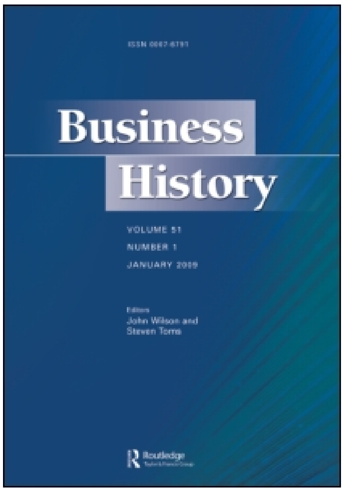

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A silent revolution: The internationalisation of large Spanish family firms

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A silent revolution: The internationalisation of large Spanish family firms[1]

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This article studies the dominant role played by large family firms in the internationalisation of the Spanish economy. Based on new empirical evidence from circa 150 historical and internationalised family firms, the article integrates concepts and theories from recent literature on internationalisation, international entrepreneurship, sociology, and family business. The main argument is that in Spain, as in other European, South American and Asian countries, the integration of most of the leading family firms in the global market has been the outcome of a long learning process strongly influenced by the country's natural and human resources, institutional framework, and regional patterns of economic development and business cultures. In contrast with other countries, however, foreign capital and technology and collective action at regional, national and international levels play a far more important role in the internationalisation of large family firms.

Keywords: internationalisation; family firms; Spain

Introduction

Globalisation is changing not just the world we live in, but also the way we look at it. Recent scholarship on international business is a case in point. Driven by Anglo-Saxon empirical evidence and theories, scholars have long focused on the economic reasons of outward foreign direct investment (FDI), but over time the scope of their studies has broadened to include the strategies and impact of FDI as well as divers organisational and cultural matters (prominent examples of the former are Caves, 1996; Dunning, 1988, 1993; Hennart, 1982; Houston & Dunning, 1976; Hymer, 1976; Kindleberger, 1969; Vernon, 1966, 1971; representative of the latter are Buckley, 2003; Buckley & Casson, 1976; Casson, 2000; Caves, 1971; Dunning & Narula, 1996; Jones, 1996, 2005; Narula, 1996).

In the late 1960s, scholars started to study international business in a historical perspective. Historians established a very fruitful dialogue with applied and development economists who helped to explain quite convincingly why American and British firms went international and how they influenced their home and host economies (Jones, 1986, 2002; Wilkins, 1970, 1991). In contrast, little attention was paid to more peripheral countries, or to the way some companies acquired the

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required knowledge and contacts to operate abroad and bridge institutional, social and technological gaps. Following this, evolutionary and new institutional scholars have examined these topics with an interdisciplinary approach, calling attention to the role played by business groups and other institutions disregarded by neoclassical economy (especially Mark Casson, Mark Granovetter, Mauro Guillén, Louis Galambos and Manuel Castells). As a matter of fact, the increasing interdependence of the world economy has raised new questions about how, not just why, FDI occurs, and the emergence of new investing countries and firms around the world has opened up new questions and alternative explanatory models of the multinational firm. The intellectual trajectory of John Dunning is illustrative of this evolution (Dunning & Narula, 1996). There are distinct patterns of outward FDI, built on distinct business cultures and distinct technical and organisational capabilities, that tend to persist and produce long-term patterns of specialisation. The same can be said of inward FDI. There seems to be a strong correlation between national business cultures (whether outward-looking or inward-looking, risk-friendly or risk-averse, individualist or collectivist, etc.) and corporate strategies. As pointed out by Geoffrey Jones (2005), internationalisation is a rather cumulative process, two powerful explicative factors being technology and networking.

Recent contributions by sociologists concerned with economic development and organisations are of particular interest for business historians. As Mauro Guillén (2001, 2005) put it recently, the particular development path of a given country determines which kind of organisation (whether family firms, state owned firms business groups, worker owned firms or MNE subsidiaries) prevails. The path of development also depends to a great extent on inward and outward flows of investment, patterns of foreign trade, and access to domestic or foreign resources and capabilities. Whereas asymmetric conditions (such as those created by economic nationalism) tend to encourage local firms or groups to enter new industries by combining both types of resources, symmetric conditions (such as those created by trade liberalisation) favour foreign firms.

A major actor in the history of internationalisation is the family firm. So far, however, little attention has been paid to the advantages and/or disadvantages of this particular ownership structure in the internationalisation of firms, either in the business history or in the social sciences literature (Graves & Thomas, 2008). This article seeks to contribute to a better understanding of the role played by family firms in the global economy, and how they have participated in the transformation of late developing countries, by flexibly connecting regional networks of consumers and producers with foreign resources of technology and capital. It does so by analysing the internationalisation process of Spanish family firms. A major recipient of FDI until 1992 and also the main recipient of development funds from the European Union until 2007, Spain has undergone dramatic changes in the past 15 years. As a result, the country has become a major net capital exporter and a number of Spanish multinational firms have emerged. This fact constitutes a relevant success in the light of Spain's modern history. Available data show that about 40% of the 1000 largest Spanish multinational firms are family owned and managed.[2]

Economic studies on Spanish family firms highlighted the obstacles which such firms overcame to increase competitiveness in the late 1990s. These obstacles included the size of the firm, as well as resistance to going public or accepting outsiders into their ownership or management (Galve & Salas, 2003). However, if this was true in the late 1990s, several questions arise. Why are so many Spanish multinational firms then family firms? Why and how did family firms manage to avoid institutional constraints and become global in such a short time? What changes in the environmental conditions have made them more dynamic? Which firms were those better prepared to venture outside the domestic market? The article presents some data and a few hypotheses as a preliminary step to answer these questions. As for data, information has been gathered on family firms that are large by Spanish standards, have gone over at least one succession process, and are family-controlled through ownership and/or management. Family firms created in recent decades are therefore excluded from this analysis.

The hypothesis is, first of all, that family ownership and management is not in itself an obstacle for growth and internationalisation of a firm, as neoclassical economists have indicated in the past. International studies as well as the firms studied here for the Spanish case tend to back this idea (James, 2006; Landes, 2006; from a theoretical, critical point of view, Casillas, Acedo, & Moreno, 2007; Casson, 1999). Secondly, regional embeddings and open attitudes to foreign connections are key elements of their accumulated strength throughout generations, as recent theoretical literature on the internationalisation of family firms, and empirical data for Britain, the Netherlands, Scandinavia or Italy reveal (Casillas et al., 2007; also Colli, Fernández Pérez, & Rose, 2003). Thirdly, the competitive advantage of international family firms in late developing economies, lies not only in the economic sector in which they specialise, but also in their ability to adapt to changing markets and changing institutional conditions (Fernández Pérez, 2009). Successful family firms in Europe are those able to learn managerial lessons from large corporations, change their specialisation and market niches according to new needs, and maintain strategic decision centres in the original regions (James, 2006; Landes, 2006; for Spanish cases see Cabana, 2006).

