Executive summary

Spain’s underlying political and economic framework has improved during the period under review. Thanks to the sound management of President Zapatero’s Spanish Socialist Workers Party (PSOE) – led government, Spain’s capacity for reform in many policy areas is on par with that found in leading European countries.

Equality before the law, political rights and civil liberties suffer no major infringement at the hands of state authorities. However, there are problems in terms of citizens’ access to information, which negatively affects the vertical accountability of political actors. These problems relate to the fact that media pluralism is at best moderate, the low number of quality programs on television, and the poor access to government information, which is mirrored in the low level of political knowledge among citizens.

Corruption at local and higher political levels as well as the lack of independence in the judiciary, which has been subject to an increasing process of politicization, constitute the two most significant problems in the country’s political institutions. Nevertheless, major steps toward ensuring a full guarantee of civil rights have been taken in the form of a set of anti-discriminatory policies aimed at battling unfair treatment due to gender, sexuality or ethnic origin. Having legalized same-sex marriage and adoption, and regularized approximately 600,000 unauthorized foreign-born workers, Spain is moving ahead of the European status quo in this respect.

Spain’s economy has shown strong performance for more than a decade in terms of both growth and employment, a development which has been accompanied by consolidated public finances and a moderate tax burden. In the short run, these developments might be thwarted by the following: the rigidity of the regulated labor market, which renders the economy vulnerable to external shocks; the rigidity of several product markets; and the high inflation differential within the euro zone that increases relative prices. However, in addition to the highly regulated traditional sector, Spain’s labor market has highly flexible deregulated sectors that allow for dynamic job growth. In the long run, it is the negative impact of a set of factors under the rubric of sustainability that constitutes the primary threat to economic growth. Within
this context the absence of entrepreneurship, an over-heated real estate market, poor education performance, low spending on R&D, an aging population and inadequate environmental planning must be mentioned. As for education and innovation policies, recent initiatives and increasing public investment programs point to a growing awareness of these long-term economic problems.

There are also concerns that the recent surge in high incomes, which has been accompanied by relative poverty and inequality, will prompt social cleavages. Public spending on social policies is still low in Spain and regional disparities are considerable. This holds true for public health care in particular. In terms of social cohesion, inadequate support for families has – at least in part – brought about one of the lowest fertility rates within the OECD. Moreover, old-age poverty has been increasing in the last few years. However, the law on promoting personal autonomy for people in dependent situations was introduced in 2006 to ease the problem.

In terms of its internal and external security, Spain has performed well. The government has modernized the country’s armed forces and proved its commitment to cooperating more effectively with the European Union, NATO and the UN. The government has also introduced the Single Command of the Security Forces, an Anti-terrorism National Center, and the Intelligence Center against Organized Crime to counter terrorism as well as threats arising from drug trafficking. Spain’s increased commitment to development aid and participation in many multilateral peacekeeping and humanitarian missions are further proof of the government’s broad understanding of security.

The administrative system is poorly coordinated in some areas and suffers from widespread mistrust, problems with the access to information and the outdated training for civil servants. Generally educated in law and legal issues, bureaucrats tend to facilitate a highly regulated demarcation of duties. Although informal networks, facilitated by a certain “esprit de corps” within the bureaucratic elite, do exist, coordination can suffer from hierarchical patterns of conflict resolution. Spain’s fragmented administration rarely achieves a coherent sense of purpose and action, and does so only when major political priorities are set, or issues within the reserved domains of the powerful Premiership and the Ministry of the Economy and Finance are addressed. Thus, the Spanish government’s capacity for reform is affected by a duality, namely that of a political structure that favors governmental dominance in the policy process and an administrative structure that weakens collaborative coordination.

Policy outcomes are surprising given that the PSOE’s minority government has been reliant upon parliamentary support to put its political program into
practice. This structural obstacle could only be surmounted through government efforts to mobilize public support and create strategic alliances with other political parties, interest associations such as trade unions, employer associations and NGOs. Because there are no powerful institutional veto players in the Spanish polity, the PSOE government succeeded in pushing through most of its reform plans.

To be sure, there are some managerial shortcomings in terms of implementing legal norms. Because inter-regional redistribution mechanisms do not function properly, delegated tasks are often not adequately funded. National standards are ill-defined, poorly enforced or are in some cases absent, which undermines the effective provision of public services. The difficult relationship between central government and autonomous regions has often led to struggles over competencies and appeals to the Constitutional Court. Since the Constitutional Court proceeds very slowly, none of the relevant laws under constitutional scrutiny have been declared unconstitutional.

More generally, there has been a courageous impetus toward reform observed in key areas. Spanish public opinion has been quite polarized on several of these issues, which points to the specific difficulties of reform in the country, especially in matters concerning the territorial organization of the state or issues regarding morality, religion and civil liberties. There are some pending reforms regarding the state’s administration and its daily management as well as the judiciary. Although less likely to prompt controversy in public opinion, these reforms face strong internal resistance to change.

The main challenges facing Spain center on consolidating the modernization of the state administration and consolidating policies associated with the economic growth that has taken place in recent decades. This growth must be managed to facilitate greater and sustainable international competitiveness. Adjustments in public management affecting key cultural, social and political elements are therefore needed.

**Strategic Outlook**

During the period under analysis, from January 2005 to March 2007, Spain has shown a considerable capacity for reform, despite the fact that the party in government, the Socialist party (PSOE), has not had a majority in parliament. The Socialist minority government has relied, first, on a permanent process of negotiation with other political parties and, second, on opening itself to wide
societal consultation with trade unions, employers’ organizations and, above all, with NGOs and advocacy groups in order to generate support for its policies.

The task of pushing path-breaking reforms forward has been facilitated by the fact that there are no institutional veto players in Spain, with the exception of the Constitutional Court. However, the Constitutional Court is not as powerful as the Supreme Court in the United States or the Constitutional Court in Germany. Moreover, it works slowly because it is overburdened with appeals from both private citizens and public organizations and institutions. As a consequence, the limits it can impose on governmental action, through the declaration of the unconstitutionality of laws, only take place at a later stage, when the implementation of policies has already started.

Most of the major bills approved by the Spanish parliament during this period have been challenged by the opposition, the conservative Popular Party (PP), and taken to the Constitutional Court for revision. Since the arrival of the PSOE to office in 2004, the PP has taken a total of 21 government bills to the Constitutional Court. However, until now, there has been no ruling by the Constitutional Court on any of these bills. It is still unknown whether the ruling about the new Catalan Statute of Autonomy will be published before the parliamentary elections next year. In any case, the slow pace of the Constitutional Court facilitates the process of reform in Spain, at least within the time limits of one legislature.

The pursuit of reforms has also been facilitated by an excellent economic situation, with one of the highest growth rates in Europe and a budgetary surplus that allows the government to increase social spending. The main obstacles to reform have come from the regional governments, especially those in the hands of the political opposition. Many policy fields are now the responsibility of the Autonomous Communities, among them education, health and social cohesion. The extent to which national legislation is adapted to regional needs or national policies are implemented at the regional level depends on the acts of the regional parliaments and governments.

What are the prospects for reform in the future? The capacity to reform in Spain depends, largely, on three main factors: 1) the internal coherence of the government and its program; 2) the level of support that the government has in parliament; and 3) the process of policy implementation, given the restrictions imposed on the central government by a highly decentralized state structure, where many competencies have been devolved to the regional legislatures and executives.

The internal coherence of the government decreases with the number of parties
that constitute it and with the internal problems within each party. During the period under review, the government demonstrated high levels of internal coherence. The process of policy implementation constitutes an institutional as well as a political constraint on governmental action. The process is shaped by the relationship between the central government and regional governments. This relationship is less conflictive when both governmental levels are in the hands of the same political party. However, even in such cases, there can be conflict over competencies, funding and implementation. If, for example, there are no positive electoral externalities (i.e., the regional party benefits from positive electoral results for the party in the center and is punished by poor electoral results for the party in the center), it is unlikely that the regional government will pursue the interests of the central government.

To be sure, the capacity for reform and policy coordination in Spain could be improved upon. An overly legalistic approach to policy-making and hierarchical working methods need to be mitigated. Cooperation and teamwork among bureaucrats must also be stimulated. Horizontal vision, strategic planning, the reinforcement of communication networks and legal reform impact assessments are needed. In addition, the level of general competence and skills among public officials should be improved. Finally, the current concentration of political authority at the top levels (prime minister and cabinet members) should be distributed further.

The Socialist government is targeting reforms of the Senate (upper chamber of parliament) in the next legislature. These reforms could fundamentally affect the government’s capacity for reform by potentially increasing the number of veto players. According to the Spanish constitution, the Senate should eventually become a chamber for the representation of territorial interests, which at present it is not. The reform of the Senate is one of those major institutional reforms that would have a fundamental impact on the political and policy-making process. As a result, but also because it is so risky and unpredictable (it requires a qualified majority in parliament and a referendum for its approval), incumbent governments have repeatedly postponed the reform. To endow the Senate with a territorial dimension and a genuine veto capacity would tie up the hands of the incumbent government when it comes to implementing reforms. Moreover, given the existence of separatist minority nationalisms in Spain, the reform of the Senate must be designed very carefully in order not to provoke instability or gridlock. Whether this reform will be tackled during the next legislature and, if it is, what shape it will take, is anybody’s guess. The only sure thing is that, when reformed, the new Senate is going to change the policy process in the Spain of the future. It will reduce the
government’s capability to reform.

Despite its recent spate of success in terms of growth, Spain’s economy, which is not internationally competitive (as reflected in the negative balance of payments) should be given priority in considering reform strategies for the future. Moreover, the country invests too little in R&D and innovation, which will compromise its growth in the medium and long term. Spain cannot be content with simply managing, and sometimes abusing, the advantages provided by its favorable climatic conditions as a base of its economy. All actors able to steer the economy toward improved competitiveness should be brought together with consensus on transparent criteria based on economic rationality. Doing so will prevent interference from corporative or bureaucratic approaches to the problem.

