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FOREWORD

The State Secretariat for Communication has produced this new edition of Spain Today to provide a comprehensive and current picture to readers wishing to gain insight into the economy, policymaking, society and culture of our country.

Over the past decades, Spain has undergone powerful economic development, coupled with major changes in the complexion of its society: this progress is reflected by our country’s international presence, in the form of the high reputation of Spanish professionals and the rising visibility of arts and culture in the Spanish language.

However, the severe economic downturn we now face has thrown into relief the need to rise to new challenges. If Spanish society is to prevail, it must deploy the very best of its endeavours: and it is indeed showing, yet again, that it is capable of overcoming the difficulties in its path. The true ambassadors of Marca España are the citizens of Spain.

They are led by the Government of Spain, which, since December 2011, has undertaken a continuous and far-reaching program of reform, to encourage the growth and competitiveness of the Spanish economy and to foster job creation.

Against this background, Spain Today 2013 is intended to provide a picture of the present reality of our country and a catalogue of the challenges that the Government is addressing. The aim is to return as soon as practicable to a pathway of growth and firmly establish the course of progress and welfare of our country.

Carmen Martínez Castro
Secretary of State for Communication
INDEX

Foreword

Chapter I. Spain: geography, population, history and culture... 7
  1.1. Geography .............................................. 8
  1.2. Population ............................................. 14
  1.3. History .................................................. 16
  1.4. Culture .................................................. 47

Chapter II. Organization of the state ... 60
  2.1. The spanish constitution of 1978 ..................... 61
  2.2. Institutions ............................................. 62
  2.3. State symbols .......................................... 66
  2.4. The autonomous communities and autonomous cities .................................................. 67
  2.5. Local bodies ........................................... 69
  2.6. The languages of spain ............................... 70
  2.7. General government reform: the commission for reform of the public authorities [CORA]... 74
  2.8. Political life: constitutional foundations and political participation .................................. 77

Chapter III. Foreign policy ................. 80
  3.1. The traditional pillars of spanish foreign policy .......................................................... 81
  3.2. Spain in international organizations .............. 93
  3.3. The new instruments of foreign policy .......... 98

Chapter IV. Defence policy ................. 103
  4.1. Aims and objectives ................................ 104
  4.2. Strategic framework of spanish defence policy .......................................................... 105
  4.3. The armed forces ...................................... 107
  4.4. Modernization and innovation .................... 109
  4.5. Spain in the international arena .................. 110
  4.6. Spanish involvement in international missions .......................................................... 112

Chapter V. Economic policy, fiscal policy and the labour market .... 120
  5.1. Economic policy ..................................... 121
  5.2. Economic sub-sectors .............................. 130
  5.3. Fiscal policy .......................................... 154
  5.4. The labour market and employment policy ... 170

Chapter VI. Social policy ................. 178
  6.1. Health .................................................. 179
  6.2. Social policy .......................................... 189
  6.3. Social security and the social protection model .......................................................... 198

Chapter VII. Education policy .............. 206
  7.1. Legislative framework and structure of education administration .................................. 207
  7.2. Participation of the education community .... 209
  7.3. Current context and recent measures .......... 210
  7.4. General structure of the education system .... 213
  7.5. The university system .............................. 217
  7.6. Other education initiatives ....................... 219

Chapter VIII. Policy in security and justice ................. 222
  8.1. Security policy ....................................... 223
  8.2. Justice policy ......................................... 230

Chapter IX. Other public policies ........... 244
  9.1. Research and information society policy ....... 245
  9.2. The information society and the spanish digital agenda .......................................... 253
  9.3. The media in spain ................................... 255
  9.4. Infrastructure and transport policy ............. 262
  9.5. Environment .......................................... 267
  9.6. Culture .................................................. 276
  9.7. Sports .................................................. 287
Chapter I
SPAIN: GEOGRAPHY, POPULATION, HISTORY AND CULTURE

Winter landscape.

Source: Ministry of Agriculture, Food and Environment.
1.1. GEOGRAPHY

GEOGRAPHY

Together with Portugal and Andorra, Spain forms part of the Iberian Peninsula on the south-western edge of Europe. It also includes the archipelagos of the Canaries and the Balearics, some other minor islands, and the cities of Ceuta and Melilla in North Africa.

Spain’s land mass covers a total of 506,030 km². The mainland territory comprises a surface area of 493,514 km²; the Balearics have an area of 4,992 km²; the Canary Islands have an area of 7,492 km², and the cities of Ceuta and Melilla have an area of 32 km².

Spain has 5,755 km of coastline. Spain is under the influence of the large, open sea of the Atlantic Ocean and the Mediterranean, connected to the latter only by the Strait of Gibraltar, which allows them to exchange waters of very diverse salinity and temperature. The Mar Cantábrico (“Cantabrian Sea”) is the name given to part of the Atlantic Ocean that bathes the north coast of Spain.

RELIEF

The terrain of the Iberian Peninsula is very diverse. The geological history of the Iberian Peninsula explains its mountainous terrain and its division into large units arranged within, around and bordering an inland plateau at over 600 m above sea-level.
In mainland Spain, the relief is organized around a large central plateau – the Meseta Central – of an average altitude of 660 m; the Meseta Central is split into two sub-plateaus by the Sistema Central mountain ranges. The Meseta is surrounded by further mountain systems, such as the Macizo Galaico and the Montes de León, the Cordillera Cantábrica and the Montes Vascos, the Sistema Ibérico and Sierra Morena. The mountain ranges lying outside the sphere of the Meseta are the Pyrenees, the coastal ranges, and the Siste-

mas Béticos (Cordillera Subbética and Cordillera Penibética).

There are two lowland areas lying between the Meseta and the peripheral mountain ranges – the Ebro and Guadalquivir depressions. The Ebro depression has an average altitude of 200 metres above sea-level and empties by forming a delta in the Mediterranean Sea. The Guadalquivir depression, with an average altitude of 100 metres above sea-level, is the lowest of the Peninsula and empties into the Atlantic Ocean.

The Balearic Islands in the Mediterranean Sea are flat and low-lying, with the exception of the Sierra de Tramontana, located along the north-western coast of Mallorca. The Canary Islands, located in the Atlantic facing the African coast, are Spain’s southernmost territory. The orography is volcanic in origin; the highest altitude is found in the island of Tenerife – specifically Teide, which, at 3718 m, is Spain’s highest peak.

RIVERS

The predominant climate in Spain is Mediterranean and one major hallmark of this is that rivers tend to have a low volume of flow and undergo severe dry seasons. This does not apply, however, to rivers in the north and northwest of the country, and applies to a far lesser extent to the major rivers, since their tributaries from the mountains mitigate these effects.

The westward tilt of the large central plateau of the Meseta Central causes the major rivers (Duero, Tagus, Guadiana, and the Guadalquivir owing to the in-
clination of the Bética depression) to flow into the Atlantic (Atlantic coast) while the Ebro basin empties into the Mediterranean (Mediterranean coast).

**CLIMATE**

To a considerable extent, Spain is climatically diverse, owing to its prominent position in the mid-latitudes of the temperate zone of the northern hemisphere, where warm and cold air zones meet.

The climate is temperate, but varies in accordance with proximity or distance from the sea, and with altitude. Spain’s climate has traditionally been classified into four major types:

- Atlantic or oceanic climate.
- Mediterranean climate.
- Mountain climate.
- Arid subtropical climate (Canary Islands).

Temperatures vary considerably, rising from north to south and decreasing gradually from the coast to the interior, where values descend from West to East. With increasing distance from the influence of the sea, the inland Peninsula undergoes higher thermal amplitude, with colder winters – averaging from 0°C to 3°C in January – and hotter summers, averaging 24°C in July and August. However, peripheral areas exhibit
mild winters – averaging 10°C in January and 16°C to 18°C over the year, particularly on the Mediterranean coast.

Total rainfall volume decreases from the Atlantic Coast (where precipitation exceeds 800 mm) as one moves inland and the areas adjoining the Mediterranean, where annual precipitation is less than 600 mm. South-east Spain has a semi-arid climate, where precipitation is less than 300 mm a year.

VEGETATION

The wide climatic, geological and topographical diversity of Spain has led to the development of a wide spectrum of vegetation types. The variety of landscapes is expressed mainly in the wealth of flora – close to 8000 different species – from all across Europe meet and blend with plants from the North of Africa.

The boundary between humid Spain and arid Spain also separates the two landscapes of the mainland: green Spain, with its groves of broadleaf species and endless fields of rich grassland; and Mediterranean Spain, with its scrublands and xerophytic heath, peppered with thinning woodland adapted to the summer drought.

In the Mediterranean coastal areas, the base ecosystem of holm oak and cork oak is accompanied on the coast itself by a conifer mass, dominated by Aleppo pine, which at higher altitudes is replaced by other conifers more closely adapted to mountain climate. However, the south-eastern regions of Murcia and Andalusia are home to a sort of desert, with a scarcity of plant species; some of the species here are exotic, such as jucara, prickly pear, agave and, occasionally, compact or scattered palm groves.

Forestland presently occupies 15 million ha (approximately 30% of the territory). The most characteristic forest types are Atlantic forest, characterized by oak
and other broadleaf trees; riverside forest, growing on 20% of Spanish riverbanks; Mediterranean forest, in its broadleaf, sclerophyll and mountain variants; and sub-alpine conifer forests, alternating with upland brush and humid and semi-humid grassland, coupled with continental steppe elements of East Mediterranean and Asian origin.

In addition, there is a wide variety of coastal ecosystems, including intertidal zones, beaches, cliffs, dune systems, salt marshes, salt steppes, and more. Spain is also rich in freshwater habitats, having 75,000 km of rivers and at least 1,500 of marshes, comprising 0.22% of the country’s surface area.

However, land use in Spain is primarily characterized by cultivation, livestock farming and forestry, accounting for over 42 million ha (80% of the territory). High-lights include rain-fed cultivation (somewhat more than 30%), forestry (30%) and scrub grasslands (12%). Irrigated land under cultivation accounts for 7%. In addition, 8% of the territory is occupied by an entirely altered and irretrievable habitat: urban areas and infrastructure.

WILDLIFE

It is estimated that Spain is home to 50,000 to 60,000 plant and wildlife species. Of these, 770 are vertebrates (excluding marine species) and the rest are invertebrates. In both cases, the national species catalogue exceeds 50% of all species for each group present in the European Union. Of the 6,893 animal species existing in the Canaries, 3,066 – or
44% of all wildlife there – are unique to that geography.

The Iberian Peninsula, Ceuta, Melilla and the two archipelagos are also important for the migrations of a very large number of species. Many such species use our territory as a waypoint between their northern breeding areas and their wintering zones, in the Mediterranean and South of the Sahara, or between their breeding areas in the Mediterranean and their rest places in the Atlantic.

Endangered species are increasingly under more effective protection in the many natural parks and reserves. This is the case of the brown bear, native to mountain broadleaf and hybrid forests, the Iberian lynx, which inhabits Mediterranean forest and dehesa holm oak woodland with dense undergrowth, the European mink, the capercaillie and the Spanish imperial eagle.

Spain’s marine wildlife is rich and varied. The Atlantic offers a wider variety than does Mediterranean, particularly on the coast of Galicia, with its broad continental shelves, abundant plankton and frequent renewal of the water by powerful tides. The South Atlantic is abundant in migrant species such as tuna, which spawns in this area before entering the Mediterranean. The monk seal – an endangered species – thrives on the unspoiled rocky shores, with many islets and coves.

MINERALS

The Iberian Peninsula has been famed since antiquity for its natural wealth, particularly for the abundance and variety of its mineral resources. Even in the early 20th century, Spain possessed some of the world’s largest mineral deposits.

Even if energy minerals are disregarded, Spain produces a wide range of minerals. Out of a hundred products under exploitation, significant volumes are produced only of iron, pyrites, zinc, copper and lead, among metallic minerals, and of refractory clay, bentonite, quartz, fluorspar, glauberite, calcined magnesite, rock salt and sea salt, potassium salts and sepiolite among non-metallic minerals.
1.2. POPULATION

According to data published in the 2011 Population Census, the Spanish-resident population totalled 46.8 million people as at 1 November 2011. Out of the total population, 5.3 million are foreign nationals, of whom 2.1 million are nationals of European Union Member States. In relation to the 2001 census, Spain’s population has grown by almost six million people, or 14.6%, chiefly due to the sharp increase in the foreign-born population: the number of foreign nationals has increased by 3.7 million (234.1%) with respect to 2001, while the number of Spanish nationals has grown by 2.3 million (5.8%).

POPULATION BY SEX AND AGE

As at 1 November 2011, 49.4% of the total population were male and 50.6% were female. Among Spanish nationals, women predominate (51%), while among foreign nationals males predominate (52%).

<table>
<thead>
<tr>
<th>Population as at 1 November 2011</th>
<th>Spanish nationals</th>
<th>Foreign nationals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 16</td>
<td>6,704,120</td>
<td>788,761</td>
</tr>
<tr>
<td>16 to 44</td>
<td>15,980,355</td>
<td>3,227,314</td>
</tr>
<tr>
<td>45 to 64</td>
<td>11,042,777</td>
<td>956,239</td>
</tr>
<tr>
<td>Over 65</td>
<td>7,836,187</td>
<td>280,158</td>
</tr>
</tbody>
</table>


By age, 16% of the population is under 16; 41% is aged from 16 to 44; and 43% is aged 44 or above.

By nationality, there are notable differences in the 16 to 44 year age group. Spanish nationals in this age group represent 38.4% of the total; this proportion rises to 61.4% among foreign nationals.

POPULATION DISTRIBUTION BY AUTONOMOUS COMMUNITY (REGION)

The autonomous communities recording the highest population increases from 1 November 2001 to 1 November 2011 were the Islas Baleares (258,834, or 30.8%), Canarias (388,178, or 22.9%) and the Region of Murcia (264,482, or 22.1%), and the Autonomous City of Melilla (14,912, or 22.5 percent).

None of the autonomous communities underwent a population decrease, although Principado de Asturias, Galicia, Castilla y León and Extremadura grew at a rate of less than 5%.

In absolute terms, Cataluña (1,176,733), Comunidad de Madrid (998,490) and Comunidad Valenciana (847,155) recorded the greatest increases in population of the past decade.
The proportion of foreign nationals to the total Spanish-resident population is 11.2%, according to data drawn from the census as at 1 November 2011.

The autonomous communities having the highest proportion of foreign nationals are Islas Baleares (20.2%), Comunidad Valenciana (15.1%) and Cataluña (15.0%).

The lowest proportions of foreign nationals are found in Extremadura (3.5%), Galicia (3.7%) and Principado de Asturias (4.4%).

In absolute terms, the greatest increases in foreign nationals were recorded in Cataluña (818,138), Comunidad de Madrid (579,156) and Comunidad Valenciana (539,099).

### DISTRIBUTION OF FOREIGN NATIONALS BY NATIONALITY

Spanish-resident foreign nationals who are European Union citizens total 2,084,916. Of these, the leading nationalities are Romanians (798,104), followed by nationals of the United Kingdom (312,098) and Italy (177,520).

Among non-EU foreign nationals, the most numerous are nationals of Morocco (773,966), followed by nationals of Ecuador (316,756) and Colombia (250,087).
### Population as at 1 November by nationality and sex

<table>
<thead>
<tr>
<th>Both sexes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>46,815,916</td>
</tr>
<tr>
<td>Spanish nationals</td>
<td>41,563,443</td>
</tr>
<tr>
<td>Foreign nationals</td>
<td>5,252,473</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Men</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>23,104,303</td>
</tr>
<tr>
<td>Spanish nationals</td>
<td>20,372,386</td>
</tr>
<tr>
<td>Foreign nationals</td>
<td>2,731,917</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Women</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>23,711,613</td>
</tr>
<tr>
<td>Spanish nationals</td>
<td>21,191,057</td>
</tr>
<tr>
<td>Foreign nationals</td>
<td>2,520,556</td>
</tr>
</tbody>
</table>


From 2001 to 2011, the highest growth in absolute terms was seen among Romanian nationals, who increased by 740,571, followed by nationals of Morocco (526,025) and the United Kingdom (217,236).

By group of countries, the most numerous are European Union citizens, who account for 39.7% of total foreign nationals. They are followed by citizens of countries of South America, Central America and the Caribbean, accounting for 28.2% of total foreign nationals.

1.3. **HISTORY**

Spain is a country with a marked personality and idiosyncrasies shaped by such phenomena as the discovery of America; at the same time, however, its history bears great parallels with that of other European countries.

**FROM ITS ORIGINS TO THE DISCOVERY OF AMERICA**

**The first settlers**

The presence of hominids in the Iberian Peninsula dates back to the Lower Palaeolithic; the remains found in the Atapuerca (Burgos) site belong to this era since they are around 800,000 years old. In any case, the remains of utensils and works of art from the same cultures of hunters and gatherers that took place in other parts of Europe can be found in the Peninsula dating back to that period.

Between approximately 1100 BC and the mid-third century BC, trade and cultural contact with the Mediterranean civilizations came through the Phoenicians (who settled along the south Atlantic coast from the Algarve to the eastern Mediterranean) and the Greeks (who settled from the Ebro estuary to the gulf of Rosas in the north-east). At the end of this period, the two civilizations were displaced by the Romans and Carthaginians, respectively.
Therefore, between the 12th and 4th centuries BC, a substantial difference could be observed between the inland Iberia populated by numerous tribes, including the Celts who had a relatively primitive organization and adopted the transhumance grazing system, and the coastal populations known generically as Iberians, who as early as the 4th century BC had formed a number of city-states (e.g. Tartessos), very similar to and influenced by the well developed urban, commercial, agricultural and mining centres of the eastern Mediterranean.

The Roman legacy

The Roman presence in the Peninsula was conditioned by Rome’s struggle with Carthage for control of the western Mediterranean during the third century BC. It was at this time that the mainland entered the international politics circuit.

The Romans were alarmed by the Carthaginian expansion towards the north-east since they considered that the river Ebro was the natural border of the influence under their influence. This led to the outbreak of the Second Punic War. While Hannibal was carrying out his legendary crossing of the Alps, the Roman legions attacked his Spanish base, New Carthage (now Cartagena), with its port and mines. His defeat by Publius Cornelius Scipio (209 BC) marked the demise of Hannibal’s army in Italy and the start of the Roman conquests in the Iberian Peninsula.

The Roman penetration and subsequent conquest of the Iberian Peninsula took place within a long period of time, between 218 BC and 19 BC. The Romans did not only want to replace the Carthaginians, they also wished to extend their control over the rest of the Peninsula. Among the many conflicts that took place, the most famous was the Celtiberian-Lusitanian War, which lasted twenty years (154-134 BC).

Several provinces (Lusitania, Tarraconensis and Bética) were created during Rome’s presence in Hispania, which lasted for seven centuries. The Romans not only bequeathed a territorial administration, they also introduced Hispania to language, religion and law as well as important institutions such as the Roman family model and municipalities. The Roman assimila-
tion finally placed the Peninsula in the Greco-Latin and, later, in the Judeo-Christian worlds.

The Romans settled mainly on the coast and along the rivers. The existence of important population hubs such as Tarragona, Cartagena, Lisbon and especially Mérida as well as the enormous amount of public works (roads, bridges, aqueducts, temples, arches, theatres, amphitheatres and circuses) convey the geographical sense of the Roman settlement.

An important phenomenon of that period was the start of the Christianization of Hispania. After the Edict of Milan (313 AD), the first council of the Christian church in Spain took place, i.e. the Council of Elvira. Although Christianization was more intense in the south and east than in the north or centre of the Iberian Peninsula, the expansion of Christianity continued in the following centuries under the Visigoths.

At the beginning of the 5th century, the distribution of the population changed significantly when various Germanic tribes settled in the Peninsula, some as invaders and others as allies of Rome. The Visigoths settled in the inland regions and the Suevi in the west.

**The Visigothic Kingdom of Toledo**

The Visigoths were already Romanized by the fifth century and, in around mid-500, they set up their capital in Toledo, the centre of the peninsula.

The integration between the Visigoths and the Hispanic-Romans was a rapid process which was made considerably easier by the conversion of King Reccared to Catholicism in the 3rd Council of Toledo (589). This enabled the Church to take on a predominant and controlling role in politics by holding successive councils of Toledo and establishing social structures envisaged in Recceswinth’s Liber Iudiciorum. Both cultures had a landed and an ecclesiastical aristocracy, which aspired to autonomy at the expense of royal power.

**Moorish Spain**

A noble clan, the Wittiza family, triggered the downfall of the Visigothic State at the start of the 8th century by...
enlisting the aid of Moorish and Berber troops on the other side of the Strait of Gibraltar. The degree of decomposition of the Visigothic State apparatus enabled the Moors to arrange isolated agreements with an aristocracy that was independent and hostile to the Crown.

In the mid-8th century, the Moors had completed their occupation and the Umayyad prince Abd al-Rahman proclaimed himself Emir in Córdoba of a new state that was independent of Damascus.

In the first half of the 10th century, one of the Spanish Umayyad, Abd al-Rahman III, restored and extended the al-Andalus state and became the first Spanish caliph. The small Christian strongholds in the north of the Iberian Peninsula became modest feudatories of the caliph, whose superiority and arbitration capacity they recognized.

The State of Córdoba was the leading urban and commercial economy that blossomed in Europe after the disappearance of the Roman Empire. Córdoba had around 100,000 inhabitants, which made it the largest urban concentration in Europe at the time.

Moorish Spain produced a flourishing culture, especially after Caliph al-Hakam II (961-976) rose to power. Its most distinctive hallmark was the early adoption of the classical philosophy of Ibn Masarra, Ibn Tufail, Ibn Rushd, and the Jew Maimonides, although the Hispanic-Moorish thinkers stood out mainly in medicine, mathematics and astronomy.

The fragmentation of the Caliphate of Córdoba took place in the first decade of the 11th century. Its successors were known as the Taifa kingdoms, a name that has become synonymous with disunity and fragmentation in Spanish. This gradual weakening meant that, by the mid-13th century, Islamic Spain had been scaled back to just the Nasrid kingdom of Granada.

**The formation of the Christian kingdoms: reconquest and repopulation**

The Spanish Reconquest (Reconquista) was the process through which the Christian kingdoms reconquered the Iberian Peninsula’s political and military
power from Islamic rule between the 8th and 15th centuries.

The Christian advance in the Iberian Peninsula was very slow: there were periods of expansion and retreat. The reconquest began in the mountains of Asturias in the first half of the 8th century, specifically, in the Battle of Covadonga (722), when Pelagius’s victory enabled the Kingdom of Asturias to survive. From this stronghold and its subsequent expansion, the Kingdom of León emerged and, from it, firstly the County and then the Kingdom of Castile arose which would join the Kingdom of León under the reign of Ferdinand II (1230). The Atlantic seaboard would be the site of the Kingdom of Portugal, proclaimed in 1143. These territories were responsible for reconquering the western part of the Peninsula, which would reach the Douro valley in the 10th century, the Tagus in the 11th, the Guadiana in the 12th and the Guadalquivir and the current region of Murcia in the 13th.

Other strongholds that had resisted the expansion of the Córdoba Caliphate were the Kingdom of Pamplona in the western Pyrenees, which eventually became the Kingdom of Navarre, and the territories of the Spanish March, linked to Charlemagne, from which the Catalan counties and the Kingdom of Aragón arose. As a result of the dynastic union between the latter two, through the marriage between Petronilla, daughter of the Aragonese king, and Ramon Berenguer IV, count of Barcelona, the Crown of Aragón was created in 1137. From there, the reconquest took place in the east, reaching the Ebro valley in the 12th century, and the Balearic Islands and east coast in the 13th.

This process was completed by the conquest of the Nasrid Kingdom of Granada by the Catholic Monarchs in 1492. Repopulation was a parallel process to the military advance that helped to control and secure the regained area.
The reconquest had the clear effect of a frontier economy. Since the 12th century, the Hispanic kingdoms had experienced accelerated growth and showed great dynamism, which led to the economic and political boom of the Kingdom of Aragón along the Mediterranean, with the conquest of Sardinia, Sicily and Naples. Also, in the Late Middle Ages, there was a major development of cities, trade and the urban economy as well as culture, which focused first on the rural areas with the monasteries, and then moved to the cities, with the creation of universities in Palencia (1208), Salamanca (1218) and Lleida (1300).

The Catholic Monarchs: peninsular unity and the imperial enterprise of Spanish Renaissance

The marriage between Isabella of Castile and Ferdinand of Aragón (1469) created a dynastic, political and religious union of the Crowns of Castile and Aragón, with their Mediterranean territories in Italy. The Canary Islands, Granada and America joined these possessions in 1492, and some enclaves in northern Africa, such as Melilla and Oran, as well as Navarre became part of them in 1512.

In political terms, the Catholic Monarchs’ reign sought to reinforce the state apparatus and the royal authority. To do this, the monarchs based themselves on the Royal Council (Consejo Real), created new institutions and sometimes adopted others from Europe, such as the Inquisition Tribunal.

The combination of economic interests and the importance of the Atlantic vocation thrust Castile to the forefront of the search for new trade routes towards the East and opening them up. Although the African routes were closed to the Spanish Crown in favour of Portugal, the possession of the Canary Islands enabled it to have a bridge for alternative routes towards the East. This is what Christopher Columbus offered to the Catholic Monarchs, so that they would accept his enterprise and fund it. Therefore, on 12 October 1492, the first Spanish expedition, headed by Columbus, reached America.

In 1492, the Spanish monarchy had one of the first modern states in the European Renaissance. This was used for its expansion through the Atlantic (the Americas) and the Mediterranean (Italy). The Crown had a powerful war machinery, a sound economy, international presence, sailing and exploration experience of the trade routes and considerable scientific-technical potential: mathematicians, geographers, astronomers and shipbuilders.

THE OLD REGIME OF SPAIN

The empire of Charles V and Philip II

The Catholic Monarchs sought to strengthen diplomatic and trade relations with the Low Countries by marrying their daughter Joanna to Philip I of Habsburg. Their son, Charles I of Spain and, since 1520, Charles V of Germany, received a fabulous inheritance that would condition Spanish and European politics until the 18th
century. From his mother, he inherited Navarre and the Crowns of Castile and Aragón, with their American and Italian territories. From his paternal grandparents, Maximilian of Austria and Mary of Burgundy, he received the Austrian territories, the Duchy of Burgundy, the Low Countries and the right to the imperial throne.

The solution applied by the Spanish Habsburgs to manage this enormous inheritance was an integrating and flexible monarchy, with a number of kingdoms and estates grouped into a huge confederation around a common sovereign.

The Spanish Habsburgs’ acceptance of the differences covered all the areas, apart from religion. These two ingredients, nationalism and Protestantism, combined in the Dutch rebellion against Philip II who, in 1555, had succeeded his father, the Emperor Charles V, in the Duchy of Burgundy and the throne of Spain.

In Italy, the Spanish Monarchy took on the tradition of misunderstandings with France and alliances with England. The Battle of Pavia in 1521, in which the French king Francis I was captured by the Spanish troops, confirmed Spain’s superiority until the middle of the 17th century.

San Lorenzo de El Escorial Monastery. Commissioned by Philip II to commemorate the victory at Saint-Quentin.
In America, halfway through the 16th century, the main viceroyalties had already been established: Mexico and Peru.

On 6 September 1522, the seafarer Juan Sebastián Elcano returned to the Iberian Peninsula, thereby closing the Spanish route to the East. Since then, the routes of Havana-Veracruz in the Atlantic and Acapulco-El Callao-Philippines in the Pacific would be, together with the control of the western Mediterranean, the vital thoroughfares of the Spanish overseas empire. Convoys of Spanish galleons maintained these waterways open to safe maritime traffic against the Anglo-Dutch raids, until the Battle of Trafalgar in 1805.

The Americas were colonized based on the experience of previous conquests and by establishing mainly the Castilian administration in the New World. The Spaniards sought allies among the subjected people and dissatisfied princes, arranged capitulations in exchange for privileges, distributed the land among the Peninsula population, and reorganized the indigenous settlements.

From the Peninsula, the control was exercised by the Council of the Indies, and the Aragón system of viceroyalties and governments was implemented in the territory. At local level, the Council of Castile was reproduced and this would lead to one of the most characteristic institutional formulas of colonial America, the Indies cabildo.

Spanish law and language were also introduced and formed the main vehicles for Hispanicizing the Americas.
Economic crisis and the decline of the Empire

The Habsburg Monarchs maintained control over their vast empire scattered throughout the world. Since the Catholic Monarchs, and especially throughout the reign of Philip II, an authoritarian state had been established which, in the 16th century, was the pioneer of modern absolutism. The Spanish Empire invented a very complex administrative apparatus based on the “polisynodial” (or Council) system, which prioritized the Monarchy’s security.

The State grew considerably and took on the burdens and obligations to pay for the war expenses, which exceeded what an agricultural society of the Old Regime could bear. The decline of the Spanish Empire overlapped with the process that broke up the confederation system, subjected to centralist practices. The breakdown of the system became clear in 1640 with the rebellion in Catalonia and the separation of Portugal. Additionally, after the defeat of the Invincible Armada, the loss of Spain’s naval power and the expansion of both American trade and ocean navigation ended up bringing the European economic axis to the basins of the rivers Thames, Rhine, Seine and Scheldt. After the Thirty Years’ War and the signing of the Treaty of the Pyrenees (1659), the Spanish Monarchy handed over its hegemonic role to the French king, Louis XIV.

Spain during the Bourbons and Age of Enlightenment

Charles II, the last Spanish Habsburg king, did not leave any direct descendants, so he made a will in favour of Philip of Anjou, grandson of his sister Maria Theresa and of Louis XIV of France. Philip’s coronation as king of Spain in 1701 marked the start of the Bourbon dynasty. However, the European chanceries and some territories of the Peninsula viewed the will of Charles II with suspicion. Philip V’s rise to the Spanish throne represented French hegemony and the much-feared union between Spain and France under the same monarch. As a result of this threat, England and Holland decided to support the Austrian candidate, Archduke Charles, son of Emperor Leopold I.

Domestically, the succession problem was due to the fact that Philip of Anjou represented the French centralist model while Charles of Habsburg personified the pacts and privileges of the House of Austria, which was supported by the Crown of Aragón and, especially, Catalonia.

This dispute triggered the War of the Spanish Succession, which was won by Philip V after the signing of the Treaty of Utrecht (1713). The Bourbons would seek equilibrium and peace throughout the 18th century. Ferdinand VI (1746-1759) best personifies this Spanish desire for neutrality and peace.

The Crown of Aragón’s support to Archduke Charles during the War of the Spanish Succession led to the introduction of in-depth reforms in the administrative
structure of these territories. The Nueva Planta Decrees extended the Castilian administrative structure to the Crown of Aragón and, therefore, ended the system that characterized the Monarchy’s administration during the Habsburg reign. This paved the way for centralization, which would subsequently be completed by the liberal governments in the 19th century.

During the reign of Charles III (1759-1788), the politics articulated by the Count of Floridablanca managed to keep Spain out of military conflicts, despite a tentative intervention in the American War of Independence. Charles III’s legacy was a country at peace and well on the road to progress, although it was not long before the French Revolution of 1789 would derail this peaceful, non-interventionist policy.

The disproportionate and chronic deficit of the 18th century was reduced and a tendency towards budgetary balance recovered, which was only broken at the end of the 18th century. The Treasury’s situation had improved for two more reasons: less was spent on foreign ventures and more taxes were collected, not only as a result of a more efficient fiscal system but also because Spanish society was more prosperous.

A major step forward was made with the removal of all obstacles to trade and industry. The elimination of “dry ports”, which economically isolated certain areas from others, and the opening of all the ports in the kingdom provided an important boost to both domestic and overseas commerce. By the end of the century, this had led to the recovery of 75% of trade with America. These measures were also the origin of the initial boom of the Catalan cotton industry, which, by the time of the French invasion in 1808, represented two-thirds of Britain’s. The progressive deregulation of agricultural prices, the abolition of the wheat tax and the limits to the privileges of the Mesta (association of sheep ranchers) prompted growth in farmland and agricultural production.
However, the problem was that land in Spain was divided into large extensions linked to the Church (which owned 15% of the arable land), the town councils and the nobility. The confiscation policy initiated — albeit timidly — by the enlightened governments formed part of a general policy aimed at reducing tax and other exemptions, special privileges, judicial and territorial domains, and even the ecclesiastic and noble populations (the former still represented 3% of the total population, while in the latter case the number of gentry fell from 700,000 in 1763 to 400,000 in 1787).

The Bourbons also did away with a large proportion of the motley administrative apparatus inherited from the Habsburgs and reduced the Councils. Compared to the membership system typical of the 16th and 17th centuries, the secretariats, which later became the Secretariats of State and Offices (predecessors of the ministries), were established; they were more agile and closer to the monarch since their incumbents dealt personally with the king. Senior officials of the Bourbon Administration were recruited from the lower local and enlightened gentry who often came from provinces in the north of the Peninsula. This gave rise to a new social class; a mid-level gentry who were ambitious and eager to make headway in serving the State. At the end of the century, the predecessor of the Council of Ministers, the Supreme Junta of the State (1787), was created which, under the presidency of the Count of Floridablanca, secretary of State and of the Office of the State, assembled all the secretaries.

**The Napoleonic invasion and the Peninsular War**

In accordance with the Treaty of Fontainebleau (1807), in which France and Spain split Portugal, the French army under Marshal Junot crossed the Pyrenees heading towards Lisbon. The French, however, taking advantage of the crisis in the Spanish dynasty, did not leave Spain.
In March 1808, the mutiny of Aranjuez took place, which led to the downfall of Godoy and the abdication of Charles IV in favour of his son, Ferdinand VII. However, Napoleon, whom both Charles IV and Ferdinand VII had asked to help them with their respective plans, called them to Bayonne and forced them to abdicate in person. In June 1808, Napoleon handed over the crown of Spain to his brother, Joseph I.

The political regime that the Bonapartes attempted to implement was laid out in the Bayonne Statute of 8 July 1808. This document is Spain’s first constitutional text but was never enacted.

The Revolutionary War lasted six years and was an all-out national war, one of whose hallmarks was the emergence of the guerrilla phenomenon. Since 2 May 1808, the French presence in Spain had led to a widespread uprising, which Goya immortalized in his paintings. The “disasters” that Goya reflected in his paintings give an idea of how cruel and long it was since the guerrilla groups made use of the strategy to prevent the normal life of the country in order to permanently harass the invaders.

In most of the Spanish provinces, provincial juntas emerged spontaneously to fight off the French invaders and fill the government vacuum. However, because of the lack of financial resources and the military defeats, these juntas needed to be coordinated by a Supreme Central and Governing Junta of the Kingdom, which appointed a Council of Regency in Cádiz which, in turn, would convene the Spanish parliament (Cortes).

The Constitution of 1812

The new parliament’s session was opened on 24 September 1810 and attended by representatives of the Spanish provinces and overseas territories. The Cádiz Cortes confirmed the national sovereignty and separation of powers, and also acknowledged the legitimacy of Ferdinand VII as king of Spain.

The Constitution was passed on 19 March 1812. Despite its short term, it is of vital importance in Spanish history because it was the country’s first constitutional text, breaking away from the Old Regime and establishing liberalism.

In 1814, the Constitution (nicknamed “La Pepa”) was abolished with the return of Ferdinand VII to the throne and the absolutist restoration. Nevertheless, it was established once again during the Liberal Triennium (1820-1823) and its spirit served as the model for other constitutional texts that were enacted during the 19th century.

The 1812 Constitution limited the powers of the King and although he retained some legislative power, his acts now had to be endorsed by the secretaries of office.

The Constitution included certain rights such as personal freedom, the rights to property and representation, freedom of the press and printing, procedural and criminal guarantees, and the right to domestic privacy. However, it proclaimed Spain to be a confessional State and did not recognize religious freedom.
The Cádiz Constitution focused particularly on the Spanish Parliament, Cortes, the king and his secretaries of office or ministers.

The Cortes were organized as a single house and its members were elected by indirect suffrage; candidates had to possess a specific annual income, so it was left in the hands of the well-off.

The judiciary was an independent power, competent only in applying the law. Procedural law was proclaimed and only two exemptions were maintained (military and ecclesiastical).

In this period, first schools were scheduled in all the villages and teaching was unified throughout the kingdom.

THE LIBERAL REGIME IN SPAIN

A century of liberal revolutions and moderate governments

When Spanish diplomats arrived at the Congress of Vienna in 1814, they represented a victorious State but a devastated and divided nation. The profound crisis in the mother country had severely damaged the Empire, from which continental America separated in 1824 following the Battle of Ayacucho.

The members of the Cádiz parliament had responded to the dynastic crisis and the vacuum of the Crown with three main positions regarding national sovereignty:

- For the absolutists, sovereignty lay with the king and the traditional parliament of the ancien régime, so they advocated a return to the old system. They ended up being called Carlists because of their support, in the succession to the throne, to Carlos María Isidro, Ferdinand VII’s brother.

- Others defended a nation based on a shared sovereignty, where power resided in Parliament and the king. They defended a doctrinarian constitution, a census suffrage, with single-member election districts, a protectionist economy and philo-French international politics.

- A small but very active group supported the idea of national sovereignty based exclusively on the Spanish people.

The Carlists had a strong following in the countryside, especially in the north (Basque Country and Navarre) and inland Catalonia. In a way, they represented the rebellion of rural society against urban society. They had the support from the lower clergy and the autocratic regimes like Russia.

On the other hand, the liberals, who defended the succession of Isabella II, desired a profound change that would give way to a society of equal individuals with laws that would guarantee the rights of the individual. They banned privileges and legal exemptions, and did away with jurisdictional manors through disentailment. With this aim, they detached the land from the entailed estates, the church and the local authorities, by making millions of hectares of land available for the market
and multiplying several times the farming land and agricultural production.

The triumph of the liberals in Spain forms part of the British support to this cause as a way of preventing Russian expansionism and as part of the success of the liberal monarchy in France in 1830.

The impossibility of political rotation and the tradition of uprisings

The liberals, who thought they had resolved the problem of the State, were creating another one in the government when they drafted the constitutional and electoral legislation, which was highly partisan and designed to ensure the party’s power monopoly. Therefore, the history of Spanish constitutionalism in the 19th century ran parallel to the party in power: the constitutions of 1837, 1856 (“non nata”), 1869 and the draft law for the federal Constitution of 1873 were progressive, while those of 1845 and the draft law for the 1852 constitution were moderate.

This meant that power switching was the main political problem par excellence in Spain. During decades, monopolistic practices alternated with mutinies and military coups and, until 1870, uprisings were the rudimentary and risky instrument used in Spain, though not less effective, with which the oppositions imposed the political rotation that the governments entrenched in power refused.

An uprising must not be understood as an armed conflict, but as a way of hastening political solutions with a minimum of military confrontation as possible. In 1868, what began as a classical progressivist uprising degenerated into an armed clash that finally turned into a revolution; Isabella II was dethroned and a six-year period of intense political mobilization began, with the establishment of a provisional government and the drawing up of a new constitution (1869) that led to the short-lived reign of Amadeus of Savoy (1870-1873).

The First Spanish Republic. The Carlist reaction

Following the abdication of Amadeus I, on 11 February 1873 the National Assembly (Congress and Senate) proclaimed the First Republic by 258 votes to 32 against.

Although extremely short-lived – it only lasted until 29 December 1874 – this republic advocated new theories that would shape the immediate future: federalism, anarchism, socialism and cantonalism.

Following the presidencies of Estanislao Figueras, Francisco Pi i Margall, Nicolás Salmerón and Emilio Castelar, a coup led by General Pavía brought about the dissolution of the National Assembly on 3 January 1874, which created a government of national concentration.

The Republic was faced with a major Carlist rebellion. The liberals were soon disillusioned by the revolution and feared the Carlist reaction. These feelings were the breeding ground for the Restoration of Alfonso XII.
The Restoration and the loss of the last colonies

On 29 December of that same year, the monarchy was restored following the uprising led by General Martínez Campos, with Isabella II’s firstborn, Alfonso XII, coming to the throne. The beginning of Alfonso XII’s reign was marked by two successes: the end of the Third Carlist War and the approval of a new constitution (1876).

This brought with it a certain stability based on the existence of two political formations that represented the majority of the electorate: the Conservative Party led by Cánovas, supported by the court and latifundista aristocracy, landowners and people of independent means, and Sagasta’s Liberal Party, whose members included people from the professional and middle classes, as well as merchants and industrialists. Their rotation in power, particularly after the death of the king and the regency of his wife, María Christina (1885-1902), brought a stability that was only marred by the incidents and confrontations in Morocco and the loss in 1898 of the last strongholds of the colonial empire, Cuba and the Philippines.

Trade unionism, which began in Spain in 1830, directly many of the social upheavals, even organizing a general strike in 1855. In 1868, Fanelli, a disciple of Bakunin, founded sections of the International Workers’ Association (IWA) in Spain that soon had over 100,000 members in Catalonia and Andalusia. After several action phases and under successive repres-
sources. There were also agrarian problems: latifundismo, low yields and a high percentage of land left uncultivated, insufficient capital funds and infrastructure to launch heavy industry and low consumer capacity. All this gave rise to a costly and non-competitive form of protectionism.

In addition to the political and intellectual frustration resulting from Spain’s loss of influence on the world stage, plus the disappearance of its colonial empire, the country now had to face the regionalist problem, either in the form of federalism or clamours for a return to the old regime of fuerismo that had characterized the Carlists. On top of this, there were cantonalist proposals during the short-lived First Republic.

However, the main problem undoubtedly emerged from the social and trade union movements of the working class, which was destined to play a historic role.

When Alfonso XIII took the throne in 1902, the emergence of new political forms threw the Canovite and liberal-conservative two-party system into crisis. During the first ten years of his reign, major social uprisings took place, such as the Tragic Week of Barcelona (1909) and expressions of popular resistance to the drafting of troops for the war in Morocco.

Price increases and the contraction of the European market generated enormous instability for the country, leading in 1917 to the summons of the Parliamentary Assembly in Barcelona, which recommended reform of the constitution and a general strike in August of the
same year. Constitutional reform having failed, the regional question once again peremptorily reared its head, along with social and peasant unrest in Andalusia and Catalonia. In 1921, the PCE (Spanish Communist Party) was formed since the PSOE did not join the Third International, which had been created as a result of the triumph of the October Revolution in Russia.

The dictatorship of Primo de Rivera

But above all, the crisis was rooted in the Moroccan War. Following the massacre at Annual (1921), unleashing a wave of criticism against the government and the military administration, General Primo de Rivera staged a coup d’état (13 September 1923) and installed a military government.

Described as “mild despotism”, Primo de Rivera’s dictatorship attempted to solve several problems by ending the Moroccan War, developing infrastructure and promoting public works. Although ideologically aligned with the authoritarian regimes in Europe, it adopted a more traditional, monarchic and Catholic philosophy than that of Mussolini’s new state. Its failure was mainly political, despite attempts to create a single party (Unión Patriótica) and involve certain sectors of the workers’ movement in political life. Neither was it able to re-organize industrial relations on the basis of corporations, nor solve the agrarian and regional problems.

An attempt to reform the constitution through the creation of a consultative National Assembly in 1927 also failed to materialize, and when the financial crash of 1930 occurred, the dictator was forced to resign. He was replaced by General Berenguer.

THE SECOND REPUBLIC AND THE SPANISH CIVIL WAR

The collapse of the monarchy and the Second Republic

In August 1930, Republican, Socialist and Catalan nationalist politicians signed the Pact of San Sebastián to bring down the reign of Alfonso XIII and proclaim the Second Spanish Republic. On 12 December of that year, a military uprising in favour of the republic took place in Jaca, following which Officers Galán and García Hernández were shot. This led to the resignation of Berenguer. Meanwhile, a group of intellectuals – Ortega y Gasset, Gregorio Marañón and Pérez de Ayala – formed their “Group at the Service of the Republic”.

The last monarchical government was formed in February 1931 and immediately called municipal elections for 12 April, resulting in victory for the left and the Republicans in the main cities. Two days later, on 14 April, the Second Republic was proclaimed. Alfonso XIII fled Spain and went into voluntary exile.

Once in power, the republicans called general elections on 28 June, announced religious freedom and drew up a new constitution, approved on 9 December. The Constitution established a democratic, secular,
decentralized State, with a single Chamber and a Tribunal of Constitutional Guarantees. Its preamble stated, “Spain is a democratic republic of workers of all classes, organized in freedom and justice. The powers of all its bodies rest with the people. The republic is a fully-integrated state, compatible with the autonomy of the municipalities and the regions.”

The Republican Constitution of 1931 also recognized women’s suffrage. Until then, Spanish women could be elected for office but could not exercise their right to vote.

Spanish intellectuals took sides and, in some cases, served as political leaders in the dilemma of 1931. They included Miguel de Unamuno, Ortega y Gasset, Manuel Azaña, Rafael Altamira, Claudio Sánchez-Albornoz, Ramón Menéndez Pidal, Gregorio Marañón, Juan Negrín, Enrique Moles, etc.
The first two years of the Republican administration (1931-1933), under the leadership of Niceto Alcalá-Zamora and Manuel Azaña, brought in three major reforms: the Common Law on Bases for the Agrarian Reform, the solution for the regional problem with statutes for Catalonia and the Basque Country, and an extraordinary boost to educational and cultural policy, with the creation of teaching missions throughout Spain.

However, two issues created considerable tension: religion and military policy, which the Azaña Law failed to solve and even managed to aggravate with Sanjurjo’s abortive coup on 10 August 1932. The following year began with the repression of the uprising at Casas Viejas (Cádiz), in which twenty people died, and municipal elections that showed a clear swing to the right. This trend was represented by the CEDA (Confederación Española de Derechas Autónomas — Spanish Confederation of Autonomous Right-Wing Parties) (Gil Robles); Renovación Española (Spanish Revival) (Calvo Sotelo) and Comunión Tradicionalista (Traditional Communion). On 29 October, José Antonio Primo de Rivera founded the Falange Española, or Spanish Falangist Movement.

The general elections on 19 November gave a clear victory to the right. The new government led by Lerroux revoked several laws and reforms undertaken in the first legislature, including the Agrarian Reform, and issued an amnesty for the rebel troops involved in the abortive coup of 1932. This policy to repeal the reforms undertaken in the previous years was met by uprisings among some of the left, known as the 1934 October Revolution.

The elections of 16 February 1936 were won by Frente Popular, formed by Izquierda Republicana, (Azaña), Esquerra Catalana (Companys), the Socialist Party (Largo Caballero), Unión Republicana (Martínez Barrio) and the Communist Party.

The government led by Azaña announced a general amnesty and reinstated the reforms undertaken during the first two years of the Republic, namely the Common Law on Agrarian Reform and the statutes of autonomy for Catalonia and the Basque Country, and later Galicia. In May 1936, Azaña was elected President of the Republic and Casares Quiroga president of the Government. However, on 17 July, the military forces at the Melilla garrison staged an uprising, marking the outbreak of the Spanish Civil War.

The military uprising and the outbreak of the Spanish Civil War

The assassination of the opposition leader, José Calvo Sotelo, on 13 July 1936, brought forward the events of a military coup that had been a long time coming. On 18 July, the coup spread and the following day Francisco Franco took command of the army in Morocco.

By the end of 1936, the Nationalist troops had seized most of Andalusia, Extremadura, Toledo, Ávila, Segovia, Valladolid, Burgos, Leon, Galicia, part of Asturias,
Vitoria, San Sebastian, Navarre and Aragón, as well as the Canary and Balearic Islands, except for the island of Minorca, while Madrid, Castile-La Mancha, Catalonia, Valencia, Murcia and Almería, Gijón and Bilbao became Republican bastions.

The Republican government formed a coalition cabinet led by José Giral, succeeded in his post by Largo Caballero, who brought in representatives of the CNT. In November 1936, the cabinet was moved to Valencia from Madrid where a Defence Committee was set up under General Miaja. This marked the start of the Battle of Madrid.

The National Defence Committee appointed General Franco head of the government and commander-in-chief of the army. The Republican government reacted to this by creating the Popular Army and reorganizing the militias into professional armies.

The Spanish Civil War had an international echo. Help from abroad arrived for both bands – the International Brigades to support the Republicans, and Italian and German troops to provide assistance to the Francoist troops.

The year 1937 was characterized by an intensification of the war in the north. The Republicans reacted by establishing fronts in a number of areas: Guadalajara (March), Brunete (July) and Belchite (August). Towards the end of 1937, pressure from the Francoist troops was concentrated on the Aragonezse front. At the Battle of Teruel, Francoist troops won back the town and, after their triumphal entry in Castellón in July 1938, split the Republican zone in two. The government response was the so-called Battle of the Ebro (July-November 1938), which ended with a Republican defeat and 70,000 lives lost.

Having lost their final stronghold, the Republicans began to seek exile in France. On 10 February 1939, Francoist troops claimed control of Catalonia, leaving only Madrid still holding out, despite the peace proposals of its Defence Committee (Casado, Besteiro). Francoist troops finally occupied the capital on 28 March 1939 and a final war dispatch was issued by General Franco on 1 April announcing the end of the conflict.

THE FRANCO DICTATORSHIP

The post-war years and national self-sufficiency

The new regime was characterized by harsh repressions against the defeated side and an autarkic economy.

In this first phase, foreign policy was placed in the hands of Serrano Súñer, a Germanophile, and Franco held talks with Hitler and Mussolini. The new government remained isolated, despite first declaring itself neutral and later “non-belligerent”. Although Francoist diplomacy played the anti-Communist card, he remained isolated and could not avoid the condemnation by the UN, the withdrawal of ambassadors and the closure of the French border.
In economic terms, international isolation and, to a lesser extent, ideological motives led to the introduction of self-reliance and corporative policies that, to a greater or lesser degree, were a feature of the regime throughout its history. In agriculture, the country experienced a dramatic regression in relation to previous periods, giving rise to a shortage of basic supplies and the introduction of rationing.

The Cold War and economic development

The beginning of the Cold War provided a boost for Franco’s regime, although Spain was excluded from the reconstruction of Europe. In 1953, the Holy See signed a concordat with Spain and the United States signed a treaty of reciprocal aid in military matters at virtually the same time.

In the political arena, the UN accepted the renewal of diplomatic relations in 1950, and in 1955 Spain occupied its seat in the international forum. A year later, the Spanish protectorate was abolished in Morocco, which declared independence.

Social unrest had emerged, albeit timidly, with the 1951 labour strike in Barcelona and later with the first student riots in 1956.

High inflation led to the introduction of a Stabilization Plan (1959) to offset the lack of currency. However, the effect of this was economic stagnation and new outbreaks of social unrest in Asturias. Drawn up according to guidelines issued by the International Monetary Fund and the Organisation for European Economic Co-operation, the Stabilization Plan boosted the economy and laid the foundations for an autocratic model of development. In accordance with these guidelines, in 1967 the Spanish peseta was devalued and in 1968 the Second Development Plan, similar in scope to the first one, was launched.

By this time, the population of Spain had reached 33 million, of which 12 million (38.3%) represented the working population, distributed into three virtually equal parts: agriculture (28%), industry (38%) and services (34%). At this point, vast numbers of people from the impoverished rural areas began to emigrate to the industrial cities (Madrid, Bilbao, Barcelona), while others left for Europe in search of better opportunities. The funds these workers sent back to their families in Spain constituted a crucial contribution to the country’s balance of payments.

Politically, the regime attempted to organize a so-called “organic democracy” with a referendum to approve the Spanish State Statute Law of 1966 (Ley Orgánica del Estado). Two years later, Guinea gained independence, followed in the same year by the declaration of a state of emergency in the northern province of Guipúzcoa due to acts of terrorism committed by ETA.

The twilight of the dictatorship

The economic changes that concluded a long process of development also produced social changes. The
politicians who had emerged in the Civil War – military groups, Falangists, traditionalists, Catholic-Nationalists – were replaced by technocrats, mainly senior civil servants, who advocated the need for economic progress and forward-looking policies.

This led to a period of goodwill and renewed relations with countries of the East and the signature in 1970 of a preferential trade agreement between Spain and the European Common Market. A year earlier, on 22 July 1969, Parliament had appointed Don Juan Carlos de Borbón as Franco’s successor as head of state, with the title of king.

Since the early 1960s, opposition to Franco’s regime had become stronger as a result of the profound social changes produced by economic alterations in the country. In addition to the participation of exiled politicians and institutions in international forums, internal opposition movements had also gradually taken shape. Students, teachers and intellectuals represented a democratic left-wing front, while the working class focused their struggles through the trade unions and a civil front. These movements were the origin of the political forces that later played a leading role in Spain’s transition to democracy.

In the political sphere, the monarchy – embodied in the person of the Count of Barcelona, Juan de Borbón – proposed the need for a return to democracy. An extremely active PCE (Spanish Communist Party) had launched its policy of national reconciliation and proposed overcoming the regime by peaceful means. The socialists and Christian democrats also called for a return to democracy as the only viable means of integration with Europe.

The Church’s isolation was increasingly apparent. Rank-and-file priests, especially in Catalonia, the Basque Country and Madrid, were openly critical of the regime, and were joined in their condemnations by several prelates. Meanwhile, these stances coincided with the radicalization of nationalist positions and the advent of ETA’s terrorist activity.

A series of political trials were held. In 1969, a group of Basque priests were tried by court-martial. Then, in 1970, the “Burgos Trial” was held and nine death sentences were passed down, although the condemned men were later pardoned due to national and international pressures.

At the end of 1969, a new cabinet with a technocrat majority was formed, which was subsequently replaced in June 1973 by another. The latter proved to be short-lived; in December, the cabinet president Carrero Blanco was killed in a terrorist attack by ETA. Arias Navarro was then appointed president and formed what was to be the last cabinet under Franco’s regime.

In July 1974 Franco was taken ill with thrombophlebitis. Prince Juan Carlos took over as provisional head of state on 30 October 1975, but Franco died on 20 November. Two days after Franco’s death, Juan Carlos I was crowned King of Spain.
DEMOCRACY

The transition from dictatorship to democracy

The new monarch turned the institution he embodied into a "monarchy of all Spaniards". However, this was no mean feat, since he was required to "respect" the legal structure inherited from Franco’s regime, as well as most of the existing political frameworks.

Following the resignation of Arias Navarro, the king entrusted the leadership of the country to a group of young reformists headed by Adolfo Suárez, who was sworn in as president of Spain on 3 July 1976. Under the watchful eye of the king, it was up to him to achieve the transition from dictatorship to democracy.

Many left-wing politicians and intellectuals – Madariaga, Sánchez Albornoz, Pasionaria, Sender, Guillén and Llopis – returned from exile and on 5 June 1977, in a context of total freedom and open democracy, the first general elections were held.

The Spanish right did not hesitate to accept the democratic rules of play under the leadership of Manuel Fraga, founder of Alianza Popular (Popular Alliance). The Communist Party of Spain, headed by Santiago Carrillo, participated in the drafting of the constitution and also embraced the role of the democratic institutions. However, the electorate – to the surprise of many – voted for more moderate options than these two formations and the day was won by the UCD (Unión de Centro Democrático), the centrist party founded by Suárez to support the transition. With a relative majority, this party obtained 165 seats, followed by 118 seats for the PSOE. The historic Socialist Party reappeared on the scene under the leadership of Felipe González. The Catalans and Basques were represented by a variety of parties.

Support from the press for the transition to democracy was crucial. So too was the prudence exercised by all the political and trade union groups, who at the end of October 1977 signed the Moncloa Pacts to consoli-
date democracy and provide a boost to the economy, which was already threatened by the first signs of recession.

The transition, in which Adolfo Suárez played a central role, transformed Spain into a modern country: freedoms of all types were guaranteed and a multiparty parliamentary system was established; the social function of political parties and trade unions was recognized, and the State adopted a decentralized form of government, paving the way for the formation of autonomous communities throughout the country. Without a doubt, this is the most important legacy of the transition initiated in 1977.

This was the first time that changes were introduced of common accord. Dialogue and negotiations formed the basis for establishing the widest possible social consensus, without any of the parties imposing their views. This climate of consensus and the peaceful nature of the transition to democracy attracted the interest of politicians and analysts in numerous countries, especially in Latin America and the former Soviet bloc nations of Eastern Europe searching for the best way to achieve their own transitions from dictatorship to freedom.

The reign of Don Juan Carlos, who has been on the throne for more than thirty-eight years now, received widespread popular support from the outset, and this has increased over the years thanks to the king’s discretion in the exercise of his constitutional duties.

The transition brought about a genuine national reconciliation, demanding sacrifices on all sides. Conceived as a legal evolution from the existing institutions, it was incompatible with the demand for punishing those who had supported the dictatorship. On the contrary, its premises were to offer a generous amnesty and to strive for total democracy. The process of consensus that had been undertaken, in which all the political parties had to make sacrifices, permitted the introduction of a provisional package of self-government measures in Catalonia and the Basque Country and the drafting of the constitution, which was approved by a vast majority of 87.87% on 6 December 1978.

Spain after the Constitution of 1978

New general elections held on 1 March 1979 maintained the national balance of power (UCD, 34.3%; PSOE, 30%; PCE, 10.6%). However, the first municipal elections, held on 19 April, gave left-wing coalitions 77% of local councils in the main cities, marking the beginning of the end for the UCD.

The weakening of this party and the change of president coincided with a final authoritarian attempt to overthrow democracy, the failed attempted coup referred to in Spain as “23-F”. On 23 February 1981, members of the Civil Guard burst into Congress and held the representatives hostage, while one of the military headquarters ordered its troops to take the streets. The decisive intervention of the king foiled the attempted coup and the Spanish people took to the streets in defence of democracy. The incident served
to weaken both the administration and the party it represented even further.

On the stage of international politics, Spain’s incorporation into the group of democratic countries was complete. The country applied for membership of the EEC on 28 July 1977 and, on 1 January 1986, Spain became a Member State. On 29 October 1981, Leopoldo Calvo Sotelo, Adolfo Suárez’s successor as president, proposed and gained approval from Congress for NATO membership. Spain’s membership of the Atlantic Alliance was later ratified by a popular referendum held in 1986 by the socialist government of Felipe González.

On 28 October 1982, new general elections were held: the PSOE obtained an absolute majority (202 seats) and 106 seats were given to a new right-wing alliance of the AP-PDP (Alianza Popular-Partido Demócrata Popular – Popular Alliance-Popular Democratic Party). The elections had two major losers: the UCD, which scraped by with only 7.2% of the votes, and the PCE with 3.8%.

On 3 December, Felipe González constituted his first administration. The PSOE managed to retain its majority in the following elections, held on 22 June 1985, 29 October 1989 and 6 June 1993.

By then, the party had become a moderate and reformist party of social democrats, abandoning its traditional Marxist ideology. Backed by successive electoral victories, it governed until 1996 and carried out a sweeping modernization of the country.

Thanks to this period of remarkable political stability, it was possible to make up for lost time in fields such as education, health and taxation, while the army was made professional, industry was streamlined, public infrastructures were built and social services were expanded. In 1992, this modern, dynamic Spain, capable of joining the European Union (1986) and exercising its periodic presidencies of the Union (1989, 1995 and 2002) with efficiency and creativity, presented a new image to the world with the organization of the World Fair in Seville, the European Cultural Capital in Madrid and the Olympic Games in Barcelona. With the former isolation of the dictatorship relegated to the past, Spain returned to the international arena as an agent of peace and harmony, promoting Latin American Summits (since 1991), participating in the United Nations’ peacekeeping forces in Africa, the Balkans, Middle East and Central America, hosting talks between Israel and the Arabic nations (Madrid Conference, 1991), dramatically increasing its aid to developing countries (through Spanish Cooperation), exporting the activities of its technicians and business leaders to distant markets (with strong investment in Latin America) and reinforcing the presence of the Spanish language and culture around the world (through the Cervantes Institute, created in 1991).