The following sections provide evidence to confirm these hypotheses from large Spanish family firms that have managed to cross borders and become multinational.

The internationalisation of Spanish firms in historical perspective

A major recipient of foreign direct investment since the mid-nineteenth century, Spain has only recently become one of the world's 10 largest capital exporters (Alonso, 1997; Alonso & Donoso, 1994; Durán, 1996, 1997, 1999, 2005; Guillén, 2005; Martín & Toral, 2005; Toral, 2001; Valdaliso, 2004). This expansion has been accompanied by a spectacular rise in living standards, a consequence of both the industrialisation that occurred during the 1960s and 1970s and Spain's entry into the European Union in 1986. Since 1992, a variety of Spanish firms, such as Telefónica, Repsol YPF, the Santander and BBVA banks, Inditex, and Ferrovial, have achieved global prominence, especially in Latin America. There are about 1000 Spanish multinational firms; most are as little known inside Spain as they are outside of its boundaries. According to marketing studies, the best known Spanish brand abroad is Inditex-Zara.

Since the mid-nineteenth century, the industrialisation and modernisation of Spain and Spanish firms has been positively influenced by foreign countries and firms (Puig, Álvaro, & Castro, 2008; Puig, Castro, & Álvaro, 2008). A particularly relevant trend is the absence of Spanish multinational firms until recent times. The long term evolution of Spain's foreign trade reveals the persistence of a trade deficit and a strong dependence on France, the United Kingdom, Germany and the United States

(Muñoz, Roldán, & Serrano, 1978; Tortella, 2000). The four countries have made up about 80% of Spain's international trade since the nineteenth century. The correlation between trade and FDI inward flows has been and remains tight. The distribution of incoming FDI shows not only the delay and intensity of the second industrial revolution, but also the diversification that has occurred since the 1980s. Except during the period of extreme economic nationalism known as Autarky (1939–1959), Spanish big business has been dominated by foreign companies.

The year 1959 marks a turning point in the economic history of Spain. With the assistance of international economic organisations, the dictatorial Spanish regime started to liberalise the economy. This was a requirement to enter the European Economic Community. It took Spain 16 years (1970–1986) to achieve this goal. The first steps of the liberalisation fuelled inward FDI, and put pressure on domestic firms. The weight of international trade in the Spanish economy has risen from 8.8% in 1960 to 26% in 1985 and over 60% today, making Spain one of the most open economies of the world. A visible effect of the new economic policy was the arrival of foreign multinational firms, which accelerated the development of strategic sectors of the second industrialisation wave and challenged domestic firms, including those that were state owned. This is a well-known fact in Spanish economic and business history. A far less well-known consequence, however, was the transformation undergone in this period in Spain by domestic companies that introduced the changes necessary to cope with the transition from protectionism to competitiveness at national and international level. Our study on successful internationalised family firms provides new and systematic evidences to analyse and understand such a 'silent revolution'.

Before focusing on our sample we have to point out that most international companies are former public or private monopolies or state owned firms, banks, or industrial family firms, and that they are strongly concentrated in Western Europe and Latin America. Whereas geography and high income levels explain the focus on Europe, culture (a common language and social know-how) and the opportunities brought about by massive privatisation in the 1990s explain the focus on Latin America. Spanish firms, however, are becoming very active in the United States and, often with the support of the Spanish Administration, they are starting to make up for their relatively weak position in Eastern Europe and Asia.[3]

From the early 1960s to 1974 Spanish private, mostly family owned, firms explored close markets either in Western Europe or to a lesser degree in Latin America. Firms with foreign links and partners had a comparative advantage, since these links greatly helped reduce information costs involved in crossing borders. The interest in direct investment in Europe intensified from the mid-1970s to the mid-1980s due to the prospects of membership in the European Community after Franco's death in 1975. Spain's technological backwardness, the lack of commercial networks, and the poor reputation of 'made in Spain' products and services, were powerful disadvantages. The impressive development of mass tourism, Spain's smooth political transition, the 1982 football world championship and the Olympic Games held in 1992 in Barcelona contributed to improve the image and corporate reputation of Spain and its firms. Yet the catchphrase of the 1990s was privatisation, with the biggest opportunities arising in Latin America, not in Europe. In addition, the lower development stage of most Latin American countries made this continent the favourite place for Spanish investors to operate. Spain became the region's second direct investor after the United States and, as stated, outward FDI flows soared. The business opportunities created by privatisation across the world explain further that Spanish firms are strong in utilities and financial services. They are also strong in construction-related activities, engineering and communication, three fields largely dominated by family firms.

By the turn of the century, as Argentina collapsed, financial crisis mushroomed, and populism threatened liberal democracy across the continent, it became obvious that concentration on privatisation was risky. Spanish capital turned its attention towards Western Europe, its natural domain, and increasingly to Eastern Europe and Asia. Prior to September 2008, however, the largest investors in Latin America (Telefónica, Santander, Repsol, BBVA and Endesa) went through a second wave of direct investment in this region. The focus of Spanish investment is in utilities, banking, construction and infrastructure, real estate, and engineering. Whereas emerging markets are extremely attractive for firms with accumulated experience in the transition from an intervened economy to a market economy, mature markets are the locus for high technology. Within the European Union we find both. Deregulation has kept on creating new opportunities across the world.

How did Spanish entrepreneurs, historically accustomed to operating in a protected domestic market, and lacking proprietary technology, venture so successfully into the world market? Available literature indicates the influence of two environmental factors: the increased competition from foreign multinationals entering the Spanish market after 1986; and the process of restructuring, mergers and privatisation that took place across the world in the 1980s. Deregulation has indeed proven to be an excellent school for Spanish firms, as shown by their successful entry into utilities and services in Latin America. Additionally, this article suggests the extraordinary influence of having contacts abroad, as well as the long-run accumulation of internal intangible assets in marketing, brands, and skills to negotiate and execute projects, thus providing historical examples that confirm recent ideas of sociologists and economists (Casillas et al., 2007; Guillén, 2005; Galve & Salas, 2003).

The internationalisation of Spanish firms is on the whole a success story. Very little theory or empirical research has been devoted, however, to studying the influence of the type of ownership and specifically the family nature of business ownership as a significant factor that explains the process of internationalisation. This could be because the study of family firms has only recently emerged as a specific field of research and the internationalisation of family firms have received very little attention (Casillas et al., 2007). This article is a contribution to this emerging field of research.