The Spanish population is aging and undergoing a period of rapid demographic change that is compensated by a massive influx of migration. Having shifted from a country that exports manpower to one that imports manpower in a short period of time, the mechanisms in place to manage these flows have been subject to a severe test, as have the distribution of these mechanisms to the regions and the capacity for integration. Maintaining economic growth as well as a sustainable welfare state and peaceful coexistence in society will depend on the ability to manage this challenge effectively. A shortage in qualified human resources and a surplus of nonqualified manpower are expected in the coming years, which will oblige the government to reconsider its integration policies toward the immigrant population.

Despite some key improvements made to adult education and training in recent years, the number of educated and well-trained adults remain low. The qualification model for the economically active population in Spain is based on high rates of higher education attendance, very low graduation rates for secondary and higher education and a high proportion of population with low levels of education. Moreover, there is a high percentage of young people who drop out of school before reaching the minimum basic qualifications. This state of affairs is hardly conducive to facilitating the development of an information and knowledge society and a more competitive economy. Spain’s educational system demands greater investment and efficacy in performance.

Compared with the rest of Europe, Spain spends less on social policies. This suggests greater social inequality and a precarious welfare state, both of which are manifested in indicators such as a low birth rate and the low participation of women in the labor market. Public policies in this area are in need of substantial improvement and should be based on rational planning strategies that avoid electioneering measures at the end of the legislature.
Status Index

I. Status of democracy

Electoral process

Procedures for registering candidates and parties are generally fair, flexible, inclusive and protected by a number of administrative and judicial guarantees. According to Spanish electoral law passed in June 1995, every Spanish elector is eligible to become a candidate. The existing restrictions of candidates and parties are in accordance with the law on political parties, which was approved by the national parliament (Cortes Generales) in 2002.

Restrictions concern political parties that do not condemn the use of violence and actively or passively advocate violence to achieve or pursue political goals, and whose main activities involve serious and continuous attacks on democratic principles. In practice, this law prevents parties and candidates that openly support the activities of the terrorist group ETA and that do not actively condemn the group’s use of violence from participating in elections.

In such cases, parties can be either suspended or dissolved following a complex set of procedures led by the Supreme Court. Other restrictions specified in the electoral law apply to public figures and to members of the government at various levels, the public administration, the army, the judiciary and other public bodies; a second set of restrictions applies to those sentenced to jail and particularly so for those sentenced by terrorist crimes. If the electoral administration decides to exclude or reject a candidate, the candidate can appeal to either a specific electoral administration or if necessary, to the Constitutional Court; in both cases, trials are treated with the utmost urgency.

Broadcast and print media treat electoral campaigns as important political events and devote special attention to party activities. Television news
programs, particularly on public stations, previously “packaged” electoral news, assigning time slots to parties as determined by their percentage share of votes. Newspapers, particularly national papers, dedicate a number of pages everyday to covering the upcoming elections. In this regard, and even discounting the agenda-setting, priming and framing strategies developed by the media vis-à-vis political events, neither parties nor candidates are damaged per se by the refusal or tight restrictions on coverage from media outlets. Parties fielding candidates in at least 75 percent of districts receive a free broadcasting slot on public television of about 10 minutes, while larger parties receive up to 40 minutes of free air time. Fairness in the allocation of time slots is guaranteed by the Radio and Television Committee of the Central Electoral Board. This Board vigilantly supervises the public media in an effort to guarantee neutrality and objectivity.

Although the media system as a whole provides fair coverage of different political positions, the major media outlets in Spain exhibit a partisan bias toward the major Spanish parties, the Popular Party (PP) and the Spanish Socialist Workers Party (PSOE) – a tendency that is exacerbated by increased concentration of media around a few media giants.

The extent to which citizens can exercise their right of participation in national elections is extremely high, and limitations have to be stated specifically in electoral law. Assuming electors are Spanish citizens, are of minimum voting age (18 years), suffer no mental disabilities as declared by a judicial court, fulfill the residence requirements, and, in cases of prison inmates, have not been sentenced for crimes related to terrorism or been punished by losing their political rights – they have the subjective right to be included in the electoral register, and therefore to show up to vote on election day. Every individual denied the right to vote or to be registered as a voter is entitled to court appeal or to review possible incorrect decisions regarding their voting status.

**Access to information**

The government has by and large respected the independence of private media in the period under analysis, in the sense that the government has not taken advantage of loopholes or other regulatory means to unduly punish or favor any private outlet. With public media, particularly radio and certainly television, the Zapatero government has dramatically changed some of the institutional rules that in the last 30 years had cemented public media’s chronic political dependence on government. The current government gave from the start very clear signs of respecting the professional expertise and supporting journalistic
freedoms. In 2006, a new law (Ley de la Radio y la Televisión de Titularidad Pública Estatal) allowed the director of national public television to be appointed by the Congress of Deputies and accountable to MPs, and not to the government.

During the previous legislative term under the PP government, the media situation developed to such critical depths that public broadcaster RTVE was declared guilty by the courts for manipulation of the news. There was a lot of pressure from civic organizations and journalist associations to make state television more independent.

With regard to media ownership in Spain there is a tendency toward higher levels of concentration among a few giant media groups. However, there is enough diversification of media ownership to guarantee a pluralism of opinions, partly due to the strength of some regional media groups, such as Grupo Godó (owner of La Vanguardia), Vocento (Grupo Correo, owner of El Correo, ABC and Telecinco), Grupo Moll-Prensa Ibérica (owner of many regional newspapers) and Grupo Joly (the first media group in Andalusia).

For newspapers, the picture is dominated by the contradictory influence of the simultaneous growth of new outlets and media concentration, led by some of the existing major corporations. Among the main national TV channels the competition is fierce. Spanish Television, Antena 3 and Tele 5 use to change positions in audience ratings, with each roughly sharing between 20 and 23 percent of television viewers. In 2005, a new law enlarged the number of so-called generalist national channels to six, liberalized cable television and began the transition to digital television with 13 new channels, a number that will increase to 18 channels within two years. The radio market is dominated by three groups: PRISA (with the popular and influential station la SER); Radio Popular (with la COPE); and Uniprex (with Onda Cero). Public radio should also be added to this group. These stations as of 2007 shared 49.9 percent of the Spain’s radio listeners..

Citizen access to government information is outlined in the 1978 constitution; however, bureaucratic procedures and ineffective oversight mechanisms make access to government information extremely difficult and despite legal developments after 1978, accessibility is still inadequate. A 1990 EU Access to Environmental Information Directive set the framework for compliance with the constitutional provision, and in 1992 a law on the rules and procedures of public administration finally established some general guidelines.

These rules are quite restrictive, however. Information on procedures, registers and records held at any public agency, and information on requirements and on the identification of personnel in charge of procedures are subject to a number of conditions.
of general categories and can be overruled, or subject to yet another set of circumstances assessed by civil servants. Agencies must respond to requests for information within three months, and denials can be appealed. A number of laws and decrees, many in direct response to European Commission directives, have both reinforced the rights and enlarged the range of issues and activities on which citizens may obtain official information from public agencies. Yet their actual results appear largely unsatisfactory.

Firstly, the 1992 law that established the requirement that state administration provide an answer to all citizen requests is systematically broken: a report showed that 61 percent of citizens’ requests submitted in 2005 received no reply. Secondly, the legally specified period for a state response is too long (two months) to be practical. Thirdly, there are no efficient procedures to manage applications, and administration behavior to requests is unsystematic, if they reply at all. The 2006 Spanish ombudsman’s report reflects hundreds of cases of different organs and levels of the state administration that have not replied to the ombudsman’s requests for information. In 2005, the European Commission initiated a process of legal action against Spain for failing to implement the 2003 EU directive on access to environmental information.

**Civil rights**

State institutions in Spain respect and protect civil rights, but infringements of civil rights occur in practice. Positive developments during the period studied include the granting of legal status to illegal immigrants directly after the government took office. This was an attempt to regularize the hundreds of thousands of illegal immigrants in Spain, to both protect their civil rights and to protect them from abuse.

At the same time, however, there are negative points on Spain’s record concerning the treatment of immigrants and asylum seekers. International organizations such as Amnesty International and Human Rights Watch have reported on clandestine expulsions of immigrants, illegal expulsions of asylum seekers and of under-aged persons, the disproportionate use of force against people trying to enter Spanish territory though the border at Ceuta and Melilla and the use of collective expulsion procedures in which individual cases are overlooked. Some cases of mistreatment of nationals in detention or of illegal immigrants by the police during the deportation process have also been reported. In some specific instances, citizens may see their civil rights undermined as a consequence of court delays.

In general terms, there are few cases of discrimination. However, the
government has not always been effective in preventing discrimination, even if recently various laws and regulations have been passed specifically addressing groups such as women, same-sex couples or the disabled. Spain needs to work harder in order to close the gap between anti-discrimination measures de jure and de facto discriminatory behavior, but huge steps have been taken that move in this direction.

The office of the ombudsman annually reports on cases of discrimination and the government’s inability to prevent such cases. For example, cases deal with ensuring that women receive equal pay and access to professional careers in the labor market, immigrants achieve better social integration, homosexuals are granted more visibility and equal civil rights, or the disabled are granted more facilities to increase their mobility in public buildings.

The fight against discrimination on gender, sexual orientation or ethnic origin has been at the center of the government’s social policy program. In addition to legislative activities in these areas, in 2006 the Monitoring Center on Racism and Xenophobia was established. The incumbent PSOE government has increased the representation of women in government to 50 percent, setting an example of good practice concerning the representation of women in politics.

