAPFRE'S MEMBERS

IN 1978 [Collection of speeches delivered by Mr Ignacio Hernando de Larramendi at the General Meetings of Members (1973-1985)].

Summary of Contents: This year, special emphasis is placed on Fundación MAPFRE, whose Annual Report is included in print for the first time. The Foundation has become an indispensable and, in a way, key part of the Group: it is the owner of the name "MAPFRE" and in the future should receive an annual donation from each of the entities that use it in their names, which undoubtedly benefit from its prestige; it is the coordination centre of the

MAPFRE companies, even if they are of a different legal nature, and to monitor the maintenance of its principles; it is also a vehicle for channelling part of each year's profit to safety activities and the prevention of personal or material accidents without any other kind of intentionality. The Foundation acts in areas that serve as a lever for important improvements in social life. An outstanding example of this action is the scholarships for vocational training for the handicapped

1978 was an excellent year for the Group. In a problematic social economic period, in which so many companies were experiencing difficulties, MAPFRE was able to overcome them and obtain a high rate of growth and, above all, a clear technical balance.

As a result, the Group's financial position was also satisfactory and improved significantly in 1978, despite the continuing stock market depression.

<http://www.larramendi.es/es/consulta/registro.do?id=23092>

8.- SPEECH GIVEN AT THE GENERAL MEETING OF MAPFRE'S MEMBERS

IN 1979 [Collection of speeches delivered by Mr Ignacio Hernando de Larramendi at the General Meetings of Members (1973-1985)].

Summary of Contents: He stated that 1979 had been a good year for the Group, although less so than 1978. He considered that they have had a high growth, higher than the market and a significant consolidation of assets, partly as a result of inflation and rising real estate prices. In particular, he highlighted some important facts:

- Collections, including accepted reinsurance, exceeded 10,000 million pesetas.
- The issue had been increased by more than 2,000 million pesetas.
- The number of insured vehicles had exceeded 400,000.
- For the first time in the Group, a company labour agreement was negotiated and approved, which affected MAPFRE MUTUALIDAD AND MAPFRE INDUSTRIAL employees.

Also noteworthy events were the installation of a large part of the services in the new building in Majadahonda and the inauguration of the Fire Laboratory, practically the only joint training and research centre in this sector in Spain, which would be a major factor in MAPFRE's image for many years to come

He considered that MAPFRE had a basic objective for the 1980s, on which great attention must be devoted: to consolidate its structure, still weak as a result of its rapid growth, in order to achieve full maturity and become a highly cohesive force, capable of facing the problems that he foresaw would not be lacking in the future

<http://www.larramendi.es/es/consulta/registro.do?id=23092>

9.- SPEECH GIVEN AT THE GENERAL MEETING OF MAPFRE'S MEMBERS

IN 1980 [Collection of speeches delivered by Mr Ignacio Hernando de Larramendi at the General Meetings of Members (1973-1985)].

Summary of Contents: At a time when the country was in trouble, when so many companies were going through difficult times and so many workers were subjected to the deep trauma of unemployment, Mr. Larramendi considered that to speak of success was almost offensive, but 1980 was an excellent year for MAPFRE, which had significantly strengthened its soundness.

This possibility of overcoming the crisis in better conditions than other business nuclei constituted a serious responsibility and obliged us to underline the institutional nature and to contribute with the maximum effort to the socio-economic balance of the country.

He referred to the new Insurance Contract Law, which had already come into force, and the draft Law for the Regulation and Promotion of Insurance, which had been awaited for so many years. The Contract Law marked an important milestone in the history of Spanish insurance.

Finally, he highlighted three characteristic aspects of MAPFRE, which should always be taken into account: independence, pragmatism and transparency.

<http://www.larramendi.es/es/consulta/registro.do?id=23092>

10.- SPEECH DELIVERED AT THE GENERAL MEETINGS OF THE MUTUAL SOCIETY AND CORPORACIÓN MAPFRE ON 29 MAY 1982. [CORPORACIÓN MAPFRE 1982]

Summary of Contents: Speech at the General Meetings of the Mutual Society and Corporación MAPFRE (CORMAP) held together for the first time, which made it possible to address all the issues of the MAPFRE business group in a single speech.

<http://www.larramendi.es/es/consulta/registro.do?id=23092>

11.- DESEMPLEO Y MODELO DE SOCIEDAD [Lecture delivered at the Conference organised by Acción Social Empresarial, in Montserrat on 2 April 1982].