Family capitalism and the rise of Spanish multinationals

The definition of the family firm remains controversial (Casillas et al., 2007, pp. 18–20). We will define it as a company that is either owned or controlled by the members of a family, who wish to transmit ownership or control of the company from one generation to the next. According to this definition, and estimated figures provided by the most important lobbies and associations, family firms account for more than half of GDP and employment in most of the developed world.

Economists have been rather sceptical of the potential of family firms to compete in the global economy because of their difficulty in growing big enough to take advantage of technology and economies of scale, and also because of their reluctance to accept outsiders in management or ownership. They argue that this may hinder processes of growth and strategic change or organisational transformation (Galve & Salas, 2003).

On the other hand, family firms are said to have certain competitive advantages in terms of personal incentives, commitment, royalties, reduced agency costs, innovative character, and even altruistic behaviour. Their alleged inability to attain enough scale to operate efficiently and to be technological leaders, however, would put them at a cost disadvantage relative to firms with other governance structures, and higher costs. In addition, shrinking earnings make it hard for them to allocate enough capital to facilitate growth. Yet family firms may turn into formidable competitors by focusing on a niche market of sufficiently small size that a modest firm can operate profitably (Fernández Pérez, 2007): for example, by competing on the basis of quality and product differentiation as opposed to cost; by listing part of the firm's equity without the family losing effective control; and by collaborating with other firms in industrial districts or financial networks. Whether small or not so small, this kind of firm usually needs to be more flexible, adaptable, innovative, and socially acceptable. Their disadvantages deal basically with scale and financial resources.

The most striking fact about Spanish family firms is that they constitute a rising internationally competitive group of firms. In 2004, 44 of the 100 largest Spanish multinational enterprises were family firms.[4] Their influence is growing in the Madrid stock exchange, one of the fastest growing of the world.[5] They control directly or indirectly 110 firms and about 60 family firms are listed.[6] Family firms are relatively small (only 6% employed more than 500 people in 1998 in Spain). Many of them are doing extremely well in terms of technological development, marketing know-how, and international orientation. They are more prevalent in industries characterised by strong comparative advantages of location. In metal working, textiles and clothing, leather and footwear, and wood and furniture family firms represent over 40% of total firms. Large family firms of more than 500 employees make a comparably greater effort in R&D (even though they patent little) and advertising than non-family firms in Spain. Family firms proliferate in industries where Spain holds a comparative advantage like metal manufacturing, industrial machinery, and transportation (auto parts and railway equipment). Medium-sized firms (300–499 employees) are usually more committed to their workers and spend more on training. In part due to their proprietary technology and brands, large family firms in Spain are more export and internationally oriented than Spanish non-family firms (18% of them sell abroad, as compared to 11% of the latter, and they sell some 33% of their total sales abroad). Interestingly, family multinationals tend to invest more in foreign production activities than larger non-family firms, but invest less in distribution and sales subsidiaries than the latter. Spanish family multinationals perform at strikingly similar levels to those attained by non-family firms, suggesting that higher allocation efficiency in the use of resources might compensate for lower scale efficiencies (Galve & Salas, 2003).

The 146 largest Spanish multinational family firms

The core of this article is a systematic analysis of 146 Spanish family firms (Tables 1, 2 and 3 in the Appendix). They were, according to our data, the largest Spanish multinational family firms by the end of 2005.[7] It is important to note that the firms included in our sample were not just family owned or managed, but met the following requirements: they declared a yearly turnover of at least €40 million; they underwent at least one succession process, meaning that members of the younger generation held executive positions, even if shared with senior members; and they were internationalised, meaning that they had either production or commercial subsidiaries abroad. So far we have identified about 300 family firms meeting the first requirement, of which 207 meet the second, and 146 the second and third requirements. Of these firms, 44 rank among the 100 largest Spanish multinational firms. Understandably, the reasons for success, longevity and internationalisation of large Spanish family firms overlap more often than not.

No single publication lists the largest internationalised Spanish family firms. The most important associations are extremely secretive about the identity of their members. To elaborate our tables we have used several sources: the 2005 issue of two standard business rankings (*Actualidad Económica* and *Sistema de Análisis de Balances Ibéricos* (SABI)), the historical volumes of *Anuario Financiero y de Sociedades Anónimas* (AFSA), and a large number of corporate web pages and periodicals. At different stages of our research we have been helped by colleagues as well as by the Instituto de la Empresa Familiar (IEF) and several of its regional associations (Cabana, 2006; García Ruíz & Manera, 2006; Parejo, forthcoming; Puig, 2006; Torres Villanueva, 2000, forthcoming a, b; Vidal, 2006). We have systematically looked at their regional distribution, date of creation, specialisation, and growth and internationalisation strategies.

Family firms are major actors in the Spanish economy of the twenty-first century, but the data we have gathered shows that internationalised family capitalism is a Mediterranean, above all Catalan, phenomenon (Fernández Pérez & Puig Raposo, 2007; Puig & Fernández, 2008). Indeed, 55 (37.67%) of our firms were founded in Catalonia, the cradle of Spanish industry, and this is an important reason to understand why family firm collective action originated in this region. The family firms we are focusing on are also present in Madrid (21), Valencia (11), Andalusia (10), the Basque Country (9), Aragon (7), Northern Castile (7), the Balearic Islands (6), Galicia (6), Southern Castile (5), Rioja (3), Asturias (2), Murcia (2), Cantabria (1) and Navarre (1). Historians of family capitalism tend to argue that the tradition of one heir explains a great deal of the intensity and/or survival of family firms.[8] However, 'one heir' traditions have not prevented the collapse of Basque metal firms or Catalan textile firms (though they may have helped structural change in those regions and also encouraged firms to move towards tertiary activities). Furthermore, egalitarian traditions have not stopped the growth of powerful Galician firms like Calvo in the canned food industry. The financing of stable internationalisation processes may have benefited from capital and resources accumulated by families throughout generations due to the also cumulative effects of regional succession traditions; however this needs additional reasons to be correctly understood.

The date of creation of the firms included in our sample is relevant to understand the process of accumulation of capabilities that have led so many firms to cross borders in recent times. Table 1 in the Appendix shows that 66 (45%) of our firms were established before the Spanish civil war (1936–1939), whereas 73 (50%) were created between 1940 and 1975, and only 7 emerged in post-Franco Spain. Our methodological choice explains to a great extent the scarcity of young firms. What is interesting here, however, is that so many pre-war firms (and entrepreneurial families) have survived. Moreover, roughly one-fifth of the 146 firms are in the third or later generation.

