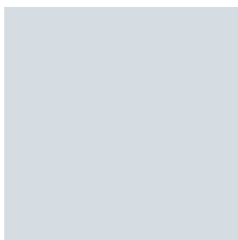


2009

today



Acknowledgements

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Spain today

2009

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Spain today

2009



Madrid
MINISTRY OF THE PRESIDENCY

FOREWORD

I am delighted to present the third edition, in this new era, of the book *Spain Today 2009*, which once again has been published to offer an up-to-date overview of our country. Its essential aim is to project a modern vision of Spain, providing information on the numerous political, cultural and economic changes we have experienced while simultaneously attempting to outline the major traits that characterise our society and nation for those less familiar with Spain.

In this new edition, as in the past, we have tried to reflect the main social, cultural and political advances of recent years, highlighting certain issues such as immigration, social rights and equality and offering details on the policies pursued by ministries which have either been re-organised or recently created, such as the Ministries of Housing, Equality and Science and Innovation.

In the chapter on foreign policy, we have focused especially on the European Union due to its importance as an international player and to the proximity of our presidency in 2010. We have also included ample coverage of economic issues, particularly with regard to how Spain is addressing the economic and financial crisis after almost a decade of steady growth.

Just as the printing of this book was almost finished, there was a government reshuffle resulting in a new structure headed by three vice-presidencies and an adaptation of the functions of the 17 ministries. As a consequence of the reshuffle, five new members have joined the Cabinet.

The purpose of this ministerial reshuffle centres around three principles: economic recovery and employment; reinforcement of Spain's social and territorial cohesion; and, lastly, dealing with the reforms and changes required by the forthcoming years.

All of these changes are reflected in this book, which is designed to be an accurate guide for readers – particularly those from other nations – who are curious about and interested in what is happening in Spain today.



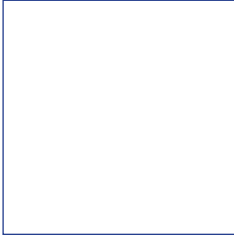
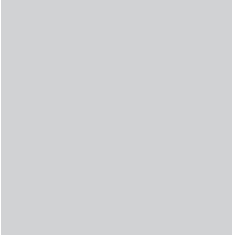
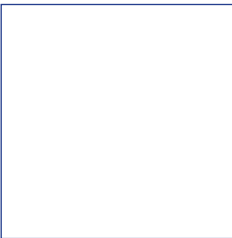
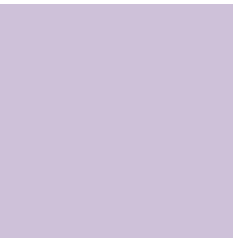
NIEVES GOICOECHEA
Secretary of State for Communications

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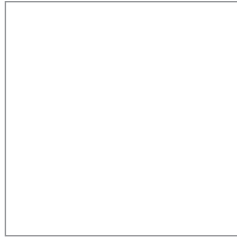
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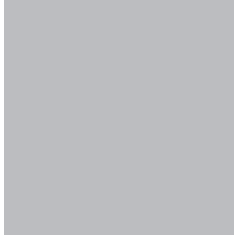
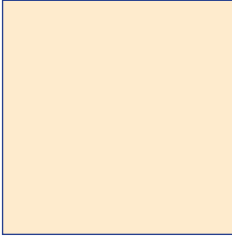
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CHAPTER I



THE COUNTRY
AND ITS
POPULATION



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Most of Spain's national territory is located on the Iberian Peninsula – which it shares with Portugal and Andorra – situated in the southwest corner of Europe. However it also comprises the Canary Islands and the Balearics, a few smaller islands, and the cities of Ceuta and Melilla in North Africa.

With a surface area of 506,030 square kilometres, Spain is among the fifty largest countries in the world. The mainland territories occupy an area of 493,514 square kilometres; the Balearic Islands, 4,992 square kilometres; the Canary Islands, 7,492 square kilometres; and the cities of Ceuta and Melilla, 32 square kilometres.

The geological history of the Iberian Peninsula has given rise to mountains organised in large chains surrounding a high inland plateau situated at over 600 metres above average sea level. As a result of this layout, the peninsula is characterised by a rich variety of unique enclaves and natural environments. If there is one characteristic that differentiates the surface of the peninsula from the rest of Europe, it is clearly its diversity.

Due to its geographic location, Spain is influenced by two very different seas: the Atlantic Ocean, vast and open; and the Mediterranean Sea, whose only physical connection to the former is the narrow opening of the Straits of Gibraltar, which permits the exchange of water between the two masses of very different salinity and temperature. The Spanish coastline is 5,755 kilometres long.

Topography

The surface of Spain is extremely varied and characterised by a relatively high average al-

titude – over 600 metres above sea level. As such, it is the second-highest country in Europe, surpassed only by Switzerland, where the average altitude is 1,300 metres. This is due to the presence at the centre of the peninsula of a vast plateau, known as the Meseta, divided into two smaller plateaus by the Sistema Central mountain range. A series of other mountain ranges around the plateau and yet others located on the periphery of the peninsula round out the topography. There are two depressions – the Ebro and the Guadalquivir river valleys – located between the Meseta and the peripheral ranges. The mountain ranges, which except for the Sistema Ibérico (Iberian System) and the Cordilleras Costero-Catalanas (Catalonian-Coastal Ranges) generally run from west to east exert a tremendous influence on the continental climate by creating natural barriers against banks of moist air from the Atlantic Ocean, which would otherwise temper inland temperatures.

Rivers

The natural fluvial regime of Spain's rivers mainly depends on the pattern of precipitation, where its waters originate and transform into surface water or groundwater runoff. However, this natural fluvial pattern is affected by human action in the form of infrastructures used to regulate and modify its temporal distribution, as well as other types of actions that remove volumes of water from rivers.

The diversity of climates in Spain, together with other morphological and geological factors, explains the enormous contrasts in its present-day hydrographical composition.

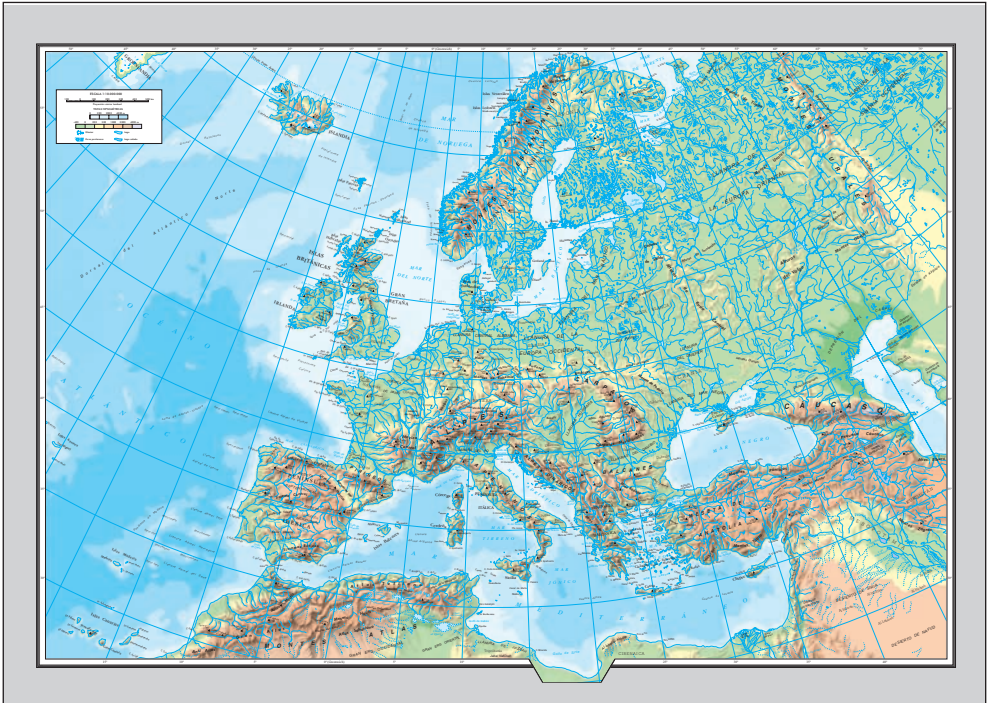
Climate

Although the climates in Spain are difficult to classify because of their heterogeneity, it is possible to distinguish the following types:

- Atlantic or Oceanic Climate
- Continental Climate
- Mediterranean Climate
- Mediterranean Mountain Climate



Physical Map of the World.

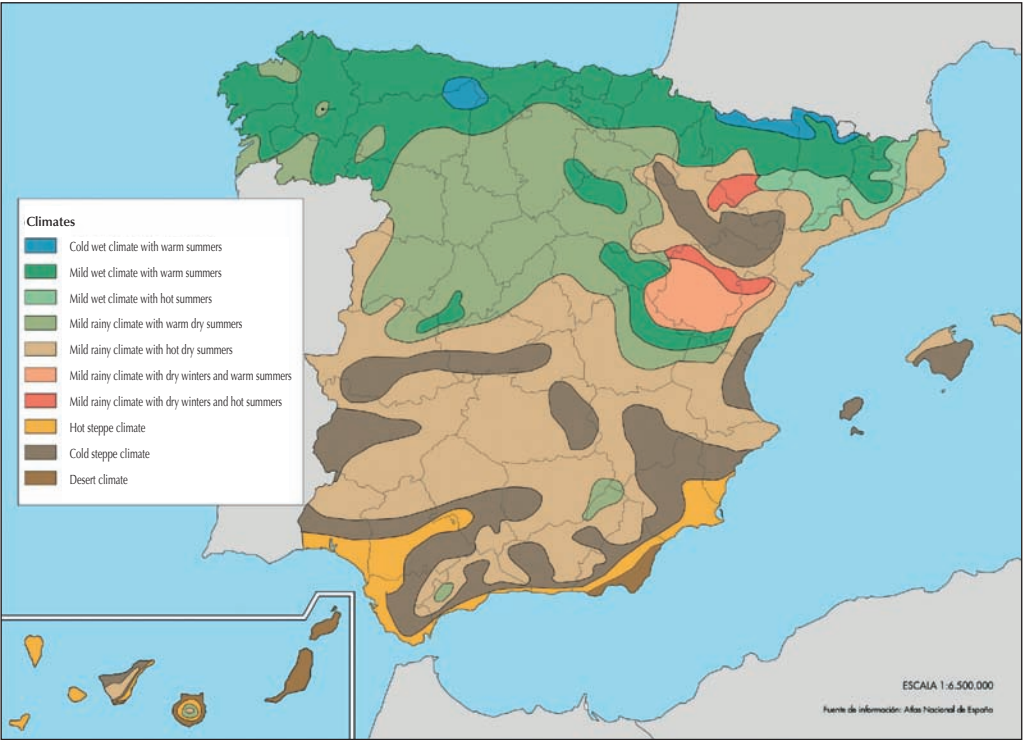


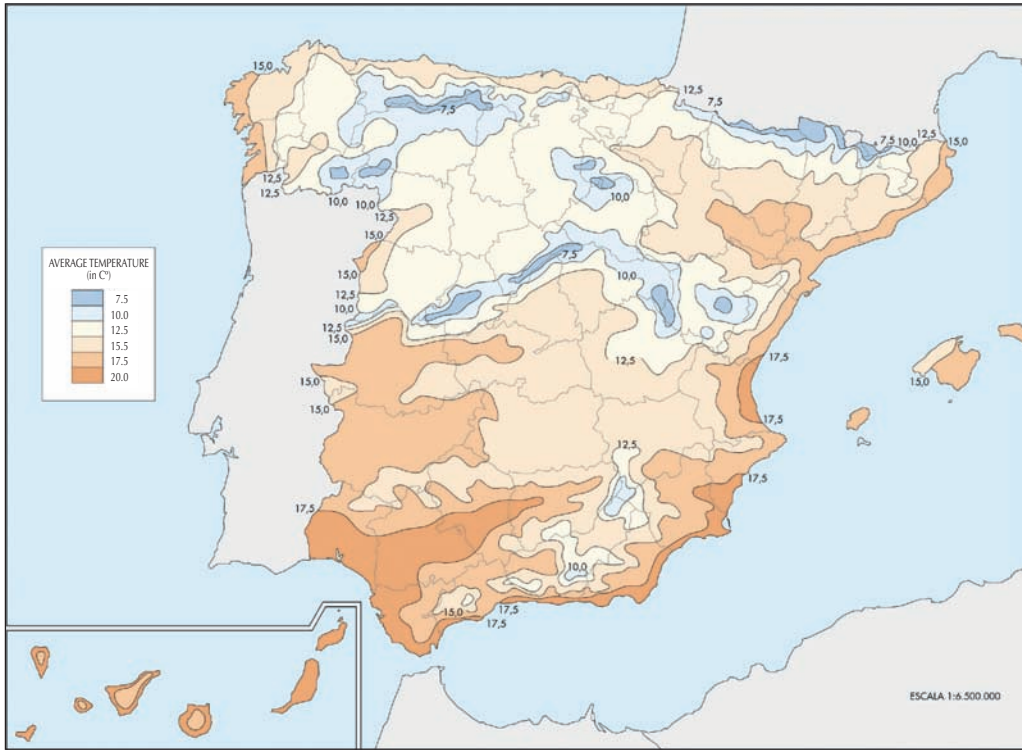
Physical Map of Europe.



Physical Map of Spain.

Types of Climate.





Average annual temperatures.

There are other smaller but nevertheless significant climate zones, as follows:

- Cold Steppe Climate
- Hot Steppe Climate
- Subtropical Climates

With regard to temperature, the most notable differences are between the inland and the peripheral areas. In the former, where temperatures are influenced by the continental factor, the winters are very cold, with average January temperatures ranging between 0 and 3°C, while the summers are hot, with an average of 24°C in July and August. Meanwhile, in the peripheral areas the winters are mild, with an average of 10°C in January, and an average annual temperature, especially on the Mediterranean coast, of between 16 and 18°C.

Precipitation is also marked by sharp contrasts: the north and northwest, which are directly influenced by the Atlantic, have abundant rainfall and no distinguishable dry season. This area is sometimes known as La España

Húmeda, or Wet Spain, with annual precipitation exceeding 600 mm and rising occasionally to 2,000 mm. The remainder of the country is predominantly dry, with an annual precipitation of less than 600 mm. The south-east of Spain is semi-arid, with annual precipitation below 300 mm and a semi-desert landscape that at times is reminiscent of the Sahara.

Vegetation

Spain's rich diversity in terms of its climate, petrography and topography has given rise to the formation of clearly defined ecological compartments, which in turn have led to the development of a broad spectrum of vegetation types. Another factor is the intensity of human activity, which has gradually transformed nature since the Neolithic period, often adding to the already diverse array of habitats.

Under natural conditions, virtually the entire country would be covered by forests; only certain enclaves in the highest mountains and a few extremely dry areas in the southeast and in the Canary Islands do not lend themselves to the natural development of this type of vegetation.

However, nowadays the vegetation cover in Spain resembles a type of mosaic in which the natural formations of trees, shrubs and herbaceous plants are distributed unevenly throughout the land alongside crop fields and reforested areas. This landscape variety is clearly reflected in the equally varied flora, which comprises approximately eight thousand species and includes plants from the whole of Europe and North Africa. Hence, the European beech co-exists with the Mediterranean holm oak, Aleppo pine, African palm and even the Australian eucalyptus.

The boundary between the wet and dry regions of Spain also separates two types of peninsular landscapes: that of Green Spain, with its prevailing leafy evergreens and vastly varying meadowlands, and the landscape of Mediterranean Spain, characterised by expanses of scrubland and xerophilic plant life – plants capable of withstanding the summer droughts – alongside the ever-diminishing woodlands. In more arid areas – La Mancha, Extremadura and, particularly, the Ebro Valley – holm oaks have been replaced by a sparse cover of dry, thorny bushes.

The Mediterranean coastal areas display a more complex variety of vegetation. Here, the

holm oaks and cork oaks are joined, even on the coast itself, by a mass of coniferous trees dominated by the Aleppo pine, which on higher ground is replaced by other types of conifers more adapted to mountain conditions. By contrast, a desert-like landscape extends along the Mediterranean shores of south-eastern Murcia and Andalusia. Here, exotic species such as European fan palms, prickly pears and pitas are frequently found, together with more occasional compact or scattered palm groves.

Forests, natural or otherwise, currently occupy 15 million hectares (approximately 30% of the land), the most characteristic being the Atlantic variety, dominated by oaks and other leafy evergreens; gallery forests, present in 20% of the riverbanks in Spain; Mediterranean forests in their evergreen, sclerophyll and mountain varieties; and sub-alpine coniferous forests, with alternating mountain scrub and wet or semi-wet meadows.

In certain areas with a temperate climate and abundant rainfall, subtropical-lauroid vegetation is still present. So also is the continental steppe vegetation of Eastern Mediterranean and Asian origin, as well as Euro-Siberian vegetation represented by certain evergreen forests, heaths, hay fields and a few arctic-alpine plants and similar vestiges, which grow in the dampest and highest Mediterranean mountain ranges.

This richly diverse vegetation is matched by a great variety of coastal ecosystems, including intertidal areas, beaches, cliffs, sand dunes, salt marshes, salt steppes, etc. Spain

Galician landscape in Ourense province.



At 3,718 metres, El Teide (Tenerife) is the highest peak in Spain.



NATIONAL PARKS			
NATIONAL PARK	AUTONOMOUS REGION	PROVINCE	Total Surface Area (hectares)
Aigüestortes i Estany de Sant Maurici	Catalonia	Lleida	14,119
Atlantic Isles of Galicia	Galicia	Pontevedra, A Coruña	8,480
Cabañeros	Castile-La Mancha	Ciudad Real, Toledo	38,996
Cabrera Archipelago	Balearic Islands	Balearic Islands	10,021
Doñana	Andalusia	Huelva, Seville	50,720
Garajonay	Canary Islands	Santa Cruz de Tenerife	3,984
Monfragüe	Extremadura	Cáceres	18,118
Ordesa and Monte Perdido	Aragon	Huesca	15,608
Picos de Europa	Asturias, Castile and Leon, Cantabria	Asturias, Leon, Cantabria	64,660
Sierra Nevada	Andalusia	Granada, Almería	86,208
Tablas de Daimiel	Castile-La Mancha	Ciudad Real	1,928
Taburiente Crater	Canary Islands	Santa Cruz de Tenerife	4,690
Teide	Canary Islands	Santa Cruz de Tenerife	18,990
Timanfaya	Canary Islands	Las Palmas	5,107

Source: Autonomous Organisation of National Parks, Ministry of the Environment, 2005

also boasts a similarly rich variety of fresh-water habitats, with 75,000 kilometres of rivers and at least 1,500 wetlands, representing 0.22% of the national territory. Although usually fairly small, the wetlands are hugely important as centres of biological diversity.

However, land use in Spain is currently dominated by farming, stockbreeding and forestry, occupying over 42 million hectares or 80% of the country. Of this area, just over 30% is used for dry-farmed crops, 30% for forestry and 12% for grazing and plant species requiring little water. Irrigated crops occupy 7% of the land. And yet, even in these areas the flora is not without interest: many plants endemic to Spain grow there and a number of animal species are able to live there. In addition to all of this, there is another totally altered and irretrievable habitat: 8% of the land is covered by urban areas and infrastructures.

Wildlife

There are estimated to be between 50,000 and 60,000 wildlife species in Spain. Of these, 770 are vertebrates (excluding marine fish) and the rest invertebrates. Both types represent

over 50% of the total number of species in each group present in the European Union, and, once again, the merits of this biological diversity are multiplied by the endemic factor. This is particularly true of the Canary Islands, where 44% of the wildlife – or 3,066 of the 6,893 animal species present – are endemic.

The Iberian Peninsula, Ceuta and the two archipelagos are also significant in terms of migrations, receiving a vast quantity of animals. Abundant species that cannot strictly be described as Spanish wildlife – mainly birds but also marine fish and mammals – use the country as a transitional territory between their northern breeding grounds and their Mediterranean and Southern Sahara wintering places, or between their reproductive grounds in the Mediterranean and their resting places in the Atlantic.

Endangered species are increasingly and more efficiently protected in numerous nature reserves. This is the case, for example, of the brown bear, which lives in evergreen and mixed mountain forests, the Iberian lynx, found in Mediterranean forests and meadowland with thick undergrowth, the European mink, the grouse and the Spanish imperial eagle.



Left, a group of Spanish ibex and, above, an imperial eagle and chick in their nest. Both are protected species.

The southern part of the peninsula is home to countless African-type wildlife species, while on the Meseta or central plateau the most predominant species are the partridge, quail, wolf and birds such as the great bustard, sand grouse, imperial sand grouse and various birds of prey. The typically Spanish sub-species include the Spanish deer, the wild cat, the weasel and the Andalusian wild boar. This group also includes the Iberian black pig, although it is not exclusive to Spain, and, through the mutations in its domestication, the fighting bull.

The marine wildlife is rich and varied. The Atlantic offers a greater diversity of fish than the Mediterranean, especially along the coast of Galicia, with large continental platforms, abundance of plankton and, due to strong tides, the frequent renewal of its waters. In the Bay of Biscay, which is deeper, the fish live further away from the coast. The southern Atlantic coast is characterised by abundant migrant fish, such as the tunas that lay their eggs there en route to the Mediterranean. The endangered Mediterranean monk seal fares well on the rocky coasts least altered by human activity and with abundant islets and caves. However, the excessive hunting of large cetaceans has impoverished Spanish wildlife in this respect, and nowadays it is rare to see dolphins, sperm whales and porpoises in the seas that surround the peninsula.