Summary of Contents: Dissertation on unemployment and employment policies, the relationship between the model of society, the level of unemployment and to wait and see how the indispensable actions to combat this initiate the construction of a certain model of society.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12521>

12.- UNIAPAC EN EL MUNDO E IMPLANTACIÓN EN EUROPA [Lecture delivered in Valladolid on 21 April 1982]

Summary of Contents: On the fundamental features of Asociación UNIAPAC in the world and in Spain as a business association with a great tradition in the study of ethical and socio-business issues as well as the meaning of the Spanish ASE.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12437>

13. - LA LEGISLACIÓN DE SEGUROS Y EL ORGANO DE CONTROL [Lecture delivered at the Insurance Executive's Club, 1982]

Summary of Contents: On Insurance Law and Insurance Companies and their control. Analysis of the Insurance Contract Law and the Law Regulating the Production of Private Insurance.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12525>

14. - SPEECH GIVEN AT THE GENERAL MEETING OF MAPFRE'S MEMBERS IN 1981 [Collection of speeches delivered by Mr Ignacio Hernando de Larramendi at the General Meetings of Members (1973-1985)].

Summary of Contents: For the first time, the General Meetings of the Mutual Society and CORPORACION MAPFRE CORMAP (in the group's internal terminology) are held on the same day. This will allow all the issues of the business as a whole to be addressed in a single speech.

The creation of CORMAP is a key element in an institutional structure similar to that of the world's large insurance groups and an indispensable logistical basis for the future balanced growth of the group, which is expected to continue at the previous rate, and which should no longer depend exclusively on the free investment capacity of a Mutual Society for Motor Insurance. With this, MAPFRE becomes a socio-economic institution prepared to compete in other markets, in the great challenge represented by the strengthening of relations with Ibero-American countries and the European Community.

At the same time, CORMAP offers two important contributions to MAPFRE:

- The full coordination of its Financing Entities with our territorial network, which strengthens their position, but for the insurance activities this also means an institutional complement due to the greater territorial presence, the stronger roots in local life and the wider range of services for customers and friends.
- The incorporation into MAPFRE of external shareholders, for the first time, especially the three institutions mentioned in the Annual Report: CAIXA DE AHORROS DE MADRID, PRUDENTIAL RE and SOCIETE ANONYME FRANCAISE DE REASSURANCES

He is convinced that the external audit is an important step in the policy of information transparency; but it is also the most effective means of verifying the solvency of insurance companies and that MAPFRE, through its principles and way of acting, has achieved a reasonable level of internal harmony and can contribute to some extent to the harmony in Spanish society, which is necessary at this time in our world

<http://www.larramendi.es/es/consulta/registro.do?id=23092>

15.- EXPOSICIÓN EN EL ACTO DE CLAUSURA DE LA SEMANA DE LA SEGURIDAD

[Speech given at the closing ceremony of the safety week organised by Fundación MAPFRE in Madrid, May 1983]

Summary of Contents: Speech on the MAPFRE system, its organisation and its corporate culture to transform itself from a small bankrupt mutual society to the second largest group and natural leader in Spanish insurance.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12342>

16.- SPEECH GIVEN AT THE GENERAL MEETING OF MAPFRE'S MEMBERS

IN 1982. [Collection of speeches given by Mr. Ignacio Hernando de Larramendi at the General Meetings of Members (1973-1985)]

Summary of Contents At the closing ceremony of the "MAPFRE Safety Week" (50th Anniversary). This speech focuses on answering the following questions: What is MAPFRE? Why does it act? Who guides or protects it? Why is it concerned about things that are not directly related to profit, or even the growth of its operations?