While a law that allows homosexual marriage has effectively reduced the levels of discrimination on the basis of sexual orientation, a law against gender violence has not reduced the registered levels of violence against women. Similarly, the levels of discrimination against women concerning access to the job market and wages are still high, and it is still early to see the effects of the law on equality.

**Rule of law**

The Spanish government and state administration act on the basis of and in accordance with legal provisions to provide legal certainty. Spanish administrative law is the bedrock of the policy process and of administrative procedures, granting regularity and certainty in government and public administration. A legalistic approach guides all governmental decisions. The trend has been toward increasing levels of legal certainty since the early 1980s. However, in extraordinary circumstances such as the fight against terrorism, the government at the time of writing has used too much discretionary power.

In its attempt to forge a peace agreement with the terrorist organization ETA, the Spanish government has taken measures that, although legal in a strict sense, do not provide legal certainty and show the discretionary power of the executive with regards to the application of the law. The first of these decisions
concerned the participation of ETA-supporting political forces in the local elections of May 2007. The second concerned the reaction of the government to the hunger strike initiated by ETA member José Ignacio de Juana Chaos while in prison. This reaction was seen by many to be inconsistent and to provide legal uncertainty.

The system of judicial review is independent and has sufficient capacity to control the government. The Spanish judicial system is independent and has the jurisdiction to make governmental and administrative bodies operate according to strict regulations. Administrative acts by executive bodies or authorities may be reviewed through a specific jurisdiction within the judicial system, called the administrative-contentious process (jurisdicción contencioso-administrativa).

Nevertheless, the struggle between the two main political forces has excessively politicized the main judicial bodies, thus weakening its capacity for action - as demonstrated in current difficulties over the reorganization of judicial bodies. As a consequence, the judiciary’s mandate to serve as a check on government actions may be deemed obstructive at some point, as conservative judges who side with the opposition party PP may be eager to stymie the actions of a socialist government.

Different norms and regulations set up limits for corruption in governmental and administrative bodies. Also, politicians and senior officials face important constraints derived from public opinion as well as practices of transparency and accountability. Public servants and politicians must follow regulations to preserve the public trust.

However, existing mechanisms to prevent corruption have not been effective, although the government is slowly adopting measures to put an end to the rise in corruption. According to a 2006 report by Transparency International, less than 2 percent of Spaniards paid a bribe to an official during the last 12 months. However, around 50 percent of people think that corruption affects political life to a large extent and 36 percent think that the government does not fight corruption effectively. The most corrupt institutions are thought to be political parties, business and the private sector and the media. The medical and education systems as well as NGOs are considered less corrupt.

During the legislative term at the time of writing, local corruption scandals were rampant in construction and urban planning in Spain. Some local officials that are being prosecuted for their participation in these corruption scandals have presented their candidacy for local elections in May 2007, and nobody has prevented them from doing so.
II. Economic and policy-specific performance

<table>
<thead>
<tr>
<th>Basic socioeconomic parameters</th>
<th>score</th>
<th>value</th>
<th>year</th>
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<tr>
<td>GDP p.c.</td>
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<td>27400 $</td>
<td>2005</td>
</tr>
<tr>
<td>Potential growth</td>
<td>3.14</td>
<td>2.9 %</td>
<td>2008</td>
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<tr>
<td>Unemployment rate</td>
<td>5.33</td>
<td>8.6 %</td>
<td>2006</td>
</tr>
<tr>
<td>Labor force growth</td>
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<td>5.2 %</td>
<td>2007-2008</td>
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<tr>
<td>Gini coefficient</td>
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<td>0.34</td>
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<tr>
<td>Inflation rate</td>
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<td>2007</td>
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<tr>
<td>Real interest rates</td>
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<td>2007</td>
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A Economy and employment

Labor market policy

Score: 7

Unemployment in Spain has fallen dramatically. While unemployment was still at 19.8 percent in 1994, it totaled no more than 8.2 percent in the third quarter of 2006. Thus, in one decade the percentage of people without regular work has diminished by 60 percent, with structural unemployment dropping by 5 percent to 6 percent since the mid 1990s. This development was accompanied by a similarly impressive rise in employment. These developments can be attributed to four factors: two external shocks over the last decade, Spain’s entry into the euro zone, increased immigration and effective labor market policies.

Despite this positive evolution, Spain's achievements remain far below Lisbon objectives, and the country’s unemployment rate (especially for women) and its proportion of fixed-term contracts and low-wage jobs are still among the highest in the European Union. Strict protections for permanent workers strongly decrease labor mobility. Furthermore, it reinforces the duality of the
labor market between permanent workers and those with temporary contracts – whose number has surged in recent years, representing now one-third of workers (OECD average: 13 percent). The country’s inefficient and overly complex wage negotiation system and inflation catch-up clauses in working contracts, which are very common in Spain, have a negative impact in general and create real wage inertia, making the economy more vulnerable to external shocks.

The problem of market segmentation between permanent workers and those with temporary contracts has been addressed in 2006 by limiting recourse to temporary contracts, improving budgetary incentives for permanent contracts and through an extraordinary program to change fixed-term contracts into permanent jobs.

**Enterprise policy**

Spain is working toward significant restructuring of the country’s economic fabric. While economic growth in recent decades was based on more traditional sectors of construction and tourism, the government insists that it is promoting a more competitive model based on innovation. However, in spite of investment efforts by the government into R&D, Spanish economic productivity is low and is advancing very slowly.

The number of administrative formalities required for entrepreneurs in Spain still exceeds both the OECD average and EU mean, and costs, both monetarily and time-wise, are also far higher. There are serious shortcomings in the Spanish economy with regards to its ability to innovate as well as encourage entrepreneurship, competitiveness and private investment that to date have not yet been adequately addressed by the government’s enterprise policy.

Taking into account this scenario, the Spanish government seeks to foster entrepreneurial initiative, promote innovation, accelerate the creation of companies and simplify the legal and administrative business environment. These objectives are to be accomplished through the Business Promotion Plan, approved in 2006. It includes legal and administrative measures extending the procedures for telecommunications and informatics and enlarging the network of “points of access and start of procedures,” as well as new financial support and loans for small and midsized companies. The establishment of a “learn to export” program and the creation of the state corporation for the promotion and attraction of foreign investment should also be mentioned.
**Tax policy**

Taxation policies are vertically equitable, although political parties argue over where boundaries of tax intervals should be. The business community complains about their tax burden, but the business climate is still competitive. However, it is increasingly believed that public revenues collected are not sufficient to enlarge the welfare state. It should be noted that Spain’s black economy circumvents taxation. The sustainability of public finances overall is not adequately guaranteed. Although the positive effects of increased immigration help manage the rising costs of an aging population in the near term, a long-term strategy is required to tackle rising expenditures for the pension and health care systems.

As the central government is mainly responsible for collecting taxes while most of the management of expenditures is decentralized, it is difficult to exercise restraint over public expenses.

Competitiveness had traditionally been one of Spain’s main weaknesses, but the reform of the tax system enforced January 2007 has directly addressed this problem. The corporate tax burden was lowered from 30 percent to 25 percent for small and midsize businesses and from 35 percent to 30 percent for larger firms. At the same time, the reform introduced changes in personal income tax to foster equity.

Tax reform directed the system toward a uniform treatment of savings and increased monetary incentives to work. The number of tax brackets was reduced to four and the top marginal tax rate was reduced from 45 percent to 43 percent. In addition, personal and family allowances were increased. Estimates are that personal tax payments will on average be reduced by 6 percent, while payments will decrease by even 17 percent for 60 percent of taxpayers in the lowest-income brackets, representing a remarkable victory for the equity of the tax system. With an intensified fight against tax fraud and money laundering and the phasing out of tax credits available to companies, (excepting those for R&D investment) tax evasion should be contained.

**Budgetary policy**

In recent years, Spain has performed remarkably in terms of economic growth. The country has advanced significantly in its pursuit of fiscal consolidation and in the field of budget stability, Spain has showed a progressive surplus in 2004 and a surplus of up to 1.8 percent of GDP in 2006. At the same time, public
debt as a percentage of GDP has been cut by more than 20 points from 1997 to 2006. The Socialist government aims to redirect public expenditures toward productive spending, by effectively increasing the public budget on research, development and innovation, infrastructure and education. The increased contributions to the reserve pension fund aims to further the sustainability of the welfare system.

One of the main objectives of the 2007 fiscal stability law is to secure a balanced state budget over the fiscal year. The law imposes strong restrictions on any policy that has a negative draw on the budget, establishing a total deficit ceiling of 1 percent of GDP and requiring a surplus in years characterized by strong economic growth. These developments are favorable both in terms of solvency and in guaranteeing the system’s intergenerational fairness.

Yet even if the current public account situation is satisfactory, the financial burden of an aging population remains one of the most salient issues to be tackled.

B Social affairs

Health policy

Public health care policies provide high-quality health care that is free of charge for all citizens. Beneficiaries need only to be registered in a Spanish municipality to receive free care. However, the health care system’s weaknesses stem from quality issues and accessibility; long waiting lists for treatment, for example, have caused growing dissatisfaction among patients. From a cost perspective, the medium and long-term sustainability of the health system is threatened. The Spanish public expenditure on health is comparatively low within the context of the European Union, which helps to explain the system’s social polarization as approximately 30 percent of the wealthiest portions of the population subscribe to supplementary private healthcare. Insufficient attention in the health care budget is given to prevention and primary health care issues versus excessive spending on pharmaceuticals, hospitals and specialized medical attention.