Minerals

Iberia, Hesperia or Hispania – the different names by which Spain was known in Antiquity – was famous for its natural wealth, and for the abundance and variety of its mineral resources in particular. In fact, such was this fame that it attracted the attention of conquering peoples and became the battle field on which Carthage and Rome confronted each other. Even as late as the beginning of the 20th century, Spain still boasted several of the world's most important mineral deposits, and the economic development of certain regions, such as the Basque Country and Asturias, was based on their mineral wealth. Although nowadays the situation has changed, Spain still remains one of the richest countries in Europe in terms of its mineral wealth.

Spanish mineral production – even excluding energy production – is characterised by its diversity. There is practically no mineral absent from Spanish soil, although of the approximately one hundred products exploited, the only significant volumes produced are generated by iron, various pyrites, zinc, copper and lead (among metal minerals) and refractory argil, bentonite, quartz, fluorite, glauberite, grain magnetite, rock and sea salt, potassium salts and sepiolite (among non-metallic minerals).

Although highly varied, Spain's metal mineral production is insufficient to meet

the country's needs. By contrast, non-metal minerals are produced to a surplus, exceeding domestic demand.

POPULATION

The Resident Population in Spain

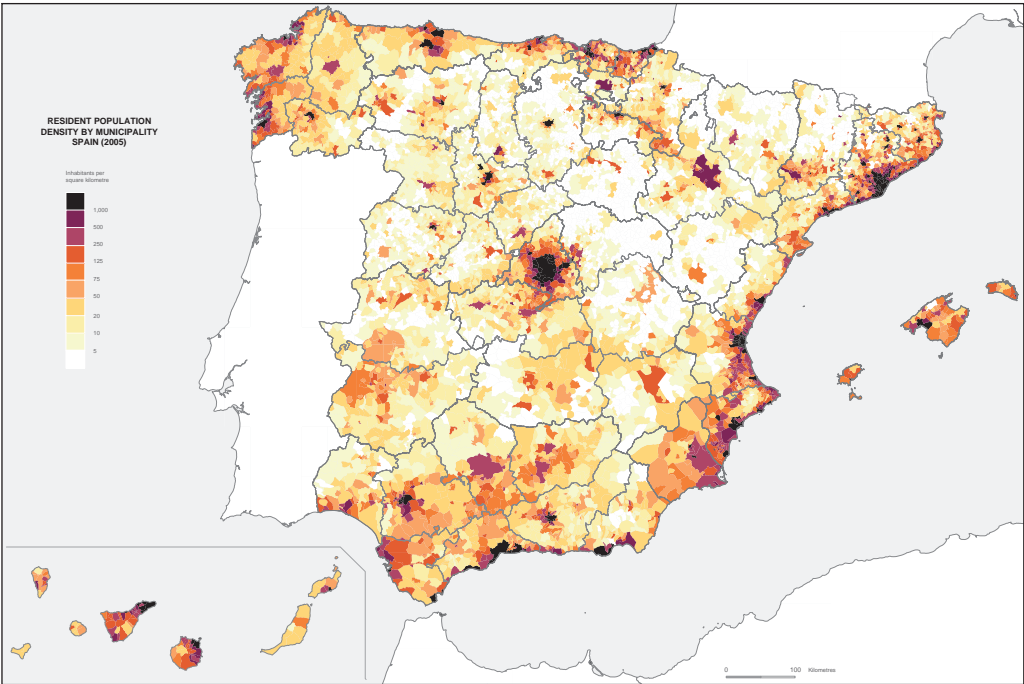
In recent years the resident population in Spain has begun an unexpected recovery. At the beginning of the 1990s, demographers and other experts announced that the population showed a tendency to decline and that the figure of 40 million inhabitants would therefore not be reached in the short term. However, the massive influx of immigrants has overturned these projections and the resident population in Spain has not only broken through the 40 million threshold but now, at the beginning of the 21st century, continues to grow.

In fact, according to the official figures from the municipal registers, for the first time ever Spain's resident population has surpassed the 44 million mark. Hence, on 1 January 2005, Spain was home to 44,108,530 people, of whom 3,730,610 were non-nationals.

This barrier of 44 million inhabitants was overcome when the resident population in Spain rose by 910,846 in 2004 – a record growth since population data began to be collected.

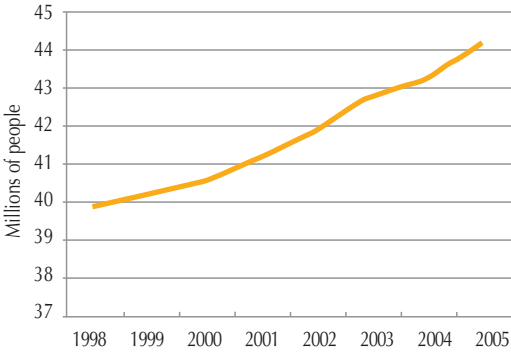
In relative terms, the annual increase was 2.1%. This strong growth in the number of inhabitants is mainly explained by the 696,284 foreign citizens who enrolled on the municipal register, representing 76.4% of the total population growth in Spain. The figure for new enrolments by Spanish nationals was 214,562.

By gender, 50.6% of the resident population in Spain are women and 49.4% men. By age, 15.2% of the people registered are un-

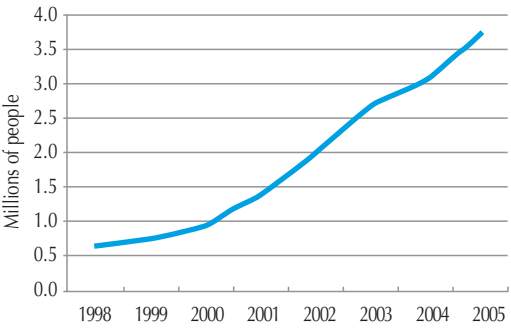


Population density, 2005.

EVOLUTION OF THE POPULATION



FOREIGN POPULATION



der the age of 16, 44.8% are aged between 16 and 44, and 40% are over 45 years old.

The Evolution of the Population

A look back over recent years in the evolution of the population reveals that there has been a gentle but sustained growth since 1999, with a marked acceleration in recent years due mainly to the phenomenon of immigration.

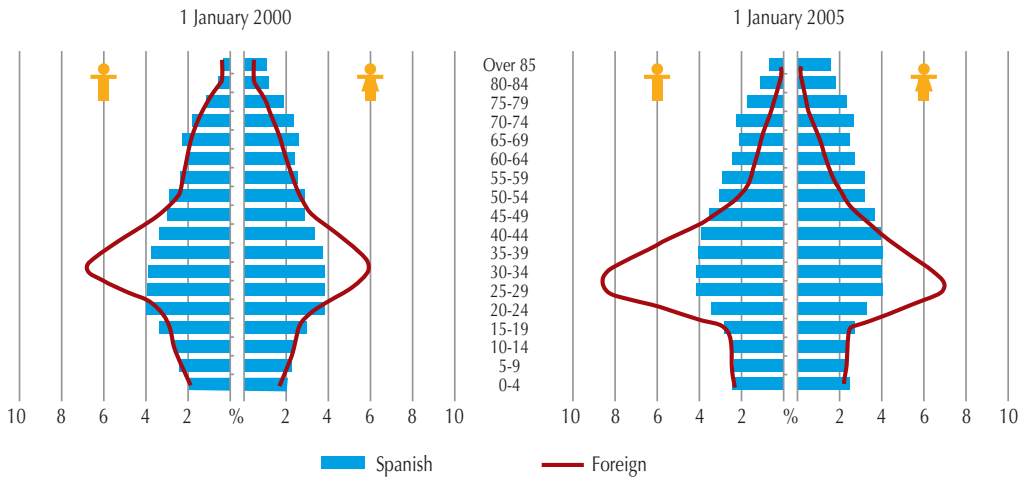
According to data from Spanish Statistical Office (INE) relating to the municipal register revisions of 1 January, the Spanish population rose from 40.2 million in 1999 to 44.1 million in 2005, an increase of 9.7%. During the same period, the resident foreign population quintupled and now represents 8.5% of the total population.

An analysis of the population pyramids in Spain between 2000 and 2005 reveals a broadening of the central segment due to the arrival of young foreigners, which has slowed down the ageing of the population.

By gender, there is a predominance of women in the group of Spanish nationals over 70, and a predominance of men in the young foreigners group.

In 2004, the natural population increase (calculated as the difference between the

SPANISH AND FOREIGN POPULATION PYRAMID



number of births and deaths) was the highest for the last five years. A geographical analysis of this phenomenon clearly reveals a greater natural increase in the central regions of Spain and around the Mediterranean coast which are precisely the regions attracting the most immigrants. Specifically, the most notable increases occurred in the autonomous region of Madrid (28,734 additional inhabitants), Andalusia (25,986) and Catalonia (19,252).

By contrast, Galicia, Castile and Leon Asturias and Aragon show the most negative natural increases.

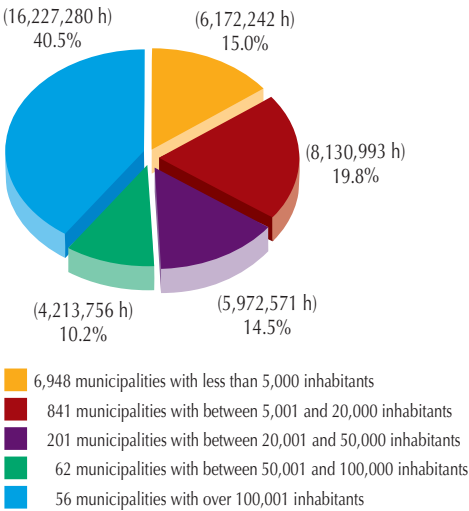
The Resident Population by Autonomous Region

The autonomous regions with the highest growth figures between 1 January 2004 and 1 January 2005 were Catalonia (with an additional 181,887 inhabitants), Andalusia (162,281), Madrid (159,314) and Valencia (149,145). The smallest growth occurred in Asturias (2,874),

POPULATION BY AUTONOMOUS REGION	
Total	44,108,530
Andalusia	7,849,799
Aragon	1,269,027
Asturias	1,076,635
Balearic Islands	983,131
Canary Islands	1,968,280
Cantabria	562,309
Castile and Leon	2,510,849
Castile-La Mancha	1,894,667
Catalonia	6,995,206
Valencia	4,692,449
Extremadura	1,083,879
Galicia	2,762,198
Madrid	5,964,143
Murcia	1,335,792
Navarre	593,472
Basque Country	2,124,846
Rioja (La)	301,084
Ceuta (Autonomous City)	75,276
Melilla (Autonomous City)	65,488

Figures as of 1-1-2005. Unit: persons.

TOTAL INHABITANTS BY TYPE OF MUNICIPALITY



Population figures as of 01/01/2001.
Source: Register of Local Entities (Ministry of Public Administration), Spanish Statistical Office.

Cantabria (7,525) and La Rioja (7,531). In the autonomous city of Melilla the population fell by 2,528.

These figures demonstrate that the population continues to grow along the Mediterranean coast and in the autonomous regions of Madrid and Catalonia. Meanwhile, the inland and northern regions in general have less population weight in the nationwide analysis.

The resident population in Spain is not distributed evenly around the country. Spain's average population density is 87 inhabitants per square kilometre, but this varies greatly from one autonomous region to another.

The highest population densities occur in Madrid (743 inhabitants/km²), the Basque Country (300 inhabitants/km²) and the Canary Islands (264 inhabitants/km²). The regions at the other end of the scale are Castile-La Mancha (24 inhabitants/km²) and Extremadura (26 inhabitants/km²).

The Foreign Population

Following the sharp increases of recent years, the proportion of foreign nationals now living

in Spain is 8.5% of the total population. In 2004 the number of immigrants rose by nearly 700,000 people, the highest annual increase ever recorded in Spain.

By nationality, over the last three years Moroccans and Ecuadoreans have fought for first place at the top of the list, way ahead of all the other countries. According to the municipal register figures for 1 January 2005, the highest number of immigrants come from Morocco and has now surpassed the half-million mark. Ecuadoreans are not far behind.

The nationality that experienced the highest growth in absolute terms in the year 2004 was Romanian. The citizens of this country now represent 8.5% of the total foreign population in Spain and have climbed to third position on the list of countries of immigrant origin, displacing others with a greater immigrant tradition in Spain, such as Colombia, the United Kingdom, Argentina and Germany.

By gender, there are a greater proportion of women among the Latin American nationalities, while men are predominant among African nationalities and, to a lesser degree, Eastern European and Asian nationalities.

The Foreign Population by Autonomous Region

The autonomous regions with the highest proportion of foreign citizens are the Balearic Islands (where 15.9% of the population is non-

Spanish), Madrid (13.1%), Valencia (12.4%), Murcia (12.4%) and Catalonia (11.3%).

By contrast, the regions with the smallest proportion of non-Spanish nationals are Extremadura (2.3%), Asturias (2.5%) and Galicia (2.5%).

Natural Population Movements

The Spanish birth rate continues the slow recovery initiated at the beginning of the 21st century. Hence, the crude birth rate (the number of live births per 1,000 inhabitants) reached 10.6 – 1.2 points higher than the previous year.

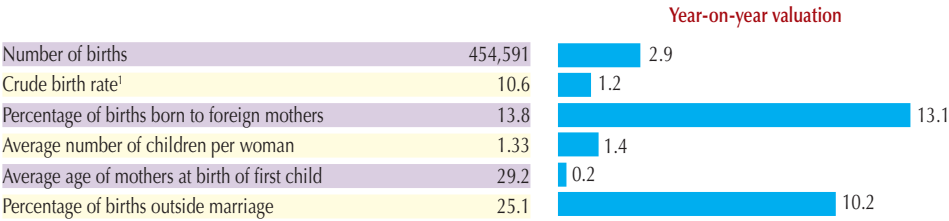
The average number of children per woman also grew and now stands at 1.33 – the highest figure since 1993. This has occurred despite the fact that, on average, women give birth to their first child increasingly later, currently at around age 30. Despite this increase, however, the average number of children per woman is still way below 2.1, the level that would guarantee the long-term replacement of the population.

In 2004 there were 454,591 births, up by 12,710 from 2003. This increase was mainly due to the fertility rate among foreign mothers, which continues to grow. Births to non-Spanish mothers represented 13.8% of the total in 2004, as compared with 12.2% in 2003 and 10.6% in 2002.

PREDOMINANT NATIONALITIES. 2005

	Total Foreign Nationals	% of total	% women	Year-on-year valuation
Total nationality	3,730,610	100.0	46.6	22.9
Morocco	511,294	13.7	33.3	21.6
Ecuador	497,799	13.3	51.4	4.6
Romania	317,366	8.5	45.4	52.6
Colombia	271,239	7.3	56.6	9.0
United Kingdom	227,187	6.1	49.4	30.0
Argentina	152,975	4.1	49.3	16.9
Germany	133,588	3.6	49.5	13.9
Bolivia	97,947	2.6	55.6	87.1
Italy	95,377	2.6	40.6	23.7
China	87,731	2.4	44.9	40.4
Peru	85,029	2.3	53.8	23.9
France	77,791	2.1	50.8	16.4
Portugal	66,236	1.8	42.5	18.8

MAIN BIRTH AND FERTILITY RATE INDICATORS. 2004



¹ Crude birth rate: number of live births per 1,000 inhabitants.

Of the total births to foreign mothers, 23.8% had a Spanish father. By nationality, the highest number of births to foreign mothers – 20.8% of the total – was to Moroccan women.

Another notable phenomenon is that the proportion of children born to unmarried mothers continues to rise. In 2004 one in four children were born outside of marriage, double the figure for 1995. The proportion of extramarital births is higher among foreign mothers (42.4%) than Spanish mothers (25.1%).

Mortality and Life Expectancy

The mortality rate (calculated as the number of deaths per 1,000 inhabitants) fell in the year 2004 to 8.71. The number of deaths recorded that year was 371,934, down by 12,894 on 2003.

The figure for foreign deaths was 9,399. Of these, almost three out of four corresponded to European Union nationals, who are generally older than other foreign nationals residing in Spain.

The infant mortality rate continues the downward trend initiated in the 1970s, when it was at almost 20 deaths per 1,000 inhabit-

ants. By 2004 this rate had dropped to four deaths per 1,000 births, half a point lower than the European Union average.

Meanwhile, life expectancy continues to rise. In 2004 it was 76.7 for men and 83.2 for women.

Marriages

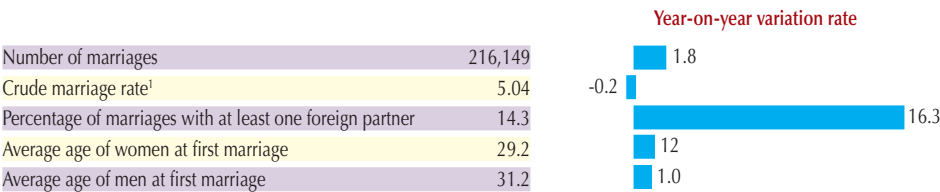
Spain has not been unaffected by the phenomenon experienced throughout Europe of postponing the age of marriage. In 2004 the average age at which men married was 33, and for women, for the first time ever, over 30. In 1975, men married at 27 and women at 24.

However, despite marrying later, Spaniards are still marrying at the same rate. The crude marriage rate (the number of marriages per 1,000 inhabitants) was 5.04 in 2004, compared with 5.2 a decade earlier. Both rates, however, are well below the figure of 7.6 obtained in 1975.

Postponement in the age of marriage is clearly affecting the above-mentioned postponement in childbearing.

In 14.3% of the 216,149 marriages that took place in 2004, at least one of the partners

MARRIAGE RATE. MAIN INDICATORS. 2004



¹Crude marriage rate: number of marriages per 1,000 inhabitants.

was a foreign national. Of these, 43.9% were marriages between Spanish men and foreign women, 29.3% between Spanish women and foreign men, and 26.8% between two foreign nationals. These figures suggest that immigrants tend to marry Spaniards rather than nationals of other countries.

With regard to marriage ceremonies, the civil variety is becoming increasingly more popular, to the detriment of religious weddings. Between 1996 and 2004 the percentage of civil marriage ceremonies rose from 23% to 37%.

Changes in Household Composition

Spanish households have changed considerably in both structure and size since the late 20th century. This is largely explained by the increase in divorces and separations, the decrease in the average number of children, the postponement in offspring gaining independence and the increase in the number of elderly people, plus a variety of less important factors.

As a result of these various phenomena, the size of Spanish households is declining. According to the census data, average household size dropped from 3.2 people in 1991 to 2.9 in 2001. Similarly, the percentage of households with six or more people halved.

Meanwhile, the number of one-person households has almost doubled. This is mainly due to the following three reasons: the number of single people living alone has doubled; the number of women over 65 and

living alone has risen by 50%; and the increase in marriage breakdowns has produced over 270,000 single-person households occupied by men or women who are either separated or divorced.

After single-person households, the predominant model in Spain is the household occupied by a couple and two children (17.7% of the total), closely followed by the childless couple model (17.3%).

Couples with three or more children continue to decline significantly. Only 3.6% of the couples with children are remade families – a biological parent and a stepparent with children from other marriages. However, this indicator is likely to grow in coming years as a result of the upward trend in the number of divorces and separations.

The Young and the Elderly

The age at which young people cease to be dependent on their parents continues to rise. According to the census conducted by the Spanish Statistical Office (INE) in 2001, almost four out of ten people between the ages of 25 and 34 are still not independent. This affects men more than women. In fact, 43.5% of men in the 25-34 age group still live with their parents, as compared to 31.7% of women in the same age group.

The number of elderly people rose sharply between the two most recent censuses (1991 and 2001). Hence, the population over age 65 has grown by 26%. Of this figure, 1.3 million people live alone.

VARIOUS INDICATORS FOR THE COMPOSITION OF SPANISH HOUSEHOLDS

	2001	variation 2001/1991 (%)
Number of households	14,187,169	19.7
Single-person households	2,876,572	81.9
Average household size (persons)	2.9	-9.4
Young single people between 25 and 34 living alone	346,290	208.7
Young people between 25 and 34 living with parents	2,587,867	51.2
Childless couples	2,448,542	22.3
Couples with 3 or more children	853,831	-41.7
Remade families	232,863	—
Cohabiting couples	563,785	155.0
People aged 65 or over	6,796,936	26.6
People aged 85 or over living alone	199,362	160.0

Source: Population and Household Censuses 2001, Spanish Statistical Office.

More than half the number of men over 65 are married, whereas this is the case of only one in ten women in the same age group. The percentage of widows (79%) is almost double that of widowers (40%).