And he focused on highlighting the following aspects of corporate policy that have had a particular impact on MAPFRE's performance in recent years:

- Special service, with emphasis on offering product quality, improvement, simplification, adaptation to real needs and reduced cost, and quality of service, fair and prompt payment of claims at all times
- Specialisation, essential for a high growth rate
- Decentralisation, which has existed at MAPFRE since its creation and has remained one of the keys to its positive evolution
- Legality, giving special importance at all times to strict compliance with labour, tax and administrative obligations
- Transparency, achieved with massive, frequent and increasing distribution of results, a peculiar characteristic of MAPFRE, an effective method for technical-financial balance, which keeps all the autonomous operating units informed of everything that is important, on a monthly or quarterly basis, depending on the case.
- Mechanisation, promoted to the maximum for more than twenty years
- Continuous training, which is encouraged by the existence of numerous areas of autonomous decision making, and consists of frequent periods of specialised training, short courses, correspondence courses and informal meetings for study and resolution of problems and systems.
- Pragmatism, with performance that accepts changes at any time and any line, even if it is considered very stable. Pragmatism

is the magnification of common sense so that no rigid rules, except ethical ones, prevent the application of logic.

- Commercial opportunism, which is a consequence of pragmatism, but also something more, a permanent predisposition to be attentive to some new technical and geographical route of entry and to take advantage of it, concentrating all the attention and possible operative strength on it, so that whoever finds an opportunity has the power to take advantage of it.
- Capillary structure, a consequence of our desire to get closer to the insured with professional representation capable of providing an effective technical response in every population centre, even very forgotten and abandoned ones, and in urban neighbourhoods with some characteristic of homogeneity.
- Internal promotion, in which MAPFRE has set an outstanding example, although our pragmatism has led us to recruit externally when it seemed appropriate

<http://www.larramendi.es/es/consulta/registro.do?id=23092>

17.- SPEECH GIVEN AT THE GENERAL MEETING OF MAPFRE'S MEMBERS

IN 1983 [Collection of speeches delivered by Mr Ignacio Hernando de Larramendi at the General Meetings of Members (1973-1985)].

Summary of Contents: The results for 1983 were a magnificent end to MAPFRE's fiftieth anniversary, with very significant growth, double that of the market as a whole, and excellent profits in all companies.

He highlighted some figures: the income for all items of the insurance entities. The group's total assets, also consolidated and audited, now exceeded 27,500 million pesetas; and its total assets, also consolidated and audited, exceeded 34,000 million pesetas. These figures are indicative of MAPFRE's solid equity position, and MAPFRE was beginning to transform itself into a relatively significant player in the Spanish economy.

He also highlighted the importance for business soundness of the real estate investment policy carried out in these years in two different areas: what they called operational, purchases of premises for their own use coordinated with the needs of their territorial expansion; and pure investment in office buildings but operating them on a rental basis.

When talking about the future, he wanted to refer to three heterogeneous aspects that are part of MAPFRE's philosophy of action and are important parts of the SISTEMA MAPFRE 85 plan:

- Firstly, he spoke of the importance of the Instituto Tecnológico de Seguridad MAPFRE (ITSEMAP). Secondly, he commented on the decision to set up a Insured Party Defence Counsel in 1984, whose new regulations were approved at the Extraordinary General Meeting of that year. Thirdly, he referred to the challenge that the

appropriate use of the means provided by IT and office automation represents for the future of MAPFRE

<http://www.larramendi.es/es/consulta/registro.do?id=23092>

18. - WORDS DELIVERED BY IGNACIO H DE LARRAMENDI ON THE OCCASION OF THE PRESENTATION OF THE VINAGRE PRIZE [Words delivered by Ignacio H de Larramendi on the occasion of the presentation of the Vinagre prize granted by the Barcelona Insurance Agents' Association on 24 October 1984 in that city]

Summary of Contents: Concerning the training work, the training and study centre that insurance agents have as an extremely important factor. There can only be true professionalism when there is a high level of training, and everything that Spanish insurance, in all states, at all levels, does for the preparation and training of the people who collaborate in its various aspects, is something constructive

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12340>

19. - WORDS DELIVERED BY IGNACIO H. DE LARRAMENDI, AS CHAIRMAN OF THE INSTITUTO TECNOLÓGICO DE SEGURIDAD MAPFRE, ON THE OCCASION OF THE 1ST IBERO-AMERICAN MEETING ON OCCUPATIONAL HEALTH AND SAFETY

[Words delivered by Ignacio Hernando de Larramendi, as Chairman of the Instituto Tecnológico de Seguridad MAPFRE, on the occasion of the 1st Ibero-American Meeting on Occupational Health and Safety held in Ávila, 1 December 1984]

Summary of Contents: Concerning Fundación MAPFRE's projects: promotional seminars to make known the people and institutions that are dealing with safety; Making MAPFRE's services and information available to the organisations that exist and act in this field; Publishing a lot, at a reduced price, avoiding speculation; Offering training scholarships and instructing people with possibilities and vocation to provide a useful service to Spanish and Ibero-American society. And reference to the most ambitious project: to create its own safety technology, partly by recycling that of other countries (United States and Europe) to make it available to the Ibero-American community and export technology without exploitation.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12351>

20. - SPEECH GIVEN AT THE GENERAL MEETING OF MAPFRE'S MEMBERS IN 1984 [Collection of speeches delivered by Mr Ignacio Hernando de Larramendi at the General Meetings of Members (1973-1985)].