The process of health policy decentralization to Spain’s regions has stimulated regional differences in the provision of services, partly damaging the territorial equality of the system. National standards are either absent or not enforced. As a result, policies and quality vary greatly within the state among the autonomous communities. In order to deal with issues of coordination and to
improve the quality and cohesion of the health care system, law 16/2003 was passed and a quality plan was adopted. Other important measures in 2006 were approved to guarantee the financial viability of the national health system and moderate its increased costs, such as the rational use of medicines and healthcare products act and the strategic pharmaceutical policy plan.

**Social cohesion**

Score: 5

Continuous economic growth has facilitated Spain’s process of convergence with the European Union. Yet, the number of Spaniards living under the poverty line has grown (4 percentage points over EU average) and territorial disparities should not be overlooked. Per capita income in Madrid, Basque Country or Navarre is 20 percentage points over the EU average while in Andalusia or Extremadura per capita income totals only 80 percent of the European average. Spanish authorities at local, regional and central levels try to deal with issues of social exclusion each by their own means and plans.

This notwithstanding, Spain lags behind average European levels in terms of social policies and social cohesion, although the previous below-average levels of public spending on social policies has increased year over year under the legislature during the time of writing. In 2007, social expenditure represented 13.4 percent of GDP, a rise of 8.4 percent from 2006. Spain still has a long way to go in terms of social cohesion and in the fight against poverty.

According to the Conditions of Life Survey 2005 by the National Statistics Institute (Encuesta de Condiciones de Vida, INE), 19.8 percent of Spaniards live under the poverty line of €6,346 per year. The law for the promotion of personal autonomy and attention to people in a dependent situation (Ley de Dependencia) passed in December 2006 and is the biggest attempt by a Spanish government to close the gap with Europe in terms of social cohesion policies. This law gives every Spanish citizen in need for whatever reason (health, age or accident) the right to be provided for and attended to by the state.

**Family policy**

Score: 5

Spain has a long way to go in increasing funds earmarked to assist families. Spain dedicates a mere 0.8 percent of its GDP, while the average European percentage is 2.2 percent. Moreover, most of these funds are not universal but help only those families with limited economic resources. According to a research report published by the Institute for Family Policy (IPF, 2007), a Spanish family would need to have 12 children to receive the same amount of
money as a family with two children does in Germany. Spain has long rested on the traditional roles of women, who have historically been responsible for child and elderly care within the family. Only very recently have a number of governmental decisions been made to guarantee gender equality (the organic law, passed March 2007), to raise the employment rate for women and to eliminate labor discrimination. Family support measures have also been introduced to favor the reconciliation of professional and personal life. At the time of writing, Spanish women enjoy a paid maternity leave of up to 16 weeks; there is a monthly subsidy of €100 for children under 3, and a €2,500 payment for each child born has been approved by the government, to be enacted at the end of 2007. But these measures are insufficient and do not really allow mothers to freely decide if and when they want to remain full-time mothers or to return to full- or part-time employment. The possibility of working part-time is covered under Spanish law but is only applied in public administration or in very large companies. A proposal yet to be approved could extend the current 16 weeks of maternity leave.

Women’s participation in the labor market in Spain is low, about 10 percentage points under EU average. Estimates show that only 5 percent of Spanish companies offer nursery services, and the percentage of available public-funded child care slots for children up to three years of age is not keeping pace with birth rates. The budgetary earmark for family policies is just 0.78 percent of GDP – approximately half of the EU average, and therefore insufficient.

**Pension policy**

The Spanish pension system is not successful in preventing poverty. The poverty rate among Spanish citizens over 65 years old is 29.4 percent, ten points higher than the poverty rate for the population as a whole (19 percent). In 2000, this figure was 23.3 percent, which shows that there has been a dramatic increase over the last five years. The system does not entirely satisfy the inter-generational equity criterion, and the system’s long-term fiscal sustainability is one of Spain’s greatest fiscal challenges. Taking into account the fact that pensions currently represent the largest percentage of public social spending (8 percent of GDP) and that the average age of Spain’s population is rising faster than in any other European country, it comes as no surprise that the Spanish government has been committed to address this issue.

Despite the growth of the pensioner population, expenditure levels for pensions decreased between 1998 and 2003. The pension reserve fund has been accumulating resources over the past three years and has increased from €15.2
billion in February 2004 to €31 billion in February 2006.

Some measures have been put forward to foster the redistributive effect of benefits, by increasing minimum pensions and non-contributory pensions (there are 500,000 non-contributive pensioners receiving less than €500 per month). As to fiscal sustainability, the system has benefited from a massive increase in immigration. Above all, it is worth mentioning that the agreement on social security issues that was signed July 2006 and includes important measures such as the extension of the contribution period required to qualify for a full pension; the rationalization of the categories of retirement prior to the normal retirement age; and incentives to support an active life.

C Security and integration policy

Security policy

The government’s external security policy designed and implemented from 2005 to 2007 guards citizens against security risks and protects the national interest reasonably well. At the time of writing Spain had no conflicts of interest with its neighbors and primarily focuses its security efforts to contributing to United Nations peacekeeping missions. However, the professional Spanish army has had difficulty in recruiting soldiers. The annual increase in defense expenditure from 2004 has not been sufficient to bring Spain out of last place among OECD countries in resources devoted to defense.

To enhance the effectiveness of the Spanish armed forces, the current Socialist government is committed to completing the modernization programs established by the previous government and has as well introduced its own new measures, such as the “Spainsat” satellite which is intended to improve military communications. Yet military forces are underfunded and overstretched, and among experts strong criticism is voiced against military deployment in what is seen as too many international missions that have no clear relationship to Spanish national interests (such as in Haiti or Lebanon). A national defense directive was elaborated by the government in the months after taking office, which stipulated the major guidelines of defense policy. Accordingly, Spain, together with other European countries and the rest of the world, is facing new threats and, therefore, new challenges in defense strategy after the terrorist attacks in New York, London and Madrid.

Internal security

The incumbent government has been active in designing and implementing an effective internal security policy. When compared to figures from other
European countries, Spain claims comparatively lower rates of both general delinquency and murders committed. There has over recent years been an increase in the percentage of crimes solved, and successful results have come from recent efforts in fighting child pornography. Spending on agencies to ensure public order and internal security has significantly risen and is among the highest within the European Union. However, these statistics do not correspond with the public’s perception of the security situation.

The government’s internal security policy priorities are the fight against terrorism, the fight against organized crime and drug trafficking and the improvement of public security. As part of this policy, the government has established the Single Command of the Security Forces to increase the cooperation and coordination between the two main police forces in Spain: the National Police and the Civilian Guard. At the same time the government established the Anti-Terrorism National Center, which is integrated in the Single Command and is in charge of intelligence, information and coordination in everything related to the fight against terrorism. As part of the fight against organized crime, the government has created the Intelligence Center against Organized Crime.

Between 2005 and 2007, the Spanish government has helped effectively protect its citizens from new security risks with the development of a sound set of policies, including promoting stability in conflict zones, assisting in conflict prevention, offering assistance to failed states and increasing resources dedicated to development aid. One important contribution of the Spanish government in this direction has been the initiative, supported by the United Nations, to establish an Alliance of Civilizations. Through the initiative of the governments of Spain and Turkey, a U.N. High-level Group was formed in 2005 to explore the roots of polarization between societies and cultures and to recommend a practical action program to address this issue.

Another important contribution in this direction has been the dramatic increase in government spending on development aid. Between 2005 and 2006 development aid increased by 23.2 percent; between 2006 and 2007 by 38.5 percent (to 0.42 percent in 2007) with the main focus of assistance being on less advanced countries of sub-Saharan Africa. During the period under analysis, Spain has participated in 20 multilateral peacekeeping and humanitarian missions: 11 are complete while nine are still active, among them missions in Lebanon, Afghanistan, Bosnia and Kosovo. A total of 5,983 troops are participating in these missions during this period.

At an international level, Spain actively participates as member of important international organizations such as NATO, the Commission on Security and
Cooperation in Europe (CSCE) and the Council of Europe. The Socialist government supports strategies designed to enhance the strength and cohesiveness as well maintain a well-informed network, within European security and defense policy. Similarly the Spanish government has promoted instruments of bilateral cooperation with the countries of the Mediterranean region and leads multilateral initiatives such as the Barcelona Process and the Mediterranean Dialogue of the North Atlantic Council.

**Integration policy**

Score: 7

The influx of immigrants over the last decade has seriously challenged the Spanish political system, as it lacks coherent policies and sufficient coordination between central government, autonomous communities and local authorities on the matter. The number of immigrants has doubled in the last five years from 2,664,168 in 2003 (6.2 percent of total population) to 4,482,568 in 2007 (9.9 percent of total population).

A large number of immigrants have not received permission to reside legally in Spain and are subject to the highest levels of discrimination as “illegal immigrants.” Whereas securing and controlling the country’s borders and the periodical “regularization” of illegal immigrants were initially the main focus of governmental actions, the Spanish government more recently has turned its attention to problems of integration. Despite the “organic law 4/2000 on the rights and freedoms of immigrants and their social integration,” large numbers of foreign-born do not enjoy equal living conditions or access to public services as do Spanish-born citizens. The increasingly negative attitude and rejection of immigrants and the resulting social tensions and conflicts are not to be disregarded. Soon after arriving in office, the government tried to reduce the number of illegal immigrants by initiating an extraordinary process of regularization for foreign workers in 2005. Around 600,000 immigrants were regularized and acquired residence permits. Two groups, the “Forum for the Social Integration of Immigrants” and the “Permanent Observatory of Immigration” have been created. The priority of better integrating the immigrant population into Spanish society is further reflected in the Strategic Plan for Citizenship and Integration approved by the government for 2007-2010, which includes support for immigrants in areas such as education, health care and social services, as well as measures to raise awareness of immigrants within the Spanish-born population. All in all, the government has increased spending levels dedicated to integration issues since 2004. Immigration is also a priority in the 2007 budget over social expenditures.
D Sustainability

Environmental policy

Score: 4

Spain falls short on most environmental issues. Despite a rise in availability of renewable energies, the country’s usage is limited; its carbon-dioxide emissions do not comply with Kyoto Protocol targets; and it has yet to address important problems related to water scarcity and deforestation. Following international and European Union guidelines, the Spanish government has approved a wide range of measures that have yet to show improvements; the country too has not taken advantage of the potential of environmental taxes. Legislation was passed in 2006 to tackle soil pollution.