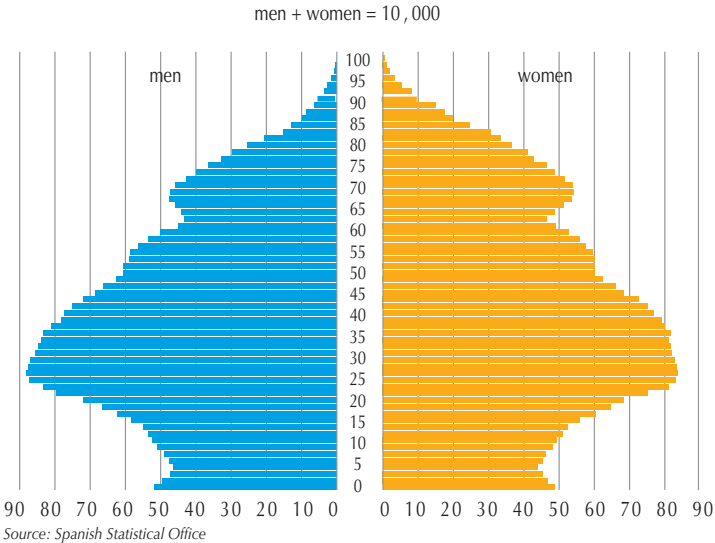
Population Projections

A knowledge of the future population, broken down at least by gender and age, is clearly vital for rational decision-making in a

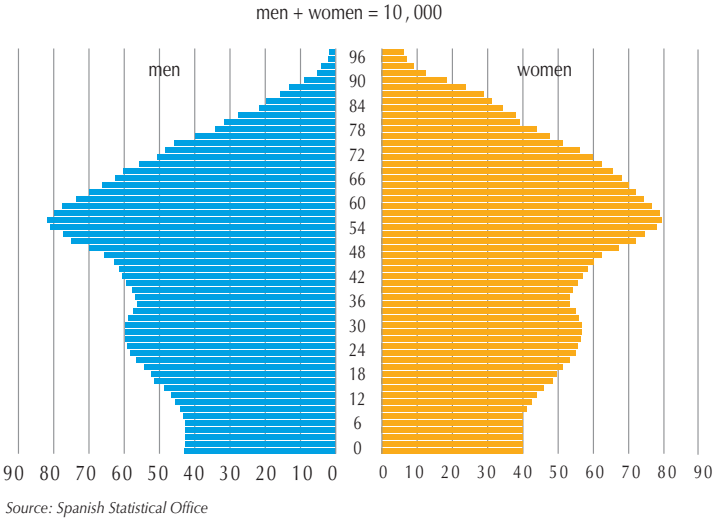
number of fields, including education (at the various stages), health (and medical specialties corresponding to the age of individuals), pensions, etc. This knowledge is also necessary for planning the consumption of all kinds of goods and services.

Population censuses, which are conducted every ten years, provide insufficient information about the population in the intervening periods. However, they do provide a starting point for decisions of the above-

POPULATION PYRAMID. YEAR 2002



POPULATION PYRAMID. YEAR 2035



mentioned nature in that they shed light on the population of a country and its regions, in keeping with a series of variables, at a given point in time. The breakdowns by gender and age are usually taken as the starting point for calculating the future population with the same breakdown information.

Bearing in mind that the population at a given point in time is the result of an evolution experienced in the past by its various components – the mortality rate, the fertility rate and migrations (into and out of the country) – a census can be used to predict the future population based on the hypothetical evolution of the same three components.

As a result of the sharp increase in the immigration figures for Spain, the projections calculated on the basis of the Population Census of 1991 quickly became outdated and had to be reviewed.

The population breakdowns by gender and age that resulted from the 2001 Census provided the population base or starting point for new projections.

However, any consideration about the future population of Spain must take into account the fact that the broad variety of factors influencing the evolution of immigration

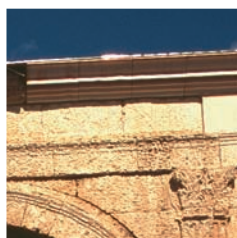
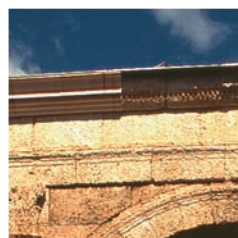
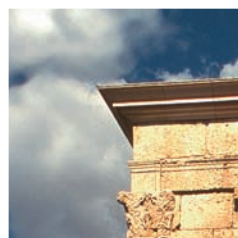
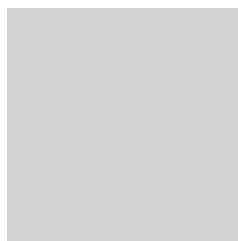
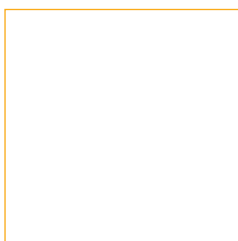
figures implies a significant degree of uncertainty about future arrivals and departures. This means that the projections are actually possible scenarios – that is, the results obtained illustrate the consequences, in the growth and distribution by age of the population, of the hypotheses on which they are based.

Hence, as a first scenario, the net influx of immigrants into Spain is predicted to continue its recent trend until 2010, after which it is expected to level off. The total number of immigrants entering Spain during the period 2007-2059 is expected to rise to 14.6 million. The global hypotheses are described in the following annex.

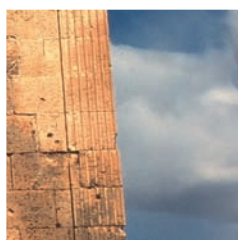
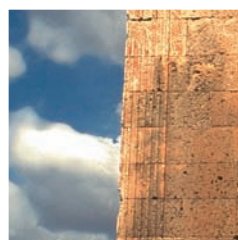
The most outstanding characteristic in the evolution of the population in Spain is its progressive ageing. This process is due primarily to the sharp and sustained decline in the fertility rate, and the increased life expectancy is a second influential factor. Although the massive influx of foreign nationals can slow this process down, it cannot stop it.

For further information, please visit the official website of the Spanish Statistical Office at www.ine.es.

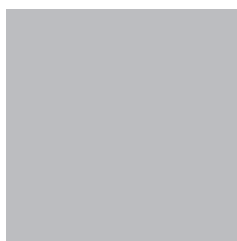
ANNEX					
Hypothesis for Scenario 1					
Years	Life expectancy at birth		Average number of children per woman	Average age at birth of first child	Net numbers of foreigners entering Spain
	Men	Women			
2002	76.63	83.36	1.26	30.82	647,867
2012	78.70	85.09	1.43	31.08	283,838
2022	80.05	86.22	1.52	31.11	278,659
2032	80.99	87.00	1.53	31.15	273,481
2042	80.99	87.00	1.53	31.15	268,302
2052	80.99	87.00	1.53	31.15	263,124
2059	80.99	87.00	1.53	31.15	259,499



CHAPTER II



HISTORY AND CULTURE



From Prehistoric Times to the Discovery of America

Based on the findings at Atapuerca (Burgos province), estimated to be around 800,000 years old, the presence of hominids on the Iberian Peninsula dates back to the Lower Palaeolithic period. Experts are still debating the origin of these early settlers, who may have entered the peninsula directly from Africa via the Straits of Gibraltar, but more likely arrived by crossing over the Pyrenees. In any case, the remains of utensils and works of art found on the peninsula are certainly from this period, corresponding to the same hunter-gatherer cultures that existed in other parts of Europe.

lithic Revolution, this process consisted of the transition from a collector economy to a producer economy based on agriculture and stockbreeding. Another period in the history of the peninsula began around 5000 or 4000 B.C. and lasted until the 16th century A.D., which was characterised by the dominant role of the Mediterranean basin and civilisations.

From approximately 1100 B.C. until the middle of the 3rd century B.C., commercial and cultural contact with the Mediterranean civilisations was articulated by the Phoenicians (whose territories extended from the Algarve on the peninsula's South Atlantic coast to Iberia's Mediterranean shores in the east) and the Greeks (whose influence stretched from the estuary of the Ebro River to the Gulf of Roses on the north-eastern coast of Spain). At the end of this period, both civilisations were displaced by the Romans and Carthaginians respectively.

Hence, between the 12th and 4th centuries B.C., substantial differences emerged between the Iberia that extended from the Mediterranean in the northeast to the Atlantic in the south, and the Iberia of the peninsular inland region. The latter territory was inhabited by various tribes, some of them Celts. With a relatively primitive social organisation, these peoples engaged in migratory herding, which consisted of alternating the grazing pastures in the northern uplands that they used in the summer with those of the southern part of the central plateau, or Meseta, used in the winter. Shepherds and sheep, the conquerors of grazing lands, played a key role in the geo-history of the Iberian Peninsula.

By contrast, in the 4th century B.C. the peoples of the coastal region generically known as Iberians had already formed a homogenous group of city-states (Tartessus, the biblical Tarshish or perhaps the legendary submerged Atlantis) influenced by the more developed urban, trading, farming and mining centres of the Eastern Mediterranean. The earliest written records about the peninsula date from this period. Hispania, the name the Romans gave to the peninsula, is allegedly a Semitic word derived from Hispalis (Seville).

The Persistent Traces of the Roman Presence

The Roman presence on the peninsula basically followed the same pattern as the Greek commercial bases, but unlike the Greeks, Rome's introduction to Iberia was the result of a power struggle with Carthage to gain control of the Western Mediterranean during the 2nd century B.C. In any case, it was at this point that the Iberian Peninsula as a geographic unit entered the arena of international politics and, by virtue of its privileged location between the Atlantic and the Mediterranean and its rich agricultural and mineral resources in the south, became a much-coveted strategic objective.

The Roman invasion and eventual conquest of the peninsula took place over the long period between 218 and 19 B.C. The Romans were alarmed by the Carthaginian expansion to the northeast; like Napoleon centuries later, they believed that the Ebro River delineated a natural boundary with Gaul, which was then a Roman province.

This conflict of interests led to the Second Punic War. While Hannibal was making his legendary journey across the Alps, the Roman legions were attacking his Spanish base at Carthago Nova (present-day Cartagena), with its seaport and mines. Hannibal's defeat by Publius Cornelius Scipio (209 B.C.) not only marked the beginning of the end for his army in Italy; it was also the beginning of the Roman conquest of Spain.

The Romans did not just want to replace the Carthaginians, but to extend their domination to the rest of the peninsula. However,

these plans met with considerable resistance, particularly in the interior.

Of the numerous confrontations that took place throughout the Roman conquest of the inland region of Hispania, the most famous was the so-called Celtiberian-Lusitanian War, which lasted for twenty years (154-134 B.C.). The war tactics of the Lusitanian chief Viriathus and the legendary, although unsubstantiated, collective suicide of the people of Numantia under siege by the Romans were much celebrated by Latin historians.

The Roman presence in Hispania lasted seven hundred years, during which time the basic boundaries of the peninsula in relation to other European countries were established. The interior divisions drawn up by the Romans seem curiously prophetic: Lusitania, Tarraconensis and Baetica. But the Romans bequeathed more than just a territorial structure; they also left institutions such as the family unit, language, religion, law and the concept of the municipality, and their assimilation situated the peninsula firmly in the Greco-Latin and later the Judaeo-Christian world.

The Romans mainly settled along the coasts and rivers, bequeathing the enduring importance of cities such as Tarragona, Cartagena, Lisbon and particularly Mérida. Meanwhile, the vast array of public works such as roads, bridges, aqueducts, temples, arches, theatres, amphitheatres and circuses clearly reflects the geographical distribution of Roman settlements on the peninsula. However, at the beginning of the 5th century A.D. the map of Roman colonisation began to change dramati-



Roman arch of Bará
(circa 13 BC),
Roda de Bará
(Tarragona).

cally when a variety of Germanic peoples marched into the peninsula and settled in the interior, in the case of the Visigoths, and in the west, in the case of the Suebi. At the same time, certain phenomena had been gaining momentum since the 3rd century A.D. such as the reduction of the urban population, the construction of fortifications around cities, the extension of *latifundismo* (the division of the land into large estates), the lack of safety in rural areas and the weakening of the state as an institution. On the other hand, local oligarchies were becoming more powerful as they offered safety in return for loyalty. A major event of this period was the beginning of the Christian conquest of Hispania, although its exact origins are still unknown. St. Paul was probably present in Hispania between 62 and 63 A.D., and Prudentius' narrative of the 3rd century persecution of Christianity mentions dioceses and martyrs. Following Constantine's Edict of Milan, which granted religious freedom, the first Council of the Spanish Church was held in 314 A.D.

The Visigoth Kingdom: First Attempt at Peninsular Unity

By the 5th century the Visigoths were already a Romanised people who saw themselves as the perpetrators of the extinct imperial power. Around the mid 500s, the pressure exerted by the Suebi in the west (Galicia), the Cantabrian-Pyrenean shepherds in the north, and the Byzantines in the south (Baetica) on three different fronts led them to establish their capital in Toledo at the centre of the peninsula.

Integration between Visigoths and Hispano-Romans was both rapid and successful. It was also greatly facilitated by King Reccared's conversion to the Catholic faith at the 3rd Council of Toledo (589), which enabled the Church to acquire a predominant and fiscal role in politics through the celebration of a series of Councils of Toledo and the adoption of relatively similar social structures, contained in the *Liber Iudiciorum* promulgated by Recceswinth that basically unified Visigothic and Hispano-Roman law. Both cultures boasted a landed aristocracy

and an ecclesiastical aristocracy, and both institutions favoured the autonomy of the nobility at the expense of royal power.

Muslim Spain: Cradle of a Flourishing Culture

It was precisely one of the ostracised noble clans, the Witiza family, which brought about the collapse of the Visigothic state at the beginning of the 8th century by appealing for help to the Arabic and Berber troops on the other side of the Straits of Gibraltar. In fact, the degree of disintegration within the Visigothic state apparatus enabled the Muslims to secure isolated pacts with the semi-independent aristocracy hostile to the Crown.

By the mid-8th century, the Muslims had consolidated their occupation of the land, and in Cordoba the Umayyad prince Abd al-Rahman proclaimed himself emir of a new state, independent of Damascus. During the first third of the 10th century, a member of the Umayyad dynasty in Hispania, Abd al-Rahman III, restored and expanded the state of Al-Andalus and became the first Spanish caliph.

The proclamation of the caliphate had a dual purpose. In the interior, the Umayyads were keen to reinforce the peninsular state. In the outlying territories, their quest was to consolidate the commercial routes in the Mediterranean that would guarantee economic relations with the eastern basin (Byzantium) as well as the supply of gold. Melilla was occupied in 927 and by the middle of the same century the Umayyad Caliphate controlled the triangle between Algeria, Sijilmasa and the Atlantic. The small Christian enclaves in the north of the peninsula became modest fiefdoms of the caliph, whose superiority and arbitration they recognised.

The foundations of Muslim Spain's hegemony rested on considerable economic power derived from substantial trade, a highly developed crafts industry and farming methods that were much more efficient than those employed in the rest of Europe.

The Caliphate of Cordoba was the first urban and commercial economy to flourish in Europe since the fall of the Roman Empire.



Interior of the Great Mosque, Cordoba.

Moreover, its capital and main city, Cordoba, had a population of approximately 100,000, which made it the largest urban centre in Europe at the time.

Muslim Spain produced a flourishing culture, especially following the accession of the caliph Al-Hakam II (961-976), who is attributed with creating a library of several hundred thousand volumes – an inconceivable feat in Europe at the time. The most characteristic trait of this culture was its swift re-adoption of classical philosophy, most notably by Ibn Masarra, Abentofain, Averroes and the Jewish philosopher Maimonides. But above all, Hispano-Muslim scholars were noted for their contributions to the fields of medicine, mathematics and astronomy.

The fragmentation of the Caliphate of Cordoba occurred at the end of the first decade of the 11th century and was brought about by the intense military aggressions perpetrated by its last leaders, combined with asphyxiating fiscal pressure. The successors of the unitary caliphate were known as *taifas* or petty kingdoms, and the word has passed into the Spanish language as a synonym of the ruin that generated the fragmentation and disunity of the peninsula. As a result of this gradual weakening of the state, by the mid-13th century Muslim Spain had been reduced to the Nasrid kingdom of Granada.

From the Early Christian Resistance to the Reconquest of Spain

The first Christian uprising occurred in the first third of the 8th century in Covadonga, located in the mountains of Asturias.

However, this early Christian resistance was more a question of survival than a deliberate offensive campaign or “reconquest.” In the 10th century, Alfonso III advanced from Oviedo to Leon, en route to the Duero River Valley. On the Meseta, this expansion led to the creation of the county and then the kingdom of Castile, which later united with the kingdom of Leon under the reign of Ferdinand III in 1230. Meanwhile, in 1143 the Atlantic flank of the peninsula became the kingdom of Portugal.

During the 12th and 13th centuries, the four main Christian kingdoms of the Iberian Peninsula were formed: Portugal, Castile-Leon, Navarre and Aragon-Catalonia.

From a continental perspective, the Reconquest took place within the context of the growth and offensive expansion that characterised the history of the western segment of Europe between the 10th and 13th centuries against Hungarian, Slavic and Muslim invaders. The result of these dynamics was the creation of the area we now call Western Europe around 1300 A.D.

By the final third of the 13th century the Muslim presence had been reduced to the

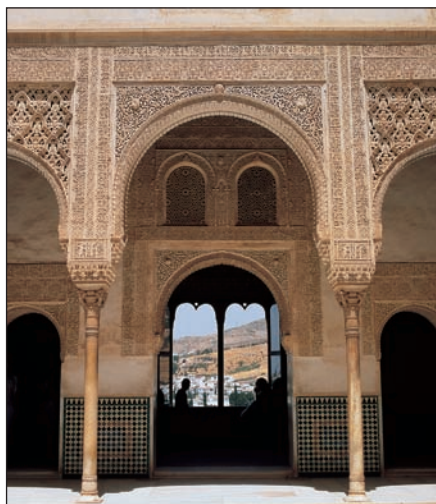
Nasrid kingdom of Granada until 2 January 1492. The end of the Reconquest – or, in Roman-Visigothic terminology, the recovery of Hispania – had a profound impact on Christian Europe, being regarded as compensation for the fall of Constantinople to the Turks.

Given that the Reconquest lasted so long, there were several periods of co-existence and even, at certain times in the 12th century, a type of frontier society. In any case, the Christian monarchs conquered through colonisation, offering land to anyone who promised to occupy, cultivate and defend it. This gave rise to transfers and migrations from the north of the Iberian Peninsula and Europe, a rare phenomenon in other latitudes at the time. Those colonisers gradually formed a peasant society that was comparatively freer than its contemporaries in other parts of Europe, where subjugation to the feudal lords was much greater.

Between the 9th and 11th centuries, these semi-free peasants were grouped into towns governed by elected councils to which the monarchs granted special charters (*fueros*) based on certain exemptions and privileges. Subsequently, in the 12th century, these burghers sat down with the other two branches of society – the nobility and the clergy – in assemblies known as *Cortes*, where they discussed and voted on matters pertaining to taxes.

The Catholic Monarchs: Peninsular Unity and the Imperial Enterprise of the Spanish Renaissance

The quest for unity did not end with the last military victory of 1492 and the conquest of Granada, but continued – in its ambition for religious, ethnic and cultural uniformity – with the expulsion that same year of the Jews who refused to convert to Catholicism and then of the *Moriscos*, or Moorish converts. The difficult situation in which the Jews found themselves was not confined exclusively to Spain. Since the Council of Letran in 1215, they had unfortunately suffered a similar if not harsher fate in the rest of Europe. Until 1492, Christian territory in Spain had been a melting pot of Jewish, Muslim and Christian cultures, most famously



The Mexuar Hall in the Nasrid Palace at the Alhambra (Granada).

giving rise to the so-called *disputas* or debates between scholars of the three cultures united in a movement sponsored by King Alfonso X and known as the Toledo Translation School. The work produced by this school enriched European culture with the science of the Greeks and the achievements of the Arabs.

Expansion of the calibre described above undoubtedly created a frontier economy with the acquisition of vast spaces. Since the 13th century the Hispanic kingdoms were based on rapidly growing societies, the dynamics of which were clearly reflected in the economic and political boom experienced by the kingdom of Aragon with the conquest of Sardinia, Sicily and Naples in the Mediterranean.

Thanks to a combination of economic interests and a seafaring vocation, Castile was able to occupy a vanguard position in the quest for and consolidation of new commercial routes with the East. In this race, the Castilians found an extremely active competitor in another Iberian state – Portugal. A first attempt at resolving the rivalry between the two kingdoms for the control of the maritime eastern trade routes was the Treaty of Alcaçovas. Signed in 1479, this agreement enabled Castile to maintain the Canary Islands in return for renouncing all eastern voyages around the

African coast, which was assigned to Portugal. Such an unfair division can only be explained by the fact that the treaty also addressed an age-old issue of the Iberian states, namely, the unity of the peninsula.

Although the incorporation of Navarre in 1512 improved peninsular unity, the cycle of unification was really completed with the capture of Granada in 1492. That same year, Nebrija published the first grammar of a popular language – Castilian – and a Spanish fleet reached the coasts of America.

The legendary aura surrounding Ferdinand and Isabella, the Catholic Monarchs, has hindered the task of providing an adequate assessment of their context and a sober evaluation of their work.

Internally, they invested all their efforts in reinforcing the state apparatus and the authority of the Crown, seeking support in the existing legal and administrative institutions and creating new ones, often inspired by those of other European countries. Such was the case, for example, of the Tribunal of the Inquisition. Introduced at a later date in Spain than elsewhere, this court not only served religious purposes but was also an instrument used by monarchs to reinforce the authority of the state.

In 1492 the Spanish monarchy represented one of the earliest modern states in Renaissance Europe. Its outward expansion across the Atlantic (the Americas and Flanders) and the Mediterranean (Italy) was based precisely on this. Indeed, Spain's foreign policy at the time was orchestrated by the creation of a permanent state staffed by civil servants and diplomats, with a unitary but flexible and confederate concept of the monarchy.

Although Castile had lost its African routes to Portugal, its possession of the Canary Islands provided it with an excellent springboard for alternative routes. This is precisely what Christopher Columbus offered the state, which was clearly in need of such an offer, although it had prepared for and become accustomed to enterprises of this nature. By 1492 the united Spain boasted powerful war machinery, a solid economy, an international presence, experience at sea and in exploring new commercial routes,

and considerable scientific and technical expertise: mathematicians, geographers, astronomers and shipbuilders, forged in the melting pot of the three cultures.