Although in the elections of 6 June 1993 the PSOE still managed to obtain the most votes (159 seats), enabling Felipe González to form a non-coalition government, the loss of the absolute majority forced the party to turn to other parliamentary groups in order to gain
José María Aznar and an ethos based on liberal ideals and Christian democracy, oriented towards the reformist centre. Its favourable results at the municipal, regional and European elections in 1995 culminated in victory at the general elections in 1996. With 156 seats and support from the moderate nationalist groups in Catalonia (CiU), the Basque Country (Partido Nacionalista Vasco) and the Canary Islands (Coalición Canaria), Aznar was able to form a government.

The Partido Popular was again victorious in the general elections of 2000, obtaining a comfortable absolute majority (183 seats).

The economic policy pursued by this administration focused on controlling inflation and the public deficit as a means of reactivating economic growth. The successes achieved in the economic arena were crowned by Spain’s admission to the first group of countries to adopt the single European currency – the euro – in 2002.

Spain’s presidency of the European Union in the first half of 2002 coincided with the introduction of the euro, thereby completing a significant cycle in the recent history of the country; coincidentally, the euro was adopted as the name of the single currency at the Council of Europe held in the second half of 1995, when Spain also happened to be holding the presidency of the Union.

On Thursday, 11 March 2004, Spain was dealt a dramatic blow by a kind of terrorism that bore little resemblance to that of the terrorist organization ETA. A group
of radical Islamist extremists killed 192 people and wounded almost 2,000 more in Madrid, in the worst terrorist attack perpetrated in Europe to date. Three days later, the people of Spain turned out to cast their votes in the general elections as planned.

On 14 March 2004, the PSOE won the general elections, making José Luis Rodríguez Zapatero the fifth president to take power in democratic Spain (164 seats). This led to the formation of Spain’s first ever gender-balanced government. The measures adopted by this government included the withdrawal of Spanish troops from Iraq, the Common Law on Domestic Violence, the Common Law on Equality, the Common Law on Historic Memory, the Common Law on Dependence and that legalizing same-sex marriage. Zapatero also proposed the international Alliance of Civilizations initiative, which was adopted as an official programme of the United Nations in April 2007.

On 9 March 2008, the Partido Socialista Obrero Español again won the general elections with 169 seats.
This signalled the second term of office for José Luis Rodríguez Zapatero, which was marked by the international and domestic economic crisis. During this period, a new regional funding agreement was concluded, which was approved by the Fiscal and Financial Policy Council that represents all of the autonomous communities. It was also agreed to remove advertising from Radio Televisión Española (RTVE) to strengthen its role as a public service. The Common Law on Sustainable Economy was also adopted during this period, which sought to establish the bases for boosting Spain’s production model in what has been the toughest international economic crisis of in recent years.

For the purpose of building certainty in the political forces and institutions in this difficult economic context, the next general elections were called four months ahead of the deadline marking the end of the legislature, on 20 November 2011. This time, the Partido Popular obtained the most votes, with an absolute majority (186 seats). The new government, led by Mariano Rajoy, marked out an ambitious programme to address the economic crisis and achieve recovery. It includes the adoption of various initiatives and measures with two complementary aims: budgetary stability by reducing the deficit and practising austerity in public spending, and boosting economic growth and job creation through structural reform.

Mariano Rajoy taking his oath of office as sixth president of the Spanish democratic era before H.M. the King of Spain, on 21 December 2011.

Source: The Royal Household of H.M. the King.
### TIMELINE

**Prehistory**
- 1,500,000 B.C. First human findings on the Iberian Peninsula
- 40,000-15,000 B.C. Altamira cave paintings

**Spain before the Romans**
- 1,200-800 B.C. Indo-Europeans, Phoenicians and Greeks invade the Iberian Peninsula
- 800-500 B.C. Tartessus

**Roman Hispania**
- (218 B.C.-409 A.D.)

**The Visigothic Kingdom**
- (472-710)

**Moorish Spain (710-1492)**
- 756-929 Umayyad emirate
- 929-1009 Caliphate
- 1009-1090 Taifa kingdoms
- 1090-1146 Almoravid invasion
- 1146-1224 Almohad invasion
- 1224-1232 Marinid invasion
- 1232-1492 Nasrid kingdom of Granada

**Christian Spain (710-1492)**
- 803 Kingdom of Navarre
- 1137 Crown of Aragón

**House of Habsburg (1516-1700)**
- 1516-1556 Charles I
- 1526 Treaty of Madrid
- 1556 Philip II
- 1571 Battle of Lepanto
- 1598-1621 Philip III
- 1605 Don Quixote
- 1621-1665 Philip IV
- 1640 Secession of Portugal
- 1659 Treaty of the Pyrenees
- 1665-1700 Charles II

**House of Bourbon (1700-1808)**
- 1700-1746 Philip V
- 1713 Treaty of Utrecht
- 1746-1759 Ferdinand VI

**House of Bourbon (1700-1808)**
- 1759-1788 Charles III
- 1760-1790 Enlightenment and reform
- 1788-1808 Charles IV
- 1805 Battle of Trafalgar
- 1807 Treaty of Fontainebleau

**Dissolution of the Old Regime and the Peninsular War (1808-1814)**
- 1810-1812 The Cortes and Constitution of Cádiz

**Liberal reaction and Revolution (1814-1833)**
- 1814 Arrival of Ferdinand VII in Madrid
- 1814-1820 First Absolutist Restoration
- 1820-1823 The Uprising and Liberal Triennium
- 1823-1833 Second Absolutist Restoration

**Regency periods (1833-1843)**
- 1833-1841 Death of Ferdinand VII and Regency of Maria Christina
- 1834 Royal Statute
1837 Liberal Constitution
1841-1843 Regency of Espartero
Reign of Isabella II (1843-1868)
1843-1854 Moderate Decade
1845 Constitution
1854-1856 Liberal Biennium
1856 “Non nata” constitution
1856-1868 Moderate Predominance

Revolutionary Six Years (1868-1874)
1869 Constitution of 1869
1869-1871 Regency of General Serrano
1871-1873 Reign of Amadeus of Savoy
1873-1874 First Spanish Republic
1874 Coup staged by Martinez Campos on behalf of Alfonso XII.

Restoration (1875-1923)
1875 Entry of Alfonso XII in Madrid
1876 Constitution
1881 Liberal government
1885 Death of Alfonso XII Regency of Maria Christina
1890 Universal suffrage
1898 Spanish-American War and Treaty of Paris
1902-1931 Reign of Alfonso XIII

Dictatorship of Primo de Rivera and the fall of the Monarchy (1923-1931)
1931 Municipal elections (14 April) and Proclamation of the Second Spanish Republic

Second Republic and Spanish Civil War (1931-1939)
1931 Republican Constitution
1933 Electoral victory of CEDA
1936 Electoral victory of the Popular Front (February) and military coup (July)
Civil War (1936-1939)

General Franco’s regime (1939-1975)
1959 Stabilization Plan
1969 Appointment of Prince Juan Carlos as successor

Democratic transition
1975 Death of Franco Proclamation of King Juan Carlos I
1976 Common Law on Political Reform (November) and Referendum (December)
1977 General elections (15 June)
Relative majority for the UCD President Adolfo Suárez (4 July)
Spain requests membership in the EEC (28 July)

1978 Constitutional referendum (6 December) Constitution sanctioned by H.M. the King on 27 December in Parliament Enters into force on 28 December

Constitutional Monarchy
1979 General elections (1 March).
Congress approves Spain’s accession to NATO (29 October)
1982 General elections. Absolute majority for the PSOE (28 October). New government with Felipe González as president (3 December)
1985 Signature of Spain’s treaty of adhesion to the EEC (12 June)
1993 General elections (6 June). Relative majority for the PSOE.
Felipe González takes the presidential oath of office before Parliament (9 July)

1995 Spanish presidency of the European Union (second half). The European Council of Madrid approves the name of the future European currency: the euro (15-16 December)

1996 General elections (relative majority for the PP). José María Aznar is sworn in as president before Parliament (3 May)

2000 General elections (victory with an absolute majority for the PP).

José Maria Aznar takes the presidential oath of office before Parliament (25 April)

2002 Spanish presidency of the European Union (first half)

2004 General elections (victory for the PSOE with a relative majority). José Luis Rodríguez Zapatero takes the presidential oath of office before Parliament (17 April). European elections (13 June)

2005 European Constitution Referendum (20 February)

2008 General elections (victory for the PSOE with a relative majority). José Luis Rodríguez Zapatero takes the presidential oath of office before Parliament (8 April)

2010 Spanish presidency of the European Union (first half)

2011 General elections (20 November). Victory for the PP with an absolute majority. Mariano Rajoy takes the presidential oath of office before Parliament (20 December)


1.4. CULTURE

By virtue of its geographical situation, the Iberian Peninsula has served as a bridge not only between the cultures of Northern and Southern Europe but also between Africa and the Mediterranean. As a result of this situation, it boasts a rich cultural legacy.

THE EARLIEST CULTURAL EXPRESSIONS

The earliest cultural manifestations of any significance are prehistoric. In the Palaeolithic Period, around 15,000 B.C., we can observe a Franco-Cantabrian culture that left behind animal figures painted in several caves for magical and religious purposes. The masterpiece of this period can be found in the main chamber of the cave at Altamira (Cantabria), which has been described as the “Sistine Chapel” of cave art.

A later period, the Mesolithic, is represented by the paintings of the Levant school, of African origin, which have been found in primitive shelters ranging from Lleida (Catalonia) to Albacete (Castile-La Mancha). These paintings depict humans. During the first millennium B.C., the Balearic Islands witnessed the emergence of a culture of imposing megalithic constructions comprising navetas (burial tombs shaped like the hull of an overturned ship), taulas (T-shaped megaliths) and talayotes (low towers), the most important of which is the Naveta dels Tudons, near Ciutadella (Minorca).

Meanwhile, a megalithic culture was developing in Almeria, characterized by dolmens with covered galleries and circular burial chambers, topped by false domes. The most famous example is the Dolmen of Menga, near Antequera (Málaga province).

The legendary culture of Tartessus emerged in the lower Guadalquivir Valley, based on trade with the Phoenician colonies. At the same time, the Greeks also established colonies along the Mediterranean coast, leaving significant traces of their artistic legacy in areas such as Ampurias (Girona province).

According to all the indications, the large boar sculptures and the bulls at Guisando, near Ávila, are of Celtic origin. The Iberian culture is represented by three sculptures of female figures currently on display at the National Archaeology Museum in Madrid: the Lady of Elx, the Lady of Cerro de los Santos and the Lady of Baza.

Source: Alejandro Cana Sánchez. Image and audio bank of the National Institute of Education Technologies and Teacher Training.

Interior of the Menga Dolmen, Antequera (Málaga).
THE ROMAN LEGACY

Romanization induced the cultural unification of the Iberian Peninsula, leaving a plethora of important constructions, such as the aqueducts of Segovia, the Milagros aqueduct in Mérida, the Alcántara Bridge and the Arch of Bará in Tarragona.

Two splendid complexes can be found at Itálica, near the city of Seville, and Mérida, which has a splendid theatre and so many other Roman remains that it was chosen as the site for the National Museum of Roman Art, inaugurated in 1986.

Roman Hispania produced emperors Trajan and Hadrian, as well as writers and philosophers like Seneca. Its legacy pervades numerous institutions and the law of the land. Latin served as the root of all the languages spoken in the Iberian Peninsula with the exception of Basque: Castilian, Catalan, Valencian, Galician and Portuguese.

THE MIDDLE AGES

The generalized spread of Christianity coincided in Spain with the beginning of the Germanic invasion. Little has remained of Visigothic art, which gradually distanced itself from Roman art and fed rather on Byzantine and North African influences. Horseshoe arches, mullioned windows, square apses and barrel vaults are the distinguishing characteristics of such early Christian churches as Santa Comba de Bande (Ourense) and San Pedro de la Nave (Zamora).

In the 8th century, Pre-Romanesque art began to emerge in Asturias and reached the height of its splendour during the reign of Ramiro I (the churches of Santa María del Naranco and San Miguel de Lillo).

The Moorish invasion and subsequent Christian reconquest generated a confluence of three cultures – Christian, Islamic and Hebrew – whose fusion and interrelation gave rise to one of the most fruitful processes in European culture.
The perpetuation of the classical legacy was assured by Alfonso X the Wise, who created the Translation School of Toledo and the General Latin and Arabic Studies in Seville. Alfonso the Wise is also credited with writing Las Siete Partidas.

The Arab tradition also made a lasting impression in poetry, with figures such as Ibn Hazm of Córdoba (The Ring of the Dove) and Ibn Quzman, inventor of the classical metre. The main philosophers included Averroes (1126-1198, Córdoba), an Aristotelian scholar. In architecture, the Great Mosque of Córdoba (begun in 784) and the Medina Azahara are outstanding examples of Caliphate art. In Seville, the former minaret of the mosque, the Giralda, together with the Golden Tower and the Alcázar palace represent some of the most important monuments of Islamic architecture, whose final work was the Alhambra palace in Granada.

Although the Arabic presence persisted in the south, the north of Spain maintained close contact with the prevailing European culture thanks to the Pilgrim Way of St. James, which ends at the tomb of the apostle in Santiago de Compostela. Along the way, churches were built in which European Romanesque art blended with the Pre-Romanesque style typical of Spain. Important examples of Romanesque art are the cathedral in Jaca (Huesca province), the church of San Martín de Frómista in Palencia, the beautiful frescoes in the royal pantheon at the Basilica of San Isidoro in León, and the great cathedral in Santiago de Compostela, whose sculptures adorning the Pórtico de La Gloria portal are regarded as the masterpiece of Spanish Romanesque art.

Romanesque painting can be observed in the frescoes, and the art of drawing developed in illuminated manuscripts (Beato de Liébana, Beato de Girona).

Sculpture acquired a distinct physical identity in the 11th century, which was mainly manifested in the cloister of Santo Domingo de Silos (Burgos), the royal pantheon and the portals of the Basilica of San Isidoro (León), the capitals in the cathedral of Jaca (Huesca), the monastery at Ripoll (Girona) and the mentioned cathedral of Santiago. Other noteworthy Romanesque monuments can be found in the region of Castile and León, (Avila, Zamora, Soria, Salamanca, Segovia, Burgos), while Navarre, Aragón and Catalonia all boast churches with superb paintings. Nowadays, most of these are held at the National Art Museum of Catalonia in Barcelona.

During this period – the 12th century – Castilian began to develop as a literary language with the publication of the first great epic, The Poem of the Cid.

Gothic art first emerged in Spain during the 13th century in the old Cistercian style, as evidenced in the monasteries of Las Huelgas (Burgos) and Poblet (Tarragona), and achieved its finest expression in the cathedral of León.

The 14th century was characterized by the emergence of the Catalanian Gothic style, which can be observed in the cathedrals of Barcelona, Girona and Palma de Majorca, while the 15th century bore witness to the Late or Flamboyant Gothic style (cathedrals of Seville,
Toledo and Burgos). Civil architecture also began to develop during this period, notable examples of which are the shipyards in Barcelona and the old markets in Valencia and Palma de Majorca.

Important advances were made in literature, with popular minstrel verses giving way to more learned poetry written by clerics. Gonzalo de Berceo was Spain’s first poet to write in Castilian, famed for his work The Miracles of Our Lady.

Alfonso X wrote the Crónica general, the first history of Spain, and the Songs to the Virgin Mary in Galician. It was also during his reign that the first collections of stories appeared such as The Eastern Fables of Kalilag and Damnag as well as the first dramatic script, Play of the Three Wise Men.

THE RENAISSANCE

The 14th century was an extraordinarily fruitful period with profound influences from Italian humanism on literary works such as the Book of Good Love, by the Archpriest of Hita, Count Lucanor, by Alfonso X’s nephew, Juan Manuel, and Chronicles and Rhymes of Palace Life by Pedro López de Ayala.

From the 15th century, literature adopted a more lyrical and courtly form, paving the way for the ideological transition between medieval and Renaissance ideals that took place at the beginning of the Modern Era. The main figures of this period were the Marquis of Santillana (1398-1458), who was the first person to use the sonnet in Spain, and Jorge Manrique with his Coplas por la muerte de mi padre (Verses on the Death of My Father).

In the field of architecture, the combination of Spanish Gothic and Italian Renaissance produced the hybrid Plateresque style, exemplified by the universities of Alcalá de Henares and Salamanca. Consolidation of Castilian Spanish came with the publication of Nebrija’s Arte de la lengua castellana (Art of the Castilian Language), the first grammar text applied to a vulgar language. The first chivalrous novels also emerged at this time, including Amadís of Gaul.

A similarly notable evolution took place in the genre of drama but the major breakthrough came with The Celestina by Fernando de Rojas, the second most important work in Spanish literature after Don Quixote by Miguel de Cervantes Saavedra.

THE SPANISH GOLDEN AGE

Chronologically situated mid-way between the Renaissance and the Baroque, the Spanish Golden Age (16th-17th centuries) was a glorious flourishing of the arts and letters in Spain.

During this period the novel achieved its finest Spanish and universal expression with Don Quixote. Several other distinctly Spanish genres emerged, such as the picaresque novels Guzmán de Alfarache by Mateo Alemán and the anonymous Lazarillo de Tormes.

Poetry evolved at the same pace. In the 16th century Boscán and Garcilaso de la Vega adapted Italian me-
tres to the Spanish language; the finest expression of this style can be found in the mystical works of Fray Luis de León and St. John of the Cross, and in the prose of St. Theresa of Ávila. Two great figures from this period are Luis de Góngora and Francisco de Quevedo.

Major changes were also afoot in the field of drama. Instead of being staged in ecclesiastical settings, plays were now performed in open-air public places such as the so-called Corrales de Comedias, still used today in Almagro (Ciudad Real province) and Alcalá de Henares (Madrid). Lope de Vega, Tirso de Molina and Calderón de la Barca produced some of the more notable works.

Humanism also flourished from early on in the Modern Era, thanks to figures such as Luis Vives and monumental collaborative works such as the Complutensian Polyglot Bible.

As a final note on the literature of the Spanish Golden Age, the period closed in the 17th century with Baltasar Gracián’s The Faultfinder.

The 16th century produced an outstanding painter in the figure of Domenikos Theotokopoulos, “El Greco”, who worked mainly in Toledo. His canvases The Disrobing of Christ, Martyrdom of St. Maurice, The Resurrection and The Burial of Count Orgaz are all landmarks of Spanish and universal painting.

The realism of the 17th century found its finest exponent in Diego Velázquez (1599-1660), one of the great masters in the history of art whose main works are as follows: Las Meninas, (The Maids of Honour), The Fall of Arachne, The Triumph of Bacchus, The Surrender of Breda, The Forge of Vulcan, The Rokeby Venus and his famous portraits of Philip IV, Prince Baltasar Carlos and the Count-Duke of Olivares. Most of these works hang in the Prado Museum.

While Velázquez was painting in Madrid, Zurbarán and Murillo were busy in Seville, producing paintings with predominantly religious themes.

The Spanish Golden Age also had its own architectural style, the Herrerian, whose prime example is the Escorial Monastery. Built by order of Philip II to commemorate the Battle of Saint-Quentin, it was initially designed by Juan Bautista de Toledo and was later carried out by Juan de Herrera after his death.

THE BAROQUE

The Baroque, which came from Italy, personified the spirit of the Counter-Reformation. The Baroque, under the Society of Jesus, pervaded all the religious monuments of previous periods and superimposed the Gothic and even the Romanesque styles.

The most outstanding examples in Spain are the façade of the Hospicio de San Fernando in Madrid, the Palace of San Telmo in Seville, the Obradoiro portal in Santiago de Compostela, the Jesuit Shrine of Loyola, the façade of the University of Valladolid and the Basilica of Nuestra Señora del Pilar in Saragossa.
THE AGE OF ENLIGHTENMENT

The 18th century, known in Spanish as El Siglo de las Luces or the Century of Lights, witnessed the introduction of the spirit of the Enlightenment and with it education, science, public works and a rational concept of politics and life.

The reign of Philip V ushered in the foundation of new cultural institutions such as the Royal Library (subsequently renamed the National Library) and the Academy of the Spanish Language, both in 1714. These were followed twenty years later by the academies of Medicine, History, Pharmacy and Law, as well as the Academy of Fine Arts of San Fernando.

Science received an enormous boost with the creation of the Cabinet of Natural History, the Botanical Gardens, the School of Mineralogy, the Cabinet of Machines in the Retiro, the Royal Laboratory of Chemistry and several Schools of Engineering.

The political and satirical press flourished, along with the publication of cultural and scientific articles. This century was noted for two great figures – Father Feijoo and Jovellanos – and other writers such as Leandro Fernández de Moratín, Torres Villarroel, Meléndez Valdés, Quintana, the fable writers Iriarte and Samaniego, and the playwright of manners Ramón de la Cruz. Poets included José Cadarso, Nicasio Gallego and Alberto Lista.

In architecture, the Baroque gave way to the Neoclassical style. The Bourbons brought in numerous foreign artists and Charles III commissioned major public works. Ventura Rodríguez and Juan de Villanueva were the most important architects of this time. The Royal Palace, the Prado Museum and the Alcalá Gate are prime examples of this period.

By contrast, painting experienced a period of decline until the final decade of the century, when one of the greatest painters of all time emerged: Francisco de Goya. Regarded as the father of all “isms”, Goya painted a vast range of works, including light-hearted cartoons for the Royal Tapestry Factory, macabre etchings such as The Disasters of War, the Caprichos, the Follies and the Tauromachia, and dramatic paintings such as The Third of May of 1808 and the frescoes of San Antonio de la Florida in Madrid.

ROMANTICISM

Spain’s greatest exponent of Romanticism, the artistic and literary expression of liberal thinking, was Mariano José de Larra (1809-1837). It peaked in 1830-1840 and lasted well into the second half of the century, with the poems from Gustavo Adolfo Bécquer (1836-1870) and the plays from Spain’s first Nobel prize-winner, José Echegaray.

Romanticism gave way to the literature of social life and customs from Mesonero Romanos, the poems from Espronceda and the plays from the Duke of Rivas and José Zorrilla.

In the second half of the century, the romantic exaltation of national values led to the resurgence of region-
Romanticism also inspired the flourishing of Galician literature, whose two key figures were Rosalía de Castro and Curros Enríquez.

In the final third of the century, a counterpart to the Romantic Movement emerged in the form of the more or less costumbrista realism of Fernán Caballero, Alarcón and Pereda. The two outstanding figures were Juan Valera (1828-1905) and Benito Pérez Galdós (1843-1920). As the father of Spanish contemporary novels, Galdós created a gigantic fictional historical world with his National Episodes. His literature paved the way for naturalism, with three leading figures: Leopoldo Alas “Clarín”, Emilia Pardo Bazán and Vicente Blasco Ibáñez.

**THE GENERATION OF 98 AND THE GENERATION OF 27**

The end of the 19th century was a hotbed of political, literary, philosophical, artistic and scientific activity.

Joaquín Costa and Francisco Giner de los Ríos launched the regenerationist movement, in which they were later joined by outstanding history researchers of the stature of Amador de los Ríos, Ramón Menéndez Pidal, Rafael Altamira and Milà i Fontanals. Marcelino Menéndez Pelayo was among the key figures in traditional thinking.

Scientific research began a slow recovery, especially in the field of medicine, with figures such as Jaime Ferrán, Pío del Río Hortega and the future Nobel Prize winner, Santiago Ramón y Cajal.
During the first third of the 20th century, cultural creation experienced a glorious revival that some analysts have called a Silver Age, spanning the period between 1898 and the outbreak of the Spanish Civil War in 1936.

A large group of writers reacted to the loss of the last Spanish colonies by exploring its causes and proposing their own remedies for the regeneration of Spain. Together they formed the so-called Generation of ‘98 which included great literary figures and encompassed science, medicine, history and the essay genre.

At the same time, the modernismo movement was emerging. A contemporary of pictorial and musical Impressionism, this movement was particularly important in Catalonia. Its main exponent was the architect Antoni Gaudí, who was also linked to the Renaixença (Resurgence) of Catalonian culture based on the prosperity of an educated industrial class increasingly open to regionalist ideas. The unique style of Gaudí is replete with plant and animal evocations in groundbreaking works such as the incomplete Church of La Sagrada Familia and the fantastic gardens of the Parque Güell. This modernista climate eventually produced the extraordinary painter Pablo Picasso.

At the end of the century, musical nationalism also caught on in Spain and spread throughout the continent. Two composers gained international recognition in this movement: Isaac Albéniz and Enrique Granados.

In painting, Ignacio Zuloaga expressed, with his clear drawings and typical Spanish villagers, a literary world similar to that of the Generation of ‘98. In a different aesthetic line, the Valencian painter Joaquín Sorolla can be classified as a post-impressionist with brilliant colours; below the anecdote of each canvas, the east coast light is the main protagonist in his beach scenes. Obsessively concerned with what began to be called the “problem of Spain,” the Generation of ‘98 made an in-depth stylistic renovation, leaving behind the typical rhetoric of the 19th century.

Some representatives of this movement became universally famous. Miguel de Unamuno anticipated existentialism in Tragic Sense of Life and developed all the literary genres, like his contemporary, Pío Baroja, a...
reputed novelist who was later admired by Hemingway. Also, Azorín, a master narrator, and Ramón María del Valle-Inclán, who created esperpento (grotesqueness), were two outstanding figures.

In poetry, Antonio Machado united symbolism and social reflection, while Juan Ramón Jiménez, Nobel prize-winner for literature, evolved from sentimental poems to very deep, abstract and complex lyrical poetry.

A common feature of the intellectuals in this period was their effort to include the latest cultural and philosophical trends from Europe. The philosopher Ortega y Gasset founded the magazine Revista de Occidente, one of the first intellectual publications in Europe at the time. Ramón Pérez de Ayala’s essays and novels expressed the liberal spirit of the British, while Eugenio d’Ors added a whole new slant to the criticism of Baroque art. Nearly all of these authors contributed regularly to the press, which they used as vehicles of dissemination and cultural pedagogy, in an attempt to renew national sensitivity and promote an open attitude towards European modernity.

The winds of reform from the aesthetic avant-gardes blew strongly in Europe in the 1920s and such universal figures like Pablo Picasso, Salvador Dalí and Luis Buñuel emerged. Picasso sought his inspiration in Hispanic roots and in the extravagant, Baroque and highly contrasting temperament that seems to characterize Spanish art, developing a Cubist style that has gone down as the first page in the history of 20th-century painting.

Other major influences on contemporary painting were Juan Gris, who succeeded in reducing objects to their chromatic masses and basic geometries, and Joan Miró, the Surrealist master whose profoundly poetic and original works reveal an apparently childlike yet incredibly astute vision.

Another figure tied to the Surrealist movement was the painter Salvador Dalí, highly skilled in the art of drawing and with a fondness for using calculated gestures to shock bourgeois tastes. During the 1920s, Dalí had lived with Luis Buñuel and Federico García Lorca at the Residencia de Estudiantes in Madrid. This institution was famed for its intellectual atmosphere and for promoting great artistic sensitivity amongst its occu-
pants. It is from this residence that the Generation of ’27 is thought to have emerged.

Except for in the early 17th century, Spain had never known such a simultaneous emergence of poetic talent as that embodied by Jorge Guillén, Pedro Salinas, Federico García Lorca, Rafael Alberti, Nobel prize-winner Vicente Aleixandre, Luis Cernuda, Dámaso Alonso and Gerardo Diego. Culturally, the Generation of ’27 represents a unique moment in time when the vanguard movements, an enthusiasm for modern art, and the European optimism of the interwar period all joyfully combined and acted as the prevailing influences.

Years later, they would all fall victim to the tremendous divide created by the Spanish Civil War. Federico García Lorca was executed, and Rafael Alberti, Luis Cernuda, Pedro Salinas, Jorge Guillén, Rosa Chacel and María Zambrano were all forced into exile. The poetry of this generation, which had imbued the genre in Spain with the ideal of perfection, of “pure poetry”, became worldlier and more pensive.

From the same prolific environment of the Student Residence, the film director Luis Buñuel also emerged and became internationally famous from his Paris retreat.

He temporarily joined surrealism and his productions have a corrosive power and critical virulence that are somewhat parallel to the pictorial works of his fellow Aragonese creator, Francisco de Goya.

Another important figure at this time was the Catalan musician Pau Casals, a world-class cello player
and tireless defender of the republican cause and Catalonian nationalism. Spanish cultural nationalism peaked with Manuel de Falla, where flamenco, a spontaneous manifestation of popular Andalusian songs, was first recognized as highbrow art.

The avant-garde renovation was also spread to Spanish sculpture. Not as popular as Picasso or Dalí, but Julio González, Pablo Gargallo and Alberto Sánchez are equally worthy of their place in contemporary art history.

In the first part of the 20th century, Spanish theatre was at the peak of its popularity, mainly due to the plays of Jacinto Benavente, who won the Nobel prize for literature. Compared with high-brow comedy, the one-act farce (sainete), with or without music, became the popular genre par excellence. These farces offered a simple and sentimental view of social life and customs, showing the daily lives of the popular Andalusian classes in the plays by the brothers Álvarez Quintero. The plays by Arniches had a similar idea but they were based on an original and very attractive formula: grotesque tragi-comedy, combining with comical and pathetic elements. Pedro Muñoz Seca was also a contemporary to all of them; his main work was Don Mendo’s Revenge.

Two leading playwrights monopolized Spanish theatre in the 20th century: Ramón María del Valle-Inclán and Federico García Lorca. Both reacted against conventional, bourgeois and naturalist theatre. García Lorca explored the poetry of drama and a new style of tragedy, while Valle-Inclán developed a brand new device: esperpento, or grotesque drama. In his works, the heroes and princesses are all reflected in concave and convex mirrors, producing a deformation or caricature of reality in keeping with the author’s conviction that Spain at the time was a deformation of Europe. The works of García Lorca transcend Andalusian folklore to encompass the mythical roots of all human beings: passion, sterility, society that thwarts human fulfilment.

THE POST-WAR PERIOD

Following the Civil War, most intellectuals went into exile and limits were imposed by the new regime. This was an interval in which Spain started to recover slowly. Abroad, the exiles carried out an extraordinary task of disseminating Spanish culture: Francisco Ayala, Ramón J. Sender, Max Aub, Gil Albert and Pau Casals were evidence of this.

In Spain, there was a dual movement: some intellectuals integrated into the Francoist political approaches and others carried out their intellectual or artistic activity as a form of opposition.

Poetry evolved from the aesthetic approaches (Luis Rosales, Leopoldo Panero) to social realism (Blas de Otero, Gabriel Celaya, José Hierro, Carlos Bousoño) and to the reaffirmation of the nationalist or avant-garde movements (Salvador Espriu, the novísimos group united by Barral and Castellet, etc.).

The works from the Generation of ‘27 are still current and Vicente Aleixandre won the Nobel Prize for Litera-
In the 1940s, the creation of national theatres grouped a number of authors who were able to overcome the restrictions imposed by the regime and set up a theatre open to the reforming trends from around the world. Antonio Buero Vallejo and Alfonso Sastre were the two main reforming playwrights.

The novel also recovered slowly and found that its best theme was a snapshot of the times: The Hive by Camilo José Cela and Time of Silence by Luis Martín-Santos. Gonzalo Torrente Ballester, Miguel Delibes, Carmen Laforet, Rafael Sánchez Ferlosio, Jesús Fernández Santos and Juan Goytisolo formed a generation of narrators that would be continuously enriched by new talent.

In the 1970s, Juan Benet reformed the literary scene; and in the 1980s, works by Javier Marías, Antonio Muñoz Molina and Arturo Pérez Reverte acquired an unprecedented readership.

In plastic arts, there was a reform movement towards pictorial abstraction (Tàpies, Saura, Canogar, Millares, Guinovart), which later gave way to the critical realism of Genovés and pop art (Equipo Crónica). In recent years, Antonio López has consolidated the deserved merits of his radical realism and Miquel Barceló’s creativity has triumphed in the temples of contemporary art. In sculpture, the study of forms and volume is a constant in the work of artists such as Chillida and Oteiza.

Over a period of three decades (1940-1970), Spanish film attained unprecedented heights of fame. The “imperial films” brought to life by CIFESA (Compañía Industrial del Cine Español) gradually gave way to the...
refreshing approach of Bardem and Berlanga, and later, to Saura and Buñuel’s work.

In the early 1990s, Spanish cinema was rejuvenated by a generation of young directors such as Pedro Almodóvar, Fernando Trueba and most recently Alejandro Amenábar, all of whom are currently in their professional prime and have won international acclaim.

USEFUL LINKS

The Moncloa Palace: www.lamoncloa.gob.es

Ministry of Education, Culture and Sport: www.mecd.gob.es

National Geographic Institute: www.ign.es

National Statistical Institute: www.ine.es

Turespaña: www.tourspain.es

Marca España: www.maracaespana.es
Chapter II

Constitutional Court.

Source: Constitutional Court.

2014
2.1. THE SPANISH CONSTITUTION OF 1978

Referred to as the “Constitution of Consensus”, it was drafted based on negotiations and agreements between the different political parties with parliamentary representation. The 1978 Constitution, approved by the Spanish people in its referendum of 6 December, came into force on 29 December that same year.

With a preamble, 169 articles divided into 10 parts and various transitional and additional provisions, the current Constitution is, after the 1812 Constitution, the longest in Spain’s history.

Article 1 proclaims that “Spain is hereby established as a social and democratic State, subject to the rule of law, which advocates freedom, justice, equality and political pluralism as the highest values of its legal system”. Furthermore, it establishes that national sovereignty belongs to the Spanish people, from whom all State powers emanate, and the political form of the Spanish State is the Parliamentary Monarchy.

The Magna Carta contains a long list of fundamental rights and public freedoms of all citizens and enshrines the State of the Autonomous Communities. It also upholds the principle of the separation of powers.
### 2.2. INSTITUTIONS

**THE CONSTITUTIONAL COURT**

The Constitutional Court is the supreme interpreter of the Constitution. It is independent from other constitutional bodies and subject solely to the Constitution and to the Constitutional Court Statute Law of 1979 (Ley Orgánica 2/1979), which governs it.

The Court comprises twelve members appointed by the King at the behest of the Congress of Deputies (four), by the Senate (four), the Government (two) and the General Council of the Judiciary (two).

Appointments are made for a period of nine years and the Court is renewed by thirds every three years, although its members cannot be re-elected. Its powers can be divided into three broad groups: first, it controls the constitutionality of laws; second, it resolves conflicts in powers that may arise between the State and autonomous communities, or between autonomous communities; and, finally, having exhausted ordinary legal procedures, it is empowered to safeguard the fundamental rights of citizens through the appeal for

*Source: Congress of Deputies.*

Spanish Constitution of 1978 (original informative leaflet for the referendum on its approval).
protection (recurso de amparo) lodged when ordinary legal procedure has been exhausted to protect an alleged violation of these fundamental rights. Citizens, the Ombudsman and the Office of the Crown Prosecutor are entitled to lodge such an appeal.

THE CROWN

The political form of the Spanish State is the Parliamentary Monarchy. The King, in his capacity as Head of State, symbolizes the unity and presence of the State, exerts an arbitration and moderating function of the regular functioning of the institutions, and is the highest representative of Spain in international relations.

LEGISLATIVE POWER

The exercise of the legislative power of the State falls to the Cortes Generales, representing the Spanish people and controlling the actions of the Government.

The Cortes comprise two Houses: the Congress of Deputies and the Senate. It is, therefore, an "asymmetrical bicameral" parliamentary system because the powers of the Houses are not comparable. Deputies and senators are elected for four years. The President of the Government may request the early dissolution of the Cortes.

The Congress of Deputies comprises 350 members. All bills and non-government bills must first be examined, without exception, in the Congress of Deputies. The Senate has the right of veto or amendment of the text produced by the Congress, the latter being entitled to make the final decision after a new examination. Furthermore, it is the Congress that executes the investiture of the President of the Government and, therefore, it is this House that may bring about their resignation, either by approving a motion of censure or refusing to concede the confidence required by the Government.

In the Constitution, the Senate takes the form of the house of territorial representation. 266 senators comprise the Tenth Parliamentary Term. Of these, 208 are elected by direct universal suffrage and a further 58 are appointed by the Legislative Assemblies of the autonomous communities which each appoint a single senator plus one for every million inhabitants of their respective territory.
EXECUTIVE POWER: THE GOVERNMENT

In terms of the functions of the Government, Spain’s constitutional text hardly differs from the norm in contemporary parliamentarianism. This Government is responsible for the executive function and the commencement of legislative action, the possibility of governing by way of emergency legislation (the ratification of which is delegated to Congress) and the drawing up of the draft budget. The Government oversees domestic and foreign policy, civil and military administration and the defence of the State.

In Spain, the Government is formed at two very distinct times: a first phase in which the presidential candidate submits his or her mandate of government to the consideration of the Congress, and a second phase in which the president, once the confidence of the House has been conferred and once appointed by the King, proposes the appointment of ministers to the King. This fact, together with the direction of the Government’s action, means that in the internal organization of the executive the figure of the president of the Government stands out to the extent that we could talk about a “regime of a prime minister”.

The collegiate body of the executive is the Council of Ministers (Consejo de Ministros), formed by the president, the vice-president(s) and the ministers. It meets every week. The current Government consists of the President of the Government, the First Vice-President, Minister of the Presidency and Spokesperson for the Government and twelve ministerial portfolios.

INSTITUTIONS OVERSEEING THE GOVERNMENT

There are two institutions directly attached to the Cortes Generales, which perform specific tasks regarding the control of the Government, as set down in the Spanish Constitution.
The first is the Court of Auditors (Tribunal de Cuentas), which is the maximum regulatory body of the State accounts and financial management, and of the public sector. As explained above, it is attached to the Cortes Generales and any disputes that arise regarding their powers or functions shall be resolved by the Constitutional Court. It is governed by the Court of Auditors Statute Law of 1982 (Ley Orgánica 2/1982). Its president is appointed by the King from among its members at the behest of the Plenary Session, with a mandate of three years. The Plenary Session comprises twelve members and the chief prosecutor.

And the second is the Ombudsman (Defensor del Pueblo), the “high commissioner” of the Cortes Generales who guarantees the defence and protection of fundamental rights. The Ombudsman is elected by the Cortes Generales for a period of five years pursuant to the Ombudsman Statute Law of 1981 (Ley Orgánica 3/1981) governing this institution.

ADVISORY BODY OF THE GOVERNMENT

The State Council is the supreme advisory body of the Government. It is governed by the 1980 State Council Statute Law (Ley Orgánica 3/1980) and has an advisory function with organic and functional autonomy to assure its objectivity and independence in accordance with the Constitution and laws. It is formed by State councilors, who must have held senior positions of responsibility in the administration, civil or military, and academic areas to be able to be appointed members of the Council.

THE JUDICIARY

Justice, according to the Spanish Constitution of 1978, emanates from the people. It is administered on behalf of the King by the judges and magistrates of the Judiciary. It is important to note the principle of jurisdictional unity, as justice is administered by a single body of judges and magistrates.

The General Council of the Judiciary (Consejo General del Poder Judicial) is the governing organ of judges and magistrates. It is made up of the president of the Supreme Court and twenty members appointed by the King at the behest of the Cortes Generales, with a three-fifths majority, for a period of five years. Twelve of these members must be a judge or magistrate.

The Supreme Court (Tribunal Supremo) is the highest judicial body of the State, except as regards constitutional safeguards, which come under the purview of the Constitutional Court. Its president, who also presides the General Council of the Judiciary, is appointed by the King at the behest of this body.

The Crown Prosecutor (Fiscal General del Estado) is appointed by the King at the behest of the Government, after consulting the General Council of the Judiciary. The mission of the Office of the Crown Prosecutor is to instigate legal proceedings to protect the rights of citizens and of public interest as provided for by law, whether on its own motion or at the behest of interested parties. It is also responsible for safeguarding the independence of the courts and defending the public interest in court proceedings.
2.3. **STATE SYMBOLS**

**THE FLAG**

The origins of the current flag of Spain date back to the reign of Carlos III (1759-1788). Spain had three different types of flag during this period: the royal standard, military flags and the naval ensign. Most countries used predominantly white ensigns, which led to problems identifying ships and created confusion between warships at sea. To solve the problem, Carlos III commissioned his Naval Minister Antonio Valdés y Bazán to design a replacement for the naval ensign.

The Spanish flag, introduced by King Carlos III in 1785, is currently regulated by the 1978 Constitution, which states: “The flag of Spain consists of three horizontal stripes: red, yellow and red, the yellow stripe being twice as wide as each red stripe”.

**THE COAT OF ARMS**

The Spanish coat of arms has undergone a number of changes over the years since its original design at the time of the Catholic Monarchs. It is currently regulated by the Common Law on Spanish Coat of Arms of 1981 (Ley 33/1981).

The coat of arms is divided into four quarters, representing the arms of the Kingdoms of Castile, León, the Crown of Aragón and the Kingdom of Navarre. At the bottom is a pomegranate, the symbol of the Kingdom of Granada, which was added when the latter was incorporated into Spain. The fleurs-de-lys of the House of Bourbon occupy the central space.

The coat of arms is flanked by the Pillars of Hercules with the plus ultra motto and surrounded by the Golden Fleece. The top section features a mural crown.
THE NATIONAL ANTHEM

The origins of the national anthem lie in a military piece called Marcha Granadera (March of the Grenadiers), of anonymous authorship. The earliest evidence of the piece date back to 1761 and are found in the Libro de Ordenanza de los toques militares de la Infantería Española (Book regulating the military calls of the Spanish Infantry). King Carlos III declared it the Honour March on 3 September 1770, although customs and popular roots, as opposed to any written provision, led to this composition being adopted as the national anthem.

On 10 October 1997, the Council of Ministers approved the characteristics and provisions governing the use of the national anthem, with Royal Decree 1560/97 being published the following day in the Official State Gazette (BOE). The Official State Gazette sets down that the origin of the national anthem is the Marcha Granadera or Marcha Real.

2.4. THE AUTONOMOUS COMMUNITIES AND AUTONOMOUS CITIES

The Constitution of 1978 recognized and guaranteed the right to autonomy of the nationalities and regions forming part of the Spanish nation and the solidarity between all of them. The development of the constitutional provisions has introduced a profound change in the territorial organization of the State. This has been brought about through the creation of the autonomous communities and the Autonomous Cities of Ceuta and Melilla, with the consequent redistribution of political and administrative power between central and autonomous authorities. The outcome of this redistribution has made Spain one of the most decentralized countries in Europe.

Each autonomous community has its Statute of Regional Autonomy, approved by statute law. This is the basic institutional regulation of the community, governing essential aspects such as the organization and operation of its Parliament and Government, the powers adopted by the community, its administration, the hallmarks and distinctive aspects such as language or civil law and relations with the State and other autonomous communities.

The distribution of powers between the State and the autonomous communities is based on the distinction between the exclusive powers of the State and the autonomous communities, the powers shared between the State and the autonomous communities and concurrent powers, in which both the State and autonomous communities may intervene. If a conflict of powers occurs, the Constitutional Court settles the matter, as in other politically decentralized states.

The system of government of the autonomous communities is parliamentary in nature. Its basic institu-
Autonomous communities have considerable freedom in terms of economic and financial management. They are able to approve their own annual budgets and determine their own resources through taxes, rates and surcharges.

The general funding system of autonomous communities, which also includes taxes assigned by the State and participation in national taxes, is set multilaterally by the State and autonomous communities, ensuring inter-regional solidarity and an equal threshold in the provision of basic public services throughout Spain thanks to a range of financial mechanisms. Furthermore, Comunidad Autónoma del País Vasco and Comunidad Foral de Navarra have two special systems by virtue of their regional systems: the Concierto Económico (Economic Agreement), in the case of the Basque Country, and the Convenio (Agreement), in the case of Navarre. With these financial systems, these communities agree with the State their contribution to its support and to the harmonization of their own tax system with that which prevails in the rest of national territory.

The experience of the implementation of the autonomous State for almost thirty years, the overall balance of which is positive, has helped pinpoint aspects that could be improved as regards its functioning, without detriment to its constitution. It is also necessary to reform the system of funding to increase joint tax responsibility of autonomous communities, ensuring solidarity and regional cohesion.

In order to perfect the State of the autonomous communities in this sense, most of the autonomous communities have implemented reforms of the Statutes of Regional Autonomy in recent years. Reforms are now approved for the Statutes of Comunidad Valenciana...
and of Comunidad Autónoma de Cataluña (2006), of Comunidad Autónoma de Illes Balears, of Andalucía, Aragón and Castilla y León (2007), the amendment of the Charter of Navarre (Fuero de Navarra) (2010) and that of Comunidad Autónoma de Extremadura (2011). Other regional parliaments have submitted their proposed statutory reforms to the Cortes Generales or are currently working on them.

Furthermore, the State and autonomous communities agreed on a new general system of funding, effective from 1 January 2009, which represents an important step towards the consolidation of the autonomous State, by ensuring the benefits of the welfare state, among others. However, the system will be improved upon and the recent approval of the Budget Stability and Financial Sustainability Statute Law (Ley Orgánica 2/2012) will mark the start of the first phase in increasing the cohesion and sustainability of our autonomous State.

It can be concluded, therefore, that the autonomous State is currently at the final stages of maturity and improvement, requiring several years for its culmination.

### 2.5. LOCAL BODIES

At present, according to data from the National Statistical Institute, as at 1 January 2013, Spain is composed of 8,117 municipalities of varying size by number of inhabitants. A total of 4,896 municipalities (60.32%) have a population of less than 1,000 inhabitants and 6,799 (83.76%) have fewer than 5,000. Just 146 (1.8%) have more than 50,000 inhabitants. Spain is also divided into 50 provinces.

In organizational terms, the institutions of government and administration of Spain’s municipalities are the local councils whereas for provinces they are the Provincial Councils. At provincial level, there are special systems of administration and government, such as the regional bodies of the provinces of País Vasco, the Cabildos of the Canary Islands and the Consejos Insulares of the Balearic Islands.

The governing bodies of the local councils are the mayor, who presides over the city council, the deputy mayors, who stand in for the mayor, the local government board (Junta de Gobierno Local), which is only required in municipalities with a population of over 5,000 inhabitants, and the plenary session (Pleno), comprising all councillors, who are elected directly by the residents of the municipality with open lists for municipalities whose population does not exceed 250 inhabitants and with closed lists for municipalities of over 250 inhabitants, using the proportional voting system.
The mayor is elected by absolute majority of the councillors, from the candidates at the top of the corresponding electoral lists. If a majority is not obtained, the councillor at the top of the list with the most popular votes is proclaimed mayor. In municipalities using open lists, the candidate who obtains an absolute majority of the votes of the councillors is proclaimed mayor; and if neither obtains the majority, the councillor who has obtained the most popular votes in the election is proclaimed mayor.

In addition, there is a special system of open council (concejo abierto), reformed in January 2011, in which municipalities with fewer than 100 inhabitants, together with those that traditionally and voluntarily use this special system, and those in which, owing to their geographical location, this is the best way to manage municipal interests, have a municipal government and administration made up of a mayor and a local assembly of which all voters form part.

2.6. THE LANGUAGES OF SPAIN

The Constitution establishes in Article 3 that Castilian Spanish is the official language of the State and that all Spaniards have a duty to know it and the right to use it. The other languages of Spain shall also be official in the respective autonomous communities in accordance with their statutes. Furthermore, it sets down that the wealth of the different linguistic forms of Spain is a cultural heritage that shall be especially respected and protected.

In municipal elections it is not just Spanish voters who enjoy active and passive voting rights, but also European Union citizens living in Spain under the same conditions as Spanish people and also foreign residents in Spain whose respective countries allow Spanish people to vote in these elections, under the terms of a treaty.

The government and the administration of the province generally correspond to the provincial council (Diputación Provincial). The provincial council is indirectly elected. Its members belong to different political parties, coalitions, federations and groups of voters who have obtained a councillor within each circuit after the local elections.

Its main task is to assist and cooperate with municipalities, particularly those with lower economic and management capacities, as well as to assure the provision of the minimum mandatory services the law imposes on the municipalities.

SPANISH

The official language of the State, Castilian Spanish, is the language of the former Kingdom of Castile. When it spread around the world in the 16th and 17th centuries, it became increasingly known as “Spanish”. Since then both names have coexisted.

Like the other Romance languages, Spanish was developed during the long period stretching from the fourth to
the tenth centuries as a result of the fragmentation of Latin. In the early 16th century, Castilian had spread throughout the Iberian Peninsula and was becoming an international language. Its prestige swept across the rest of Europe, particularly the Italian and Flemish states, but also France, Great Britain and Germany.

In the spread of the Spanish language, its arrival in America in 1492 was to be crucial. Castilian was to be the language that travelled to the new overseas territories and, once there, it was to borrow many words from the indigenous languages. For over five centuries, Castilian took hold and spread from Tierra del Fuego to the Río Grande and across the Pacific Ocean to the Philippines.

The orthographic, grammar and lexical rules of Spanish are decided by the Spanish Royal Academy (Real Academia Española), founded in 1713, and by the Association for Academies of the Spanish Language (Asociación de Academias de la Lengua Española).

By the late 19th century, there were around 60 million speakers. Over a century later, Spanish, with 400 million native speakers, is the second most spoken language in the world as a native language (after Chinese and ahead of English and Hindi). It is one of the three languages habitually considered an official working language in multiple international organizations and one of the six official languages of the United Nations.

Today it is the official language of twenty countries across the world. The United States, with its 50 million Hispanics, is the second nation in the world in numbers of Spanish speakers.

The Instituto Cervantes was founded in 1991 to universally promote Spanish and disseminate culture in Spanish. It is a non-profit organization whose main governing body is the board of trustees, whose honorary president is the King of Spain. The Executive Presidency is held by the president of the Government.

**CATALAN**

Together with Castilian, Catalan is the official language of the autonomous communities of Catalonia.
Outside Catalonia, it is spoken in the Principality of Andorra, on the border of Aragón with Catalonia and trans-Pyrenean territories of Roussillon and Sardinia, as well as in the Italian city of Alghero (Sardinia).

Catalan first appears in written documents in the second half of the 12th century. Legal, economic, religious and historical texts written in Catalan have been conserved since that time. The first great universal literary talent in this language, Ramon Llull, appeared in the 13th century. He was the first writer to use Catalan in literary prose as normal instrument of communication and as a tool for cultural expression.

After the War of Succession (1705-1715), the use of Catalan was restricted and, at times, prohibited. This means that the greater or lesser diffusion and use of the language in its own territory since the 18th century has depended more on political motives than on strictly sociocultural reasons.

In the 18th century, a period of economic, cultural and national recovery took root called the “Renaixença” or Renaissance. The Catalan language survives as a vehicle for literary culture thanks to important figures such as Jacint Verdaguer, Narcís Oller and Àngel Guiомерà. The Renaixença sought to make society aware of the lack of unity in the use of the language (there was no model of common written language) and of the need to establish spelling rules.

The creation of the Institut d’Estudis Catalans (1907) enabled the language to be systematized through the publication of Normes ortogràfiques (1913), Diccionari ortogràfic (1917) and Gramàtica catalana, all produced by Pompeu Fabra (1918). In 2000, the Institut Ramon Llull was created to promote the Catalan language outside Spain.

**VALENCIAN**

Article 7 of the Statute of Regional Autonomy of Comunidad Valenciana establishes that the two official languages of the Autonomous Community are Valencian and Castilian and later states that the Generalitat Valenciana shall guarantee the normal and official use of both languages, adopting the necessary measures to ensure their knowledge. In addition, it states that special protection and respect for the recovery of Valencian shall be afforded.

It achieved its highest literary splendour in the 15th century and part of the 17th century. The Dukes of Calabria commenced a gradual process of writing more documents in Castilian, but its presence continued in daily use.

At the end of the 18th century, the movement known as the Renaixença led to a slight increase in the use of the language in essays and literary publications, which continued over the first few decades of the 20th century.

In 1932, the “Castellón” spelling rules were agreed and observed for forty years without problems by Valencian writers.
In 1998, the Cortes Valencianas approved Ley 7/1998 on the creation of the Valencian language academy, the Academia Valenciana de la Lengua. Article 3 of this law says the purpose of the academy is to determine and draft the linguistic rules of the Valencian language where appropriate.

**BASQUE**

Basque is one of the oldest languages in Europe. Its origins are subject to debate but some linguists argue that it could be related to Caucasian languages, given that it has certain similarities with Georgian. Today it is spoken in the Basque Country, the north of Navarre and French Basque territory.

The first texts written in Basque date back to the 16th century, when, in 1545, Beñat Etxepare published Linguae Vasconum Primitiae. Later, in 1571, Joan Leizarraga translated the New Testament into Basque (Testamentu Berria).

Basque is the official language of Comunidad Autónoma del País Vasco and the Basque-speaking areas of Navarre. Since 1979, many rules have been developed and various bodies and institutions have been created in order to recover the linguistic ability, use and status of Basque. The rules of this language have been established by the Royal Academy of the Basque Language (Euskaltzindia), founded in 1918. In 2007, the Instituto Vasco Etxepare was created to raise the profile of Basque language and culture.

**GALICIAN**

Galician is spoken across practically the whole of Galicia and on its borders with Asturias, León and Zamora. It had a thriving literature in the Middle Ages. Las Cantigas de Santa María, by King Alfonso X the Wise, exemplify its use and prestige as a literary language at the close of the 13th century.


In the 19th century, there emerged a cultural movement known as the Rexurdimento (“Resurgence”) which sought to preserve the distinctive features of Galicia, including its language. The publication of Rosalía de Castro’s 1863 work Cantares Galegos was a milestone for Galician literature.

In 1905, the Real Academia Gallega was set up to institutionalize the Galician language and regulate its idiomatic usage.

As a consequence of the 1978 Constitution and Galicia’s linguistic and educational regulation, Galician is now used in schools and is respected as a language of social communication.
2.7. GENERAL GOVERNMENT REFORM: THE COMMITTEE FOR THE REFORM OF THE PUBLIC ADMINISTRATION SERVICES (SPANISH ACRONYM: CORA)

The Spanish public sector has undergone dramatic changes over the past 35 years, managing to provide an adequate response to the needs of its citizens, which has given rise to a highly developed welfare state. During this time, the public authorities have gained extensive experience but also accumulated certain inefficiencies that require correction.

It is not the case that Spain’s public sector generally has a larger dimension than its neighbours, whether in terms of public employment, expenditure or of revenues. Nonetheless, the economic crisis has highlighted the need for a thorough reform of government. Rising public expenditure and declining employment, coupled with loss of revenues between 2007 and 2011 posed a challenge to the sustainability of the public sector.

From the very first day of this legislature, a thorough government reform programme was implemented for the purpose of doing more with less and doing things better, since the purpose of this reform is not only to make savings but also to transform general government into an enabler of growth and modernity, improve the service to citizens and promote business development.

Thus, during the early months of government, the 2012 Fiscal Stability and Financial Sustainability Statute Law (Ley 2/2012) was adopted to ensure the constitutional commitment of all public authorities to the
sustainability of the public finances, a 16.9% reduction in ministerial spending, and government restructuring to reduce managerial positions by almost 20%. A series of structural measures for the civil service were also adopted in 2012, which included zero staff-replacement except in priority areas such as anti-fraud operations.

These measures marked the start of an adjustment process for the authorities more in line with the current economic situation and crucial for meeting the budget stability targets.

In October 2012, the reform of general government was given a further boost when the Government instructed the Committee for the Reform of the Public Administration Services (Spanish acronym: CORA) to draft a report to improve the functioning of the authorities, take advantage of all economies of scale, avoid overlaps and duplication, and establish simple and standardized procedures.

The CORA report, published in June 2013, provides a comprehensive snapshot of the public authorities conducted by professionals of the Administration with the participation of trade unions and employers’ organizations, universities and other institutions of civil society. A special citizens electronic mailbox was set up, which received more than 2,000 proposals.

Following this diagnosis, over 200 measures were proposed. These have been implemented following intensive legislative and government activity and 44 are now fully completed.

A plan has been approved to eradicate late payments in the public sector by introducing commercial debt based on the principle of financial stability and requiring the mandatory electronic registration of public administration invoices. The Provider Payment Plan has ensured the payment of more than 8 million outstanding invoices to over 230,000 entrepreneurs and self-employed workers. Now that these debts have been settled, the public authorities must pay in a timely manner.

The CORA has also studied obstacles to the creation and development of business initiatives on a day-to-day level. Following its analysis, reforms have been introduced such as extending the use of the sworn statement in lieu of the previous licences, improving SME access to public procurement and major administrative streamlining projects in sectors such as communications and infrastructure. The development and use of e-Government has also been given a boost with measures such as the implementation of the “Single Bulletin Board”, the creation of a “Single Auction Portal” and the use of e-notifications to replace postal ones.

The 2013 Common Law on Market Unity (Ley 20/2013) has been passed, which ensures that any product or service produced under a regional regulation can be marketed throughout Spain on the basis of the principles of the European single market: the single licence and legislation on origin.
These measures are designed to facilitate business for Spanish companies and make companies the focus of the reform. The same is true of citizens: the implementation of appointments for the Public Employment Service and Traffic Department, the possibility of registering births at hospitals and the implementation of the Single Health Card are key reforms designed to simplify the most common services.

The CORA also addresses duplications between the State and the autonomous communities and proposes a number of measures to improve coordination by fostering the role of the Sectoral Conferences and encouraging the creation of shared integrated databases and records. Where reasons of service efficiency and quality dictate, it also recommends the dissolution of agencies that overlap between authorities.

The autonomous communities play an active role in this reform and are implementing major projects to streamline structures. The net reduction of 751 agencies (31.75% of the total) and the reorganization of a further 228 are clear examples of this. The State is contributing to this aim with a net reduction of more than 90 public foundations and undertakings (39% of the total). The CORA goes further, however, by proposing a periodic review of all entities, their aims, structure and results; in the event that their existence is not justified, they are wound up.

Lastly, the report proposes the adoption of various centralized procurement measures, which have saved the government more than €100 million. In 2013, preparation began of the tender documents for the combined procurement of a number of supplies for various ministries (telecommunications, energy, security and cleaning, among others).

The structural reforms of the public authorities undertaken by the Government have already amounted to savings of €7.384 billion. Meanwhile, the local reforms, passed at the end of last year, and the centralization hub for important government contracts – to name but two important measures – have yet to start bearing fruit.

Hence, solely with the measures implemented to date, Spain’s general government will have saved over €28.898 billion by the end of 2015. Nonetheless, the reforms are set to continue under the Office for Implementation of the Reform of the Public Authorities, which monitors their development and publishes monthly reports on their implementation status. The overall aim of the reforms is to save €37.6 billion by 2015.
2.8. POLITICAL LIFE: CONSTITUTIONAL FOUNDATIONS AND POLITICAL PARTICIPATION

POLITICAL PARTIES

Under Article 6 of the Spanish Constitution, the political parties express political pluralism, contribute to the formation and expression of the will of the people and are an essential instrument for political participation. The Constitution protects their creation and activity and determines that their structure and operation should be democratic.

The Political Parties Statute Law (Ley Orgánica 6/2002), governs the legal status of the parties. Its aims are to ensure the functioning of the democratic system and essential freedom of citizens, prevent a political party from repeatedly and seriously jeopardising such democratic system of freedom, justifying racism and xenophobia and politically supporting the violence and activities of terrorist groups.

