

Picasso's Malaga

Malaga: its economic evolution during the 19th century.

Malaga was one of the coastal cities which, in the second half of the 18th Century, thanks to the benefits sea transport and the liberalisation of trade with America, was witness to the emergence of a middle class that laid the foundations for the economic take off of the following century. The capital



received an avalanche of foreign traders who ended up establishing their roots their and whose descendants are still recognised by their surnames; Mandly, Temboury, Bolin, Gross, Pries, Loring, Huelin, Grund, Raggio...Immigrants from inside the peninsula also began to arrive (in particular from the Rioja region, such as Heredia and the Larios families) who provided the stimulus for a varied

economic activity wherever they settled. The basis of this prosperity came from the exporting of agricultural products of the province, essentially wines and raisins. Such was the volume of trade that in the final years of the century, the city became the second most important port after Barcelona. It was also at this time that we find the first town planning reforms aimed at modernising and sanitising the city.

However, the 19th Century began with a series of calamities that brought about economic and human disaster: virulent epidemics hail storms and earthquakes, the French invasion and the War of Independence. But it was against this backdrop that an impresario like Manuel Agustin Heredia (from the city of Logroño) built up his fortune, thanks to smuggling operations with Gibraltar, trading with neutral ships and sending provisions to guerrillas.

In the second third of the century, the economy recovered. Part of the new middle classes had at their disposal an extraordinary accumulation of wealth, thanks, above all, to an abusive trade relation with the smallholding vineyard producers who were subjected to extortionate prices and loans. This enabled them to develop industrial projects that gave a distinctive character to Malaga: iron and steel and textile and craft industries. Heredia was, in fact, the pioneer of

such companies, firstly with his sugar production business and above all with the setting up of the ironworks “La Concepcion”(Marbella 1826) and “La Constancia” (Malaga 1833) which could be regarded as one of the most modern in the world. These exploited the iron mines Ojen and Marbella, but the coal that fuelled the furnaces was brought over from England to the port of Malaga (from where the vessel returned with products for export). The success of this industry was furthered by the Carlist wars, which paralysed the blast furnaces of Vizcaya. In 1841 Juan Giró opened the ironworks “El Angel”.



In spite of the cost of importing fuel, the iron and steel industry of Malaga maintained its predominant place in Spain up to the years 1861-1865. Further business enterprises emerged in Malaga and its province: textiles, soap products, chemicals, fans, lithographs, etc. Of particular importance was the “Malaga Industry” textile company founded by Heredia’s sons and by Pablo and Martin Larios. Although all the raw materials came from England, the efficiency of its installations enabled it to achieve a volume of sales that in the 1860s was to convert Malaga into the second cotton-producing city in Spain, after Barcelona. Another of the Larios brothers, Carlos, was to set up another textile factory in 1856, “LaAurora”.

Other milestones in this panorama included the creation of the Bank of Malaga around the middle of the century and the construction by Jorge Loring of the railway line Cordoba-Malaga in the years 1859-1865. Unfortunately, this project, financed for the most part by citizens of Malaga, was a means for disinvestment of these businesses as their commercial exploitation turned out to be of little profitability. In 1879 it was transferred to the Sociedad de Ferrocarriles Andaluces (The Andalusian Railways Company) controlled by foreign capital.

The Malaga economy went into a serious crisis in the final decades of the century. From 1867 onwards the iron and steel industry began to lose competitiveness against the economies of the North of Spain, to such an extent that the ironworks “La Concepcion” (in 1884) and “La Constancia” (in 1890) saw closure looming on the horizon. However, the worst effects were suffered in the area of agriculture. Malaga’s trade was based on the products of the vine, grown by smallholding workers in the province (mainly in the Axarquia region) who

produced raisins and famous wines. But in addition to a series of structural deficiencies (lack of capital, high taxes, lack of irrigation channels, poor transportation routes, high transport costs) followed a number of bad harvests and the competition from the Californian raisin, which had been battling to get a hold of the American market since 1880 and ended up killing off exports. The final blow was dealt by the outbreak of a plague – phylloxera. It started in France and its arrival in Malaga was officially announced in 1878 and by 1885 nearly all the vineyards in the province had succumbed. The small farmers, unable to survive the tragedy, had their estates confiscated, left the country and emigrated to the city and to other provinces or abroad.

On 25th December 1884 a terrible earthquake struck a large number of towns and villages in Malaga and Granada, ruining houses and crops and causing about 800 fatalities. In 1885, the last cholera epidemic of the century caused 1,700 deaths in the province of Malaga. That same years, the sugar cane industry, the most important in Spain, was ruined by frost and as a result of the introduction of the beet crop along with a trade tariff reform that allowed sugar to be imported from Puerto Rico Cuba. Such was the demise of the local economy, with the textile industry being the last to suffer the effects (a large part of the market was Eastern Andalusia, a victim of the phylloxera crisis). The textile-production factories managed to survive until the beginning of the 20th Century.