Whether in the second or in later generations, most of our firms have dealt with dramatically different institutional frameworks. Of particular relevance were the civil war (1936–1939) and the two extremely nationalistic decades that followed between 1939 and 1959. They created severe disruptions in the Spanish economy (Nadal, 2003). The effects of Franco's policies were related above all to general consequences that affected all firms due to the public intervention in input markets, the dramatic fall in foreign trade and investment, the prohibition of strikes and unions, and the emergence of privileged state owned firms in strategic sectors. Franco's regime was particularly significant in shaping family firms due to the restrictions regarding foreign investment in Spanish firms up to 1959, the creation of an isolated and reserved protected domestic market, and the long delay in increasing death duties and other inheritance taxes that dramatically caused a high death-rate among family firms in other European countries after World War II (Colli et al., 2003). Such policies led family firms to specialise in labour-intensive sectors, to painstakingly transfer capital-intensive technology through alliances and networks rather than through vertical integration, and to focus on the domestic market. Foreign connections being vital in an inward-looking economy, it is no wonder that successful family firms were often those able to establish foreign contacts and networks under Franco's rule. The role of immigrants, business associations and private business schools was extremely important in this regard.

Our research has revealed strong regional differences based on these accumulated resources and contacts and networks abroad. In Catalonia, the number of firms founded before the Spanish civil war amounts to 28, many of them in the 1920s, a period of economic growth related to Spain's neutral status during the Great War and the rather limited spread of the second industrialisation wave. Fifteen firms were created in the post-war period. The remaining 11 are an offshoot of liberalisation and accelerated industrialisation that took place in the 1960s and early 1970s. These data reflect the overall impact of Spain's relative backwardness, persisting protectionism, technological dependence, and comparative advantages of the Spanish firm. Yet they also reveal that many of the firms have been able to learn and adapt to a changing and increasingly competitive environment, by creating successful brands, going international, and generating knowledge. This is remarkable in the food and beverages industry, the dominant specialisation of Catalan firms.

In Madrid, the economic policy of self-sufficiency has had a clear impact in the transformation of the Spanish capital into an entrepreneurial centre. It explains the proliferation of state owned firms and the intensification of foreign direct investment (particularly American), and also the development of local family capitalism, often associated with American firms. The growth of Madrid encouraged groups linked to construction, distribution, and communication. A few firms managed to cope with the new rules of the game and survive. For example, the construction firms Fomento de Contratas y Construcciones (FCC) and Acciona, the communication group Vocento, the beer manufacturer Mahou, and the mattress manufacturer Flex, along with many other companies that in recent decades have been acquired by either national or foreign groups and do not appear in our tables. However, the bulk of the surviving firms was founded in the long Spanish post-war period, some of them in association with foreign firms (Técnicas Reunidas, Indas, Zeltia) or strongly influenced by them (El Corte Inglés, Ferrovial, Cortefiel, Talgo). In addition to the overall influence of American firms in Madrid, the influence of Basque and Latin-American-born entrepreneurs, traceable in firms like Talgo, Eulen, El Corte Inglés, Prisa, Prosegur and Sigma, is also remarkable. The landscape in Valencia has changed dramatically in the last two decades. The surviving firms reflect above all the successful specialisation of firms (in the Castellón district) in a niche industry, ceramic. A chocolate manufacturer, Valor, and a powerful group of formerly cement manufacturers turned venture capitalists, are the only remnants of Valencian pre-war family capitalism.

In Andalusia, historical family firms include well-known manufacturers of sherry and other alcoholic beverages (many others have come under the umbrella of large multinational groups like Diageo), an activity that linked many firms with the world markets since the early nineteenth century. Oil and canned food also made their way into the international market in the late nineteenth century, but it is in newer activities such as engineering, real estate and construction where enterprising families have succeeded in the second half of the twentieth century. An economically declining region in spite of its huge tourism assets, Andalusia still hosts five pre-war firms.

In the Basque Country the 1970s crisis changed its entrepreneurial landscape. Once a stronghold of the Spanish steel and iron industry and financial capitalism, Basque firms keep much of the excellent human capital at managerial and workshop levels that allowed this region to achieve the highest income and welfare levels in Spain. However, the combined effects of industrial transformation and ETA terrorism have worked against family capitalism in its traditional specialisation forms, and have favoured the growth of family investment groups alongside the unique worker owned conglomerate Mondragón. Accumulated capital and know-how persist, but a number of entrepreneurial families have either fled the region or sold their firms. Many others, having succeeded in keeping a low economic and social profile while diversifying their activities, are difficult to find in standard business registers. Table 1 (in the Appendix) shows that seven of nine family firms were founded in the pre-war period, whereas two other firms were created in the 1950s and 1960s.

The chronology of Aragon's family firms is similar to that of Catalonia. In the regions with a strong agricultural profile (Galicia, Castile, Navarre, Murcia and Rioja) we observe a similar path, even though post-war firms are dominant in Castile. In the Balearic Islands, finally, both pre-war and post-war firms have succeeded in adapting to the dramatic transformation of the local economy led by tourism (and assisting other developing economies to do so in recent decades).

If we look at the fields where Spanish multinationals are succeeding, Spanish family capitalism is only absent from utilities. Otherwise, it operates in the same fields as the bulk of Spanish multinationals: construction-related activities, chemicals and pharmaceuticals, textiles and footwear, tourism-related activities, engineering and communication. One could also add real estate, logistics, metal and minerals to these seven dominant fields. What is interesting is that family firms are over-represented in the top seven sectors.

It is also remarkable to observe that 46 of our 146 firms are manufacturers of food and beverages. They are dominant all over the country, and many of them were early and successful explorers of foreign markets on the basis of the country's natural endowment. The accumulated experience since the seventeenth–eighteenth centuries in alcoholic beverages was followed by the development of commercial skills and brands since the late nineteenth century in oil, canned food, perfume and drugs. Like Catalonia, Andalusia and La Rioja, some regions have specialised in competitive products since the seventeenth century, and have also adapted to the evolution and consumer changes of the world markets until the twentieth century, well before the integration of Spain into the EU. The European market removed barriers to Spain's products in 1986, making it a crucial year the evolution of the Spanish food industry. French and Italian agricultural producers imposed severe restrictions, which increased the destruction and renewal of firms in Castile, while multinational firms started to buy and impose their brands. Some Spanish firms modernised their branding and professional marketing strategies, and reorganised firms to increase their participation in foreign markets (Borges, Carbonell, Agrolimen, Chupa Chups, González Byass, Codorniu, Freixenet and Osborne). It is important to note that emigration and tourism created opportunities for the Spanish food industry from the late 1950s, as they spread the Spanish diet in Western Europe and Latin America, and over 60 million tourists today support Spain's main economic activity.