The 2007 Political Party Funding Statute Law (Ley Orgánica 8/2007) lays the foundations for the public funding of parties, adopting parliamentary presence as a criterion. This statute was subsequently reformed by the 2012 Political Party Funding Statute Law (Ley Orgánica 5/2012), which has reduced the subsidies awarded to associations and foundations linked to parties, improved transparency and ended write-offs of party loans.

The political groups that currently make up the Congress of Deputies are divided into the following parliamentary groups: Grupo Parlamentario Popular (185 members); Grupo Parlamentario Socialista (109 members); Grupo Parlamentario Catalan-Convergencia i Unió (16 members); Grupo Parlamentario de La Izquierda Plural: Izquierda Unida, Iniciativa per Catalunya-Verds-Esquerra Unida i Alternativa (ICV-EUIA) and Chunta Aragonesista (CHA) (11 members); Grupo Parlamentario de Unión Progreso y Democracia (5 members); Grupo Parlamentario Vasco-Euzko Alderdi Jeltzalea-Partido Nacionalista Vasco (EAJ-PNV) (5 members), and Grupo Parlamentario Mixto (18 members).
The latter party is formed by Coalición Amaiur with 7 members, Esquerra Republicana de Catalunya (ERC) with 3 members, Coalición Canaria-Nueva Canarias (CC-NC-PNC) with 2, Bloque Nacionalista Galego (BNG) with 2, Compromís-Q with 1, Foro de Ciudadanos (FAC) with 1, Geroa Bai (GBAI) with 1 and Unión del Pueblo Navarro (UPN) with 1.

**PARLIAMENTARY, REGIONAL, LOCAL AND EUROPEAN ELECTIONS**

The indirect political participation of Spaniards is performed through their representatives, who are elected by free, equal, direct and secret universal suffrage through four types of election: parliamentary, regional, local and European.

The purpose of parliamentary elections is to appoint the representatives of the Cortes Generales. Each of the two houses of the Cortes – Congress and Senate – has its own electoral system.

The Congress of Deputies uses a modified proportional system. The voting district is the province (plus Ceuta and Melilla) and they are multi-member districts. Candidacies are presented in closed, blocked lists. The number of members to be elected in each district is allocated by combining a minimum distribution of two for each, with those remaining being distributed using population criteria. Ceuta and Melilla have one member each. D’Hondt’s formula of modified proportional voting is used for allocating seats.

The Senate has a majority system of limited voting. The voting districts are the provinces, in which voters can vote for up to three candidates, the islands of Tenerife, Gran Canaria, Majorca, and the cities of Ceuta and Melilla, in which voters can vote for up to two candidates and the remaining islands, in which voters can vote for one candidate. The lists are open and unblocked, and candidates from different parties can be elected. The first candidate appearing in the candidacy does not have to be elected.

The vote is cast by selecting the chosen candidate on a single list on which all candidates appear in alphabetical order. 208 senators are elected through this procedure, and a further 58 (Tenth Legislature) are
designated by the autonomous communities (with one senator per autonomous community, plus another senator for every million inhabitants).

The Senate’s electoral system is exceptional in Spain, as the other elections (regional, local and European) use similar systems to that of the Congress of Deputies.

In the regional elections, the members of the legislative assemblies of the 17 autonomous communities are elected, as well as the members of the assemblies of the cities of Ceuta and Melilla. The composition of these assemblies ranges, depending on the population of each autonomous community, from 33 to 135 seats, except in the Basque Country, where twenty-five members are allocated to each historical territory regardless of the number of inhabitants, and the cities of Ceuta and Melilla, whose assemblies consist of twenty-five members.

Local elections are held at the same time as the majority of the regional elections and with the elections for the assemblies of Ceuta and Melilla. This enables the councillors for over 8,000 towns to be elected simultaneously, with the mayor being elected afterwards. In these elections the voting district is the whole town.

European elections enable Spanish representatives to be appointed to the European Parliament (54 in the Parliamentary Term 2009-2014). The voting district is the entire territory of the State. As in the case of the Congress of Deputies, the lists are closed and blocked.

USEFUL LINKS

The Moncloa Palace: [www.lamoncloa.gob.es](http://www.lamoncloa.gob.es)

Ministry of the Presidency: [www.mpr.gob.es](http://www.mpr.gob.es)
Chapter III
FOREIGN POLICY

Meeting of Spanish President Mariano Rajoy with the President of the United States, Barack Obama, in Washington.
3.1. THE TRADITIONAL MAINSTAYS OF SPANISH FOREIGN POLICY

The world has seen dramatic changes since the fall of the Berlin Wall in 1989 and there has been one key development that has transformed international relations: globalization. This phenomenon has turned the planet into a more integrated space with new challenges and opportunities. The rise of the BRICS, the shift in geostrategic importance from the Atlantic Ocean to the Pacific Ocean and the advent of information and knowledge technologies have changed international relations and, with it, introduced the need to rethink foreign policy.

The situation has been magnified by the profound changes that have taken place in Spain. Membership of the European Union, the construction of a decentralized State, heavy migration flows into the country, Islamic terrorism and a long period of economic growth paralysed by crisis has also required a rethinking of this policy from an internal perspective, since the distinction between foreign policy and issues that were previously purely domestic is blurring rapidly.

This chapter is divided into three parts analysing both the historical development and new approach to Spanish foreign policy. The first section analyses the geographical areas that formed the traditional mainstays of Spain’s foreign policy; the second looks at the international organisations of which Spain is a member and the third section discusses the instruments used by...
Spanish foreign policy to respond to the challenges of the current environment.

Since the transition to democracy in the 1970s, Spain has consistently followed a set of basic guidelines in foreign policy.

**SPAIN AND THE EU**

The first mainstay that has played a pivotal role in Spain's foreign policy since the transition is its commitment to Europe and membership of the EU.

The European Communities started out in the 1950s without Spain, which was excluded during this early period because of its political regime at the time. With the transition to democracy, Spain began to forge a closer relationship with Europe, which culminated with its entry in 1986.

The latest reform of the treaties was ushered in with the signing of the Treaty of Lisbon in 2007 and its entry into force in 2009. Among other developments, the treaty created a High Representative of the Union for Foreign Affairs and Security Policy (a position currently held by Catherine Ashton) and the European External Action Service (EEAS), which is a European diplomatic service at the service of the High Representative of the EU. Lastly, it gave the EU its own legal person-
ality and capacity to enter into agreements with States and international organizations.

The EEAS, which was set up in July 2010, now has 3,400 employees and 141 delegations in third countries. Spain contributes actively to the development of the EEAS by promoting the incorporation of Spanish officials at both the EEAS headquarters in Brussels and in the different EU delegations abroad.

SPAIN AND LATIN AMERICA

Latin America is one of the fields of action par excellence for Spain due largely to the strong ties between the two.

The Ibero-American Conference of Nations was the political embodiment of this community. It was created in 1991 on the initiative of Mexico and Spain and includes all the Spanish- and Portuguese-speaking countries of the Americas and Europe. The final declaration of its first summit (held in Guadalajara, Mexico) enshrines the political recognition of the existence of a community. To this end, at the Cádiz Summit held in 2012, a commission was appointed, chaired by former Chilean President Ricardo Lagos, which proposed a series of lines of reform, some of which were approved at the Panamá summit and the rest are set to be approved at the summit organized by Mexico in Veracruz in December 2014. The reform elements include the biennial nature of the summits, which will alternate with the European Union, Latin America and the Caribbean Summit (EULAC), giving greater space to informal talks between presidents, strengthening the Ibero-American General Secretariat (SEGIB) in the areas of cooperation, the path towards integration of the five Latin American agencies (SEGIB, OEI, OISS, OIJ and COMJIB) under the aegis of the SEGIB, and the redistribution of the budget of the Ibero-American General Secretariat to modify the current proportions (the Iberian Peninsula covers 70%, and Latin America, 30%), increasing the Latin American part by 10% (60% for Spain and Portugal and 40% for Latin America).

In November 2012, Spain also became the first European country to obtain observer status in the Pacific Alliance (formed by Chile, Peru, Colombia and Mexico). Since then, Spain has been seeking ways of active collaboration with the alliance. The Spanish President attended the recent summit of the organization held in Cali (Colombia) in May 2013.

The recent visits to Spain of several Latin American heads of state have exemplified Spain’s relations with the latter region: the President of Brazil, Dilma Rousseff (November 2012); the President of Guatemala, Otto Pérez Molina (February 2013); the President of Uruguay, José Mujica (May 2013) and the President of Bolivia, Evo Morales (September 2013); a state visit by the Mexican President, Enrique Peña Nieto, is also scheduled for next spring. For his part, the Spanish President travelled to Peru and Chile on an official visit (January 2013). During these visits, renewals of strategic partnership agreements were signed with Chile
and Peru, and the agreement with Brazil was renewed through a Statement by the two presidents. Political consultations were also held in 2013 with the Cuban government in Havana.

Spain fosters integration and multilateralism as the optimum way of addressing the new international context. Hence, it supports the various economic, political and trade integration processes such as the Union of South American Nations (UNASUR), the Central American Integration System (SICA) and the Southern Common Market (MERCOSUR), and observes with interest the new boosts to integration taking place in the region, such as the Community of Latin American and Caribbean States (CELAC).

**SPAIN AND THE MAGHREB**

Another focus of attention for Spain is the Maghreb, given that it forms the southern border of both Spain and Europe. Since early 2011, the region has witnessed a number of transformations which, due to the deep discontent of its population regarding social and economic conditions, have demanded greater political liberalisation. Spain fully supports these transitions to plural political systems.

Economically speaking, Spain has strong ties with the Maghreb, which received a considerable boost with the first economic forum of the Western Mediterranean (Dialogue 5+5), hosted by Barcelona in October 2013.

Organised crime, illegal trafficking and terrorist activities are a direct threat to the Maghreb and to Spain’s interests. Hence, they are a very important issue in our bilateral relations. The Spanish authorities work with their Maghreb counterparts to identify and prevent risks, and to cooperate in legal issues to prevent impunity.

Culture is key to bridging the gap between Spain and the Maghreb. In this respect, the existence of nine institutes of culture (Institutos Cervantes) in the region and the activities organised by Casa Árabe in Madrid and Casa del Mediterráneo in Alicante promote mutual understanding and trust.
Spain has signed Treaties of Friendship, Good Neighbour and Cooperation with Algeria, Morocco, Tunisia and Mauritania, and has an intense contact agenda with these four countries. Several of these treaties envisage holding high-level meetings (HLMs) to accompany the bilateral relations, such as those organized in January 2013 with Algeria and in 2012 with Morocco.

Since it joined the EU, Spain has helped put Maghreb issues on the Community agenda. In recent years, the EU’s relations with this region have been bolstered by the signing of the EU Association Agreements with Tunisia (1995), Morocco (1996) and Algeria (2002). Spain proposed the Advanced Status concept for Morocco back in 2006, which was eventually adopted by the EU in 2008. The mobility agreements with Morocco and Tunisia are another step forward in strengthening these ties. During the Spanish Presidency of the EU Council in the first half of 2010, the first and only EU-Morocco summit took place, the EU’s first with a southern Mediterranean country.

HIGH-LEVEL MEETINGS

Spain holds bilateral summits with key European partners as a sign of particularly close ties and to make progress in dialogues on common interests. They are an indispensable accessory to the numerous meetings in the framework of the European Union and bilateral visits by the various Ministries.

Presided over by the respective heads of state or government, sectoral meetings are also held among ministries based on the bilateral agenda.

Progress has been made in Foreign Affairs meetings to reach a consensus with the main EU players in order to take further steps towards Economic and Monetary Union, and on urgent and important issues on the international agenda, such as the situation in North Africa, the European Neighbourhood Policy, the peace process in the Middle East and the Syrian crisis.

The following summits were held in 2013:

• The Summit with Germany, held on 4 February in Berlin. The Spanish President Mariano Rajoy and German Chancellor Angela Merkel addressed the key issue of employment and how to combat unemployment, with a particular focus on mobility, education and vocational training programmes. They also discussed other topics, namely bilateral trade relations, investments and strategic interests in third countries and mutual investment. Energy was a prominent issue on the agenda, particularly renewables and European energy policy.

• Twenty-sixth Summit with Portugal, held on 13 May in Madrid. This summit marked a return to the annual frequency of these meetings for Mariano Rajoy and his Portuguese counterpart Manuel Passos Coelho. It addressed national efforts to modernize the two economies and guarantee sound public accounts in a bid to foster growth and employment and
guarantee the economic stability of the European Union, besides measures to achieve true banking union. The review of the international agenda focused strongly on the important relations with Latin America. Other key results of the summit were the signing of a Memorandum of Cooperation and Technical Assistance in Social Policy and Social Security and the announcing of the first direct daily international rail service to and from the cities of Porto and Vigo.

- Ninth Summit with Poland, held on 15 July in Madrid. The meeting highlighted the close ties between the two countries (Poland is the only country of the 2004 enlargement with which Spain holds bilateral summits), confirmed by the numerous and constant exchanges between the two governments in 2013. The summit was an opportunity for Mariano Rajoy and his Polish counterpart, Donald Tusk, to exchange views on the situation of their respective countries and on the EU and Euroland.

- Twenty-third Summit with France, held on 27 November in Madrid. The agenda of Mariano Rajoy and François Hollande focused primarily on coordinating positions on key issues for the European Union and emerging from the euro crisis. During the summit, two Memoranda of Understanding were signed on vocational training and social economy, and an Agreement was reached on the launch of the Perpignan-Barcelona high-speed rail line, a historic milestone that connects the two countries for the first time by high-speed rail. The two heads of state also signed a final joint statement.

**SPAIN AND THE UNITED STATES**

The global presence of the United States and its pivotal economic role mean that the transatlantic relationship is one of the most important for both Spain and the EU, given that, as a friend and ally, we share values, interests and responsibilities with it.

The bilateral agenda has been firmly reinforced in recent years and the transatlantic axis has been identified as the second main line of its foreign policy. Proof of this are the numerous trips to the US made by Spain’s representatives. In November 2013, the Prince and Princess of Asturias travelled to California and Miami for the 500th anniversary celebrations of the discovery of Florida by Ponce de León; the Minister of Foreign Affairs, García-Margallo, who accompanied the Prince and Princess on this tour, travelled to Washington in April to meet Secretary of State John Kerry and also took the opportunity to visit Miami and take part in these celebrations, and the Secretary of State for Foreign Affairs travelled to the US in July and September to meet with senior officials of the US Government.

The Spanish President Mariano Rajoy made an official visit to the US in January 2014, during which he met with his US counterpart Barack Obama at the White House. A business lunch also took place during the
trip and Senator Bob Menéndez was awarded the Grand Cross of Isabella the Catholic.

Spain and the US have a shared sensitivity to terrorism, having both been victims of large-scale attacks. On 1 July 2013, Spain and the US signed an agreement to boost their cooperation in the struggle against arms smuggling and crime.

There have been significant changes insofar as the economy is concerned. From January to August 2013, Spain’s exports totalled €5,884.34 million while its imports amounted to €6,764.14 million, representing a coverage rate of 90.6%. Nonetheless, the real change in this renewed bilateral economic relationship has been the exponential increase of Spanish investment in the US, which was the primary recipient of Spanish direct investment between 2008 and 2010. Spain is currently one of the biggest foreign investors in the US. In 2012, Spanish gross direct investment totalled €674 million, while the same figure from January to June 2013 stood at €190 million. This strong and growing presence is concentrated in energy (especially renewables), banking, transport concessions, the food industry, and iron and steel.

The US is one of Spain’s leading foreign investors. In 2012, gross direct investment by the US in Spain amounted to €2.223 million.

This strengthening of economic and trade relations has been echoed by the extraordinary revitalization of our cultural relations. Around 60% of university students studying a foreign language in the US now choose Spanish. October 2013 saw the inauguration of the Observatory of the Spanish Language and Hispanic Cultures at Harvard. The Instituto Cervantes has offices in Albuquerque, Chicago and New York, two “Aulas Cervantes” in Boston and Seattle, and a Spanish Cultural Center for Ibero-American Cooperation in Miami.

Likewise, this year has seen the creation of the National Commission for the Commemorations of the New Spain, for the purpose of organizing a commemorative cycle from 2013 to 2015 that will serve as an opportunity to raise awareness of the Spanish legacy and image of Spain in the United States, precisely by connecting this common cultural baggage that unites all of Latin America and the Hispanic citizens of the US.
OTHER AREAS OF INTEREST

The Mediterranean

Spain continues to play a pivotal role in Euro-Mediterranean cooperation. As one of the countries behind the Barcelona Process and in the aftermath of the Marseilles Conference, Spain is home to the headquarters for the Secretary General of its successor, the Union for the Mediterranean, located in Barcelona.

The process of political changes among the partners in the south, the appointment of Fathallah Sijilmassi as Secretary General in February 2012, and the assumption of the Northern CoPresidency of the European External Action Service in June 2012 have given a new boost to the organization. The functioning of the General Secretariat has been improved, major projects such as the construction of a desalination plant in Gaza and a section of the Trans-Maghreb motorway have been approved, and specific financing strategies have been drafted for the approved projects. The greater involvement of European institutions will allow for the organization of several ministerial meetings on key sectors such as transport and energy in 2014. Therefore, the Union for the Mediterranean is becoming one of the main focuses of the Euro-Mediterranean regional cooperation in sector-specific areas.

The consolidation of the Union for the Mediterranean has not hindered the development of other regional cooperation processes, such as the Forum of the Western Mediterranean (5+5 Dialogue). In recent years, the latter has served as a forum for political consultation and subregional cooperation among countries of the Western Mediterranean (Algeria, Spain, France, Italy, Libya, Malta, Mauritania, Morocco, Portugal and Tunisia) and created a network of intra-regional connections. The emergence of new governments in the southern Mediterranean has opened up new prospects for strengthening this area of cooperation.
Near East

The Arab uprisings sparked in Tunisia and Egypt that subsequently spread to other countries with mixed results – sometimes with tragic consequences, as in the case of Syria and Libya – are facing uncertain times. Since the start of this complex process, Spain has tried to share the experience of its transition with the Arab countries that have undertaken their own path to democracy.

In 2013, Spain strengthened ties with the Gulf Cooperation Council countries, giving priority to the existing good institutional relations. Hence, Spain is working on two lines: one through the EU and its strategic dialogue with the Gulf Cooperation Council and one on a purely bilateral level, which has been strengthened in recent years by the fostering of political, economic, trade and cultural relations.

In 2011, following the twenty-fifth anniversary of the establishment of diplomatic relations with Israel, both parties agreed on the need to continue working towards the creation of a set of shared mutual interests. Many trips and visits were made in both directions and efforts are still being made to move relations forward to allow them to reach their true potential in the different areas.

In 2012, Spain continued to demonstrate its ongoing desire to make the Middle East a stable and prosperous area. The Spanish Government has always encouraged Israelis and Palestinians to resume negotiations as the only way to achieve a fair solution based on the peaceful co-existence of the two States, and it firmly supports the current negotiations, in line with the EU stance.

Spain is likewise committed to reaching a political solution to end the Syrian conflict and is working to improve the cohesion and coordination of the moderate opposition (in May 2013, Madrid received a party of leading opposition members). Alongside its political commitment, Spain is helping to alleviate the tragic consequences of the conflict in humanitarian terms, illustrated by the dramatic increase in emergency aid to €10.3 million in 2013.

Spain has also demonstrated its full commitment to peacekeeping in the region, especially in Lebanon, by participating in the international United Nations force (UNIFIL) deployed on the ground.

Sub-Saharan Africa

Spain is involved in the resolution of the most severe African crises (those affecting Somalia, Mali, the Central African Republic, Sudan and South Sudan, Guinea-Bissau and the Democratic Republic of Congo) and is committed to peace, stability and development in West Africa in particular. A common agenda has been developed with the subregion of West Africa, which has become a preferential partner in the area due to its geographical proximity.

In economic diplomacy terms, Spain places important emphasis on Africa and has strengthened trade and investment relations with countries such as Senegal, Angola and South Africa. Within its Sub-Saharan Africa pol-
icy, Equatorial Guinea holds a special and significant place because of its historical, cultural and linguistic ties.

**Asia-Pacific**

For the past ten years, Spain has been developing a strategy for adapting foreign policy to this new international stage in which Asia has emerged as the leader. The Government’s current objective is threefold: to increase Spain’s presence and visibility in Asia; to consolidate the achievements made in recent years to defend and promote Spanish interests, and to seek alternative ways to boost the country’s image and activity in the region.

Trade and the economy are key factors in this strategy. Trade relations have intensified in recent years but Spain’s trade and investment presence in Asia remains limited. To give it a new boost, Spain will reinforce its diplomatic structure in priority countries and advance in the geographical diversification of its trade and investment efforts in order to extend it to other major economies in Southeast Asia, such as Indonesia, Malaysia, Vietnam, Singapore, Thailand and Philippines.

Spanish culture arouses a great deal of interest, which adds to the economic and trade potential of the language in the Pacific, where it is one of the main languages. The Instituto Cervantes has five centres in Asia, specifically in Manila, New Delhi, Beijing, Sydney and Tokyo, together with four “Aulas Cervantes” in Hanoi, Kuala Lumpur, Seoul and Jakarta. In the Philippines, where Spanish was practically reduced to a token language, the Government decided to re-introduce it into the education system, a decision which Spain supported with a specific technical and educational cooperation programme for the country. In a broader context, and with the aim of projecting a more accurate and modern image in the region’s economic and political decision-making centres, the Dual Year Spain-Japan is taking place in 2013-2014 to celebrate the 400th
anniversary of relations between Spain and Japan in honour of the Keicho Embassy. In 2013, we celebrated the 40th anniversary of the start of diplomatic relations between Spain and China, during which a series of events were organized to bring the two countries closer and promote understanding between them.

Casa Asia has quickly established itself as a very useful instrument for developing initiatives to strengthen ties between Spain and Asia at a civic level. Other initiatives to foster contact and mutual understanding between civil societies include the Spanish Council Foundations with Japan, China, India and Australia, and the Spain-Philippines Tribune, Spain-India Tribune and the Spain-Tribune.

**Eastern Europe and Central Asia**

The EU Eastern neighbourhood policy is promoting a rapprochement and mutual interests between Spain and the Eastern Partnership countries (Ukraine, Georgia, Moldova, Azerbaijan, Armenia and Belarus) in the context of their democratic reform and economic modernization, being carried out at varying paces in the different countries. Bilateral contact was intensified in 2012-2013 with visits to Spain by the foreign ministers of Ukraine, Moldova, Georgia, Azerbaijan and Armenia. Evidence of this mutual interest can also now be seen in the steady increase in economic exchanges and in the number and nature of Spanish companies in the region.

The special attention afforded to the Eastern Partnership has gone hand in hand with a commitment to Spain's relations with Russia, which is also a strategic EU partner. These bilateral relations are equipped with a growing network of agreements and instruments of political and economic consultation, demonstrating the mutual trust between the two countries and forming the basis of a bilateral trade that totals in excess of €11,000 million each year. There is also a considera-
ble human dimension to the exchange between the two countries: Spain is the preferred EU tourist destination for Russians (1.25 million Russians visited Spain in 2013).

Central Asia is also starting to gain renewed importance. In addition to their strategic location midway between Russia, China, Iran and India, these countries are very important with regard to energy and security. Spain also has an embassy in Astana. Moreover, there are plans in 2014 to honour a diplomatic official in Uzbekistan as a way of acknowledging the potential of our bilateral relations.

**Gibraltar**

The defence of Spain’s interests and positions in the Gibraltar dispute was furthered in several areas in 2013, both bilaterally with the United Kingdom, in relation to both sovereignty issues and regional cooperation, and multilaterally with a focus on the framework of the United Nations and the EU.

Since the start of this term of office, the Government has urged the United Kingdom to resume bilateral negotiations on sovereignty issues to end the colonial situation in Gibraltar, in accordance with the doctrine established in the various resolutions of the General Assembly of the United Nations and the commitment undertaken by the UK with Spain in 1984, as set out in the Brussels Declaration of that year. The Spanish President reiterated this call in his address to the General Assembly of the United Nations in September 2013, as he did the year before. The Resolution on Gibraltar adopted in 2013 by the General Assembly (agreed previously between Spain and the UK) is a substantial improvement on previous years’ resolutions since it qualifies the reference to Gibraltar’s “aspirations” by adding that they must be “legitimate under international law”, and notes that the “Spanish position is that the Tripartite Forum no longer exists”.

In terms of regional cooperation, the Spanish Government is working with the United Kingdom to implement a new mechanism (to replace the Trilateral Forum) of ad-hoc groups with a flexible composition to discuss issues of mutual interest (environment, fisheries, education, health, etc.) involving local authorities in Gibraltar, the local and regional Spanish authorities with powers in each case, Spain, the United Kingdom and the European Commission in its capacity as “guardian” of strict compliance with Community regulations.

On 25 September 2013, a mission of the European Commission travelled to the crossing point of La Línea de la Concepción. As requested by Spain, the mission analysed not only the movement of people and vehicles, as the United Kingdom wished, but also the fight against all forms of illegal trafficking, especially tobacco smuggling, so it included officials from the EU Anti-Fraud Agency (OLAF). The Commission’s final report on this visit to the crossing point was very positive as it emphatically states that these checks do not constitute a breach of Community law. It also recognises the problem of increased tobacco smuggling and asks
the United Kingdom to introduce improvements to help stop illicit trafficking.

The Commission has also committed to studying further complaints lodged by Spain regarding environmental and tax matters through the appropriate channels.

In October, the European Commission decided to open formal investigation proceedings into Gibraltar’s tax system (Income Tax Act 2010) based on well-founded suspicions that it could be acting as an undercover State aid system. This procedure was opened in response to the complaint filed by Spain in June 2012.

Spain has been firm in its response to unilateral acts such as bunkering, illegal landfills and the dropping of concrete blocks by the local authorities of Gibraltar in waters adjacent to the Rock. It considers such actions to be contrary not only to Spanish legislation, but also to that of the EU. It has therefore filed complaints with the Crown Prosecutor of the State, which have been passed on to the European Commission. The Spanish Government has also made it clear that the Maritime Civil Guard is prepared to continue supporting Spanish fishermen, if necessary, so that they can fish freely in Spanish waters, as they have traditionally done. An Aid Scheme for the fisheries sector has also been approved.

### 3.2. SPAIN IN INTERNATIONAL ORGANIZATIONS

**SPAIN AND THE UNITED NATIONS**

Spain's bid for multilateralism, at the core of which is the United Nations system, can be seen in the growing presence of the principal institutions, agencies, funds and programme of the organization in Spain, together with a progressive increase in the number of Spanish officials who work in it. Worldwide, Spain is the sixth largest contributor to the United Nations (including mandatory and voluntary contributions).


Our country is also involved in the Security Council reform process through the Uniting for Consensus Group. This group advocates reform of the Council to ensure greater democracy, transparency and efficiency in the internal decision-making process, and seeks to ensure that the core composition of the Council represents and reflects the current situation of the international community through a balanced geographical distribution of countries and regional groups.

Spain contributes to strengthening the UN’s capacity to maintain and consolidate peace by establishing
the appropriate level of participation in peacekeeping missions authorised under the mandate of the Security Council, providing military officers and personnel from the State’s security bodies and forces, and making the infrastructure required for improving logistics capacities available to the Organization, such as the UN Support Base in Quart de Poblet. At present, Spain is the tenth largest contributor to the Peacekeeping Operations (PKO) budget and is ranked thirty-sixth in terms of the military and police personnel provided to these missions, with 595 officers. Spain has also been actively involved in many cross-cutting issues raised within the United Nations, which include efforts to promote democracy, support mediation and the responsibility to protect. It is a member of the Group of Friends of Mediation, through which it teamed up with Morocco to launch the Mediation in the Mediterranean initiative.

Spain’s priorities in the UN include international development cooperation, which is focused on achieving the Millennium Development Goals (MDGs), the promotion and protection of human rights, food security, climate change, gender equality and the empowerment of women, and the fight against terrorism. Within the context of the “International Year of Water Cooperation” in 2013 and given the importance for Spain of water as a factor in peace and security, Spain has joined up with Algeria to promote the Water strategy for the Western Mediterranean.

**SPAIN’S PARTICIPATION IN INTERNATIONAL UN ORGANIZATIONS**

Spain maintains close relations with the specialized agencies of the United Nations, playing an active role in them and helping to secure their objectives. In some cases, this cooperation has been so extensive that the agencies have opened liaison offices in Spain. Of the agencies making up the technical side of the UN system, Spain has special ties with the World Tourism Organization (WTO), based in Spain since 1975.
In addition to the Liaison Offices that some agencies of the United Nations have had in Spain for decades, such as the International Labour Organization (ILO) (1985) and the UN High Commissioner for Refugees (UNHCR) (1988), the number of UN agencies, funds and programmes opening offices in Spain in recent years is on the rise. Most notably, the World Food Programme (WFP) has a new logistics centre in the port of Las Palmas de Gran Canaria (2011), while the Food and Agriculture Organization (FAO) (2013), the United Nations University Institute on Globalization, Culture and Mobility (2010), the United Nations Office to support the Water Decade (2006) and the United Nations Human Settlements Programme (UN-Habitat) (2011) are all present in Spain with offices in Barcelona, Madrid and Zaragoza.

Lastly, in terms of promoting Spain’s presence in international organizations, work was carried out in 2013 in conjunction with the Human Resources Department of the United Nations Secretariat to increase the number of Spaniards in the United Nations system. One of the outcomes of this collaboration was the joint organization of recruitment missions to inform Spanish citizens of the employment opportunities in the United Nations. A considerable number of Spaniards joined the United Nations system in 2013 and there has been a significant increase in the numbers of Spaniards at managerial and professional levels. Moreover, 30 young Spaniards aged under 32 have embarked on careers as United Nations international staff in the last three years following the excellent results of Spanish young professionals in the YPP (Young Professional Programme) examination.

Spain has promoted and ratified the main international treaties signed in recent years on disarmament and non-proliferation. It recently negotiated and signed the Arms Trade Treaty, a major milestone for universalizing the principles of responsible trade in defence equipment, including respect for human rights and international humanitarian law.

In relation to the fight against illicit drug trafficking and laundering of the proceeds of the latter, Spain has played an important role in a number of initiatives over the past year. The implementation of the Cooperation Programme between Latin America and the European Union on Drugs Policies (COPOLAD) funded by the European Commission, is spearheaded by the FIIAPP (International Latin American Foundation for Public Administration and Public Policy) and the Government Office for the National Drugs Plan. In April 2013, the Minister of Foreign Affairs and Cooperation, together with his counterpart from the Ministry of Health, Social Services and Equality and the Executive Director of the United Nations Office on Drugs and Crime (UNODC), Yury Fedotov, signed a memorandum of understanding to establish a framework allowing coordination and cooperation between Spain and the office. One of the outcomes of this memorandum is that Spain will provide technical assistance to the projects developed by UNODC to prevent social and health problems caused by drugs, combat corruption, prevent in-
Bilaterally, Spain signed agreements to combat crime with Moldova, Panama and Uzbekistan in 2013. Three other agreements on this same issue are now ready to be signed with Saudi Arabia, Mauritania and Mexico. The signing of a further two agreements (with Niger and FYRMacedonia) to step up the fight against crime is now in the final stages.

Spain has campaigned persistently against the death penalty over recent years. Madrid hosted the Fifth World Congress against the Death Penalty in 2013, which was attended by leading international figures such as the EU Special Representative for Human Rights, Stavros Lambrinidis, and the United Nations High Commissioner for Human Rights, Navanethem Pillay, in addition to the foreign ministers of many countries, including abolitionist countries.

Spain has focused its efforts in relation to non-discrimination on grounds of gender on two areas: combatting gender violence by directly supporting the publication of a Guide on Recommendations for Research on Femicide, and application of Resolution 1325, by hosting two courses in 2013 to promote gender mainstreaming in peacekeeping missions, organized jointly with the Netherlands.

The rights of persons with disabilities have continued to find a place on the foreign policy agenda. On 23 September 2013, a High-Level UN meeting on Disability and Development took place, whose final document was co-facilitated by Spain and the Philippines. Human rights and business are another key area of ac-

Spain played an active role in the recent General Assembly of the Organization of American States in Antigua, whose priority issue was drugs. For years, these countries have been afforded technical assistance in efforts to prevent, rehabilitate and stamp out drug trafficking, which place a strong focus on the problem of drugs for the health of the population.

The Spanish President, Mariano Rajoy, before the General Assembly of the United Nations in New York.
Spain is currently negotiating a national plan on human rights and pioneering businesses in this area.

Spain’s firm commitment to supporting democracy and human rights has been brought to light once again by renewed efforts to ensure Spain’s active participation in the election observation missions of the EU, OSCE and OAS. Some 113 Spanish electoral observers and experts participated in various missions in 2013.

Lastly, Spain is among the countries spearheading issues of intercultural and interreligous dialogue in international fora. It is a co-sponsor of the United Nations Alliance of Civilizations and co-founder of the King Abdullah Bin Abdulaziz International Centre for Interreligious and Intercultural Dialogue, since it considers it essential to improve understanding and cooperation between States and peoples of all cultures and religions, working towards a culture of peace and diplomacy of values.

**OTHER INTERNATIONAL ORGANIZATIONS: OSCE AND THE COUNCIL OF EUROPE**

The Organization for Security and Cooperation in Europe (OSCE) is a pan-European security organization with 57 participating States whose territories span the geographical area from Vancouver to Vladivostok. It is a primary instrument for early warnings, conflict prevention, crisis management and post-conflict rehabilitation. The activities of the OSCE and its institutions are structured around three mainstays or “dimensions”: political-military, economic-environmental and human.

The basic aims of the Council of Europe, the oldest political organization in Europe, set up in 1949, are to foster parliamentary democracy and the pre-eminence of the rule of law. At present, the Council of Europe, which is headquartered in Strasbourg (France), has 47 member countries and five other states with observer status: the Vatican, United States, Canada, Japan and Mexico. Spain is currently the sixth largest contributor to the organization and one of its most active members.

The Council of Europe safeguards democratic security in Europe, which it bases on human rights, democracy and the rule of law. In January 2008, Lluís María de Puig was elected President of the Parliamentary Assembly of the Council of Europe.

Lastly, Spain is also a member of NATO, which is discussed in the chapter on defence policy.
3.3. THE NEW INSTRUMENTS OF FOREIGN POLICY

2013 was a year of important developments for the instruments that Spain uses to develop its foreign policy.

COMMON LAW ON FOREIGN ACTION

The most notable milestone was the adoption of the Draft Common Law on Foreign Service and Action, introduced to bridge a regulatory gap that had persisted since the transition to democracy and to overcome the problems pinpointed in the design and implementation of Spanish foreign policy. The new legislation seeks to afford greater coherence to foreign policy in order to enhance coordination with the EU and its new European External Action Service and with the autonomous communities.

With regard to regional and supranational coordination, important developments will be introduced to strengthen Spain’s presence in areas where this has traditionally been meagre. Hence, new formulas have been designed in order to share representations with Latin American countries and with EU member countries.

It introduces further developments too in that it creates different planning tools and involves different actors both at ministerial level and from civil society. In the immediate future, Spain will have a Foreign Action Strategy and set up a Foreign Policy Council.

MARCA ESPAÑA STRATEGY

The Marca España project has two premises: continuity, since it is designed as a State policy, and political, because it involves designing and implementing a policy of foreign influence and making internal proposals for the purpose of performing influential actions in the former and achieving institutional improvements in the latter.

In the current context of recession, Marca España can and must help with economic recovery and the job situation. An improved country image both in and outside Spain will help raise exports, attract foreign investment, support the internationalization of Spanish companies (boosting the pull effect of big business on SMEs seeking niches abroad), increase tourism and, in short, assist with economic recovery.

Marca España is based on the work of all the public and private departments and bodies that have or have had a key role in the projection of Spain’s foreign image and involves the coordination and orientation of their efforts, including those of the autonomous communities.

The Government High Commissioner for Marca España was created to direct this strategy. This position is currently held by Carlos Espinosa de los Monteros, having been appointed by the Government and taken office on 12 July 2012.
The High Commissioner is responsible for the planning, promotion and coordinated management of the actions. This involves drafting the Annual Foreign Policy Plan to promote Marca España and submitting regular reports to Government on the completed activities and their results.

The High Commissioner acts with the backing of the Marca España Board, which includes the chairpersons and directors of the project’s main actors and debates and analyses its main guidelines for action. He also has a number of tools at his disposal, including working groups and the Marca España website.

Companies are both the leading actors and potential beneficiaries of the Marca España project. Hence, the project works with the Forum of Leading Brands of Spain, which is composed of the General State Administration and Spain’s top companies.

In academic terms, Marca España has partnered with Real Instituto Elcano, which has created a Marca España Observatory that will develop a series of indicators enabling us to ascertain Spain’s image abroad now and as it evolves over time.

**FOREIGN AID**

The third instrument of foreign policy is Official Development Aid, managed by Foreign Aid agencies, whose ultimate aim is to contribute to human development, the eradication of poverty and the full exercise of human rights.

The Secretariat General of International Development Cooperation reports to the State Secretariat for International Latin American Cooperation, assisting it in its functions, while the Spanish Agency for International Development Cooperation fosters, manages and implements public policies on this type of cooperation.

The Fourth Master Plan for Foreign Aid began in 2013 and is scheduled to end in 2016. It is the basic element for planning Spain’s international development cooperation policy, establishing its general guidelines, objectives and priorities, and the estimated budget resources available to it over the four years.

The main activities in 2013 were as follows:

- Spain and the UN’s Food World Program (FWP) signed an agreement to set up a humanitarian logistics platform at the port of Las Palmas to facilitate food provisioning for the Sahel famine crisis.
• Through the Humanitarian Office, Spain supported interventions in Colombia, the Philippines, Mali, Mauritania, Niger, the Sahrawi refugee camps in Algeria, Syria and neighbouring countries (Lebanon, Jordan and Turkey), Sudan, South Sudan, Palestine and Latin America and the Caribbean. Following the devastation caused by Typhoon Yolanda/Haiyan in the Philippines in November, Foreign Aid coordinated the mobilization of resources and the deployment of a direct humanitarian relief unit with medical teams and diverse humanitarian supplies, in collaboration with the Philippine government, Spanish public authorities and humanitarian organizations, and international organizations.

• As part of its commitment to regional integration as an engine of development in Africa, the AECID has launched two ambitious cooperation programmes with the Economic Community Of West African States (ECOWAS) and the African Union (AU)/New Partnership for Africa’s Development (NEPAD). Regional policies in agriculture, renewable energy, infrastructure and migration are being supported through ECOWAS. The contribution to the AU is concentrated on strengthening the capabilities of the organization and achieving its objectives of peace, security, development and regional integration. With NEPAD, Foreign Aid has set up the Fund for the Empowerment of African Women, a pioneering instrument in Africa that reaffirms Spain’s commitment to promoting the rights of women.

• As a contribution to advancing the democratic processes initiated in North Africa and the Middle East, in 2012 the AECID launched the accompaniment programme for the processes of democratic governance in the Arab world, called the Masar (“path” in Arabic) programme, which was the result of coordinated reflection and work under the Ministry spearheaded by the AECID with the collaboration of Casa Árabe and various ministries and State institutions. Its aim is twofold: to strengthen the institutions of Arab countries in transition and to provide support to organizations of civil society. The Masar programme currently covers Morocco, Mauritania, Algeria, Tunisia, Egypt, Palestine, Jordan and Lebanon. The total for 2012-2013 amounts to around five million Euros.

Water and sewerage project in El Salvador.
In the context of strengthening coordination with the EU in terms of cooperation with Latin America (Latin American Investment Facilities – LAIF – and delegated cooperation), six delegated cooperation projects from the European Commission were awarded to the AECID (Bolivia, Dominican Republic, two in Nicaragua and one regional project in Central America) for a total value of 36.3 million Euros and three programmes have been funded under LAIF and another by the Finance Facility for the Caribbean (Haiti) for a value of 76.8 million Euros.

DIPLOMATIC INFORMATION

The Ministry of Foreign Affairs and Cooperation makes continuous efforts to raise the profile of its strategies, objectives and priorities in all areas of external action among society and the media.

This effort has continued this year with the publication of press releases describing Spain’s external action and values; the web portal has also been overhauled to give citizens access to useful information with travel recommendations and regularly updated country profiles. Progress has also been made in the use of social networks.

A communication plan for Diplomatic Missions, Permanent Representations and Consular Offices of Spain has been drafted to allow representations that actively contribute to projecting a real image of Spain to help correct and counteract the distorted views that sometimes emerge.

CULTURAL CENTRES AS INSTRUMENTS OF PUBLIC DIPLOMACY

The active role of the six cultural centres (Casa América, Asia, Árabe, África, Mediterráneo and Sefarad-Israel Centre) in public diplomacy was consolidated in 2013. The organization of high-profile activities in and outside Spain to strengthen the country’s image and influence in the respective geographic areas and to support the internationalization of our companies are the most visible part of their efforts.

By way of example, the following activities were carried out in 2013: Casa de América undertook a major project with the celebrations of the Fifth Centenary of the Discovery of the Pacific; it also launched the Casa de América–IE Business School SME forum. Casa Asia organized the Seventh Spain-Philippines Tribune in Manila and the Eighth Spain-Korea Tribune in Málaga, both with a strong business focus. The Sefarad-Israel Centre continued to strengthen the ties between Spain and Sephardic diaspora communities with the Second Global Erensya Summit, held from 3 to 6 June in Istanbul and Izmir. Casa Árabe kept a close eye on the political situation in Syria, hosting meetings between May and November with opposition leaders and representatives of civil society. For the fourth consecutive year, Casa África, in collaboration with the World Tourism Organization, backed the INVESTOUR initiative to promote Spanish investment in the African tourism industry. Casa Mediterráneo, which opened its
new headquarters in the former Benalúa station of Alicante, organized a business forum under the title of “Algeria, a market of opportunities near Spain” in Oran with the participation of Minister García-Margallo and almost 300 companies. It also participated in the Economic Forum of the Western Mediterranean – the 5+5 Dialogue – which was attended by the Spanish President, foreign ministers and around 400 business representatives and government agencies.

INSTITUTO CERVANTES

Cultural outreach has another crucial instrument in the form of the Instituto Cervantes, an institute charged with the task of promoting Spanish and its co-official languages around the world and spreading the culture of our country. It is present in 86 cities in 43 countries on every continent. In the past academic year, 240,000 people enrolled at these institutes, including 130,000 classroom students; the remainder were students of the AVE (Virtual Spanish Classroom) platform and teachers on training courses. The Instituto Cervantes awards Diplomas in Spanish as a Foreign Language (DELE), whose exams were sat by more than 66,000 applicants last year. DELE diplomas are the most common Spanish diplomas around the world and are widely recognized.

INSTITUTE FOR FOREIGN TRADE

Under this heading of foreign policy instruments, a final mention must be made of the work of the Institute for Foreign Trade (Instituto de Comercio Exterior, ICEX). As a public body, the institute is charged with the task of promoting the internationalization of Spanish business and attracting investment, which is critical in the current economic climate. It has a network of almost 100 offices abroad and 16 business centres around the world.

USEFUL LINKS

Ministry of Foreign Affairs: www.exteriores.gob.es
Marca España brand: www.maracaespana.es
Cervantes Institute: www.cervantes.es
Spanish Agency for International Development Cooperation (AECID): www.aecid.es
Institute of Foreign Trade: www.icex.es
Elcano Royal Institute: www.realinstitutoelcano.org
Ship formation at the inactivation ceremony of the aircraft carrier Príncipe de Asturias (R-11).

Source: Ministry of Defence.

Chapter IV
DEFENCE POLICY
4.1. AIMS AND OBJECTIVES

The notion of security and defence encompasses the key elements for exercise of the authority associated with Spain’s sovereignty and independence. It seeks to uphold the rights and principles enshrined in the Spanish Constitution of 1978 and the Charter of the United Nations of 1945, while also contributing to peace and global stability within the framework of international law.

The Preliminary Title of the 1978 Spanish Constitution drew attention to the role of the Armed Forces. The 2005 National Defence Statute Law (Ley Orgánica 5/2005) subsequently laid down the basic principles and actors of military organization in accordance with the provisions of the Constitution. King Juan Carlos I of Spain is also the Head of State, and therefore exercises supreme command over the Armed Forces and, subsequent to parliamentary approval, has the authority to declare war and peace.

The Constitution accords the government the powers of military administration and defence of the State, while investing the Armed Forces with the mission of upholding Spain’s sovereignty and independence and defending its territorial integrity and constitutional order.

Under the 2005 National Defence Statute Law, the president of the government is charged with managing defence policy and setting its goals, handling emergencies impinging on matters of defence, and carrying out the strategic oversight of military operations where force is used. The president of the government is au-
authorized to decide whether or not the Armed Forces are to act, and to order, coordinate and direct their operations. Within the cabinet, defence policy is implemented and executed by the Defence Minister.

Parliament grants prior authority for international treaties and conventions in the military arena, and discusses the general lines of defence policy—specifically, recruitment and modernization plans. The government must consult the Congress of Deputies (the lower house of parliament) and obtain its consent before ordering foreign operations not directly related to the defence of Spain or the national interest. Such operations must be in conformity with international law and must be requested expressly by the government having authority in the host territory, or endorsed by a decision of the United Nations or the North Atlantic Treaty Organization, or a resolution of the European Union. Prior authorization from Parliament is not required for a legitimate defensive response to acts of aggression against Spain or its national interests, or to undertake a mission directly relating to the protection of the legitimate interests of our country.

Finally, in addition to the system of institutions and government powers relating to defence, the Constitution provides that “Spanish citizens have the right, and are under a duty, to defend Spain.”

4.2. STRATEGIC FRAMEWORK OF SPANISH DEFENCE POLICY

One of the roles of the president of the government referred to above is to decide on the wording of the National Defence Directive, which sets out the broad lines of defence policy and guidelines for its implementation. The current National Defence Directive was adopted on 31 July 2012. This directive establishes and prescribes the present strategic framework, Spain’s relevant interests, and key issues and guidelines.

It sets a number of aims that can be summarized as follows:

• Ensure operational Armed Forces capable of exerting the necessary influence on the international stage, contributing to global stability (especially in our region of direct focus) and protecting our national interests in the rest of the world.
• Implement full consistency and coordination across all instruments managed by the various central government departments in order to achieve utmost effectiveness.

• Maintain a credible and sufficient level of national deterrence to prevent the risk scenarios of our geographical environment from materializing as threats, and keep up response capabilities to guarantee Spain’s defence.

• Upgrade the Armed Forces as necessary to rise to the increasing strategic challenges facing Spain at a time of limited resources.

• Foster and promote a defence culture shared by Spanish citizens.

As a consequence of the national Defence directive, Spain’s Defence Minister signed the Defence Policy Directive on 21 October 2012, which sets out the guidelines required so as to successfully fulfil the government’s aims within the purview of the Ministry of Defence. Key points addressed by this document are the rationalization of national security structures, the preservation of deterrence capabilities, maintenance of international defence-related relations in the multilateral and bilateral spheres, adaptation of the structures of the Armed Forces, and support for the international presence of the Spanish defence industry.

Subsequent to this directive, in 2013, the Council of Ministers approved the National Security Strategy, which sets out the risks and threats that need to be addressed in a continuously changing global situation.
The most striking feature of this strategy is its broad scope, since it covers all areas of security, from armed conflict, terrorism, cyber threats, energy vulnerability and proliferation of weapons of mass destruction to espionage. In it, the priority lines of action are set out for the protection of the State in general and of citizens in particular. It also provides for the creation of an institutional system based on the National Security Council, a collegiate body set up on 11 July 2013 and presided over by His Majesty the King to assist the president of the government with issues concerning National Security Policy, inter alia.

4.3. THE ARMED FORCES

The Armed Forces, which come within the purview of the Ministry of Defence, constitute a single entity intended to act as an integrated unit incorporating the Army, the Navy and the Air Force.

Since 2002, when compulsory military service was abolished, all men and women in the Armed Forces are professionals. Of the 123,441 active troops, 78,217 are in the Army, 21,092 in the Navy, 20,939 in the Air Force, and 3,193 are attached to common Defence bodies. In addition, there are 22,478 civilian personnel. Our Armed Forces are strengthened by 5,000 voluntary reserves, citizens who voluntarily serve in the lines for certain periods each year.

The basic legislation governing personnel is the Common Law on Military Career 2007 (Ley 39/2007), which provides, among other key aspects of the model, a specification of Armed Forces personnel, the duties that such personnel are called upon to discharge in the various forces and categories, and the rules governing their entry, training and professional career. The new developments of this law include the reform of the military training system and access to non-military career areas.

The current military training system focuses on education in military values and training in professional techniques; it also offers the possibility of obtaining a university degree for officers and a higher vocational training qualification for non-commissioned officers.
The review of the model is also concerned with ensuring that privates and seamen are able to obtain a middle-grade vocational training qualification.

A personnel support system has also been rolled out to promote the voluntary access of military personnel to other working areas outside the Ministry of Defence, in an attempt to harness the skills of military personnel who voluntarily choose to drop out of the Armed Forces.

The staff lists regularly adopted by the government specify the size of our Armed Forces in accordance with our defence needs. The 2014 Budget Common Law (Ley 22/2013) has set a ceiling on military personnel in service as at 31 December 2014 of 79,000 troops and seamen.

Of the total number of active military personnel, 15,234 are women, which represents over 12% of the total.

The Armed Forces began to recruit women in 1988 and Spain now has one of the highest proportions of women in its Armed Forces of all European countries. The highest ranks held by women in military catego-
ries are Lieutenant Colonel (21), Second Lieutenant (1) and Senior Corporal (3).

Foreign nationals of countries with which Spain has important historic ties are eligible for recruitment to our Armed Forces as troops and seamen and as supplemental officers of the Military Medical Corps. Foreign nationals serving with Spain’s Armed Forces are limited to a quota of 9% of total troops and seamen; at 31 December 2013, there were 1,371 foreign members of the Armed Forces, representing 1.1% of the total.

4.4. RESEARCH AND DEVELOPMENT

The most notable modernization programmes include naval vessels, such as F-100 frigates, maritime action ships (BAM) and the S-80 submarine, all designed and built in Spain. Land vehicles include Leopard tanks and Pizarro combat vehicles, also constructed in Spain, and RG-31 and Lynx armoured vehicles for protection against mines and explosive devices.

Other modernization projects are conducted through international programmes in which Spain participates with its partners and allies. This is the case of the Eurofighter, the A-400 M military transport aircraft, and the Tiger and NH-90 multirole helicopters.

With regard to space, Spain has great potential in three strategic areas: satellite communications; Earth observation with ultra-high-resolution optical images in combination with radar imaging; and satellite navigation and positioning, in the framework of the EU Galileo programme.

The Institute of Aerospace Technology (INTA) is the reference centre in defence innovation, specializing in aerospace technology, certification and consulting. This centre was recently integrated into the rest of the research organizations of the Armed Forces, including the Technology Institute of La Marañosa, which specializes in the investigation of weaponry, materials and equipment, the El Pardo Hydrodynamics Experiment Channel, which specializes in hydrodynamic experimentation and research for the shipbuilding industry, and the Army Engineers Laboratory. This has led to the creation of a single focal point intended to boost synergies.
4.5. SPAIN IN THE INTERNATIONAL ARENA

Spain shares the view of its partners and allies that the threats and challenges it faces cannot be addressed unilaterally. Consequently, it has increased its international activity in two distinct areas: defence diplomacy, intended to strengthen bilateral cooperation, and participation in international organizations.

DEFENCE DIPLOMACY

The national Defence directive sets out the need to strengthen bilateral relations with actors that have shared interests and threats in order to bring stability to our environment or improve Spain’s position in strategic relations. Spain’s defence policy includes a Diplomacy Defence Plan, which sets out the principles, purposes, priorities and goals of efforts in this area. The Biennial Defence Diplomacy Programme, which directs the activities to be carried out, is drawn up and reviewed on an annual basis.

Defence Diplomacy actions include strengthening strategic dialogue and cooperation with diverse countries through high-level meetings, the implementation of bilateral cooperation programmes with countries of relevance, participation in exercises and seminars, negotiating and signing agreements, and the organization of courses or bilateral meetings with diverse civilian and military authorities of the Ministry of Defence.

Of all the relevant international actors in the struggle against global threats and risks, the United States plays a fundamental role. Despite a strategic shift towards the Asia-Pacific region, Spain strives to maintain solid bilateral relations as a way of strengthening the transatlantic link.

NORTH ATLANTIC TREATY ORGANIZATION (NATO)

Spain has been a member of NATO since 1982 and has contributed to the transformation of the Alliance in its process of adapting to the new threats to global security.

The NATO Summit held in Lisbon in November 2010 was a milestone in the sense that a new “Strategic Concept” was adopted, defining a renovated NATO that is better equipped to rise to the challenges of the
twenty-first century with a streamlined and optimized structure that retains the essence of its collective defence undertaking.

This year, NATO deployed four US destroyers as part of the missile shield of the Atlantic Alliance in the Mediterranean. Two of the four destroyers, the USS Ross and the USS Donald Cook, will be homeported in Rota in 2014 and joined by the remaining two, the USS Porter and the USS Carney, in 2015. Authorization was granted in 2011 as part of Spain’s cooperation in the missile shield.

**EUROPEAN UNION COMMON SECURITY AND DEFENCE POLICY (CSDP)**

As an EU Member State, Spain is active in the common security and defence policy, in which it participates through a variety of processes. Firstly, it takes part in the international missions and operations of the EU (EUNAVFOR Atalanta, EUTM Somalia, EUCAP NESTOR, EUTM Mali, EUFOR Althea and EUFOR CAR).

It is also working on capacity-building through joint research and development processes in arms and defence technologies and their sale on the European defence market. The European Defence Agency is playing a key role in this area.

It participates in “pooling and sharing” processes, which allow for the possibility of sharing military capabilities with other EU Member States and conducting joint training through the European Defence Agency.

Lastly, it promotes strategic partnerships between the EU and relevant international actors, such as the United Nations, NATO or the African Union in the framework of the Common Foreign and Security Policy, particularly the Common Security and Defence Policy.

**ORGANIZATION FOR SECURITY AND CO-OPERATION IN EUROPE (OSCE)**

Recognized as a regional organization under Chapter VIII of the Charter of the United Nations, the OSCE is the primary instrument in the region for early warnings, conflict prevention, crisis management and post-conflict rehabilitation.

As a participating state of OSCE since its creation in 1973, Spain is committed to constructing a global and cooperative security system. In this context, the Spanish Armed Forces take part in security-related activities: arms control, preventive diplomacy and measures to build confidence and security. These measures include the “Vienna Document”, which consists of a set of confidence-building measures in the form of information exchanges, inspections or information on certain military activities that might raise suspicion.

Besides the Vienna Document – and also under the umbrella of the OSCE – two basic and complementary treaties apply: the Treaty on Conventional Armed Forces in Europe and the Treaty on Open Skies. The former introduces a system of inspections, evaluations and informa-
tion exchange. The Treaty on Open Skies allows for observation flights to be made without restriction by a party State over another signatory State of the same.

### 4.6. SPANISH PARTICIPATION IN INTERNATIONAL MISSIONS

The Spanish Armed Forces have several detachments posted abroad on diverse international missions, authorized by the Government through agreements of the Council of Ministers under the auspices of UN resolutions and decisions of the North Atlantic Treaty Organization or the European Union.

Since 1989, Spain has participated in a total of 72 international peacekeeping operations, and almost 138,000 members of the Army, Air Force and Navy have made this possible through their presence on four continents.

**AFGHANISTAN – ISAF**

Since 2002, Spain has participated in the International Security Assistance Force (ISAF) in support of the Afghan Interim Administration. The first authorization of the Spanish Government was granted by the agreement of the Council of Ministers on 27 December 2001. The first troops, totalling 350, arrived in 2002.

In July 2004, the Spanish detachment was increased to 540 soldiers following the change in the tasks of ISAF and its expansion throughout Afghanistan, with three bases under Spanish responsibility at the time. The Spanish deployment has subsequently been changed to suit the tasks assigned to it by the ISAF and has increased to over 1,500 troops.

At the Chicago Summit of May 2012, NATO decided to transfer responsibility for security in Afghanistan to the Afghan security forces. For the Spanish Armed Forces, this decision entailed planning for a
withdrawal operation by the deadline of December 2014.

The troops began to withdraw from the Badghis area on 21 February 2013, when the outpost of Ludina was handed over to the Afghan army. This operation was subsequently repeated with the outposts of Moqur and Sangha Tesh, completed on 25 September with the handover of the Qala-i-Naw base, which was Spain’s main base in the province. This completed Spain’s withdrawal and the transfer of all security activities to Afghan forces in the province. No insurgent attacks, casualties or material losses occurred during this process.

Spain will remain in Herat province in the manner decided, which will possibly include management of Herat International Airport and a hospital with extended capabilities (at least until the Afghan authorities can take on these tasks), advising the command of the 207th Corps of the Afghan Army in Herat, and a regular presence at the headquarters to be set up in Kabul.

Some 20,000 soldiers have taken part in the mission over the years, which has had a human cost of 100 lives and a financial cost of EUR 3.5 billion.

LEBANON/UNIFIL

In July 2006, in the wake of Hezbollah’s border incursion against Israel, the Israeli-Lebanese crisis broke out. In August of that year, Resolution 1701 of the UN Security Council increased the size of the United Nations Interim Force in Lebanon (UNIFIL), first created in 1978, to a strength of 15,000, while also widening the mandate of its mission. Spain made a commitment from the outset to send a detachment and for the first time a Spanish General was appointed Head of Mission and Force Commander.

According to United Nations reports, the mission is achieving its intended objectives and the situation in southern Lebanon has become more stable.
At present, the mission involves over 10,000 personnel from 37 countries. The number of Spanish troops deployed in the mission was significantly reduced in 2013. Spain now has 550 soldiers at the Miguel de Cervantes base in Marjayoun and the headquarters in Naqoura, and maintains the Eastern Sector command, integrating detachments from El Salvador and Serbia into the latter.

**Mali: EUTM Mali and Air Force Support Detachment to Mali**

The political, humanitarian and security crisis that hit Mali following the events taking place in the north of the country since early 2012 (Tuareg rebellion, followed by a military coup and entry of Jihadi terrorists) had transformed it into a hub of instability and a serious threat to the entire Sahel region and to Europe.

Given the severity of the crisis, the interim President of Mali made official requests for support to the Secretary General of the UN, the Economic Community of West African States (ECOWAS) and the EU, the latter including a request for assistance for restructuring and training Mali troops. On 17 January 2013, the EU Council agreed to the military training mission (EUTM Mali), to be developed in the south of the country.

EUTM Mali does not perform combat missions and coordinates its activities with other missions deployed in the area.

At the request of the Defence Minister, the Congress of Deputies approved the expansion of Spain’s participation in the EUTM-Mali mission on 18 June 2013 with 54 additional soldiers, increasing the total number of troops deployed to 113 and making Spain the second largest contributor after France. Our troops are divided between the mission headquarters, the Spanish/Belgian mixed protection company in Koulikoro, a team of special operations trainers and a team of trainers in the artillery and mortars module.

To date, three Tactical Groups of battalions of the Malian Armed Forces have been trained. The fourth of those covered initially by the mission mandate began their training in January 2014.