Summary of Contents: Last speech as Chief Executive Officer, a position he was leaving that day. For this reason, he wanted to prepare a collection of his speeches to the General Meetings held since 1972, which were given to the attendees.

<http://www.larramendi.es/es/consulta/registro.do?id=23092>

21. - SPEECHES DELIVERED BY IGNACIO HERNANDO DE LARRAMENDI Y MONTIANO AT THE GENERAL MEETINGS OF MUTUAL MEMBERS: (1973-1985) -MADRID: MAPFRE MUTUALIDAD DE SEGUROS, 1985 [Compilation of the speeches delivered by Ignacio H. de Larramendi at the General Meetings of MAPFRE Members from 1973 to 1985].

Summary of Contents: Collection of the speeches delivered by Ignacio Hernando de Larramendi at MAPFRE's General Meetings, which reflect the evolution of MAPFRE until his retirement as Chief Executive Officer in strict application of the statutory regulations that he himself promoted. They reflect the living history of MAPFRE and also constitute an informal but very eloquent catalogue of MAPFRE's business principles to whose defence Don Ignacio dedicated the best part of his life

<http://www.larramendi.es/es/consulta/registro.do?id=23092>

22. - WORDS FROM IGNACIO HERNANDO DE LARRAMENDI AT THE PRESENTATION OF THE GOLD MEDAL OF THE "FOUNDER OF INTERNATIONAL INSURANCE SEMINARS", ORLANDO, FLORIDA, 16 JUNE 1986. Speech by Ignacio Hernando de Larramendi at the presentation of the Gold Medal of the "Founder of International Insurance Seminars", Orlando (Florida), 16 June 1986]

Summary of Contents: Words of thanks in which Larramendi offered the "strategic answers" that a good insurer must offer in the face of the future: simplicity of its products, maximum cutting out red tape and relentless pursuit of useless costs to offer customers "good, cheap products" with efficient service in quality and price

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12339>

23. - LA SEGURIDAD COMO PROFESIÓN [Speech by Ignacio Hernando de Larramendi at the Graduation of students of the 8th Year of the Technological University Institute of Industrial Safety of Valencia (Venezuela), 19 March 1987]

Summary of Contents: On the importance of collaboration between brother countries in the field of safety as a real and effective instrument for the improvement of peoples and freedom, the most precious asset that men can have.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12505>

24. - FAREWELLING SPEECH BY IGNACIO HERNANDO DE LARRAMENDI AS CHAIRMAN OF FUNDACIÓN MAPFRE AND CORPORACIÓN MAPFRE AND OF THE CONTROL COMMITTEE OF THE MAPFRE SYSTEM GENERAL MEETINGS OF MAPFRE MUTUALIDAD AND CORPORACIÓN MAPFRE [MAPFRE, 16 June 1990]

Summary of Contents: Farewell speech to the Mutual Society and the Corporación MAPFRE at the 1990 General Meeting, after 35 years at the helm of this company. In addition to acknowledgements, he focused on some specific aspects of his decision to take early retirement.

25. - SPEECH BY IGNACIO HERNANDO DE LARRAMENDI AT THE “MAPFRE DAY OF HONOUR” EVENT AT THE SEVILLE UNIVERSAL EXHIBITION: 24 SEPTEMBER 1992 [Speech given at the MAPFRE Day of Honour event at the 1992 Seville Universal Exhibition]

Summary of Contents: Dissertation on what the FUNDACION MAPFRE AMERICA is and what it wants to be, the protagonist in 1992 of the Colecciones MAPFRE 1492, which was presented that day and which constituted an enormous editorial effort: 283 titles, grouped organically by subject, which dealt with various aspects of history since 1492, and which also analysed aspects and problems of the future.