From the Discovery of America to the 20th Century

The Conquest of America: The New Frontier of the Largest Western Empire

By the mid-16th century, the main viceroyalties had been established and settled: Mexico on the Atlantic flank and Peru in the South American Pacific.

On 6 September 1522, Juan Sebastián Elcano returned to the peninsula as a survivor of the first circumnavigation of the world initiated by Magellan, thereby providing Spain with a route to the East. Thereafter, Havana-Veracruz (the Tierra Firme fleet) in the Atlantic and Acapulco-El Callao-Philippines (the China ship) in the Pacific, together with control of the Western Mediterranean – under eternal threat from the Turks – became the vital arteries of the Spanish Empire's overseas territories. The convoys of Spanish galleons maintained these routes open despite attacks from marauding English and Dutch ships until the decisive Battle of Trafalgar in 1805.



Detail of the "Fresco de los colonizadores" (Fresco of the Colonisers) by Vázquez Díaz. Monastery of Santa María de la Rábida (Huelva).



King Philip II ordered the construction of the Monastery of San Lorenzo de El Escorial.

In many respects the conquest of America was similar to the peninsular expansion that preceded it. In both cases, confrontations were a last resort, used only after intense attempts to avoid them. The Spanish sought allies in the tribes they subjugated and in discontented leaders; they agreed to capitulations in exchange for privileges; they distributed the new lands among Spanish colonists; and they reorganised the indigenous settlements.

In Italy the Spanish monarchy adopted the tradition of engaging in confrontations with France and alliances with England. The Battle of Pavia in 1521, which resulted in the capture of King Francis I of France by the Spanish infantry regiments, consolidated Spain's superiority until the mid-17th century.

Eventually, in their quest to further Spain's diplomatic and commercial relations with the Netherlands, Ferdinand and Isabella joined the Spanish Crown to the Duchy of Burgundy. The fabulous legacy embodied in the Flemish Prince Charles, grandson of the Emperor Maximilian and the Catholic Monarchs, was to condition Spanish and European politics until the 18th century. The solution adopted by the Spanish Hapsburgs to manage this enormous legacy was to establish an all-encompassing, flexible monarchy, consisting of a constellation of kingdoms and domains united in a vast confederation around a single Crown. There

would have been no unity without the figure of the king, since each kingdom maintained its own institutions, language, laws, and even its own borders.

The Carolingian Empire was therefore a conglomerate of territories randomly united under a common sovereign. The first consequence to arise from this was the complete absence of any attempt to create an institutional organisation common to the whole empire. Similarly, the second consequence was that no attempt was made to secure any type of political or economic cooperation between the various territories, which would have helped consolidate the idea of an empire – that is, the participation of all parties in a shared enterprise. The most notable achievement of Spain under the Hapsburgs was its ability to retain control over its vast territories spread around the world. No other state in the 16th and 17th centuries was faced with such an enormous administration problem. Spain had to explore, colonise and govern a new world.

The Spanish Empire and its "Black Legend"

This acceptance of differences by the Spanish Hapsburgs encompassed all domains except for one: religion. They strove to create a universal empire founded on the Madrid-Brussels-Vienna triangle, which did not sit well with the emerging

nationalist states and was even less palatable to the individualist mindset of the Reformation. These two ingredients – nationalism and Protestantism – met head on in the Dutch uprising against Philip II, who had succeeded the Emperor Charles in the Duchy of Burgundy and on the throne of the Spanish kingdoms in 1556.

The conquest of America was an attempt to annex the territory and subjugate the population. Just as the Roman Empire had done, language, religion, laws, administration and crossbreeding provided the vehicles for the Hispanicisation of America, all of which guided the continent firmly into the western fold. Several Spaniards, including Bartolomé de las Casas, spoke out against the abuses of the conquerors, which gave rise to the so-called “Black Legend” of Spanish cruelty in the Americas.

The issue became the subject of intense political debate; the so-called “Indian question” consisted of doubts regarding Spain’s right of conquest, which was eventually justified as an evangelising mission. Against such a background it is hardly surprising that it was the Spanish, through Francisco de Vitoria, who first advocated the concept of international law.

Fiscal Crisis, Centralism and the Decline of the Spanish Empire

The state that had gradually been forged, first by the Catholic Monarchs and later by Philip II, was the prototype of the modern absolutist state. The Spanish Empire invented an administrative apparatus that was highly complex for the time, based on a system that put security before all else and attained enormous prestige. The state grew considerably, assuming responsibilities and duties that were too much for the increasingly impoverished agrarian society of the *ancien régime* to bear. But rather than reducing the size of the state and eradicating duties, the imperialists chose to asphyxiate society. The breakdown of the system became evident in 1640 with the rebellion of Catalonia and the separation of Portugal.

The decline of the Spanish Empire, brought about by fiscal exhaustion, coincided with a gradual disintegration of the confederated system, which was subjected to centralist practi-

es. In addition to these two factors, Spain was also the victim of its own success: The incorporation of the Americas and the expansion of transoceanic navigation shifted the European geo-economic axis from the Mediterranean to the Atlantic, and more precisely to the basins of the Thames, Rhine, Seine and Scheldt, relegating Spain to a peripheral position.

However, peripheral is not to be confused with marginal, and Spain maintained its status as a great power and a key player in Europe with the Americas and Naples still under its control. Following the Treaty of the Pyrenees in 1659, it had ceded its hegemonic role to the French kingdom of Louis XIV, which made the “Sun King” into the arbiter of European politics and France into the model for what was soon to become the reformed government of 17th century enlightened despotism.

Charles II, the last of the Spanish Hapsburgs, was childless and bequeathed his inheritance to a grandson of his sister Maria Theresa and Louis XIV of France, Philip of Anjou. Crowned King of Spain and the Indies in 1701, Philip V inaugurated the dynasty of the Spanish Bourbons. His reign prolonged the Enlightenment in Spain, a period of foreign policy equilibrium, reform and internal progress.

Spain under the House of Bourbon and the Enlightenment

The rest of Europe viewed the will of Charles II with suspicion. This led to the Spanish War of Succession (1705-1713), with the Treaty of Utrecht signifying victory for Philip V.

However, at Utrecht Philip V and his successors were obliged to renounce their Flemish inheritance. The official renunciation of Flanders constituted the end of the old universalising conception of the Spanish-Austrian monarchy and the beginning of the nationalisation of Spanish politics.

Balance and peace in Europe became the two goals pursued by Spain throughout the 18th century. However, this ambition was thwarted by England’s commercial and colonial expansion on the one hand, and by the rivalry between England and France on the other. Spain’s

desire for neutrality and peace was best embodied by Ferdinand VI (1746-1759).

During the reign of Charles III (1759-1788), the politics articulated by Prime Minister 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, and it took a long time for the French Revolution of 1789 to derail this peaceful, non-interventionist policy.

The germination of a Spanish nationality in foreign policy was accompanied by a parallel phenomenon in the country's domestic politics; indeed, the two developments were closely related. During the War of Succession, the Kingdom of Aragon had backed the Austrian candidate, a choice that presented the victorious Philip V with a perfect excuse for embarking on what was to become a chain of profound reforms in the structure of the state and the Spanish government. The Decree of *Nueva Planta* (or new approach, which aimed to reorganise the country) was to internal politics what the Treaty of Utrecht was to foreign policy, as it implied the extension of the Castilian administrative structure to the Kingdom of Aragon and the abolition of Aragon's *fueros* or special charters, thus bringing the confederate monarchy of the Hapsburgs to an end. This marked the first step on the road to centralisation, which was completed a century and a half later by liberal governments.

The disproportionate and chronic deficit of the 17th century was reduced and a tendency towards budgetary balance recovered, which was only broken at the end of the 18th century. The country's improved financial management was brought about by another two factors: 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.

The Bourbons were exemplary figures of the reformism of Europe during the Enlightenment. They sought progress and efficient organisation for the country according to the theories of their time, which were influenced

by mercantilist ideas, interventionist methods and, to a lesser degree, liberal impulses.

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 a major boost to the trade conducted not only between these national ports but also with foreign ports, so that by the end of the century 75% of the trade with the Americas had been recovered. Similarly, the Catalanian cotton industry began to take off; this growth was so pronounced that, prior to the French invasion of 1808, it represented two-thirds of the British cotton industry. The progressive liberalisation of farm prices and the limitation of the privileges of the Mesta (a powerful association of sheep ranchers in the medieval Kingdom of Castile) contributed to provide a greater quantity of land for cultivation and an increase in agricultural production.

However, in Spain as in the rest of Europe still governed by the social order of the *ancien régime*, the land problem consisted of vast expanses purloined from the market and placed in the hands of either the Church – which owned 15% of the cultivable area – the municipal councils or 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 Hapsburgs and reduced the Councils. They promoted the creation of *Secretarías* (Ministries) and direct dealings with the king as part of a plan intended to marginalise the upper nobility from, as Louis XIV of France put it, "anything that could give them part of the government". The Bourbons recruited their senior civil servants from among the local and enlightened lower nobility, giving rise to a new social category.



Francisco de Goya.
"The Third of May 1808."
Madrid. National Prado
Museum.

ry – an ambitious middle-class nobility eager for advancement at the service of the state.

These civil servants were people of their time, enlightened in their thinking and convinced of their reforming mission, alert to the ideas of the period, often with foreign friends and a command of other languages. For example, Floridablanca was a friend of Benjamin Franklin and kept up a correspondence with Voltaire. In his *Informe sobre la Ley Agraria* (*Report on the Agrarian Law*), Jovellanos demonstrated his knowledge of the recent reforms introduced by Adam Smith, and he also wrote frequently to Lord Holland. The paradox lay in the fact that neither of these two figures enjoyed a reputation among their fellow countrymen, although at least they did not suffer the sad fate of Esquilache, whose reforms met with such widespread opposition that he had to go into exile.

The Napoleonic Invasion and the War of Independence

The Treaty of Fontainebleau (1807) permitted the French army of Marshal Junot to cross the Pyrenees and advance towards Portugal, and although the French entered Lisbon they did not leave Spain.

The crisis of the *ancien régime* that paved the way for the Napoleonic invasion was also

a dynastic crisis that severely undermined the enormous prestige and authority of an ancient Crown. When Charles IV abdicated in favour of his son, the monarchy was irreparably damaged.

The political regime that the Bonapartes attempted to unify was laid out in the Statute of Bayonne, signed on 8 July 1808. Although this document is tremendously important from a historical standpoint, it never had any legal or practical significance because it was never enacted. It was, however, the first constitutional text to appear in Spain.

The reforms established in this Statute could not be implemented by Joseph Bonaparte due to the fact that a huge proportion of the Spanish population rejected them, as they saw the new monarchy as illegitimate and the product of an act of treason.

The result was a general uprising on 2 May, which was immortalised in Goya's paintings.

The War of Spain, as the French called it, lasted six years. The Spanish christened it the War of Independence, and it was an all-out war that raged throughout the entire country. A minority of Spaniards, albeit fairly numerous, actually supported the intruder king. The luckier ones became some of contemporary Spain's first political emigrants. The *disasters* that Goya reflected in his paintings clearly evoke the cruelty of a long struggle in

which the guerrilla parties used the strategy of preventing normal life in the country as way of perpetually harassing the invaders.

Senior Provincial Juntas emerged spontaneously in most of the Spanish provinces, but in the face of military defeats and the lack of financial resources they eventually saw the need for a higher structure to coordinate all their efforts, giving rise to the creation of the Central Junta.

The Central Junta appointed a Regency, founded in the city of Cadiz, which summoned the *Cortes* (Parliament).

The Constitution of 1812

The inaugural session of the new *Cortes* was held on 24 September 1810 and was attended by approximately 100 representatives, around half of whom were stand-ins. This gathering ratified the following basic principles: that sovereignty lay with the nation, that Ferdinand VII was the legitimate king of Spain, and that the representatives were entitled to parliamentary immunity.

The Constitution of 1812 proclaimed the figure of the king to be sacrosanct and immune, not subject to liability and with the right to sanction and enact laws. It also established the number of ministers, who were accountable for the king's actions and in the *Cortes* for compliance with the law of the land.

In relation to the judiciary, the courts were responsible for applying the law, and the revolutionary concept of procedural law was introduced. Only two special *fueros* or charters were granted: to the clergy and to the militia. The constitution also proclaimed the equality of all Spaniards in the eyes of the law and the irremovability of judges and civil servants.

Primary schools were contemplated for every town in the land, plus a single education system for the entire kingdom. Freedom of expression and of the press was also established.

A Century of Liberal Revolutions and Moderate Governments

When the Spanish diplomats attended the Congress of Vienna in 1814, they represented a victo-

rious state but a devastated and divided nation. The profound crisis in the mother country had severely damaged the Latin American Empire, from which continental America separated in 1824 following the Battle of Ayacucho. In the words of the Count of Aranda, the Spanish Empire had coped better with the small defeats of the 17th century than with the violent victories of the 19th century.

The patriots of Cadiz had responded to the dynastic crisis and the power vacuum with three main stances on national sovereignty. For some, this lay with the Crown and the traditional institutions (the *Cortes*); consequently, they initially defended a return to an absolutist regime (1815-1819), then a more moderate one (1824-1834), and eventually adopted the name of Carlists to signify their support of the king's reactionary brother, Don Carlos. Others defended a nation based on the *Cortes* and the King. These subsequently became known as moderate or doctrinarian liberals (between 1834 and 1875), and then as conservatives (1876-1923). Finally, a small but highly active group supported the idea of national sovereignty based exclusively on the Spanish people. A more moderate version of the French Jacobins, these went down in history first as *exaltados* or extreme radicals (1820-1823), then as progressives (1823-1869), and finally as constitutionalists (1870-1880) and fusionist liberals (1881-1923).

The Carlists had a strong following in the countryside – especially in the north (Basque Country and Navarre) and in the hinterlands of Catalonia – and to a certain extent they represented the rebellion of rural society against urban society. They were also supported by the lower clergy and autocratic powers such as Russia.

Politically, Carlism advocated the return of the *ancien régime*. By contrast, the liberals – who defended the succession of Isabella II, daughter of Ferdinand VII – desired a radical change to create a society made up of individuals who were equal in the eyes of a law that would guarantee human rights. Their victory must be viewed within the context of British support for liberal causes, especially in the Latin world, as opposed to Russian ex-

pansionism, and the victory of the liberal monarchy in France in 1830.

The liberals legislated in accordance with individual-egalitarian principles. They abolished privileges and legal exemptions, did away with judicial domains, and dissociated entailed estates from the Church and local authorities, thereby making millions of hectares available for the market and vastly increasing the quantity of cultivable land and agrarian production. At the beginning of the century, Spain imported wheat and ate rye bread, while by the end of the century it exported cereals and the bread was made from wheat. The liberals also believed in the free market, and through the confiscation of land they attempted to create a much wider, national market to achieve a victory over absolutism. However, they did not pursue an agrarian reform like that advocated by other powers years later, in the 20th century.

The Impossibility of Rotation and the Coup d'état Tradition

The liberals, who believed they had solved a problem of state, were in fact creating one of government by drawing up constitutional and electoral legislation that was markedly biased and designed to ensure the permanence in power of their party. This turned rotation in office into the Spanish political problem par excellence, although in reality it was also a conflict deeply rooted in social issues, for the small parties of the time sought supporters among the employed, unemployed and job seekers, all from the urban middle classes and dependent on power for their survival.

For decades, monopolist practices alternated with mutinies and military coups, and until 1870 in Spain the military uprising was the basic and daring – but no less effective – instrument used by the parties in opposition to impose the rotation denied to them by governments entrenched in office.

An oversized, ambitious and undisciplined officers corps, eternally exposed to the threat of being discharged, with no job and only half pay, were easy prey for political groups keen to take by force what the exclusivist policy of the party in power denied them.

However, it would be mistaken to view these coups as armed conflicts: they simply provided a method for precipitating political solutions with a minimum of military confrontations. In 1868, what started out as a classic coup staged by the progressives degenerated into a revolution that deposed Isabella II and ushered in a six-year period of strong political mobilisation with the establishment of a provisional government and the enactment of a new constitution (1869) that paved the way for the ephemeral reign of Amadeus of Savoy (1869-1873).

The First Republic: The Carlist Uprising

Following the abdication of Amadeus I, who lacked popular support, 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 shaped the immediate future: federalism, socialism and cantonalism. Following four successive presidencies – Estanislao Figueras, Francisco Pi y Margall, Nicolás Salmerón and Emilio Castelar – the coup d'état led by General Pavía dissolved the National Assembly (3 January 1874) and on 29 December of the same year, following the uprising led by General Martínez Campos, the monarchy was restored in the person of Alfonso XII, Isabella's eldest son. The Republic met with a major uprising of the Carlists. The general political sentiment had begun to swing from the extreme right to the extreme left, in keeping with events in Europe at the time, such as the Paris Commune in 1871 and the conservative reaction it provoked.

The liberals soon became disillusioned with the revolution and frightened by the Carlist reaction. All of these sentiments provided the ideal conditions for the Restoration of Alfonso XII.

The Restoration: The Loss of the Last Colonies

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), and 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, especially after the death of the king and the regency of his wife Maria Christina (1885-1902), gave rise to a period of stability interrupted only in its last phase by the incidents and confrontations in Morocco and the loss in 1898 of the last two remaining colonies: Cuba and the Philippines.

The Early 20th Century

The dawn of the 20th century in Spain was marked by a series of profound unsolved problems. Some of these problems were structural; the population had almost doubled since the beginning of the previous century, rising from 11 to 18.5 million in a land of limited resources. There were also agrarian problems: *latifundismo*, low yields and a high percentage of land left uncultivated. In addition to these problems, capital funds and the existing infrastructure were insufficient to launch heavy industry, and consumer capacity was very low, all of which gave rise to a protectionism that was both costly and for the most part non-competitive.

At the same time, the political problems that had arisen in the previous century became more acute. 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 claims for a return to the old regime of *fueros*, the system of special privileges that had characterised the Carlists. Similarly, the cantonalism expressed during the ephemeral First Republic raised its head again. However, the main problem undoubtedly emerged from the social and trade union movements of the working class, which was destined to play a historic and decisive role throughout the 20th century.

Working class associations first emerged in Spain in 1830 and gave rise to moments of great

social agitation, even including a general strike (1855). In 1868, Fanelli, a follower of Bakunin, established sections of the International Workers' Association in Spain, rapidly recruiting 100,000 members in Catalonia and Andalusia. After several periods of action and successive repressions, in 1911 the movement evolved into the CNT (Confederación Nacional del Trabajo – National Confederation of Labour), which retained the support of the Spanish working class until the end of the Civil War. The arrival in Spain of Lafargue, sent by Marx, failed to halt the development of Bakunism, as described by F. Engels in his famous collection of articles.

On 2 May 1879 the PSOE (Partido Socialista Obrero Español – Spanish Socialist Workers' Party) was formed, followed in 1888, after several conferences, by the formation of the socialist union UGT (Unión General de Trabajadores – General Workers' Union). The socialist claims found a wide support base in industrial areas: among miners in Asturias, metal workers in the Basque Country and printers in Madrid.

In Catalonia powerful regional parties emerged, such as the Regionalist League that won the elections in Barcelona in 1901. The Basque Nationalist Party (PNV) was founded in 1895. One more splinter action also took place during this period – the separation of political Spain from intellectual Spain. The confrontation between traditional ideas and progressive ideas also spread to the literary and scientific fields, where the most important intellectual movement, Krausism (based on the ideas of German philosopher Karl Christian Friedrich Krause), had a particularly strong influence on education – the free-thinking *Institución Libre de Enseñanza* run by Giner de los Ríos – and on research – the so-called *Junta para la Ampliación de Estudios* (Board of Further Study) promoted and run by Cajal, Castillejo and Bolívar. Spanish intellectuals, creators of extraordinary philosophical, literary, historical and scientific schools of thought – Unamuno, Ortega, Azahara, Altamira, Sánchez Albornoz, Menéndez Pidal, Marañón, Negrín, Moles and many others – took sides and, in some cases, served as political leaders in the dilemma of 1931.



The republican administration under Azaña's presidency, 23 June 1933. From left to right: José Franchy Roca (Industry and Commerce), Marcelino Domingo (Agriculture), Largo Caballero (Labour), Lluís Companys (Naval Affairs), Francisco J. Barnés (Public Instruction), Agustín Viñuales (Internal Revenue), Manuel Azaña (Head of Government), Fernando de los Ríos (Foreign Affairs), Álvaro de Albornoz (Justice), Santiago Casares Quiroga (Interior), Indalecio Prieto (Public Works).

Spain and the First World War: The Authoritarianism of Primo de Rivera

In 1902, Alfonso XIII took the throne and the emergence of new political forms threw the Canovite and liberal-conservative two-party system into crisis. There were also several important expressions of social unrest, such as the Tragic Week of 1909 in Barcelona and popular resistance to the drafting of troops for the war in Morocco.

Spain's neutral position during the First World War was only a parenthesis. Price increases and the contraction of the European market generated enormous instability, leading in 1917 to the summons of the Parliamentary Assembly in Barcelona, which recommended the reform of the constitution, and a general strike in August of the same year.

Following the failure of constitutional reform, the regional problem re-emerged, this time more acutely, and there were outbreaks of social and peasant unrest in both Andalusia and Catalonia. Coinciding with all of this (1921), the PCE (Partido Comunista de España - Communist Party of Spain) was formed when the PSOE failed to join the Comintern,

created as a consequence of the victory of the October Revolution in Russia.