In support of the French operation in the Mali crisis (Serval) and the European Union’s mission (EUTM Mali), Spain launched its Support to Mali (A/M) operation with the deployment of a T-10 aircraft (C-130) and the necessary detachment for its operation and maintenance (54 personnel), called Air Detachment “Marfil”. Deployment of this detachment began at the French airbase in Dakar (Senegal) on 26 January 2013 and reached full operability – and hence, began performance of the missions assigned to it – on 2 February.

Based on economic, logistical and operational considerations, the aircraft model used by Spain at the start of the operation has been replaced by a T-21 (C-295), and the troops have been cut back to 47 personnel.
HORN OF AFRICA: EU NAVFOR ATALANTA, OCEAN’S SHIELD, EUTM SOMALIA AND EUCAP NESTOR

Spain is taking part in four simultaneous missions in the Horn of Africa with the common goal of bringing peace and stability to the region.

In the first of these missions (EU NAVFOR ATALANTA), Spain, together with France, has driven the launch of a European Union operation in the Indian Ocean close to Somalia intended to protect shipping within the World Food Programme and trade and fishing activities from pirates operating in the area. Operation Atalanta deployed in early 2009 and Spain has continued to play an active role since then.

Spain made its contribution in December 2013 with around 140 personnel divided between the maritime action ship “Tornado” and the air detachment “Orión”, and with an MPRA (Maritime Patrol and Reconnaissance Aircraft) deployed permanently in Djibouti. Spain exercised command of the force for the fourth time from December 2012 to April 2013. As of January 2014, it will also serve as DCOM (Deputy Commander) of the OHQ (Operational Headquarter) for a six-month period.

Despite the difficulties involved in the surveillance of a geographical area three times the size of the Mediterranean, the mission has considerably dampened the success rate of pirates’ hijack attempts. In addition, Spain supports the expedient of protecting Spanish fishing vessels operating in the area by means of private security guards on board ship.

The increasing effectiveness of the operation was enhanced still further by the authorization given by the Transitional Federal Government of Somalia to the United Nations so that the forces involved in Operation Atalanta may undertake action against the pirates’ logistical settlements on the Somali coast.

The OCEAN’S SHIELD mission is being carried out in the same space to supplement the above mission. From June 2013 to June 2014, Spain holds com-
mand of the Standing NATO Maritime Group (SNMG 2), to which it contributes a permanent Navy frigate, in addition to being the Command Staff of the Force. This Naval Force was initially deployed in the Mediterranean, in Operation Active Endeavour, but from December 2013 to June 2014, it will be deployed in Operation Ocean’s Shield, in the Horn of Africa area, with the mission of combating piracy.

Also within the framework of the fight against piracy, Spain assisted the European Union Training Mission, EUTM-Somalia, now underway in Uganda, which is...
designed to equip the Government of Somalia with capabilities to combat piracy from land. The mission began in May 2010, and its first commander was a Spanish colonel.

In July 2011, it was decided to extend the mission with a second mandate; subsequently, in January 2013, the EU Council adopted the Decision to extend the mission for a third mandate, until 31 March 2015. This new mandate introduces a significant change as it shifts the focus of the mission from Uganda to Somalia.

EUTM Somalia is intended to provide specialized training and establish a permanent personnel pres-
ence in Mogadishu (Somalia). It also offers political and strategic advice to the Somali Defence Minister and Chief of Defence Staff, combined with support and advice for the development of the security sector.

December 2013 saw the completion of training at the Bihanga camp (Uganda), which, together with the closure of the headquarters in Kampala and its transfer to the secure area of Mogadishu International Airport, marked the end of the mission in Uganda.

A total of 10 Spanish soldiers are currently involved in the operation, 5 at the General Headquarters in Mogadishu, 4 as advisors in the Mentor, Advisor and Training Element (MATE), and one officer in Brussels as head of the mission support cell.

Training activities in the Somali army facilities of the Jazeera camp are expected to begin in April of this year, security conditions permitting.

Lastly, the Political and Security Committee (PSC) of the European Union approved the EUCAP NESTOR mission on 12 December for Regional Maritime Capacity Building (RMCB) in the Horn of Africa. Launched in July 2012, the mission involved the deployment of personnel as from September; initial operational capacity was reached at the end of January 2013. There are currently over 70 personnel in Djibouti, Kenya and the Seychelles, two of whom are Spanish, and another military officer is expected to join in February as head of planning. Spain supports true regional maritime capacity-building in the area, considering that it is a necessary complement to Operation Atalanta and EUTM Somalia within the global approach required by the region and in line with our strategic framework.

**BOSNIA-HERZEGOVINA – EUFOR ALTHEA**

The European Union launched Operation EUFOR ALTHEA in Bosnia-Herzegovina on 2 December 2004 to ensure compliance with the military terms of the Dayton Accords. The mission continued the work of earlier operations under UN command (UNPROFOR) and later under NATO command (IFOR, SFOR), started in the 1990s. On 25 October 2010, the Council of the European Union reasserted its commitment to Bosnia-Herzegovina through a non-executive component to advise and train the country’s armed forces, coexisting with the executive security maintenance mission EUFOR ALTHEA. A total of 10 Spanish soldiers are currently taking part in the mission.

**CENTRAL AFRICAN REPUBLIC – OPERATION SANGARIS**

On 18 December 2013, the Government requested authorization from the Congress of Deputies to provide support to the United Nations Stabilization Mission in Central African Republic and, in particular, to give logistical support to Operation SANGARIS, which France is carrying out in the CAR.
The aid authorized by the Congress consists of the participation of a Spanish aircraft, initially a Hercules C-130 (T-10), to boost air transport capacity. To begin with, the aircraft will provide support from the Zaragoza base and, in a second phase, from the second half of March 2014 onwards, it will be deployed in Libreville (Gabon).

Lastly, the Congress of Deputies has authorized the request of the Government Defence Minister for the deployment and participation of Armed Forces in the European Union mission in the Central African Republic (EUFOR CAR). Specifically, the authorization provides for the deployment of military units (up to a maximum of 50 personnel) and a section of the Civil Guard (up to 25 personnel), as Spain’s contribution to the European Gendarmerie Force for the performance of military missions, and of personnel to assist the bodies of command of the operation, both at Operation Headquarters (OHQ) in Larissa (Greece) and at Force Headquarters (FHQ) in Bangui (CAR).

USEFUL LINKS

Ministry of Defence: [www.defensa.gob.es](http://www.defensa.gob.es)
Chapter V

ECONOMIC POLICY, FISCAL POLICY AND THE LABOUR MARKET
5.1. ECONOMIC POLICY

THE SPANISH ECONOMY TODAY: RECENT DEVELOPMENTS

The starting point of the design of economic policy must be the identification and analysis of the difficulties faced by the Spanish economy. During the years of economic growth and the early years of the downturn there arose major macroeconomic imbalances – a high public deficit, high private indebtedness spurred by negative real interest rates, high external debt and loss of competitiveness. A large portion of these imbalances is explained by the buoyant growth of credit in the years leading up to 2007, by the increase in mainly property-related investment, and by the rigidities of the labour market. The high rate of investment in the years leading up to 2008 explains the strong increase in external indebtedness: in particular, the weighting of housing investment alone explains half of the external imbalance created in the years leading up to 2008.Alongside this, certain structural features of the Spanish labour market (its dual nature and the structure of wage bargaining), in conjunction with other factors, coupled with a shortfall of competition in some markets in goods and services, worsened these imbalances in the form of a trend toward a loss of outward competitiveness.

In the early stages of the crisis, a strongly expansionary fiscal policy was adopted, so as to increase public financing requirements rapidly, up to a maximum defi-
The Spanish economy has seen a marked improvement in recent years. In 2009, the country had a deficit of 11.2%. In the period 2000-2007, the growth of external debt was due to a need to finance the private sector; from 2009, however, the increase chiefly stemmed from the public sector.

Some of these imbalances have begun to be corrected; significant progress has been made in variables such as inflation, exports of goods and services, and the current account balance. Inflation has moderated significantly during 2013, from an annual CPI of 2.9% at the end of 2012 to 0.3% in late 2013.

Net external demand in 2013 offset the impact on the Spanish economy of the contraction in domestic demand. According to the most recent data available, the contribution of net external demand to GDP in the third quarter of 2013 was of 1.4 points (2.4 points in the first half of the year and 2.1 in the second), which was positive but still below the figure for 2012 (2.5 points), although the negative contribution of domestic demand has moderated over the year. The most recent forecasts of the Bank of Spain (January 2014) indicate that the Spanish foreign sector has contributed 1.6 points to GDP growth (-2.8 domestic demand points) during 2013.

Since the early days of the current crisis, Spain has gradually and consistently reduced its need to borrow for the economy, and in 2012 this figure stood at -0.6% of GDP. Now in 2013, for the first time since 1997, the Spanish economy will enjoy financing capacity. According to data from the Balance of Pay-
ments, such magnitude was 2.2% of GDP in the third quarter of 2013 (1.3% in the first and 2.1% in the second), so this variable could be around 1.5% at the close of the year.

This adjustment has been brought about mainly by improvements in the current account, and more specifically, the non-energy trade balance. The current balance (which accounted for 1.1% of GDP in 2012) observed a surplus in the second and third quarter of 2013 (1.2% of GDP and 1.7%, respectively). In its autumn forecasts, the IMF placed the current balance for 2013 as a whole at 1.43% and that for 2014 at 2.65%, the latter figure exceeding the average for the euro area (2.5%). The improvement in the current balance is due largely to the correction of the trade balance, which had a surplus for the first time since data have been available in March 2013; this positive figure repeated itself in May, according to data from the Bank of Spain. The non-energy trade balance has likewise remained positive since 2012.

**Overall performance**

The Spanish economy had been accumulating significant economic and financial imbalances since 2008, which plunged the country into the deepest crisis to be witnessed in recent democratic history and caused a substantial rise in unemployment. These imbalances were rooted mainly in fiscal and
financial aspects. The Spanish economy also needed a package of reforms that would modernize labour relations and the productive sector and introduce competition.

In fiscal terms, Spain closed 2012 with a public deficit of 6.8% of GDP, well below the 11.1% of 2009 and all the more significant if we consider that this reduction took place in a context of recession. The forecast for 2013 is to close at 6.5% of GDP. The Government is firmly committed to this goal since it believes that reducing imbalances in public finances is one of the levers for consolidating growth.

Private indebtedness has been reduced considerably, although it still stands at high levels, especially in relation to the property sector. These levels of public and private indebtedness are largely dependent on external sources, as shown by the fact that external debt in September 2013 stood at 162.8% of GDP. In net terms, however, Spain’s total net international investment position lies at 97.8% of GDP.

Since 2008, the Spanish economy has seen only one brief uptick in 2010, but this fragile recovery was short-lived and had faded by mid-2011. In the second half of 2011, a new downturn began. By year-end, the final quarter had seen a 0.7% fall in production. Activity continued to decline in 2012, with GDP registering a drop of 1.6%; this figure moderated to 1.2% in 2013 and began to display a positive sign in 2014.

Nonetheless, the worst aspect of the crisis by far is unemployment. Spain’s unemployment rate has spiralled from close to 8% in 2007 to almost 26% by the end of 2013. All government actions have one ultimate goal: to create jobs.

In recent years, major progress has been made in correcting the imbalances. In 2013, the economy will have registered a current account surplus of around 1% of GDP, compared with a deficit of 10% achieved in 2007. At the same time, major improvements are taking place in competitiveness, as shown by the recent performance of unit labour costs, which in 2013 declined by 3.3%. Private indebtedness is also shrinking fast, from 207.3% of GDP at
the end of 2011 to 188.3% in the third quarter of 2013, with consolidated figures.

In 2013, the main driver of the Spanish economy continued to be the export sector, which contributed 1.9 points to the annual change in GDP in the first three quarters of the year as a result of a considerable advance (+5.6%) of exports of goods and services and a decline (-0.5%) in imports; data on the performance of Spanish foreign trade indicate that Spanish goods and services have increased their share in the total world trade. From the standpoint of supply, in 2013 all branches of activity, except agriculture, shrank in size. The gross value added (GVA) of agriculture grew by 1%; GVA declined by 0.7% in industry, 8.8% in construction and 1.2% in services.

**A MODEL OF ECONOMIC POLICY BASED ON MACROECONOMIC STABILITY AND PRODUCTIVITY GROWTH**

Turning around a downturn as severe as the present one calls for adopting a comprehensive, self-consistent and ambitious economic policy strategy. One of the priorities of economic policy is fiscal consolidation, and once the financial restructuring process is complete, structural reforms affecting the operation of factor, goods and services markets will be required. Over
the past two years, the Government has introduced an ambitious reform programme that has restored much of the competitiveness lost since Spain joined the euro. Spain must nonetheless carry on with these reforms to equip the economy with a more efficient and flexible structure that will foster growth and job creation.

Fiscal consolidation

Fiscal institutions have undergone far-reaching reform. The new Budgetary Stability and Financial Sustainability Statute Law (Ley Orgánica 2/2012) brings about a substantial change in the prevailing fiscal governance standards. The new statute places all public authorities under a duty to abide by deficit and debt targets. Structural balance must be preserved, and debt is capped at 60% for all government bodies combined. In addition, this new law implements the expenditure rules of EU legislation, whereby variations in public spending may not exceed the benchmark of medium-term GDP growth for the Spanish economy. This statute law, in addition to setting rules and targets, considerably reinforces transparency and establishes a procedure for monitoring budgetary design and implementation at all administrative levels, with mechanisms capable of swiftly rectifying deviations. Ultimately, in the event of breach or failure to take corrective measures, regional and local public authorities may be placed under Central Government administration and have these corrective measures forcibly imposed on them.

In alignment with the Budgetary Stability and Financial Sustainability Statute Law, the containment of public expenditure will also be supported by the measures under the Common Law on Transparency (Ley 19/2013), which is designed, firstly, to supply the public with the highest possible standard of disclosure, and, secondly, to establish a good governance code that sets out – while carrying statutory authority – ethical principles of action that, if unmet, will trigger appropriate penalties.

Moreover, it provides for two mechanisms to reinforce regional and local authorities’ strict compliance with stability targets.

– The Provider Payments Mechanism (Mecanismo de Pago a Proveedores) enables local and regional authorities to pay down 100% of outstanding trade debts acquired until 31 May 2013. By the end of the third phase, this financing will have represented an injection of liquidity into the productive economy of approximately €42,000 million (4.1% of GDP), paid to some 230,000 suppliers. This financing mechanism is underpinned by a strict form of conditionality that assures compliance with budgetary stability targets and has already been extended a number of times.

– The Regional Liquidity Fund (FLA) adopted under Royal Decree-Law 21/2012 of 13 July 2012 concerning measures for liquidity for public authorities and in the financial ambit, has provided the autonomous communities subscribing to the scheme with the li-
liquidity they require. Funds received under this scheme must be used to pay down the autonomous communities’ public debt. The autonomous communities must adhere to strict transparency requirements to be eligible under this Fund; they come under a duty regularly to report on their economic, financial, budgetary, cash and indebtedness situation. This fund was launched in 2013 and received a further budgetary allocation in 2014, up to a maximum of €23,000 million.

In a further effort to curtail public expenditure, the Commission on Public Authority Reform published its report in June 2013 with over 200 proposals for reform of the public authorities that will be phased in gradually up to 2015 and generate estimated savings of €37,000 million. These measures are introduced alongside others taken by the State, largely affecting the autonomous communities, which will curtail spending in basic public services and ensure their financial sustainability, primarily in health care and education.

The regulatory framework of financial stability was completed by the Independent Authority for Fiscal Responsibility Statute Law (Ley Orgánica 6/2013). This new authority shall ensure the effective implementation by the public authorities of the principle of stability through continuous assessment of the budget cycle and government borrowing, and analysis of economic forecasts.

**Structural reforms**

The financial and, in particular, banking sectors play a pivotal economic role given that they serve as a channel for the conversion of savings into financing for business and households. Access to financing on competitive terms is a key factor in job creation. The credit crunch of the intermediate crisis years was a result of the high debt accumulated pre-crisis by the private sector combined with the challenge faced by financial institutions in strengthening their solvency and finding financing in the capital markets. Both businesses and households have made considerable deleveraging efforts, which have resulted in the recovery of debt levels in GDP terms close to those of 2007. This is key to improving the conditions of demand for more solvent credit. At the same time, a substantial effort has been and continues to be made for reform of the banking sector.

Consolidation of the Spanish banking sector was stepped up in 2012 and 2013, allowing the recapitalization and restructuring of the most vulnerable institutions (mainly savings banks), which has resulted in a financial system with fewer and more creditworthy banks. A turning point was reached in this process when Spain requested EU financial assistance in the spring of 2012 for the recapitalization of financial institutions, for which it was granted up to €100 billion.

Following analysis of the capital needs of the financial sector, the amount actually requested under the financial assistance programme was €41.3 billion. This fi-
Financial assistance has been earmarked for the recapitalization of four Group 1 and four Group 2 banks of the Memorandum of Understanding. The capital injections materialized between 2012 and the first half of 2013, following approval by the European Commission of the respective restructuring plans.

Two major reforms have been undertaken to set the conditions for a banking sector more resilient to financial crises, namely introduction of the Basel III solvency requirements and a comprehensive reform of the legal framework for savings banks.

The “global regulatory framework for more resilient banks and banking systems” (Basel III), agreed by the Basel Committee on Banking Supervision in 2010 and carried over into Community law by Directive 2013/36/EU and Regulation (EU) No 575/2013, is a global response to the deficiencies in financial regulation revealed by the crisis. It provides a set of new requirements to guarantee higher capital, greater loss-absorbing capacity in banks and increased control of liquidity and leverage. All of this is set out in Spanish regulations by direct application of the Regulation, the approval of Royal Decree-Law 14/2013 of 29 November 2013 on urgent measures to adapt Spanish law to the regulations of the European Union on the supervision and solvency of financial institutions and the adoption of a new Common Law on Credit Institution Solvency and Supervision (currently at the processing stage) and the Royal Decree and Bank of Spain Circular subsequently developing it. This new law will make a substantial improvement to legislative clarity by combining all current solvency legislation in a single regulation.

Over the past two years, the Government has worked on the reform and restructuring of the bulk of Spain’s savings banks. This period has also seen the adoption of the Common Law on Savings Banks and Banking Foundations (Ley 26/2013), which provides a stable framework for exercise of the financial activity of these institutions and fosters their professionalism and good corporate governance.
Besides restructuring the banking system per se, the Government has also deemed it necessary to encourage the diversification of sources of funding for business. Spanish companies have traditionally relied on bank credit so new methods need to be found to strengthen sources of (non-banking) direct corporate financing and reforms must be introduced to make bank lending to SMEs more accessible and flexible.

Of the measures in this package to improve and promote non-bank financing is the review of the Spanish venture capital system with a view to simplifying and improving the latter. One of the areas most needy of attention is the reorientation of the sector towards the financing of companies in the early stages of development and expansion, so the new venture capital system will be more flexible in terms of the instruments in which venture capital institutions can invest (whether equity or debt instruments). This reform incorporates other developments arising from implementation of Directive 2011/61/EU on Alternative Investment Fund Managers, which improves the regime of transparency, risk management, investor information, remuneration policy and the creation of a European passport for European alternative investment funds and their European managers. The Common Law on Spanish Collective Investment Institutions and its implementing regulations were also modified this year.

Further measures are being studied to support business access to the capital markets and allow their financing through equity and fixed income. Another area of study is the possibility of regulating crowdfunding to allow the development of this new source of funding, thereby ensuring appropriate protection for retail investors. In the area of bank financing, credit institutions will be required to warn SMEs in advance of any withdrawal or reduction in credit facilities. Moreover, given the importance of ensuring the stability of the financial system in general, a law establishing the Financial Stability Board is scheduled for adoption in 2014, in compliance with the recommendation issued by the European Systemic Risk Board (ESRB) in 2011. The purpose of the Financial Stability Board will be to maintain the stability of the system overall by pinpointing and mitigating systemic risks while still allowing the financial system to contribute to economic growth. To achieve its aims, the Financial Stability Board will regularly monitor a series of indicators allowing the early detection of potential risks and vulnerabilities to the stability of the financial system. The Financial Stability Board will have access to two types of instrument: warnings for identifying systemic risks, and recommendations. In these recommendations, the Board will propose specific measures to the competent authorities in order to mitigate risks and the authorities must follow the recommendation or explain the reason for non-compliance. Lastly, a law is scheduled for adoption in 2014 intended to foster better corporate governance in venture capital enterprises, particularly listed companies, to improve the levels of efficiency and accountability of their management and ensure greater
shareholder involvement in social activity, which will catapult Spain’s legislation into the international lead.

Several important measures have been adopted to improve the business climate and environment in a bid to stimulate investment and economic activity. These include the Common Law on Entrepreneur and Internationalization Support (Ley 14/2013), which takes an integrated approach to tackling all obstacles to business activity and provides for a wide range of measures to facilitate business creation and growth and job creation. The Common Law on Market Unity Assurance (Ley 20/2013) likewise seeks to eliminate the fragmentation of the national market by introducing the single licence principle.

The Government will carry on working to continue these reforms in 2014. Several of the key measures adopted will require development through measures such as the Market Unity Programme, for compliance with the Common Law on Market Unity Assurance, or the further implementation of measures for reform and modernization of the public authorities included in the report of the Commission on Public Authority Reform. In addition, 2014 will see the adoption of the Common Law on Professional Services and Associations, which modernizes the regulatory framework for a key sector. The adoption of the De-indexing Common Law will also be complemented by the necessary regulatory development for its effective implementation.

5.2. ECONOMIC SUB-SECTORS

AGRICULTURE AND FISHERIES

Agricultural policy

National agricultural policy, in the framework of the European Union’s Common Agricultural Policy (CAP) and Common Fisheries Policy (CFP), ascribes a range of specific priority goals to agriculture, livestock farming and fisheries: to bolster and increase safe, high-quality, market-oriented and sustainable production.

Agriculture in Spain is a strategic sector commanding high significance in terms of social repercussions, land use, the environment, and economy. This assertion rests upon the following facts:

- Half the land area of Spain is dedicated to agricultural and livestock farming activities. 33% of the land is under cultivation, while 16% is given over to fields and pastures. The agri-food sector is one of the most important in the Spanish economy.
- Our country’s agricultural output offers wide diversity and high quality, owing to the special conditions of our climate and genetic resources, to the sophistication of our plant and animal health protection sys-
tems, and to the high technological development of our crop and livestock farms.

• In 2012, the value of Spain’s agricultural output came to €43.151 billion, 4.3% up on 2011 and accounting for 13% of EU-15 output, while employing 753,200 people.

According to the most recent industrial survey of businesses by the National Statistical Institute (INE), the Spanish agri-food industry is the country’s leading in-
dustrial sector, with an employment rate in 2012 of 441,800 people and net product sales of €91.143 billion in 2012, 20.8% of industry as a whole. Considering agricultural and agro-industrial activity as a whole, employees in this area accounted for almost 7% of all jobs in Spain.

The agri-food export sector showed a consistently positive trade balance, as shown in the following chart:

**Agricultural production**

In 2012, the value of plant production totalled €25.152 billion, accounting for 58% of all agricultural output. The standouts are the fruit and vegetable sector, followed by cereals, olive oil and wine vineyard.

In 2012, the value of fruit and vegetable production totalled €13.825 billion, accounting for 32% of all agricultural output and 55% of plant output.

In 2012, the trade balance had a surplus of €7.981 billion. The European Union, which takes up 87% of the value of our exports, is Spain’s leading overseas market.

Spain, which has over 2.5 million hectares under olive grove cultivation, is the leading producer of olive oil in both the European Union and the world, representing approximately 50% (55% in the last campaign) and 40%, respectively.

Olive oil production accounts for 8.5% of the value of plant output. Output in the 2011-2012 campaign achieved an historic milestone in Spain’s olive oil production – 1,600,000 tonnes, or 15% more than in...
the previous campaign. The driving factors were exceptionally high yields and favourable climatic conditions. The value of exports in 2012 amounted to €1.976 billion.

Table olives, like olive oil, show a clearly positive trade balance. A large proportion of output (over 55%) is exported, making for an annual historic average of 250,000 to 300,000 tonnes exported.

Spain is the world’s leading country in terms of land under vineyard for winemaking, and the world’s third-largest wine producer. The land under vineyard in our country accounts for 7% of all arable land. In 2012, vineyard cultivation came to 954,000 hectares (53% red grape varieties, 44% white grape varieties, and 3% varietal blends).

In the 2012-2013 campaign, the provisional wine and grape must output in Spain totalled just under 34 million hectolitres (hL), of which 30% corresponded to wines under Protected Designations of Origin, 7% to wines under Protected Geographical Indications, 8% to varietal wines, and 55% to other wines.

Wine is a product with a positive trade balance. Wine exports in 2012 amounted to 2.0628 billion litres of wine, with a value of €2.4993 billion, which indicates an 8% drop in volume that has nonetheless been accompanied by an 11.8% increase in value from the €2.471 billion obtained from exports in 2011, showing a positive trade balance of €2.413 billion.

The main destination of Spanish exports is the European Union market. In 2012, bottled wine exports grew by 12.7% over the previous year, accounting for a total of €1.530 billion. The main destinations of these exports were the United Kingdom, Germany, USA, Netherlands, China, Canada, Japan and Mexico.

<table>
<thead>
<tr>
<th>Cereal cultivation area, output and yield in 2012</th>
<th>Area (hectares)</th>
<th>Output (t)</th>
<th>Yield (t/ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grain cereals (including rice)</td>
<td>6.169.891</td>
<td>17.543.117</td>
<td>2,8</td>
</tr>
<tr>
<td>Grain cereals (excluding rice)</td>
<td>6.057.072</td>
<td>16.643.515</td>
<td>2,7</td>
</tr>
<tr>
<td>– Common wheat and semi-coarse wheat</td>
<td>1.777.118</td>
<td>4.690.334</td>
<td>2,6</td>
</tr>
<tr>
<td>– Winter wheat</td>
<td>1.685.178</td>
<td>4.276.490</td>
<td>2,5</td>
</tr>
<tr>
<td>– Durum wheat</td>
<td>411.053</td>
<td>499.493</td>
<td>1,2</td>
</tr>
<tr>
<td>Rye and meslin</td>
<td>207.947</td>
<td>296.746</td>
<td>1,4</td>
</tr>
<tr>
<td>Barley</td>
<td>2.691.086</td>
<td>5.956.345</td>
<td>2,2</td>
</tr>
<tr>
<td>– Six-row barley</td>
<td>414.831</td>
<td>808.824</td>
<td>1,9</td>
</tr>
<tr>
<td>– Oats</td>
<td>438.745</td>
<td>683.482</td>
<td>1,6</td>
</tr>
<tr>
<td>– Mixtures of grains other than meslin</td>
<td>755</td>
<td>725</td>
<td>1,0</td>
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<td>Grain maize</td>
<td>390.215</td>
<td>4.261.412</td>
<td>10,9</td>
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<td>Sorghum</td>
<td>7.729</td>
<td>27.380</td>
<td>3,5</td>
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<td>Triticale</td>
<td>125.879</td>
<td>217.311</td>
<td>1,7</td>
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<tr>
<td>Other cereals</td>
<td>6.545</td>
<td>10.287</td>
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<tr>
<td>Rice</td>
<td>112.819</td>
<td>899.602</td>
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<td>– Indica rice</td>
<td>51.174</td>
<td>425.402</td>
<td>8,3</td>
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<tr>
<td>– Japonica rice</td>
<td>61.645</td>
<td>474.200</td>
<td>7,7</td>
</tr>
</tbody>
</table>

Source: Ministry of Agriculture, Food and Environment.
Cereals, owing to their high adaptability to different soil types and climate conditions, and their available energy and nutritional value, are a key component of human and animal nutrition. The estimated value of grain cereals in 2012 was €4.624 billion, for a production of 17.4 million tonnes.

**Livestock farming**

In 2012, livestock production totalled €16.362 billion, accounting for 38% of all agricultural output.

The leading livestock sector in Spain is the pork industry, which contributes 37% of the total value of livestock output. Spain is Europe’s second largest producer, behind Germany, with a census of 25.6 million animals. In addition the livestock industry is the most active in international trade, since Spain’s total pork exports have increased to 39% of domestic output. Over the past six years, total pork industry exports have increased by more than 100%.

In 2012, milk production accounted for 16% of livestock output. The cattle census remains stable at around 850,000 head as a result of the application of the scheme of production quotas.

Supported by a census of 5.8 million animals, beef represented 15% of livestock production in 2012. Next in economic significance is the poultry sector, with 15%.

The sheep and goat sector, with a census of 19 million (16.3 million head of sheep and 2.7 million head of goat), provided 5% of livestock output. The egg sector represented 8% of livestock output.

The beekeeping sector, independently of its economic significance, is indispensable for its environmental role and its contribution to ecological balance and to improving and maintaining biodiversity. Honey production in Spain totalled 29,405 tonnes in 2012.

Elsewhere, rabbit meat was one of the leading segments within the so-called “minor sectors” of livestock primary production. With an output of 64,578 tonnes in 2012, the rabbit-farming sector is proving to be a significant development driver in production areas, which are highly focused on certain mainland territories.

In 2012, the trade balance of the main livestock products was positive as regards meat and offal, processed meat, eggs, honey and other products of animal origin. The trade balance for the milk and dairy sector was negative, however.

The livestock sector is turning to quality-led products in accordance with the European production model, based on high food safety standards and respect for the environment and animal welfare, while remaining consistent with the sustainable use of natural resources.

**The Spanish fisheries**

Spain has made stringent efforts to adapt the size of its fishing fleet to the potential of fishing grounds with a view to ensuring their sustainability within the Europe-
Spain is one of the countries exhibiting the highest fish consumption per capita at close to 36.5 kg a year – more than doubling the European Union average of 15 kg a year. Our fisheries output is accordingly unable to satisfy market demand, and recourse is had to a high proportion of imports.

Spain is one of the world’s ten leading countries by marketed value of fishery products in international trade. In 2011, imports came to 1.7 million tonnes, for a total value of €5.108 billion. Of that amount, 27.45% was sourced from Morocco, Argentina, China and Ecuador; a similar percentage was sourced from European Union countries. Exports came to 1.1 million tonnes, for a value of €2.7344 billion, 73% of which was bound for European Union countries and Japan. The fisheries trade balance came to €1.952 billion in 2012, almost 18% less than the previous year.

In accordance with national and EU laws and regulations, the Spanish Vessel Monitoring System enables the competent authorities to obtain satellite positioning of all fishing ships of a length exceeding 15 m by means of “blue boxes”.

Spain’s Fisheries Monitoring Centre is in charge of receiving, analysing and storing all the information supplied by blue boxes installed on Spanish ships. In addition, Spain’s Fisheries Monitoring Centre provides other countries’ Fisheries Monitoring Centres with the positions of Spanish ships in their waters and, conversely, receives the positions of foreign ships in Spanish waters.

The fishing activities of the Spanish fleet of ships having a length of more than 15 m (in accordance with EU and national statutory requirements) are currently monitored almost in real-time in both Spanish waters and in the rest of the world using the Onboard Electronic Logbook. Pursuant to current EU law, the data are automatically re-transmitted to other coastal countries where the Spanish fleet is operating, including both EU Member States and third countries with which electronic data transfer has been agreed under the relevant fishery agreements with the European Union. The fishing activity data recorded in electronic logbooks are received from foreign ships operating in Spanish waters.

The Spanish fisheries authorities have a fishery research and support fleet, built over the past eight years, comprising ships such as the Emma Bardán, the Vizconde de Eza and the Miguel Oliver. The fleet provides the most accurate and reliable tool to evaluate and ascertain the state of fishing grounds and their marine resources.
Spanish aquaculture

In parallel to conventional fisheries, the aquaculture sector has grown powerfully in Spain. The extent of productive and technological development of recent years has made aquaculture a source of food that supplements conventional fishing and greatly benefits the sustainability of fishery resources.

Production of marine and inland aquaculture species in 2012 totalled 297,000 tonnes: 235,610 tonnes of mussels, 61,400 tonnes of other fish, mollusc and crustacean species. Standouts among fish species were 19,430 tonnes of gilthead bream, 14,270 tonnes of sea bass, and 7,970 tonnes of turbot, in marine spaces, and 17,396 tonnes of trout in the field of inland aquaculture.

The Spanish agri-food system: national food policy

The global strategy of food policy is to improve the marketing and quality of agri-food products.

Support for the values of quality and organic farming and a balance in the value chain are elements of Spain’s food policy that help frame the basic rules of this important economic sector.

The Spanish system of differentiated quality linked to geographical origin, tradition and organic farming methods, which integrates the recognized quality marks that underpin the reputation of our output, constitutes an effective tool to improve the competitiveness of our businesses.

Agri-food trade transactions in 2011 and from January to September 2012, set out in the table below, show a positive trade balance for Spain. Our strengths are the quality and competitiveness of our products.

The Ministry of Agriculture, Food and Environment is working towards improving the integration and functioning of the food chain so as to enhance the effectiveness and competitiveness of the agri-food sector and so achieve a better balance in trade relations among the various operators of the value chain. These efforts culminated in the summer of 2013 with the adoption of the Common Law on Improvement of Food Chain Functioning (Ley 12/2013).

A further goal is to follow the recommendations issued by the National Competition Commission in its report of 5 October 2011 on relations among manufacturers and distributors in the food sector.

### Balance of the agri-food system

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports</th>
<th>Imports</th>
<th>Balance (€B)</th>
<th>Coverage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>25,478,846</td>
<td>23,605,320</td>
<td>1,873,525</td>
<td>107,94</td>
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<tr>
<td>2011</td>
<td>27,948,850</td>
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<td>1,942,771</td>
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<tr>
<td>2012</td>
<td>30,846,671</td>
<td>26,914,585</td>
<td>3,932,086</td>
<td>114,61</td>
</tr>
</tbody>
</table>

Source: ICEX. Development: Ministry of Agriculture, Food and Environment.
INDUSTRY SECTOR

The behaviour exhibited by industry was more positive than in the previous year. The drop in industrial production registered in the first ten months of 2013 stood at -2.2%, a much more moderate decline than that recorded in the same period of 2012 (-6.4%). This was largely due to the positive performance of capital goods production, whose filtered Industrial Production Index grew by 0.9% between January and October 2013, having fallen 11.5% in the same period of the previous year. The production of intermediate and consumer goods also registered more moderate declines with rates of -3.2% and -2.9% in the available period for 2013, respectively (-9.0% and -4.1% in the same period for 2012). The IPI for Energy is the only one displaying a more negative performance than the previous year (-2.7% compared to a growth of 0.6% between January and October 2012).

By individual industry, production fell in the majority of sub-sectors during the first three quarters of 2013. The sharpest declines were recorded in Energy Minerals (-16.5%), NonMetallic Minerals (-12.5%), Leather (-10.6%), Electronics, Information Technologies and Telecommunications (-9.4%) and Products from Non-Metallic Minerals (-8.9%). Conversely, the IPI of the Machinery and Mechanical Equipment and Vehicles sectors grew 2.5%. The recovery of the latter market was aided by the successive vehicle purchase incentive schemes (PIVE Plans). The other sectors displaying production increases in 2013 were oil refining (2.1%), other manufacturing industries (1.7%) and Repair and installation of machinery and equipment (1.3%).

The breakdown of manufacturing by technological intensity reveals lesser declines in all groups in 2013. The most moderate decline was seen in the mid to high tech group (-1.3%), followed by high and mid-low (both with declines of -1.7%) and low tech (-2.5%).

This more moderate decline in industrial production in 2013 was aided, inter alia, by the positive performance of external industrial sector. Industrial exports grew by 6.9% in the first nine months of 2013, more than double the growth recorded for the whole of 2012. The
growth of manufacturing exports in that period was even higher at 7.5%.

The industry sector, having raised its productivity from 1997 through 2007, saw a 0.6% drop in productivity in 2008. The productivity of the sector has grown steadily since 2009. The highest growth of this variable was recorded in 2010 (10.1%), followed by increases of 4.3% in 2011, 5.1% in 2012 and 3.7% in the first nine months of 2013 according to data from Spain’s Quarterly National Accounts.

**Industrial policy**

The primary aim of the Government’s industrial policy is to allow industry to increase its GDP contribution as much as possible.

During 2013, industrial policy has focused on introducing stimuli to help promote innovative sectors of industrial activity having a large export capacity and capable of creating jobs, and fostering access to new markets with high value-added.

Along these lines, a new facility has been set up offering financial aid for industrial investment that meets the above requirements. This is implemented through the new programmes for re-industrialization and the promotion of industrial competitiveness geared towards encouraging economically viable business initiatives that help strengthen the competitiveness of industrial enterprises and foster the development of industry.

Schemes to stimulate vehicle demand have also been continued through successive PIVE Plans and electric vehicle demand programmes.

**Industrial property rights**

Spain is a signatory of the main international treaties on intellectual and industrial property rights. According to indicators published in 2012 by the World Intellectual Property Organization, Spain was the world’s seventh leading country in terms of applications for trademarks and industrial designs.

In recent years, the Government of Spain has set in motion the Plan PI to promote industrial property generation in Spain, and, since 2012, the 2012-2014 Strategy concerning industrial property for businesses...
and entrepreneurs, in order to encourage the strategic use of the patents, trademarks and designs of the Spanish business world. The 2012-2014 Strategy is an initiative of the Ministry of Industry, Energy and Tourism, through the Spanish Patent and Trademark Office, intended to transform industrial property into a tool and key factor in day-to-day decision-making in business and among entrepreneurs. The aim of the strategy is to foster the differentiation, specialization and improved performance of the Spanish productive system, thereby helping to improve the competitive position of our companies in global markets through the strategic use of the instruments of industrial property protection.

ENERGY SECTOR

Production, demand and energy dependency

Primary energy production in Spain totalled 33,645 kilotonnes of oil equivalent (ktoe) in 2012, 5.8% more than in 2011 (31,804 ktoe). This was due to the increased production of wind, solar, biomass and nuclear power, which were greater than the decreases in domestic production of primary energy from coal and water power, whose production declined from the previous year by 7.6 and 33%, respectively. By energy source, the bulk of primary energy production in 2012 came from nuclear generation, which accounted for 47.5% of total output, followed by renewable energies other than conventional hydropower (39.3%), coal (7.3%), and hydropower (5.2%). Oil and gas production, accounting for just 0.6% of domestic energy output, remains at very low levels with respect to the consumption of primary energy from these sources, which was 54,108 and 28,242 ktoe, respectively, in 2012.

At the end of 2012, the primary energy intensity of the Spanish economy in terms of primary energy/GDP, calculated in accordance with the Eurostat methodology, stood at 168.1 ktoe/EUR million. This represented an increase of 0.6% compared to 2011 (167/ktoe/EUR million). Simultaneously, the Spanish economy more efficiently used electricity and other forms of final energy, since the intensity of it fell 2.5%.

In 2012, primary energy demand came to 128,317 kilotonnes of oil equivalent, with a fall of 0.8% compared to that of 2011 and final energy demand totalled 89,271 kilotonnes of oil equivalent, and electricity demand was 20,427 kilotonnes of oil equivalent.

Breaking down energy consumption by source, total oil consumption accounted for 41.9%, followed by natural gas (21.8%), nuclear power (12.4%), renewable energy (12.3%) and carbon (11.6%). As to final energy demand, petroleum products are in the lead (51.1%), followed by electricity (22.9%), natural gas (17.4%), renewable energies for direct use (7.1%) and coal (1.2%).

As to electricity specifically, renewable energies were the leading sources (31.1%), followed by nuclear power (20.7%), coal (19.4%), and natural gas (14.3%).
Reform of the electricity sector

The Spanish electricity system has significant strengths, which include: a diversified and balanced mix of generation technologies, high penetration of renewable energy (approximately 50% of the energy produced in the first half of 2013) and a high level of infrastructure development and supply quality.

For the past ten years, the Spanish electricity system has generated a tariff deficit that has ended up as a structural deficit because the actual costs associated with the regulated activities and functioning of the electricity sector are higher than the revenues obtained from the access tolls set by the Government and paid by consumers. Given the unsustainable nature of the deficit of the electricity sector, urgent measures had to be taken to put an end to the situation. To correct the imbalances caused by the expansive development of the cost headings of the electricity system, a series of urgent measures have been adopted affecting both the cost and revenue headings. A financial stability rule has also been introduced through an automated review system that will prevent new imbalances from appearing. These measures include:

- Limiting the introduction of new costs in the electricity system unless they are offset by an equivalent increase in revenues.
- The assumption by local or regional authorities of any additional costs generated by their local or regional regulations.
- Reducing the costs of the system by €2.7 billion per year.
- With regard to renewables, cogeneration and waste, the reform provides for a new compensation scheme for cogeneration, waste and renewable energy generating facilities. Such facilities will receive a supplement for their investment costs based on technology standards, thereby ensuring a reasonable pre-tax return that will theoretically be based on the average performance in the 10 previous years of 10-year treasury bonds plus 300 basis points. This new compensation framework will provide a suitable instrument for the protection and promotion of renewable technologies by incorporating mechanisms to adapt
them to circumstances as necessary in order to uphold the principle of reasonable return and by introducing elements intended to mitigate the impact of any technological risk.

- For transmission and distribution networks, a regime is introduced that establishes a homogeneous compensation appropriate to a low-risk activity, i.e. 10-year treasury bonds plus 200 basis points. Maximum amounts for investment to be borne as an annual cost by the electricity system are also set.

- The reform introduces measures to lower the cost of electricity production and improve the efficiency of the fuel stations of non-mainland and island systems.

- The current compensation of capacity payments received by combined cycle plants is reduced and a market mechanism is set up to calculate interruptibility.

- A basic system of incentives is introduced for the Canary Islands and Balearic Islands, where wind power and photovoltaic energy is cheaper than conventional generation.

- The possibility of temporary closure of facilities (hibernation) is allowed under strict conditions that ensure the security of supply.

- Increased competition and consumer transparency is introduced. The Tariff of Last Resort, which is applied to the majority of domestic consumers, is renamed the Voluntary Small Consumer Price. The reform will allow new suppliers to offer energy to these customers and the increased competition will lead to deals and discounts. In addition, the process for switching suppliers is simplified and customer care mechanisms are strengthened. The measures adopted between late 2012 and mid-2013 appeared to fulfil the aim of tariff sufficiency through the efforts of consumers and companies operating in the sector and the budget headings to this effect. However, a series of events occurred in 2013 that changed the assumptions on which the estimates were made. Eventually, the 2013 Common Law on Electricity Sector (Ley 24/2013) was passed, which recognized that the deficit of the electricity system amounted to €3.6 billion during 2013. The reforms will continue in 2014 with a focus on increasing competition and transparency in the wholesale and retail markets to ensure supply at the lowest possible cost. The CE-SUR auction, which was established to determine the price of the first quarter of 2014, was declared null and void by the CNMC, which found several atypical circumstances to have occurred. If the auction had not been cancelled, the resulting price would have meant a 10.5% increase in the electricity bills of 16 million consumers. To prevent this from happening again, since current legislation does not provide for a pricing procedure when an auction is declared null and void, the Ministry of Industry, Energy and Tourism is currently developing a new mechanism to be applied from the second quarter of 2014 for correcting structural deficiencies.
The Ministry of Industry, Energy and Tourism, has already advanced that there will be a new system for determining the energy component of the electricity bill for small consumers. This new system will save consumers more than €280 million a year, equivalent to an average annual reduction of 3% in the consumer’s bill.

SERVICES SECTOR

The gross value-added of the services sector in the first three quarters of 2013 was €496.3 billion, which represented 65.3% of GDP, down 0.4 percentage points from the figure for 2012 overall. During the first nine months of 2013, the sector employed an average of 12.1 million people, roughly 76% of all employees in Spain. By sub-sectors, Trade, Transportation, Accommodation and Food Service provided 36.2% of value-added in the services sector during the first three quarters of the year (with an average of 4.6 million employees). The next largest sub-sector is Public Sector, Defence, Compulsory Social Security, Education, Health and Social Services, which makes up 25.1% of the sector and employs 3.7 million people.

Between January and September 2013, and compared to the same period of the previous year, the nominal value-added of the Arts, Entertainment, Recreation and Other Service Activities sub-sectors grew by 2.5%; Trade, Transportation, Accommodation and Food Service was up 0.9%, and Real Estate Activities, 0.5%; this contrasted with the drop of over 8% in the Financial and Insurance Activities sector, and the 5% drop in the Information and Communications sector.

POLICY IN SUPPORT OF SMALL AND MEDIUM-SIZED ENTERPRISES (SMES)

The Government fosters SME competitiveness through specific legislative action, such as the Common Law on Entrepreneur and Internationalization Support (Ley 14/2013). This statute includes enterprise and entrepreneurship measures, tax and social security incentives, measures to promote financing and improve business competitiveness, and measures for the internationalization of Spanish companies and the economy.
The first of these measures is the University Entrepreneurship Programme, which seeks to promote business creation and entrepreneurship in universities.

Secondly, and with the aim of encouraging business startups, an electronic processing system is set up called CIRCE (Business Startup Information and Networking Centre) that supports business startups in the form of limited companies and sole traders. The process involves a single administrative form (DUE – Electronic Single Document) and a network of business startup offices (PAE – Entrepreneur Advice Points). Work is currently underway to expand the system to include other corporate models and new formalities such as reserving corporate names for limited companies and the notification of workplaces.

The legislation also incorporates measures to reduce the time required to set up limited companies. The network of business startup offices (PAE – Entrepreneur Advice Points) has been set up based on the experience of the PAITs (Advice and Process Initiation Points) whose services have been extended beyond business startup to include the exercise and winding-up of activity.

Thirdly, the law attempts to boost competitiveness through actions such as support for Innovative Business Groupings (AEIs), which promote the development of cooperation clusters of businesses and research, technology and training centres.

And finally, the scheme is to improve SME access to finance through the activity of CERSA (Compañía Española de Reafianzamiento, S.A.), a corporation engaging in the counter-guarantee of guarantees granted by reciprocal guarantee companies, and ENISA (Empresa Nacional de Innovación), a corporation operating various lines of participation loans. These instruments are supplemented by a programme to encourage Business Angels networks and measures to foster bank financing for SMEs, inter alia.

**CONSTRUCTION SECTOR**

The construction sector continued its downward spiral. Over the first three quarters of 2013, housing investment accounted for less than 4.5% of GDP, compared to 12.2% in 2007. The latest data from the EPA suggest that employment in the construction sector in 2013 represented 6.1% of total jobs, compared to 13.4% in 2007. Since 2008, the number of construction jobs has more than halved, decreasing from 2.5 million to less than one million in the last quarter 2013.

The most recent data to be published on new building permits indicate a 22% decline in area for construction in residential buildings, continuing the adjustment that commenced in 2007. Nonetheless, the number of new homes sold continues to outpace that of finished homes, so the reduction in housing stock that began in 2011 has continued.
TRADE SECTOR

Foreign trade

From January to November 2013, according to the Department of Customs and Excise, Spanish merchandise exports have remained strong, with a year-on-year growth of 5.4% and a value of €215.926 billion, representing a new high in the current time series that began in 1971. This entrenches and builds upon the export increase seen in the equivalent period of 2012 with respect to 2011 (5.1%).

Imports on the other hand decreased by 1.8% year on year in the first eleven months of 2013, totalling €230.052 billion (-1.3% in the same period of 2012).

The increase in exports combined with falling imports led to further reductions in the Spanish trade deficit, which totalled €14.125 billion over the first eleven months of 2013, a 52.1% improvement on the previous year.

A major factor in this was the increase in the non-energy surplus, which totalled €23.8188 billion from January to November 2013, almost doubling the figure of the same period last year (€12.9499 billion); the energy-related deficit also dropped 10.5% compared to January-November 2012.

Lastly, the coverage ratio, which measures the relationship between exports and imports, was 93.9%, an improvement of 6.5 points over the same period last year (84.4%).

By regions, the first eleven months of 2013 witnessed a 6.3% year-on-year increase in non-EU foreign sales, which now account for 37.3% of the total. Of these, Spanish exports to Asia (11.6%) and Africa (10%) displayed particular dynamism. Over the first eleven months of 2013, 62.7% of exports went to the European Union (49.0% to the euro area), 8.9% to Asia (of which 3.3% went to the Middle East), 7% to Africa, 6.4% to Latin America and 4.2% to North America.
The foreign sector has gained in importance for its positive contribution to GDP growth in recent years: 1.5% in 2008, 2.8% in 2009, 0.9% in 2010, 2.2% in 2011 and 2.5% in 2012, thus buffering the negative trend in internal demand. According to the most recent data available on the National Accounts, the contribution of net external demand to GDP in the third quarter of 2013 was of 1.4 points (2.4 points in the first quarter and 2.1 in the second), which was positive but still below the figure for 2012 (2.5 points), although the negative contribution of domestic demand has moderated over the year. The most recent forecasts of the Bank of Spain (January 2014) indicate that the Spanish foreign sector has contributed 1.6 points to GDP growth (-2.8 domestic demand points) during 2013.

According to the latest data from the ICEX (October 2013), in the first ten months of 2013 the number of exporting companies in Spain stood at 135,712, which is 10.5% more than the same period last year. Hence, companies that decide to expand into the foreign market have experienced three years of strong growth (11.7% in 2012 and 12.6% in 2011). Even more relevant is the increase in the number of companies with regular exports (40,575 companies in January-October 2013), displaying a year-on-year growth of 7.3% in the first ten months of 2013. This increase was in excess of 3% in 2012 and contrasts with the declines of previous years (-3.9% in 2011, -1.4% in 2010 and -0.8% in 2009).

The key sectors in our pattern of exports are in the mid-high to high tech range, making up 52.9% of the total. Capital goods are the leading export sector, with 20.7% of the total and a year-on-year growth of 12.1% from January to November 2013. The automobile industry (14.4% of the total) gained 9.1% and chemicals (14.3% of the total) increased by 6% year on year. The most dynamic sub-sectors in the first eleven months of 2013 were automobiles and motorcycles (up 11.3%), aircraft (61.0%) and pharmaceutical products (17.0%).

**Outward investment**

**Foreign direct investment in Spain**

According to the statistics published by the Bank of Spain forming the Balance of Payments (financial account, provisional data), setting out investment flows in net values, net foreign direct investment in Spain, including companies holding foreign securities (Empresas de Tenencia de Valores Extranjeros or “ETVE”) came to €21.664 billion between January and September 2013, compared to €9.665 billion in the same period in 2012, representing an increase of 124%.

According to data for January to September 2013 drawn from the Register of Investments of the Secretariat of State of Trade of the Ministry of Economy and Competitiveness, which sets out the main component of direct investment flows, i.e. investments in any form of capital shareholdings, foreign investment
in Spain has regained positions in the latter country so far this year, following the decline in foreign investment in the previous year. Gross total investment increased by 17.5% over the same period in 2012 to €13.05 billion, while net investment increased 203.3% as a knock-on effect of the recovery in gross investment we have just seen and particularly following the sharp decline in foreign divestment (83.1% year on year). On this point, divestments of foreign companies in Spain dropped from €20.474 billion in the first nine months of 2012 to €3.376 in the same period of 2013. These two factors (improved gross investment and declining foreign divestment) indicate that foreign investors are finding renewed confidence in doing business in Spain.

Discounting investment in companies holding foreign securities (ETVE), the resulting or productive investment – investment with an impact on the real economy – represented 79.3% of the total investment with €10.35 billion. Of this amount, gross direct investment channelled to listed companies has been very limited: just €14 million in the first three quarters of 2013 (considering direct investment to be that amounting to 10% or more of the share capital and voting rights of the company). By contrast, gross productive investment in unlisted companies amounted to €10.336 billion (+18.4%), while net productive investment came to €7.095 billion, up 34.9% on figures for the same period of last year. Lastly, according to the Register of Foreign Investment, in reference only to ETVE investment.

<table>
<thead>
<tr>
<th>Total investment (in equity instruments), investment discounted for ETVE and ETVE investment</th>
<th>EUR millions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>January-September 2011</strong></td>
<td><strong>January-September 2012</strong></td>
</tr>
<tr>
<td><strong>TOTAL INVESTMENT</strong> in equity instruments</td>
<td>27,031</td>
</tr>
<tr>
<td><strong>INVESTMENT DISCOUNTING FOR ETVE</strong></td>
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<tr>
<td></td>
<td>23,894</td>
</tr>
<tr>
<td>– In unlisted companies</td>
<td>14,242</td>
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<tr>
<td>– In listed companies</td>
<td>9,651</td>
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<tr>
<td><strong>ETVE INVESTMENT</strong></td>
<td>3,138</td>
</tr>
</tbody>
</table>

*Not including transfers among residents or group restructurings
Source: Register of Foreign Investments.
(fiscal and financial in nature, and, hence, of little use for determining activity and employment), this increased 14.1% in gross terms and improved dramatically in net terms, from -€14.624 billion in the first nine months of 2012 to +2.58 billion between January and September 2013.

**Spanish foreign direct investment**

Returning to the Balance of Payments prepared by the Bank of Spain, net direct investment by Spain overseas from January to September 2013 has displayed a very positive behaviour, having climbed from €2.419 billion to €7.084 billion, representing a 192% increase year on year. This dramatic increase is due to the heavy divestment that took place in the same period of 2012, particularly in August of that year, and the recovery on the investment in September of this year.

Total investment (in equity instruments), investment discounted for ETVE and ETVE investment. Source: Register of Foreign Investments.

Moving on to data from the Register of Foreign Investments for January to September 2013, total gross Spanish investment in equity instruments of foreign businesses came to €12.425 billion, a 1.3% increase, while net investment (discounting Spanish divestment overseas) reached €8.886 billion, representing a recovery of 163.9% on figures for the first nine months of 2012, which suggests that the liquidation of overseas investments by our businesses may be coming to an end. Of the total foreign investment, 40.7% was ETVE, while productive investment (non-ETVE) accounted for 59.3%. Gross productive investment in unlisted companies, which represents almost 100% of productive investment, fell 29.1%. As noted earlier, the good news is that productive divestment came to €2.623 billion, down 76.3% from the same period in 2012. As is often the case, the investment climate needs to improve before payback is obtained on the investment, and the first sign of this is a slowdown or complete stop in foreign divestment, which is exactly what is happening with Spanish outward investment.

**Reciprocal Investment Promotion and Protection Agreements**

Reciprocal Investment Promotion and Protection Agreements are reciprocal bilateral treaties containing measures and clauses designed to protect, within the arena of international law, investments made by investors of each signatory state in the territory of the other signatory state.

Following the signing of the Lisbon Treaty, the European Union has exclusive competence in foreign direct investment, under the common trade policy. One of the early consequences of this was the adoption by the Commission on 7 July 2010 of a Communication on a comprehensive European international investment policy and a proposal for a Regulation of the European Parliament and of the Council to develop transitional arrangements for bilateral investment agreements between Member States and third countries, which was ultimately approved by the European

This Regulation is aimed primarily at ensuring legal certainty and maintaining the level of foreign investment protection of Member States, allowing them not only to conserve any APPRIs signed, but also to negotiate and enforce new agreements after authorization from the European Commission. Spain has 72 APPRIs in force, many of which were signed with non-OECD countries, accounting for 21% of Spanish investment abroad.

Development and present state of trade in Spain

In 2011, the latest year available, the Gross Value Added (GVA) of the Trade sector accounted for 12.1% of the total GVA at basic prices of the Spanish economy, representing an increase in importance since 2000, in which this sector accounted for 11.1%, due mainly to the more moderate growth of other sectors, such as industry and the primary sector. In 2011, retail trade accounted for 43.6% of the GVA at basic prices of the Trade sector, 43.3% of Wholesale, and 13.1% of Vehicle trade.

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<td>111,86</td>
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<td>105,07</td>
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<td>106,19</td>
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<td>2006</td>
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<td>105,04</td>
<td>109,26</td>
<td>110,72</td>
<td>118,64</td>
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<tr>
<td>2008</td>
<td>116,02</td>
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<td>105,31</td>
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<tr>
<td>2009</td>
<td>108,74</td>
<td>90,21</td>
<td>97,28</td>
<td>97,84</td>
<td>98,31</td>
<td>101,03</td>
<td>111,83</td>
<td>95,62</td>
<td>100,08</td>
<td>102,51</td>
<td>95,27</td>
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<td>101,78</td>
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<td>2010</td>
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<td>100,81</td>
<td>95,50</td>
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<td>109,32</td>
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<td>94,32</td>
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</tr>
<tr>
<td>2011</td>
<td>99,07</td>
<td>85,33</td>
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<tr>
<td>2012</td>
<td>95,53</td>
<td>82,87</td>
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<td>82,86</td>
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<td>89,45</td>
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<td>79,36</td>
<td>84,02</td>
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<td>87,61</td>
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<tr>
<td>2013</td>
<td>87,20</td>
<td>74,32</td>
<td>79,69</td>
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<td>83,17</td>
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<td>83,64</td>
<td>81,59</td>
<td>97,69</td>
<td>84,15</td>
</tr>
</tbody>
</table>

Source: National Statistical Institute (INE).
Retail sales have had an uneven development in recent years. The Retail Trade General Index at constant prices, which is drawn up by the National Statistical Institute, increased between 2003 (the year from which data are available with the 2010 basis) and 2007, when the highest yearly value in the series was reached. However, between then and 2013, the annual index registered six consecutive declines. For example, retail sales in 2013 were 20.3% and 26.5% lower than those recorded respectively in 2003 (start of the series with the 2010 basis) and in 2007 (highest yearly value in the series). Recent developments in this indicator, however, appear to mark a turning point as of the second quarter of 2013, since the annual rates of change in turnover in February (-10.3%) and March 2013 (-10.8%), while negative, climbed steadily to the positive values of 2.1 and 2.0% in September and November 2013, respectively. In December 2013, sales remained flat compared to the same month of the previous year. This change is expected to be consolidated over the coming months.

The number of Trade sector premises has increased from 913,256 in 2000 to 929,300 in 2013, peaking in

<table>
<thead>
<tr>
<th>Year</th>
<th>Total economy</th>
<th>Total trade</th>
<th>Vehicles</th>
<th>Wholesale trade</th>
<th>Retail trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>2,875,674</td>
<td>913,256</td>
<td>83,570</td>
<td>212,381</td>
<td>617,305</td>
</tr>
<tr>
<td>2001</td>
<td>2,920,503</td>
<td>912,617</td>
<td>84,474</td>
<td>215,406</td>
<td>612,737</td>
</tr>
<tr>
<td>2002</td>
<td>2,998,930</td>
<td>919,203</td>
<td>85,652</td>
<td>216,837</td>
<td>616,714</td>
</tr>
<tr>
<td>2003</td>
<td>3,114,063</td>
<td>935,708</td>
<td>86,705</td>
<td>222,448</td>
<td>626,555</td>
</tr>
<tr>
<td>2004</td>
<td>3,267,864</td>
<td>962,470</td>
<td>88,906</td>
<td>230,741</td>
<td>642,823</td>
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<tr>
<td>2005</td>
<td>3,385,827</td>
<td>974,605</td>
<td>90,785</td>
<td>239,772</td>
<td>644,048</td>
</tr>
<tr>
<td>2006</td>
<td>3,525,845</td>
<td>979,794</td>
<td>93,282</td>
<td>246,528</td>
<td>639,984</td>
</tr>
<tr>
<td>2007</td>
<td>3,710,805</td>
<td>997,155</td>
<td>95,639</td>
<td>254,712</td>
<td>646,804</td>
</tr>
<tr>
<td>2008</td>
<td>3,816,906</td>
<td>1,001,101</td>
<td>97,699</td>
<td>258,204</td>
<td>645,198</td>
</tr>
<tr>
<td>2009</td>
<td>3,763,229</td>
<td>993,824</td>
<td>97,399</td>
<td>257,859</td>
<td>638,566</td>
</tr>
<tr>
<td>2010</td>
<td>3,694,262</td>
<td>956,829</td>
<td>87,554</td>
<td>251,727</td>
<td>617,548</td>
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<tr>
<td>2011</td>
<td>3,655,457</td>
<td>943,665</td>
<td>83,654</td>
<td>253,880</td>
<td>606,131</td>
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<tr>
<td>2012</td>
<td>3,606,241</td>
<td>937,266</td>
<td>82,438</td>
<td>254,233</td>
<td>600,595</td>
</tr>
<tr>
<td>2013</td>
<td>3,554,925</td>
<td>929,300</td>
<td>83,170</td>
<td>253,958</td>
<td>592,172</td>
</tr>
</tbody>
</table>

When over one million premises were recorded by the National Statistical Institute. This rise is due to the increase in the number of wholesale premises; over the period, retail premises decreased slightly from 617,305 in 2000 to 592,172 by 2013. The retail trade recorded a drop of 1.4% in total premises between 2012 and 2013 (8,423 fewer retail premises).