To address climate change, efforts such as the CO2 Allocation Plan 2005-2007, the Strategy of Climate Change and Clean Energy, the Plan for Renewable Energies 2005-2010 and the Strategy of Air Quality are in effect. The government has defined water policy as an environmental priority through a water management program called “A.G.U.A.” The program, covering the period 2004-2008, introduces a new approach to structural water scarcity suffered mainly in the southern and eastern portions of the country by systems of water treatment, re-use and desalination as opposed to the Spanish traditional system of reservoirs and transfer between rivers.

Research and innovation policy

Score: 5

Both the private and public sector have weak innovation policies, as shown through the country’s persistently weak productivity growth (0.6 percent of GDP per year from 1997 to 2006), a low number of patents and share of researchers employed, the limited spread of information and telecommunications technologies and a general lack of private-sector initiatives. The main factors that can explain this negative situation are the country’s policies on innovation, education, competition and the workings of the labor market. R&D expenditures have been clearly lower than the OECD average, Spain lags significantly behind EU standards in technology and clearly is falling behind with regard to the Lisbon Agenda’s 2010 objective to assign 3 percent of GDP to research and development efforts, with at least two-thirds coming from private investments. The working conditions of researchers are poor, with low salaries, small support staffs and are in general not valued highly within society. Qualitative standards at universities are often poor and
staff insufficiently business-oriented. Although R&D-related subsidized loans were previously available for companies looking to invest, many firms were deterred from pursuing such loans by bureaucratic hurdles.

To improve the environment for innovation, the government has set up an ambitious project called the Ingenio 2010 plan, which aims to double funds for civilian research by 2010. Consequently, the budget for research and development rose by 27 percent in 2005 and by 32 percent in 2006. R&D policy has become a crucial part of the Spanish national reform program. Legislative reform also aims to eliminate red-tape with regard to R&D activities. While the very recent evolution in R&D has been positive, the key challenge that remains is the lack of private research; more attention to patents and biotechnology is also required.

**Education policy**

*Score: 5*

From many points of view, Spain’s education policies are deficient. Compared to other EU countries, Spain devotes less public resources to education while private spending per family on education is comparatively high. As for student attainment, dropout levels in compulsory and secondary education are also greater than the EU average while Spain’s continuous training system lags behind the OECD average as well. In terms of equity two crucial aspects should be noted: There is an increasing risk of social polarization from what has emerged as a dual training system, based on differences of infrastructure and quality between public and private (but publicly funded) systems. The situation is getting worse, as the immigrant population tends to be concentrated in public centers while the Spanish middle classes flee toward private services.

The share of people aged 25 to 64 who have completed an upper secondary education (49.4 percent) in 2006 was still far below the EU-27 average (70 percent). Despite the percentage of first-year university students (27.1 percent in 2005), a percentage that is higher than in most other European countries, the number of university graduates is still relatively low. The number of graduates per 1,000 students from 25- to 34-years-old was 0.9; the EU-25 in comparison sees 1.5 students per 1,000 graduate. Students frequently register for doctorate-level studies but few ever complete their studies. There are no Spanish universities among the top 100 universities in international rankings. The decentralization of the education system and poor intergovernmental coordination mechanisms make it difficult to preserve the basic unity and cohesion of the system as per constitutional guarantees.
Management Index

I. Executive Capacity

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<th>Cabinet composition</th>
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<th>Parties in government</th>
<th>Type</th>
<th>Mode of termination</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>José Luis Rodríguez Zapatero</td>
<td>Spanish Socialist Workers (PSOE)</td>
<td>Single party minority government</td>
<td>1</td>
<td>04/04-04/08</td>
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* The following modes of termination should be distinguished: elections = 1; voluntary resignation of the prime minister = 2; resignation of prime minister due to health reasons = 3; dissension within cabinet (coalition breaks up) = 4; lack of parliamentary support = 5; intervention by head of state = 6; broadening of the coalition = 7.

A Steering capability: preparing and formulating policies

Strategic capacity

Apart from a small unit of research and analysis within the advisory Prime Minister’s Office, no organizational division at the center of the government addressed planning during the first two decades of Spanish democracy.

The decision to include planning staff as part of government organization in 1996 was a consequence of the need to monitor from the center important economic developments as part of the European Union such as: Spain’s participation in the European Economic and Monetary Union as monitored through a Budgetary Office, and later the implementation of the National Reform Program (the so-called Lisbon Strategy that is at the core of the mid-term Spanish economic policy and establishes as a strategic goal for 2010 the full convergence in terms of per capita income, employment rate and knowledge-based society with the European Union). The Budgetary Office was renamed and transformed into the Economic Office of the Prime Minister in 2004. This office acts as a national coordinator for the Lisbon...
Strategy.

Furthermore, the Spanish Government created the Lisbon Permanent Unit (LPU) also connected to the Ministry of Economy and Finance through the Delegated Committee of the Government for Economic Affairs. The main task of the LPU is to coordinate contributions from four different economic ministries and the premiership into a final report, which is updated annually. In the line ministries, the different ministers’ private office staff also includes advisors, but their role is more day-to-day rather than strategic. When a strategic unit exists in a ministry, it is normally poorly staffed (for example, only two diplomats work in the department for analysis and perspective within the Ministry of Foreign Affairs).

Consultation between the government and external academic experts does not regularly take place. At the beginning of any legislative process, particularly on technical issues, every ministry may pursue ad hoc meetings with experts, but career civil servants and other insiders close to the party government tend to control the initiation of draft bills. For this reason, non-governmental academic experts have just a slight influence on government decision-making. Experts are only summoned for advice when highly technical issues are being discussed; for example, in health care or environmental matters. Non-governmental academic experts are never approached to provide advice on matters of political strategy.

Some recent reform initiatives, such as with the Public Policy Evaluation and Services Quality Agency (Ministry of Public Administration) which was established in 2006 has tried to change this trend as the agency maintains contact and has frequent meetings with external experts. The influence of experts in the Spanish legislative process is seen through the usual appointment of academics as ministers, top officials or political and technical advisers.

Inter-ministerial coordination

The Ministry of the Presidency and the Premiership (divided into the Secretariat of the Prime Minister, the Private Office of the Prime Minister and the Economic Office of the Prime Minister) are the two different departments of the Spanish government that are close to the prime minister, or president. They are almost merged, from a functional and even physical point of view, as the very powerful political core of the executive (often called "Moncloa," after the name of the main palace in the outskirts of Madrid).
Evaluation of line ministry initiatives is the responsibility of both the Ministry of the Presidency and the Private Office and the Economic Office, but the latter two assume primary responsibility. The Ministry, which is directed by a minister who acts as the deputy prime minister for political affairs, chairs the preparatory committee in which all draft bills are discussed before a cabinet meeting. However, the Ministry lacks sectoral policy expertise, and mainly coordinates legislative timing, collects or circulates documents and sees that ministerial proposals are included in the meeting agenda.

The Private Office and the Economic Office are the main actors in evaluating line ministry initiatives. Leaving aside the logistic role of the Secretariat, the two remaining offices directly subject to the prime minister perform this role as their sectoral organization vaguely reflects ministerial portfolios.

Despite the extensive constitutional and political strength of the “Moncloa,” this trio of offices commands only limited administrative resources, their overall capacity and size being indeed small. As a result of its lack of capacity and that the majority-rules and hierarchical features within the Spanish policy process tends to reduce the autonomy of sectoral ministers, "Moncloa” tends to concentrate only on policy content deemed the most important, such as draft bills.

The Ministry of the Presidency and the Premiership is constitutionally and politically able to manage all items earmarked for cabinet meetings and can return sectoral ministries’ drafts, bills or other materials on the basis of policy considerations. The supremacy of the prime minister over the different ministries during policy-making is, in fact, a central feature of Spanish politics.

Single-party governments with high internal cohesion and discipline are combined with stable majorities. The party supporting the prime minister seldom puts into question his authority in cabinet formation or his capacity (through the Premiership and the Ministry of the Presidency, which manages the cabinet meeting preparatory committee ) to accept or return any item submitted by a ministry on political and policy grounds. Only some economic items that are delegated to a different cabinet committee chaired by the economics and finance minister may not be effectively controlled by the Ministry of the Presidency or Premiership.

The primary role of the Ministry of the Presidency/Premiership is policy coordination. The complexity of Spanish public policy requires emphasis on horizontal coordination between different sectors. In theory, the prime minister can choose to intervene at any stage of policy-making to ensure
coordination of policy objectives outlined in the government’s program. The Premiership is able formally to coordinate policy through the centralization of all relations with parliament and the setting of the cabinet meeting agenda (Council of Ministers). However, the prime minister, who chairs the cabinet meeting, is only regularly briefed (through his network of prime ministerial advisers in the Private Office and the Economic Office) on the most important developments of the ministerial departments in each sector.

The prime minister’s advisers are not briefed on the whole range of government activity, and they normally focus on the particular interests of individual premiers, such as foreign and defense policy, but may also include other areas in which the Ministry of the Presidency/Premiership is interested. Consultation between ”Moncloa” and the rest of the government could be compromised by fears on the part of the line ministries, that the PM groups could act as an unwelcome filter of ministry proposals. Equally, vertical departments may seek to influence Premiership advisers to secure its backing at a higher level. Regardless, all legal proposals are sufficiently flushed out before they are drafted as laws.