Construction, a field closely linked to real estate and also tourism, comes second with 18 firms as the dominant specialisation of Spanish family multinational firms. Few venerable firms remain in a business that is at the heart of the two periods of fast economic growth in the 1960s and then again from 1992 to 2007, a period in which intangible knowledge counts as much as technical innovation, and where Spanish firms were succeeding all over the world, particularly in developing countries.

It may be surprising that 17 Spanish family firms have stayed in the highly scientific realm of chemicals and pharmaceuticals. Developed under a strong foreign influence before or after the Spanish civil war, these companies underwent a successful transformation in the 1960s that helped them to face increasing international competition by keeping their hegemony in the domestic market and looking for profitable niches in the world markets. In the case of pharmaceuticals, effective lobbying, commercial skills, and the dramatic demographic and economic changes that have taken place ever since are crucial to explain the successful development of this industry (Puig, 2003a). The same is true for perfume and cosmetics (Puig, 2003b).

The textile and leather industries have also had a long tradition in Spain. Nine family owned firms have survived the changes undergone by an industry that has become both global as well as dominated by fashion designers. Hundreds of firms developed from the nineteenth century under a protective framework that reached Cuba and Puerto Rico until 1898. Catalonia was the centre of the Spanish textile industry, and so Catalan capitalism was closely linked to this particular industry, even though from the early twentieth century there was a tendency to diversify investments in other, newer activities. The industrial crisis of the 1970s hit textiles hard, and Catalan industry as a whole. With the assistance of the Spanish and Catalan administration, a transformation took place that also affected other industrial branches linked to the textile industries, from specialised machine-building to commerce. Footwear industries were and still remain concentrated in the Mediterranean regions of Valencia and the Balearic Islands. Spanish footwear soon looked to international markets, particularly America. After World War II, exports soared and a few manufacturers grew, modernised and diversified. One of the most fascinating developments is that of the Fluxà family in Mallorca, who successfully diversified from the shoemaking industry to tourism and hotels during the twentieth century.

Our data include seven tourism-related firms. There are thousands of family businesses keeping Spain's first industry going. Mass tourism developed in Spain from the late 1950s under a strong European influence. The overall backwardness of the country, plus the drive of foreign tour operators, explains that domestic groups do not dominate this important activity. In the last two decades, however, several family groups have reached leading positions in the hotel business. The largest firms, based in the Balearic Islands, are the outcome of the diversification strategy of the local industrial bourgeoisie.

Engineering constitutes one of the most successful and internationalised sectors of the Spanish economy in this decade. It has also become a niche for Spanish family capitalism. There are six engineering firms in our database. The capabilities acquired during the first Spanish miracle with the assistance of foreign firms underlie the dynamic development of this industry, which has become widely dominated by foreign multinational firms and also by Spanish family owned and managed groups, two of which are listed in the Madrid stock market (Abengoa and Técnicas Reunidas).

Our database also includes five firms in publishing and communications. The fact that until the mid-twentieth century Spain exhibited one of the lowest literacy levels in Europe did not hinder the rise of a remarkable publishing industry in pre-war Spain.[9] The lack of a significant domestic market pushed many entrepreneurs towards the Spanish-speaking Latin American markets. This background is important to understand the rise of powerful communication groups in Spain. Consisting of a few large vertically integrated groups and a great number of small publishing houses, this industry soon expanded in Latin America on the basis of a cultural advantage that still persists and has been extended to the US. As we will see below, this is one of the most stable international sectors of the Spanish economy and family capitalism.

Internationalisation paths and strategies of Spanish family firms

The internationalisation of Spanish family firms was strongly fuelled by Spain's membership in the EU, which made some of the most developed markets of the world accessible for Spanish manufacturers while removing the barriers that had kept competitors out of the domestic market. What is interesting is that a number of aware and ambitious firms had been preparing for this since the late 1950s.[10] The decision of so many firms to venture abroad simultaneously suggests that it was the result of organised effort by particularly proactive firms and governments.

Returning to the tables in the Appendix, only nine of the 146 firms went international before the Spanish civil war. Many of them worked in the food and beverages business, and many had previously created stable commercial networks in the world markets that made their managers confident enough to make direct investments. Those investments were lost in many cases during and after the Spanish war, as some of the international entrepreneurs, for instance, left the country. The advent of World War II in Europe and the implementation of nationalistic policies in Latin America pushed some entrepreneurs to return home while others stayed overseas, but on the whole the accumulated experience remained. Moreover, a large number of early explorers of the international market that did not survive were at some point acquired by groups that do form part of our sample and have thus been able to benefit from that experience.

Our figures show that 42 firms managed to internationalise between 1940 and 1986. The 1960s were particularly fruitful, due to liberalisation and growth. Those firms had already built an export base, and had already enjoyed the privilege of travelling abroad in search of markets, know-how, machinery, raw materials, or inspiration; worked in technologically intensive industries; had experience working with foreign partners; or were somehow related either to the tourism business or to Spanish emigration. Only a handful of firms made risky moves such as the acquisition of a successful foreign firm, with the Catalan laboratory Ferrer being a prominent example of this. What is interesting is that most of them tried hard to modernise at an early stage by Spanish standards by hiring business consultants to raise their productivity, investing in marketing and advertising, and establishing stable links with the newly created private business schools.

The remaining 95 firms went international after Spain's full integration into the European Union. This crucial event accelerated three trends: the surrender of many domestic firms to either national, or even foreign firms; the rise of domestic leaders; and the search for growth opportunities abroad. The firms of our sample developed through the utilisation of these three strategies, which on the whole suggest that Spain's entry into the Common Market encouraged defensive as well as aggressive strategies.