In the economy overall, the number of businesses has displayed a positive trend during 2000-2013, revealing a net increase of 551,178 companies. However, this figure has dropped slightly in trade (-3.2%) since 2000, with 25,541 fewer companies.

As to jobs in this sector, retail employment increased by 11.5% from 2000 to 2013, rising from 2,512,000 in 2000 to 2,801,600 in 2013 (annual averages), representing 289,500 more employees according to the Labour Force Survey conducted by the National Statistical Institute. Jobs increased to 2,819,300 million in the last quarter of 2013, as a result of employment growth over the last two quarters.

### Yearly Number of Companies

<table>
<thead>
<tr>
<th>Year</th>
<th>Total economy</th>
<th>Total trade</th>
<th>Vehicles</th>
<th>Wholesale trade</th>
<th>Retail trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>2.595.392</td>
<td>790.920</td>
<td>71.702</td>
<td>190.068</td>
<td>529.150</td>
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<tr>
<td>2001</td>
<td>2.645.317</td>
<td>796.690</td>
<td>72.419</td>
<td>193.218</td>
<td>531.053</td>
</tr>
<tr>
<td>2002</td>
<td>2.710.400</td>
<td>796.647</td>
<td>72.908</td>
<td>193.772</td>
<td>529.967</td>
</tr>
<tr>
<td>2003</td>
<td>2.813.159</td>
<td>808.529</td>
<td>74.023</td>
<td>198.493</td>
<td>536.013</td>
</tr>
<tr>
<td>2004</td>
<td>2.942.583</td>
<td>825.503</td>
<td>75.285</td>
<td>205.265</td>
<td>544.953</td>
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<tr>
<td>2005</td>
<td>3.064.129</td>
<td>841.459</td>
<td>77.173</td>
<td>213.907</td>
<td>550.379</td>
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<tr>
<td>2006</td>
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<td>539.636</td>
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<td>2007</td>
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<td>79.992</td>
<td>223.178</td>
<td>542.059</td>
</tr>
<tr>
<td>2008</td>
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<td>843.212</td>
<td>81.247</td>
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<td>536.857</td>
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<tr>
<td>2009</td>
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<td>830.911</td>
<td>80.666</td>
<td>223.550</td>
<td>526.695</td>
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<tr>
<td>2010</td>
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<td>73.915</td>
<td>217.295</td>
<td>505.605</td>
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<tr>
<td>2011</td>
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<td>782.194</td>
<td>69.729</td>
<td>219.466</td>
<td>492.999</td>
</tr>
<tr>
<td>2012</td>
<td>3.199.617</td>
<td>773.657</td>
<td>68.425</td>
<td>219.245</td>
<td>485.987</td>
</tr>
<tr>
<td>2013</td>
<td>3.146.570</td>
<td>765.379</td>
<td>69.096</td>
<td>218.820</td>
<td>477.463</td>
</tr>
</tbody>
</table>

In retail, jobs rose 17.3% from 2000 to 2013, increasing from 1,559,000 to 1,828,700 (annual averages), which equates to 269,700 more jobs. The growth in retail jobs in the period 2000-2013 was widespread across the majority of the autonomous communities.

The trade sector recorded an unemployment rate of 10.45% in the last quarter of 2013 (0.92% less than the previous quarter), which contrasts with the 26.03% unemployment rate for the economy overall.

- Retail trade: the unemployment rate in retail trade stood at 10.44% (0.16% higher than in the previous quarter).
- Wholesale trade: the unemployment rate in wholesale trade stood at 11.66% (4.02% lower than in the previous quarter).
- Vehicle trade: the unemployment rate in vehicle trade stood at 7.39% (0.36% lower than in the previous quarter).

Female employment in 2000 accounted for 44.2% of total employment in the trade sector and 57.6% in retail trade (36.7% in the economy overall). In the fourth quarter of 2013, these percentages increased to 49.9% and 61.6%, respectively (45.6% in the economy overall).

According to the annual survey conducted by the National Statistical Institute on Use of Information and Communication Technologies and Electronic Commerce at Undertakings, the percentage of businesses in the Trade sector using computers is very high, standing at 99.2% in January 2013. The percentage of companies with an Internet connection and website grew in January 2013 to 70.5% of all companies in the Trade sector.

According to the results of the survey conducted by the National Statistical Institute on Innovation in Enterprises, the proportion of companies in the Trade sector involved in innovative activities has declined over the past four years and now stands at 9.84% of companies in the sector. In the overall economy, however, its percentage is slightly higher (13.22%).

The outlook for the trade sector is that the increase in household final consumption expenditure, which displayed a quarter-on-quarter increase of 1.4% in the third quarter of 2013, is expected to have a positive impact on sales and the trade situation.

By way of conclusion, it should be noted that the weight of trade in the Spanish economy has increased over the past decade, owing in part to the weaker development of other sectors.

TOURISM INDUSTRY

The present state of tourism in Spain

Between January and October 2013, Spain received 54.3 million international tourists, representing an increase of 4.8%, i.e. there were 2.5 million more tourists than in the same period of 2012. The latest data to
be released by the Tourism Satellite Account indicates that the sector accounts for 11% of GDP (2011).

According to the latest available annual data, published by the World Tourism Organization, inbound tourism in Spain occupies fourth place worldwide in terms of foreign tourist arrivals. Spain holds second place in the world ranking of revenues from foreign tourism, also according to the World Tourism Organization (based on the data from the Balance of Payments), and is the third destination worldwide for meeting and conference tourism, according to the International Congress and Convention Association.

In 2013, the weighting of source markets has continued to become more evenly distributed; in the past few years, two major markets having a combined share of 50% have given way to a dozen key markets. In addition, during the first ten months of 2013 the year-on-year growth of non-package tourist arrivals (+6.6%) outpaced the growth of package tourists (+2.2%). By volume of arrivals, non-package tourists (70%) outnumbered package tourists (30%). In 2013, the distant markets of China and Russia, among others, saw the highest growth in the use of tour packages, following the trend of 2012. By contrast, the United States, which had increased 12.5% in 2012, dropped again in 2013 (data from October 2013).

All autonomous communities, with the exception of the Community of Madrid (-5.3%), experienced year-on-year growth in the hosting of tourists between January and October 2013.

According to the latest available data, up to October 2013, Spanish residents made 131.3 million trips (advanced data), -4% less than the previous year. Of this total, 92.9% were made in Spain and the remaining 7.1% went abroad. Both types of trip (in and outside Spain) declined: the former witnessed a drop of -3.4%, while the latter experienced a much sharper decline (-12.1%). Nonetheless, trips to destinations within Spain have increased since August, which may point to a change in trend.

From January to October 2013, international tourists spent a total of €52.551 billion in Spain, or 8.2% more than in 2012. This increase was accompanied by a rise in average spend per tourist and in average daily spend.
The balance of payments up to September 2013 exhibited an upward trend in tourism revenue and payments. Tourism revenue reached €35.790 billion, or 3.1% more than in the previous year. Tourism payments came to €8.971 billion (up -1.2%).

The balance for tourism and travel showed a surplus of €26.819 billion, representing a 3.8% growth with respect to 2012 and covering Spain’s trade deficit four times, while the coverage rate for the same period the previous year was 116.6%.

According to data from the Labour Force Survey on employment in the third quarter of 2013:

• Jobs in the tourist sector declined year on year by -1.2% in the third quarter of 2013, reaching a total of 2,182,050.

• The year-on-year increase in tourism-related jobs had a positive performance among employees (+1.4%) and self-employed workers (+1.5%).

• Jobless in the tourist sector totalled 393,753, with the joblessness rate standing at 15.3%. The jobless rate was similar in the same quarter of 2012. The overall rate of unemployment across the economy in general was 25.98%, whereas the previous year it had been 25.02%.

• In October 2013, tourist activities accounted for 1,915,386 Social Security registered workers (11.8% of the total for the Spanish economy). This figure is 1.2% higher than that of October of last year, marking a return to the upturn initiated in July after the negative year-on-year rate recorded in September.

• The average number of workers in the tourism sector registered with the Social Security in the period from January to October 2013, was 1,948,294, making for a year-on-year decline of -0.3% (5,470 fewer registered workers).
Spanish tourism policy objectives

In the awareness of the significance of tourism for Spain, the Government, by means of the Secretariat of State for Tourism, has set in motion the National Integrated Tourism Plan (PNIT), adopted by the Council of Ministers on 22 June 2012. The purpose of the Plan is to improve the competitiveness of businesses and destinations alike, and support our country’s world leadership in the sector. The Plan constitutes the Government’s strategy for the period 2012-2015.

The PNIT is based on a diagnostic appraisal of earlier plans and their underlying principles. However, the cyclical change and transformations facing the tourism industry pose a number of challenges that require urgent answers. From its inception to November 2013, 49% of the plan has been implemented.

The strategic dimensions on which the PNIT is based are: the strength of the “Spain” brand, customer orientation, offering and destination planning, alignment of public and private operators, the knowledge economy, talent recruitment and retention, and support for innovation and enterprise.

During this legislative term, the decision was made to bolster the role of SEGITTUR, the State Corporation for the Management of Tourist Innovation and Technologies, controlled by the Ministry of Industry, Energy and Tourism through the Secretariat of State for Tourism.

SEGITTUR is charged with the task of driving innovation (R&D&i) in the Spanish tourism industry, in both the public and private sectors. In addition to its support for Turespaña activities provided so far, SEGITTUR is acting as the spearhead for Spanish companies (mainly SMEs) that have made a bid for innovation in the tourist sector, by helping them in their search for foreign markets and boosting the internationalization of tourist businesses.

Policy for outward promotion of tourism

Turespaña is the independent body reporting to Central Government that is in charge of promoting Spain as a tourist destination in international markets. Its overseas network comprises 33 Spanish tourism departments embedded within Spanish diplomatic missions. Most recently, it has opened new offices in Asia.
– Bombay and Canton – which join existing offices in Tokyo, Singapore and Beijing.

The Spanish Offices Abroad will be restructured in 2014 to adapt the network to the current and future demands of tourism. The restructuring plan is designed to have the least possible impact on the service provided to the Spanish private sector and to enhance the effectiveness of the public funds invested.

The bid for the new positioning of Spain’s tourism industry has also involved greater promotion efforts in emerging source markets, such as Brazil, China and Russia; Spain has seen major increases in tourists from these sources.

5.3. FISCAL POLICY

THE SPANISH BUDGETARY SYSTEM

In the financial sphere, Spain’s administrative decentralization into three levels of government (central, regional and local) is guided by the principles of financial autonomy, coordination and solidarity, as enshrined in the Spanish Constitution of 1978.

The autonomous communities and local authorities enjoy full financial autonomy to adopt and manage their own budgets.

At the national level, the drafting of the Central Government budget rests with the Central Government, and the scrutiny, amendment and adoption of the Budget lies within the purview of the Cortes Generales, the Spanish national parliament.

The Central Government Budget (Spanish “PGE”) is the document setting out the annual plan of revenue and expenditure commitments for the central public sector. The Central Government Budget is one of the Government’s key instruments of economic policy, specifying the strategic goals of the various public policies and the funds appropriated to pursuing them.

The legal framework of the Central Government Budget is mostly provided by three enactments: the Spanish Constitution, which devotes Article 134 to the Central Government Budget; the Budgetary Statute

FISCAL POLICY OBJECTIVES AND MACROECONOMIC ENVIRONMENT

The economic policy pursued by the Government since the start of the legislature is now beginning to bear fruit; a growing number of indicators allude to this changing trend, which has been confirmed by both national and international public and private institutions. Economic policy has also gone hand-in-hand with a special focus on social needs, given the unfavourable economic situation faced by Spain in recent years.

This new situation has enabled Spain to put the previous financial turmoil of its economy behind it and work on achieving a more stable environment. As a result, it is now possible to obtain the financing that our economy needs at significantly lower costs than those of the not-too-distant past.

The Central Government Budget for 2014 secures credibility in the field of fiscal policy and assures implementation of the consolidation path adopted by the ECOFIN Council on 21 June and the meeting of the required stability targets. All of the above is geared towards generating a more competitive economy, which will ensure the consolidation of the early signs of growth and improved employment we are currently seeing and allow us to embark on a path of sustained growth and a considerably improved job market.

The Government’s economic policy, which is aimed at bringing public finances onto a sustainable path and to reinforce the competitiveness of the economic model, has been implemented against a background of recession, which reaffirmed itself in 2011. Gross domestic product for 2013 closed with a decline of -1.2%, in line with government forecasts (1.3%) and the consensus of forecasts made by the leading multilateral agencies.

The Government’s policies are therefore already showing good results in terms of growth. The economy left behind the technical recession in the third quarter of 2013 (+0.1% quarter on quarter and -1.1% year on year), and the trend was confirmed in the fourth quarter of 2013 (+0.3% quarter on quarter). This situation was brought about by improvements in the relative position of internal demand in terms of contribution to GDP and the boost to growth from the external sector.

The competitiveness of the Spanish economy is receiving a major boost. While unit labour costs in Spain increased at rates of over 3% up to 2009, they began to fall again as of 2012 to rates of around 3%. The result of this internal devaluation is that Spain is at the forefront of competitiveness gains in the EU: while labour costs in the euro area have increased by 3.8 points on a 100-point basis for 2010, the Spanish
the economy has witnessed the opposite for the past three years, actually cutting costs by 6 points.

Likewise, average inflation fell from 3.2% in 2011 to 2.4% in 2012 and to 0.3% in 2013.

Against this backdrop, the Spanish economy has secured an excellent achievement, shifting from the need to borrow from the rest of the world (around 10% of GDP in 2007) to displaying a financing capacity in the third quarter of 2013 amounting to 2.3% of GDP, with which new financing needs can be covered by the country’s own resources.

In employment terms, between January and November, average registrations dropped by 149,138, although in the same period of last year, this figure dropped by 698,874. Likewise, the number of jobless decreased by around 40,000 people between January and November 2013 while, in the same period in 2012, it had increased by around 450,000 people. Unemployment has also experienced its first November decline since 1996. The signs of a reduction in job losses and the positive effect of the labour law reform on the job market are therefore being consolidated.

According to the National Accounts, salaried work, measured as full-time-equivalent jobs, fell by 3.6% in the third quarter, slightly above the estimated figures for 2013 in the macroeconomic picture of Central Government Budget for 2014 (-3.5%).

<table>
<thead>
<tr>
<th>Macroeconomic scenario accompanying the Draft Law for the 2014 Central Government Budget (September 2013). Percentage change over the same period in the previous year, unless otherwise stated. Source: Ministry of Finance and Public Administrations.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Real change as %</strong></td>
</tr>
<tr>
<td>Real GDP</td>
</tr>
<tr>
<td>Nominal GDP</td>
</tr>
<tr>
<td>Private final consumption</td>
</tr>
<tr>
<td>Gen. govt. final consumption</td>
</tr>
<tr>
<td>Gross capital formation</td>
</tr>
<tr>
<td>Domestic demand (contributions to growth)</td>
</tr>
<tr>
<td>Exports of goods and services</td>
</tr>
<tr>
<td>Imports of goods and services</td>
</tr>
<tr>
<td>External sector (contributions to growth)</td>
</tr>
<tr>
<td>Employment (full-time-equivalent jobs)</td>
</tr>
<tr>
<td>Unemployment rate</td>
</tr>
<tr>
<td>Fin cap. (+)/need (-) vs. rest of world (***)</td>
</tr>
</tbody>
</table>

Fuente: Ministerio de Hacienda y Administraciones Públicas.

**FISCAL POLICY IN 2013**

In recent years, the Spanish economy has coexisted with an unfavourable international context marked by worsening financial instability owing to the debt crisis in the euro area. The peripheral economies were par-
particularly hard hit by the financial tensions, whose effects were echoed in the volatility of financial flows, higher risk premiums and difficulties obtaining access to finance.

However, all this has changed in recent months and there are signs that the economic policy implemented is beginning to bear fruit with more and more indicators pointing towards a changing trend.

In this context, our economy is undergoing a radical transformation based on the restructuring of private-sector balance sheets, the strengthening of public finances, the realignment of prices and the reallocation of productive factors, all geared towards restoring competitiveness and laying the foundations for growth and employment. This transformation has required a comprehensive review of economic policy over the past two years. The Spanish Government has taken priority action in three areas, the first being fiscal consolidation, which is key to ensuring the sustainability of public finances in the fragile financial context of the euro area. The second of these areas is the recapitalization and restructuring of the banking sector in order to dispel doubts about its solvency and to reactivate lending for households and businesses. And thirdly, structural reforms have been adopted to restore our competitiveness and reverse the need for external financing.

Therefore, the priority of the Central Government budgets for 2012 and 2013 was to correct the imbalances in public accounts. They have also continued the process of consolidating the Spanish economy and reinforced the image of Spain as a country that meets its commitments to Europe and, in conjunction with the reforms already implemented, they are serving as the foundations for economic recovery.

In this context of contractionary economic activity, the fiscal policy implemented by Spain, as reflected in the Central Government Budget, has reduced the financing needs of public authorities in 2012 (net of one-offs generated by supporting the banks) by more than two points of GDP (from 9.1 to 6.8% of GDP). This confirms that the fiscal policy has indeed contributed to easing the financial tensions affecting the Spanish economy in recent years.

This effort, aimed at consolidating Spain’s public finances, has been achieved by striking a balance between regulatory changes to increase government revenues and cutbacks in public spending.

During the drafting of the Central Government Budget for 2013 and within the framework of the excessive deficit procedure, it was agreed on 10 July 2012 to bring the deficit to under 3% of GDP in 2014, following review of the fiscal consolidation path by ECOFIN. Based on this forecast, and following the agreement of the Council of Ministers on 20 July 2012, a budgetary stability target deficit of 4.5% of GDP was established for the whole of general government for 2013; within this figure, Central Government and Social Security had to reach a deficit of 3.8%, the autonomous com-
munities had to obtain a deficit of 0.7%, and local government had to reach budget balance.

It was in this context that the Central Government Budget for 2013 was adopted, a budget geared towards containing the deficit with measures affecting both spending and revenues: spending accounted for 58% of the adjustment, while revenues contributed the remaining 42%. Despite the major efforts required to achieve fiscal consolidation, the Government did not renounce its priorities in the social spending headings, which together represented 63.6% of the total consolidated expenditure budgeted for 2013, an increase of 1.9% on the figure for 2012.

The complex economic context of early 2013, characterized by the increased uncertainty looming over recovery of the European economy, demanded a more gradual adjustment process focusing more on the structural effort in order to palliate the effects of the cycle. Thus, in line with the rules of the Stability and Growth Pact, on 26 April, the Government approved the update to the Stability Programme for 2013-2016 aimed at bringing Spain’s deficit down to less than 3% of GDP by 2016 and establishing a maximum deficit for 2013 of 6.3% of GDP for the whole of general government. The Community institutions, in view of the structural efforts made in 2012 and 2013, considered that the revised recommendation of the excessive deficit procedure had been met. In the light of this, the ECOFIN Council of 21 June decided that a two-year extension to the deadline for correcting the excessive deficit was justified. As a consequence, the fiscal consolidation path was modified by expanding the interim targets and, hence, incorporating in the path the new conditioning factors of the economic and budget context in order to address the full impact of the economic crisis on the public accounts.

This more gradual adjustment takes into account the difficult economic context and the important structural transformation being undertaken by the Spanish economy, which could be hampered by the negative effects of an overly intense fiscal consolidation.

The end result is that the 2013 deficit target of the Stability Programme Update has been extended by 0.2 points of GDP. Hence, for 2013, the deficit target is 6.5% of GDP for the whole of the general government, which requires a deficit reduction of 0.3 points from the previous year (not including the effect of the European financial assistance mechanism for the banking system).

Following this modification, the Council of Ministers of 12 July 2013 adjusted the budgetary stability target for the whole of general government and each of its sub-sectors for 2013. Specifically, the deficit targets for 2013 were 3.8% of GDP for central government, 1.3% for the autonomous communities and 1.4% for Social Security. Local entities must present a balanced budget.
FISCAL CONSOLIDATION PATH

With regard to the 2014-2016 fiscal consolidation path, on 21 June, ECOFIN established the requirement of reaching a deficit of 2.8% of GDP by 2016. Thus, under the provisions of the Budgetary Stability and Financial Sustainability Statute Law (Ley Orgánica 2/2012), the Council of Ministers of 28 June 2013 approved the budget stability and public debt targets for the whole of general government combined during 2014-2016, which include meeting a series of interim deficit targets in GDP terms: 5.8, 4.2 and 2.8% for the years 2014, 2015 and 2016, respectively. Under the new fiscal consolidation path, Central Government must gradually reduce its deficit to 2.1% by 2016. The Social Security system will also reduce its deficit to 0.5% of GDP in 2016.

With regard to local authorities, the autonomous communities are expected to reduce their budget deficit by 2016 to 0.2% of GDP, while the local authorities must maintain a balanced budget throughout this period. On this point, last June, the Council of Fiscal and Financial Policy and the National Commission on Local Government, in accordance with the Budgetary Stability and Financial Sustainability Statute Law (Ley Orgánica 2/2012) reported favourably on the deficit and debt targets for the autonomous communities and local authorities, respectively. Public debt includes the effect on borrowing of the European financial assistance mechanism, which is excluded from the calculation of the deficit for the effects of the excessive deficit procedure and, hence, the stability targets.

FINANCIAL YEARS 2012 AND 2013

Financial year 2012

Against a backdrop of economic recession, with a decline in real GDP of 1.6% in 2012 and following a year of stagnation in 2011 (0.1%), it has been possible to reduce the deficit in nominal terms to €24.502 billion (2.23 points of GDP), after deducting the cost of the financial assistance.

The increase in non-financial revenue relative to GDP stood at 0.95%, while the reduction in non-financial expenditure was 1.27%.

The reduction in the nominal deficit in absolute terms is broken down as €20.956 billion on the expenditure side and €3.546 billion in revenue: 85.5% of the deficit
reduction has been obtained through cutbacks and 14.5% is from increased revenues in national accounting terms.

In its Recommendation of 29 May on the excessive deficit procedure, the European Commission evaluated the effective structural effort at 2.9% of GDP in 2012, above the 2.7 points required and with a total of measures equivalent to 4.3 points of GDP (60% of these on the expenditure side). This volume of measures was the second largest primary structural adjustment among advanced countries in 2012. In the light of this, the ECOFIN Council of 21 June proposed a two-year extension to fiscal consolidation (to 2016), although it did not reduce the structural effort required.

These results gave a welcome boost to the credibility of Spanish public finances because they showed that, even in the most adverse cyclical conditions, Spain was able to reduce its excessive deficit and meet the commitments it had made with the European Union.

Financial year 2013

With the data available at 28 January 2014, the combined deficit of central government, the autonomous communities and Social Security up to November was 5.44% of GDP (€55.841 billion), after deducting assistance to the financial system. The public authorities total does not include data on local authorities, which is published quarterly and revealed a surplus up to September. The target for the year is 6.5% of GDP with a structural adjustment requirement of 1.1 points of GDP according to ECOFIN recommendations within the framework of the excessive deficit procedure.

The assistance granted to credit institutions by the Fund for Orderly Bank Restructuring up to November totalled €4.822 billion, representing 0.47 points of GDP, although it is not included for deficit target purposes.

Based on data up to November, Central Government has a deficit of 3.86% of GDP, after deducting financial assistance.

This balance is due to non-financial resources of the State posted to the National Accounts totalling €111.099 billion, up 6.1% on the figure for the same period of last year. Non-financial uses, totalling €151.705 billion, increased 6.8% over the same period of 2012. Social benefits other than social transfers in kind increased by 5.1% to €10.572 billion.

The autonomous communities also recorded a deficit, in national accounting terms, of €12.901 billion, or 1.26% of GDP.

Up to November 2013, non-financial operations made by the Social Security system have resulted in an accumulated deficit of €3.337 billion, representing 0.33% of GDP.
KEY ELEMENTS OF THE CENTRAL GOVERNMENT BUDGET FOR 2014

Overview

The Central Government Budget for 2014 has as its primary goal the rectification of imbalances in the public accounts: this, together with the reforms that have been set in motion, will be the underpinning of the economic recovery. It is a step forward in the rebalancing strategy of the Central Government accounts implemented by the Government since the beginning of this legislature as the basis for generating the necessary trust and confidence for Spain’s economic recovery.

Taking into account this goal, the budget will allow a reduction in government deficit of 3.7% of GDP in 2014 and a reduction of 1.1% of GDP in the Social Security deficit. In contrast to 2012 and 2013, this reduction in the public deficit will not take place in a context of economic downturn. However, since some expenditure increases are unavoidable, as is the case of pensions, the financing of the electricity tariff deficit

Central government expenditure budget. Distribution of expenditure in millions of euros.

<table>
<thead>
<tr>
<th>(EUR millions)</th>
<th>2013</th>
<th>2014</th>
<th>Ch. M€</th>
<th>% Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Non-financial spending limit</td>
<td>129.773</td>
<td>133.259</td>
<td>3.486</td>
<td>2,7</td>
</tr>
<tr>
<td>2. Interest</td>
<td>38.590</td>
<td>36.590</td>
<td>-2.000</td>
<td>-5,2</td>
</tr>
<tr>
<td>3. Other non-ministerial spending</td>
<td>28.371</td>
<td>30.333</td>
<td>1.962</td>
<td>6,9</td>
</tr>
<tr>
<td>4. NON-FINANCIAL MINISTERIAL SPENDING (1-2-3)</td>
<td>62.813</td>
<td>66.336</td>
<td>3.523</td>
<td>5,6</td>
</tr>
<tr>
<td>5. Social Security contributions, Transfers to the State Employment Service and contributions to “electricity system costs”</td>
<td>26.510</td>
<td>31.752</td>
<td>5.242</td>
<td>19,8</td>
</tr>
<tr>
<td>6. SPENDING AVAILABLE FOR MINISTRIES (4-5-6-7)</td>
<td>36.302</td>
<td>34.584</td>
<td>-1.718</td>
<td>-4,7</td>
</tr>
<tr>
<td>of which, the main activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– R&amp;D&amp;i</td>
<td>5.562</td>
<td>5.633</td>
<td>71</td>
<td>1,3</td>
</tr>
<tr>
<td>– Scholarships</td>
<td>1.161</td>
<td>1.411</td>
<td>250</td>
<td>21,5</td>
</tr>
<tr>
<td>– Performing arts and Sports federations</td>
<td>69</td>
<td>81</td>
<td>12</td>
<td>17,1</td>
</tr>
<tr>
<td>– Housing Plan</td>
<td>735</td>
<td>770</td>
<td>35</td>
<td>4,8</td>
</tr>
</tbody>
</table>

Source: Ministry of Finance and Public Administrations.
## Non-Financial Ministerial spending

<table>
<thead>
<tr>
<th>Sections</th>
<th>2013</th>
<th>2014</th>
<th>Dif.</th>
<th>% Δ 2014/13</th>
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<tbody>
<tr>
<td>12: MIN. FOREIGN AFFAIRS AND COOPERATION</td>
<td>1.093</td>
<td>996</td>
<td>-96</td>
<td>-8,8</td>
</tr>
<tr>
<td>12: Min. Foreign Affairs and Cooperation, homogeneous (1)</td>
<td>1.043</td>
<td>996</td>
<td>-46</td>
<td>-4,4</td>
</tr>
<tr>
<td>13: MIN. JUSTICE</td>
<td>1.507</td>
<td>1.472</td>
<td>-35</td>
<td>-2,3</td>
</tr>
<tr>
<td>14: MIN. DEFENCE</td>
<td>5.934</td>
<td>5.743</td>
<td>-191</td>
<td>-3,2</td>
</tr>
<tr>
<td>15: MIN. FINANCE AND PUBLIC ADMINISTRATIONS</td>
<td>2.176</td>
<td>2.113</td>
<td>-63</td>
<td>-2,9</td>
</tr>
<tr>
<td>16: MIN. INTERIOR</td>
<td>7.214</td>
<td>7.298</td>
<td>84</td>
<td>1,2</td>
</tr>
<tr>
<td>17: MIN. DEVELOPMENT</td>
<td>5.719</td>
<td>5.805</td>
<td>86</td>
<td>1,5</td>
</tr>
<tr>
<td>17: Min. development without commitments previous years</td>
<td>4.117</td>
<td>4.095</td>
<td>-21</td>
<td>-0,5</td>
</tr>
<tr>
<td>18: MIN. EDUCATION, CULTURE AND SPORT</td>
<td>2.499</td>
<td>2.663</td>
<td>164</td>
<td>6,6</td>
</tr>
<tr>
<td>20: MIN. INDUSTRY, ENERGY AND TOURISM</td>
<td>3.919</td>
<td>5.158</td>
<td>1.239</td>
<td>31,6</td>
</tr>
<tr>
<td>20: Min. Industry, Energy and Tourism excluding electricity system costs</td>
<td>998</td>
<td>1.004</td>
<td>7</td>
<td>0,7</td>
</tr>
<tr>
<td>23: MIN. AGRICULTURE, FOOD AND THE ENVIRONMENT</td>
<td>1.574</td>
<td>1.621</td>
<td>47</td>
<td>3,0</td>
</tr>
<tr>
<td>25: MIN. PRESIDENCY</td>
<td>434</td>
<td>423</td>
<td>-11</td>
<td>-2,6</td>
</tr>
<tr>
<td>26: MIN. HEALTH, SOCIAL SERVICES AND EQUALITY</td>
<td>2.963</td>
<td>1.908</td>
<td>-1.056</td>
<td>-35,6</td>
</tr>
<tr>
<td>26: Min. Health. Social Serv. and Equality, homogeneous (2)</td>
<td>1.880</td>
<td>1.880</td>
<td>0</td>
<td>0,0</td>
</tr>
<tr>
<td>27: MIN. ECONOMY AND COMPETITIVENESS</td>
<td>1.964</td>
<td>2.346</td>
<td>382</td>
<td>19,5</td>
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<tr>
<td>27. Min. Economy and Competitiveness, homogeneous (3)</td>
<td>1.952</td>
<td>2.032</td>
<td>79</td>
<td>4,1</td>
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<tr>
<td>31: MISC. MINISTERIAL EXPENDITURE</td>
<td>1.946</td>
<td>2.245</td>
<td>299</td>
<td>15,4</td>
</tr>
<tr>
<td><strong>TOTAL MINISTRIES</strong></td>
<td><strong>62.812,58</strong></td>
<td><strong>66.335,74</strong></td>
<td><strong>3.523</strong></td>
<td><strong>5,6</strong></td>
</tr>
<tr>
<td>Ministries excluding contributions to Social Security, Employment Service and electricity system costs</td>
<td><strong>36.302,36</strong></td>
<td><strong>34.584,02</strong></td>
<td><strong>-1.718</strong></td>
<td><strong>-4,7</strong></td>
</tr>
</tbody>
</table>

(1) Taking into account the budgetary treatment of contributions to international organizations.
(2) Excluding commitments of prior periods, transfer to the Clinical Hospital and Health Care Cohesion Fund.
(3) Excluding OAS (CERN), contribution to Greece, SMP securities portfolio income (£233M), transfers to the CNMC and CNC.

Source: Ministry of Finance and Public Administrations.
and unemployment benefit, austerity should still be the key word in all other headings.

The Central Government Budget for 2014 is aligned with the new fiscal consolidation path that extends the deadline for correcting the excessive deficit by two years, i.e. to 2016. This means that a more gradual adjustment can be made that takes into account the current economic context and the major structural reforms affecting the Spanish economy, the results of which could be adversely affected by too strong a fiscal adjustment.

This budget maintains the commitment to reducing the public deficit and is fully consistent with meeting the public deficit targets for 2014-2016 approved by the Cortes for Central Government in July 2013.

This commitment is upheld firstly by the maintenance of social spending headings. In this regard, Central Government has made great efforts in the budget to equip the State Public Employment Service with the financing required for this agency to carry out its functions, representing an increase of €4,256,69 billion in transfers to the agency. Moreover, in line with the budgetary policy of the previous year, the Central Government Budget for 2014 includes contributions of approximately €13 billion to supplement the financing of the Social Security system.

Continuing with the tax measures for energy sustainability adopted in 2012, which were included in the Central Government Budget for 2013, and pursuant to Royal Decree-Law 9/2013, of 12 July 2013, adopting urgent measures to ensure the financial stability of the electricity system, financing has been increased through the electricity tariff deficit budget. This has required increasing the financing for certain costs of the electricity system by €1,23225 billion.

Moreover, Central Government must also sustain the system of financing of the autonomous communities and local authorities, in the amount, within budgeted expenditures, of €31,58949 billion for 2014.

Lastly, the Central Government Budget must accommodate a number of unavoidable commitments, such as debt interest, civil service pensions, transfers to the European Union, the Constitutional Organs, the Interterritorial Compensation Fund and other expenditure of regional and local entities. In 2014, this expenditure amounts to €66,92349 billion, which is a similar level to the appropriations for 2013. Excluding the above headings, the amount available for non-financial ministerial spending is €34,584,01 billion, 4.7% less than in 2013.

The non-financial revenue of the Central Government for 2014 amounts to €128,159 billion, representing an increase over the 2013 budget of 0.9%. This increase will come partly from the tax impact of the fiscal measures adopted as part of the fiscal consolidation process and from the moderate increase in tax bases linked to the renewed economic growth expected next year.
Pensions

The expenditure budgeted for pensions policies in 2014 is €127.484 billion, making for an increase of 4.9% with respect to 2013. The elements of this policy are contributory and non-contributory Social Security pensions and civil service pensions.

A total of €112.103 billion are required to cover contributory pensions, which represents a pension increase of 5.4%. This amount takes into account the rising numbers of pensioners, the change in the average pension and an increase of 0.25%. Central Government contributions to fund supplements to minimum pensions in 2014 amount to €7.633 billion, including management expenses. The provision for civil servant pension schemes is €12.38325 billion.

With regard to non-contributory pensions, the appropriation stands at €2.16614 billion.

Unemployment

The Government maintains the commitment it made during the legislature to support the sectors hardest hit by the crisis in the current context of gradual recovery.

This commitment is particularly strong in unemployment policy. Appropriations to accommodate this policy amounted to €29.72753 billion, 10.1% more than in 2013. Of this amount, €29.42923 billion are allocated for the payment of benefits, representing an increase in unemployment benefits overall of €2.73323 billion.

Due to its high spending on unemployment benefits, Central Government must also now finance contributions to the Public Employment Service, an agency that was previously self-financed (up to 2007) with social contributions from employers and employees. For 2014, it has been allocated a contribution of €14.59754 billion.

Unemployment policy is organized into two levels of protection. The first is contributory and takes the form of unemployment benefit, for which an expenditure of €21.04132 billion is estimated, providing coverage to 1,305,000 beneficiaries.

The other is welfare-based and complementary to the first level. It includes unemployment allowance and agricultural income (€6.56203 million), the SEASS subsidy (€656.58 million) and active insertion income (€1.1693 billion).
<table>
<thead>
<tr>
<th>Policies</th>
<th>Budget 2013</th>
<th>% total</th>
<th>Budget 2014</th>
<th>% total</th>
<th>% Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>BASIC PUBLIC SERVICES</td>
<td>16.727,61</td>
<td>4,8</td>
<td>16.431,35</td>
<td>4,6</td>
<td>-1,8</td>
</tr>
<tr>
<td>Justice</td>
<td>1.542,85</td>
<td>0,4</td>
<td>1.500,75</td>
<td>0,4</td>
<td>-2,7</td>
</tr>
<tr>
<td>Defence</td>
<td>5.786,01</td>
<td>1,7</td>
<td>5.654,45</td>
<td>1,6</td>
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<tr>
<td>Public safety and penal institutions</td>
<td>7.903,48</td>
<td>2,3</td>
<td>7.880,95</td>
<td>2,2</td>
<td>-0,3</td>
</tr>
<tr>
<td>Foreign Policy</td>
<td>1.495,27</td>
<td>0,4</td>
<td>1.395,19</td>
<td>0,4</td>
<td>-6,7</td>
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<tr>
<td>SOCIAL EXPENDITURE (1+2)</td>
<td>178.776,11</td>
<td>51,8</td>
<td>186.581,77</td>
<td>52,6</td>
<td>4,4</td>
</tr>
<tr>
<td>1. SOCIAL PROTECTION AND PROMOTION</td>
<td>172.253,77</td>
<td>49,9</td>
<td>179.875,57</td>
<td>50,7</td>
<td>4,4</td>
</tr>
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<td>Pensions</td>
<td>121.556,51</td>
<td>35,2</td>
<td>127.483,83</td>
<td>35,9</td>
<td>4,9</td>
</tr>
<tr>
<td>Other Economic Benefits</td>
<td>11.880,26</td>
<td>3,4</td>
<td>11.603,83</td>
<td>3,3</td>
<td>-2,3</td>
</tr>
<tr>
<td>Social Services and Social Promotion</td>
<td>2.844,99</td>
<td>0,8</td>
<td>1.809,81</td>
<td>0,5</td>
<td>-36,4</td>
</tr>
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<td>Promotion of employment</td>
<td>3.776,14</td>
<td>1,1</td>
<td>4.073,52</td>
<td>1,1</td>
<td>7,9</td>
</tr>
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<td>Unemployment</td>
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<td>29.727,53</td>
<td>8,4</td>
<td>10,1</td>
</tr>
<tr>
<td>Access to Housing and Development of Construction</td>
<td>765,88</td>
<td>0,2</td>
<td>799,64</td>
<td>0,2</td>
<td>4,4</td>
</tr>
<tr>
<td>Management and Administration of Social Security</td>
<td>4.436,30</td>
<td>1,3</td>
<td>4.377,40</td>
<td>1,2</td>
<td>-1,3</td>
</tr>
<tr>
<td>2. PRODUCTION OF PREFERRED PUBLIC GOODS</td>
<td>6.522,34</td>
<td>1,9</td>
<td>6.706,21</td>
<td>1,9</td>
<td>2,8</td>
</tr>
<tr>
<td>Health</td>
<td>3.855,77</td>
<td>1,1</td>
<td>3.839,76</td>
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<td>-0,4</td>
</tr>
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<td>2.150,05</td>
<td>0,6</td>
<td>10,6</td>
</tr>
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<td>Culture</td>
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<td>0,2</td>
<td>716,40</td>
<td>0,2</td>
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<td>ECONOMIC ACTIONS</td>
<td>27.099,41</td>
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<td>28.820,97</td>
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<td>6,3</td>
</tr>
<tr>
<td>Agriculture, Fisheries and Food</td>
<td>7.661,87</td>
<td>2,2</td>
<td>7.720,53</td>
<td>2,2</td>
<td>0,8</td>
</tr>
<tr>
<td>Industri and Energy</td>
<td>4.574,99</td>
<td>1,3</td>
<td>5.781,59</td>
<td>1,6</td>
<td>26,4</td>
</tr>
</tbody>
</table>
MAIN STATUTORY CHANGES IN 2012 AND 2013

- Ley 16/2012, a statute adopting various tax measures designed to consolidate public finances and to support economic activity

This statute abolishes the tax rebate for investment in housing purchased after 1 January 2013 but maintains the right to the deduction for purchases prior to this date. The rebate will be abolished in the annual tax return for 2013 filed by taxpayers in mid-2014, so the impact will observed in the latter year. The same applies to the change in the treatment of capital gains and losses: as of the next personal income tax return, the financial gains and losses resulting from the transfer of assets held by taxpayers for more than one year...
will be included in the savings tax base. The purpose of this change is to fiscally penalize speculation.

- **Royal Decree-Law 4/2013, of 22 February 2013, on measures to support entrepreneurs and stimulate growth and job creation**

The purpose of this Royal Decree is to establish more favourable startup conditions for new companies through two measures. The Personal Income Tax of sole traders will benefit from a 20% rebate on net business income, applicable for two years as of the first tax period in which profits are earned. In Corporate Income Tax, a tax rate of 15% will apply to the first €300,000 of taxable income and 20% for any excess over this amount; as above, these rates will apply for two years as of the first tax period in which profits are earned.

- **Royal Decree-Law 7/2013, of 28 June 2013, on urgent measures concerning tax, budgets and the promotion of research, development and innovation**

In relation to excise duty, this regulation introduces changes to the taxation of alcoholic beverages within the scope of the Tax on Intermediate Products and Tax on Alcohol and Alcoholic Beverages, raising their rate by 10% in order to provide a relevant source of tax revenue for the Spanish Treasury. This tax is also an important instrument for health policy.

The fulfillment of the Government’s political commitment to meeting its fiscal stability targets and the fact that taxation on tobacco products represents a significant source of tax revenue for the public treasury are reason enough to justify an increase in the rates of tax on tobacco products while reinforcing its aims in relation to health.

- **Ley 14/2013, a statute to support entrepreneurs and their internationalization**

This statute creates the special cash/settlement scheme for VAT under Article 167a of Directive 2006/112/EC of the EU Council of Ministers which has been applicable since 1 January 2013. Under this provision, Member States may establish an optional scheme for companies with a turnover of less than €2,000,000 whereby business transactions are reported not at the time of the sale but when the invoice is effectively paid (or payment is received in the case of purchases). This change in accounting policy affects both those who voluntarily subscribe to the new scheme and their customers for the transactions made with them (i.e. customers may only deduct the VAT applied at the time of payment, regardless of the scheme applicable to them).

A new deduction for profit investment in small companies is included in corporate income tax. The deduction amounts to 10% of the profits for the year, with the condition that they are invested in new tangible fixed assets or property associated with economic activity. A reserve for investments must be set up in order for the deduction to apply. This measure is intended to promote business investment and capitalization and
has the effect of reducing taxation on the portion of profits that are invested as opposed to being shared out. A similar change is introduced to personal income tax for sole traders.

With the same aim of bolstering the capitalization of new businesses, a number of tax benefits are introduced for taxpayers who not only provide capital but also offer knowledge and experience to the companies in which they invest (business angels). Such investors will be entitled to a deduction in the Central Government portion of their personal income tax when they invest in a business startup, and to exemption from potential gains if they divest in this company and reinvest in another startup.

Besides the above three measures, this statute amends the tax regime applicable to revenues from certain intangible assets to align it with the systems of neighbouring countries.

• Ley 16/2013, a statute setting out certain environmental taxation measures and adopting other tax and financial measures

This statute introduces two new developments for 2014. The first affects corporate income tax and eliminates the deductibility of impairment allowances of share capital or equity investments in companies and of negative income generated during the maintenance period of permanent establishments located abroad. This is intended to prevent losses from being deducted twice, once at the branch where they are generated and again at the site of the head of the investment group. The reference for the treatment of these losses are the regulations governing neighbouring countries.

The second development is the creation of a tax on fluorinated greenhouse gases. This is an indirect tax levied on the consumption of these gases, taxing consumption in a single phase in proportion to their global-warming potential.

• Ley Orgánica 6/2013, a statute law creating the Independent Authority for Fiscal Responsibility

This statute law reinforces the commitment to the effective control of measures to meet the budgetary stability and public debt targets and to comply with the expenditure rule by introducing new mechanisms for oversight and transparency in the fiscal policies of general government.

It also gives effect to the provisions of Council Directive 2011/85/EU of 8 November 2011 on requirements for budgetary frameworks of the Member States in relation to the need for independent fiscal institutions to perform effective monitoring of compliance with tax rules, based on reliable and independent analyses conducted by agencies with functional autonomy from the budgetary authorities of the Member States.

The Independent Authority for Fiscal Responsibility shall ensure strict compliance with the principles of budgetary stability and financial sustainability through continuous assessment of the budget cycle and public borrowing, and analysis of economic forecasts. Hence, the Independent Authority for Fiscal Responsibility
shall assess the macroeconomic projections incorporated into draft budgets and medium-term scenarios and will analyse the implementation and execution of fiscal policies for early detection of possible deviations from the targets. It may also draft opinions as it sees fit on matters under this or other laws.

A comprehensive plan has been launched to combat late payments by public authorities. These include the Common Law on Electronic Billing and Accounting, the Provider Payment Plan to thoroughly clear the stock in the autonomous communities and local authorities, further liquidity measures and the consolidation requirement to improve the solvency of certain local authorities and the amendment to the Stability Statute Law to incorporate commercial debt into the concept of sustainability.

• **Ley 25/2013**, a common law to promote electronic billing and the creation of the accounting register in the Public Sector

This statute is intended to offer providers peace of mind in their dealings with the public authorities. Under this legislation, invoices will be entered in an accounting register. This will provide general government with greater accounting control over invoices, enabling better compliance with payment deadlines and positive effects on the fight against fraud, public deficit and government spending.

• **Ley 9/2013**, a statute law relating to the control of commercial debt in the Public Sector

Under this statute law, the control of commercial debt will revolve around the concept of the average provider payment period, publication of which is compulsory for the public authorities. It also states that the monthly cash plan of all public authorities, which is compulsory under the Stability Statute Law, shall include information on the provision of payments to providers and ensure compliance with the deadline set in the late payment regulations (currently 30 days). Failure to comply with these requirements shall result in the successive application of preventive, corrective and even coercive measures, leading ultimately to retention of the funds for payment of the provider.

Royal Decree-Law 8/2013, of 28 June 2013, on urgent measures to tackle late payment by the public authorities and to support local authorities with financial difficulties

The Provider Payment Plan, with its aim of eliminating unpaid invoices submitted to regional and local authorities, is the starting point of the Statute Law on Commercial Debt Control discussed above. The Plan came into force following Royal Decree-Law 8/2013, of 28 June 2013, on urgent measures to tackle late payment by the public authorities and to support local authorities with financial difficulties. Title I of the Royal Decree-Law regulated the third and final phase of the funding mechanism for payments to providers, helping regional and local authorities to pay off their commercial debt arising from outstanding invoices to providers that have fallen due and were payable prior to 31 May...
2013. Title II also regulates a set of extraordinary and urgent liquidity support measures to assist municipalities that are particularly struggling. Coercive measures are introduced to increase revenues and reduce costs for local councils and other local authorities with liquidity problems to further guarantee their solvency.

- **Ley 27/2013 on the streamlining and sustainability of local authorities**

The reform of local government, which is intended to usher in more efficient services by local authorities and support their sustainability, is implemented primarily through the reorganization of powers between the various levels of general government.

The aims of this statute are: to clarify and simplify municipal powers, to prevent overlap with the powers of other authorities; to streamline the organizational structure of local government according to the principles of efficiency and budget balance, and to ultimately ensure more rigorous financial and budgetary control. Local economic activity will be encouraged by means of liberalizing measures.

### 5.4. THE LABOUR MARKET AND EMPLOYMENT POLICY

In recent years, like other developed countries, Spain has faced a process of far-reaching economic change, mainly as a consequence of economic globalization and the rise of information and communication technologies (ICTs).

Globalization has prompted the emergence and development of new economic powers. This process is enabling millions of people to escape poverty, but is also creating fierce competitive pressures in economies such as our own. Moreover, the rise of ICT’s and other innovations is bringing about a transformation in the processes of production. Both these driving forces require businesses and workers to display an enormous capacity to adapt and survive in an increasingly demanding environment.

The international economic downturn has revealed that the regulatory framework of labour relations in Spain was inadequate to rise to these challenges. More jobs have been destroyed in Spain throughout the economic crisis than in our neighbouring countries. The Spanish labour market exhibited a range of traditional shortcomings that held back the employability of workers and dampened the competitiveness of businesses.

To rectify the high rate of long-term unemployment, the high volatility of unemployment levels, and the deep-seated duality of the labour market – segmented on the basis of the extent to which employment contracts are protected – the latest governments have undertaken various reforms to encourage economic growth to translate promptly into job creation. The transformation of the regulatory framework of labour
relations is intended to improve the functioning of the Spanish labour market on the basis of flexibility and security, so as to promote business competitiveness and worker employability.

**STATE OF THE LABOUR MARKET**

Since the transition to democracy, the Spanish labour market has retained a high rate of long-term unemployment, powerfully exacerbated by economic downturns such as the present. During boom periods, unemployment never declined below 7.95%, and topped out at 26% in recession periods. Source: Eurostat.

High unemployment is compounded by an excessive rift in the labour market between permanent and temporary employees. This duality means that 40-50% of the employee population alternates periods of unemployment with temporary jobs. This state of affairs mainly affects young people and less skilled workers: these are also the population segments hardest hit by the high unemployment rates suffered by Spain in times of economic slump.

![Graph of unemployment rates over time for various countries](image-url)

*Source: Eurostat.*
In recent years the labour force has shifted powerfully into the services sector. In 1982, 17.8% of workers were agricultural; industry employed 26.92% of the workforce; construction employed 8.10%; and the services sector employed 47.4%. Today, three quarters, 75.9%, work in the services sector; industry accounts for 13.61% of workers, construction for 5.8% of workers, and agriculture for 4.7%.

The last economic crisis has again brought about severe effects on the labour market. Out of a working population of 22.6 million (59.4% activity rate), over one quarter (26.03%) is unemployed. Unemployment ranges from
15.76% in the Basque Country to 36.32% in Andalucía, and is particularly high among under 25s (51.1%). The construction sector is by far the one shrinking the most as a result of the crisis. In early 2007, 2,664,700 people – 13% of the active population – were employed in this sector. By late 2013, the figure had decreased to 978,400 people: 1,686,300 jobs had been lost.

INCREASED FLEXIBILITY OF THE LABOUR MARKET AND MODERNIZATION OF COLLECTIVE BARGAINING

With a view to tackling the job market situation, 2012 saw the adoption of the Common Law on Urgent Labour Market Reform (Ley 3/2012), which included amendments proposed by all groups represented in the Spanish Parliament.

This labour law reform reflects the wage moderation agreement reached by Spain’s social actors and has attracted the backing of institutions such as the International Monetary Fund, the Organization for Economic Cooperation and Development, the Bank of Spain and the European Commission.

The reform introduces a series of measures designed to make economic growth translate quickly into job creation, and to transform the framework of labour relations in alignment with the needs of an increasingly complex and dynamic economic environment.

The reform introduces a flexicurity system to improve business competitiveness and worker employability as its chief aims.

As regards internal flexibility, the labour law reform measures are intended to encourage a reorganization of human resources and offer businesses a range of alternatives to layoffs when facing cyclical fluctuations. In a manner consistent with these measures, the reform also seeks to modernize and lend dynamism to collective bargaining so as to move on from the present confrontational pattern to a culture of cooperation among social and economic actors.

In addition, the reform brings the arena of negotiation closer to individual businesses, and introduces incentives so that higher-level industrywide agreements...
genuinely serve the needs of the present environment. The collective bargaining agreement reached at the level of the individual business is accordingly now made to prevail over higher-level agreements, and the parties are allowed to derogate from the current agreement on justified grounds.

Finally, the labour law reform ends the unlimited automatic extension of existing collective bargaining agreements: automatic extension is now limited to a one-year period. This avoids the indefinite survival of employment terms agreed under a document whose originally intended duration has come to an end, since those terms may no longer be suited to the present economic and organizational reality of the business. In addition, the parties are invited expressly to negotiate the collective bargaining agreement on an ongoing basis.

As to external flexibility, the reform is designed to discourage the tendency to treat all dismissals as unfair by clarifying the grounds of dismissal and eliminating the practice of despido exprés (“express dismissal”). Indemnification for unfair dismissal is brought closer to the levels prevailing in other European countries by establishing a statutory benchmark indemnity of 33 days’ pay per year of length of service, capped at an amount equal to 24 monthly pay packets. The previous system was failing to assure employment stability, and retained elements – such as government authorization for collective bargaining agreements – that needed to be superseded.

The reform contains numerous measures to improve employability, with a special focus on small and medium enterprises and young people. First, a new contract mode is created specifically designed for smaller businesses and entrepreneurs, the “permanent contract in support of entrepreneurs”, which attracts major tax rebates and incentives for hiring young people and long-term unemployed people aged over 45. These benefits apply only to entrepreneurs creating stable employment. Extending probation periods to one year also encourages stable employment, particularly at times like the present, where uncertainty is high and may slow down the rate of hiring.

In addition, improvements are made to “training and learning” contracts, which are key to facilitate the transition from training to employment and offer opportunities to young people who dropped out of training prematurely, drawn by the high earnings available in the tourist and construction industries during the boom.

The new measures introduce workers’ right to continuing training and requires that providers of training for employment be selected through competitive processes.

This new framework of industrial relations has been complemented during 2013 by a series of measures to encourage stable hiring by promoting part-time work and simplifying contracting models.

The Youth Employment Entrepreneurship Strategy 2013-2016 is an initiative of the government and social partners that proposes 100 measures to improve the employability of young people, facilitate their access to
the labour market and foster entrepreneurship. By late 2013, it had offered more than 115,000 opportunities to young people.

In the coming years, these measures to foster youth employment will be joined by those of the plan for the Youth Guarantee Implementation in Spain, which seeks to ensure that all under-25s will have access to a good range of jobs, lifelong learning or work experience within four months of completing their formal education or becoming unemployed. To this end, the European Council has approved a fund of €6 billion earmarked for providing opportunities for young Europeans.

The challenges now faced by Spain include upgrading active employment policies to increase their efficiency, with a special focus on training policies. This upgrade must be achieved on the basis of transparency, oversight and competition in the delivery of services. Moreover, efforts are being made to address the serious problem of youth unemployment and to enhance planning and coordination among the various government authorities as regards employment policies.

LABOUR MARKET IMPROVEMENT

Despite lower growth rates, the data for 2013 point to an incipient activation of the labour market. During the last quarter of 2013 and for the first time since the second quarter of 2007, a year-on-year drop in unemployment was observed of 69,000 workers (-1.16%). Seasonally adjusted unemployment fell by 1.1% in the same quarter, the biggest drop since the first quarter of 2007. Meanwhile, in the last quarter of 2013, seasonally adjusted employment was created at a rate of 0.29%, something that had not happened since the first quarter of 2008.

This improved employment situation is due to greater use of internal flexibility mechanisms as an alternative to dismissal. Wage moderation has saved jobs and bolstered the competitiveness of Spanish companies, while the modernizing of collective bargaining has led to agreement shelving, pacts on employment regula-
tion measures and a more dynamic system of collective bargaining. In December 2013, a total of 1,844 collective bargaining agreements were registered with economic effects as of that year, almost 70% more than in December 2012.

**ACTIVE EMPLOYMENT POLICIES**

The active employment policies are set out in the Annual Employment Policy Plan (Spanish “PAPE”) for 2013, which sets out the actions and measures for active employment policies, particularly for career guidance, vocational training for employment, hiring incentives, the promotion of equal opportunities in access to employment and support to entrepreneurship. These policies are developed and implemented by the autonomous communities and, within the scope of its competence, the State Public Employment Service. They are funded through State funds, the European Social Fund and the resources of the autonomous communities.

The budget provision for financing active employment policy actions and measures, charged to the budget of the State Public Employment Service amounted to €3.804 billion in 2013.

**SOCIAL PARTNERS AND THE ECONOMIC AND SOCIAL COUNCIL**

The Spanish Constitution confers a key role on trade unions and business organizations for the advocacy and promotion of the economic and social interests they respectively represent, as set out in its Article 7.

The main social actors in Spain are, on the side of business, the Spanish Confederation of Business Organizations* (CEOE) and the Spanish Confederation of Small and Medium Enterprises* (CEPYME), and, on the side of workers, the Union Confederation of Worker Committees (CCOO) and the General Union of Workers (UGT). In early 2012, there was signed the Second Agreement for Employment and Collective Bargaining 2012-2014, containing key terms on wage moderation and internal flexibility.

The Economic and Social Council is a high-level government advisory body concerned with socio-economic policies. It is also a place of understanding for the social and economic agents whose purpose is to implement the social and democratic rule of law. It comprises a Chair and sixty members: twenty members appointed by trade unions, twenty more appointed by business organisations and twenty more from associations and organisations. It is a public-law entity having its own legal personality, full capacity to act, and organizational and functional autonomy for the performance of its purposes; it is attached to the Ministry of Employment and Social Security.

**USEFUL LINKS**

The Moncloa Palace: [www.lamoncloa.gob.es](http://www.lamoncloa.gob.es)

Ministry of Economy and Competitiveness: [www.mineco.gob.es](http://www.mineco.gob.es)

Ministry of Finance and Public Administrations: [www.minhap.gob.es](http://www.minhap.gob.es)
Ministry of Industry, Energy and Tourism:  
www.minetur.gob.es

Ministry of Employment and Social Security:  
www.empleo.gob.es

Spanish Tax Agency: www.agenciatributaria.es

Economic and Social Council: www.ces.es

Spanish Institute of Foreign Trade: www.icex.es


National Statistical Institute (INE): www.ine.es

State Corporation for the Management of Tourist Innovation and Technologies (SEGITTUR):  
www.segittur.es

Turespaña: www.tourspain.es

Tourist promotion website for Spain: www.spain.info
Chapter VI
SOCIAL POLICY

Care for the elderly.

Source: Ministry of Health, Social Services and Equality.
6.1. HEALTH

The Spanish Constitution of 1978 establishes the right of all citizens to effective protection, the protection of their health, and equal access to efficient health care of the highest possible standard.

To implement the mandates of the Constitution, the process of transferring powers in health and sanitation (public health) to the autonomous communities began in 1979. These powers are now exercised by all of the autonomous communities. In the current context of decentralization, in which the autonomous communities determine how health care services are to be organized or provided, the role of the Ministry of Health, Social Services and Equality has been reoriented towards coordinating the National Health System and developing global strategies to ensure equity, quality and efficiency, acting as a basic instrument of cooperation to further regional initiatives.

Notwithstanding the above, border health control and international health care agreements and relations remain the exclusive competence of Central Government. Other areas that remain under the responsibility of Central Government include the bases and general coordination of health, pharmaceutical legislation and the awarding, issuing and recognition of professional post-graduate qualifications.
THE NATIONAL HEALTH SYSTEM

On 25 April 1986, the Spanish Parliament passed the Common Law on General Health (Ley 14/1986), which regulates all actions allowing the exercise of the constitutional right to health protection. The law set up a National Health System with universal coverage and a primarily public provision under the State Budget that includes all of the Health Services of Central Government as well as those of the autonomous communities.

The approval of the Common Law on General Health marked a leap forward for Spain’s health care context because it merged all existing public health and welfare resources into a single mechanism, based on those of Social Security, and because it integrated health promotion and disease prevention policies and activities with medical and pharmaceutical services.

Following the transfer of health care powers to the autonomous communities, the legal framework was completed in 2003 with the Quality and Cohesion of the Common Law on National Health System (Ley 16/2003), which provides for coordination and cooperation between public health authorities as a way to ensure the right of citizens to health protection, with the common goal of guaranteeing equal access to services, the quality thereof and citizen participation.