Apart from the weekly cabinet meeting, there are no cabinet committees (composed exclusively of ministers) in Spain. Friday cabinet meetings are prepared on Wednesdays by the line ministries’ top officials (not by cabinet members) who meet at the General Committee of Junior Ministers and Under-Secretaries. An important ministerial committee (composed of several ministers and individual non-cabinet members) takes place on Thursdays to review and schedule economic or budgetary interministerial coordination. This committee is called the Delegated Committee for Economic Affairs and is chaired by the economics and finance minister who is, at the same time, the second deputy prime minister. The members of this committee are nine ministers with responsibilities in economic areas and the directors of both the PM Office and the PM Economic Office, the junior economics minister, the junior finance and budgets minister and the junior minister for the European Union. This committee effectively filters out or settles issues before the cabinet meeting (one day before) but only economic issues. There are other four cabinet committees in the Spanish government: Crisis Situations, Autonomous Regions Policy, Scientific Research and Technology Affairs, and Intelligence Affairs. However, none of them meets on a regular basis nor helps to prepare cabinet meetings.

Senior officials from all the ministries, represented at the level immediately below that of the minister, meet every Wednesday – two days before the weekly cabinet meeting – to review all the issues to be discussed by the
ministers. This preparatory meeting of senior officials is called the General Committee of Junior Ministers and Under-Secretaries. It is organized by the Ministry of the Presidency and chaired by the minister of the Presidency who is, at the same time, the First Deputy Prime Minister. A provisional agenda (known as the “black index”) of the cabinet is published a week before the cabinet meeting. On Tuesday mornings, senior officials in the Private Office assess the relative importance of agenda items on the black index and identify where there are likely to be divergent positions. The Wednesday meetings perform an important gatekeeping function in sending problematic proposals back to the ministry in question and forwarding the remaining proposals to the cabinet. Thus, the senior ministry officials effectively filter out or settle almost all issues so the cabinet can focus on strategic policy debates. However, important political discussions in the cabinet are nevertheless rare.

Both at the level of cabinet members and among the more junior or civil servants interministerial coordination is rare. Although many administrative committees formally exist, in practice these committees do not coordinate the drafting of policy proposals or decision-making between different ministries. As administrative committees do not tend to work efficiently, they have fallen by the wayside and now usually simply facilitate the exchange of information. When coordination is needed because interministerial problems are real and cannot be solved invoking hierarchy, informal contacts or meetings between officials or more rarely specialized working groups, are organized.

**Regulatory impact assessments**

Regulatory impact assessments are neither required nor regularly performed in Spain. There may be some impact assessment the form of an “economic assessment” (memoria económica) to accompany a draft bill, but this is not a formal requirement. Other laws contain assessments of different dimensions (economic, social, political or administrative). Nonetheless, the need for such an assessment depends of the specific case, the area of government involved and the type of regulation.
Societal consultation

The Spanish government at the time of writing represents a shift in approach from the prior administration, which focused its communications in business organizations and trade unions. The current government, in contrast, reaches out to NGOs, advocacy groups, and other representatives of civil society. In this respect, during the government’s term there has been ample consultation with all social actors in the planning of legislation.

Trade unions, employers’ associations, environmental organizations and NGOs have all been satisfied with their relationship with the government and the open channels of communication. The Ministry of Labor and Social Policy alone has signed 24 agreements with civil society groups concerning various social issues, including pensions, the labor market and the regularization of immigrants, among other items. The NGOs are particularly satisfied since their influence on government decision-making within the ministerial levels has been greatly enhanced. Even the Church’s interests have been heard and partially attended to, despite issues over the teaching of the Catholic religion in schools.

The extent and success of such consultations in preparing policy initiatives depends on the particular sector, but the majority-rules tenor of Spanish politics allows the government to overlook social actors’ views if external support is not necessary on a particular bill, if there is no possible veto that could halt a bill or and if the electoral chances of the government party is not damaged by its position.

Policy communication

The Communication Office exists within the Ministry of the Presidency, and is responsible for coordinating the government’s entire information policy, both internally and externally (via the mass media). The incumbent officeholder conducts strategic communications planning for the government, but does not hold the post of spokesperson. The minister of the presidency and the first deputy prime minister act as spokespersons, in addition to his or her original portfolio.

In practice, however, it took the present Spanish government its first year in office to manage to “speak with one voice.” Contradictory statements were frequent at the beginning of the legislative term. The two most important examples include declarations by the ministers of culture and of housing,
concerning the preparation of particular legislation that had to be denied, a posteriori, by the vice president. During the last two years of the government’s term, the vice president, Maria Tereza Fernandez de la Vega, has excelled in her role as communications coordinator between ministries and as spokesperson for government strategy.

**B Resource efficiency: implementing policies**

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Share</th>
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</thead>
<tbody>
<tr>
<td>Bills envisaged in the government’s work program</td>
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<td></td>
</tr>
<tr>
<td>Government-sponsored bills adopted</td>
<td>96</td>
<td>90.57 %</td>
</tr>
<tr>
<td>Second chamber vetos</td>
<td>1</td>
<td>0.94 %</td>
</tr>
<tr>
<td>Head of state vetos</td>
<td>-</td>
<td>- %</td>
</tr>
<tr>
<td>Court vetos</td>
<td>28</td>
<td>26.42 %</td>
</tr>
</tbody>
</table>

**Effective implementation**

Given the highly decentralized nature of the Spanish state, the implementation of government bills and policies is in the hands of regional governments in many fields, such as education, health and social policies.

The government theoretically has two methods in trying to secure the implementation of legislation; one is administrative, the other political. Administrative methods include government monitoring of the actions of autonomous communities through supervision (called “alta inspección”), but this method isn’t effective, especially in regions where nationalist parties are in government. The political method lies within the party itself. Whenever a party in the central government and in regional government coincide, chances are more likely that the regional government will more effectively implement the central government’s policies.

In many cases, regions may argue that they could not implement legislation due to a lack of financial resources. Given these constraints, the Spanish government between 2005 and 2007 was relatively successful in implementing its policy objectives but has not been able to overcome obstacles thrown up by autonomous communities that instead follow regional interests.

Constitutionally, the Spanish prime minister earns parliamentary confidence
through the comprehensive government program that he defends before the bicameral parliament (Las Cortes Generales). The prime minister is able to decide on both the size and jurisdictional structure of the cabinet and appoints ministers to cabinet posts. Also, the power of dismissal of ministers is exclusively in the hands of the prime minister, who may call elections as well (or dissolve the Cortes). From a more political perspective, it must be taken into consideration that all Spanish governments since 1977 have been formed by a single party, supported by a relative or absolute majority in the legislature.

While the votes of investiture have implied bargaining between the large parties seeking office and between the midsized regionally based parties, this fact has never produced a coalition with a distribution of ministerial portfolios to parties other than that of the prime minister. Furthermore, and interestingly, the five prime ministers since 1978 have also been the head of their very disciplined parties (as a consequence of the electoral system and the funding formula of parties). Thus, constitutional, legal and organizational devices provide strong incentives for ministers to follow the overall government strategy, or to be brought in line by the party hierarchy.

The principal functions of the prime minister’s Private Office and the Economic Office are threefold: to oversee the flow of political and technical information; to provide advice as appropriate (including specially commissioned reports); and to keep abreast of the activities of all government line ministries. The offices of the prime minister thus play a key role in supporting interdepartmental coordination but have no direct involvement in decision-making. They monitor the activities of most ministries but cannot guarantee absolute control; some ministries sometimes try to prioritize their sectoral interests over government interests.

In general, the Premiership does not assume institutional responsibility for day-to-day policy coordination but leaves this task to the appropriate horizontal departments. For instance, issues related to integration with the European Union are handled by the Ministry of Foreign Affairs, and relations with the 17 autonomous regions are organized via sectoral minister conferences under the auspices of the Ministry of Public Administration.

With regard to the preparation of proposals in economic and budgetary policies, monitoring and coordination is the responsibility of the Ministry of Economy and Finance and only to some extent the Economic Office of the Prime Minister.

Prior to the period under review, Spain has experienced an absence of powerful executive agencies. In this respect, the government recently
approved a law that transforms many state administrative organs into executive agencies, such as the CSIC (Centro Superior de Investigaciones Científicas). According to this legislation, agencies will be able to function more flexibly, with increased administrative and financial autonomy. The relationship with the government is through programs planned throughout the year. The government exercises full control of these agencies by monitoring the agencies’ level of program execution. Agency funding depends on performance, so agencies have an adequate incentive to implement programs.

However, in practice ministries sometimes have difficulties in monitoring the activities of the most important executive agencies (such as the National Institute of Social Security in the case of the Ministry of Employment and Social Affairs, or the Taxation Agency in the case of the Ministry of Economy and Finance) During the period under review, coordination problems between the National Library and the Ministry of Culture were also reported. There are very few regional-level decentralized agencies that act on behalf of the central government apart from Agency for National Parks (which falls under the Ministry of the Environment).

The high degree of regional decentralization in Spain has been sometimes associated with funding problems for public services. The central government has not ensured that all the tasks now the responsibility of the country’s 17 regions are adequately funded. The absence of corresponding funding sources (“unfunded mandates”) indicates not only a lack of responsibility and strategic design but also a political aim (which, to some extent, is deliberate) to weaken the autonomous regions by reducing their spending discretion. Although the regions have some power to raise revenue to counterbalance insufficient funding, regions have tended not to use their power to tax to not raise the ire of the local population.