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12336>

26. - SPEECH AT THE CEREMONY FOR THE AWARDING OF THE GRAND CROSS OF THE ORDER OF THE

CIVIL MERIT ON 9/9/1998 Speech delivered on the occasion of the awarding of the Grand Cross of the Order of Civil Merit, in the auditorium of MAPFRE Mutualidad de Seguros in Madrid, 1998]

Summary of Contents: In his speech, Larramendi thanked his family for having made his dedication to MAPFRE possible, which was made as a result of his own individual efforts and sacrifices and those of all his associates, without any external support, neither political nor financial, nor of course religious, through hard work and inspiration. In his speech, he commented on the three points that allowed MAPFRE to go from being absolutely nothing in 1955 to the situation of 1998

<http://www.larramendi.es/ihl/es/consulta/registro.do?id=12349>

CORPORATE AND FOUNDATION REPORTS

REPORTS TO THE BOARD OF MAPFRE 1972-1990

- 1.- REPORTS TO THE BOARD OF DIRECTORS. 1972-1985.**
- 2.- SPEECHES AT GENERAL MEETINGS OF MEMBERS 1973-1985.**
- 3.- FINAL SPEECH BY IGNACIO DE LARRAMENDI Y MONTIANO, OUTGOING CHAIRMAN OF FUNDACIÓN MAPFRE AND CORPORACIÓN MAPFRE AND OF THE CONTROL COMMITTEE OF THE MAPFRE SYSTEM. 16 June 1990.**

FOUNDING REPORTS 1988-1998

- 1.- REPORTS FROM THE CHAIRMAN TO THE FUNDACIÓN MAPFRE AMERICA (BOTH TO THE THE BOARD OF TRUSTEES AND THE DELEGATED COMMITTEE).** [Includes report in which Ignacio Hernando de Larramendi announces his resignation and a note to the members of the Fundación MAPFRE America committee at the Instituto Histórico Tavera] 1990- 1995.
- 2.- REPORTS AND LETTERS TO THE BOARD OF TRUSTEES OF THE FUNDACIÓN MAPFRE AMÉRICA AND THE GOVERNING BOARD OF THE INSTITUTO HISTÓRICO TAVERA.. 1988-1995.**
- 3.- REPORTS (AND SPEECHES) ON THE INSTITUTO HISTÓRICO TAVERA AND ITS TRANSFORMATION INTO THE FUNDACIÓN HISTÓRICA TAVERA. 1994-1995.**
- 4.- REPORTS AS EXECUTIVE VICE-CHAIRMAN TO THE BOARD OF TRUSTEES OF THE FUNDACIÓN HISTÓRICA TAVERA. 1996-1997**

LIST OF INTERVIEWS CARRIED OUT ON THE OCCASION OF THE CENTENARY OF IGNACIO HERNANDO DELARRAMENDI

Jan-17	Feb-17	Jun-17	Jul-17	Aug-17	Sep-17	Jun-18	Jul-19	Jan-20	Feb-20
ANUNCIADA COLON	DUQUE SEGORBE	RAFAEL HERNANDO DE LARRAMENDI	IGNACIO GONZÁLEZ CASASNOVAS	ISAAC MUGA	JUAN DE DIEGO	MARGARITA MARTEL	FERNANDO VALENCIANO	JAVIER GUTIERREZ VICENT	GONZALO ORTÍZ
CARMEN CARO	JESUS TANTOS	PILAR TRONCOSO	MANUEL LORENTE		FERNANDO RODRÍGUEZ LAFUENTE	PALOMA HAWRY		LUIS PAZ ARES	BERNABÉ GORDO
FILOMENO MIRA	PACHI ASIN	MIGUEL MUÑOZ	JOSÉ MARÍA SERRA		JOSÉ ANTONIO PÉREZ ESPAÑA				
GERARDO HERNANDEZ DE LUGO	SANTIAGO COELLO	MARIANO DE DIEGO			LUIS VALIENTE VALLEJO				
JACOBO CURBERA	STANLEY PAYNE	MARIA LUISA GARCIA MANSILLA			ALEXANDRA WILHEMSEIN				
JOSE MANUEL MARTINEZ		JOSE LUIS CATALINAS							
JUAN FERNANDEZ LAYOS		JON JUARISTI							
MANUEL MAESE		CORO LARRAMENDI							
MIGUEL MARQUEZ OSORIO		CAROLO LARRAMENDI							
ALBERTO MANZANO		CARMEN LARRAMENDI							
CARLOS ALVAREZ		ANA PLANET							
DANIEL RESTREPO		ADORACION SANZ							
FERNANDO SUAREZ		PALOMA RODA							
JOSE ANDRES GALLEGU		MIGUEL AYUSO							
PEDRO GUILLEN		MARIO MENENDEZ							
XAVIER AGENJO		MARGARITA LARRAMENDI							
ALBERTO ELZABURU		LUIS ZUBIAUR							