The workings of the National Health System were consolidated in 2003 with another two key laws: the Common Law on Health Framework (Ley 55/2003), which updated and adapted the legal status of public health workers under a special statute of employment to the new model of health care in the autonomous state, and the Common Law on Health Professions (Ley 44/2003), which improves the integration of health service professionals by facilitating co-responsibility in the achievement of common goals and improving the quality of the health care provided to the population.

More recently, in 2012, Royal Decree-Law 16/2012, of 20 April 2012, setting out emergency measures to ensure the sustainability of the National Health System and improve the quality and safety of its services introduced certain reforms to ensure the viability of the system.

ORGANIZATION OF THE HEALTHCARE SYSTEM

The Inter-regional Council of the National Health System (Consejo Interterritorial del Sistema Nacional de Salud), or CISNS, is a permanent body for coordination between the autonomous communities and Central Government, set up to foster cohesion in the National Health System by effectively upholding the rights of citizens throughout Spain. The Minister for Health, Social Services and Equality and the Regional Ministers for Health of the autonomous communities and cities all sit on the Council.

The autonomous communities have approved their respective regulations under the provisions of the Common Law on General Health. These regulations set out
the terms for the management of resources and the structure of the Health Service of the community in question while upholding the basic principles of the law. The Health Service of each autonomous community covers all of its public medical centres and services, acting as a management body for all public health care in the autonomous community. Each Health Service depends, in turn, on the health department of the autonomous government (Regional Health Ministry), which draws up guidelines and regulations on financing, planning and public health in the region.

The National Health System is organized according to the principles on which it was founded. Given its universality and solidarity, the system must guarantee equal access to services for all citizens. Moreover, since it is publicly funded, expenditure must follow criteria of efficiency. Hence, the National Health System is organized into two health care levels or contexts in which accessibility and technological complexity are found in inverse proportion to one another.

The first-level health services – primary care – are easily accessible and capable of dealing fully with common ailments. The second level – specialist care – is where we find the system’s most complex and costly diagnostic and/or therapeutic means. The efficiency of these resources is very low if they are not concentrated and citizens obtain access to them by referral from primary care doctors. Primary care services are provided at medical centres staffed by multidisciplinary teams of family doctors, paedia-

| PRIMARY CARE FACILITIES, HOSPITALS, BEDS AND PHARMACIES |
|-----------------------|-------|------------------|-------|
|                        | 2012  | Rate per 100,000 | % SNS |
|                        | Total | inhab.           |       |
| Medical centres        | 3,016 | 6,5              | 100   |
| Local clinics          | 10,087| 22,1             | 100   |
| Hospitals              | 790   | 1,8              | 44,1  |
| Beds                   | 162,090| 320,0         | 68,3  |
| Pharmacies             | 21,350| 45,4             |       |

tricians, nurses, administrative staff and, occasionally, social workers, midwives and physiotherapists. Given its position in the community, this level has responsibility for health promotion and disease prevention.

Specialist care is provided in hospitals and specialist clinics as an outpatient or inpatient service. Following this type of care, the patient and the relevant clinical information are referred back to the primary care doctor who, now with the full set of patient medical records, can obtain a clinical picture and therapeutic overview.

In this structure, health care resources are allocated primarily within set demo-geographical boundaries called health areas. These are set by each autonomous community taking into account several factors, the most important of which is to locate services near their users.

SERVICES COVERED BY THE SYSTEM

The services offered by the system include preventive, diagnostic, therapeutic, rehabilitative and health maintenance and promotion activities. The primary-care level covers general medicine and paediatrics, programmes for disease prevention, health promotion, health education and rehabilitation. Primary care teams carry out these activities based on their “portfolio of services”, which is planned according to the health care needs of their catchment area (women’s health, child health, adult and elderly health, oral health, terminal patient care, and mental health care).

Specialist care includes all medical and surgical specialties. There is also a 24-hour care mechanism for Emergency Health Care and Medical Emergencies. Health care is free at the time of use. The user participates in the cost of the provision of pharmaceutical products by paying a percentage of the product price, depending on income, employment status and whether he or she is chronically ill. In general, the contribution percentage is 60% for incomes over €100,000, up to a maximum of €60 per month for pensioners. For incomes under €100,000 and above €18,000, the percentage falls to 50% for individuals in active employment and 10% for pensioners, up to a maximum of €18 per month for pensioners. For incomes below €18,000, the percentage for active workers is 40% and 10% for pensioners, up to a maximum of €8 per month for pensioners. Individuals who receive non-contributory pensions and the long-term unemployed are exempt from contributions. The participation also depends on the type of pharmaceutical product in question. There is a 10% contribution for products indicated for certain chronic conditions or diseases of health care significance, up to a maximum of €4.20 per pack.

Medicines dispensed by hospitals are also subject to a user contribution to the pharmaceutical service. However, medicines dispensed to patients during hospital admission do not require user contributions.
The pharmaceutical service of the National Health System covers the vast majority of medicinal products authorized in Spain, along with certain medical devices, all of which are funded by the public health care system. A number of products are expressly excluded from this service, namely OTC medicines, homeopathic medicines, products for cosmetic use, dietary supplements, mineral water, toothpaste and mouthwashes and similar products. Non-prescription medicines and those from non-funded therapeutic groups or subgroups marketed for the treatment of minor symptoms are also excluded. As at 31 December 2012, the total number of medicines and medical devices covered by the pharmaceutical service of the National Health System was 23,149 medicines and 4,900 medical devices. The Spanish Agency for Medicines and Medical Devices (Agencia Española de Medicamentos y Productos Sanitarios), is responsible for evaluating medicinal products for their registration and licensing.

In addition to pharmaceutical services, the public system offers complementary services such as orthopaedic prostheses, non-emergency medical transportation and dietary treatments. These are all subject to a user contribution that varies according to the pharmaceutical service.

**RESOURCES AND ACTIVITY OF THE SYSTEM**

The National Health System has a total of 3,016 medical centres. There are local clinics in many small towns to which professionals from the medical centres in the area travel to provide basic services to the population in rural areas with a high ageing index. There are 10,087 local clinics across Spain.
The National Health System also has 790 public hospitals with a total of 162,090 beds. A further 21 hospitals are owned by mutual funds for accidents at work and occupational diseases and another 442 are operated by private health care companies.

Spain has 132,919 hospital beds reserved for patients with acute conditions, of which 75.6% are public.

There are over half a million qualified individuals registered with some form of professional health care association. A total of 35,182 doctors work in public primary care facilities (28,771 family doctors and 6,411 paediatricians), along with 29,266 nurses and 21,309 non-medical staff. The rate of doctors per 10,000 inhabitants at this first level of care is 6.2, while 79,159 doctors offer their services at National Health System hospitals and specialist clinics (equivalent to 17.2 per 10,000 inhabitants). By specialty, physicians working in general surgery and surgical specialties, including Obstetrics & Gynaecology and Traumatology, account for 57.2% of the total, while those in central services make up 15.7% and the remaining 27.1% are specialists working in their medical specialties, including critical care. In addition to these figures, there are around 19,000 house officers in specialist training at public hospitals under diverse systems (MIR, BIR, FIR, EIR, etc.), working to obtain the qualification of Health Sciences specialist.

Every year, more than 250 million visits are made to doctors – around 390 million if we include nursing activities – at medical centres and clinics of the National Health System.

<table>
<thead>
<tr>
<th>PRIMARY CARE ACTIVITY AT SNS CENTRES</th>
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<tr>
<td><strong>Activity in regular hours</strong></td>
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<tr>
<td>Medicine</td>
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<td>Total</td>
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<td>259.722.735</td>
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<td>254.770.202</td>
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<td>258.775.166</td>
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<td>224.962.865</td>
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<td>221.133.882</td>
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<td>223.643.242</td>
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<td>213.157.441</td>
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<tr>
<td>Paediatrics</td>
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<tr>
<td>34.759.870</td>
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<td>33.636.320</td>
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<td>35.131.924</td>
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<td>32.036.827</td>
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<tr>
<td>Nursing</td>
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<td>129.775.344</td>
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<td>131.578.011</td>
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<td>130.207.072</td>
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<tr>
<td><strong>Visits per inhabitant registered in the SNS</strong></td>
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<tr>
<td><strong>Medicine</strong></td>
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<td>Total</td>
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<td>5.6</td>
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The annual rate of visits to primary care doctors per inhabitant is 5.6 (5.6 for visits to family doctors and 5.3 to paediatricians) and 2.9 for nursing visits.

In specialist care, Spanish hospitals perform over 5.1 million patient discharges per year, of which 4 million (77%) are financed by the National Health System. Moreover, 87.7 million visits are made to different specialists each year (85.67% financed by the National Health System), 26.2 million emergency visits are made (78.6% of public funding) and 4.6 million operations are performed.

Spanish hospitals are at the global forefront in organ and tissue transplantation, which is performed at approved facilities. Organ donation requires the consent of the donor.

The technology equipment used at medical centres and hospitals is comparable to that used in more advanced countries and allows Spanish citizens to benefit from the highest standard of care.

### HEALTH EXPENDITURE AND FUNDING

Health care in Spain is non-contributory and funded by taxes. Since 2002, it has been included in the general financing of each autonomous community.

The data for 2011 place Spanish public health expenditure – including long-term care – at €72,217 million, accounting for 7.1% of GDP. By contrast, private health spending amounts to €26,643 million (2.5% of GDP).

Spending on health is the largest budget item after pensions. On average, it represents over a third of the costs incurred by the autonomous communities. In 2011, the breakdown of public health expenditure was as follows: hospital and specialist services accounted for the highest percentage (58.4%), followed by par-
maceutical provision (18.1%) and primary care services (15.1%).

In budget classification terms, not counting expenditure on long-term care, staff remuneration is the largest single item of public health expenditure, with a total of 43.6% in 2010. State-subsidized private activity amounts to 10.6% this figure.

CITIZENS AND THE HEALTH CARE SYSTEM

In Spain, health care is guaranteed to individuals with asegurado or “covered” status. Foreign nationals not authorized or registered as residents in Spain receive emergency medical attention for serious illness or accident (whatever the cause) until discharge; female foreign nationals also receive pregnancy, delivery and postpartum care. Foreign nationals under the age of eighteen receive health care under the same conditions as Spanish citizens. The public health system has no set waiting periods or any other requirement for access to its services, which are comparable to those of most European countries.

The Common Law on Health sets out the rights and duties of citizens in public health care and is intended to guarantee their right to equal access to a health care of the highest standards of quality and efficiency, with respect for the principles of autonomy and freedom. The Common Law on Patient Autonomy and Clinical Information (Ley 41/2002), passed in 2002, requires the health services to inform citizens of all their rights and duties, including those of State legislation and those contained in the relevant regional regulations. One of the most far-reaching consequences of this law is that it is the first time that citizens are granted the right to seek a second opinion on their condition. Other significant developments introduced by this
law concern the regulation of “living wills” and informed consent.

In the Spanish health care system, the citizen is at the centre of all activities, which is why regular surveys are conducted to gauge public satisfaction with the health system. The results of these surveys indicate a high degree of citizen satisfaction with how the public health system is run.

For example, according to the overall results of the 2012 survey, more than two-thirds of the population consider the National Health System to be well run.

The success of the health system is also demonstrated by the excellent health indicators for the Spanish population. Spain has a life expectancy at birth of 81.8 years, above the EU average (79.5 years).

With 3.19 infant deaths per thousand live births in 2011, Spain is among the ten EU countries with the lowest mortality rates, below the average of EU Member States, which stands at 4.1 deaths per 1,000 live births.

| LIFE EXPECTANCY AT BIRTH (YEARS) BY GENDER IN THE EUROPEAN UNION AND SPAIN |
|-----------------------------|-------------------|-------------------|
| 2009 | Total | Women | Men |
| EU-27 (*) | 79,52 | 82,48 | 76,47 |
| EU-27 (2010) | 79,7 | 82,6 | 76,7 |
| Spain | 81,8 | 84,9 | 78,6 |
| Spain (2011) | 82,1 | 84,97 | 79,16 |

Source: Key indicators of the SNS. Updated August 2013; WHO. “Health for all: European health for all database, 2011”.

FUTURE CHALLENGES

Spain’s National Health System, as with the health systems of our developed neighbours, faces the challenge of improving the quality of the services it offers to citizens without compromising the sustainability of the current health care model. Population ageing is having a major impact on disease patterns and the consumption of health services and, together with the emergence of new diagnostic and treatment technologies and the increased demands of citizens, it is driving spending increases and the introduction of policies geared towards improving the efficiency and effectiveness of health care measures.

Improving the health of the population is at the heart of all strategic lines characterizing the current health policy, designed by the Ministry of Health, Social Services and Equality and the autonomous communities. These strategic lines include:

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<thead>
<tr>
<th>SATISFACTION WITH THE HEALTH SYSTEM</th>
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<tr>
<td>% of opinion 2011</td>
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<tr>
<td>Positive assessment</td>
</tr>
<tr>
<td>Changes are needed</td>
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<td>Needs reworking</td>
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</table>

Source: Ministry of Health, Social Services and Equality and the Sociology Research Centre (Spanish “CIS”). Health care Barometer (Barómetro Sanitario), 2011.
The promotion of policies to prevent disease and protect and promote health.

Giving fresh impetus to health research, both basic and applied.

Development of the strategy to address chronic disease.

Improved management of health care organizations, promoting integration between care levels and favouring the extension of clinical management, case management and evidence-based medicine.

Rationalization of pharmaceutical services to encourage a more rational use of medicines and medical devices.

Defining criteria for evaluating technology and diagnostic and therapeutic procedures.

Efficient use of information and communication technology to implement interoperable medical histories and electronic prescriptions across the system, based on a common system of identification with the health card currently used by the Spanish health system.
6.2. SOCIAL POLICY

The State Secretariat for Social Services and Equality is the government agency responsible for raising awareness, educating and protecting the rights of more vulnerable social groups. The State Secretariat has responsibility for a number of key areas: equal opportunities, disability policy, services for families and children, the Government Delegation for Gender Violence, the Government Delegation for the National Drugs Plan, and the offices of the Institute for the Elderly and Social Services (IMSERSO) and Institute for Youth (INJUVE).

EQUAL OPPORTUNITIES

The effective achievement of equal opportunities among individuals regardless of gender, age, ideology, racial or ethnic origin, sexual orientation or gender identity, disability, religion or any other condition or personal or social circumstance (recognized in Article 14 of the Spanish Constitution) is one of the permanent goals of the Government.

One of the priorities of the Government is to guarantee equal opportunities for women and men in working conditions and the labour market. Steps are being taken to achieve this by promoting the employability of women with strategies to improve their training and career development, promote reconciliation and co-responsibility and eliminate wage discrimination.

One such strategy is the development of job and skills training to combat unemployment among women. Programmes are also being launched to support female entrepreneurship, with technical advice and support to facilitate their access to financing.

Other lines of work include the promotion of business equality plans and fostering the employment of women in decision-making positions.

This 2014 will also see the adoption of the Strategic Plan for Equal Opportunities, which is the framework for actions in equal opportunities. This plan will act as the basis for establishing the set of general measures.
deemed necessary to achieve the goal of equal opportunities between women and men, and for delineating lines of action for certain social contexts (e.g. employment, the wage gap, gender violence, reconciliation of work and family, etc.) that require a boost from sectoral plans, specific instruments of particular usefulness in areas requiring preferential action.

The plan promotes mainstreaming or the integration of the principle of equality of treatment and opportunities across sectoral government policies.

The Institute for Women (Instituto de la Mujer), an agency under the Ministry of Health, Social Services and Equality, promotes and favours the conditions leading to social equality between the sexes and the participation of women in political, cultural, economic and social life. It promotes public policies to improve the social status of women through specific actions related to public image and the participation of women in all spheres of society.

It also works to encourage social integration and non-discrimination among all citizens. Thus, its specific aims have been defined as:

- Prevention of potential acts of discrimination on grounds of race or ethnic origin.
- Detection of acts of discrimination on grounds of racial or ethnic origin.
- Support and advice for victims of discrimination.
- Public information and outreach actions concerning the right to equality and non-discrimination.

In relation to this, the Council for the promotion of equal treatment of all persons without discrimination on grounds of racial or ethnic origin, set up in 2007, is charged with the task of providing independent assistance to victims of discrimination, issuing reports at the request of central government bodies or on its own initiative, and with conducting studies and drafting proposals.

**FIGHTING POVERTY AND SOCIAL EXCLUSION**

One of the strategic areas of the State Secretariat for Social Services and Equality is the development of a social cohesion and inclusion policy.

One of the five targets of Europe 2020 for the next ten years is to reduce the number of people in or at risk of poverty and social exclusion in the European Union by at least 20 million. The National Reform Programmes (NRPs) are the instruments through which each EU Member State must set its national objectives and outline its scheduled actions, in accordance with the integrated guidelines for employment and economic policies.

Spain delivered this year’s National Reform Programme to the European Union in April 2013. This programme included the commitment to approve a new National Action Plan for Social Inclusion 2013-2016 (PNAIN). It is the first time that a PNAIN has included...
a cross-cutting goal intended to combat child poverty. The plan also contains a section with actions focusing specifically on the social inclusion of more vulnerable groups. The drafting of a comprehensive national strategy for the homeless has been scheduled as part of this new PNAIN, based on EU recommendations, in collaboration with the autonomous communities, the cities of Ceuta and Melilla, and the third sector of social action.

Coordination between government authorities in matters of social services was stepped up recently with the creation of the Reference Catalogue of Social Services, approved on 16 January 2013 by the Regional Council of Social Services (Consejo territorial de Servicios Sociales) and the Dependent Autonomy and Care System. This framework document outlines the services generally provided across Spain.

With a view to improving the quality of primary care social services, mechanisms have been put in place for supplementary technical cooperation and the mutual exchange of information between Central Government, the autonomous communities and – through the latter – local government in specific areas such as homelessness, minimum income allowance schemes and the Roma community.

In connection with the latter, since 1989, the Central Government has managed the Development Programme for the co-funding of comprehensive social intervention projects and a line of technical and financial cooperation with representative bodies of Roma associations. In a bid to encourage these bodies to participate in the design and development of policies for the Roma community, a State Roma Council (Consejo Estatal del Pueblo Gitano) was set up in 2005, the second term of which commenced in late 2012. On 2 March 2012, the Council of Ministers approved the National Strategy for the Social Inclusion of Roma in Spain 2012-2020.

**FAMILY, CHILDREN AND YOUTH**

The protection and promotion of children and families and the prevention of situations of need that these groups could find themselves in is one of the cornerstones of social policy.

Family support takes the form of a number of lines of action:

- Improvements to the reconciliation of work, family and personal life, with a special focus on promoting family-friendly, flexible businesses and improving the range of early childhood services (0-3 years).
- Family education and the positive exercise of parental responsibilities, through collaboration with other authorities, the third sector and experts to improve the skills and abilities of parents in the education and upbringing of their children.
- Care of families in situations of particular vulnerability or special needs, mainly through support to family associations and organizations that develop health and welfare intervention programmes for families.
with social difficulties or conflicts, in addition to specific groups (large families, single-parent families, with dependants, etc.).

The Interministerial Technical Commission continued to work on the Integrated Family Support Plan in 2013. Nine government departments participate in this Commission, coordinated by the Ministry of Health, Social Services and Equality, which will press on with its tasks in 2014. The plan will set out the family support measures to implement over the coming years.

Action programmes relating to prevention, child care and child protection are promoted in a number of ways:

- By defining the fight against child abuse as a strategic and cross-cutting commitment with the involvement of the authorities at every level.
- By improving the legal framework and developing more effective protocols for administrative action.
- By improving abuse information systems.
- By supporting third-sector actions in this area.

The Second National Strategic Plan for Children and Adolescents (II PENIA 2013-2016) was recently published with the basic aim of promoting a culture of cooperation between public and private institutions in order to address the new challenges to the well-being of minors.

The Childhood Observatory (Observatorio de la Infancia) maintains a system of information on the well-being and quality of life of children and the public policies affecting them.

Young people are another focus of the social strategy of the Ministry of Health, Social Services and Equality. A prime example of this the Youth Services and Promotion Programme, which is based on three principles:

- Guaranteeing equal opportunities for young people throughout Spain regardless of their economic, social and cultural background.
- Implementing the necessary actions to develop Article 48 of the Spanish Constitution more effectively by encouraging young people to participate in cultural, economic, social and political life.
- Promoting collaboration with other government departments and authorities whose activities have an impact on this sector of the population.

These are the principles underpinning the work of the Institute for Youth (INJUVE), an agency reporting to the Ministry of Health, Social Services and Equality that promotes the participation of Spanish youths in the political, social, economic and cultural development of Spain through collaboration with other public authorities, nationwide youth organizations and the Youth Council of Spain.

The Institute’s activities include support programmes for youth organizations to subsidize actions targeting youths; the European Union’s ERASMUS + programme, which develops, fosters and encourages
youth exchanges and volunteering in Europe, and youth information and communication activities. It also produces and disseminates statistics, studies and surveys on the social, labour, economic and cultural situation of young people through the Spanish Youth Observatory (Observatorio de la Juventud).

Currently, the prime concern of the Government in relation to young people is reducing the high rate of youth unemployment. Hence, the current priority of the Institute for Youth (INJUVE) is the promotion of employability and entrepreneurship among young people. It performs this task through a number of programmes:

• Red Social Emprende XL (www.emprendexl.com): a platform designed to promote enterprising culture among young people and to serve as an environment of reference and support for new entrepreneurship projects.

• National Young Entrepreneurs Contest: annual competition aimed at fostering entrepreneurial culture and business creation among young people under the age of 35 years.

• Youth Microcredits Programme: the purpose of this programme is to facilitate access to specific funding in the form of a microcredit for starting up, promoting and funding business projects for people under the age of 35 years.

• Emprendemos App: the app to promote entrepreneurship and youth employment is now nearing completion.

• Digital Leisure Project: the implementation of a programme is scheduled during the first quarter of 2014 to promote the design of projects and the creation of innovative businesses linked to the digital entertainment industry through new training pathways in regulated and non-formal training.

• INJUVE website and social network channels: having an online presence is decisive for agencies like INJUVE, which promotes youth policies. Hence, INJUVE’s current website (www.injuve.es) has been designed as a comprehensive digital communication project in the form of an interactive online information and counselling guide for young people.

• Network of Youth Information Services (SIJ Network): INJUVE coordinates this extensive network of information services for young people, made up of more than 3,300 centres across the country that report to the autonomous communities, town and city councils, associations and other agencies. These centres provide young people with information and advice on resources for employment and entrepreneurship.

GENDER VIOLENCE

In the field of violence against women, the National Strategy to Eradicate Violence Against Women 2013-2016 has been approved with a total of 284 actions. This strategy, the contents of which follow international recommendations, reflects the political commitment and determination of the Government to lead and pro-
mote actions to stamp out violence against women using a participatory approach that involves all regional and local authorities and ministerial departments and makes efforts to promote coordination and networking. It also includes a financial report with an estimate of the appropriation allocated to developing the measures of the Plan, the total of which amounts to €1,558 million.

The strategy has been designed to fine-tune, expand on and consolidate public actions geared towards eradicating violence against women; it represents an effort to align and plan the actions not only of ministerial departments, but also of local and regional government authorities.

The aims of the strategy are:

• To break the silence that works as an accomplice to abuse, by promoting prevention and advance detection.

• To improve the institutional response to victims of gender violence in order to make progress towards personalized treatment and the "one-stop shop", and to encourage women to file a police report with legal aid entitlement, regardless of the financial means of the victim.

• To cater specifically for particularly vulnerable groups: teenagers, children, women with disabilities, senior citizens, rural and migrant women.

• To raise the profile of other forms of violence against women: trafficking in women and girls for sexual exploitation purposes, female genital mutilation, forced marriage and sexual assault, and the new forms of practising this type of violence through the use of new technologies.

• To train and raise awareness among agents.

• To improve coordination and networking by creating an interconnected national structure across Spain through Female Violence Units or the shelter network.

• To ensure transparency, access to and quality of information and to promote knowledge and research on violence against women in order to determine its magnitude and the mechanisms for its eradication.

Spain’s participation in international forums is also promoted in order to raise the profile of its commitment to eradicate violence against women, given its leadership in this area.

**DISABILITY POLICIES**

The chief aim of public policies in this area is to achieve full equality of opportunities and the real exercise of rights by persons with disabilities on equal terms with other citizens.

To achieve these aims, the Ministry and the Royal Disabilities Board, with the participation of associations for the disabled and the other ministries, have set in motion the development of Royal Legislative Decree 1/2013, of 29 November 2013, approving the revised text of the Common Law on Disabled Rights.
The purpose of this regulation is to harmonize and update the texts making up the repealed rights legislation, in accordance with the International Convention on the Rights of Persons with Disabilities.

The two organizations are also working on the development of the following measures:


- In public employment, positive actions are being developed such as recruitment procedures solely for people with intellectual disabilities or the 7% disability quota in public job offers for specialist medical staff.

- In culture, the Inclusive Forum of Culture (Foro de Cultura Inclusiva) has been set up as a monitoring body to drive and monitor the adoption of measures established under the Comprehensive Spanish Strategy of Culture for All (Estrategia Integral Española de Cultura para Todos).

- In social participation, the third sector’s capacity for dialogue with the Government has been strengthened.

- The commitment to accessibility has been maintained through the advisory centres attached to the Royal Disabilities Board.

THE ELDERLY

The Institute for the Elderly and Social Services (Instituto de Mayores y Servicios Sociales, “Imserso”) under the Ministry of Health, Social Services and Equality, is a managing body of Social Security through which the Spanish Government implements its policies for the elderly.

Its programmes seek to raise awareness of active and healthy ageing and to promote the presence and participation of older people in Spain’s social and political life.

The State Council for the Elderly (Consejo Estatal de las Personas Mayores), as a collegiate body of Central Government, plays an important role in all of these initiatives.

Another important action is the Social Spa Programme, which offers older persons access to thermal treatments in the form of a health and welfare complement to their Social Security benefits.

During the 2013/2014 season, these programmes will generate €430 million in tourist activity through the occupation of 1.2 million beds at hotels and spas, generating more than 11 million overnight stays and creating or maintaining 108,000 jobs.

**PROMOTING PERSONAL AUTONOMY AND SUPPORT FOR DEPENDANTS**

Situations of dependency in Spain are protected by the protection system of the social services. Powers in this matter rest with the autonomous communities and local authorities, although they follow guidelines set by the State since the entry into force of the Common Law on Dependent Persons (Ley 39/2006). The State has responsibility for regulating the basic conditions guaranteeing the equality of all Spanish citizens in the exercise of their rights.

In the 2013 fiscal year, the government guaranteed financing for all dependent persons in Spain at the basic level of protection with a budget of €1,207 million.

The Special convention for the Social Security affiliation of non-professional carers was also maintained. As at 1 January 2014, there were 16,736 affiliated family carers.

On 1 January 2012, 738,587 people were recipients of benefits, while on 1 January 2014 this number had risen to 753,842, i.e. there were 15,255 more beneficiaries.
Between 1 January 2012 and 1 January 2014, there were 224,810 new recipients of dependence benefits, 31,898 of whom began receiving their benefits in 2012 and 92,912 in 2013.

In the same period, the waiting list was reduced by 115,438 individuals, from 305,941 to 190,503, representing a 37.33% decrease.

On 1 January 2012, benefit recipients accounted for 71% of recipients entitled to benefits. Two years later, on 1 January 2014, this percentage had increased to 80%, i.e. there was an increase of 9 percentage points.

Professional care for dependants has also increased: while on 1 January 2012 it accounted for 54.60% of all benefits granted, it represented 56.79% on the same date in 2014.

This increase has had an impact on the creation of jobs for social service professionals: the number of Social Security affiliations on 1 January 2012 totalled 338,120 whereas, on 1 January 2014, this figure had risen to 345,557, i.e. there were 7,437 more social security registrations during this period.

**NATIONAL DRUGS PLAN**

In the context of social policy, the Government has given a boost to policies to reduce the demand for and use of drugs and to drug prevention and rehabilitation programmes. The Government Delegation for the National Drugs Plan (Plan Nacional sobre Drogas) has responsibility for the management, promotion, general
coordination and supervision of the services for updating and implementing the National Drugs Plan. This plan was first introduced in 1985 and, through its National Strategies – fruit of a strong consensus – it has shaped a drug policy regarded as a quality benchmark within the European Union.

As part of the latest National Drug Strategy, 2009-2016, a Four-Year Action Plan has been developed for 2013-2016, which was unanimously approved by the Sectoral Drug Conference on 31 January.

The Government Delegation for the National Drugs Plan implements actions for the prevention, care and rehabilitation of drug users by supporting autonomous communities, NGOs and research groups working across Spain to combat drug addiction and other addictive behaviours.

In 2013, actions have focused on the introduction of the new Action Plan. Agreements were signed with the Spanish Federation of Hotels and Restaurants (Federación Española de Hostelería y Restauración, FEHR) for the prevention of underage drinking, with the FEMP for the organization of training for Tutor Agents and funding for prevention activities carried out in municipalities with less than 100,000 inhabitants, and with the Secretariat General for Penitentiary Institutions of the Ministry of the Interior for its collaboration in programmes to treat inmate addictions.

6.3. SOCIAL SECURITY AND THE SOCIAL PROTECTION MODEL

Social Security is among the institutions that stand highest in public esteem. The protection it affords, based on a constant search for an efficient and modernized management model, is the outcome of a collective effort first undertaken in 1883.

Article 41 of the Spanish Constitution of 1978 provides that “public powers shall maintain a public regime of Social Security for all citizens such as to assure sufficient assistance and social benefits in the face of hardship, particularly in the event of unemployment,” and further establishes that “supplemental assistance and benefits must be free”.

The renewal of the guiding principles of the Spanish social protection model led to the enactment of Royal Decree Law 36/1978, of 16 November 1978, on institutional management of Social Security, health and employment, which, under the terms of the Pacts of Moncloa, created a system of institutional participation involving social actors and specified a new management system to be implemented by the following bodies:

- The National Institute of Social Security (Instituto Nacional de la Seguridad Social) to manage the economic benefits within the system.
The National Institute of Health (Instituto Nacional de Salud) for health care benefits (this body was later renamed the National Institute of Health Care Management, Instituto Nacional de Gestión Sanitaria).

National Institute of Social Services (Instituto Nacional de Servicios Sociales) (this entity was later renamed the Institute for the Elderly and Social Services, Instituto de Mayores y Servicios Sociales).

The Social Institute of the Navy (Instituto Social de la Marina), for management concerning maritime workers.

The General Treasury of Social Security (Tesorería General de la Seguridad Social), as the single cash management entity of the system, operating under the principle of financial solidarity.

In the 1980s, benefits were extended to new population groups and the system was endowed with improved financial stability. This stability requires that certain basic rules be abided by, such as the gradual matching of contribution bases to real wages, a commitment to increase the value of pensions in step with the ability of the system to do so, proportionality of contributions made to benefits received, and a commitment not to burden the system with the funding of policies unrelated to its purposes. For many years, workers’ and businesses’ contributions had funded non-contributory benefits that ought properly to have been sustained by general taxation. This anomaly was ended in 2013, when the process of the separation of funding sources was brought to completion. All these factors now form part of the backbone of the system.

The contributory pensions of the system, obtained through previous contributions and funded by contributions from employers and workers, are currently as follows:

- Retirement, permanent incapacity, widowhood, orphanshood and family pensions.
• Temporary incapacity.

• Other benefits for birth and early childhood care: maternity, paternity, risk during pregnancy, risk during breastfeeding, care of children with cancer or other serious illnesses.

The protective action of the system is rounded off by a series of non-contributory universal benefits for individuals who are not entitled to the former benefits and who lack financial means. These are funded entirely by State contributions.

At the end of 2013, Spanish Social Security was paying around 9,150,000 contributory pensions, more than five and a half million of which were for retirement. The system’s average pension comes to €862 per month. This amount has trebled in just over twenty years, given that the average pension in 1990 was the equivalent of €267.23.

The system guarantees a minimum level to all pensioners based on their personal and family circumstances if the pension to which they are entitled does not reach the minimum amount set each year. These minimum non-contributory pensions have also multiplied their amount in recent years. For example, the minimum pension for a retiree with a dependent spouse has increased from €195.69/month in 1986 to €778.90 in 2013. The widowhood pension for over-65s was €136.43/month in 1986; it had reached €631.30 by 2013.

In 2013, the system was reformed to adapt it to demographic changes, bolster the equity of the system and ensure that pensions are adequate and that the system is sustainable. Although comprehensive in nature, the most significant changes brought in by this reform affect the retirement system, given that retirement pensions represent the majority in the system (60% of all contributory pensions).

The requirements for retirement access are now as follows:

• To have completed a minimum contribution period of 15 years.

• To have reached the age of 67, or 65 if the worker has paid contributions during 38 years and 6 months. There is a transitional period until 2027.
Nonetheless, workers can retire early in the following events:

- With a pension amount reduced by the time required to reach worker retirement age: early involuntary retirement (up to four years before the legal retirement age) or voluntary early retirement (up to two years before the legal age).

- Certain professional groups or activities and disabled workers can retire without a reduction in the pension amount.

With a view to promoting the employment of older workers and fostering active ageing, a number of formulas allow for the payment of a retirement pension while carrying out professional activities. These include partial or flexible retirement and the new active retirement formula that allows for a combination of work and 50% of the retirement pension.

In 2013, pensions below €14,000 per year were adjusted upwards by 2% whereas the remainder were adjusted by 1%. This year, all pensions were increased above the CPI (Consumer Price Index), which is expected to be 0.2%. This increase was nine times the CPI for over 75% of pensioners and four times for the rest.

THE SOCIAL SECURITY RESERVE FUND

In order to meet pension payments and ensure the sustainability of the system, the Social Security Reserve Fund was set up in 1997 to protect the system from difficulties. The Fund, which originated in the terms agreed under the Pact of Toledo of 1995, receives its contributions from surplus contributory receipts resulting from the settlement of Social Security budgetary items which, in accordance with prevailing laws and regulations, must be allocated primarily to the Fund.

In 2012 and up to 20 December 2013, the Social Security system has had to use €18,651 million from the Reserve Fund, plus an addition €4,980 million from the Mutual Society Prevention and Rehabilitation Fund. In other words, a total of €23,631 million have been necessary over two years. The current volume of the Reserve Fund stands at €53,744 million.

SYSTEM CHALLENGES AND SUSTAINABILITY MEASURES

The challenges for the future of the pension system are rooted in demographic tensions that will occur in the medium to long term: the population of over-65s will increase from 18% today to 36% in 2050. This, combined with the effects of the economic crisis that hit in 2008, has forced Spain to resort to use of the Reserve Fund and other funds of the system. All of the above dictates the need to introduce new elements into our pension system, as is the case in the majority of EU countries. These elements are the Sustainability Factor and the Pension Revaluation Rate.

The legislation introducing the Sustainability Factor and Pension Revaluation Rate was approved on 19
December 2013. The Sustainability Factor relates the pension amount with the trend in life expectancy and will apply to pensions as of 2019. The Pension Revaluation Rate enters into force in 2014 and fixes a rate for the revaluation of pensions subject to the revenue and expenditure of the system over 11-year periods. In all events, pensions will increase at least by 0.25% and at most by the CPI plus 0.5%.

**UNEMPLOYMENT PROTECTION**

The Spanish public authorities provide a far-reaching protective action for unemployment: active employment policies are intended to facilitate the labour integration of unemployed workers, while passive employment policies seek to provide the unemployed person with a temporary income as a substitute for his/her wage.

**Unemployment benefit and mechanisms for protection of the unemployed**

Together with active employment policies, protective action for unemployment includes passive policies covering various levels, which are public and mandatory.

**Contributory level**

Contributory protection is referred to as “unemployment benefit” and is applicable to workers who have involuntarily lost their jobs and who have contributed to Social Security for a given period. This entitles them to receive a financial benefit for a time whose length will depend on the accumulated contribution periods and whose amount varies according to the basis of the unemployment contributions made. With certain exceptions, while this benefit is being paid, the State Public Service for Employment (SEPE) pays the employer part of Social Security contributions.

The requirements to qualify for contributory unemployment benefit are:

- To be affiliated with the system or to have undergone registration or similar.
- To be officially unemployed (which, rather than a requirement, is the basic circumstance for protection) and provide proof of one’s availability to actively seek employment and accept adequate job placement by signing a commitment to activity.
- To have completed a minimum contribution period of three hundred and sixty days in the six years prior to the official unemployment situation or when the obligation to contribute was no longer applicable.
- To have not reached the ordinary age required for entitlement to a contributory pension, except in certain cases.
- To sign on and remain registered as a jobseeker.

The duration of the benefit is based on the contribution periods while employed in the six years prior to official unemployment or when the obligation to contribute was no longer applicable, up to a maximum of 720
days for workers who have contributed more than 2,160 days.

The amount payable varies according to the regulatory basis of unemployment benefit applicable to the worker and is subject to minimums and maximums depending on whether the worker has dependent children and their number. In general terms, the amount received during the first 180 days is 70% of the basis; then, from day 181, it is reduced to 50% of the basis.

**Welfare level**

The welfare level includes allowances for unemployed workers without access to contributory benefits (whether because these have run out or because they have not contributed long enough to be entitled to them). Since its purpose is to guarantee minimum resources to unemployed persons, its duration is based on factors such as age and family obligations, rather than on previous contributions. Besides payment of the benefit, while unemployed workers receive the allowance for over-55s, the SEPE makes retirement contributions to Social Security. The SEPE also pays these contributions when permanent seasonal workers over the above age receive an unemployment allowance and, in some cases, when they are below this age.

The duration and amount vary according to the formula of allowance to which they are entitled, which may be:

- Allowance for workers who, at the time of official unemployment, have not completed the minimum contribution period for access to contributory benefits.
- Allowance for workers whose unemployment benefit has run out.
- Allowance for migrant Spanish workers returning from countries outside the European Economic Area or with which there is no Unemployment Protection Agreement, who have worked for at least twelve months in the past six years in those countries since their last departure from Spain and who are not entitled to unemployment benefit.
- Allowance for individuals released from prison without unemployment benefit entitlement, provided...
that they have been imprisoned for more than six months.

- Allowance for workers qualified as fully capable or partially incapacitated following a review due to improvement in a situation of major invalidity or permanent incapacity for their usual occupation.

- Unemployment allowance for the over-55s.

**Other levels of social protection for unemployed persons**

The Spanish system of protection for unemployed workers also includes a number of welfare incomes for specific groups. These include:

- Unemployment protection for temporary agricultural workers.

- Active insertion income for specific groups: long-term unemployed, people with disabilities, victims of violence or returnees from abroad.

- Prepara Programme. Workers whose unemployment benefit or allowance has run out and who are not entitled to any other benefit or to Active Insertion Income, can apply for the Prepara programme, which is a retraining scheme accompanied by a 6-month allowance.

- Moreover, regardless of whether or not they are in active employment, citizens are covered by the non-contributory income support available in the different autonomous communities.

**THE IMPACT OF IMMIGRATION ON SOCIAL SECURITY**

During the years of economic boom, the dynamism of Spanish society began to attract foreign workers. In 1981, there were only 198,042 foreign nationals in Spain (0.52% of the total population). By 1996, this figure had increased to 522,314 (1.37%); the number of foreign nationals stood at 3,034,326 (7.02%) by 2004, and in 2008 had reached a total of 5,220,600 (11.3%).

In 2013, the number of foreign nationals came to 5,546,238, or 11.7% of the total population; 3,186,867 were third-country nationals, while 2,359,371 were European Union citizens and their family members.
The economic downturn has particularly affected migrant workers in Spain, primarily because of their increased exposure to the sectors hardest hit by the economic crisis, such as construction.

The current state of affairs is illustrated by the data on migrant affiliations to Social Security: in 2008, 1,938,632 foreign nationals (European Union and non-EU) were affiliated; by the end of 2013, this figure had declined to 1,543,306.

In December 2013, there were 1,543,306 foreign nationals affiliated to the Social Security system. Registered non-EU nationals came to 956,138, while registered European Union citizens totalled 587,168.

By sector of activity, the distribution of Social Security affiliations paints a picture of the kinds of jobs that tend to be taken by the foreign community, which continues to be a powerful economic driver of the production system.

Based on rough figures, the main sectors are the hospitality industry (250,000), trade, repair of motor vehicles and bicycles (240,000), administrative and office support activities (110,000), construction (100,000) and manufacturing (100,000), all of which are covered by the general scheme. In addition, there are 220,000 affiliations to the special schemes of agriculture and home help.

Despite efforts to achieve fiscal consolidation, integration policies – which extend to projects for social cohesion – have been maintained. Of these, programmes for the initial reception of migrants in Spain, Europe’s southern border, are of critical importance.

Given the current situation, the government has accorded priority to voluntary return policies for foreign nationals who have lost their jobs and wish to return to their respective countries of origin in the framework of mutual cooperation and reintegration programmes.

USEFUL LINKS

Ministry of Health, Social Services and Equality: www.msssi.gob.es

Ministry of Employment and Social Security: www.empleo.gob.es

Government Delegation for the National Drugs Plan: www.pnsd.msssi.gob.es

Institute for Youth: www.injuve.es

Institute for the Elderly and Social Services: www.imserso.es

Institute for Women: www.inmujer.gob.es

Royal Board for Disabilities: www.rpd.es

Information System of the System for the Autonomy and Care of Dependent Persons (SISAAD): www.dependencia.imserso.es

State Secretariat for Social Security: www.seg-social.es

Secretariat General for Immigration and Emigration: www.extranjeros.empleo.gob.es
Chapter VII
EDUCATION POLICY

Source: Ministry of the Presidency.

Universities Council Meeting.
7.1. LEGISLATIVE FRAMEWORK AND STRUCTURE OF EDUCATION ADMINISTRATION


Since the approval of the Spanish Constitution in 1978, the Spanish education system has undergone a process of change in which Central Government has gradually transferred functions, services and resources to the autonomous communities. Between 1981 and 2000, the functions, services and resources of both university and non-university education were adopted by all autonomous communities.

This decentralized model distributes powers between the State, autonomous communities and educational institutions. The State has retained exclusive powers in ensuring the unity, homogeneity and guarantee of the basic conditions of equality in the exercise of fundamental educational rights, as set out in the Constitution. For the most part, these are regulatory powers governing basic aspects of the system, although some are more executive in nature.
The autonomous communities have powers to draft regulations implementing State legislation and governing non-core aspects, together with executive and administrative powers to manage the system in their region, with the exception of powers reserved for the State.

The legislation does not afford the status of education authority to local authorities but it does recognize the possibility of their working with the State and regional authorities on the development of education policy.

The Ministry of Education, Culture and Sport is the Central Government body responsible for proposing and implementing government guidelines on education policy. Central Government has an Education Inspectorate (alta inspección educativa) in each autonomous community, charged with the exercise of government functions in this area. These functions include verifying compliance with regulations and the basic conditions guaranteeing equality for all Spaniards in the exercise of their rights and duties in relation to education, the inclusion of core content in the curricula of the autonomous communities, and compliance with State requirements and the conditions for awarding qualifications. The Ministry acts as the education authority in Ceuta and Melilla and in institutions located abroad.

Given the division of powers between the different levels – particularly State and regional – coordination is required between the educational authorities to ensure the proper performance of certain functions. The bodies responsible for administrative coordination are the Education Sector Conference and the General Conference for University Policy, composed of the regional education ministers of the autonomous communities and the Minister of Education, Culture and Sports. They act in an advisory capacity and attached to them are lower level bodies such as the General Education Committee and sector committees: staff, vocational training colleges, etc.
7.2. PARTICIPATION OF THE EDUCATION COMMUNITY

The Spanish Constitution provides that the public authorities shall guarantee participation in general education planning.

Within the various levels of education management, including the learning institutions themselves, there are diverse bodies whose aim is to ensure the participation of all sectors of the educational community. At State level, this body is the State Board of Education (Consejo Escolar del Estado); across the country, Boards of Education are set up at regional, provincial, district, municipal and autonomous community level. Lastly, non-university education establishments have an Institutional Board of Education, or a Social Council if they are Integrated Vocational Training Institutions, while universities have a University Social Council.

A number of State bodies also participate in institutions in an advisory capacity: the General Vocational Training Board (Consejo General de la Formación Profesional), the Arts Education Council (Consejo Superior de Enseñanzas Artísticas) and the Universities Council (Consejo de Universidades).

The State Board of Education is a national body set up to ensure social participation in the general planning of education and offers advice on parliamentary bills and regulations to be presented or issued by the Government. The Board represents all social sectors involved in teaching, acting in an advisory capacity. The Universities Council has the functions of academic planning, coordination, consultation and proposals relating to university studies.
7.3. CURRENT CONTEXT AND RECENT MEASURES

Within the system of distributed powers in education, the Ministry of Education, Culture and Sports has responsibility for implementing EU-driven reforms. The reference framework for the reforms in this area is marked by the European Union’s 2020 initiative, which sets ambitious targets for improving education, especially for the population group between 18 and 24 years who have not completed their secondary education.

The Ministry of Education, Culture and Sports has made the following diagnosis of the situation of the Spanish education system:

• The number of students per teacher is lower than in the OECD (10.1 in Spain versus 13.7 in the OECD) (Education at a Glance 2013: OECD Indicators).

• Spain’s per-student public expenditure on public education amounts to $9,608 a year, 15% more than the OECD and EU21 (Education at a Glance 2013: OECD Indicators).

• The early school leaving rate stood at 24.9% in 2012, a long way off the 2020 target of 15% for Spain and 10% for the European Union, whose average stood at 12.8% in 2012.

• In 2011, the graduation rate of young people studying Intermediate Vocational Training and other vocational programmes was just 29%, whereas the OECD average was 38% and the EU average was 45%.

• The Labour Force Survey for the first quarter of 2013 places the youth unemployment rate (population aged between 15 to 24 years) at 57.2%, one of the highest in the European Union.

• The population aged between 15 and 29 who neither study nor work totalled 22.6% in 2012.

• In all international tests sat by Spanish students (PISA, TIMSS, PIRLS and PIAAC), the results are below the OECD average and have improved only slightly despite increased investment and legal reforms.

• The results in mathematics for PISA 2012 show that educational equity results have also declined in the period 2003-2012: students at a socio-economic advantage obtained +34 points (6 points more than in 2003) and, by gender, boys obtained +16 points (7 points more than in 2003).

• The biggest difference in results between communities is 55 points, equivalent to a year and a half of schooling. Of the performance differences in mathematics, 85% can be explained by socio-economic disparities.

• The data obtained from the OECD study “Education at a Glance 2013” indicates that in 2011 the percentage of the adult population in Spain holding a tertiary education qualification or higher is 32%, equal to the OECD average and three points above the EU average. Spain has already reached the Eu-
The OECD study indicates that the protection against unemployment offered by training in Spain is far lower than in the European Union overall and the OECD. Despite this, the unemployment protection offered by tertiary studies in Spain is seven points higher than that of secondary education, which does not occur with the OECD and EU averages, in which the protection is just two and three points, respectively.

The Statute Law on Education Standards Improvement (Ley Orgánica 8/2013) was approved to tackle these problems.

The general aims of this law include: reducing early dropout rates, modernizing vocational training, reducing the dispersion of requirements and demands of the education system across the country while respecting the powers of the autonomous communities, increasing qualification rates in compulsory secondary education, improving academic standards in priority areas (reading comprehension, mathematical competence and scientific competence), and setting up a clear system marking the objectives met at the end of each stage.

The key measures adopted include:

- Tailored support and more flexible pathways: students may now choose their educational pathways from the third year of compulsory secondary education. The law also develops alternative routes and complementary support mechanisms for students and sets up tailored care measures.
- Modernization of vocational training: access between different vocational training cycles is made more flexible. Dual vocational training is regulated in an attempt to facilitate access to jobs, forge links and co-responsibility with business, promote Faculty relations with companies of the sector, and obtain qualitative and quantitative information on which to base decision-making regarding the vocational training system and its courses.
- New syllabus configuration: one of the cornerstones of the reform concerns the new configuration of the syllabus of the primary, secondary and post-compulsory upper secondary education systems. It ensures a minimum workload and coverage of basic content in the common subjects for all students, which are included in the block of core subjects. The block of
specific subjects gives students greater autonomy for setting timetables and course content, as well as for composing their course of study. There is a block of subjects that can be freely configured by the autonomous communities. This is the area where they are afforded the greatest freedom, since educational authorities and, where appropriate, schools, can offer courses of their own design.

- Standardized assessments: the findings of the 2012 PISA report suggest that countries using external standards-based examinations tend to achieve better performances. The Statute Law on Education Standards Improvement hence provides for a clear system marking the objectives met at the end of each stage.
• Autonomy of educational institutions: schools and colleges are given more flexibility and responsibility when it comes to choosing specialist content. Greater importance is also attached to the figure of the head teacher or director. In return for this autonomy, schools will be held accountable to society for their actions and the resources used in the development of their autonomy.

• Change in methodology: new approaches in learning and assessment focusing on key development are proposed, with special attention being paid to linguistic communication skills and STEM competencies (science, technology, engineering and mathematics), which are considered priorities for student development and their ability to navigate the world of knowledge and technology.

7.4. GENERAL STRUCTURE OF THE EDUCATION SYSTEM

The Statute Law on Education Standards Improvement (Ley Orgánica 8/2013) allows students more flexibility when it comes to choosing from the different education pathways and proposes measures for switching between different teaching levels. The logic behind the education reform is based on the evolution of a system capable of channelling students towards the most appropriate pathways for their skills. The law opens gateways between and within all training pathways so that the decisions made by students are never irreversible.

EARLY CHILDHOOD EDUCATION

Early childhood education is the first level of the education system and covers from birth up to the age of six years. It is organized into two three-year teaching cycles and is voluntary.

The second cycle is free of charge. The education authorities ensure that sufficient places are offered at public schools and conclude agreements with private schools, within the context of their education programmes. The Ministry of Education, Culture and Sport, in collaboration with the autonomous communities, has made a concerted effort in recent years to increase enrolment rates in the first cycle (from birth to age three) with the creation of new nursery schools following the launch of the Plan to Promote Childhood Education from 0-3 (Plan de Impulso de Educación Infantil 0-3), known as Plan Educa3.

Both cycles promote children’s physical, intellectual, emotional and social development, seeking to assist them in the discovery of the physical and social characteristics of the environment in which they live and helping them to develop a positive and balanced self-image while gaining more personal autonomy.

The education authorities are responsible for introducing children to foreign languages, literacy, basic nu-
meracy, information technology, and visual and musical expression in the second cycle.

**PRIMARY EDUCATION**

This educational stage is mandatory and, in conjunction with compulsory secondary education (ESO), constitutes the period of free, basic education. Its purpose is to facilitate the learning of speaking, listening, reading and writing skills, numeracy, basic notions of culture and the habits of co-existence, work and study, an artistic sense, creativity and affectivity to ensure a comprehensive education for the child that will contribute to the full development of his/her personality. Primary education comprises six academic courses and pupils are usually between the ages of six and twelve years.

**SECONDARY EDUCATION**

Compulsory secondary education (Educación Secundaria Obligatoria or “ESO”) is usually studied between the ages of twelve and sixteen years, and comprises four academic courses. The ESO stage is organized into subjects and comprises two cycles, the first of which lasts for three school years and the second for just one.

Students choose either the academic subjects pathway, geared towards the bachillerato, or the applied learning pathway, in preparation for intermediate-level vocational training.
At the end of the fourth course, a personal assessment is made for either the academic subjects or applied learning option. This assessment checks whether the objectives of the stage have been reached and the degree of acquisition of the relevant skills. Students may sit the test for one or both options, regardless of the option studied in the fourth year of their compulsory secondary education.

The Statute Law on Education Standards Improvement provides for Learning and Performance Improvement Programmes of a two-year duration. As of the second course of compulsory secondary education, a specific methodology will be used through organized content, practical activities and, where appropriate, subjects other than those of the general option, allowing students to take the fourth course through the ordinary route and obtain a certificate of completion of their compulsory secondary education.

The purpose of compulsory secondary education is to ensure that students acquire core elements of culture (especially in its humanistic, artistic, scientific and technological aspects), developing and consolidating study and work habits in these to prepare them for future studies.

**BACHILLERATO**

Post-compulsory upper secondary education (Bachillerato) is a two-year non-compulsory educational stage. All students with a certificate of completion of compulsory secondary education through the academic subjects pathway can access Bachillerato studies. The entry and leaving ages are sixteen and eighteen years, respectively; students can study Bachillerato in the ordinary system for up to four years. The Bachillerato prepares students for access to tertiary education.

**VOCATIONAL TRAINING**

Vocational training covers a series of training activities designed to equip students with the skills to enter diverse professions and gain access to jobs. Students may switch between vocational training and other education pathways.
Vocational training is organized into basic, intermediate and advanced training cycles. It operates within a modular structure of variable duration with theoretical and practical content specific to the professional field in question. The professional skills acquired in the cycles must relate to the National Catalogue of Professional Qualifications. Central Government consults with the autonomous communities and subsequently sets the qualifications for Vocational Training and the core aspects of the curriculum for each level.

A commitment has been made to close the gap between training and business by ensuring that professionals receive training for real-life situations in productive sectors. One initiative in this regard is the consolidation of dual vocational training, which will be addressed later.

**ARTISTIC STUDIES**

Artistic education is regulated by the Statute Law on Education 2006 (Ley Orgánica 2/2006), as amended by the Statute Law on Education Standards Improvement (Ley Orgánica 8/2013).

Artistic studies include: elementary music and dance studies; professional artistic studies of music and dance; intermediate- and advanced-level visual arts and design; advanced-level artistic studies that include advanced studies of music and dance; performing arts studies; the preservation and restoration of cultural heritage; advanced studies in design, and advanced studies in visual arts, including advanced studies in ceramics and advanced studies in glass.

Students who complete these studies are awarded a Bachillerato certificate if they pass the final Bachillerato exam for their chosen option.

**LANGUAGE LEARNING**

Language teaching is geared towards training students in the proper use of different languages and is organized into basic, intermediate and advanced levels. These correspond to levels A, B and C, respectively, of the Common European Framework of Reference for Languages, which are subdivided into the levels A1, A2, B1, B2, C1 and C2.

The basic education and Bachillerato levels now foster the development of oral communication skills, compre-
hension, and oral expression following the overhaul of the curriculum to adapt it to the European Framework and by exclusively using the language being studied in the classroom.

**HIGHER EDUCATION AND ACCESS**

The general requirement for university entrance under the Statute Law on Education Standards Improvement is the Bachillerato qualification, which includes the grades obtained for both years and requires passing the final exam to assess the student’s academic maturity, knowledge and ability to pursue university studies successfully. Universities may also establish an admissions procedure in accordance with Government regulations.

The aforementioned Royal Decree also regulates direct university access for students of advanced-level vocational training, Visual Arts and Design and Sports Studies, and the examination for students aged over twenty-five years, university access for the over-40s through the accreditation of work experience and access for the over-45s with no academic qualifications or professional experience, thereby guaranteeing adult access to education.

The Statute Law on Education Standards Improvement also makes university entry requirements more flexible for foreign students holding a qualification or diploma equivalent to the Bachillerato and will come into force during the 2014-2015 academic year.

This entrance system is expected to be maintained during the 2017-2018 academic year, in which the system introduced by the Statute Law on Education Standards Improvement will come into force and the entrance test will be replaced by an admissions procedure in accordance with the basic Government regulation.

### 7.5 THE UNIVERSITY

The Statute Law on Universities (Ley Orgánica 6/2001) was modified by the 2007 Statute Law (Ley Orgánica 4/2007) that introduces a series of reforms to promote the autonomy of universities as recognized in the Spanish Constitution while increasing their accountability for how they perform their functions. These changes were specifically aimed at improving the quality of Spanish universities and to ensure their trouble-free incorporation into the framework of the European Higher Education Area (EHEA) and the incorporation of Spanish academic research into the European Research Area project.

There were eighty-two universities in Spain in the 2013-2014 academic year, of which fifty were public and thirty-two were private. There are currently 345 campuses located in different towns and cities around the country, indicating that the universities and their campuses are scattered around Spain. With regard to
taught courses, in 2013, 2,567 university degrees and 3,519 official master’s courses had been confirmed. During the 2012-2013 academic year, the number of students enrolled on first and second cycle undergraduate courses in the university system totalled approximately 1,450,036, while the number of students on master’s courses reached 111,087. This brings the number of students enrolled in the university system up to 1,561,123 students, not including students enrolled on doctorate programmes.

The 2012-2013 academic year witnessed activity from 76 universities and 335 campuses/branches (273 in public universities and 62 in private ones), with the awarding of 2,464 undergraduate degrees, 2,950 master’s degrees and 1,650 doctorates.

COMPETITIVENESS OF THE SPANISH UNIVERSITY SYSTEM

The modernization of Spanish universities, a necessary step for their integration into and adaptation to the European Higher Education Area (EHEA), began with the intergovernmental agreement known as the Bologna Declaration, signed on 19 June 1999, which set out the commitment to “harmonize higher education in Europe and encourage collaboration between the different Member States and universities in order to establish a system of recognized qualifications that enhances the mobility of students and teachers in order to promote employment and competitiveness”. The date for adapting to the syllabus reform in the three cycles (bachelor’s, master’s and doctorate) was scheduled for the 2010-2011 academic year, although, being the dynamic process that it is, completion is ongoing.

During this period, Spanish universities have made and continue to make important changes. These changes for modernization have not stopped at adapting university degrees to the new structure; on the contrary, they have required major reforms.

Since 2011, special emphasis has been placed on measures affecting the organization of university education and increasing mobility between universities. This was made possible only by the implementation of comparable qualifications within the European space (bachelor’s, master’s and doctorate).
The modernizing of universities to create a more competitive Europe requires modelling the areas of action on the “Triple Helix” (business, university, government) with a basic structure framed by the “triangle of knowledge” (education, research and innovation).

7.6. OTHER EDUCATION INITIATIVES

In addition to the Statute Law on Education Standards Improvement, the following issues were also addressed in 2013:

DUAL VOCATIONAL TRAINING

On 9 November 2012, the Official Spanish State Gazette (Boletín Oficial del Estado) published Royal Decree 1529/2012, of 8 November 2012, developing the apprenticeship contract and laying down the foundations for the dual vocational training.

Knowledge of the training given to youths at training colleges allows business to become more involved, which means that training can be adapted to the needs of productive sectors and the specific needs of business. The education authorities of the autonomous communities embarked on the development of a number of experiences and projects to boost relations between colleges and business and to lay the foundations for dual vocational training. Currently, 170 colleges, 4,292 students and more than 500 companies are involved in the process. These experiences increased this year by 300% to 400% from the figures for the 20122013 academic year and the agents involved rated the initiatives very highly.

IMPROVED EMPLOYABILITY THROUGH VOCATIONAL TRAINING

This initiative is aimed at making an option for those wishing to enter the job market earlier more attractive. The proposal is to reform vocational training in order to eventually strike a balance between the number of students studying bachillerato and this option. With this in mind, the Catalogue of Vocational Training Qualifications was updated, access to training was made more flexible through the use of new information technologies, student mobility is encouraged to offer them experiences in other countries, and the information available on this type of training has been improved through the creation of an integrated system of careers counselling.