That autonomous communities have income at their disposal guarantees, in theory, that they have the ability financially to fulfill all their delegated tasks. In practice, however, this financing system is insufficient and performance varies between regions. The financing system relies too much on the revenue-collecting capacity of regions unequal in wealth or income per capita. At the same time, the system allows too much regional discretion in spending and, in the absence of national standards, this situation only exacerbates the gap between rich and poor regions. Thus some regions have sufficient revenue to fulfill their tasks effectively, but others are clearly not.

The Spanish constitution of 1978 set in motion the process of devolution for regional governments. During the last years, political devolution and significant autonomy have been extended to different political, economic and
social spheres, with successive amendments of the principal norm applied to the 17 Spanish regional governments under the Autonomy Statutes (Estatutos de Autonomía).

At the same time, regions often complain that the central government reduces their economic capacity and political autonomy. In sum, the process of devolution in Spain shows conflict points between the regional governments and the central government, with the later, whether intentionally or not, reducing the constitutional scope of discretion within regional governments.

While the central government formally respects the constitutional autonomy of local government, it still de facto narrows the scope of discretion of regional government. From time to time, some laws set by the central government encroach on or overlap with regional laws. In the cases of shared responsibilities, there are frequent conflicts which end in conflicts being resolved by the Constitutional Court.

In general, national standards in Spain are neither well-defined nor enforced. In particular, the presence and enforcement of national standards varies greatly according to policy field. Health care policy is a case in which national standards are almost inexistent and even the few laws that do exist are not enforced. There is much variation in the quality of health services offered by different autonomous communities.

Social policy is another field where standards vary greatly among Spain’s regions. There are no general instruments to ensure that regional governments in Spain develop minimum standards of public services. In general, regional governments, responsible for education, health, housing and social care activities, design and implement their own public policies without following defined national standards, even though the central government has an unofficial commitment to ensure that delivery of specific government programs is as uniform as possible.

In 2006, the central government launched an initiative to improve the evaluation of public services and policies. The National Agency for the Evaluation of Public Policies and Service Quality encourages collaboration with regional governments to evaluate policies and programs that are also managed by the agency, under fixed conditions set by specific agreements. Nevertheless, this is an optional instrument that was not implemented at the time of writing.
C International cooperation: incorporating reform impulses

Domestic adaptability

The Spanish government has responded to the demands of membership in the European Union and other supranational organizations in a number of ways. Apart from the creation of a system of coordination for European affairs, ministries have been Europeanized, and in concert with the country’s accession to the European Union, a program of modernization was launched to improve the functioning of the executive branch. This included the creation of a General Secretariat to address issues of climate change and fulfillment of the Kyoto Protocol; the creation of the Lisbon Permanent Unit, to further and monitor the 2005 agreements of the Lisbon European Council; and the creation of the Coordination Unit for International Terrorism, to fulfill NATO agreements. The adaptation of domestic government structures to European Union norms has not been implemented appropriately or effectively. Spain is, however, the European country with the best record of translating EU directives into legislation (a 98 percent success rate) and in addition, the country has typically modified or created administrative units to deal with new supranational developments.

External adaptability

The present Spanish government, which actively favors multilateralism, seeks to develop and strengthen multilateral relations while focusing on those issues most relevant for Spain. One main issue is the fight against terrorism. Spain has been actively involved in reform projects led by the United Nations, NATO, the EU Foreign and Defense Policy and the OSCE, and has played a significant role in the UN Committee on Human Rights’ efforts in defending human rights.

At the same time, Spain plays a fundamental role as a bridge between the European Union and Latin America; part of such role requires the coordination of joint initiatives between the two regions. The most well-known initiative in this respect is the Alliance of Civilizations proposal, made by Spanish Prime Minister Jose Luis Rodriguez Zapatero in September 2004, which represents a new diplomatic focus for the country, given the attention to a new international security agenda that has emerged from an international system ever more interconnected.
Spain has been involved in initiatives within the European Union, (such as the debate over the European constitution), or within the scope of Mediterranean issues (such as the Sahara-Morocco conflict) and in Latin American (Ibero-American dialogue with the European Union). While the country’s influence is great in comparison with other European countries, results are not considered very significant in terms of joint-reform initiatives.

The Spanish government has acted both as a pioneer in certain policy fields and as an early adopter in others. There are, however, reform priorities for which Spain has lagged, especially concerning the challenge of global warming. Leading reform initiatives include the push for parity between women and men in politics, the law for the protection of the rights of women, and the law allowing homosexuals to marry and adopt children. In this sense, the Spanish government is engaged in a type of post-materialist policy-making that is relatively progressive in the West. Spain has also been a European (and probably worldwide) pioneer in the approach it has taken to deal with the problem of illegal immigration from sub-Saharan Africa.

Some examples of Spanish contributions to international reforms include the Spanish representative, Javier Solana, as Secretary General of the Council/High Representative of the Common Foreign and Security Policy (Mr. PESC), and different Spanish presidents who have sat as members of the European Parliament. Spanish influence is broadly recognized on Latin American matters through cultural and historical links, and institutionally within the Ibero-American Summit of Heads of State and Prime Ministers. Prime Minister Zapatero in cooperation with Turkish Prime Minister Recep Tayyip Erdogan under the umbrella of the United Nations has proposed an initiative named the Alliance of Civilizations, building on historic regional connections. This initiative is an example of government interest on domestic issues that increasingly are tied to the international scene (with an emphasis on immigration).

D Institutional learning: structures of self-monitoring and -reform

Organizational reform capacity

There are certain deficiencies in the process of monitoring institutional arrangements of governing within central government. These tasks can be developed under the supervision of the Ministry for the Presidency in the Cabinet Office (Consejo de Ministros), which includes the Secretary of State for Relations with the Cortes Generales, or parliament, and the Secretary of
State of Communication. However, these bodies do not spend time evaluating governing mechanisms, which are mired in legal president and are difficult to modify under the current functioning of the Cabinet Office. Even if the government decided to change a ministry name, for example, the internal structure of the organization would remain almost unchanged just as does the institutional arrangements of governing.

The Spanish government at the time of writing has re-evaluated existing institutional arrangements which were inherited from the previous administration. From this evaluation an institutional re-structuring of cabinet ministries and advisory agencies took place. Some new ministries were created, such as the Ministry of Housing, and two vice-presidencies were created: the political vice-presidency and the economic vice-presidency.

In general, it appears difficult to enact reforms based on scientific knowledge or external advice due to a legalistic administrative culture and the legal stance of the majority of bureaucrats who are involved in policy-making and implementation. In this regard, a strategic vision is rare in political decisions, as it is subject to the forces of political relationships and political externalities.

II. Executive accountability

E Citizens: evaluative and participatory competencies

Knowledge of government policy and political attitudes

Spanish citizens are infrequent consumers of political news. In two post-election surveys in 1993 and 2004, just 21 percent of respondents said that they follow politics by reading newspapers every day or almost every day. This percentage is substantially below the western European which has fluctuated around 65 percent since the early 1980s. The same holds true with regard to the consumption of radio news. (It is only with television viewing levels that Spaniards come close to an average among modern democratic societies.) As is to be expected, limited exposure to politics through the media results in generally limited knowledge about government policy-making. There are several behavioral manifestations of this lack of knowledge. One is a low-level of interest in politics, which in Spain is
overall remarkably low. Concomitant with a lack of interest in politics are two features which are important to preserve the quality of the country’s democratic functions. One is the feeling of a lack of control in what political leaders do, particularly in the outcome of political decisions; the other is the perception of a lack of horizontal accountability by political leaders, particularly in the outcomes of elections.

**F  Parliament: information and control resources**

**Structures and resources of parliament, committees, parliamentary parties and deputies**

<table>
<thead>
<tr>
<th>Number of deputies</th>
<th>350</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of parliamentary committees</td>
<td>21</td>
</tr>
<tr>
<td>Average number of committee members</td>
<td>46</td>
</tr>
<tr>
<td>Average number of subcommittee members</td>
<td>11</td>
</tr>
<tr>
<td>Pro-government committee chairs appointed</td>
<td>16</td>
</tr>
<tr>
<td>Deputy expert staff size</td>
<td>0.42</td>
</tr>
<tr>
<td>Total parliamentary group expert support staff</td>
<td>20</td>
</tr>
<tr>
<td>Total parliamentary expert support staff</td>
<td>42</td>
</tr>
</tbody>
</table>

Parliamentary committees, apart from their roles in lawmaking, control government activities and, consequently, require a explanations or documentation from the government. Article 109 of the Spanish constitution explicitly states that parliament (both the plenary body and the committees) may request any kind of information or help it may need from the government and ministries and from any state authority or autonomous region. According to a consulted parliamentary source, in practice and without ad-hoc limitations, information is normally delivered on time and in full.

The documents requested must be made available within a period not exceeding 30 days and delivered in the most suitable manner to the applicant, or, if the document is unavailable, the organization must give “the legally justified reasons which prevent the supply of such information.” This legal
margin allows the government to not deliver selected documents (for example, on the grounds of secrecy) or to deliver them incomplete or late to a parliamentary committee. Furthermore, although all the members of a committee are in principle entitled to request from administrative bodies any information or document, they only can do it “with the prior knowledge of their respective parliamentary group.”

Article 110 of the Spanish constitution states that parliamentary committees “may summon members of the government.” These members are entitled to attend committee meetings and be heard, and they may request that any official be allowed to report to them. According to the Standing Orders of the Parliament (Article 44, number 2), parliamentary committees may summon ministers to ask them questions. According to a consulted parliamentary source, this mechanism is used often. Committees summon ministers if they think it necessary, and have no limitations in doing so.