Even if the internationalisation of our 146 firms shows a high degree of diversity, we have identified eight dominant strategies:

(1) The creation or expansion of an export basis that familiarises the firms with other markets in terms of demand and marketing techniques. This was hegemonic in the food and beverages industry, publishing and shoemaking.
(2) The establishment of joint ventures or technological assistance agreements at home. This was frequently seen not only in technologically complex industries such as chemicals and pharmaceuticals, metal, motor and engineering, but also in communications and the food processing.
(3) The establishment of joint ventures abroad. This strategy was implemented in the 1960s by firms such as Ficosa, Indo, Puig, Minersa and Alsa and later on by Marca, Catalana Occidente, Comsa, Esteve, Nutrexpa, Pronovias, Roca, Lladró, Campofrío, Pescanova and many others.
(4) The acquisition of full control of Spanish-based joint ventures. The engineering firm Técnicas Reunidas was one of the pioneers in the 1960s. Other firms such as Agrolimen, Colomer and Puig have successfully followed this path.
(5) The acquisition of foreign firms as a platform for further growth. Spanish publishers and a few food processing and industrial firms adopted this strategy in the 1960s and 1970s. However this only became popular after 1986.
(6) Direct investment by the establishment of productive subsidiaries. Again, we see a few publishers alongside a small number of firms in the food and logistics industries embracing in the 1960s and 1970s a strategy widely implemented by Spanish family firms in the late 1980s.
(7) Strategic alliances. Although pioneered by the insurer Catalana Occidente before the Spanish civil war and then by Puig and Pescanova in the 1960s, this strategy, characteristic of research-intensive industries, spread after Spain's integration into the EU. We find examples of this in the pharmaceutical and food industries, as well as in engineering and the service sector.

(8) Participation in public bids to obtain concessions. Many Spanish family firms based in construction, urban services, and engineering have become leaders in this way. The first companies to do so were Ferrovial, FCC, Técnicas Reunidas, Abengoa, Sener, as well as Pescanova, a fish processing firm.

The combined and systematic analysis of the chronology, geography and specialisation, and the specific internationalisation strategies of our 146 firms suggest that both the Uppsala and the Innovation models are useful in explaining the internationalisation process of large Spanish family firms (Casillas, Acedo, & Moreno, 2007). The significant common aspect of both models is the importance given to internal factors of the firms linked to innovation, knowledge and management (Casillas & Acedo, 2005, pp. 66–72; Johanson & Wiedersheim-Paul, 1975; Penrose, 1959). In line with these ideas, in these Spanish family firms external factors conditioned the chronology of internationalisation, but knowledge of world markets held by managers was a key resource that determined firms' ability to take advantage of changes in the external environment.

Immigration and international orientation, associations and private business schools have been relevant in Spain as sources of cost-reducing knowledge for internationalisation. Regarding immigration, the most visible cases are Indo, Pronovias, El Corte Inglés, Mahou, Prosegur, Sigla, González Byass, Osborne, Minersa, Erhardt and Vidrala, all of which were founded either by foreigners or by Spaniards with a strong foreign background. With regard to efforts to create resources to connect large family firms with global markets, we have mentioned business schools, but the recent role played by the Instituto de la Empresa Familiar (IEF, 2004), a company created by a group of Catalan firms in 1992, must not be overlooked. The IEF is closely linked to the Swiss-based business school IMD (International Management Development) and to the Family Business Network, on one hand, and on the other, to the business school Instituto de Estudios Superiores de la Empresa (IESE), founded in 1958 and the first to establish a chair on family firms in 1987. The IEF has influenced the fiscal and legal framework of family firms, so much so that Spain has become a country with a very favourable setting, and the Institute has propelled the creation of the GEEF (European Group of Family Firms). Twenty-nine of the firms in our study have either been founding members or have held directive positions in IEF. Most of them belong either to IEF or to its various regional branches and are active members of their respective branch association at regional and national levels. In addition, many of the most relevant firms keep a stable relationship with IESE. Another recent sign of the strategy of association *inter pares* used to achieve global goals in the global markets is the creation of Calidalia, the association of the most internationally-oriented food and beverages manufacturers.

Collective action has played a much more important role in the internationalisation of Spanish firms than theorists of international business point out, if at all. Our paper therefore confirms sociologist Manuel Castells' idea that, in order to cope with ongoing globalisation, firms eager to reduce the costs of establishing and maintaining their presence in the world markets are redefining their interests and identities across the globe through the creation of new groups in which they can obtain new resources adapted to their new needs (Castells, 1996). Spanish family firms have joined late yet strongly this process of global identity-creation.

Conclusions

Family firms play a dominant role in Spain's fast growing economy ('Empresa familiar', 2008). A great number of the surviving family multinational firms were born and developed within the limits of a relatively poor, isolated, and technologically dependent country. In order to understand how they did become global players and when and how they acquired the tangible and intangible assets they are relying on to internationalise, we present results of an extensive empirical research on about 150 large internationalised family firms, defined as those that by the end of 2005 were family owned or managed, had a turnover of at least €40 million, had experienced at least one succession process, and had production or commercial subsidiaries abroad.

We have argued that the internationalisation of Spanish family firms is the outcome of a 'silent revolution', the result of a very long learning process that has been visibly influenced by the country's natural and human endowments and the opportunities created by the changing institutional domestic environment, and the ongoing globalisation process. Also important is the result of the knowledge of international markets held by managers, and accumulated by families as an intangible asset, through a wide and flexible variety of mechanisms and institutions.

Among the internal and external factors that have influenced the conquest of world markets by the largest Spanish family firms, we have stressed Spain's institutional framework and historical choices of economic policy; the persistence of distinct regional patterns of economic development and business cultures, the dominant role of foreign firms and technology in modern Spain; and the effective lobbying of family firms at local, national, and transnational level. In recent decades these firms have realised that, in order to cope with the ongoing globalisation, they have to redefine their interests and identities beyond regional and Spanish boundaries.

The rapid and apparently recent internationalisation of Spanish large firms is not a peculiar case of internationalisation. As far as our research shows, large family firms are doing exactly what other large family firms in the United States, the United Kingdom, Italy or Scandinavia have already done: adapting to new technological and market circumstances and conquering world markets with the support of national and regional institutions. The main difference is that this process has taken place in Spain a century later, Spanish and European institutions are providing strong support to Spanish firms in this process, and Spanish managers have more resources and opportunities to know how the world works.

As recent theoretical literature on the internationalisation of family firms has indicated (Acedo et al., 2007), family ownership and management is not in itself an obstacle to growth and internationalisation of a firm. Furthermore, our business history approach has shown that regional embeddings and an open attitude to foreign connections are key elements of their accumulated strength throughout generations. Finally, following recent studies about European family capitalism (James, 2006), our study confirms that large, successful family firms in Spain have been those able to learn and adapt managerial lessons from large corporations, change their specialisation and market niches, and diversify, according to new global needs.