REDUCTION IN THE RATE OF EARLY SCHOOL LEAVING

The percentage of early school leavers has declined in recent years from 31.9 in 2008 to 26.5 in 2011. The latest data from the Labour Force Survey (National Statistical Institute) point to a percentage of 23.5 for 2013.
The basic aim of the Statute Law on Education Standards Improvement is to reduce the rate of early school dropout to 15% by 2020. In order to achieve the national target of reducing early school leaving to 15% by 2020 and be closer to the overall European target of 10%, the percentage of the population obtaining a certificate of completion of their compulsory secondary education must reach at least 85%.

**ADULT PARTICIPATION IN LIFELONG LEARNING**

The European Union has set the benchmark for the participation of the population aged 25-64 in lifelong learning at 15%. Spain is 5 percentage points away from the benchmark. The development of a National Strategic Framework for Lifelong Learning is underway, which began with the design of a Plan of Action for Lifelong Learning of the Government of Spain.

**PLAN FOR DIGITAL CULTURE**

A plan of action is currently being developed in conjunction with the autonomous communities, referred to as the “Plan for Digital Culture in Schools”, with five lines of work: connectivity in schools, interoperability and standards, a “pro-commons” space of open content, a general catalogue of paid educational resources and digital competence in teaching.

**TEACHING SUPPORT FOR IMPLEMENTATION OF THE STATUTE LAW ON EDUCATION STANDARDS IMPROVEMENT**

The purpose of this measure is to develop teaching resources and materials for assignments, experiences, projects and proposals, in order to incorporate them into the public access platforms of the Ministry of Education, Culture and Sport and thereby improve teaching, development of the curriculum and educational performance. Teaching support will also include training programmes to ensure proper application of the law.

**PLAN FOR THE INCLUSION OF STUDENTS WITH SPECIAL EDUCATIONAL NEEDS**

The Ministry of Education, Culture and Sport, in collaboration with representatives of the autonomous communities and the Spanish Committee of Representatives of Persons with Disabilities (CERMI) devel-
oped and approved the Plan for the inclusion of students with special educational needs through the General Commission of the Education Conference on 8 June 2011.

LAW CONCERNING THE STATUTE OF NON-UNIVERSITY TEACHING STAFF

This draft legislation seeks to address the problems of non-university teaching staff in relation to the conditions for their entry and promotion in the administrative career path, filling of vacancies, rights, duties and responsibilities. The drafting of a statute will not only allow global organization of the regulation of teachers, but will also solve other problems that have emerged over the years.

SCHOLARSHIPS POLICY

The amount of general scholarships has increased from €1,058.757 million in 2009 to €1,161.024 million in 2013. The Law for the Central Government Budget for 2014 increases general scholarships by a further €250 million to a total of €1,411.024 million. The income thresholds for access are maintained and a minimum grade of 5.5 is set for access to university scholarships and 6.5 for other scholarships. All of this is regulated by Royal Decree 609/2013, of 2 August 2013, laying down the family income and asset thresholds and amounts of study scholarships and grants for the 2013-2014 academic year. The new system consists of two parts: a core of fixed sums, which include the amounts guaranteeing the right to education for lower-income students, a residence sum for those who have to travel and exemption from public prices, and a variable sum whose amount is distributed for each recipient and call for aid on the basis of a means-tested formula that also takes into account the academic performance of each recipient. Enrolment fee scholarships are also introduced.

USEFUL LINKS

Ministry of Education, Culture and Sport:
www.mecd.gob.es
Chapter VIII
POLICY IN SECURITY AND JUSTICE

Agents of the Civil Guard.

Source: Ministry of the Interior.
8.1. SECURITY POLICY

LAW ENFORCEMENT AUTHORITIES

Law enforcement is the exclusive competence of the State and the maintenance of law and order is the responsibility of the national government. Powers concerning safety are regulated in the Law Enforcement Authorities Statute Law (Ley Orgánica 2/1986). The law enforcement authorities in Spain are:

- State law enforcement authorities under national government: these exercise their functions throughout Spain. They comprise the National Police Force and the Civil Guard. Their main role is to protect the free exercise of rights and freedoms and to guarantee public safety. The National Police Force is an armed institution that is civil in nature and attached to the Ministry of the Interior. It performs its duties in the provincial capitals, municipal boundaries and urban communities determined by the Government. The Civil Guard is a law enforcement agency founded in the mid-19th century. It is organised as an armed institution that is military in nature and attached to the Ministries of the Interior and Defence. It performs its duties throughout Spain and in its territorial waters.

- Police forces attached to the autonomous communities: certain autonomous communities, under the powers recognised in their statutes, have created their own police forces to perform the duties of security and protection established in the Constitution and the Law Enforcement Authorities Statute Law (Ley...

- Police forces attached to local councils: armed institutions that are civil in nature, with a hierarchical structure and organisation. Local police are empowered to act in all matters concerning the enforcement of specific local laws within the scope of their powers.

In recent years, a major effort has been made to improve coordination between national, regional and local police forces. In total, there are more than 246,000 officers guaranteeing security in Spain.

**FIGHTING TERRORISM**

The right to life and freedom and, within this context, to physical integrity and freedom of expression are fundamental rights laid down in the Spanish Constitution. These rights and, in particular, our pacific democratic coexistence, as in other countries, are under threat from one of the world’s greatest scourges: terrorism.

ETA commenced its terrorist activity in Spain during the 1960s, before the advent of democracy, with a clear objective: obtaining the independence of a part of Spain (the Basque Country and Navarre) and France (three counties within the department of Pyrénées-Atlantiques) by indiscriminate acts of terrorism causing over eight hundred deaths, thousands of injuries and considerable material damage, as well as through acts of extortion, threats and coercion forcing many people to move out of these regions.

With the advent of democracy, which opened the floodgates for the activity of all parties and organisations regardless of their objectives and ideas, and after benefiting from a general amnesty in 1977, Spanish society as a whole began to hope that ETA would cease its terrorist activity. This hope was to be dashed, however, when the terrorist group not only continued the violence, but actually stepped up its criminal activity.

On 8 December 2000, the centre-right Partido Popular and the centre-left Partido Socialista Obrero Español signed an agreement for liberties and against terrorism stipulating that “the fight against terrorism corresponds to the Government of Spain” and it expresses the “will to remove from legitimate political or electoral confrontation between our parties policies to put an end to terrorism”. In addition, it states that “under no circumstances shall any political advantage or interest be obtained through terrorist violence”. This agreement was ratified by the main actors and social groups.

In recent years, the courts have dismantled the political, institutional, financial, media and civil disobedience structures that ETA had used over the past four decades. The robustness of the rule of law, shown by effective police and judicial action, has forced ETA to announce a permanent end to its terrorist activity. The terrorist group still exists and Spanish society, through its democratic representatives, demands its definitive and unconditional disbanding.
In the fight against terrorism, Spain is backed by the support and cooperation of other countries with an experience of terrorism. Cooperation with France is a benchmark in the model of international cooperation, in terms of both the police and the judiciary. Both countries have established joint investigation teams to fight terrorism by ETA and radical Jihadism. The European Arrest Warrant and Surrender Procedures has also become a key instrument for legal cooperation and extradition procedures have become faster and more effective, making international cooperation a mainstay in the fight against terrorism of all kinds.

Since the start of the Tenth Legislature, the present Government has continued the fight against terrorism of the previous governments. Terrorism in Spain has been transformed in recent years by the defeat of the terrorist group ETA, which, following its persecution by police services in Spain and abroad, has unilaterally declared a complete end to its armed activity, i.e. committing acts of terrorism.

ETA’s terrorist activity has ended but the State Law Enforcement Agencies (National Police and Civil Guard) have not let up the pressure. Since the start of the Tenth Legislature, international cooperation has led to the arrests of 58 members of the organization: 23 in Spain and 35 in other countries (26 in France, 5 in the United Kingdom, 1 in Italy, 1 in Brazil, 1 in Venezuela and 1 in Belgium).

Acts of terrorism committed by Spanish terrorists include the placing of explosive devices in the Cathedral of La Almudena in Madrid and the Basilica del Pilar in Zaragoza by anarchists. The perpetrators of the latter crime were detained in November 2013 in Barcelona, with a total of 6 arrests being made for crimes of anarchist terrorism. The terrorist activity of the Galician independence group Resistencia Galega consists mainly of placing explosive devices in banks, trade union premises, job centres, the head offices of national political parties (PP, PSGA in Galicia) and communication systems repeaters. During this Legislature, the National Police and Civil Guard have arrested a total of 8 members of Resistencia Galega (7 in 2012 and 1 in 2013).

To finish off this section, the international terrorism investigations of the State Law Enforcement Authorities
led to the arrest in 2013 of six members of the PKK (Kurdistan Workers’ Party) in various Spanish cities. Arrests have also been made of a further 26 individuals linked to jihadist activities, with a joint operation conducted by the National Police Force and Civil Guard in September 2013 on an organization engaged in sending combatants to Syria from Ceuta and Castillejos (Morocco), following which nine arrests were made in Ceuta and one in Belgium.

CRIME RATES IN SPAIN

The crime data relate to specific safety indicators such as total petty crimes and offences, voluntary manslaughter and completed homicide, violent crime, robbery with violence or intimidation, robbery with use of force, burglary with use of force, motor vehicle theft, drug trafficking, theft and damage. The vast majority of these indicators coincide with those of the European Statistical Office (Eurostat).

In 2013, a total of 2,172,133 crimes and offences were made known in Spain, 4.3% less than in 2012, when this figure stood at 2,268,867. These figures give a crime rate of 46.1 offences per 1,000 population, which represents a drop of 1.9 points from 2012 and reflects the decline in known criminal offences. In 2012, a 0.73% drop in crime was also observed from 2011.

As last year, the crime rate in Spain is one of the lowest in the European Union. Although it is difficult to harmonize and compare data when referring to countries with such diverse laws, there is an area for which we can obtain data fairly independent of local circumstances: manslaughter and completed homicide. The EU average is 1.00 completed homicide or manslaughter per 100,000 inhabitants, while in Spain it is 0.64.

By types of crime, the balance shows that almost all indicators experienced a decline, particularly marked in the case of manslaughter and completed homicide, which fell from 364 in 2012 to 302 in 2013, and of robbery with violence or intimidation, which fell 10.9%. Only sexual assault by penetration and burglary with use of force increased (0.8% and 1.4%, respectively).
FIGHTING ILLEGAL IMMIGRATION

Since the start of this legislature, the Ministry of the Interior has worked very actively on immigration matters and foreign affairs, especially in relation to the fight against illegal immigration networks and trafficking in human beings, for which it has developed a number of lines of action. The numbers of illegal migrants reaching Spanish coasts has fallen, thereby breaking the upward trend of late 2011 (18% increase). For example, in 2012, boat arrivals were reduced by 30% from 2011 figures; a further decline of 15% was subsequently registered in 2013.

These results are due to two factors: the work of the State Law Enforcement Authorities and partnerships with the main countries of origin and transit. The most far-reaching of these is Spain’s cooperation with Morocco, with which the Ministry of the Interior began working in 2013 to promote the voluntary return of illegal migrants in Spanish territory under a programme launched by the International Organization for Migration (IOM).

Actions against networks that traffic in human beings include the presentation of the plan to tackle trafficking in human beings for sexual exploitation, carried out in April 2013 by the Directorate General of Police.

The use of advanced technological resources is a priority for the Ministry of the Interior, especially in matters of immigration and border control. Further progress is being made to modernize border control within the new European approach, which will require comprehensive management of the latter under the Smart Borders model.

The inauguration of the offices of the Coordination Centre for Coastal and Maritime Border Monitoring on 16 October 2013 by the Prince of Asturias and the Minister of the Interior is a further example of Spain’s firm commitment to developing the European Border Surveillance System (EUROSUR), whose regulations came into force on 2 December 2013.

During this legislature, the migrant return policy has prioritized police action in what are known as “qualified expulsions”, i.e. those of foreign nationals who have
committed crimes. Qualified expulsions currently represent 84% of the total.

On a final note, the public perception of immigration as a problem issue has declined over the past two years. This is, at least, the conclusion that can be drawn from the indicators of the Sociological Research Centre (CIS). The CIS Barometer of October 2011 indicated that immigration was one of the three biggest issues for 8.3% of respondents. The same survey conducted two years later, in October 2013, revealed a drop in the negative opinion of immigration among respondents, just 3.2% of whom considered immigration a problem.

AGENCY FOR TRAFFIC AND ROAD SAFETY

The “Directorate General of Traffic” (DGT), an agency under the Ministry of the Interior, is competent in the management and implementation of road safety and sustainable mobility policies in Spain.

Spain is one of the ten countries of the European Union with the lowest accident rates, ranking seventh with a rate of 41 deaths per million inhabitants and below the European average, which was 55 in 2012.

For the tenth year running, accident figures in Spain have fallen. This gives us yet another reason to continue working on increasing road safety to ensure that ever fewer people are affected by traffic accidents.

The DGT is nonetheless aware that reducing the current figures is no mean feat and that it needs to promote effective road safety policies based on scientific evidence for this, policies that consider the various sectors involved and effectively engage their agents, both public and private, in reducing road accident figures.

The number of deaths from traffic accidents hit a record low in 2013. A total of 1,128 people died in car accidents in Spain on inter-urban roads in 2013, 173 less than in 2012, which represents a decline of 13.3%.

This figure is actually far lower than that recorded in 1960, the first year for which statistics are available and in which the number of vehicles was also 30 times lower. For the first time in history, the number of fatal road...
accidents has not reached the 1,000 barrier, and the numbers of seriously injured persons also fell by 16%.

Throughout this year, the DGT has rolled out several actions relating not only to regulations, such as the current reform of the Common Law on Road Safety, but also to the generation of a better understanding of the factors increasing the risk of an accident and its final outcome in coordination with other road safety institutions.

In order to make progress in identifying appropriate interventions and specific groups to which preventive measures should be addressed, the DGT is conducting an in-depth study of all aspects related to serious injury and the factors contributing to accidents, such as vehicle age and the road itself.

Over the past two years, efforts have focused on trying to understand more about accidents based on their location, with a view to working with road owners to introduce the most efficient measures possible. Progress has been made in determining the quality of our information system, particularly for the reporting of accidents at municipal level.

We know, for example, that 24% of fatalities, 42% of serious injuries and 55% of minor injuries occur on urban roads, and that improving accident figures and actions with specific groups such as the elderly, children and cyclists will undoubtedly require coordinated intervention with the municipal authorities.

Another line of work is the implementation of IT projects offering citizens a telematic service through which they can carry out administrative procedures anywhere and at any time, and the creation of an appointments system to ensure that citizens are not affected by administrative delays at traffic authorities.
8.2. JUSTICE POLICY

Under the Constitution of 1978, Spain is a country under the rule of law, so the Spanish judicial system has undergone major changes over the past thirty years.

This chapter has two aims: to show how justice is structured in Spain and to describe the actions taking place to modernize the justice system. The preliminary sections describe the structure of the judiciary, the role of the prosecution and the legal professions, while the concluding section outlines the initiatives to modernize the system.

ORGANIZATIONAL STRUCTURE OF THE JUDICIARY

The Spanish Constitution of 1978 establishes that justice emanates from the people and is administered in the name of the King by magistrates and judges of the judicial branch of government – they are independent, irremovable, responsible for their actions and subject only to the rule of law. The Constitution establishes the principle of jurisdictional unity as the touchstone of the organizational structure and functioning of the court system.

The framework statute on the organizational structure of the judiciary is the Judiciary Statute Law of 1985 (Ley Orgánica 6/1985), which, among other matters, governs the scope and limits of jurisdiction, territorial organization, composition and powers of judicial bodies, the governing organs of the judiciary, judicial careers, independence and responsibility, the rules on the organizational structure and functioning of the Justice Administration, and the office of the Crown Prosecutor (Ministerio Fiscal).

The governing organ of the judiciary is the General Council of the Judiciary (Consejo General del Poder Judicial), chaired by the presiding justice of the Supreme Court (Tribunal Supremo), and comprising a
further twenty members appointed for a five-year term. Of these members, twelve must be magistrates and judges drawn from all judicial categories and the remainder are appointed from among jurists of repute.

Major improvements were made to the regulation of the governing organ of the judiciary under the General Council of the Judiciary Reform Statute Law (Ley Orgánica 4/2013). The reform provides that members – except for those on the Standing Committee – may hold office while combining it with their professional activity. It also modifies the mechanism for electing members. Thus, any judge may be elected as a member of the General Council of the Judiciary conditional only upon the support of twenty-five members of the judicial profession in active duty or upon that of a legal association. Each judge or association may in turn endorse a maximum of twelve candidates. The reform provides for a Council renewal system ensuring that the deadlines set out in law are met in a timely manner.

The Law also states that although the governing body of the judges shall maintain budgetary autonomy, the first budget will be zero-based, so all of the needs of the institution must be justified before it can be drafted. This strategy is intended to contribute to the good governance and economic efficiency of the institution. It also introduces streamlining measures affecting the organizational structure of the General Council of the Judiciary and various provisions for increasing the flexibility and efficiency of its performance, all with a view to affirming the independence of the highest governing body of the Judiciary.

At present, for judicial purposes, the country is organized territorially into municipalities, circuits (partidos), provinces and autonomous communities.

The nature of the action determines each of the orders into which the judicial function is structured. The ordinary jurisdiction is divided into four jurisdictional orders:

• Civil: examines matters relating to private law, with the exception of those pertaining to labour law and, in particular, matters governed by Civil and Commercial Law (duties, property, trading companies, parentage, marriage, etc.). It also tries litigation cases not expressly assigned to another jurisdictional order. This order also hears cases relating to property located in Spanish territory or entities registered in Spain, or when the defendant is resident in Spanish territory. It may accordingly be regarded as the ordinary or general jurisdictional order.

• Criminal: the criminal jurisdictional order is competent to hear criminal and penal actions and trials, except those within the scope of the jurisdiction of courts martial. It is a feature of Spanish law that a civil action arising from facts constituting an offence may be brought in conjunction with the criminal action. When this occurs, it is the criminal court that awards civil damages in respect of the crime or offence.
• Judicial review: this jurisdictional order is concerned with review of actions of the executive branch of government subject to administrative law, claims for State liability, and review of the use of delegated regulatory powers.

• Social: hears claims brought within the social branch of law: individual disputes between workers and employers in respect of employment contracts, collective labour disputes, claims regarding Social Security, and claims against the State wherever labour legislation establishes State liability.

Each jurisdictional order contains organs specializing in specific fields. The civil order, for instance, comprises courts of first instance, commercial courts, and family law courts; the criminal order comprises examining courts, penal courts, gender violence courts, prison supervision courts and courts of minors.

The jurisdiction of courts martial stands outside the ordinary jurisdiction, which prosecutes offences under the Military Penal Code and in cases of state of siege, thereby constituting an exception to the principle of jurisdictional unity.

The judicial organs of Spain are:

• The Supreme Court, having jurisdiction throughout Spain, is the supreme organ in all jurisdictional orders, except as regards constitutional safeguards, which fall within the purview of the Constitutional Court.

• The National Court (Audiencia Nacional), having jurisdiction throughout Spain, is a specialized court that hears certain cases assigned to it by law. In matters of criminal law, for instance, the National Court is competent to determine cases concerning offences against the crown or members of Government, organized crime offences, such as terrorism, drug trafficking, or counterfeiting, and offences committed outside Spain wherever Spanish law or international treaties prescribe that jurisdiction falls to the Spanish courts.
• The High Courts of Justice of the autonomous communities (Tribunales Superiores de Justicia de las Comunidades Autónomas) have jurisdiction within the territorial scope of the respective devolved regions. Each regional High Court is structured into four divisions: civil, criminal, judicial review and social.

• Each Provincial Court (Audiencia Provincial) has its seat in the capital of the province within its jurisdiction. Provincial Courts are concerned with civil and criminal matters, and their respective benches may have the same membership.

• Courts of first instance, examining courts, commercial courts, gender violence courts, criminal courts, judicial review courts, social courts, courts of minors and prison supervision courts comprise a single judge who hears cases assigned to his or her jurisdiction by law.

• Justices of the Peace operate in municipalities having no court of first instance and examining court.

The Office of the Crown Prosecutor (Ministerio Fiscal) is a functionally autonomous organ within the judiciary. It carries out its duties by means of its own organs in accordance with the principles of unity of action and hierarchical subordination, and the principles of legality and impartiality.

The objects of this institution are to assist the enforcement of justice in defence of legality, the rights of citizens and the public interest protected by the law, whether on its own motion or at the behest of interested parties, and to safeguard the independence of the courts and defend the public interest in court proceedings.

The Crown Prosecutor of the State, appointed by the King at the behest of the Government, the General Council of the Judiciary having been heard, is the head of the Office of the Crown Prosecutor and represents that Office throughout Spain. The Crown Prosecutor of the State has powers to issue orders and instructions and is in charge of the general management and supervision of the Office of the Crown Prosecutor.
MAIN LEGAL PROFESSIONS

Judges, crown prosecutors and court clerks

The Judiciary Statute Law prescribes that jurisdictional functions must be exercised only by professional judges and magistrates, who make up the judicial profession. The profession comprises three categories: justice of the Supreme Court, judge and magistrate.

Entry to the judicial profession is mediated by the principles of merit and ability. Judicial appointments, the selective process of which is conducted in conjunction with appointments to the profession of Crown Prosecutor, are subject to passing a competitive examination and a theoretical and practical selection course. Candidates must hold a degree in law or equivalent qualification.

When in active service, judges, magistrates and Crown Prosecutors may not hold any other public office, nor may they be members of any political party or trade union; they are subject to a statutory regime of conflicts of interest designed to assure that they are entirely independent.

Court clerks, whose duty it is to exercise judicial authentication, are civil servants; they constitute a legally trained senior corps of the civil service within the Justice Administration, which is a division of the Ministry of Justice. As a rule, court clerks are selected through the competitive examination system. Candidates must hold a law degree or an equivalent qualification. They perform a key role in facilitating proceedings and managing the court administration office, inter alia.

Advocates and procurators

The profession of advocate (abogado) is open and independent. Advocates are not subject to any government authority, and practice their profession on the basis of open competition. They are involved in managing and defending citizens’ interests in all manner of court proceedings, legal advice, and representation of their clients, unless reserved by law to other legal professions. All advocates are under a duty to register as members of a bar association.
Procurators represent the rights and interests of the parties before the courts of justice under a power of attorney granted for the purpose, and receive all communications relevant to their clients. All procurators are likewise under a duty to register as members of a professional body.

Entry to the profession of advocate or procurator is subject to the holding of a university degree in law, or an equivalent qualification, proof of professional competence, by passing the relevant specialized training prescribed in the legislation, and passing an examination under the terms determined by the Ministry of Justice.

Advocates are paid fees with reference to services rendered, on a fixed or periodic basis, or billing by the hour. Fees may be freely agreed between client and advocate, within the bounds of the relevant code of conduct.

Procurators are members of the College of Procurators (Colegio de Procuradores), the governing board of which sees to it that they perform their duties effectively and adequately.

A number of legal reforms that will affect services and professional associations are currently under way with the aim of transposing Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market (Services Directive).

### Notaries and registrars

Notaries and registrars are public officials who are directly accountable to the Ministry of Justice; however, they are also members of professional bodies known as Colegios. The notary’s role is to authenticate private legal acts; he or she assists in the correct formation of such acts and solemnizes the manner and form in which such acts are expressed.

The role of the registrar is to “characterize” or verify the legality of documents presented for entry in the public registers of land and companies, which respectively record rights regarding real property and companies, and other acts.

Entry to the legal professions of notary and registrar is subject to the holding of a law degree, or an equivalent qualification, and to the passing of a competitive examination. Members of both professions are remunerated in the form of fees paid directly by the client requiring their services, under a system of duties approved by the State.

### KEY REFORMS UNDERTAKEN BY THE MINISTRY OF JUSTICE

#### New Judicial and Crown Prosecution Office

The Ministry of Justice continues to move forward with the project to modernize the Justice Administration, aimed primarily at providing citizens with a quality justice system.
One of the main drivers of this change is the New Judicial Office (Nueva Oficina Judicial), which requires considerable organizational restructuring within the Justice Administration and is defined as an instrumental organization to support judicial activity and set up rational and homogeneous working systems to ensure that court activity is carried out with the utmost speed, efficiency and responsibility.

The New Judicial Office (NOJ) is organized into direct support trial units and common trial services. The former are assigned the legal proceedings and management of all matters statutorily attributed to judges and courts. The common trial services carry out centralized management and support tasks in actions arising from the application of trial laws.

This is achieved in two ways: by releasing judges from the requirement of performing non-judicial tasks, so enabling them to focus on their constitutionally ascribed role of arriving at judicial decisions and having them enforced, and by strengthening the powers of the court clerks, who take on new responsibilities.

Since 2010, the Ministry of Justice has been progressively implementing this new organizational model within the scope of its powers. The Judicial Office is now implemented in seven cities (Burgos, Murcia-phase I, León, Ciudad Real, Cáceres, Mérida and Cuenca), where it is operating normally.

Likewise in this phase, following completion of the necessary construction works, the Judicial Office of Ceuta opened its doors on 28 October 2013 with a very low rate of incidents.

The NOJ is currently being implemented in Melilla and is scheduled to open in April 2014; its introduction in Ponferrada is also currently being studied.

The implementation of the NOJ 2 in Murcia has already been decided (i.e. its extension to provide new courts) and a final push has been given to its implementation in Palma de Mallorca, which is the biggest challenge facing the Ministry of Justice because of the volume of the offices (over 700 officials).
The Ministry of Justice is working with the Crown Prosecutor of the State on a new model of Prosecution Office that meets the most pressing needs of the Office of the Crown Prosecutor to ensure significant improvements in effectiveness, efficiency and response. Moreover, this new model will allow the Office of the Crown Prosecutor to take on the new duties assigned to it under the future Common Law on Criminal Procedure.

The New Crown Prosecution Office establishes the basic criteria to be followed by Public Prosecutors for the organization of support staff, breaking away from the current model in which each Prosecutor is independent in terms of the organization and distribution of work among its members.

The law will create a hierarchical structure through the figure of the Prosecution Office Coordinator (gestor procesal), who oversees and monitors activity and provides the required support for the organization and management of the prosecution resources.

The Ministry of Justice is currently implementing the necessary actions for deployment of the new organizational model. It is scheduled to be introduced first at the Crown Prosecutors of cities with the New Judicial Office: Murcia, Cáceres, Cuenca and Ceuta, as well as in Melilla (given that it will be implemented in the latter shortly).

**Court buildings**

In order to provide the necessary spaces for the performance of judicial functions, the Ministry of Justice constructs new buildings and improves and modernizes existing ones, while equipping all facilities with appropriate fixtures, except in the autonomous communities that have adopted powers in the equipping of
resources for the running of the Justice Administration. In 2013, the judicial buildings of Briviesca, Plasencia and Almendralejo were put into operation, and the works of the buildings of Ponferrada were completed.

Refurbishment of the National Court continued during 2013. This year has seen completion of the planned demolition works and the structural part, and work has begun on the façade and installations.

The complementary works have also begun, which are due for completion in 2014 and located beneath the western half of the Plaza de la Villa de París, which will be used as courtrooms connected to the main building by a tunnel.

New technologies

Spain’s Justice Administration is increasingly sustained by new technologies for the day-to-day management of judicial activities and as a way to help resolve specific problems requiring computer assistance. Recently adopted measures in this field include:

The Justice Administration and ICT Common Law (Ley 18/2011), which provides for creation of the State Technical Committee of the Electronic Judicial Administration (Comité Técnico Estatal de la Administración Judicial Electrónica, CTEAJE) with important responsibilities intended to promote compatibility and ensure interoperability of the systems and applications used in the Justice Administration and to ensure cooperation between the various authorities.

The State Technical Committee of the Electronic Judicial Administration was incorporated in July 2013 and is currently working actively on defining its roadmap and through its various task forces, including the such as the courtroom and video conferencing task force or judicial statistics task force, among others.

Secondly, 2012 saw the launch of an Intensive Processing Plan for nationality applications due to residence awaiting decision (including those submitted in 2013), which totalled some 500,000 applications. The purpose of the Plan is to eliminate the backlog of applications for nationality due to residence, which amounted to more than 400,000 in early 2012.

Thirdly, the System of Information to and Assistance for Victims of Terrorism has been developed. This system will provide the Office for Information to and Assistance for Victims of Terrorism of the National Court with a tool to manage case files and citizen access over the Justice Administration Portal, so enabling citizens to view full information on proceedings affecting them.

The Ministry of Justice is also working intensively on the Integrated Justice System, which aims to develop a modular and collaborative system of Procedural Management that will phase out the one currently in place throughout Spain and managed by the Ministry of Justice, which will be available to all authorities with competence in justice. The design of this system follows the guidelines of modularity and scale growth,
responding to the needs of the establishment of the Electronic Judicial Administration.

This is all motivated by the fact that the Ministry is seeking to go a step beyond the traditional model of judicial administration, towards implementation of an integrated justice system that draws on the services and modules of the Justice Administration that may be developed over time and used by all autonomous communities with responsibility in justice.

The Ministry is also devoting considerable resources to the deployment of the functionality for submitting purely procedural documents and initiators through the LexNET electronic notifications system.

Likewise, with the aim of expanding the communication network of the Spanish courts with EU Member States, work is being carried out on the interconnection of the LexNET computer application with e-CODEX, the European interoperability system.

**Legislative and regulatory action**

In 2012, the regulatory strategy of the Ministry of Justice was planned for the current legislature. Current initiatives aim to improve the quality of the legal framework assuring citizen rights and to reinforce the role of the Justice Administration as a contributor to the competitiveness of the Spanish economy.

One such initiative is the regulation and implementation of new, more flexible and economical means for solving conflict among citizens and businesses. This future regulation will introduce a new method for resolving disputes, thus encouraging the emergence of a new culture in this field. Following adoption of the Common Law on Mediation in Civil and Commercial Matters (Ley 5/2012), which established the general structure for mediation in this area with a model based on voluntariness and the free choice of the parties and on the intervention of a mediator to allow parties to settle disputes between themselves, the minimum training requirements and the creation of the mediators registry are now regulated; the provisions relating to liability insurance and the simplified electronic procedure for monetary claims of up to €600 are also being developed.

Progress has been made towards the necessary rationalization of litigiousness and the safeguarding of free legal assistance. Following adoption of the Common Law on Justice Administration and INTCF Fees (Ley 10/2012), it was deemed necessary to amend the current regulations to avoid specific cases in which the amount set in the rate could be excessive. This reform, implemented through Royal Decree-Law 3/2013, of 22 February 2013, modifying the fee system in justice administration and the free legal assistance system, introduces two positive developments for citizens. Firstly, it advances certain aspects of the Common Law on Legal Aid – specifically, provisions that increase the number of beneficiaries and raise the income thresholds for access to this right – and secondly, it reduces fee amounts for natural persons.
Work has continued on developing the provisions of the Common Law on Bankruptcy, with a view to obtaining more professional and responsible bankruptcy receivers. Thus, the approval of Royal Decree 1333/2012, of 21 September 2012, regulating civil liability insurance and the equivalent guarantee of bankruptcy receivers was followed by the approval of Royal Decree 892/2013, of 15 November 2013, regulating the Public Insolvency Registry, which will announce the outcome and processing of bankruptcies to ensure transparency and legal certainty; a Draft Royal Decree is also being prepared to regulate Bankruptcy Administrator Tariffs.

Other legislation passed in 2013 included the Common Law on Entrepreneurship and Job Creation (Ley 11/2013), which includes, inter alia, measures to combat late payments in commercial and financial transactions for payments to providers of local authorities and autonomous communities and completes the transposition of the Directive on combating late payment in commercial transactions.

Furthermore, progress was made in 2013 in the preparation of the major reforms of the key statutes that presently govern the Spanish justice system. The reform of the Judiciary Statute Law, the Common Law on Judicial Districts and the Common Law on Criminal
Procedure represents a large part of the modernization of the Spanish justice system:

In March 2012, by a resolution of the Council of Ministers, there was created an Institutional Commission of independent experts, who were tasked with drafting a new Judiciary Statute Law and a new Common Law on Judicial Districts. The reform of these vital statutory mainstays will lay the groundwork for the complete transformation of the Justice Administration.

Moreover, 2012 also saw the creation, by a resolution of the Council of Ministers dated 2 March 2012, of an Institutional Commission of independent experts tasked with drafting a law that will serve as the basis for the Government to reform the Common Law on Criminal Procedure. The text with the conclusion of the Commission’s work was submitted in February 2013 and is being debated in academic and professional circles for the purpose of drafting the Common Law on Criminal Procedure during the first quarter of 2014. This is an ambitious undertaking, because the criminal jurisdiction is the only one of the four jurisdictional orders that is lacking an updated procedural statute.

In criminal matters, work continued on the completion of a major reform of the current Penal Code in 2013 through the adoption by the Council of Ministers of the Penal Code Amendment Draft Statute Law (Proyecto de Ley Orgánica de reforma del Código Penal). The text revises the current criminal justice system in order to respond to new forms of delinquency and more serious crimes, in a similar vein to that of our neighbours.

Also in criminal matters, progress has been made in 2013 on preparing the text of the Victims’ Statute. On 25 October 2013, the Council of Ministers debated the text of the Crime Victims’ Preliminary Draft Statute Law at its first reading and it will now be processed during 2014. The text is intended to offer a general catalogue of the procedural and extra-procedural rights of all crime victims, with the main development that they will enjoy such rights regardless of whether or not they are party to a criminal trial. This is without prejudice to the specific arrangements for victims of
terrorism or gender violence set out in the special regulations on these types of crime.


Lastly, there are a number of important draft laws that are already at a very advanced stage:

- Draft Common Law on Shipping: establishes a modern, general system for maritime shipping equivalent to that of other EU and OECD countries, thereby putting an end to over 125 years of Book III of the 1885 Code of Commerce.

- Preliminary Draft Common Law on Mutual Recognition of Criminal Judgments: develops judicial cooperation in criminal matters between Member States of the European Union through application of the principle of mutual recognition of judicial decisions at different points of the criminal proceedings.


- Preliminary Draft Common Law on Criminal Records Exchange and Consideration of Criminal Judgments: incorporates Community legislation on this matter into Spanish law.

- Preliminary Draft Common Law amending the Legal Aid Common Law (Ley 1/1996): amends the 1996 legislation to adapt it to the current context by increasing the number of beneficiaries and putting an end to abusive practices.

- Preliminary Draft Common Law on Civil Procedure Amendment: this reform seeks to regulate the duties of procurators as collaborators of the Justice Administration, within which they adopt a more prominent role in management tasks without this affecting their original function as procedural representatives of the litigants.
• Preliminary Common Law on Voluntary Jurisdiction: systematizes the disperse regulations on this matter. Procedures are simplified and updated for matters in which there is no dispute, while those that are disputed require the intervention of a judicial body for the protection of certain rights and interests relating to civil and commercial law.

• Preliminary Draft Common Law on Foundations Amendment: this law seeks to reform the current Common Law on Foundations (Ley 50/2002) to ensure proper exercise of the right of foundation.

• Lastly, a new Commercial Code is currently being developed to replace the existing one in force since 1885. The text will have more than 1,600 articles divided into seven books and a preliminary title.

USEFUL LINKS

Ministry of the Interior: www.interior.gob.es

National Centre for the Protection of Critical Infrastructure (CNPIC): www.cnpic-es.es

National Police Force: www.policia.es

Civil Guard: www.guardiacivil.es

Directorate General of Traffic: www.dgt.es

Secretariat General of Penal Institutions: www.institucionpenitenciaria.es

Directorate General of Civil Protection and Emergencies: www.proteccioncivil.org

Ministry of Justice: www.mjusticia.gob.es

Justice Administration Portal: www.administraciondejusticia.gob.es

Office of the Crown Prosecutor: www.fiscal.es

General Council of the Judiciary: www.poderjudicial.es
Spain today
2014

Chapter IX
Other Public Policies

Heritage and Archaeology Rooms.

Source: Ministry of Education, Culture and Sport, Lola Hernando.
9.1. RESEARCH AND INFORMATION SOCIETY POLICY

RESEARCH, SCIENCE, TECHNOLOGY AND INNOVATION (R&D&I)

R&D&I policy

There is a broad consensus on the importance of science, technology and innovation in economic development. Spain’s science, technology and innovation policy is based on the 1986 Common Law on Scientific and Technological Research Coordination and Support (Ley 13/1986), since repealed.

The profound changes witnessed over the past thirty years have led to the adoption of a new legal and regulatory framework: the Common Law on Science, Technology and Innovation (Ley 14/2011).

The science, technology and innovation system

The Spanish Science, Technology and Innovation System comprises a set of institutions that are classified according to their function under the Common Law on Science, Technology and Innovation into three areas: policy coordination and definition; support for research, development and innovation, and implementation.
Coordination of R&D&I policies

The law provides for a new model of governance for the Spanish Science, Technology and Innovation System that acknowledges the pivotal role of the autonomous communities in the development of regional R&D&I systems – particularly in innovation – coupled with the coordination of Central Government in scientific research. The coordination of R&D&I policies is reflected in the overall goals shared by all public authorities. The Spanish Strategy for Science, Technology and Innovation (2013-2020) is the instrument and multiannual reference framework for R&D&I policies in Spain. It is intended to serve both for the development of science and technology research and innovation plans and of research strategies for the smart specialization of the various public authorities.

One of the chief aims of the Strategy is to address one of the major deficits in the Spanish Science, Technology and Innovation System: the failure to transfer knowledge. The aim is to transform R&D&I from a concept divided into research, development and innovation into an inclusive idea, a complete trajectory that begins with the generation of an idea and ends with its marketing. Hence, there are no longer two strategies and two plans as before, but rather a single strategy and a single plan that address research and innovation without distinction.

State promotion of R&D&I

Science, technology and innovation policy and the definition of the chief promotional instruments of R&D&I in Central Government are the responsibility of the Secretariat of State for Research, Development and Innovation of the Ministry of Economy and Competitiveness, to which the Public Research Agencies report. These agencies are charged with direct implementation of the bulk of the country’s scientific and technological research.

Also reporting directly to the State Secretariat is Spanish Foundation for Science and Technology, which performs the important task of the social diffusion and promotion of science and technology and delivers advanced services to the science and technology community.

The Centre for Technological and Industrial Development and the new State Agency for Research (to be cre-
ated under the Common Law on Science, Technology and Innovation and attached to the Ministry of Research, Development and Innovation) are the two funding agencies for Central Government R&D&I activity. They are also responsible for the management of actions under the State Plan for Scientific and Technical Research and Innovation (2013-2016) approved by the Council of Ministers at its meeting on 1 February 2013, and the processes of selection, evaluation and monitoring of these actions and their results and impact.

Implementation of R&D&I activities

Scientific and technological research and innovation activities are implemented by a large number of agents who form an integral part of the system.

The main agents in carrying out research in the State sector are the Public Research Institutions, which, besides being important centres for the implementation of scientific and technical research activities, also provide scientific and technological services and advice.

The Public Research Institutions reporting to the Ministry of Research, Development and Innovation are:

- Spanish Council for Scientific Research (CSIC), a multidisciplinary and multi-sector agency;
- National Institute of Agricultural Research (INIA), which specializes in agricultural and agri-technology research;
- Spanish Oceanography Institute (IEO), which specializes in oceanographic research and fishery resources;
- Geological and Mining Institute of Spain (IGME), which focuses on research in this field;
- Centre for Energy and Environmental Research (CIEMAT), which engages in energy and environmental research;
- Institute of Astrophysics of the Canary Islands (IAC), which specializes in astrophysics research;
- Carlos III Health Institute (ISCIII), which coordinates research activities in the field of healthcare and assists with knowledge transfer to the National Health System.
The Public Research Institutions are joined in the implementation of R&D&I by public universities, which collaborate closely within their research groups and through the creation of joint centres, mainly the CSIC-University.

Besides universities, public research institutions, health centres and business, which are responsible for the bulk of Spain’s R&D, research centres attached to the autonomous communities, Central Government or both currently play a prominent role.

The Spanish scientific system has a number of organizations that act as supporting elements. These include:

- Technology platforms, which involve all players intending to move research, development and innovation forward in a specific sector (businesses, technology centres, universities, etc).

- Technology centres, non-profit entities that undertake research, development and innovation projects in partnership with business. They are often described as intermediators between public research and the productive sector.

- Science and technology parks have enjoyed public support in the form of various calls for proposals and are presently one of the actors involved in the institutional cooperation between Central Government and the autonomous communities.

- Unique Science and Technology Facilities (ICTS) are centres that are unique in their own field, for which public promotion and financing are justified by their high investment and maintenance costs or by their unique or strategic nature. They include the Antarctic Bases, the Almeria Solar Platform, the Barcelona ALBA Synchrotron, the Canary Islands Telescope, and the Iris Network of advanced electronic services for the scientific community. In addition to the ICTS set up across national territory, Spain participates in major international facilities such as the European Particle Physics Laboratory (CERN), the experimental reactor ITER, the European Molecular Biology Laboratory (EMBL), the Laue-Langevin Institute (ILL) and the Rutherford Appleton Laboratory (ISIS), among others.

### Chief outcomes of research, development and innovation in Spain

The figures for R&D&I show how the resources spent on research in Spain have increased dramatically in previous decades. Total expenditure on research and development activities, which in 1981 accounted for 0.43% of GDP, had risen to 1.30% of GDP by 2012. Private sector R&D expenditure represents 0.69% of GDP, a figure considerably below the 1.3% average for businesses across the European Union. At the same time, private R&D funding represents 45.6%, which is one of the main deficits of the Spanish science, technology and innovation system compared to our more advanced neighbours, for whom business funding represents on average 60% of total R&D expenditure. The European Union states that the private sector must provide two-thirds of the funding in order
to achieve a sound R&D&I system. Increasing private sector involvement both in terms of funding and the implementation of R&D&I activities is therefore one of the main challenges of the Spanish Science, Technology and Innovation Strategy.

In 2012, the number of full-time equivalent researchers in Spain has increased since 2001 from 55.2% (slightly above the European average of 52.1% for this period) to 126,778, representing 7.7% of researchers in the EU-27. This positive trend is also witnessed by the percentage of staff engaged in R&D activities (full-time equivalent), who represented 1.2% of the total employed population in 2012, compared to 1.17% for the EU-27.
In recent years, Spain’s scientific importance has increased. It is now the tenth leading country around the world in terms of scientific production and a growing proportion of our work is among the 10% most cited publications around the world.

Although patents have increased significantly in relative terms, Spain is still far below the European average. This, coupled with the meagre business expenditure in R&D described above, has brought about a progressive decline in the capacity for innovation of the productive sector as a whole.

International cooperation has increased significantly between 2000 and 2012, as reflected by indicators such as the number of co-authored published scientific papers, that has risen from 27.2% to 41.4%, or the number of patents applied for as a result of partnerships.

As a final note, we can highlight Spain’s participation in the actions of excellence of the European Research Council (ERC): with 71 Advanced Grants and 129 Starting Grants between 2007 and 2013, these actions confirm the improvements in research standards.

The 2013-2020 Spanish Science, Technology and Innovation Strategy

The Spanish Science, Technology and Innovation Strategy (2013-2020) was included in the Government’s national reform package for 2012 as an instrument to “foster the country’s economic growth and competitiveness”. The Spanish Strategy orients R&D&I policies towards capacity-building and results.

The aims of the Spanish Science, Technology and Innovation Strategy are:

- To recognize and promote R&D&I talent and employability.
- To support scientific and technological research, attaining a standard of excellence.
- To support business leadership in research, development and innovation.
- To foster research, development and innovation activities targeting society’s overarching challenges and, in particular, those affecting Spanish society.
Deployment of the Spanish Science and Technology and Innovation Strategy also provides for a set of cross-cutting measures laying the foundations for our work. The horizontal pillars are:

- The definition of an environment favouring the development of R&D&I.
- Boosting specialization and aggregation in knowledge generation.
- Fostering the transfer and management of knowledge and the search for long-term commitment in public/private R&D&I partnerships.
- Support for internationalization and promotion of international leadership.
- The definition of a highly competitive territorial framework based on the “smart specialization of the territories”.
- The dissemination of scientific culture.


The 2013-2016 National Scientific, Technological and Innovation Research Plan is the basic public funding instrument for R&D&I. It acts, therefore, as a road map for monitoring future developments in this field. It is addressed to all agents in the Spanish Science System responsible for: a) implementation of R&D&I; b) management of R&D&I, and c) delivery of R&D&I services for progress in science, technology and innovation in Spanish economy and society overall.

The specific aims of the National Plan include:

- Improving the training and employment of human resources in R&D&I.
- Improving the standard of scientific and technical research.
- Strengthening the international leadership and capacity of institutions that implement scientific and technical research.
- Promoting access to scientific and technological infrastructure and scientific equipment.
• Supporting business leadership in R&D&I.

• Encouraging the creation and growth of technology-based companies and the promotion of efficient investor networks.

• Fostering collaboration in R&D&I between the public sector and the business sector.

• Incentivizing R&D&I oriented to meet the challenges of society.

• Fostering the internationalization of the R&D&I of agents of the Spanish Science System and their active participation in the European Research Area.

• Increasing the scientific, technological and innovative culture of Spanish society.

• Making progress in demand-based R&D&I policies.

Thus, the actions of Central Government included in the National Plan are divided into four state programmes in line with the objectives of the Strategy. The 2013-2016 National Plan, whose specific actions are set out in annual action plans, is structured as follows:

1. National Programme for the Promotion of Talent and Employability, formed by three sub-programmes: Training, Recruitment and Mobility.


4. National Programme for R&D&I Oriented to Societal Challenges, organized around eight major challenges: health, food safety and quality, energy, transport, climate change, economy and digital society and security and defence.
9.2. THE INFORMATION SOCIETY AND THE SPANISH DIGITAL AGENDA

THE INFORMATION SOCIETY

In accordance with available statistics released by Eurostat, the state of the information society in Spain is favourable, with progress being made in the main indicators in recent years. Highlights in 2013 include:

• The percentage of Spanish households equipped with some form of computer (desktop, laptop or tablet) continues to grow, having reached 73.4% in 2013, according to the results of the Survey on Information and Communication Technology Equipment and Use in Households, published by the National Statistical Institute (INE). From 2012 to 2013, personal computer equipment in households declined by 2.7 points, while laptop ownership grew 16 points.

• A highlight was the increase in the percentage of households having Internet access, which rose from 67.9% in 2012 to 69.8% in 2013, according to the results of the Survey on Information and Communication Technology Equipment and Use in Households, published by the National Statistical Institute (INE).

• The number of broadband connections per 100 population is 24.9, according to the 2012 Sector Economic Report issued by the Telecommunications Market Commission, 0.7 points more than in 2011. In 2012, there were 11,516,997 broadband lines in Spain. According to the European Commission (working paper “Broadband lines in the EU: situation at 1 July 2012”), in July 2012, the penetration of mobile broadband, considering penetration with respect to all active users, was 48%, the same as the EU average.

• According to data released by the Telecommunications Market Commission, the number of mobile broadband lines in Spain in December 2012 was 50.66 million, 3.7% fewer than in December 2011 (total lines, not considering lines associated with machines). The penetration of mobile telephony in Spain is 109.7%. There are 19.57 million landlines in existence, making for a 1.6% decline since December 2011. According to data produced by the National Statistical Institute, in 2013, the percentage of households having a mobile telephone (96.1%) outstripped that of households having a landline (78.0%), thus continuing the trend detected in 2006. In fact, 21.3% of Spanish households use mobile te-
lephony only, while 74.8% have both a landline and a mobile line.

- In 2013, according to the Survey of Use of Information and Communication Technologies and Electronic Commerce at Undertakings 2012-2013, produced by the National Statistical Institute, 98.0% of undertakings in Spain have an Internet connection. Between 2012 and 2013, 22.6% of undertakings concluded electronic commerce purchases, while 14.4% made electronic commerce sales.

- The volume of electronic commerce in 2011 was €10.917 billion, and a total of 13.2 million individuals made online purchases, according to the report produced by ONTSI in 2012 entitled Comercio electrónico B2C 2011. In 2012-2013, according to the Survey of Use of Information and Communication Technologies and Electronic Commerce, 14.0% of all sales by undertakings were in the form of electronic commerce.

- Spain is making significant progress in the field of electronic government. In 2012, 98% of public services had an Internet presence. According to the Ministry of Interior, in September 2013, 36 million citizens held an electronic identity document (e-DNI). Of persons using the Internet in the past year, 55.9% did so to obtain information from government websites, 39.6% did so to download official forms, and 31.9% did so to upload completed forms (3.5, 1.4 and 0.3 points less than in 2011, respectively).

THE DIGITAL AGENDA FOR SPAIN

In March 2010, the European Commission rolled out its Europe 2020 strategy, designed to aid recovery from the economic downturn and prepare the European Union economy for the challenges of the coming decade. ‘A Digital Agenda for Europe’ is one of the flagship Europe 2020 initiatives. Its purpose is to define the essential capacity-building role to be played by the use of information and communication technologies (ICTs) if Europe is to realize its ambitions by 2020. Europe faces a major challenge: technologies in the information and telecommunications society have reached a distinctive degree of maturity against the background of rapid technological progress. The new macroeconomic scenario has prompted a new and different policy redesign. In this context, the strategy Agenda Digital para España (A Digital Agenda for Spain) has been produced to enable us to adapt European Union guidelines to the Spanish reality and to provide a framework for optimizing the economic and social potential of information and communication technologies, particularly the Internet, as an essential underpinning of economic and social activity in the coming years.

Thus, the Digital Agenda for Spain, approved on 15 February 2013, is structured around six main aims:

- To encourage the rollout of ultrafast networks.
- To develop the digital economy.
• To improve electronic government and digital public services.

• To foster trust in the digital environment.

• To encourage research, development and innovation in the industries of the future.

• To support digital inclusiveness and the training of new ICT professionals.

The various measures will be implemented in the form of nine specific plans, equipped with 32 key indicators for monitoring purposes (10 having been derived from the Digital Agenda for Europe, and 22 being specific to the development of the digital economy and society in Spain).

The nine plans are: Telecommunications and ultrafast networks plan; ICTs at SMEs and electronic commerce plan; Comprehensive digital content industry plan; Technology business internationalization plan; Central electronic government action plan; Digital public services plan; Digital environment trust plan; ICT sector development and innovation plan, and the Digital inclusiveness plan.

9.3. THE MEDIA IN SPAIN

AN OVERVIEW OF THE MEDIA IN SPAIN

The media has undergone a radical change in Spain in the last ten years, mainly for three reasons.

Firstly, because of the emergence of the Internet and its revolution, in general, which has led to the creation and development of the information and knowledge society.

Secondly, because the economic upheavals of both growth and its subsequent decline have boosted or decreased the media audience market in the various formats and enabled different players to enter the advertising arena.

And thirdly, because the media reflect and are a consequence at the same time of social movements: in the last ten years, Spanish society and its composition and profile have varied so much that even media consumption habits have changed.

PENETRATION OF THE MEDIA

Spain has consolidated the trend of high television consumption (88.7%), despite the gradual increase in penetration of other media such as the Internet (53.7%).

These data were supported by the Barometer of the Sociological Research Centre for October 2013, which shows that television and radio are still the preferred media for citizens to keep abreast of daily events.
According to data from the General Media Study report from February to November 2013, published by the Media Research Association (AIMC), the press penetration in Spain is 32.4% (12.8 million daily readers), for the weekly supplements it is 14.6% (5.7 million readers) and for magazines, 43.4% (8.2 million readers based on publication period). When analysing such data, the fragmentation effect must be considered: the number of weekly supplement titles is low since they are distributed with a much higher number of daily titles; on the other hand, the number of magazines at kiosks is higher than in the aforementioned formats.

The trend in the three types of press over the last few years has been one of significant decline: since 2008, the penetration of newspapers has decreased by 9.7%, supplements by 7.1% and magazines by 9.9%.

One of the traits of this market is that there has been a greater concentration of the Spanish newspaper industry as the first decade of the twenty-first century advanced. As a result, there has been a shift from independent media (from a corporate standpoint) to multi-channel media groups that encompass written media, television and/or radio, as well as the Internet.
The leading media groups are:

- Unidad Editorial, which publishes the newspapers Marca, El Mundo and Expansión.
- Prisa, which publishes El País, As and Cinco Días.
- Planeta, which publishes La Razón and Avui.
- Vocento, which publishes ABC, El Correo and others.
- Zeta, which publishes the newspapers El Periódico de Catalunya and several provincial titles.
- Grupo Godó, which publishes the newspapers La Vanguardia and Mundo Deportivo.
- Prensa ibérica, which publishes several provincial titles.

The General Media Study report of February to November 2013 published by the AIMC confirms that the most read publication in Spain is the sports newspaper Marca, with 2,779,000 daily readers. El País has the second-largest circulation with 1,812,000 readers and is the leader among general information newspapers, followed by El Mundo, with 1,107,000 daily readers.

These are followed by: La Vanguardia, with 752,000 readers; El Periódico with 612,000 readers; La Voz de Galicia with 580,000 readers; ABC with 543,000 readers and El Correo with 422,000; La Razón has 263,000 readers. In the sports press, Marca is the most read, followed by As, with 1,346,000; Sport, with 608,000 and Mundo Deportivo, with 607,000 daily readers.
By subject, Spain consumes more general affairs than sports information; nevertheless, since there are only four sports newspapers, one of them has the largest readership than the general information newspaper.

On the other hand, the free newspapers that had burst into the market in recent years are now considerably decreasing the number of copies “put into circulation”, the only figure audited for these types of publications. Nevertheless, 20 Minutos publishes nearly 1,228,000 million daily copies, which shows that these newspapers are still important.

**RADIO**

According to the General Media Study report published by the AIMC in November 2013, radio witnessed a 0.4 point decline in the number of listeners in 2013, obtaining an average penetration of 61.5% among the Spanish population.

In Spain, the main radio groups are:

- **Grupo Prisa**: Cadena SER, los 40 Principales, Cadena Dial, M80 Radio, Radiolé and Máxima FM.
- **Radio Popular**: Cadena COPE and Cadena 100.
- **Uniprex**: Onda Cero, Onda Melodía and Europa FM.
- **RTVE**: Radio Nacional de España/Radio 1, Radio Exterior de España, Radio 3, Radio 5 Todo Noticias and Radio Clásica. RNE is a public radio company with national and international coverage that does...
not have any advertising; its operating expenses are covered by Corporación Radio Televisión Española.

In addition to the above, a number of other public regional and local radio stations operate in this market.

According to the General Media Study report published by the AIMC, Cadena Ser is still the general-interest radio station with the largest number of listeners nationwide, with 4.4 million listeners. Onda Cero, with 2.3 million, holds second place; COPE and RNE are next in the list, with 1.8 and 1.2 million daily listeners, respectively. Theme radio is headed by the music stations: Cadena 40 Principales leads with 3.4 million daily listeners and Cadena Dial, with 2.1 million.

### TELEVISION

In the last five years, the legal market regulating the Spanish audio-visual sector has been renewed and become more liberalized, adapting the public radio and television service to the EU framework, thus culminating in a new general regulation. The enactment of the Broadcasting Common Law of 2010 (Ley 7/2010) transposed Directive 2007/65/EC of the European Parliament and of the Council, of 11 December 2007, on Broadcasting Services, condensing the regulations in force up to that date and providing legal certainty to the industry by making it possible to create broadcasting groups with the capacity to compete in the European market and providing a regulated opening for new business models such as pay digital terrestrial television, high definition and mobility; and also guarantee-
The protection of citizens’ rights while establishing clear transparency and competition rules in a context where the public sector can live with the private sector and there is liberalization of the broadcasting activity.

The aforementioned Broadcasting Common Law was amended by the Amended Broadcasting Common Law of 2012 (Ley 6/2012) with the aim of making the management models of the regional broadcasting public services more flexible.

During that time, the number of players in the television sector increased, especially in 2010, when the transition to digital terrestrial television was completed and analogue broadcasting in Spain came to an end.

This substantially increased the television offered by the following nationwide channels, in addition to the regional and local channels, taking into account that there was a major sector reorganization in 2011 as a result of the mergers between Antena 3 and La Sexta, and Telecinco and Sogecuatro:

- Grupo RTVE: La 1, La 2, 24 Horas, Clan, Teledonde and TVEHD.
- Grupo Planeta: Antena 3 TV, La Sexta, Neox, Nova, Nitro, Xplora, laSexta3, TODOCINE and GOL TV.
- Mediaset España: Telecinco, Cuatro, La Siete, FDF, Boing, Divinity, Energy and Nueve.
- Unidad Editorial: Discovery MAX, 13 TV, ORBYT TV, POPULAR TV and AXN.
• NET TV (Vocento): Intereconomía TV, Disney Channel, MTV, EHS TV, Paramount Channel.

According to the shares obtained by the operators, the fragmentation of television audiences continued in 2013 as a result of a greater presence of players in the market and an increase in the availability of audio-visual content and media platforms.

According to the General Media Study published by the AIMC for February to November 2013, the television shares were as follows: Antena 3, 22.7%; Telecinco, 17%; TVE 1, 13.2%; La Sexta, 6.2%, and Cuatro, 5.8%.

INTERNET

The Internet acts as a support for all the media that existed before. It publishes digital versions of newspapers and magazines (both as HTML and websites, with replica editions of the paper version in PDF format, which are very popular for tablets).

It also provides the possibility of listening to online radio, or using smartphone apps or podcasts for subsequent listening.

It helps to promote or supplement traditional television broadcasting (video on demand), and channels created for the Internet and video portals such as YouTube directly compete with television.

Lastly, social media (and their predecessor, blogs) have sparked a phenomenon of citizen journalism, which is very relevant in the case of those that bear witness to historical processes and in terms of numbers of followers.

Internet penetration has increased exponentially in recent years, from 5.6% in 2000 to 56.4% in 2013.

The Sociological Research Centre Barometer for June 2013 shows that 63.4% of those surveyed had used the Internet for any purpose during the previous twelve months. Of this figure, 63.4% used the Internet as their main source of information on current events.

In other words, just over 28 million people in Spain used the Internet in March 2012, according to the latest data certified by the National Observatory for Telecommunications and the Information Society (ONTSI). This means that 67% of households have Internet access.

In 2013, YouTube was the most viewed website in Spain, with 19,032,000 page views, followed by the digital press, specifically the newspaper Marca, with 4,767,000 views; The digital version of El País, with 4,278,000 views, was third, followed by the newspaper As, with 2,506,000. Hence, the Internet has the same leading players as the written media, with the sports newspapers and El País leading the way.

Radio and television websites have also increased their presence: Antena 3 had 2,582,000 views; RTVE.es, 1,975,000; and Lasexta.com, 1,446,000.
SOCIAL MEDIA

The “Networked Society” report compiled by the National Observatory for Telecommunications and the Information Society (ONTSI) reveals that Spain ranks third in the world in terms of active users of social networks with 77%, behind Brazil (86%) and Italy (78%).

Facebook, Twitter and Tuenti are the main social media used in Spain. Facebook, with nearly 17 million users, is one of the top sites, for which Spain ranks 16th in terms of users around the world.

Social media has enabled Internet users to increase their participation, in contrast to offline media such as newspapers and magazines which do not allow active participation, since Web 2.0 has created a new form of communication: horizontal information where everybody can give their opinion and provide their knowledge.

Hence, with regard to the media and the distribution of information in general, social networks have become important since they are used for commenting on current affairs (even allowing content to go viral). Therefore, social media is used to support information activity, in terms of both receiving and spreading the information.

In line with this, 61% of social media users state that they check these sites daily and 23% several times a week, so 84% of users check them regularly, thereby increasing the spread of information and content using this method.