But above all, the crisis was rooted in the Moroccan War. When Spanish troops were massacred 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 October 1921) 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 for the country and promoting public works. Although ideologically aligned with the authoritarian regimes in Europe, it adopted a more traditional, monarchic and Catholic philosophy than the one adopted in Mussolini's new state. Its failure was mainly political, despite attempts to create a single party and involve certain sectors of the workers' movement in political life. Neither was it able to re-organise 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 Na-

tional Assembly in 1926 also failed to materialise, and when the financial crash of 1930 occurred, the dictator was forced to resign. He was replaced by General Berenguer.

The Collapse of the Monarchy and the Second Republic

In August 1930, Republican, Socialist and Catalan nationalist politicians signed the Pact of San Sebastian, and on 12 December a military uprising in favour of the republic took place in Jaca. Officers Galán and García Hernández were shot, which led to the resignation of Berenguer, and a group of intellectuals – Ortega y Gasset, Marañón, Pérez de Ayala – declared themselves to be “At the Service of the Republic”.

The last monarchic 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. On 14 April the Second Republic was proclaimed. Alfonso XIII left Spain and went into voluntary exile.

The Republicans called general elections on 28 June, announced religious freedom and drew up a new constitution, approved on 9 December. Its preamble stated, “Spain is a democratic republic of workers of all classes, organised in freedom and justice. The powers of its bodies rest with the people. The republic is a fully-integrated state, compatible with the autonomy of the municipalities and the regions.” The organisation of the state was expressed as democratic, secular, decentralised, and equipped with a single representational house and a Constitutional Court.

A preoccupation with reform marked the first two years of the republic (1931-1933) under the leadership of Alcalá Zamora and Azaña, who adopted a three-pronged approach: the Basic Law of Agrarian Reform, the solution to the regional problem with statutes of autonomy for Catalonia and the Basque Country, and a particular emphasis on educational and cultural policy. However, two issues created considerable tension: religion and military policy, which the Azaña Law failed to solve and only aggravated even further. Evidence of this was

provided by General Sanjurjo’s abortive coup on 10 August 1932. The following year began with the repression of the uprising at Casas Viejas 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.

New general elections on 19 November gave a clear victory to the right and the administration led by Lerroux and CEDA was formed. The new government revoked several laws, including the Agrarian Reform, and issued an amnesty for the rebel troops involved in the abortive coup of 1932. Following Lerroux’s resignation, the *Cortes* were dissolved and the elections of 16 February 1936 were won by the Popular Front, a coalition group uniting Azaña’s Republican Left, Esquerra Catalana led by Companys (Catalonian Left), Largo Caballero’s Socialist Party, Martínez Barrio’s Republican Union and the Communist Party. The initial government led by Azaña announced a general amnesty and reinstated the agrarian reform and the statutes of autonomy for Catalonia and the Basque Country, and later Galicia. In May, Azaña was elected President of the Republic and Casares Quiroga set up a new administration. 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 Civil War

The tragic assassination of Calvo Sotelo simply precipitated a military coup that had been planned for some time. The uprising finally began on 18 July, 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 Aragon, as

well as the Canary and Balearic Islands, except for the island of Minorca. Madrid, New Castile, Catalonia, Valencia, Murcia and Almería, Gijón and Bilbao became Republican bastions.

The Republican government formed a coalition cabinet led by Giral, succeeded in his post by Largo Caballero, who brought in representatives of the CNT and moved the cabinet to Valencia. On 29 September 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 reorganising the militias into professional armies. Help from abroad also 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 characterised by an intensification of the war in the north. The Republicans reacted by establishing fronts in Guadalajara (March), Brunete (July) and Belchite (August). The year closed with the beginning of the Battle of Teruel. At that time, the Francoist troops concentrated their efforts in Aragon, winning back Teruel and, after their triumphal entry in Castellón in June 1938, dividing 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 and on 10 February 1939 the Francoist troops claimed control of Catalonia. Only Madrid still held out, and when the peace proposals of its Defence Committee (Casado, Besteiro) failed, the Francoist troops occupied the capital on 28 March 1939. A final war dispatch by General Franco on 1 April announced the end of the conflict.

Franco's Dictatorship

The new regime was characterised by three factors: repression of the defeated band, economic hardship, and a modification of the internal balance of power as the result of changes on the international stage brought about by World War II. Despite an initial declaration of its neutrality and then its “non-

belligerence”, the new government became isolated from the outside world. Franco met with Hitler and Mussolini, thereafter entrusting foreign policy to the Germanophile Serrano Suñer.

Although diplomacy under France played the anti-communist card, it could not avoid condemnation from the United Nations, the withdrawal of ambassadors and the closure of the French border.

In economic terms, international isolation and, to a lesser degree, ideological differences generated an autocratic and corporatist approach, which more or less accompanied the regime throughout its history. In agricultural terms, 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.

Meanwhile, 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, in the 1951 labour strike in Barcelona and later with the first student riots in 1956. Extraordinarily high inflation led to the introduction of a Stabilisation Plan (1959) to offset the lack of currency. Although the effect of this was economic stagnation and new outbreaks of social unrest in Asturias, it did pave the way for the First Development Plan (1963), which was merely orientational for the private sector but binding for the public sector. In order to promote regional and local development, the so-called “development poles” – areas zoned for economic activities – were created.

Drawn up according to guidelines issued by the International Monetary Fund and the

European Organisation for Economic Cooperation, the Stabilisation 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, virtually distributed into three equal parts as follows: agriculture (28%), industry (38%) and services (34%). Thousands of people emigrated from the impoverished rural areas to the industrial cities (Madrid, Bilbao, Barcelona), while thousands of others departed 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 organise a so-called "organic democracy" with a referendum to approve the Organic Law of the State (1966). 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.

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 eco-

nomic 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 radicalisation of nationalist positions and the emergence of ETA's terrorist activity.

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

At the end of 1969 a new cabinet with a technocrat majority was formed, which was subsequently replaced in 1973 by a cabinet with similar leanings. 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 afflicted with thrombophlebitis. Prince Juan Carlos took over as provisional head of state on 30 October 1975, and on 20 November Franco died. On 22 November, Juan Carlos I was crowned



King Juan Carlos I
sanctioning
the Spanish
Constitution of 1978.

King of Spain. Another chapter in Spain's history closed and the doors of freedom and hope opened for all Spaniards.

Democracy

The Transition from Dictatorship to Democracy

From the outset, the new monarch adopted a determined but prudent attitude to ensure the rapid democratisation of Spain, turning the institution he embodied into a "monarchy of all Spaniards". However, this was no easy task. He was obligated 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. Numerous left-wing politicians and intellectuals – Madariaga, Sánchez Albornoz, Pasionaria, Sénder, Guillén and Llopis – returned from exile and on 15 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, a former minister under Franco and the founder of Alianza Popular (Popular Alliance). The Communist Party of Spain, headed by a former leader of Republican Spain who had been exiled for years (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, in which a young generation led by Felipe González had just replaced the old guard of exiles who still clung to the memory of the Civil War). 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 Octo-



The four presidents of the Spanish democratic era. From left to right: Leopoldo Calvo Sotelo, José María Aznar, Adolfo Suárez and Felipe González.

ber of the same year signed the Moncloa Pacts to consolidate 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 in all respects: freedoms of all types were guaranteed and a multiparty parliamentary system was established; the social function of political parties and trade unions was recognised; and the state adopted a decentralised form of government, paving the way for the formation of autonomous regions throughout the country. These changes were backed by a widespread consensus, demonstrating the degree to which the Spanish had overcome the wounds of the Civil War and were capable of looking towards the future rather than remaining mired in the past. Without a doubt, this is the most important legacy of the transition initiated in 1977. Spain had already had a number of constitutions, a long history of parliamentary life and even the experience of a former democracy, but 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. This climate of consensus and the peaceful nature of the transition to democracy attracted the interest

of politicians and analysts in numerous countries, especially the citizens of 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 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 in every quarter. 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 (for example, the Socialists and Communists abandoned their dream of a republic), 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 (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 (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. 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. However, 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 in the EEC on 28 July 1977 and on 1 January 1986, Spain became a member state. Leopoldo Calvo Sotelo, Suárez's successor as president, proposed and gained approval from Congress for membership in NATO (29 October 1981), which was later ratified in a popular referendum held in 1986.

On 28 October 1982, new general elections were held in which 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 two elections, held on 22 June 1985 and 29 October 1989.

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 modernisation 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, social services were extended, etc. Moreover, 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 creativi-



The Spanish president, José Luis Rodríguez Zapatero, taking his oath of office before H.M. the King on 12 April 2008.



Group photo of the new administration, 14 April 2008.

ty, presented a new image to the world with the organisation 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' peace-keeping forces in Africa, the Balkans, Middle East and Central America, hosting conversations between Israel and the Arabic nations (Madrid Conference, 1991), dramatically increasing its aid to developing countries (through the Spanish Cooperation Agency), exporting the activities of its technicians and business leaders to distant markets (with strong investment in Latin America), reinforcing the presence of the Spanish language and culture around the world (through the Cervantes Institute, created in 1991), etc.

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 (inaugurated on 8-9 July 1993), the loss of the absolute majority forced the party to turn to other parliamentary groups in order to gain sufficient support in the Congress and Senate to ensure the

stability of the government. In the end this was made possible by agreements reached with the CiU (Convergència i Unió – Convergence and Union).

Meanwhile the Partido Popular had been restructured and renamed in 1989 around the new leadership of 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, which with support from the moderate nationalist groups of Catalonia (Convergència i Unió), the Basque Country (PNV) and the Canary Islands (Coalición Canaria – Canary Coalition) placed the presidency in Aznar's hands.

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

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, after the Spanish economy had successfully met all the necessary requirements.

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 unlike anything ever experienced before on Spanish soil. A group of radical Islamist extremists killed 192 people and wounded almost 2,100 more in Madrid, in the worst terrorist attack perpetrated in Europe to date. However, three days later normalcy reigned as the people of Spain turned out to cast their votes in the general elections as planned.

14 March 2004, the PSOE won the general elections, making José Luis Rodríguez Zapatero the fifth president to take power in democratic Spain. Since then, the country has kept up and even accelerated the pace of social and economic change.

Now, at the beginning of the 21st century, Spain is the eighth world power. The successful adoption of the euro, a spectacular rhythm of social achievements, an unprecedented level of job creation and healthy public accounts have, in just a few short years, turned Spain into a net

recipient of immigrants – an essential factor in the growth of the population (nearly 45 million at the beginning of 2006) as well as its economic growth (above 3% per annum and ahead of all the other countries in the Eurozone).

The firm commitment displayed by Rodríguez Zapatero's government to investment in research, development and innovation is likely to bring about major changes in the Spanish economic model in the medium and long term. In the international arena, Spain is now an important donor country and has pledged to duplicate its development aid during this legislature and reach the target of 0.7% of GDP in the next one.

In 2004 Spain witnessed the creation of its first government administration with gender parity among its members (one of the world's few existing gender-balanced administrations) and has laid the foundations for a more modern society with, among other government initiatives, the legalisation of homosexual marriage, a law against domestic violence, an equal opportunities law, the reform of the state television network and measures to simplify government procedures for citizens.

The Law on Dependent Care guarantees assistance for 1.3 million Spaniards, who will benefit from a more supportive social framework, and represents a major step forward in the welfare state.

Third Conference of Presidents of the Autonomous Regions, held at the Senate on 11 January 2007.



CHRONOLOGY

Prehistory

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

Spain before the Romans

- 1,200-800 BC** Indo-Europeans, Phoenicians and Greeks invade the Iberian Peninsula.
- 800-500 BC** Tartessus.

Roman Hispania

- 218 a.C.- 409 AD**

The Visigothic Kingdom

- 472-710**

Muslim 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** Kingdom of Aragon and Catalonia.
- 1143** Kingdom of Portugal.
- 1230** Kingdom of Castile and Leon.
- 1479** Unification of the Crowns of Castile and Aragon with the marriage of Ferdinand and Isabella.
- 1492** Conquest of Granada, Columbus discovery of America and the publication of the first Spanish grammar text.
- 1512** Incorporation of Navarre.
- 1535-1545** Viceroyalties of Mexico and Peru.

House of Hapsburg (1517-1700)

- 1517-1556** Charles I.
- 1526** Treaty of Madrid.
- 1556-1598** Philip II.
- 1571** Battle of Lepanto.
- 1598-1621** Philip III.
- 1605** Publication of Don Quixote.
- 1621-1665** Philip IV.
- 1640** Secession of Portugal.
- 1665-1700** Charles II.
- 1659** Treaty of the Pyrenees.

House of Bourbon (1700-1808)

- 1700-1746** Philip V.
- 1713** Treaty of Utrecht.
- 1746-1759** Ferdinand VI.
- 1759-1788** Charles III.
- 1760-1790** Enlightenment and Reform.

- 1788-1808** Charles IV.
- 1790-1808** The Radical Challenge.
- 1805** Battle of Trafalgar.
- 1807** Treaty of Fontainebleau.

Dissolution of the old Regime and the

War of Independence (1808-1814)

- 1808** Abdication of Charles IV and Ferdinand VII in Bayonne. Entry of Joseph Bonaparte I of Spain in Madrid.
- 1810-1812** The Cortes and Constitution of Cadiz.

Liberal reaction and Revolution (1814-1833)

- 1814** Arrival of Ferdinand VII in Madrid.
- 1814-1820** First Absolutist Restoration.
- 1820-1823** Coup d'état and Liberal Triennium.
- 1823-1833** Second Absolutist Restoration.

The Two Regencies (1833-1843)

- 1833-1841** Death of Ferdinand VII and Regency of Maria Christina Carlist War.
- 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-year period (1868-1874)

- 1869** Constitution of 1869.
- 1869-1871** Regency of General Serrano.
- 1871-1873** Democratic monarchy of Amadeus of Savoy.
- 1873-1874** First Republic.
- 1874** Coup staged by Martínez Campos on behalf of Alfonso XII.

The 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 the 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 Republic.

Second Republic and the Civil War (1931-1939)

- 1931** Republican Constitution.
- 1936** Popular Front elections (February) and uprising (July).

General Franco's Regime (1939-1975)

- 1959** Stabilisation Plan.
- 1969** Appointment of Prince Juan Carlos as successor.

Democratic Transition. From 1975

- 1975** Death of Franco. Proclamation of King Juan Carlos I.
- 1976** Political Reform Law (November) and Referendum (December).
- 1977** General elections (15 June). Relative majority for the UCD.
Third government of the monarchy (4 July). President Adolfo Suárez.
Spain requests membership in the EEC (28 July).
- 1978** Constitution (sanctioned by HM the King on 27 December in Parliament).

Constitutional Monarchy

- 1979** General elections (1 March). Relative majority for the UCD. HM King Juan Carlos I invites Adolfo Suárez to form his government (29 March).
Foundation of the main democratic town councils (19 April).
HM the King opens the first constitutional legislature of Parliament (9 May).
- 1980** Opening of the Constitutional Court (12 July).
- 1981** Resignation of Adolfo Suárez as president. HM the King invites Leopoldo Calvo Sotelo to form a new cabinet (10 February). Calvo Sotelo proposes Spain's entry into NATO (18 February). Coup d'état (23 February). Calvo Sotelo is sworn in as president (25 February). The Congress of Representatives approves Spain's entry into NATO (29 October).
- 1982** General elections. Victory with an absolute majority for the PSOE (29 October). New government with Felipe González as president (3 December).
Appointment of the Ombudsman in the Congress of Representatives (28 December).
- 1985** Signature of Spain's treaty of adhesion to the EEC (12 June).
- 1986** Spain and Portugal join the EEC (1 January).

Prince Felipe swears allegiance to the Constitution in Parliament (30 January).
Referendum on Spain's continuation in NATO (12 March).

General elections. New absolute majority for the PSOE (22 June).
Felipe González is sworn in as president (25 July).

- 1987** Municipal, regional and European elections (10 June).
- 1989** Spanish presidency of the EC (January-June). European Elections (June). General elections. Victory for the PSOE (29 October).
Felipe González takes the presidential oath of office before Parliament (5 December).
- 1993** General elections (6 June). Relative majority for the PSOE.
Felipe González takes the presidential oath of office before Parliament (9 July).
- 1994** European elections (12 June).
- 1995** Municipal and regional elections (28 May). Spanish presidency of the EC (July-December). The European Council of Madrid approves the name of the future European currency: the euro (15-16 December).
- 1996** General elections (3 March). Relative majority for PP.
José María Aznar is sworn in as president before Parliament (3 May).
- 1999** Municipal, regional and European elections (13 June).
- 2000** General elections (12 March).
Victory with an absolute majority for the PP. José María Aznar takes the presidential oath of office before Parliament (25 April).
- 2002** Spanish presidency of the EC (January-June).
- 2003** Municipal and regional elections (25 May). European elections (13 June).
- 2004** General elections (14 March). Victory for the PSOE with a relative majority (164 seats out of 350). José Luis Rodríguez Zapatero is sworn in as president before Parliament (17 April).
- 2005** European Constitution Referendum (20 February).
- 2007** Local elections (27 May).
- 2008** General elections (9 March). Victory for the PSOE with a relative majority.

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. Similarly, the vicissitudes of its history have made it a place of meeting for the most diverse cultures. It therefore boasts a rich cultural legacy with palpable living traces of an extraordinarily dynamic past.

The earliest cultural expressions

The earliest cultural manifestations of any significance are prehistoric. In the Palaeolithic Period, around 15,000 B.C., a Franco-Cantabrian culture stretched from the north of Spain and Europe to Asia. This culture left behind animal figures painted in several caves for magical and religious purposes; the masterpiece from this period can be found in the main chamber of the cave at Altamira, which has been described as the “Sistine Chapel” of cave art.

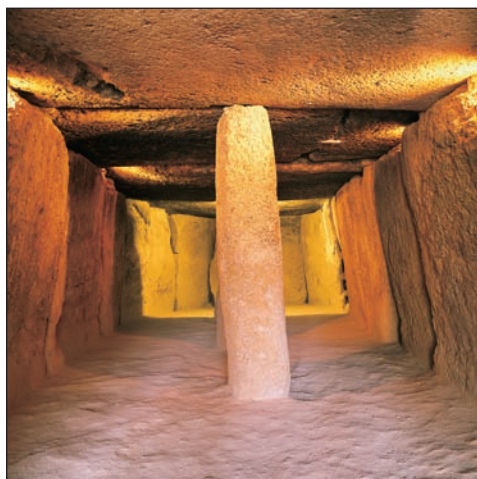
A later period, the Mesolithic, is represented by the paintings of the Levant school, of African origin, which have been found in primitive shelters ranging from Lleida (Catalonia) to Albacete (Castile-La Mancha). These paintings depict humans. During the first millennium

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

Simultaneously, the legendary culture of Tartessus was emerging in the lower Guadalquivir Valley, based on trade with the Phoenician colonies. 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 – the Lady of Elx, the Lady of Cerro de los Santos and the Lady of Baza – that are currently on display at the National Archaeology Museum in Madrid.

Two megalithic structures. On the left, the dolmen of Axeitos, Ribeira (A Coruña) and, on the right, the Cave of Menga, Antequera (Malaga).





Female anthropoid sarcophagus (470-400 BC), Museo de Cádiz.

The Roman legacy

Romanisation induced the cultural unification of the Iberian Peninsula, leaving not only the language and numerous social institutions but also a plethora of artistic remains. Some of these provide a crucial insight into Roman art, such as the aqueducts in Segovia and Mérida the Alcántara Bridge and the Arch of Bara in Tarragona.

Two splendid Roman complexes can be found at Italica, near the city of Seville, and Mérida, whose splendid theatre is still used to stage classical drama during the summer. Such is the quantity of Roman remains in this town that it was chosen as the site for the National Museum of Roman Art, inaugurated in 1986.

While Rome built the Hispania of the first five centuries, Hispania returned the favour by providing with some of its best sons, including emperors (Trajan and Hadrian), writers and philosophers. This Roman legacy not only pervades numerous institutions but also the law of the land. Similarly, with the exception of Basque, Vulgar Latin served as the root of all the languages of the Iberian Peninsula: Castilian, Catalan, Galician and Portuguese.

The Middle Ages

The generalised 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, geminate windows sharing a central column, square-shaped apses and barrel vaults are the distinguishing characteristics of the early Christian churches. Two examples can be found in Ourense (Santa Comba de Bande) and Zamora (San Pedro de la Nave).

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 Muslim 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.

Meanwhile, the perpetuation of the classical legacy was guaranteed by Alfonso X, who created the Translation School of Toledo and Seville. Alfonso the Wise, as he is also known, is also credited with writing *The Seven Divisions of Law* and making major contributions to the world of science *Lapidarium*.

The Arabic tradition also made a lasting impression on the field of poetry, with figures such as Ibn Hazm of Cordoba (*The Ring of the Dove*) and Ibn Quzman, famed as the inventor of the classical metre. One of the most important philosophers was the great Averroes (1126-98, Cordoba), an Aristotelian scholar.

While the field of literature was fertile, the field of architecture was no less. The Great Mosque of Cordoba (begun in 784) and Medina Azahara are outstanding examples of art under the Caliphate. In Seville, the former minaret of the mosque – known as the Giralda – the Golden Tower and the Alcázar palace represent some of the most important monuments of Islamic architecture. The culminating structure from this period is the magnificent 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



Romanesque church of San Martín, Frómista (Palencia).