Strictly confidential documentation for use only in the research project on Ignacio Hernando de Larramendi.

ANDRES JIMENEZ HERRADON		JULIAN JANARIZ							
ANTONIO BRIONES		EDUARDO RODRIGUEZ ROVIRA							
DOMINGO SUGRANYES		CLARA CIPRES							
RAFAEL BENJUMEA		ANDRES GAMBRA							
SEBASTIAN HOMET		MIGUEL LARRAMENDI							
BENITO TAMAYO		MERCEDES VARELA							
LUIS ALBERTO DE CUENCA		LUIS LARRAMENDI							
LUIS GONZALEZ LLANO		JUAN ANTONIO LABAT							
MANUEL LAGARES		JOSE MATEU							
SANTIAGO GAYARRE		ALFONSO BULLON							
TOMAS PEREZ		MANUEL OCON							
JULIO CASTELO		JULIO CAUBIN							
		FRANCISO MONTIANO							
		ALFREDRO PEREZ ARMINAN							
		ALFONSO REBUELTA							
		IRENE PRADA							

UNDERTAKEN							
Jan-17	Feb-17	Jun-17	Jul-17	Aug-17	Sep-17	Jun-18	Jul-19
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CARMEN CARO	JESUS TANTOS	PILAR TRONCOSO	MANUEL LORENTE		FERNANDO RODRÍGUEZ LAFUENTE	PALOMA HAWRY	
FILOMENO MIRA	PACHI ASIN	MIGUEL MUÑOZ	JOSÉ MARÍA SERRA		JOSÉ ANTONIO PÉREZ ESPAÑA		

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JACOBO CURBERA	STANLEY PAYNE	MARIA LUISA GARCIA MANSILLA			ALEXANDRA WILHEMSEIN		
JOSE MANUEL MARTINEZ		JOSE LUIS CATALINAS					
JUAN FERNANDEZ LAYOS		JON JUARISTI					
MANUEL MAESE		CORO LARRAMENDI					
MIGUEL MARQUEZ OSORIO		CAROLO LARRAMENDI					
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ALBERTO ELZABURU		LUIS ZUBIAUR					
ANDRÉS JIMENEZ HERRADON		JULIAN JANARIZ					
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DOMINGO SUGRANYES		CLARA CIPRES					
RAFAEL BENJUMEA		ANDRES GAMBRA					

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		FRANCISO MONTIANO					
		ALFREDRO PEREZ ARMINAN					
		ALFONSO REBUELTA					
		IRENE PRADA					

CV DE LOS PARTICIPANTES EN EL LIBRO

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Gonzalo Sanz-Magallón Rezusta. PhD in Economics from the CEU San Pablo University (1998), where he is currently Professor of the Economics Department. He has been the Principal Researcher of several research projects, among which should be highlighted *ELEDUCA, Study on the convenience and possibilities of extending freedom of choice in education in the Community of Madrid by strengthening private sources of funding, CUNEMAD, Contribution of Universities to the Economy of the Community of Madrid, and AER Indicators*, funded by the Association of Entrepreneurs of the Ribera de Navarra for the development of studies on the competitiveness of this region. He has taught courses as a visiting Professor and has carried out residencies and courses in different foreign universities such as St. Louis University, Oxford, Charles De Gaulle, Lessius deAmberes, or Boston University. He is Academic Secretary of the Centre for Political Economy and Regulation of the Institute for the Study of Democracy.

Manuel M. Molina López is Vice-Dean of the Faculty of Economic Sciences and Business Studies at the CEU San Pablo University where he obtained his PhD with International Mention. Associate Professor of Business Organisation, accredited as Temporary Lecturer by ANECA. Master's Degree in Research in Economics and Business at Pontificia Comillas University. He has been a visiting researcher at American University and *Columbia University* (USA), as well as a guest on several occasions in his capacity as an expert in economics and finance by the European Commission (2017, 2018 and 2019). His main lines of research cover the field of corporate governance, as well as competition and management in educational

markets and centres. He is a Researcher of the Centre for Political Economy and Regulation of the Institute for the Study of Democracy.