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Notes

1. The expression 'silent revolution' was used by journalist Pilar Cambra in an interview with IESE president Jordi Canals (*Expansion*, 14 July 2007, p. 12) when she asked Canals about the spectacular transformation of Spanish firms in the last decade.
2. Authors' calculations on the ranking provided by *Fomento de la Producción*, vol. 1246 (2005).
3. See the website of the department of the Catalan government (http://www.copca.cat) specialised in the promotion of Catalan investment abroad (COPCA).
4. *Fomento de la Producción*, vol. 1246 (2005).
5. Barcelona stock exchange information newsletter.
6. Santana and Aguiar.
7. The sample is not exhaustive due to lack of official reliable sources.
8. Egalitarian traditions promoted patrimonial dispersion of wealth. One-heir traditions in Catalonia fostered concentration and transmission of family wealth.
9. The tradition of high-quality printers in Spain goes back to the Middle Ages.
10. Thousands of studies were published from the late 1950s through the 1970s.

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Appendix 1. Data

Table 1. Geography and foundation date of 146 large Spanish internationalised family firms in 2005.

Region	Number of firms	F1	F2	F3	Dominant field	I1	I2	I3
Catalonia	55 (37.67%)	28	26	1	15 FB, 12 ChPh, 7 CR, 5 TF	4	16	35
Madrid	21 (14.38%)	6	11	4	4 CR, 4 PC	0	7	14
Valencia	11 (7.53%)	2	8	1	6 CR	1	2	8
Andalusia	10 (6.84%)	5	5	0	4 FB	3	3	4
Basque Country	9 (6.16%)	7	2	0		1	2	6
Aragon	7 (4.79%)	4	3	0		0	2	5
N. Castile	7 (4.79%)	2	5	0	6 FB	0	0	7
Balearic I.	6 (4.10%)	2	3	1	5 TR	0	2	4
Galicia	6 (4.10%)	4	2	0	5 FB	0	4	2
S. Castile	5 (3.42%)	2	3	0	5 FB	0	1	4
Rioja	3	0	3	0		0	0	3
Asturias	2	1	1	0		0	2	0
Murcia	2	2	0	0	2 FB	0	0	2
Cantabria	1	1	0	0		0	1	0
Navarre	1	0	1	0		0	0	1
Spain	146 (100%)	66 (45.20%)	73 (50%)	7 (4.79%)	46 FB, 18 CR, 17 ChPh, 9 TF, 7 TR, 6 E, 5 PC	9 (6.16%)	42 (28.76%)	95 (65.06%)

Notes:
F1 = founded before 1936/39.
F2 = founded between 1940 and 1975.
F3 = founded after 1975.
I1 = internationalised before 1936.
I2 = internationalised between 1940 and 1986.
I3 = internationalised after 1986.
FB = Food and beverages; CR = Construction-related industries; ChPh = Chemicals and pharmaceuticals; TF = Textiles and footwear; TR = Tourism-related industries; E = Engineering; PC = Publishing and communication.
Sources: *Actualidad Económica* 2006, SABI 2006, corporate web pages and authors' own elaboration.

Table 2. Specialisation of 146 large Spanish internationalised family firms (dominant fields).

1. Food and beverages	46 (31.50%)
2. Construction-related	18 (12.32%)
3. Chemicals and pharmaceuticals	17 (11.64%)
4. Textiles and footwear	9 (6.16%)
5. Tourism-related	7 (4.79%)
6. Engineering	6 (4.10%)
7. Publishing and communication	5 (3.42%)
Total 7 fields	108 (74%)

Other fields: transportation and logistics, steel and metal, mineral trade, real estate.
Sources: *Actualidad Económica* 2006, SABI 2006, corporate web pages and authors' own elaboration.

Table 3. Identity and dimension of 146 large Spanish internationalised family firms in 2005.

Group	Region	Founded	Dominant activity	Turnover (million €)	Employees
Banco de Santander	Can	1857	Banking	(*)	129,196
El Corte Inglés	Mad	1935/1940	Retailing	15,022	87,610
FCC	Mad	1900/1992	CR	7090	67,562
Acciona	Mad	1931/1978/1997	CR	4852	21,846
Abengoa	Andal	1941	E	3405	11,082
Iberostar	Bal	1930	TR	2783	18,400
Celsa	Cat	1967	Metal	2757	5753
Antolín	N. Cas	1959/1985	Motor	1780	9910
Roca	Cat	1880/1929	CR	1669	16,000
Catalana Occidente	Cat	1864	Insurance	1502	2824
Prisa (Timón)	Mad	1958/1972	PC	1425	9114
Prosegur	Mad	1976	Security	1387	70,838
Grupo Villar Mir	Mad	1987	CR	1374	6688
Sol Meliá	Bal	1956/1987	TR	1165	11,357
Cirsa	Cat	1968	Gambling	1155	11,000
Barceló	Bal	1931/1960	TR	1004	16,065
Pescanova	Gal	1960	FB	999	3399
Leche Pascual	N. Cas	1969	FB	992	4300
Puig Beauty & Fashion	Cat	1914	ChPh	962	5250
Cortefiel	Mad	1951	TF	975	8965
Almirall	Cat	1944	ChPh	962	3200
Planeta	Cat	1949	PC	960	4725
Campofrío	N. Cas	1952	FB	911	2500
Riu	Bal	1953	TR	900	16,000
Eulen	Mad	1962/1978	Services	877	58,733
Ficosa	Cat	1976	Motor	824	6550
Esteve	Cat	1929	ChPh	818	2469
Mahou	Mad	1889	FB	800	2109
Vocento	Mad	1891/1903/1909	PC	794	3813
Ferrovial	Mad	1952/1927	CR	760	3500
SA Minera Catalana-Aragonesa SAMCA	Ara	1919	Minerals	751	5250
Panrico	Cat	1960s	FB	731	8284
Técnicas Reunidas	Mad	1960/1972	E	685	2336

(*continued*)

Table 3. (*Continued*).