Compostela. Along the way, churches were built in which European Romanesque art blended with the Pre-Romanesque style typical of Spain. Examples of this 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 Leon, 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 (Leon), the capitals in the cathedral of Jaca (Huesca), the monastery at Ripoll and the mentioned cathedral of Santiago.

Other noteworthy Romanesque monuments can be found in the region of Castile and Leon (Avila, Zamora, Soria, Salamanca, Segovia, Burgos), while Navarre, Aragon and Catalonia all boast magnificent 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 Lay 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 in Burgos and Poblet in Tarragona, and achieved its finest expression in the cathedral of Leon. The 14th century was characterised by the emergence of the Catalan Gothic style (cathedrals of Barcelona, Girona and Palma, Majorca) and the 15th century by 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, Majorca.

In the field of literature there were important advances, with popular minstrel verses giving way to more learned poetry. Gonzalo de Berceo is the earliest known Spanish poet, famed for his work *The Miracles of Our Lady*.

Alfonso X has already been cited in connection with his *Siete Partidas*, but he also 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*.



King David, an altarpiece painting produced by Pedro Berruguete between 1478 and 1482. It is held at the Museo Parroquial de Santa Eulalia in Paredes de Nava (Palencia).

The Renaissance

The 14th century was an extraordinarily fruitful period with profound influences from Italian humanism on literary works such as *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.

In the following 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, which spans the period from the last decade of the 15th century to the end of the 18th century. 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 which were both built during this period. Meanwhile, consolidation of Castilian Spanish came with the publication *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 the famous *Amadis of Gaul*.

A similarly notable evolution took place in the genre of drama. Juan de la Encina (1469-1529) was the first to write about non-religious themes, but the genuine breakthrough came with *The Celestina or the Tragic Comedy of Calisto and Melibea* by Fernando de Rojas, the second most important work in Spanish literature after *Don Quixote*.

The 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* by Miguel de Cervantes, and several other distinctly Spanish genres emerged, such as the picaresque novels *Guzmán de Alfarache* by Mateo Alemán and the anonymous *Lazarillo de Tormes*.

Diego Velázquez, "Las Meninas", 1656. The Prado Museum.



Poetry evolved at the same pace. In the 16th century Boscán and Garcilaso de la Vega adapted Italian metres 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). This form of artistic expression achieved unprecedented splendour in the works of Lope de Vega, Tirso de Molina and Calderón de la Barca.

Humanism also flourished from early on in the Modern Era, thanks to figures such as the philosopher 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*.

In the field of painting, the 16th century produced an outstanding artist 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), whose main works are as follows: *Las Meninas* (a.k.a. *The Maids of Honour*), *The Surrender of Breda*, *The Forge of Vulcan*, and his famous portraits *Philip IV*, *The 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 Golden Age is also credited with a specific architectural style named after Juan de

Herrera. The finest example of the style is the Royal Monastery of San Lorenzo de El Escorial, commissioned by Philip II.

The Baroque Period

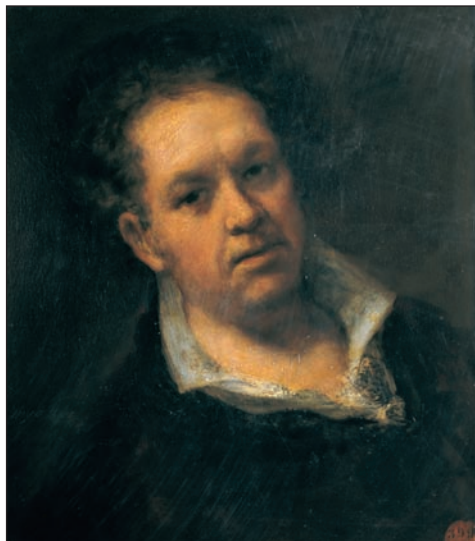
Of Italian origin, from whence comes its name, the Baroque style embodies the spirit of the Counter-Reformation. It is mainly a decorative style based on fanciful, over-elaborate forms. The Society of Jesus stamped the Baroque style on all religious monuments from previous periods, superimposing it onto designs originally in the Gothic and even 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

Francisco de Goya. "Self-Portrait." 1815. Madrid. National Prado Museum.



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. Although in the literary field the quality was substantially inferior to that of two centuries earlier, several outstanding writers emerged, such as Leandro Fernández de Moratín, Torres Villarroel, Meléndez Valdés, the fable writers Iriarte and Samaniego, and the dramatist Ramón de la Cruz, a key exponent of the *costumbrista* genre, with its focus on local customs and manners. The main poets of the period were Cadarso, Nicasio Gallego and Alberto Lista. Finally, in the field of letters, the 18th century was noted for two great figures – Father Feijoo and Jovellanos.

In architecture, the Baroque style gave way to Neoclassicism. The Bourbons brought numerous foreign artists to Spain and Charles III commissioned major public infrastructure works. Ventura Rodríguez and Juan de Villanueva were the most important Spanish architects of this period, renowned for creations such as the Royal Palace, the Prado Museum and the Alcalá Gate, all in Madrid.

By contrast, painting experienced a period of decline. The Spanish and international painters commissioned to decorate the palaces were all of mediocre quality. Finally, however, in the final decade of the century, one the greatest painters of all time emerged: Francisco de Goya. Regarded as the father of all the “isms”, Goya painted a vast range of works, including light-hearted cartoons for the Royal Tapestry



Detail of the steps leading up to Park Güell, designed by Antoni Gaudí, in Barcelona.

Factory, macabre etchings such as *The Disasters of War*, the bitter *Caprichos*, the *Follies* and the *Tauromachia*, and dramatic paintings such as *The Third of May 1803* and the frescoes of San Antonio de la Florida in Madrid.

Romanticism

Romanticism, the artistic and literary expression of liberal thinking, arrived late in Spain (it had its heyday between 1830 and 1840) and with a distinctly French flavour. Its main exponent was Mariano José de Larra (1809-1837), whose influence continued into and well beyond the second half of the century in the poetry of Gustavo Adolfo Bécquer (1836-1870) and the plays of the first Spanish recipient of the Nobel Prize for Literature: José Echegaray.

Romanticism was succeeded by the *costumbrista* works of Mesonero Romanos, the poetry of Espronceda and the dramatic scripts of the Duke of Rivas and José Zorrilla.

In the second half of the 19th century, the romantic exaltation of national values fuelled a revival of Spain's regional cultures. In Catalonia this led to the restoration of the *Jocs Florals* (the Floral Games poetry contest) and ushered in the so-called Catalan Renaissance with the works of Rubió i Ors, Verdaguer and Guimerà.

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. However, the two great figures of this period were Juan Valera and Benito Pérez Galdós. Considered the father of the contemporary Spanish novel, Galdós created a gigantic historical novel world in his *National Episodes*. His work paved the way to Naturalism, which was embodied by three great figures: Leopoldo Alas "Clarín", Emilia Pardo Bazán and Vicente Blasco Ibáñez.

The Generations of 1898 and 1927

The late 19th century was a hotbed of political, literary, philosophical, artistic and scientific analysis. The institutions that had been founded at the beginning of the century – the *Ateneos* or athenaeums (cultural centres inspired by classical Athens and devoted to humanist values and freethinking) and artistic and literary academies – came into their own, and Joaquín Costa and Giner de los Ríos launched a movement of national revival. The outstanding figures in the field of historical research were Amador de los Ríos, Menéndez Pidal, Rafael Altamira, Milá and Fontanals, while Marcelino Menéndez Pelayo was the key figure in the context of 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.

Despite the political and social unrest in Spain during the first third of the 20th century, literary 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.

The first of these dates marks the loss of the last Spanish colonies and, in general, the end of a decline initiated in the 17th century.

A large group of writers reacted to this event by exploring its causes and proposing their own remedies for the regeneration of Spain. Together they formed the so-called Generation of '98 which, although it included great literary figures, transcended the field of literature to encompass science, medicine, history and the essay genre.

At the same time, Modernism was emerging. A contemporary of pictorial and musical Impressionism, this movement was particularly important in Catalonia, which has always been more open to the winds of change blowing in from Europe. Its main exponent was the genius architect Antonio Gaudí, and it was also linked to the *Renaixença* (Renaissance) of Catalanian 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 Família and the fantastic gardens of the Parque Güell. This same *Modernisme*, as the movement was known in Catalonia, eventually produced the extraordinary painter Pablo Picasso.

The late 19th century in Spain was also characterised by the arrival of echoes of the musical nationalism that had spread throughout Europe. Two Spanish composers achieved international recognition in this field: Isaac Albéniz and Enrique Granados.

In painting, Ignacio Zuloaga's works, with their emphatic drawings and typically Spanish characters, expressed a certain affinity with the literary world of the Generation of '98. Meanwhile, the Valencian artist Joaquín Sorolla can be described as a colourful Post-Impressionist; beneath the anecdotal surface of his canvases, the unique light of the eastern shores of Spain is the true protagonist of his beach scenes.

The Generation of '98 – preoccupied almost to the point of obsession with what began to be known as "the problem of Spain" – orchestrated a brand-new style that had little in common with the characteristic rhetoric of the 19th century.

Some of the representatives of this trend achieved a genuinely universal stature. Such is



From left to right, José María Hinojosa, Juan Centeno, Federico García Lorca, Emilio Prados and Luis Eaton-Daniel at the Residencia de Estudiantes, 1914.

the case of Miguel de Unamuno, who cultivated all literary genres and whose work *The Tragic Sense of Life in Men and Peoples* was a precursor of Existentialism. Another great figure was his contemporary Pío Baroja, a renowned novelist who was much admired by Hemingway. Azorín, famed for his masterful skill as a narrator, and Ramón María del Valle-Inclán, who invented *esperpento* or the theatre of the grotesque, were also crucial figures of this movement.

In the poetry field, the main figures are Antonio Machado, whose works combine symbolism and social reflection, and Juan Ramón Jiménez, another Nobel laureate, whose poems evolved from a kind of sentimentality to a much deeper, abstract and complex lyricism.

A common trait shared by all intellectuals during this period was the attempt to incorporate the latest trends in European culture and thinking. 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 contribute regularly to the press, which they use as vehicles of dissemination and cultural pedagogy in an attempt to renew national sensitivity and promote an open attitude towards European modernity.

In the 1920s, the refreshing winds of the aesthetic vanguards blew strongly in Europe and a group of universal figures emerged – Pablo Picasso, Salvador Dalí and Luis Buñuel. Picasso sought his inspiration in Hispanic roots and in the extravagant, Baroque and highly contrasting temperament that seems to characterise 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, famed for its intellectual atmosphere and for promoting great artistic sensitivity amongst its occupants, has survived to this day under the protection of the Higher Council of Scientific Research.

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 laureate 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.

Young creators would enthusiastically embrace the world of cinema, the "city lights", the break with bourgeois values and realist art,

and the dream of an aesthetic and political revolution.

Years later, they all fell 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.

The same fertile atmosphere of the *Residencia de Estudiantes* also produced the Aragonese film-maker Luis Buñuel, who worked from his exile in Paris to carve out a place for himself in the international arena. Temporally connected to the Surrealist movement, his work possesses a corrosive strength and critical violence that bear certain similarities to the pictures of his fellow countryman, 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 Catalanian nationalism. His famous versions of Bach's suites occupy their own place in the history of contemporary musical performance. Meanwhile, Spanish cultural nationalism was embodied by Manuel de Falla; thanks to his work, flamenco music – the spontaneous expression of popular Andalusian vocal music – first gained recognition as a sophisticated art form.

The new vanguard movements also influenced Spanish sculpture. Lesser known than Picasso and Dalí but equally deserving of their place in the history of contemporary art are the sculptors Julio González, Pablo Gargallo and Alberto Sánchez.

Spanish drama also flourished in the first third of the 20th century, especially thanks to the work of Jacinto Benavente, yet another Spanish recipient of the Nobel Prize for Literature.

As a counterpart to this high drama, musical and non-musical farce became the most important popular genre. This form of simple, *costumbrista* and sentimental drama focused in particular on the daily life of the Andalusian working classes (embodied in the works

of the Álvarez Quintero brothers). The plays written by Arniches feature a similar idea, although he used an original and highly appealing formula – grotesque tragic comedy, combining both comedy and pathos.

But Spanish drama of the 20th century was marked by two great authors: Valle-Inclán and García Lorca. Although both reacted against conventional, bourgeois, naturalist drama, 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

Due to the situation created by the Civil War, numerous intellectuals opted to go into exile. This, in addition to the limitations imposed by the new regime, gave rise to a cultural parenthesis from which Spain was slow to recover. However, from their exile abroad, people such as Francisco Ayala, Ramón J. Sender, Max Aub, Gil Albert and Pau Cassals worked unstintingly to promote Spanish culture.

Meanwhile, in Spain itself a dual movement emerged. Some intellectuals embraced the political ideals of Franco's regime, while others pursued their intellectual or artistic activities as a form of opposition.

Poetry abandoned the aesthetic ideals embodied by Luis Rosales and Leopoldo Panero in favour of either the social realism of figures such as Blas de Otero, Gabriel Celaya, José Hierro and Carlos Bousoño, or the reassertion of nationalist or avant-garde movements, represented by Salvador Espriu, the *Novísimos* (a group of innovators led by Barral, Castellet) and others.

The work of the Generation of '27 remains as valid as ever, and in 1977 Vicente Aleixandre was awarded the Nobel Prize for Literature.

ture. Twelve years later, in 1989, the same prize was awarded to Camilo José Cela.

Meanwhile, in the 1940s the creation of the national theatres brought together a series of authors who managed to overcome the restrictions imposed by the regime and develop a type of drama open to new trends emerging around the world. Antonio Buero Vallejo and Alfonso Sastre were instrumental in breathing new life into Spanish drama.

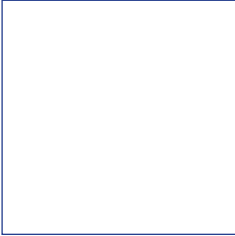
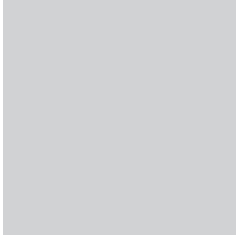
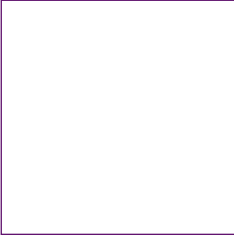
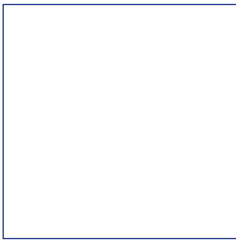
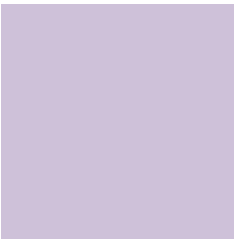
The novel also recovered slowly and adopted life under Franco as its central theme. This is particularly evident in works such as Camilo José Cela's *The Hive* and Luis Martín Santos's *Time of Silence*. "Other important novelists included Gonzalo Torrente Ballester, Miguel Delibes, Carmen Laforet, Sánchez Ferlosio, Fernández Santos and Juan Goytisolo.

In the 1970s Juan Benet renewed the literary scene, and the following decade witnessed the emergence of writers such as Javier Marías, Muñoz Molina and Pérez Reverte, whose works acquired an unprecedented international importance and readership.

In the visual arts, there was a move towards pictorial abstraction (embodied by Tápies, Saura, Canogar, Millares and Guinovart), which subsequently gave way to the critical realism of Genovés and Pop Art (Equipo Crónica). In recent years, Antonio López has consolidated the sure merits of his radical realism and Miquel Barceló's creativity has triumphed in the temples of contemporary art. In the field of 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" promoted by CIFESA gradually gave way to the refreshing approach of Bardem and Berlanga and Saura and Buñuel's later work.

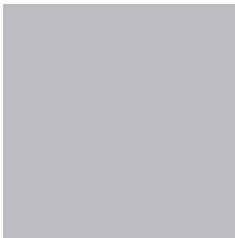
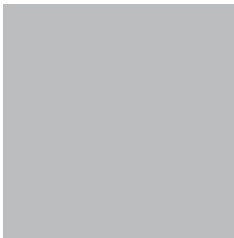
At the beginning of the 1990s, the Spanish film industry was rejuvenated by a generation of young directors such as Pedro Almodóvar, Fernando Trueba and most recently Alejandro Amenábar, all of whom are currently in their professional prime and have won international acclaim.



CHAPTER III



THE ORGANISATION OF THE STATE



THE SPANISH CONSTITUTION OF 1978

Described as the constitution of consensus, this document was drafted on the basis of negotiations and agreements between the different political parties with parliamentary representation. The 1978 constitution approved by Spaniards in the referendum held on 6 December entered into effect on 29 December of that same year.

With a preamble, 169 articles divided into 10 sections and several provisional and additional provisions, the present-day constitution is the longest in Spanish history after the Constitution of 1812.

Article 1 declares Spain to be a social and democratic state that advocates freedom, justice, equality and political pluralism as the fundamental values of its legal system. Furthermore, it establishes that national sovereignty rests with the Spanish people, from whom the state derives its powers, and that the political form of the Spanish state is that of a parliamentary monarchy.

The constitution includes an extensive list of the fundamental rights and public liberties of all citizens and establishes a State of Autonomous Regions.

Mention must also be made of the principle of separation of the legislative, executive and judicial branches of government.

The Constitutional Court. This judicial body is the supreme authority on constitutional interpretations. It operates independently of other constitutional authorities and is subject only to the Spanish constitution and the regulations established in Constitutional Law 2/1979 of 3 October.

Its twelve members are appointed as follows: four are first proposed by a three-fifths majority of the Congress of Representatives and

later confirmed by the King; four are appointed by the same majority in the Senate; two are named by administration in office; and the remaining two are designated by the General Council of the Judiciary Power.

The members are appointed for nine years. One-third of the court is renewed every three years, and members cannot be re-elected. Its competences can be divided into three major areas: firstly, it controls the constitutionality of laws; secondly, it settles conflicts of competences arising between the autonomous regions, and between them and the State; and finally, after exhausting ordinary judicial procedures, it is empowered to safeguard citizens' basic rights by handling appeals brought on grounds of violation of constitutional rights and liberties, which may be lodged after exhausting all ordinary legal avenues for the purpose of reviewing alleged violations of said rights. Citizens, the Ombudsman and the Crown Prosecution Office are entitled to file such appeals.

The Institutions

The Crown

The political form of the Spanish state is that of a parliamentary monarchy. The king, in his capacity as the head of state, symbolises the unity and permanence of the state. He arbitrates and moderates in the regular running of institutions and acts as the highest representative of the Spanish state in international relations.

The Legislative Branch

Spanish Parliament (Cortes Generales). The legislative authority of the State is exercised by the Spanish Parliament which represents the Spanish people and controls the administration's actions. It has two houses: the Congress of Representatives and the Senate. This is, therefore, what is known as an "imperfect bicameral" parliamentary system, because the powers of the two houses are not equal. Representatives and senators are elected for four years. It is possible for the Spanish Parliament to be dissolved ahead of time at the Spanish president's request.

The Congress of Representatives has 350 members. Every draft and proposed law, without exception, must be studied first by this house. The Senate has the power to veto or amend the texts written by the Congress, which is then responsible for the final decision after studying it again. Likewise, it is Congress that confirms and confers powers upon the president, which means that this house can bring about his resignation by either passing a motion of censure or refusing a vote of confidence requested by the president's administration.

The Senate. Designed by the constitution as the house of territorial representation. In this 9th Legislature, this house has a total of 264 senators, of which 208 are elected by direct universal suffrage. The remaining 56 were appointed by the legislative assemblies of the Autonomous Regions, which are entitled to select one senator each, plus another for every one million inhabitants in their territories.

The Executive Branch

The Administration. The text of the Spanish constitution barely differs from common contemporary parliamentarianism as regards the administration's functions. The administration is responsible for exercising executive powers, initiating legislative activity and drafting the general national budget and it is also empowered to govern using emergency legislation (which must be ratified by Congress). The administration directs domestic and foreign policy, civil and military administration and national defence.

In Spain, the administration is created in two different stages. In the first phase, the presidential candidate submits his/her administration programme to be considered by Congress. In the second phase, after the president has been approved by Congress and appointed by the King, he presents the King with his proposed list of ministers. This proposal power and the responsibility of overseeing governmental action means that the figure of the president stands out above other figures in the internal organisation of the executive branch, to such



Congress of Representatives.

an extent that Spain's constitutional regime could technically be described as a prime minister system.

The executive's governing body is the Council of Ministers consisting of the president, the vice-president(s) and the ministers who usually meet once a week. The current administration consists of the president, three vice-presidents, each of whom holds a ministerial office, and a total of 17 ministers. Over half of the ministries are headed by women.

Government control institutions

There are two institutions directly answerable to the Spanish Parliament with specific responsibilities deriving from the constitution for the purpose of controlling and monitoring the administration in power:

The Court of Auditors. According to article 136 of the constitution, this court is the highest authority on matters of national and public accounts auditing and budget management. As mentioned above, it is answerable to the Spanish Parliament, and any disputes that may arise in relation to its competences and attributed powers are settled by the Constitutional Court. It is regulated by Organic Law 2/1982 of 12 May. Its chairman is appointed by the king from among its members, based on the proposal of the plenary assembly, for a three-year term. The plenary assembly consists of 12 councillors and the Chief Prosecutor.

The Ombudsman. The Spanish constitution of 1978 created the office of ombudsman as the “High Commissioner” of the Spanish Parliament charged with safeguarding and protecting basic rights.

The ombudsman is elected by Spanish Parliament for a five-year term pursuant to Organic Law 3/1981 of 6 April, regarding the office of ombudsman. At the regional level, this office tends to be assigned much more generalised responsibilities.