9.4. INFRASTRUCTURES AND TRANSPORT POLICY

PLANNING

Within the framework of the overall lines of economic policy set by the Government and in accordance with the principles of rigorous and efficient public expenditure, the governmental programme for infrastructure, transport and housing is intended to achieve the following objectives: territorial cohesion and structuring; satisfaction of the mobility needs of citizens; improved standards of public transport, and more efficient management.
The Ministry of Development has defined the new model of integrated planning for infrastructure, transport services and housing policy in the 2012-2024 Infrastructure, Transport and Housing Plan (PIVIT), which, following a review of the current situation and a rigorous assessment of the needs of society, sets out the priorities and programmes of action with the deadline of 2024.

The Spanish Logistics Strategy has also been launched as a tool to boost the country’s competitiveness in logistics and freight transport through collaboration with local authorities and the productive sectors.

**RAIL**

Spain’s active railway network comprises over 15,350 km of track, of which 2,425 km are newly built high-speed lines (UIC gauge supporting speeds in excess of 250 km per hour), while a further 472 km of track have been specially adapted to high-speed use.

Spain is the country with the most kilometres of high-speed rail in Europe and in the world, with the exception of China. It has 10 high-speed lines, on which more than 300 trains travel every day, serving nearly 100,000 passengers and reaching 80 Spanish cities. Rail transport contributes approximately 1.3% of the economy’s gross value-added.

In 2012, 464 million people travelled by rail (18.1 million by high-speed, 10.2 million on conventional long-distance trains, 25.4 million on regional services and 409.8 million on commuter services).

With regard to freight transport, 17.1 million tonnes of goods were carried in 2012.

The Ministry of Development’s goal is that the railways should be firmly established as an efficient and economically sustainable system, while remaining the preferred means of transport for large volumes of passengers and operating as the necessary means for the implementation of intermodal transport.

A number of high-speed lines were put into service in 2013, including the Madrid-Alicante and Barcelona-Figueres lines, which completes the Madrid-Barce-
Iona-French border high-speed connection and is one of the main routes connecting Spain to Europe.

In the conventional network, expenditure is associated with infrastructure modernization through line improvement, the removal of level crossings and actions regarding entry points to ports and goods facilities.

To promote freight transport and contribute to interoperability, rail corridors are being promoted to encourage connections with major ports.

In addition, to achieve interoperability of the Spanish network with the rest of European networks, the entire network will be gradually adapted to the UIC gauge.

The passenger rail transport system is currently undergoing a process of liberalization, which started with the liberalization of tourist rail transportation. Spain has brought forward the liberalization of the sector with respect to the deadlines in the European regulations. The aim is to be able to offer citizens a more extensive range of services at more competitive prices, thereby increasing the use of rail transport and rail infrastructure.

ROADS

Spain’s national road network covers 26,000 km, making it Europe’s longest network of national roads, motorways and dual carriageways (14,300 km).


Recent years have seen the implementation of new actions to improve the network, including putting into service 238 km of national roads, 49 km of conventional dual carriageways and 112 km of extra lanes on motorways or national roads. A new model of more efficient and integrated maintenance has been also introduced. All of this has been carried out to contribute to the territorial cohesion and structuring of Spain.

AIRPORTS AND AIR TRANSPORT

Another strategic sector for Spain is air transport, both for its economic impact (representing 7% of GDP) and its social contribution. Spain is the third leading country in Europe by volume of air traffic,
and the fifth worldwide, with 46 Spanish airports in the Aena network.

In 2012, Spanish airports recorded the following figures: more than 194 million passengers (70% international); 1.9 million aircraft operations (landings and take-offs) and 650,000 tonnes of goods. Four out of five tourists enter and leave Spain via airports.

In recent years, Aena has undergone profound changes that were necessary to ensure its viability and lay the foundations for its future growth. With these aims in mind, the following actions have been implemented: a comprehensive policy of austerity and rationalization of investment; an airport efficiency plan to adapt schedules to demand in airports and heliports with fewer than 500,000 passengers; a policy aimed at increasing business activity; an airport marketing plan to attract new routes and increase air traffic, and a stable tariff agreement with the airlines, all for the next five years.

All of these actions have been carried out without affecting the quality of service and safety of users, passengers and airlines.

PORTS

The system of state-owned ports comprises 28 port authorities that manage a total of 53 port facilities, under the coordination of the body known as Puertos del Estado (State Ports).

Spain has the longest coastline among all the EU countries at over 8,000 kilometres. Over 90% of our borders are maritime. A total of 100,000 ships pass through the Strait of Gibraltar (the maritime border between Spain and Africa) each year, while 60,000 do so in Finisterre, in the Atlantic.

Almost 60% of exports and 85% of imports pass through Spanish ports, accounting for 53% of Spain’s external trade with the European Union and 96% of foreign trade with third countries.

In economic terms, port activity contributes an annual gross value-added in excess of €9,000 million to Spain. And if we consider the direct effect and induced effect, the value-added doubles to €18,000 million. In total, the port sector represents 1.8% of GDP.

In 2012, port traffic grew 4% to 475 million tonnes, while sea exports were up 22%.
HOUSING

In recent years, Spain has worked hard on its new land, housing and construction policy, the aims of which are: to support renting as a means of access to housing, particularly for those on lower incomes; to promote building rehabilitation and urban regeneration and renewal, and to improve energy efficiency in order to produce better quality cities.

To achieve this, the Common Law on Housing Rental Market Flexibility and Promotion and the Common Law on Urban Rehabilitation, Regeneration and Renewal were passed.

The 2013-2016 National Plan in Support of Rental Housing and Urban Restoration, Regeneration and Renewal also changes the focus of previous housing plans. The funds are intended to support families with fewer resources, allowing them access to rental housing, and to promote the rehabilitation of the country’s building stock.

INTERNATIONALIZATION

In transport and infrastructure policy, the Ministry of Development has covered a great deal of ground at the European Council meetings.

Under the 2007-2013 Community Support Framework, funds totalling €6,058.8 million have been allocated to the Ministry and its undertakings, of which €4,400 million are ERDF funds and €1,600 million are from the Cohesion Fund. These funds were distributed among the following modes: 65% was allocated to railway infrastructure, 16% to road infrastructure, 14% to port infrastructures and 5% to airport infrastructure.

The Ministry of Development has also participated in the Spanish Government’s external action strategy by attending high-level meetings, summits and bilateral meetings and by taking part in international business fora in support of Spanish companies from the sector.

It has also participated in and partnered up with international organizations such as the International Maritime Organization (IMO) and International Civil Aviation Organization (ICAO).
The Ministry's international activities pursue a twofold goal. Firstly, to strengthen cooperation in the fields of transport, infrastructure and housing with other countries, in accordance with Spanish strategic interests; and secondly, to lend institutional support to the internationalization of public and private Spanish enterprises, and to promote the “Spain” brand.

Currently, six of the world’s top ten transportation infrastructure management companies are Spanish. A total of 37% of the world’s biggest transport concessions are managed Spanish companies. International contracts in 2012 amounted to €23,400 million.

Therefore, an emphasis is being placed on partnerships through mixed public/private consortia, such as those involving Grupo Fomento companies (Aena, Adif, Renfe and Ineco). Important international projects in this regard include the Mecca-Medina high-speed railway project.

9.5. ENVIRONMENT

The environment – a complex system of great significance for human welfare and for our future – faces a whole host of challenges to its balance and survival. Rising to these challenges is the objective of policies undertaken by the Government within the framework of our membership of the European Union.

ENVIRONMENTAL QUALITY.
ENVIRONMENTAL ASSESSMENT

Environmental assessment comprises the full complement of research efforts conducted within an administrative procedure to identify, predict and evaluate the environmental impacts entailed in a proposed project or activity; the purpose of the exercise is to devise suitable preventive and corrective measures designed to avoid significant adverse effects and properly protect the environment and natural resources.

The framework rules on the environmental assessment of projects are set out in Royal Legislative Decree 1/2008, of 11 January 2008, approving the restated text of the Common Law on Environmental
Assessment (Ley de Evaluación de Impacto Ambiental de Proyectos).

As shown in the chart below, the two biggest sectors in terms of projects assessed in 2012 are water (hydraulic infrastructure and hydrological restoration) and industry and energy.

The strategic environmental assessment of plans and programmes drafted and adopted by public authorities is governed by the Common Law on Public Initiative Environmental Assessment (Ley 9/2006). Standouts among the strategic environmental assessments conducted by Central Government in 2012 included the hydrological plans for the Miño-Sil, Guadalquivir, Duero, Guadiana, Cantábrico Occidental and Cantábrico Oriental river basins.

To assure the transparency of the process and public involvement, private citizens are able to take part in the consultation and public reporting phase of the environmental assessment of both private projects and public plans and programmes. A citizen may file claims and comments in response to the various environmental documents generated throughout environmental assessment processes.

### PROTECTION OF THE ATMOSPHERE. EMISSIONS CONTROL

The European Environment Agency estimates that the emission of atmospheric pollutants in European countries over the next twenty years will decrease as a result of the gradual introduction of emission control laws.
and regulations, current and future, and due to structural changes in energy and mobility systems. It is thought that the greatest decreases will concern energy-related emissions (particularly, primary SO2, NOx, CO2V and PM-2.5) and transport; agricultural emissions are forecast to decrease at a slower rate.

In order to reduce emissions from light commercial vehicles, the Spanish Government has adopted the Air PIMA Plan, which offers an incentive of €2,000 to self-employed professionals and SMEs to purchase vehicles of up to 2,500 kilos (€1,000 from the Ministry and €1,000 from the vehicle companies) and an incentive of €4,000 for those over 2,500 kilos (€2,000 from each party), in exchange for scrapping vehicles of up to 3,500 kilos that are at least seven years old.

At the same time as the PIVE 4 Plan, the Executive also approved the Air PIMA 2 Plan, which extended the subsidies to the purchase of motorcycles, mopeds and electric bicycles and allowed regular citizens to benefit from the plan.

**WATER POLICY**

Water is a public good directly linked to the socio-economic development of any territory, conditioned by the availability of the resource in sufficient quantity and quality for the development of individuals and production processes. However, not only must we show the relevance of the potential socio-economic use of water, but we must also recognize its intrinsic environmental value. Given these three facets of water management – social, economic and environmental – the authorities concerned must implement effective policy on water demand and sustainable and efficient management of publicly owned water resources, in compliance with the principles of water use rationalization and economy.

The water policy developed by the Ministry of Agriculture, Food and Environment is based on the principles of protecting and restoring water bodies, together with their sustainable use under the Water Framework Directive (2000/60/EC).

To achieve these objectives, hydrological planning is conducted on two levels: river basin hydrological plans and a National Hydrological Plan. Most of the river basin hydrological plans were adopted in 1998, and are now gradually coming under review so as to apply the approach and requirements introduced by the Water Framework Directive. The National Hydrological Plan was adopted under the Common Law on National Hydrological Plan (Ley 10/2001).


The modern system of water management by public authorities has developed over the course of the twentieth century by means of the gradual creation of “hydrographical confederations”, or river basin manage-
ment bodies having jurisdiction within hydrological districts. Water demand management is planned and secured, for the supply of drinking water to localities, supply to irrigated land and irrigated public areas, and supply to industry and to hydropower facilities, through suitable management of water resources under public ownership. The Comisarías de Aguas ("water commissariats") of the river basin management bodies are in charge of processing operating concessions, administrative authorizations and undertakings of liability within the purview of publicly owned water resources.

One of the key objectives of hydraulic policy is to protect the quality of inland surface water and groundwater bodies by monitoring their status on an ongoing basis.

The Monitoring Control Programme embraces a representative network of control stations distributed throughout the water bodies of the country, making for a total of 2,201 river stations, 169 lake stations and 434 reservoir stations.

The results obtained from this programme are analyzed and used to specify the requirements for monitoring programmes for present and future hydrological plans for river basins.

The SAICA network (Automatic System of Water Quality Information) in 2012 comprised 181 automatic alert stations distributed across the river basin management districts and sited in particularly critical areas (supply, protected areas, etc.) requiring preventive action, and points at which pollution episodes are foreseeable (large conurbations, industrial waste, etc.).

This complex and sophisticated system of control is capable of ascertaining the quality of our water.

Water quality in Spain has been diagnosed since the 1980s by means of the General Quality Index (Índice de Calidad General, ICG). This index is obtained by combining 23 water quality parameters. The ICG ranges from 0 (highly polluted water) to 100 (unpolluted water).

A focus on improving water quality is one of the ongoing themes of water policy. A standout is the 2007-2015 National Water Quality Plan: Cleanup and Purification, which meets the demands of European directives, while lending continuity to earlier plans. The cooperation commitment between Central Government and regional governments is established by bilateral protocols that specify programmes of action and the parties’ mutual undertakings to assure the future functioning and management of the related infrastructure.

Water is also a source of risk. Floods are one of the hallmark features of the Iberian Peninsula as a result of the Mediterranean climate, and constitute the natural risk that causes the most damage in our country. The traditional approach to this risk has been to seek structural solutions (dams, channels, protective trenches, etc.).

In general, the implementation of this Directive is being achieved within the deadlines. During the first phase – preliminary assessment of flood risk – close to 9,000 km of waterways and 1,000 km of coastline carrying a high flood risk were identified. These have now become the target of danger and flood risk maps, which will specify flood areas.

Drought also causes damage that must be managed using suitable instruments. This management is being channelled through three instruments: Special Plans of Action in States of Alert and Contingent Drought, the National Drought Observatory, and the National Water Council. The National Drought Observatory is a centre of knowledge, prediction, mitigation and monitoring of the effects of drought throughout national territory.

**WASTE MANAGEMENT**

The Common Law on Waste and Contaminated Soils (Ley 22/2011) is the implementation in national law of Directive 2008/98/EC of the European Parliament and of the Council on waste and repealing certain directives. This statute constitutes the new legal framework for waste management in the coming years. It enshrines the principle of a hierarchy of wastes that is to be applied in waste policy. This principle accords priority to waste management options as follows: prevention, preparation for reuse, recycling, other forms of value recovery including energy-related forms, and, finally, elimination, e.g. via landfill deposit. Hence, in line with the EU Directive, the new law points the way towards a recycling society that is concerned to return the resources contained in waste to the productive process.

**ENVIRONMENTAL CONSERVATION. PROTECTED SPACES**

In 2012, 27.83% of the total land area was protected space. Spaces are protected by various instruments, such as the various Protected Natural Space statutory classifications, and the Natura 2000 European ecological network, which in turn comprises Sites of Community Importance (SCIs), Special Areas of Conservation (SACs) and Special Protection Areas (SPAs) for birdlife.

The highest level of protection of a territory is provided by awarding it national park status. This level of protection was accorded through Ley 7/2013 to the National Park of the Sierra de Guadarrama, a space occupying 33,960 hectares within the autonomous communities of Madrid and Castile and León of major environmental significance.

The Natura 2000 network is designed to ensure throughout the territory of the European Union the long-term survival of natural and semi-natural habitats and the most important and threatened wildlife species of Europe. As at December 2012, the Natura 2000 network accounted for a total of 14,789,797.07 hectares in Spain, of which 13,760,465.10 ha related to the land environment (27.18% of the land area of Spain), while 1,027,408.77 hectares related to the marine environment. It comprises 1,446 Sites of Community Importance (SCIs), of which 273 have been declared Spec-
cial Areas of Conservation (SACs), and 598 have been declared Special Protection Areas (SPAs) for birdlife.

**FORESTRY POLICY: THE FIGHT AGAINST FOREST FIRES**

The forest area of Spain, which occupies more than 27,000,000 hectares, is highly significant in the production of private and public assets. In addition to producing wood, game and fish, fruit, pasture and other commercial goods such as mushrooms, Spain’s forest offers public benefits of great importance that contribute to our welfare: regulation of the water cycle (thus helping to prevent desertification), contribution of oxygen, and capture of greenhouse gases, such that it constitutes a vital redoubt protecting biodiversity. Spain’s forest policy, like that of other European countries, is accordingly directed to protect this key multifunctional role of the forest. The aims are to preserve and increase forest heritage by acting effectively against its key threats (pests, disease and forest fire), and designing a new national strategy to develop the energy use of forest biomass using a comprehensive approach that goes beyond the residues of logging and silviculture processes.

Our forests also help prevent soil erosion and desertification: these are risks threatening a considerable portion of the country’s land area. Erosion causes average soil losses in excess of 15 tonnes per hectare in seven autonomous communities, while in a further three the losses exceed 12 tonnes per hectare.

Forest fires constitute one of the main threats to our forests. In 2012, both incipient and fully fledged fires were fewer than the average of the past 10 years (2001-2010): 9.7% lower in general number of incidents, and 14.9% lower in number of fully fledged fires. However, the wooded area burned by fire was 118.4% greater than the average for the past ten years.

**COASTAL CONSERVATION AND PROTECTION**

Spain’s coastline strip is a particularly unique environment comprising a wide variety of climatic, marine, geological and sedimentary settings. This space is the
site of highly traditional activities such as fisheries, coastal tourism and trade-related maritime transport, as well as other economic activities closely tied to the coastline space, such as aquaculture, all of which are fundamental to the socio-economic and cultural development of our country.

Coastal policy constitutes a key instrument for the Spanish Government. The new Common Law on Coastal Protection and Sustainable Use (Ley 2/2013) amending the Common Law on Coasts (Ley 22/1988) states in its preamble that the protection of Spain’s coast is an imperative duty for the public authorities. It also delimits the publicly owned seafront (Dominio Público Marítimo-Terrestre, DPMT) and establishes that it reaches as far as the waves recorded during the biggest storms to date.

The management of the DPMT is intended to defend the integrity of the coastline environment and its balance and physical development by protecting and preserving its values; to assure its public use and enjoyment, open to all; and to make rational use of its resources through economic and tourist activities, among others, consistent with its conservation.

In the specific field of coastline protection and improvement, the Ministry of Agriculture, Food and Environment has been working on preventive measures to control the processes of erosion and deterioration of the seashore; protect and restore coastal ecosystems; regenerate and restore damaged coastal spaces; rectify any actions standing in the way of or restricting rational public use of the coastline; take steps to improve the environmental quality and public use of the coastline; and create infrastructure linked to the environment, such as coastline paths, environmental education infrastructure and nature interpretation facilities.

Moreover, to combat the effects of climate change, in particular the rising sea level and increased erosion, a plan is in place to set in motion Strategies for Coastline Protection (Estrategias para la Protección de la Costa), with the objective of adapting the Spanish coastline to the impacts of climate change on the basis of an exhaustive diagnosis that identifies the measures to be adopted in the most vulnerable areas.


The key objective of the legislation is to achieve or maintain a good environmental status for the marine environment before 2020; to this end, the Marine Strategies have been created as a marine environment planning tool. In Spain, a strategy is being developed for each of the five established marine demarcations: North Atlantic; South Atlantic, Strait of Gibraltar and Alborán; East Coast/Balearics; and Canary Islands.
The Common Law on Marine Environment Protection also establishes measures specifically designed to protect marine biodiversity, thus completing the legal framework put in place by the Common Law on Natural Heritage and Biodiversity (Ley 42/2007). One such measure is the creation of the Network of Protected Marine Areas of Spain (Red de Áreas Marinas Protegidas de España, RAMPE), which will be made up of various types of area and statutory classifications.

Another of its roles in relation to the protection of marine spaces consists of expanding and managing the marine Natura 2000 network, including the declaration of marine Special Areas of Conservation (SACs) and the adoption of their respective management plans.

The Secretariat of State for the Environment prepares and updates the Spanish Inventory of Marine Habitats and Species (IEHEM), an essential instrument for assessing the state of conservation of marine heritage and acquiring new knowledge thereof. In this field, a National Reference Master List has been developed of the types of marine habitats to serve as a reference for all public authorities and parties concerned.

In relation to the protection of marine species included in the Spanish Catalogue of Endangered Species, an analytical review is being conducted of all the available scientific data for the purpose of drawing up the mandatory conservation and recovery plans.

The Ministry of Agriculture, Food and Environment carries out tasks relating to the protection of the coastline against accidental marine pollution, particularly by means of the National Marine Pollution Emergency Response System, recently adopted under Royal Decree 1695/2012, of 21 December 2012, approving the National Marine Pollution Response System.

This plan will supplement the regional plans put in place by the autonomous communities in order to ensure coordinated action against coastline pollution whenever a pollution incident is supra-regional or supra-national, or in cases of special need where there is an imminent danger of irreparable harm.

**BIODIVERSITY CONSERVATION. ENDANGERED SPECIES**

Spain is one of the European countries having the widest diversity of plant and wildlife, thanks to its special features of relief, area and geographical location. It is estimated that, on the Spanish landmass alone, there are close to 91,000 species, including 8,000 plant species – so embracing over 80% of all species existing in the European Union, and 59% of all species existing on the European continent. Of these 8,000 plant species, 1,500 are endemic, i.e. found only in Spain. The 50,000 to 60,000 wildlife species existing in Spain encompass over 50% of all species present in Europe.

**RURAL DEVELOPMENT POLICIES**

Over the past few years two packages of measures have been applied to rural development: firstly, the European Union framework arising from the application of Council Regulation (EC) No 1698/2005 on support
for rural development by the European Agricultural Fund for Rural Development (EAFRD) and Council Regulation (EC) No 74/2009, amending the former; and, secondly, the national framework, consequent upon the application of the Common Law on Rural Environment Sustainable Development (Ley 45/2007), which supplements the programmes co-financed by the EAFRD.

The purpose of EAFRD funds is to carry on policies consistent with the Lisbon objectives (competitiveness and employment) and Göteborg objectives (sustainable development and environment). Other objectives to be achieved are the improvement of quality of life in the rural environment, by maintaining financial priority for convergence regions and a horizontal approach to equality of opportunity.

The Ministry of Agriculture, Food and Environment, in cooperation with the autonomous communities, prepared the National Strategic Plan of Rural Development and the National Rural Development Framework 2007-2013, which set out national guidelines on development actions and established certain measures to be implemented horizontally throughout the country, so encompassing all rural development regional programmes.

In the period 2007-2013, these measures are applied in Spain through 17 regional rural development programmes (one for each autonomous community) and the National Rural Network Programme. Regional programmes include the horizontal measures of the national framework, with the Ministry of Agriculture, Food and Environment being the coordinating body. These programmes are co-financed by EAFRD, the Central Government through the Ministry, and the autonomous community governments.

In 2009, prompted by the latest reform of the Common Agricultural Policy (CAP) – known as the “Health Check” – rural development policy underwent a series of changes owing to the introduction of EU policy priorities, as set out in Council Regulation (EC) No 74/2009 amending Regulation (EC) No 1698/2005. These priorities take the form of the “new challenges” at the European level: climate change, renewable energies, water management, biodiversity and measures in support of dairy restructuring, and innovation linked to these four challenges.

EU funding for these priorities is implemented through “additional modulation” (transfer of funds from the first pillar of the CAP – prices and markets policy – to the second pillar – rural development policy).

As at 31 December 2012, total planned expenditure for the period 2007-2015 had been implemented in a proportion of 52.29%.

RURAL DEVELOPMENT AND IRRIGATED LAND

Irrigated crops are a key driver of rural development. Since a large part of Spain has a Mediterranean climate, irrigation is needed to ensure crop yields capable of supporting the sustainability of crop and live-
stock farms. Where irrigation is an entrenched practice, economic activity becomes diversified, chiefly in the form of agro-industries linked to irrigated crops; the rural population remains stable or grows. Hence, the modernization and reinforcement of our irrigated farm-land, promoted by the National Irrigated Farmland Plan H-2008, the Crash Plan and subsequent actions taken to further strengthen and improve irrigated farmland, are vital elements of rural development policy, focusing on sustainable water management.

9.6. CULTURE

BOOKS, LIBRARIES AND ARCHIVES

Books in Spanish

Spain has an inventory of authors whose works are printed by publishing houses and marketed by distributors through 30,000 points of sale, of which 4,336 are independent booksellers. A total of 490,757 works pass through this network, with an annual average of 79,000 new published works, which, at an average of 3,540 copies per book, gives a production of 280.3 million copies per year (more than 767,123 copies per day), according to the report entitled “Comercio Interior del Libro en España 2012” produced by the Spanish Federation of Publishers’ Guilds (FGEE) in collaboration with the Ministry of Education, Culture and Sport. This production and distribution network turns over €527.34 million outside Spain and more than €2,471 million in Spain. The books published in Spain are mainly in Spanish and the other co-official languages; of this book production, 85.3% is in Spanish and the rest is in other languages, the most significant of which is Catalan (accounting for 9.6%) according to data from the “Overview of the Spanish Book Publishing in 2012” produced by the Ministry of Education, Culture and Sport. Book publishing is highly concentrated in geographical terms, with the regions of Madrid and Catalonia accounting for 63.4% (67.6%) of production in Spain.

Libraries

The number of libraries has increased significantly since 1978. According to data from the National Statis-
tical Institute, between 1978 and 2012, the number of libraries has multiplied by 2.2 to 6,835 and 8,900 service points and locations. The range of publications has multiplied by 6.9 and there are now more than 266,141 million books, audio-visual materials and other documents in existence. Between the same dates, library staff numbers increased from 6,278 to 25,373.

In 2012, libraries offered more than 150,000 activities, including reading clubs, digital and information literacy and jobseeker training.

As part of this ongoing process to modernize and improve library infrastructure, 2013 saw the completion of construction work and the equipping of new buildings, such as those of the national public libraries of Ceuta and Gerona and the recently inaugurated Badajoz and Burgos libraries. Work on the National Public Library in Segovia is scheduled for completion in 2014.

The improvements to library infrastructure and their collections have been reciprocated by an increase in their use by society. According to the available data, just 7.5% of the population visited libraries at the end of the 1970s. By 2012, this figure had increased to 39.2%, which means that two out of every five residents are library users. In 2012, the number of visits totalled 216,44 million (i.e. every resident visited a library an average of 3.97 times). The number of registered users has grown 12.78% since 2010 and now stands at 20.38 million. Home delivery services by lending libraries stood at 83.13 million in 2012 (books and other documents), which represents an average of 1.62 documents per resident per year.

Libraries have always placed special emphasis on information technology. Many libraries now use new technologies as part of their daily activity and 76% have automated catalogues. Overall, 83,084 computers were installed in libraries in 2012, many of which can be used free of charge by residents. This means that many people can use the library to connect to the Internet. Out of the total number of public libraries, 77% offer Internet access. This range of Internet services has attracted higher numbers of virtual library users than ever before.

The introduction of new technologies has also changed the philosophy of library activities. One such change is the creation of the Library Cooperation Board, a body set up to channel inter-administrative collaboration with institutions and professionals of the sector.

Another important cultural and economic sector, whose development is encouraged and supported by EU initiatives, is the digital content sector, oriented in this case towards the creation of digital libraries. Spain’s main focus in terms of library activity and digitization is Hispana, a single point of access to all digital and virtual libraries, which in 2013 amassed 4.61 million queries of digital publications from 202 Spanish databases and repositories. Spain’s libraries take part in initiatives for international cooperation in digital libraries, including Europeana (a European aggregator of digital content and European digital library with free
access). Up to 2013, Hispana had contributed 2.1 million pieces of digital content to Europeana.

**Spanish National Library**

One of the strategic projects of the Spanish National Library (Biblioteca Nacional de España, BNE) in 2014 will be the continued development and promotion of the Digital Library of Ibero-American Heritage, a gateway to the digital collections of National Libraries in Ibero-America coordinated by the BNE. The project has been running since September 2012 and is now the biggest in terms of library cooperation in the Latin American region: the eight libraries involved in the project have received more than 134,000 visits from over 130 different countries in just 14 months. Given the interest it has raised among citizens and the international library community, the BNE will be directing its efforts towards raising the profile of the project.

Leadership in a project of this nature has been made possible by the experience gained during the creation and development of the Biblioteca Digital Hispánica, an Internet gateway to the digitized works of the BNE that now offers nearly 130,000 works for free consultation. Interest in this website is growing, as shown by the increasing numbers of visits, which now reach around 1,800 per day.

The resources of the Spanish website will also be systematically collected by the BNE for conservation purposes, once the Royal Decree regulating the legal deposit of electronic publications comes into force. This regulation, which has now reached the processing stage, will ensure that the BNE continues to act as the depository of Spain’s book and document heritage, expanding on that published in electronic networks.

**Archives**

The State archives are also undergoing a process of modernization, the key purpose of which is to digitize documents to make them available to all citizens over the Internet. The document digitization projects for archives and books of the Ministry of Education, Culture and Sport will improve access to and ensure the maintenance of the catalogue of works in coordination with other institutions, through participation in final international projects such as APEx (Archives Portal Europe) and Europeana.

The largest national project for digitizing documents, PARES (Archives Portal Spain), now has 5,781,421 descriptive entries online and 31,786,801 images of documents: in 2012, a total of 944,132 different users viewed these files, querying approximately 23 million pages, highlighting the importance of this platform.

A new management tool has also been implemented, based on PARES, to ensure a more efficient and effective control of document movements in State archives and to register these movements, whether the documents are viewed in reading rooms, loaned internally for restoration, reproduction or description, or temporarily removed from the archive. This new module allows for the sharing of a unique research dossier...
in which researchers and users can obtain network access to queries made on any medium and requests for copies of documents for all files in the national network managed by the Secretariat of State for Culture.

The main development scheduled for 2014 is the incorporation of a feature for making PARES queries from mobile devices. The Private Files website will also be made accessible.

The period 2012-2013 has seen the gradual application of Royal Decree 1708/2011, of 18 November 2011, laying down the Spanish Archive System and regulating the Archive System of Central Government and its public agencies and their access regime. Its approval, which met the demands from various areas, was aimed at filling the existing regulatory gap and renewing the sector's State regulations which dated back to 1901.

The new regulation set up the Archive Cooperation Board, operated by the Secretariat of State for Culture, as a voluntary meeting point and collaboration platform for the various authorities with powers affecting archives and essential instruments of the Spanish Archive System created in June 2013. The Archive System for Central Government and its public agencies will be configured in 2014 with a view to establishing a common regulation for a modern, well-organized and efficient management based on the public service concept. The Central Government Archive Commission was set up for this purpose as the interministerial body operated by the Ministry of the Presidency, focusing on the electronic documents generated within Government. The above Royal Decree also created the Historical Archive of the Nobility, with central offices in Toledo. This archive incorporates the former National Historical Archive Nobility Section, which is no longer operative.

One of the biggest activities to raise the profile of Spain's documentary heritage in recent years was making the Portal of the Bicentenary of the Ibero-American Independences available on the Internet. The Ibero-American Migratory Movements Portal has also been highly significant, since it has become a benchmark for research in this area. The national archives of Spain, Mexico, the Dominican Republic and Argentina are currently involved in this project, and those of Cuba, Brazil and Portugal are scheduled to include their information in 2014.

FILM AND THE PERFORMING ARTS

Film

Spain is witnessing a growing diversification of its film genres and increased international projection of its works and creators. Important sectors in this regard include animation and horror. In recent years, Spanish film has stood in third place on the continent after France and Germany in terms of production volume. It gained a market share of 19.52% in Spain in 2012, demonstrating its recovery from the box-office figures of 2010, and achieved good results in 2012. Every year, international sales revenues outstrip those obtained in our country.
Spanish films grossed €150.5 million abroad in 2012, compared to €119 million in Spain.

The Cinematography Protection Fund, which was gradually increased over recent years, required two separate adjustments in 2012 and 2013 due to the current budget situation. To mitigate the negative impact of these measures, there are plans in 2014 to implement a more effective system of tax rebates for film, with a view to attracting additional investment to the sector.

One of the biggest remaining challenges is to boost international sales of Spanish films by increasing exports and co-productions with third countries. In conjunction with this, Spanish cinema must be incorporated into cultural actions abroad and we must harness its role as a vehicle for promoting the Marca España brand.

As a final point, 2013 saw the completion of works on the Spanish Film Library’s Conservation and Restoration Centre and the start of the process to move the collections housed on various premises to their new home.

**Theatre**

The Spanish Network of Theatres, Auditoriums, Circuits and Festivals owned by the State in the various autonomous communities now has more than 140 members representing exhibition spaces throughout the country.

A trend has been observed towards recovering the Spanish Golden Age classics. Two events of the past few years have contributed to this return to the classics: the Almagro Classical Theatre Festival and the Spanish National Classical Theatre Company, whose home theatre Teatro de la Comedia is about to reopen its doors again after refurbishment.

In 2013, the Government launched its PLATEA programme to allow the circulation of theatre performanc-
es in spaces owned by local authorities with a view to reviving a sector that has been particularly hard hit by the crisis. Spain’s ties with Latin America in this regard have led to initiatives such as Iberescena, which have contributed value to a common theatrical tradition and promoted exchanges between creators and audiences on both sides of the Atlantic. Lastly, the work of centres of creativity such as the Alhóndiga in Bilbao, the Caldera in Barcelona or the Matadero in Madrid deserve a mention as “R&D&I centres of theatre”.

Dance

Through public and private programmes, the development of dance in Spain has covered all genres and regions, with initiatives such as the 2010-2014 General Dance Plan and the State Danza a Escena circuit, which entered its third year in 2012. These are promoted through websites such as Danza.es, the Internet portal for dance in Spain.

Dance centres also help raise the profile of this art form, with international show platforms such as the Mercat de les Flors in Barcelona and the Madrid en Danza festival.

Circus

In addition to the reopening of the Price and other circus venues, coupled with the resolution in 2005 of the European Parliament urging the European Commission and Member States to consider circuses as cultural heritage, numerous professionals working in circus companies and creativity centres joined forces, and the audience welcomes these initiatives, with nearly four million spectators per year in Spain.

The biggest circus festivals in Spain, such as the Albacete Festival and the Trapezi Circus Festival (National Circus Award 2012), build bridges between artists and spectators by supporting new creations and showing the most innovative international performances in Spain.
Music

The first major step was the construction, as part of the 1983 National Auditorium Plan, of a large number of auditoriums and public theatres throughout Spain, which ran parallel to the creation of a solid symphonic infrastructure, which has now been consolidated with nearly 30 standing orchestras in the country.

Spain’s contemporary music scene is also very active, with pop, rock, hip hop, flamenco and other popular and deeply-rooted genres. Top contemporary music festivals have taken place in recent years, including Sónar, Primavera Sound and the Benicàssim Festival, as well as the Girando por Salas circuit, a nationwide live music performance promoted by the National Institute of Performing Arts and Music (INAEM).

PLASTIC ARTS

The sudden emergence of contemporary art spaces created by public authorities, a hallmark of the past twenty years, has given way to a period of maturity.

Spain now has over 200 spaces and premises for contemporary art across all of its autonomous communities. The Secretariat of State for Culture awards several prizes with a view to encouraging and promoting Spanish creators at national and international level. These include the Velázquez Prize, awarded to an artist for his or her entire body of work in recognition of outstanding contributions to Ibero-American culture in the field of plastic arts. It also awards the National Prizes for Plastic Arts and Photography.

Artists can be promoted through temporary exhibitions and subsidies to raise the profile of Spanish contemporary art. The subsidies for promoting Spanish contemporary art are aimed at fostering the creation and dissemination of contemporary art and its research in order to help develop a more dynamic and innovative backdrop.

The priority objectives are social accessibility to artistic content and educating in artistic sensitivity. This has led to the creation of Promovídeo, where users can find all audio-visual materials generated by our exhibition policy, with specific content such as the Voice of the image, interviews with Spanish photographers, oral memories, a website containing audio-visual interviews with emerging artists, and itinerant visual literacy workshops for children together with youth initiatives to encourage the social consideration and understanding of contemporary art by children and youths and to foster the development of models of excellence in education with a view to creating new publics.

STATE MUSEUMS

Cultural policy with regard to museums has continued with the refurbishment of State-owned museums. During 2013, actions to improve the state of repair of the national museum infrastructure have continued, giving priority to the completion of works and minor supplies, the drafting of architectural and exhibition projects and, most importantly, the completion of actions begin in previous years. Noteworthy actions have included the total refurbishment of the National Archaeological
Museum, completion of the rehabilitation of the Palacio de la Aduana building for the Museum of Málaga (scheduled to re-open in 2015), and the reopening of the Museum of La Rioja, following the completion of its refurbishment in October 2013 after years of being closed to the public.

As part of their adaptation to the new social context, work began in 2013 on preparing a Plan on the Social Role of Museums. On the one hand, the plan seeks to give visibility and coherence to the many actions being carried out by museums in this area, and on the other, it opens up new lines of work for under-represented groups among museum visitors.

State museums carry out a number of other projects aimed at bringing museums and their collections closer to the public. These include Cer.es, a digital network that provides access to the content of Spanish museums with different owners, subjects and geographical scopes, and the Laboratorio Permanente de Público de Museos, set up to find out about the public’s needs in order to improve museum management and meet new social demands.

State museums are also active in the international arena, both through their participation in European projects such as Europeana, among others, and the Ibermuseos Programme, an intergovernmental Ibero-American cooperation programme.

The Prado National Museum

The Prado currently exhibits over 1,700 works of art in the museum building, while around 3,200 other works have been temporarily loaned to other museums and public institutions, known as the “scattered Prado”. The rest of the collections, deposited in store rooms, are shown at temporary exhibitions in the Prado or other museums, and are also subject to research by the conservation area.

The museum received in excess of 3,100,000 visits in 2012, including visitors to the exhibitions of the Itinerant Prado and International Prado programmes. As a result, the museum has been forced to undertake successive extensions to the Villanueva building, which culminated with the ambitious expansion project con-
ducted by Rafael Moneo (2001-2007), whose external symbol is the Jerónimos building. This action, together with the recent renovation and refitting of the “Casón del Buen Retiro”, has increased its total area to 41,995 m², effectively creating a “museum campus”.

By implementing planning as a working method, the museum has managed to meet the objectives set out in its Action Plans for 2005-2008, 2009-2012 and 2013-2016. Planning has also been an important tool in the modernization process. These plans have guided gallery activity over this period.

In parallel to this rise in visitor numbers and in relation to the improvement and expansion of its services and activities, the Prado has developed its self-funding capacity considerably. The revenues obtained by the museum over this period have grown year upon year, from a contribution of 34.7% in 2007 to 60.2% in 2012.

The increase and maintenance of its corporate and institutional benefactors, the significant growth in members of the Friends of the Prado Museum Foundation from 9,000 to over 25,343 in just two years, the promotion of diverse initiatives to improve the public service it provides, and the opening of its collections and exhibitions every day of the week have increased and strengthened its financial independence in a decisive way.

The Reina Sofía National Art Museum

The opening of the Reina Sofía National Art Museum in 1990 put modern and contemporary art in Spain on the international map. The project that gave rise to the new buildings designed by Jean Nouvel began in 2001 and they were inaugurated in 2005.

The collection currently contains around 20,000 works. The growth over recent years of the collection, its exhibits, programmes of activities and, most importantly, numbers of visitors (3 million in 2013) have prompted the development of tools to accompany the process of modernizing the museum’s management in the short, medium and long term. The year 2013 was the first
year of operation of what is set to become one of the key tools of the development of the future museum, the Reina Sofía Museum Foundation, which connects the museum to changes in civil society and international art networks.

HERITAGE PROTECTION

Spain has a unique and diverse cultural heritage. Aware of this and with the aim of preserving and enriching its heritage, the Spanish Government, in collaboration with the governments of the autonomous communities and other public and private entities, has conducted a broad and systematic research, conservation and restoration policy over the past few decades in partnership with the Historical Heritage Board (a body promoting collaboration between the Central and autonomous governments).

The National Cultural Heritage Plans have been designed as instruments to foster knowledge of this heritage through research and by programming preventive conservation, restoration and dissemination actions with the aim of protecting cultural assets and giving citizens the opportunity to enjoy them.

The first of these plans was the Cathedrals Plan, adopted in 1990. Since then, a number of plans have been adopted, namely national plans on Industrial Heritage, Preventive Conservation, Research into Heritage Conservation, Cultural Landscape, Intangible Heritage, Cathedrals, Abbeys, Monasteries and Convents, Defence Architecture, and Education and Heritage. Other plans are currently at the drafting and review stage and will soon be submitted at the forthcoming meetings of the Historical Heritage Board for approval and implementation. Hence, by 2014, they should all be in operation.

Another national plan of strategic importance for defending Spain’s heritage is the Protection of the Underwater Archaeological Heritage and the document implementing this, the Green Paper on Underwater Heritage, which evidence the ongoing and integrated commitment of the Spanish Government and the governments of the autonomous communities in a matter arising from the ratification of the 2001 Convention on the Protection of the Cultural Heritage by the UNESCO (United Nations Educational, Scientific, and Cultural Organization) and the inclusion of Spain on the
Advisory and Technical Board that coordinates its development and application.

A triumph for Spain in this regard has been the recovery, following a firm defence of its rights in the US courts, of the cargo plundered from the “Nuestra Señora de las Mercedes” frigate, which was returned to Spain in February 2012, and whose artefacts will be allocated to the National Museum of Underwater Archaeology (ARQUA), a national and international benchmark in the protection of underwater cultural heritage based in Cartagena (Murcia). In 2013, the US courts further ruled that the company Odyssey Marine Exploration must pay back to Spain most of the trial costs.

Another way of enhancing the value of Spain’s heritage is its international promotion through UNESCO’s heritage lists, which the Government carries out on behalf of all public authorities. With 44 heritage sites, Spain is the third leading State in numbers of heritage assets on the World Heritage List and participates actively in the Committee charged with selecting assets for the Intangible Heritage of Humanity category, in which this country has 12 elements recognized by UNESCO.

**INTERNATIONAL PROMOTION OF SPANISH CULTURE**

The internationalization of Spanish culture has boosted the growth and diversity of our cultural industries. This has required a rethinking of policies for cultural promotion abroad within the framework of the European Union and the various specialized international agencies.

With regard to data on foreign trade in cultural assets, the “2013 Cultural Statistics Yearbook” highlights a positive trend for books and the press, with exports totalling €540.1 million and a positive trade balance of €172.3 million. In 2012, exports of culture-related assets totalled 703.1 million, compared to imports of €752.4 million. The European Union was the largest destination of exports, with 53.4%, followed by Latin America with 27.9%.

There are several agents of Spanish culture around the world: units of the Ministry of Foreign Affairs and Cooperation and the Secretariat of State for Culture, the Instituto Cervantes and other specialized cultural agencies (ACE) and non-cultural bodies (ICEX, Turespaña). There are also many forms of agency linked to the autonomous communities, the private sector and civil society (foundations, associations, institutions, companies, etc.).

Spain’s cultural action takes the form of four lines: promotion of the heritage and dissemination of more contemporary and plural cultural expressions of creativity, the internationalization of cultural and creative industries, intercultural dialogue and cultural development cooperation.

One of the goals of the action of the Secretariat of State for Culture in the 2012-2015 General Strategic Plan is to “promote culture as a key element of the external projection of the Marca ESPAÑA brand”. To further the internationalization of cultural and creative industries, it is necessary to take into account every
stage of the production process: from creation and production (support and protection of creators) to the dissemination, distribution and marketing of cultural assets and services. To eliminate redundancies and inefficiency, a database (INFOX) has been designed to provide information on the different agents of cultural action abroad. The progressive use of ICTs is essential for the external promotion of culture, the creation of cultural networks and the identification of gaps or new processes leading to the definition of new actions and channels for the internationalization of culture and its industries.

INTELLECTUAL PROPERTY

Although there are precedents dating back to the sixteenth century, the first Spanish law to recognize copyright clearly and extensively was published in 1847. Today, with regard to copyright and related rights, Spain is a Contracting Party to the Berne Convention among other international instruments adopted in this area. Its legislation is being continuously adapted to the new context of the cultural industries – which represent around 4% of GDP – and incorporates EU directives relating to these rights and respect for them, including in areas such as satellite broadcasting, cable retransmission and services of the information society.

Rights of use or other economic rights are collectively managed in Spain by eight non-profit organizations authorized to do so by the Ministry of Education, Culture and Sport, the oldest of which dates back to 1899.

9.7. SPORTS

SPORTS POLICY

The Common Law on Sports of 1990 (Ley 10/1990) regulated the legal framework for the practice of sport in Spain, attributing powers in nationwide and international competition to the State, and the organization of grassroots sport and competitions to foster and promote sport to the autonomous communities and local councils.

In this context, giving Barcelona the chance to organize the 1992 Olympic Games was the indispensable and necessary catalyst for the public authorities and the whole of society to make the qualitative leap towards the notion that sport could be the ideal scenario for projecting the culture and education of a modern country.

With the launch of the ADO (Olympic Sports Association) Plan, through which private sponsors would supplement public funding, a yardstick was established for subsidies and incentives to achieve top results. The contributions of the private sector through leading companies obtained good results, with the Spanish
Olympic team obtaining the best results in its history at the Barcelona Olympics: 22 medals.

New sponsors have since joined the ADO Plan over the course of the different Olympic cycles, and the National Sports Council (CSD) has set up a fund to provide aid to private non-professional sports clubs in order to offset their contribution to the top national sides.

The ADO Plan has undergone constant changes, the biggest of which was the consideration of the Olympic training programme as an event of exceptional public interest, which occurred for the first time in 2004 when it was included in the Common Law on Public Events Tax of 2004 (Ley 4/2004).

In the 2008-2012 Olympic cycle, the private institutions sponsoring the ADO signed on 5 March 2009 with an investment of €51.8 million. In absolute terms, this was €10.5 million less than for the Beijing 2008 Olympics. As in the previous cycle, all sports categories were included in the programme.

On 27 June 2005, the agreement to create and fund the Support Plan for the Paralympic Team (ADOP) was signed for the first time with an initial budget of €7.3 million, subsequently increased to €17 million. The Government adopted the proposal to create the plan because it considers that sport is a meeting point for all without barriers or exclusions.

The 2009-2012 ADOP had twenty sponsors that contributed €17.03 million, in addition to the €17 million from the Ministries of Health, Social Services and Equality, and Education, Culture and Sport. This was more than double the €7.3 million contributed in the first plan of 2005.

One of the hallmarks reinforcing Spain as a brand (Marca España) is its growing respect and admiration for Paralympic sports. Support for Paralympic sports has also been strengthened through corporate social responsibility policies: in 2013, numerous agreements were signed between the Paralympic Committee and brand names.

With regard to top-level sport, Central Government concludes pacts and agreements with the autonomous communities to provide the necessary resources for technical training programmes and scientific and medical support for high-performance athletes, as well as their inclusion in the education system and their full social and professional integration.

It has the following facilities to do this:

- Three multidisciplinary High Performance Centres (CARs):
  - The centre in Madrid has the highest number of top-level athletes in Spain. It has 150,000 square metres and is managed by the National Sports Council. Its tasks focus mainly on ensuring that Spanish athletes achieve the best sports and academic results as well as optimal socialization by the end of their scholarships at the CAR Madrid centre and the Joaquin Blume residence. The latter is located on the centre’s campus and incorpor-
rates an extension of the Ortega y Gasset school. There are 326 scholarships, divided among internal and external athletes. In recent years, the centre has dealt with 25 sports categories on a daily basis, including Paralympic athletes. It also attends to other categories on a temporary basis, as well as high-level concentrations and training courses.

– The High-Altitude Training Centre in Sierra Nevada (Granada), also owned by the National Sports Council, has top-level international sports facilities and a sports residence with the capacity for 188 individuals. It is located 2,320 metres above sea level near Granada. This means that many teams use its facilities for enhancing their athletic performance, since it is not appropriate to have sportspersons permanently concentrated there throughout the year. Since 2010, it has had a permanent concentration during the winter months for snow sports, which are coordinated by the Sierra Nevada Specialized Winter Sports Centre. It focuses on a range of sports and has facilities for more than twenty different sports categories.

– The Centro de Alto Rendimiento in Sant Cugat (Barcelona), opened in 1987, is a public undertaking owned by the regional Catalan government through an agreement with the National Sports Council. The performance of athletes from this high-performance centre has been steady and progressive during the sports seasons. The improvement has been especially noticeable in international competitions.

• Seven specialized high-performance centres (CEARs) for specific categories, with the same characteristics as the centres described above. The main one is the CEAR centre in León, which is owned by the National Sports Council. It was opened in August 2010 and is designed mainly for the athletics category, focusing especially on the throwing disciplines. Nevertheless, it also includes programmes from several Spanish sports federations.

• Forty-four Sports Technification Centres (CTD) and Specialized Sports Technification Centres (CETD), at which the autonomous governments, in collaboration with the National Sports Council, the Spanish sports federations and local councils, focus on improving the performance of their most outstanding young athletes in order to train them for the top level, keeping them as close as possible to the family home, helping them to develop in an appropriate social and educational environment, giving them specific help for their education and providing appropriate medical support.

The PROAD (Care Programme for High-Level Athletes), which launched in 2009, was so warmly received that the number of initial scholarships was slowly increased and within two to three years all athletes of these characteristics will be included. The PROAD strikes a balance between practising high-level sports and obtaining an education thanks to the

Source: Ministry of Education, Culture and Sport.
work of a qualified group of tutors. This programme was allocated a budget of €550,000 in 2013.

• One Sports Medicine Centre (CMD). Since it was set up more than forty years ago, this centre has become a benchmark for sports medicine. It has also been pioneering in the development of high-performance sports medicine in Spain, as the only national sports medicine centre. Sports medicine examinations are performed each year on more than 1,000 high-level Spanish athletes, which are complemented by visits to the specialties of Traumatology, Cardiology, Endocrinology, Anthropometry, Blood Tests, Rehabilitation and Physiology of Stress. Its tasks focus on studying and monitoring the high-performance athlete in terms of the functional assessment and protection of his/her health, complemented by research, promotion and intervention in medical protocols.

The goals of the Sports Medicine Centre, set out in the new Statute Law on Sport and Anti-doping Health (Ley Orgánica 3/2013) include protecting the health of high-performance athletes and enabling them to give their very best.

SPORTS INITIATIVES

In general, there has been a dramatic change in the strategic orientation of policies on sports infrastructure and facilities. To date, projects and human and financial resources were focused virtually entirely on direct investments and subsidies for sports facilities throughout Spain and on the support, maintenance and improvement of the facilities owned by the National Sports Council; it was merely a quantitative dimension put in place to create a network of facilities allowing the country to catch up in sports.

The current context, however, could not be more different: the number of facilities has increased from 25,000 in 1978 to nearly 100,000 at present, so the approach now focuses on modernizing and improving their quality and providing support to the business sector backing them.

It is necessary to foster the creation of coordinated policies between all public administrations and the pri-
In order to improve the management, quality and safety of sports facilities and provide support to the businesses behind the facilities, wholehearted support is offered to the research and development of products to improve the sector’s competitiveness through the Spanish Sports Industry Technology Platform (INESPORT), whose ultimate aim is to boost sports as an economic sector and transform it into jobs and a new source of revenue for the Spanish economy.

At State level, sports subsidies are granted through the National Sports Council, which directly implements the actions of Central Government. The Directorates-General for Sports of the governments of the autonomous communities and autonomous cities of Ceuta and Melilla, together with the provincial, island and local councils, do the same in their respective territories.

An important factor in sports success is the increase in private contributions to supplement public funding, providing financial support with the future in mind.

In accordance with the economic adjustment plans, Spanish sport was assigned a budget for the National Sports Council of €75,152,490 million in 2013, which represented a reduction of 38.09% from the previous year’s budget. Of this sum, €4,070,000 were allocated to the Spanish Agency for Health Protection in Sport.

In implementation of the Common Law on Sports (Ley 10/1990) and the Statute Law on Education (Ley Orgánica 2/2006), Royal Decree 1363/2007, of 24 October 2007, laying down the general structure of sports education in the special system, was passed to regulate sports education. The law, which was drafted with a broad consensus, seeks to provide sports technicians with the training to suit their professional profile and the tasks that they will perform.

The increase in the amount of sport played and the demand for the various categories, both competitive and otherwise, justify the need to regulate the training provided to technicians within an appropriate education framework and the necessary standardization throughout Spain. In this context, the National Sports Council has developed diverse regulations and official

The Spanish President receiving the world champions of motorcycling.

Source: Ministry of the Presidency
titles for Sports Technicians and Advanced Sports Technicians. Following this regulation, 21 Sports Technician titles and 17 Advanced Sports Technician titles have been published for 13 different sports, in addition to the training plans of different levels developed by 36 Spanish Sports Federations.

Through its “Women and Sport” Unit, the National Sports Council is implementing its own action plan to ensure full equality for women in sports. This has led to the development of the 2013-2016 Strategic Plan for Equal Opportunities (PEIO) in partnership with the Ministry of Health, Social Services and Equality. A key programme within this plan is the grants system for Spanish Sports Federations to develop women’s sport. Over 60% of federations now have specific “Women and Sport” programmes.

The Comprehensive Physical Activity and Sports Plan has been implemented to improve the health of the Spanish citizens and includes measures to combat sedentary lifestyles.

One of the indicators of the level of sport in a country is its involvement in protecting its athletes’ health. The Statute Law on Health Protection and Anti-Doping of 2006 (Ley Orgánica 7/2006) promotes scientific studies and technical support to ensure that the health impact on athletes subject to intense training is minimized as far as possible. The National Sports Council’s Sports Medicine Centre performs medical and sports monitoring on top-level Spanish athletes, providing them with medical and scientific support across the country through diverse centres in the autonomous communities, evidencing the excellent level of this specialization in Spain.

With the approval of the Common Law on Sports and the experience gained subsequently, Spain has become an international benchmark in the design of integrated security policies for large sporting events. It was nevertheless necessary to reinforce the legal coverage for penalties and actions to defend fair play and combat violence, racism, xenophobia and intolerance. The Common Law on Sports Violence and Racism
Doping control in sports is one of the areas in which Spain has been pioneering. Since 1963, it has participated in all international forums on this issue. One of the most prestigious doping control laboratories is located in Madrid, which was one of the first in Europe to be accredited by the International Olympic Committee. The resolute “zero tolerance” policy against doping was approved in 2006 with the enactment of the aforementioned Anti-Doping law, which criminalizes such practices among athletes.

(Ley 19/2007) was passed following the legislative initiatives adopted in the 2004-2008 term.

In this regard, frequent police operations have been conducted to dismantle numerous organized doping networks. In 2013 alone, fourteen police operations were carried out, which resulted in the arrest of 123 individuals. Spain’s specialized laboratories are also detecting new substances as they appear on the market.

On 12 July 2013, the new Statute Law on Sport and Anti-doping Health (Ley Orgánica 3/2013) came into force, marking a clear commitment to modernize the previous regulation. This law makes progress in understanding the protection of athlete health. It also seeks to structure the fight against doping using an integrated approach, regarding it as one of a series of elements of the system for protecting athlete health.

The Statute Law on Sport and Anti-doping Health makes changes to the organization of Central Government in connection with the fight against doping and the protection of health in sport by creating a new body, the Spanish Agency for Health Protection in Sport (AEPSAD), which will serve as an umbrella for the powers previously distributed among different entities under the system designed in accordance with Ley Orgánica 7/2006.

Internationally, the National Sports Council of Spain and the Spanish Agency for Health Protection in Sport, within their respective areas of competence, participate actively in meetings and the subsequent decision-making and adoption of agreements in the Euro-
pean Union, the Council of Europe, the United Nations and UNESCO and the World Anti-Doping Agency.

Through the National Anti-Doping Agency (now the Spanish Agency for Health Protection in Sport), cooperation with the representatives of the Executive Committee of WADA-AMA has been stepped to bring Spain’s anti-doping policy into line with international requirements. Evidence of this is the adoption of the above Statute Law on Sport and Anti-doping Health, one of the aims of which is to allow our legal system to adapt fully to the World Anti-Doping Code, whose last update was approved at the Fourth World Conference on Doping in Sport held in Johannesburg during November and which will come into force on 1 January 2015.

ORGANIZATION OF SPORTS EVENTS

More than 50 international events (World Championships, European Championships and World Cups) were organized in 2013. Of these, the most significant were the World Championships for Men’s Handball (Madrid and others), Hunting (Castillejo de Robledo) Women’s Ice Hockey, Div. II Group B (Puigcerdà), Lower categories of Karate (Guadalajara) and Swimming (Barcelona); the European Championships for Amateur Men’s Golf (Terrassa), Children’s Horse Jumping (Vejer de la Frontera), Women’s U18s Hockey (Santander), Offshore Powerboat Racing (Castelldefels), Absolute Paddle (Various), Olympic Rowing (Seville), Universal Trap (Las Gabias) and Middle Distance Triathlon (Calella); and trials for the Formula 1 World Cups or Champion-

Source: Ministry of Education, Culture and Sport.

Jon Santacana, Paralympic skiing.

Source: Ministry of Education, Culture and Sport.

Joel González, Olympic gold medallist in Taekwondo at the London Olympic Games.
ships (Montmeló) and rallies (Bajo Aragón and Costa Daurada), Snowboarding and Freestyle (Sierra Nevada), Trampolining (Valladolid), FEI National Cup Jumping (Barcelona), Female Judo (Madrid), MotoGP (Jerez, Montmeló, Alcañiz and Valencia), Canoe Slalom (La Seo de Urgell), Olympic Shooting (Las Gabias), Triathlon (Madrid, Palamós and Alicante) and Olympic Sailing (Palma de Mallorca).

Capacity for organizing top-level events is an increasingly decisive factor when it comes to defining the sports category of a country.

USEFUL LINKS

Ministry of Agriculture, Food and Environment: www.magrama.gob.es
Biodiversity Foundation: www.fundacion-biodiversidad.es
River Basin Management Bodies:
  Cantábrico: www.chcantabrico.es
  Duero: www.chduero.es
  Ebro: www.chebro.es
  Guadalquivir: www.chguadalquivir.es
  Guadiana: www.chguadiana.es
  Júcar: www.chj.es
  Miño-Sil: www.chminosil.es
  Segura: www.chsegura.es
  Tajo: www.chtajo.es
Ministry of Education, Culture and Sport: www.mecd.gob.es
Hispanic Digital Library: www.bne.es/es/Catalogos/BibliotecaDigital
National Library of Spain: www.bne.es
Reina Sofia National Art Museum: www.museoreinasofia.es
The Prado National Museum: www.museodelprado.es
The Digital Network of Spanish Museum Collections: www.ceres.mcu.es
Archives Portal Spain: www.pares.mcu.es
National Sports Council: www.csd.gob.es
Spanish Agency for Health Protection in Sport: www.aea.gob.es
Ministry of Development: www.fomento.gob.es
Railway Infrastructure Manager: www.adif.es
National Air Safety Agency (AESA): www.seguridaerea.es
RENFE: www.renfe.es
Aena Group: www.aena.es
Spanish State Ports: www.puertos.es
Maritime Search and Rescue:  
www.salvamentomaritimo.es

Sociological Research Centre (CIS): www.cis.es

Media Research Association (AIMC): www.aimc.es


Audit Bureau of Circulations (OJD): www.ojd.es

National Research, Development and Innovation Plan  
www.idi.mineco.gob.es

Centre for Energy, Environmental and Technological Research (CIEMAT): www.ciemat.es

Centre for Technological and Industrial Development (CDTI): www.cdti.es

Spanish Council for Scientific Research (CSIC):  
www.csic.es

Spanish Foundation for Science and Technology:  
www.fecyt.es

Icono (Spanish Innovation and Knowledge Observatory): www.icono.fecyt.es

Astrophysics Institute of the Canary Islands (IAC): www.iac.es

Carlos III Institute of Health (ISCIII): www.isciii.es

Spanish Institute of Oceanography (IEO): www.ieo.es

National Geographic Institute (IGN): www.ign.es

Geological and Mining Institute of Spain (IGME): www.igme.es

National Institute for Agricultural and Food Research and Technology (INIA): www.inia.es
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