Opposition parties often require a minister or a top official to appear at a parliamentary hearing as an instrument of parliamentary control. An individual deputy cannot initiate an invitation; either 70 deputies or 1/5 of the members of the committee are entitled to initiate the summoning of a minister. Moves to summon are subsequently voted upon. Because the party supporting government is always disciplined and can easily get a majority of votes, it may reject some of these requests. This is the only actual limitation to the legal right of parliamentary committees to summon ministers. Nevertheless, the total number of appearances by ministers and other officials to provide in-depth information concerning an issue is high.

Both in law and in practice, parliamentary committees may summon experts to obtain information and counsel per parliament’s standing orders (Art. 44, number 3). According to a consulted parliamentary source, committees summon experts when they consider it necessary and without constraints. Inquiry committees in which experts are invited to provide evidence are set up more frequently to investigate specific questions.

It is unclear whether a person who is not a member of the government can refuse the request to attend a regular parliamentary committee inquiry. On March 2006, the President of the Supreme Court did not attend a requirement of attendance requested by the parliamentary Committee of Justice by invoking the separation of powers and interpreting the statutes as stating that only members of the government are obliged to attend.

If we consider only the permanent legislative committees, then the task areas of parliamentary committees and ministries almost fully coincide. There are exceptions, including: the Ministries of Housing and Public Works, which
share one parliamentary committee; the Constitutional Committee, which
does not match up with any particular ministry; and the Ministry of the
Presidency, which is not matched by any parliamentary committee. The
remaining 15 committees correspond to the other 15 ministries, although the
task areas for the Ministry of Economy and Finance are split into two
different committees (Budget, Economy and Finance), while the Committee
of Infrastructures and Housing monitors two different ministries
(Infrastructures and Housing).

The composition and names of the parliamentary committees change to adapt
to ministerial portfolios for each legislative term. The fact that committees
and ministries generally coincide does not mean that the former monitor the
latter effectively. Other structural features of the Spanish parliamentary
system such as the electoral system, party discipline, or the parliamentary
standing orders mitigate the effectiveness of such monitoring.

Audit office

Article 136 of the Spanish constitution endows the Audit Office (Tribunal de
Cuentas) with the power to audit the state’s accounts. The office is directly
accountable to parliament (Cortes Generales) and must present an annual
statement of its auditing activities to the Cortes.

In its auditing role, the office exercises both a political function by providing
parliament with information on the financial administration in the public
sector and a judicial function, by prosecuting improper accounting practices.
Members of the Audit Office are independent from the executive as well as
parliament and enjoy the same independence and tenure as judges. Although
the Audit Office is accountable primarily to the parliament, it is neither an
integral part of nor exclusive to parliament.

Ombuds office

Article 54 of the Spanish constitution establishes a high commissioner
appointed by both chambers of parliament as the ombuds office (Defensor
del Pueblo). The ombudsman is tasked with defending citizens’ rights and is
authorized to supervise the activities of the government and administration.
The ombudsman is elected by members of parliament for a five-year period
by a qualified majority of 3/5. The ombudsman is not subjected to any
imperative mandate, does not receive instructions from any authority
(including parliament), performs his functions with autonomy, and enjoys
immunity throughout his tenure.

The ombuds office publishes annual reports for parliament. In addition, the
office produces “monographic reports” on particular themes and it publishes
recommendations regarding the public administration’s legal duties toward
citizens. From 2005 to 2007, the ombuds office produced 4 monographic
reports concerning violence in schools, brain damage, juridical support for
foreign citizens, and noise pollution. The ombuds office can also challenge a particular law before the Constitutional Court to consider its constitutionality, which happened in 2006 with the new Statute of Autonomy of Catalonia.

G Intermediary organizations: professional and advisory capacities

Media, parties and interest associations

Within Europe, Spain ranks at the top in terms of television consumption. More than 90 percent of the population watches television daily, and 70 percent to 75 percent follows the news on television every day. By the mid-1990s, average television consumption had reached nearly three and a half hours of television per day. In 2005, average television consumption per person was at 221 minutes per day and 112 minutes per day for radio. In contrast, indices of newspaper consumption show that levels have slumped back to those of 15 years ago. There are 4.2 million copies of newspapers printed per day, which translates into 98.4 copies per 1,000 inhabitants.

Spanish television system combines generally objective and balanced news programs with a number of short informational programs analyzing government policy decisions and/or policy outcomes. There are several other programs such as talk shows, debates, interviews and special reports in which current issues are considered from different angles, but most of them are more in line with “infotainment” programming.

Public television at the regional and national levels is led by directors who have been appointed by the respective government. This linkage has led to chronic, and in most occasions well-founded, charges by opposition parties that both the government and the governing party enjoy political favoritism via the public television network. Irregardless of which party has been in power since 1977, opposition parties have complained of bias in the state-owned television network’s news coverage.
Parliamentary election results as of 3/14/2004

<table>
<thead>
<tr>
<th>Name of party</th>
<th>Acronym</th>
<th>% of votes</th>
<th>% of mandates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spanish Socialist Workers Party</td>
<td>PSOE</td>
<td>43.33</td>
<td>46.86</td>
</tr>
<tr>
<td>Popular Party</td>
<td>PP</td>
<td>38.25</td>
<td>42.29</td>
</tr>
<tr>
<td>Convergence and Union</td>
<td>CIU</td>
<td>3.29</td>
<td>2.86</td>
</tr>
<tr>
<td>Republican Left of Catalonia</td>
<td>ERC</td>
<td>2.58</td>
<td>2.29</td>
</tr>
<tr>
<td>Basque Nationalist Party</td>
<td>PNV</td>
<td>1.66</td>
<td>2.00</td>
</tr>
<tr>
<td>United Left</td>
<td>IU</td>
<td>5.04</td>
<td>1.43</td>
</tr>
<tr>
<td>Canarian Coalition</td>
<td>CC</td>
<td>0.88</td>
<td>0.86</td>
</tr>
<tr>
<td>Galician Nationalist Bloc</td>
<td>BNG</td>
<td>0.82</td>
<td>0.57</td>
</tr>
<tr>
<td>Aragonese Council</td>
<td>CHA</td>
<td>0.36</td>
<td>0.28</td>
</tr>
<tr>
<td>Basque Solidarity</td>
<td>EA</td>
<td>0.32</td>
<td>0.28</td>
</tr>
<tr>
<td>Navarra Yes</td>
<td>NA-BAI</td>
<td>0.24</td>
<td>0.28</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>3.23</td>
<td>0</td>
</tr>
</tbody>
</table>

Most Spanish political parties do comply with the requirements of what might be labeled a “dual consistency” in their electoral programs. On the one hand, there is a need for internal consistency in specific policies, by which policy diagnostics, as well as policy goals, instruments, and potential impacts are rendered relatively coherent across these dimensions. On the other hand, an external consistency is needed, by which the policy packages that each party offers voters in their electoral manifestos are reasonably coherent.

In the 2004 general elections, Spanish parties shared three features regarding their respective policy proposals. First, more differences than similarities were manifested in the policy lines of their electoral programs. In other words, contrary to the convergence thesis, there was more disagreement than agreement on most valence issues. Second, the differences were usually perfectly consistent with the ideological images developed by parties along the left-right divide and regional cleavages. Third, electoral offers have generally been stable, despite some ups and downs in the popularity of certain policy issues. In addition, both the PSOE and the PP invested much energy in preparing their respective electoral programs.
Mainstream interest associations in Spain propose reasonable policies. Both the most important employers’ association (CEOE) and the two large trade unions (UGT, CCOO) have improved their capacity to propose reasonable policies through specialized research and training centers or foundations. These institutions provide assistance in identifying causes and analyzing policy effects while taking into account long-term interests. Fundación Francisco Largo Caballero and the Escuela Julián Besteiro are associated with the UGT, whereas the Escuela Sindical Confederal Juan Muñiz Zapico is associated with the CCOO. Apart from the training centers linked to the CEOE, there are think tanks associated with business interest groups, including Círculo de Empresarios and the Catalonia-based Círculo de Economía.

The Chambers of Commerce and Industry also promote training at all levels of business, through for example, the Business Training Institute (IFE). However, few other groups, especially Spanish social groups (religious, environmental, etc.) have the will or the capacity to invest resources in producing “reasonable” policy proposals. Nonetheless, leading environmental groups (e.g., Ecologistas en Acción, Greenpeace España, WWF/Adena, Amigos de la Tierra, and SEO/Birdlife) are relying increasingly on academic expertise. They are technically sophisticated and organize seminars, meetings and presentations to educate the public. They have their own research staff and can elaborate recommendations, suggestions and advice that the government can consider.

In spite of some analyst’s characterization of Spain as a corporatist regime, interest associations are relatively weak. They are generally not able to overcome the majoritarian style of governance and the autonomy of state actors in establishing policy priorities and controlling decision-making processes. Although pressure groups lack permanent channels of consultation with the state, this should not be misconstrued as implying that the most important trade unions, employers or sectoral groups are insignificant in the policy process. In actuality, a great deal of specialized lobbying continues to focus on individual ministers. However, interest groups do not exert systematic influence on the government as a whole.

The proposals of some unions (UGT, CCOO), employers’ federations (CEOE), agricultural organizations, environmentalists and a broader array of minor groups are considered relevant by the government but consultation tends to be channeled through informal and occasional contacts, since formal procedures of interest involvement are inefficient.
This country report is part of the Sustainable Governance Indicators 2009 project, which assesses and compares the reform capacities of the OECD member states.

More on the SGI 2009 at [www.sgi-network.org](http://www.sgi-network.org)

**Contact**

Andrea Kuhn, Dr. Leonard Novy, Daniel Schraad-Tischler  
Bertelsmann Stiftung  
Carl-Bertelsmann-Straße 256  
33311 Gütersloh  
[www.bertelsmann-stiftung.de](http://www.bertelsmann-stiftung.de)