The government's consultative bodies

The Council of State is the administration's highest consultative body, regulated by Organic Law 3/1980 of 22 April. Its main function is consultative and confined to issuing opinions about the subject of the enquiry.

The Economic and Social Council. This is a high-level body which the government consults on socioeconomic matters, as well as a forum of understanding for social and economic agents, whose primary purpose is to develop and apply the Social and Democratic Rule of Law. It consists of a chairman and sixty members: twenty councillors designated by labour union organisations, another twenty chosen by business organisations, and twenty others from various associations and organisations.

The Judiciary Branch

According to the constitution, justice rests with the people and is administered on the King's behalf by the judges and magistrates of the judiciary branch. Emphasis must be placed, above all, on jurisdictional unity; in Spain, justice is administered by a single corps of judges and magistrates.

The Supreme Court. This is the state's highest jurisdictional authority, except on matters of constitutional guarantees which fall to the Constitutional Court. Its chairman, who also chairs the General Council of the Judiciary Power, is proposed by this body and appointed by the king.

The General Council of the Judiciary Power. This is the body that governs judges and magistrates. This council is led by the chairman of the Supreme Court, and consists of 20 other mem-

bers who serve 5-year terms and must be proposed by a three-fifths majority of Parliament and appointed by the King. Twelve of these council members must be judges or magistrates.

The Chief Prosecutor. This individual is proposed by the administration and appointed by the king after consulting with the General Council of the Judiciary Power. The purpose of the Crown Prosecution Office is to take or instigate all necessary judicial actions for safeguarding citizens' rights and public interests protected by law, either ex-officio or at the request of the interested parties. The office is also responsible for preserving the independence of the courts and ensuring that the interests of society are served by the courts. The Prosecutor's Office can lodge appeals on grounds of violations of rights and liberties before the Constitutional Court.

The Symbols of the State

The Flag. The flag of Spain was originally instituted by a Royal Decree issued by King Charles III on 28 May 1785. It is defined by the 1978 constitution in the following manner: “The flag of Spain consists of three bands, red, yellow and red, with the yellow band being twice as wide each of the two red bands”. Furthermore, article 1 of Law 39/1981 states that “the flag of Spain symbolises the nation. It is a sign of the sovereignty, independence, unity and integrity of our homeland and represents the noble values enshrined in the Constitution.”

The Coat of Arms. The Spanish coat of arms has undergone a series of modifications over the years since its creation in the times of the Catholic Monarchs. It is now officially defined by Law 33/81, Royal Decree 2964/81 of 18 December and Royal Decree 2267/82 of 3 September.

The National Anthem. On 10 October 1997, the characteristics and provisions governing the use of the national anthem were approved by the Council of Ministers and Royal Decree 1560/97 was published the next day in the Official Gazette of the Spanish State. This decree acknowledged that the national anthem originated with the Grenadier March or the Royal March.

The Territorial Organisation of the State

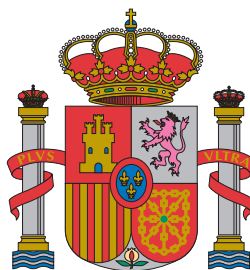
The Autonomous Regions and Cities with Statutes of Autonomy

The 1978 Constitution acknowledged and guaranteed the right of the nationalities and regions that comprise the Spanish nation to be autonomous, and the solidarity between them all. The development of the provisions of the constitution has led to a complete overhaul of the territorial organisation of the state, involving the creation of seventeen autonomous regions and two autonomous cities (Ceuta and Melilla) and the ensuing redistribution of political and administrative power between the central and regional authorities.

As a result of this process, Spain has become one of the most decentralised countries in Europe. By strengthening cohesion and solidarity, it has promoted the harmonious development of the political, social and cultural diversity that has shaped our history, while bringing institutions closer to citizens, improving democratic qualities and making a significant contribution to the important economic, social and cultural progress that Spain has attained.

Each autonomous region has its own statute of autonomy, ratified by organic laws, which constitutes the basic institutional regulations of the autonomous region and governs certain basic considerations such as the structure and management of its parliament and government, the powers and responsibilities of the autonomous region, its administration, identifying symbols and distinguishing features such as language or civil law, and relations with the State and other autonomous regions.

The distribution of powers between the State and the autonomous regions is based on the distinction between the responsibilities resting exclusively with the State or the autonomous regions, powers shared by the State and the autonomous regions, and the concurrent competences in which both the State and the autonomous regions can intervene. The exclusive faculties – of both the State and the autonomous regions – encompass legislative jurisdiction and executive authority, whereas shared competenc-



The Flag and Coat of Arms of Spain.

es may entail a different distribution of the legislative and regulatory authority between the State and the autonomous regions, which are usually endowed with executive authority in such instances. Any conflict of authority is settled by the Constitutional Court, as occurs in other politically decentralised states.

The autonomous regions have a parliamentary system of government and their basic institutions are the regional parliament, the president of the autonomous region and the regional administration. The autonomous regions have considerable economic and financial autonomy, being empowered to approve their own annual budgets and determine their own resources by means of taxes, duties and surcharges. The general funding system of autonomous regions, which also includes taxes transferred by the State and a share in state taxation, is set multilaterally by the State and the autonomous regions and, by means of a variety of financial mechanisms, ensures inter-territorial solidarity and a guaranteed minimum level of basic public services provided equally throughout the national territory.

The future of the State of Autonomous Regions. The experience of developing the State of Autonomous Regions over a period of almost thirty years, with a clearly positive outcome,

has made it possible to pinpoint operational areas in need of improvement. It has also become clear that an overhaul of the funding system is needed in order to enhance autonomy and financial self-sufficiency, as well as increase the fiscal co-responsibility of autonomous regions, thereby ensuring solidarity and territorial cohesion.

In order to perfect the State of Autonomous Regions in this respect, most autonomous regions have undertaken a revision of their Statutes of Autonomy in the last two years. At the present time, the amendments to the statutes of the Region of Valencia and of Catalonia have already been ratified and the autonomous parliaments of most of the autonomous regions have either submitted the amendments proposed for their statutes to the Spanish Parliament or are working on them.

The socialist administration led by José Luis Rodríguez Zapatero set a precedent by organising the first annual conference of regional presidents, with the goal of furthering a territorial model of governance that has so far proved to be tremendously successful.

Furthermore, the national government and the autonomous regions are currently working on a reform of the general public funding system. Another item on the administration's agenda is a limited reform of the constitution, one of the main aims of which is to strengthen the Senate as a house of territorial integration and representation. It may therefore be said that the State of Autonomous Regions is currently in a mature phase of fine-tuning which will take several years to complete.

Local Authorities

According to the latest official population statistics, as of 1 January 2007 (Royal Decree 1683/2007 of 14 December), there are 50 provinces and 8,111 municipalities (as of 2006), whose numbers of inhabitants are very unevenly distributed. Hence, 4,878 municipalities (60.14% of the total) have populations of fewer than 1,000 inhabitants, while 6,845 (84.39% of the total) are municipalities with fewer than 5,000 inhabitants. Only 136 municipalities (1.67% of the total) have populations of more than 50,000 inhabitants.

From an organisational standpoint, the institutions responsible for running and adminis-

tering the municipalities are the town councils, while the provinces are overseen by provincial councils. The Balearic and Canary Islands operate under a special local regime of inter-island councils.

The town councils comprise the mayor (who chairs the council), the deputy mayors, the governing board and the plenary assembly, consisting of all the councillors directly elected by the inhabitants of the municipality. Elections are held using open lists in municipalities with between 100 and 250 inhabitants, and closed lists in townships with more than 250 inhabitants, by proportional representation.

The mayor is elected by an absolute majority of the town councillors. If there is no absolute majority, the councillor heading the list that receives the most votes is proclaimed mayor, and in the case of open-list municipalities, the councillor obtaining the most votes from the people in the councillors' elections is proclaimed mayor.

A special Open-Council system is used in municipalities with fewer than 100 inhabitants, as well as in certain towns that choose to adopt it (either because of historical tradition or by virtue of a municipal decision ratified by the regional authorities). Under this unique system of government and administration, resident voters directly elect their mayor using the simple majority system – an authentic example of direct democracy at work.

Not only Spanish voters have the right to active and passive suffrage in local elections; citizens of the European Union with legal residence in Spain are also entitled to vote in the same conditions as Spaniards. The same right is extended to non-EU citizens residing in Spain whose native countries allow Spaniards to vote in their elections, under the terms of a specific treaty (article 13.2 of the EC and 176 of Organic Law 5/1985 of 19 June on the General Election System). The provincial councils are chosen by the town councillors of the province from among their ranks, and their basic task is to help and cooperate with the municipalities, particularly those with the least financial and management capacity, and likewise to ensure the mandatory minimum services that the municipalities are required to provide by law.

The Canary Islands and the Balearic Islands are governed and administered by the inter-island councils.

AUTONOMOUS REGION OF ANDALUSIA

• Location



• Flag



• Coat of Arms

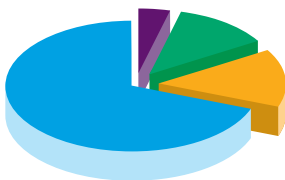


• Capital: Seville

• Socio-economic data

Surface area (km²)	87,591
Population, 2005 electoral register	7,849,799
Population density (inhab. / km²)	89.6
GDP mp (millions) 2005	124,406.9
Regional GDP mp / national GDP (%) 2005	13.8
GDP (PPP) per capita (EU25 average=100) 2004	75.7

BREAKDOWN OF 2005 GDP



Agriculture: 5.5%	Construction: 14.1%
Industry: 12.2%	Services: 68.2%

AUTONOMOUS REGION OF ARAGON

• Location



• Flag



• Coat of Arms

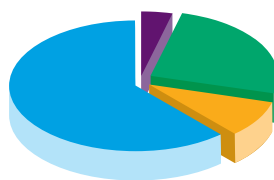


• Capital: Saragossa

• Socio-economic data

Surface area (km²)	47,698
Population, 2005 electoral register	1,269,027
Population density (inhab. / km²)	26.6
GDP mp (millions) 2005	28,013.1
Regional GDP mp / national GDP (%) 2005	3.1
GDP (PPP) per capita (EU25 average=100) 2004	105.1

BREAKDOWN OF 2005 GDP



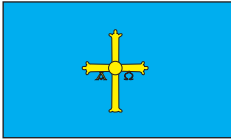
Agriculture: 5.0%	Construction: 11.1%
Industry: 23.7%	Services: 60.1%

AUTONOMOUS REGION OF PRINCIPALITY OF ASTURIAS

• Location



• Flag



• Coat of Arms

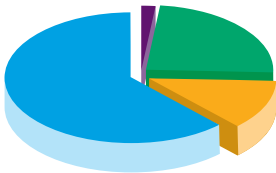


• Capital: Oviedo

• Socio-economic data

Surface area (km ²)	10,604
Population, 2005 electoral register	1,076,635
Population density (inhab. / km ²)	101.5
GDP mp (millions) 2005	19,610.0
Regional GDP mp / national GDP (%) 2005	2.2
GDP (PPP) per capita (EU25 average=100) 2004	85.3

BREAKDOWN OF 2005 GDP



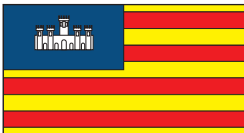
Agriculture: 2.3% Construction: 13.6%
 Industry: 22.7% Services: 61.4%

AUTONOMOUS REGION OF THE BALEARIC ISLANDS

• Location



• Flag



• Coat of Arms

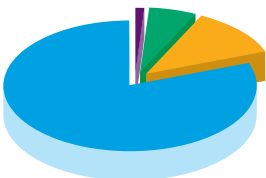


• Capital: Palma de Mallorca

• Socio-economic data

Surface area (km ²)	4,992
Population, 2005 electoral register	983,131
Population density (inhab. / km ²)	196.9
GDP mp (millions) 2005	22,285.5
Regional GDP mp / national GDP (%) 2005	2.5
GDP (PPP) per capita (EU25 average=100) 2004	110.9

BREAKDOWN OF 2005 GDP



Agriculture: 1.4% Construction: 11.0%
 Industry: 6.8% Services: 80.8%

AUTONOMOUS REGION OF THE CANARY ISLANDS

• Location



• Flag



• Coat of Arms

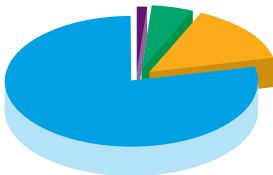


• Capitals: Sta. Cruz de Tenerife and Las Palmas de Gran Canaria

• Socio-economic data

Surface area (km²)	7,447
Population, 2005 electoral register	1,968,280
Population density (inhab. / km²)	264.3
GDP mp (millions) 2005	36,433.0
Regional GDP mp / national GDP (%) 2005	4.0
GDP (PPP) per capita (EU25 average=100) 2004	90.7

BREAKDOWN OF 2005 GDP



Agriculture: 1.5%	Construction: 11.7%
Industry: 6.6%	Services: 80.3%

AUTONOMOUS REGION OF CANTABRIA

• Location



• Flag



• Coat of Arms

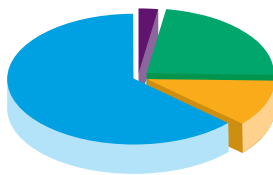


• Capital: Santander

• Socio-economic data

Surface area (km²)	5,253
Population, 2005 electoral register	562,309
Population density (inhab. / km²)	107.0
GDP mp (millions) 2005	11,382.9
Regional GDP mp / national GDP (%) 2005	1.3
GDP (PPP) per capita (EU25 average=100) 2004	96.5

BREAKDOWN OF 2005 GDP



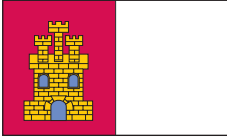
Agriculture: 3.7%	Construction: 13.3%
Industry: 21.0%	Services: 62.1%

AUTONOMOUS REGION OF CASTILE-LA MANCHA

• Location



• Flag



• Coat of Arms

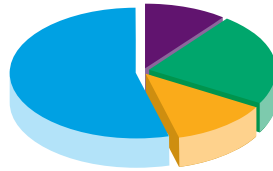


• Capital: Toledo

• Socio-economic data

Surface area (km ²)	79,409
Population, 2005 electoral register	1,894,667
Population density (inhab. / km ²)	23.9
GDP mp (millions) 2005	30,566.6
Regional GDP mp / national GDP (%) 2005	3.4
GDP (PPP) per capita (EU25 average=100) 2004	76.7

BREAKDOWN OF 2005 GDP



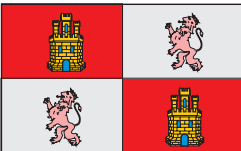
Agriculture: 10.9%	Construction: 13.9%
Industry: 19.3%	Services: 55.9%

AUTONOMOUS REGION OF CASTILE AND LEON

• Location



• Flag



• Coat of Arms

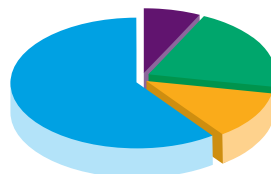


• Capital: Valladolid

• Socio-economic data

Surface area (km ²)	93,814
Population, 2005 electoral register	2,510,849
Population density (inhab. / km ²)	26.8
GDP mp (millions) 2005	48,894.2
Regional GDP mp / national GDP (%) 2005	5.4
GDP (PPP) per capita (EU25 average=100) 2004	92.1

BREAKDOWN OF 2005 GDP



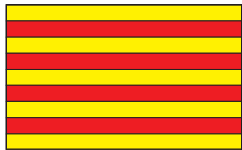
Agriculture: 7.7%	Construction: 11.8%
Industry: 19.8%	Services: 60.6%

AUTONOMOUS REGION OF CATALONIA

• Location



• Flag



• Coat of Arms

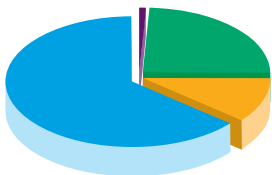


• Capital: Barcelona

• Socio-economic data

Surface area (km²)	32,091
Population, 2005 electoral register	6,995,206
Population density (inhab. / km²)	214.4
GDP mp (millions) 2005	170,425.8
Regional GDP mp / national GDP (%) 2005	18.8
GDP (PPP) per capita (EU25 average=100) 2004	117.8

BREAKDOWN OF 2005 GDP



Agriculture: 1.5%	Construction: 9.9%
Industry: 23.0%	Services: 65.6%

AUTONOMOUS REGION OF EXTREMADURA

• Location



• Flag



• Coat of Arms

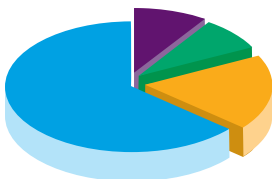


• Capital: Mérida

• Socio-economic data

Surface area (km²)	41,634
Population, 2005 electoral register	1,083,879
Population density (inhab. / km²)	26.0
GDP mp (millions) 2005	15,026.5
Regional GDP mp / national GDP (%) 2005	1.7
GDP (PPP) per capita (EU25 average=100) 2004	65.2

BREAKDOWN OF 2005 GDP



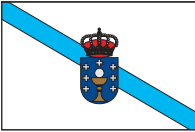
Agriculture: 11.3%	Construction: 15.5%
Industry: 9.5%	Services: 63.7%

AUTONOMOUS REGION OF GALICIA

• Location



• Flag



• Coat of Arms

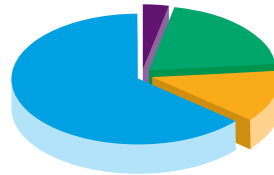


• Capital: Santiago de Compostela

• Socio-economic data

Surface area (km ²)	29,574
Population, 2005 electoral register	2,762,198
Population density (inhab. / km ²)	93.4
GDP mp (millions) 2005	45,780.5
Regional GDP mp / national GDP (%) 2005	5.1
GDP (PPP) per capita (EU25 average=100) 2004	78.5

BREAKDOWN OF 2005 GDP



■ Agriculture: 5.3% ■ Construction: 13.0%
■ Industry: 19.2% ■ Services: 62.5%

AUTONOMOUS REGION OF LA RIOJA

• Location



• Flag



• Coat of Arms

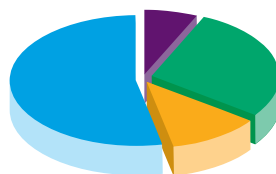


• Capital: Logroño

• Socio-economic data

Surface area (km ²)	5,029
Population, 2005 electoral register	301,084
Population density (inhab. / km ²)	59.9
GDP mp (millions) 2005	6,705.5
Regional GDP mp / national GDP (%) 2005	0.7
GDP (PPP) per capita (EU25 average=100) 2004	106.8

BREAKDOWN OF 2005 GDP



■ Agriculture: 8.2% ■ Construction: 11.1%
■ Industry: 25.3% ■ Services: 55.4%

AUTONOMOUS REGION OF MADRID

• Location



• Flag



• Coat of Arms

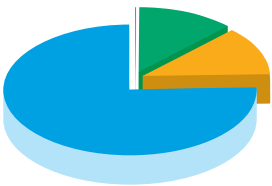


• Capital: Madrid

• Socio-economic data

Surface area (km²)	8,022
Population, 2005 electoral register	5,964,143
Population density (inhab. / km²)	743.5
GDP mp (millions) 2005	160,297.1
Regional GDP mp / national GDP (%) 2005	17.7
GDP (PPP) per capita (EU25 average=100) 2004	129.0

BREAKDOWN OF 2005 GDP



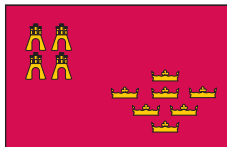
Agriculture: 0.2%	Construction: 10.5%
Industry: 13.2%	Services: 76.1%

AUTONOMOUS REGION OF MURCIA

• Location



• Flag



• Coat of Arms

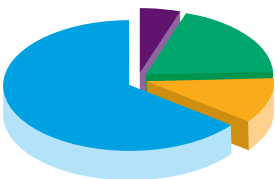


• Capital: Murcia

• Socio-economic data

Surface area (km²)	11,313
Population, 2005 electoral register	1,335,792
Population density (inhab. / km²)	118.1
GDP mp (millions) 2005	22,812.1
Regional GDP mp / national GDP (%) 2005	2.5
GDP (PPP) per capita (EU25 average=100) 2004	82.4

BREAKDOWN OF 2005 GDP



Agriculture: 6.7%	Construction: 12.2%
Industry: 17.3%	Services: 63.8%

AUTONOMOUS REGION OF NAVARRE

• Location



• Flag



• Coat of Arms

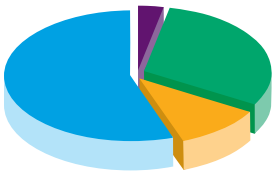


• Capital: Pamplona

• Socio-economic data

Surface area (km ²)	9,801
Population, 2005 electoral register	593,472
Population density (inhab. / km ²)	60.6
GDP mp (millions) 2005	15,472.2
Regional GDP mp / national GDP (%) 2005	1.7
GDP (PPP) per capita (EU25 average=100) 2004	124.6

BREAKDOWN OF 2005 GDP



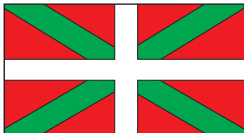
Agriculture: 3.3%	Construction: 10.5%
Industry: 28.8%	Services: 57.3%