Group	Region	Founded	Dominant activity	Turnover (million €)	Employees
Comsa	Cat	1934	CR	642	1030
Nefinsa	Val	1917/1993	CR	621	1777
Ros Casares	Val	1950s	Steel	612	655
Nueva Rumasa	Mad	1960s/1983	FB	600	16,000
Cementos Molins	Cat	1929	CR	594	2485
Grupo Para	Andal	1961	Real estate	550	530
Borges	Cat	1896	FB	540	1082
Grífols	Cat	1940	ChPh	524	3443
Colomer	Cat	1924/2000	ChPh	486	2310
Uniland	Cat	1896/1901/1973	CR	472	1301
El Pozo	Mur	1936	FB	460	2855
Industrias Lácteas Asturianas	Asta	1960	FB	454	841
Grupo Zeta	Mad	1976	PC	451	2342
SA Industrias Celulosa Aragón	Ara	1943	Paper	441	587
Tarradellas	Cat	1983	FB	424	950
García Carrión	Mur	c.1880	FB	379	360
Freixenet	Cat	1861	FB	379	1323
Grupo Sigla	Mad	1965	Retailing and restaurants	340	5108
Calvo	Gal	1908	FB	330	3000
Nutrexpa	Cat	1940	FB	327	1333
Osborne	Andal	1772	FB	319	407
Alsa-Enatcar	Ast	1923	Logistics	318	3100
Jealsa Rianxeira	Gal	1958	FB	314	3060
Patentes Talgo	Mad	1942	E	299	1844
Vidrala	BC	1965	Glass	297	1114
Mecalux	Cat	1969	CR	292	2170
Ferrer	Cat	1947	ChPh	274	1174
Agrolimen	Cat	1937	FB	261	520
Chupa Chups	Cat	1958	FB	260	1170
AZVI-Contreras Graciano	Andal	1925	CR	246	775
Grupo Consentino	Andal	1979	Minerals	241	1380
Gallo	Cat	1946	FB	226	436
Persan	Andal	1941	ChPh	221	451
Ros Roca	Cat	1953	E	218	11
Conservas Garavilla	BC	1887	FB	210	560
Cegasa	BC	1934	Electrical	200	1000
Codorniu	Cat	1872/1926	FB	198	1006
Soler y Palau	Cat	1951	E	190	515
Corp. Patricio Echevarría	BC	1908	Machinery	187	1887
Pikolín	Ara	1948	Metal	182	1393
Marina d'Or-Loger	Val	1983	TR	182	1189
Flex	Mad	1912/1925/1956	Metal	182	1500
Habitat	Cat	1953	Real estate	180	156
Grupo Ybarra	Andal	1842	FB	180	230
Torres	Cat	1870	FB	176	800
Porcelanosa	Val	1956/1963/1973	CR	174	1050
Hesperia	Cat	1971	TR	171	3300

(*continued*)

Table 3. (*Continued*).

Group	Region	Founded	Dominant activity	Turnover (million €)	Employees
García Baquero	S. Cas	1962	FB	170	140
HUSA	Cat	1930	TR	162	2800
Lacer	Cat	1949	ChPh	160	600
Andrés Faus	Val	1953	CR	158	345
Miquel y Costas	Cat	1725	Paper	157	913
Uriach	Cat	1838	ChPh	153	753
Sener	BC	1956	E	151	918
Grupo Industrial Iturri	Andal	1947	TF	150	887
Félix Solís	S. Cas	1950s	FB	146	278
Simón	Cat	1916	Electrical	145	930
Indo	Cat	1902/1937/8	Optics	144	1722
Transportes Ochoa	Ara	1930s	Logistics	141	1117
Colomer Munmany	Cat	1792	TF	140	913
Aceites Toledo	Mad	1965	FB	140	62
Bodegas Navarro	S. Cas	1904	FB	139	35
Aceros Bergara	Cat	1945	Metal	132	102
Siro	N. Cas	1966	FB	136	945
Titán	Cat	1917	ChPh	137	624
Coflusa/Camper	Bal	1981	TF	135	217
Famosa	Val	1957	Toys	130	450
Erhardt	BC	1882	Logistics	127	652
Ballesmar	Val	1949	CR	125	164
Minersa	BC	1925/1942	Minerals	124	167
Hola	Mad	1944	PC	123	140
Vichy Catalán	Cat	1901	FB	122	725
Laboratorios Indas	Mad	1950	ChPh	120	405
Campí y Jové	Cat	1923	ChPh	120	82
Sáez Merino	Val	1952	TF	117	1788
Basi	Cat	1948	TF	111	415
Forlasa	S. Cas	1970	FB	111	244
Noel	Cat	1940	FB	109	449
Ángel Camacho	Andal	1897	FB	107	557
Cuatrecasas	Cat	1926	Legal services	106	350
Keraben	Val	1975	CR	106	600
Pronovias	Cat	1922/1968	TF	103	23
González Byass	Andal	1835	FB	101	350
Hijos de Rivera	Gal	1906	FB	100	265
Helios	N. Cas	1900s/1936	FB	99	210
AUSA	Cat	1956	Machinery	98	353
FINSA Financiera Maderera	Gal	1931	Timber	94	254
Gullón	N. Cas	1892	FB	92	350
Conservas Cidacos	Rio	1950	FB	92	197
Comexi	Cat	1954	Machinery	85	252
Abressa	Cat	1971	CR	85	40
Grupo Indal	Rio	1963	Lighting	83	950
Lladró	Val	1954	Ceramic	82	1000
Zeltia	Mad	1939/1991	ChPh	82	619
Espuña	Cat	1947	FB	79	459
Sedatex	Cat	1886–1940	TF	75	160
Albo	Gal	1869	FB	73	387

(*continued*)

Table 3. (*Continued*).

Group	Region	Founded	Dominant activity	Turnover (million €)	Employees
Casademont	Cat	1960s	FB	69	485
Transportes Carreras	Ara	1930s–1968	Logistics	68	685
Murtra	Cat	1897/1922	FB	67	316
Seda Solubles	N. Cas	1957	FB	67	283
Celulosa Fabril	Ara	1946	Paper	66	245
Grupo Barpimo	Rio	1959	ChPh	65	500
Palex	Cat	1955	ChPh	65	126
Delaviuda	S. Cas	1927	FB	59	267
AC Marca	Cat	1922/1999	ChPh	52	254
Victorio Luzuriaga	Nav		Motor	50	363
Chocolates Valor	Val	1881/1973	FB	49	266
Marqués de Riscal	BC	1858	FB	48	180
Ramón Vizcaíno	BC	1932	Freezing	46	395
Chocovic	Cat	1872/1977	FB	45	120
Lacasa	Ara	1852	FB	42	127
Hoteles Fiesta	Bal	1960s	TR	42	568

Notes:

(*) Net profit = €6220.104.

Cat = Catalonia; Mad = Madrid; Val = Valencia; Andal = Andalusia; BC = Basque Country; Ara = Aragon; Bal = Balearic Islands; Gal = Galicia; N. Cas = Northern Castile; S. Cas = Southern Castile; Rio = Rioja; Ast = Asturias; Can = Cantabria; Nav = Navarre; Mur = Murcia.

FB = Food and beverages; CR = Construction-related industries; ChPh = Chemicals and pharmaceuticals; TF = Textiles and footwear; TR = Tourism-related industries; E = Engineering; PC = Publishing and communication.

Sources: *Actualidad Económica* 2006, SABI 2006, corporate web pages, and authors' own elaboration.