Mercedes Rubio Andrés is Director of the Degree in Business Administration and responsible for the Management of Human Resources subject at CEU San Pablo University, where she obtained her PhD. Master's Degree in Business Management from the Autonomous University of Madrid. She has been Professor of Business Organisation in different Universities and Postgraduate Schools. She has participated in various funded research projects, such as the "Proyecto Informe Pyme España 2018", of Fundación FAEDPYME, or "La Formación de los enfermeros" of the "Fundación Enfermería Castilla y León"; she has co-directed 8 PhD Theses (one of them with Extraordinary Prize) and presented communications in congresses such as those of ACIEK, ACEDE or IFERA, among others. Researcher at the Centre for Political Economy and Regulation-IED. Her publications in the *Corporate Social Responsibility and Environmental Management and Sustainability* journal should be highlighted

José Manuel Muñoz Puigcerver. Extraordinary Prize of the Degree in Economics from the CEU-San Pablo University and PhD in Economics with "outstanding cum laude" from the aforementioned University. Master's Degree in International Relations and Strategy Consultant at *Capgemini Consulting*. Researcher in the Economic Environment Department of the Instituto de Empresa. Director of the Master's Degree in International Trade at *EUDE Business School*. He currently teaches International Economics at Nebrija University and *EAE Business School*. He is a Researcher of the Centre for Political Economy and Regulation of the Institute for the Study of Democracy. Speaker at several international conferences and author of several articles published in scientific journals. He collaborates in *El Debate de Hoy* and different media.

Manuel R. Tejeiro Koller is PhD Professor of Strategy at the CEU San Pablo University and at the *Hult International Business School*, London. His professional background is in banking, having worked as an internal auditor for Banco Santander, and ten years as an academic in different universities before joining his current institution. His research work focus on corporate culture for business innovation and transformation, as well as innovative entrepreneurship and technology *start-ups*. He is a Researcher of the Centre for Political Economy and Regulation of the Institute for the Study of Democracy. The study of organisations, their ability to adapt through transformation and the creation of new ventures, have been the subject of his various publications and presentations at international conferences. He has also collaborated in several consultancy projects in Spain and for international development in Equatorial Guinea and Central America.

José Andrés-Gallego. Extraordinary Professor Emeritus of Contemporary History, CEU San Pablo University. Professor at the UNED and the University of Cadiz (1977-1986). Scientific researcher and Research Professor at CSIC (1986-1997 and 1998-2014). Rector of the Catholic University of Avila (1997-1998). Member of the Editorial Board of the *Historia general de España y América* (1979-1992). Trustee of Fundación Mapfre América (1992-1996). Trustee (1996-2001) and member of the Board of Trustees (1998-2002) of the Fundación Histórica Tavera. General coordinator of *Colecciones Mapfre 1492*. Member of the Scientific Board (1996-2002) and Director (1999-2002) of *Clásicos Tavera*. Director of the Mapfre Historical Projects (*Afroamérica, tercera raíz*;

Impacto de la expulsión de los jesuitas en América and Derecho y justicia en América), of Fundación MAPFRE América (1993-1996) and of Fundación Larramendi (1996-2005). Co-editor of the *Archivo Gomá 1936-1939* (2001-2010). Director (2002-2007) and Co-Director (2007-2011) of the Master's Degree in History of the Hispanic World (CSIC and Fundación Carolina). Director of the *Ideas* collection (Ideas y Libros Editorial, 2015-2021). Member of the Board of Directors and Founders of AEDOS (Association for the Study of Social Doctrine) since 1989. Main publications of interdisciplinary method: *New History, nouvelle histoire: Hacia una nueva historia* (1993), *Recreación del humanismo, desde la Historia* (1994), *Relativismo y convivencia, paradigma cultural de nuestro tiempo* (2005), *Diez años de reflexión sobre el nacionalismo, el estado, la nación, la soberanía y lo hispánico* (2008), *Historia de la gente: Europa y América entre la Edad Moderna y la Contemporánea* (2016).