AUTONOMOUS REGION OF THE BASQUE COUNTRY

• Location



• Flag



• Coat of Arms

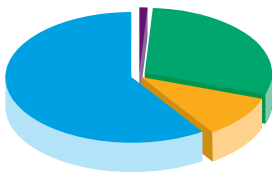


• Capital: Vitoria-Gasteiz

• Socio-economic data

Surface area (km ²)	7,089
Population, 2005 electoral register	2,124,846
Population density (inhab. / km ²)	299.7
GDP mp (millions) 2005	55,866.2
Regional GDP mp / national GDP (%) 2005	6.2
GDP (PPP) per capita (EU25 average=100) 2004	122.9

BREAKDOWN OF 2005 GDP



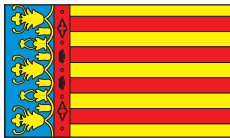
Agriculture: 1.5%	Construction: 9.4%
Industry: 29.2%	Services: 59.8%

AUTONOMOUS REGION OF VALENCIA

• Location



• Flag



• Coat of Arms

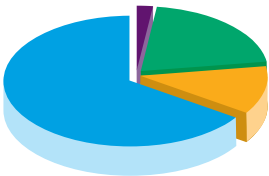


• Capital: Valencia

• Socio-economic data

Surface area (km²)	23,254
Population, 2005 electoral register	4,692,449
Population density (inhab. / km²)	201.8
GDP mp (millions) 2005	87,221.0
Regional GDP mp / national GDP (%) 2005	9.6
GDP (PPP) per capita (EU25 average=100) 2004	91.5

BREAKDOWN OF 2005 GDP



Agriculture: 2.6%	Construction: 12.2%
Industry: 18.9%	Services: 66.3%

AUTONOMOUS CITY OF CEUTA

• Location



• Flag



• Coat of Arms

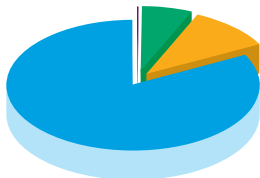


• Capital: Ceuta

• Socio-economic data

Surface area (km²)	19
Population, 2005 electoral register	75,276
Population density (inhab. / km²)	3,961.9
GDP mp (millions) 2005	1,345.5
Regional GDP mp / national GDP (%) 2005	0.1
GDP (PPP) per capita (EU25 average=100) 2004	87.8

BREAKDOWN OF 2005 GDP



Agriculture: 0.3%	Construction: 8.2%
Industry: 6.8%	Services: 84.7%

AUTONOMOUS CITY OF MELILLA

• Location



• Flag



• Coat of Arms

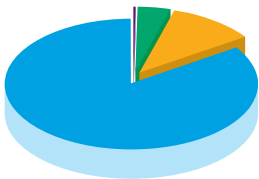


• Capital: Melilla

• Socio-economic data

Surface area (km²)	13
Population, 2005 electoral register	65,488
Population density (inhab. / km²)	5,037.5
GDP mp (millions) 2005	1,221.0
Regional GDP mp / national GDP (%) 2005	0.1
GDP (PPP) per capita (EU25 average=100) 2004	85.0

BREAKDOWN OF 2005 GDP



Agriculture: 0.9%	Construction: 9.8%
Industry: 4.5%	Services: 84.8%

RELATED LINKS

The following links are suggested for official web sites of interest:

- a) For general information regarding the State of Autonomous Regions, various data can be consulted on the Ministry of Public Administrations website at the following URLs:
 - For autonomous regions:
http://www.map.es/documentacion/politica_autonomica/estado_autonomico.html
 - For local government institutions:
http://www.map.es/documentacion/entes_locales/registro_alcaldes.html
- b) For links to the official web pages of territorial authorities, please consult the following URLs:
 - For autonomous regions:
http://www.map.es/enlaces/administraciones_autonomicas.html
 - For local government institutions:
http://www.map.es/enlaces/entidades_locales.html

THE LANGUAGES OF SPAIN

According to article 3 of the constitution, Castilian Spanish is the official language of Spain and all Spaniards are duty-bound to know it and entitled to use it. The other languages of Spain are also official in their respective autonomous regions pursuant to their statutes. The constitution also declares the different linguistic modalities of Spain to be a cultural heritage and wealth which must be granted special respect and protection.

This is the first time in the history of Spain that the right of the autonomous regions of the Basque Country, Galicia, Catalonia, the Balearic Islands and the Region of Valencia to use their languages (Basque, Galician, Catalan and Valencian) is acknowledged, without detriment to Castilian Spanish.

Spanish and the languages of Spain, a vibrant cultural heritage

The official state language, Castilian Spanish, is the language of the former kingdom of Castile. As it spread across in the globe in the 16th and 17th centuries, it became increasingly known as Spanish. Since then the two names have co-existed. It is generally understood that Spanish is the appropriate term for the language on the international scene, while Castilian Spanish is preferred inside Spain, where there are other languages that are also equally Spanish. This is why the constitution says, “Castilian Spanish is the official language of the State.”

Castilian Spanish, like the other Romance languages, took shape during an extended period of time that lasted from the fourth to the tenth century, as a consequence of the fragmentation of Latin. By the 13th century, it was already a language of culture. Epic folk poetry gave rise to the *Cantar de Mio Cid*, an anonymous, twelfth-century poem so masterfully written that it suggests a preceding, older literary tradition. Meanwhile, the monks in the monasteries created the clerical verse form, masterfully exemplified by the work of Gonzalo de Berceo.

In the early 16th century, Castilian Spanish had spread across the Iberian Peninsula and had begun to be an international language. Its

prestige spread throughout Europe, particularly to the Italian states and Flanders, but also to France, Great Britain and Germany.

The crucial moment of its spread across the world was undoubtedly the discovery of America in 1492. Castilian Spanish was exported to the new overseas territories, where it absorbed many words from the native languages. Christopher Columbus himself recorded some of these new words in his diaries: canoa (canoe), hamaca (hammock), tiburón (shark), tabaco (tobacco) and caimán (alligator). Over the course of five centuries, Castilian Spanish took root and spread from Tierra del Fuego to the Rio Grande and beyond, reaching as far as the Philippines in Asia. The old language of Castile had become Spanish.

The Spanish language has been growing since the 16th century and has not ceased to spread over the years. By the late 19th century, it had some 60 million speakers. One hundred years later, with almost 400 million speakers, it is the fourth most spoken language in the world after Chinese, English and Hindi, and everything suggests that this expansion will continue well into and even beyond the 21st century.

At present, it is the official language of about twenty countries around the globe and one of the three languages usually considered to be an official or working language by countless international organisations. The USA, with over 35 million Hispanics, is the fifth nation in the world in terms of Spanish speakers after Mexico, Spain, Colombia and Argentina.

Spanish speakers account for approximately 6% of the world's population – taking into account only those nations where it is the official language – in comparison with English speakers (8.9%) or French speakers (1.8%). Another significant fact is that Spanish is spoken by 94.6% of the population living in the countries where it is an official language, a far higher percentage than French (34.6%) or English (27.6%).

The Cervantes Institute was created in 1991 to promote Spanish internationally and spread culture in the Spanish language. This non-profit body is governed by its board of trustees, of which His Majesty the King of Spain is the honorary chairman. The executive chairmanship is occupied by the president of Spain.

Catalan. Catalan is, together with Spanish, the official language of Catalonia (1979) and the Balearic Islands (1983). Outside Catalonia, it is spoken in the Principality of Andorra, along the Aragonese-Catalonian border, in the trans-Pyrenees territories of Roussillon and Cerdàña, and in the Italian city of Alghero (Sardinia).

Catalan first appeared in written documents in the latter half of the 12th century. Legal, economic, religious and historical texts in Catalan have survived from this period. The earliest known text penned entirely in Catalan is the translation of a short excerpt of *Liber iudiciorum*, the Visigothic Law Code, dating from the latter half of the 12th century.

The first great, universal literary master in Catalan was Ramón Llull in the 13th century. He was the first writer to use Catalan in literary prose as an everyday vehicle of communication and also as a useful tool for cultural expression. But it was not until the 15th century that the Catalan narrative reached glorious heights with Joanot Martorell, whose work *Tirant lo Blanc* is deemed to be the first modern novel of European literature.

As a consequence of the War of Spanish Succession (1705-1715), Philip V dissolved all the governing institutions still in existence in Catalonia and applied common laws to all the territories under the Crown of Castile. Catalan underwent several periods of prohibition and repression, and the varying degree of implantation and use of the language in its own territory since the 18th century is the outcome of political rather than strictly socio-cultural reasons.

The 19th century saw the dawn of an economic, cultural and national revival known as the *Renaixença*. The Catalan language began to blossom once again as a vehicle for literary culture thanks to the Juegos Florales literary awards and leading figures including Jacint Verdaguer, Narcís Oller and Àngel Guimerà.

The *Renaixença* raised awareness about the lack of unity in the use of the language (there was no common model for the written language) and the need to establish set spelling rules. The creation of the Institut d'Estudis Catalans (1907) made regulation possible with the publication of *Normes ortogràfiques* (1913),

Diccionari ortogràfic (1917) and *Gramàtica catalana de Fabra* (1918).

Valencian. Article 7 of Valencia's statute of autonomy states that the region's two official languages are Valencian and Castilian Spanish, and goes on to say that the Valencian Regional Government will safeguard the normal and official use of the two languages and will take such measures as may be necessary to ensure the knowledge of the same, in addition to affording particular protection and respect to the recuperation of Valencian.

Its literary splendour peaked in the 15th and part of the 16th centuries. Under the Dukes of Calabria, writings in Valencian gradually began to acquire Castilian Spanish forms, although it remained alive in everyday use.

In the late 19th century, the movement known as the *Renaixença* brought about a minor revival in the use of the language in literary publications and competitions that lasted until the opening decades of the 20th century.

In the year 1932, the Castellón spelling rules were signed, which Valencian men of letters abided by without problems for forty years.

In Law 7/1998 of 16 September, the Valencian Parliament ratified the creation of the Valencian Language Academy, whose function is, according to its 3rd article, to determine (and create, when applicable) the linguistic rules of the Valencian language.

Basque. One of the oldest languages in Europe, the origins of the Basque language are the subject of wide range of hypotheses. Because of certain similarities with Georgian, some linguists believe it may be related to Caucasian languages. Today, Basque is spoken in the Spanish Basque country, Navarre and the French Basque territory.

The first known texts written in Basque date from the 16th century, when Bernard Dechepare published *Linguae Vasconum Primitiae* in 1545. Later, in 1571, Joanes Leizarraga translated the New Testament into Basque (*Testamentu Berrria*).

In 1979, the statute of autonomy declared Basque to be the official language of the Basque Autonomous Region, and since then, many regulations have been implemented and many bodies and institutions have been created in order to re-

cuperate the knowledge, use and status of Basque.

Galician. This tongue is spoken almost everywhere in Galicia and in bordering areas of Asturias, Leon and Zamora. Its literature flourished splendidly in the Middle Ages. The *Cantigas de Santa María* by King Alfonso X, also known as Alfonso the Wise, are a fine example of its use and prestige as a language of literature in the closing years of the 13th century.

The 19th century witnessed the *Rexurdimento* (resurgence) of literature and movements in defence of the singular nature of Galicia in many aspects, including its language.

The publication of *Cantares Gallegos* by Rosalía de Castro in 1863 was a literary response to the language of a people who remained faithful to their culture. The year 1905 saw the constitution of the Royal Academy of Galicia, which marked the institutionalisation of the process to recover the language.

The *Irmandades da fala* (Language Fraternities), the *Nós* group and other social movements support and revitalize people's loyalty to the language, which also suffered the onslaught of the Spanish Civil War and its consequences. Those dramatic circumstances were overcome, and from 1960 onwards what Celso Emilio Ferreiro described as the *Longa noite de Pedra* (Long night of stone) started to become a thing of the past.

THE POLITICAL ARENA: HISTORICAL AND CONSTITUTIONAL FOUNDATIONS

Over the course of the 19th century and until the Civil War broke out in 1936, Spain had had seven constitutions, as well as several similar projects and amendments that were never enacted.

In fact, this trait of the history of the Spanish constitution dates back to its very origins. The text of the first truly Spanish constitution, enacted in the city of Cadiz in 1812, was abolished by King Ferdinand VII upon his return to Spain two years later. As a result, the intention of allowing the principle of national sovereignty to prevail

over the political organisation of the Old Regime was nipped in the bud and a period fraught with conspiracies, sectarianism and exiles began.

The major political changes of nineteenth-century Spain did not occur because of the constitution itself, but rather due to political positions in favour of or against the very notion of a constitution as the instrument for determining national sovereignty. In other words, these changes resulted from battles between the principle of democracy and the principle of the monarchy. The typically doctrinarian idea of shared sovereignty enjoyed much more widespread support in Spain than democratic ideals. One example shows this clearly: the constitutions based on the idea of national sovereignty or popular sovereignty (i.e. those of 1812, 1837, 1869 and 1931) were in force for a total of twenty-two years, in comparison with the seventy-two years of duration of all of the constitutions in which sovereignty was shared by the monarch and the parliament (those of 1834, 1845 and 1876).

The Spanish people's advocacy of one constitutional concept or another ended abruptly with the military uprising of 18 July 1936 and the Spanish Civil War that broke out between the revolting military and forces loyal to the legally constituted government. Despite the bitterness and injustices arising from the Civil War and Franco's dictatorship, the political change that took place after General Franco's death in 1975 was the paradigm of a peaceful transition to democracy. Its foundations are rooted in the 1970s, when the Spanish economy experienced a boom that undoubtedly fed the increasing demands for an opening-up of the political system while emphasising the outdated nature of the dictatorship. A singular paradox of the Spanish democratic transition lies in the fact that the legal and political regulations of the dictatorship, or Fundamental Laws as they were called, were used to draft a new Fundamental Law that served as a bridge to cross over from the past to a new democratic regime.

This law, known as the Political Reform Law, was drafted by President Adolfo Suárez's administration in September 1976, and was endorsed almost unanimously by the parliament inherited from the previous regime, thereby condemning its own existence. At the end of the year, a refer-

endum, in which the opposition unsuccessfully promoted abstention, passed the law with an overwhelming majority. Its provisions enabled the first democratic elections to be held in June 1977.

Without the restraint and caution shown by most political and social forces, and without the responsibility shown by Spanish society as a whole and the staunch commitment of H.M. King Juan Carlos I to the democratic change, none of this would have been possible.

The Political Parties

Pursuant to article 6 of the Spanish constitution, the political parties are an expression of political pluralism; they take part in shaping and manifesting the people’s will and are a fundamental instrument for participation in politics. The constitution protects their creation and their activity and determines that they must be structured and run in a democratic manner.

Organic Law 6/2002 concerning political parties, governs the parties’ legal bylaws. It lists and specifies the constitutional requirements concerning how they are organised, run and operated, subject to the constitution and the law, particularly with regard to the democratic principles and constitutional values that must be respected in their internal organisation and external activities. Its objectives include safeguarding the running of the democratic system and the basic liberties of citizens, thereby preventing any political party from repeatedly making serious attacks on this democratic regime of liberties, justifying racism and xenophobia or providing political support for the violence or activities of terrorist groups.

Organic Law 8/2007 concerning the funding of political parties lays the foundations for the public financing of parties on the basis of their parliamentary representation.

The moderate, pluralist party system is characterised by the existence of regional and nationalist parties that reflect the autonomous system and the territorial organisation of the State.

Approximately 3.200 parties are officially inscribed in the Political Party Register, although only a few have a minimum of organisational ca-

capacity, and even fewer have a significant representation in regional or national parliaments.

The political parties that currently constitute the Congress of Representatives are organised in the following parliamentary groups:

Spanish Socialist Workers’ Party (Partido Socialista Obrero Español, PSOE)

This party is currently in power. It is the oldest political party in Spain, founded in 1879 by Pablo Iglesias, who also founded the General Workers’ Union (Union General de Trabajadores, UGT) some years later. Since the 1970s, it has embraced a Western European socio-democratic ideology, and the party is situated on the centre left of the Spanish political spectrum.

In the general elections of 1977 and 1979, the PSOE became the main opposition party, and in the 1979 local elections it came to power in many of Spain’s most important mayors’ offices. In the parliamentary elections of October 1982, with 202 seats, it acquired an absolute majority that was maintained until the 1993 elections, when it received enough votes to remain in the government with a relative majority until the following elections, in 1996, which were won by the People’s Party. In the 2000 elections it continued to be the main opposition party and the second party with most votes. The 2004 parliamentary elections enabled the PSOE to return to power with 164 representatives and a relative majority, and the 2008 elections permitted the party to maintain that relative majority.

The socialist parliamentary group includes the seats won by the PSOE and those obtained by the PSC-PSOE (Socialist Party of Catalonia)

RESULTS OF THE 2004 AND 2008 SPANISH PARLIAMENTARY ELECTIONS (CONGRESS OF REPRESENTATIVES)

Party	Seats 2008	Seats 2004
PSOE-PSC	169	164
PP	154	148
CIU	10	10
PNV	6	7
ERC	3	8
IU-ICV	2	5
BNG	2	2
CC-PNC	2	3
UPyD	1	–
NA-BAI	1	1
EA	–	1
CHA	–	1

in the provinces of the Autonomous Region of Catalonia.

People's Party (Partido Popular, PP)

This group was founded in 1977 by Manuel Fraga under the name of the People's Alliance (Alianza Popular, AP); its present-day name was adopted in 1989. The PP occupies a position on the centre-right of the party system.

Its results in the 1977 elections were respectable, but in 1982 it became the second most-voted party and the main opposition force. It obtained more seats in the 1991 regional elections. In the 1993 parliamentary elections, more seats were won, and it came into power in 1996 with a relative majority that was to become absolute when 183 seats were won in the 2000 general elections. In 2004, with 148 deputies, it became the second most-voted party and the main opposition party. In the 2008 elections, with 154 seats, it consolidated its status as the second most-voted party.

In the 2009 Galician regional elections, it won an absolute majority with 39 seats, followed by the PSOE (24 seats) and the nationalists (12 seats), bringing an end to the socialist-BNG hegemony in the region.

Convergence and Union (Convergència i Unió, CIU)

This party began as an electoral coalition in 1977. Since 2002 it has been a federation consisting of two moderate nationalist parties: Democratic Convergence of Catalonia (Convergència Democràtica de Catalunya, CDC) of a liberal slant, and Democratic Union of Catalonia (Unió Democràtica de Catalunya, UDC) of a Christian democratic slant. It governed the Autonomous Region of Catalonia from 1980 to 2003. After the parliamentary elections of 1993 and 1996 it played a key role in helping the administrations of the PSOE and the PP to obtain a parliamentary majority, as the elections had only won them relative majorities.

Republican Left of Catalonia (Esquerra Republicana de Catalunya, ERC)

Founded in 1931, this Catalan political party has a progressive, republican and pro-inde-

pendence ideology. In the 1993 parliamentary elections, it won its first seat in the Congress of Representatives and hung on to it in the 1996 and 2000 elections. In 2003, this party held the balance of power in the Catalan parliament. It made considerable advances in the last parliamentary elections (2004), winning eight seats, but this number dropped three in 2008, relegating the party to the Mixed Group.

Basque Nationalist Party (Partido Nacionalista Vasco, PNV)

This party was founded in 1895 by Sabino Arana; it is a moderate nationalist, Christian party that has been in power in the Basque Country region since 1980. It won the 2001 regional elections thanks to a coalition with Eusko Alkartasuna, a move that was repeated in the 2005 elections and enabled them to govern with support from Ezker Batua. In the 2008 election it won six seats. In the 2009 regional elections it obtained 30 seats, the PSOE won 25 and the PP 13. As a result, the PNV lost its absolute majority and, possibly, control of the regional government.

Nationalist Galician Bloc (Bloque Nacionalista Galego, BNG)

In 1931 pro-Galician organisations led by Castelao and Bóveda founded the Pro-Galician Party (Partido Galleguista), drew up a statute and presented it for approval to Azaña on 15 July 1936. Due to the outbreak of the Spanish Civil War, it was never enacted. In 1960 a variety of Galician cultural associations emerged, and the Union of the Galician People (Unión do Povo Galego) was created. Following the ratification of the Constitution of 1978, a new statute was drawn up and approved in 1981. The Nationalist Galician Bloc (Bloque Nacionalista Galego, BNG) was founded in 1982 and governed with the Galician Socialist Party (Partido Socialista Galego, PSG) in this autonomous region until 2009.

United Left - Initiative for Catalonia Ecologists (Izquierda Unida-Iniciativa per Catalunya Verds – IU-ICV)

This parliamentary group has five seats and consists of:

United Left (Izquierda Unida, IU): emerged in 1986 as a party coalition. In 1992 it was entered the Party Register as a political and social movement. It is now a federation of parties to the left of the political spectrum. Of the parties that comprise this federation, the Communist Party of Spain (Partido Comunista de España, PCE) stands out because of its weight and influence, being the party that the federation's main leaders belong to.

Initiative for Catalonia Ecologists (Iniciativa per Catalunya Verds, ICV): is the outcome of the fusion of several socialist and green parties. It was consolidated as a political party in 1987 and adopted its current name in 1998. It has held seats in the Congress of Representatives since 1986.

Canary Coalition (Coalición Canaria, CC): started out as an election coalition and became a federation of parties in 1997. It is a group of small political parties from the Canary Islands that share a moderate nationalist outlook. Since 2005 it has consisted of the Independent Herrera Group (Agrupación Herrera Independiente, AHI), the Independent Canary Groups (Agrupaciones Independientes de Canarias, AIC), Canary Initiative (Iniciativa Canaria, ICAN) and the Majorera Assembly (Asamblea Majorera, AM). It heads the government of the Canary Islands Autonomous Region.

Mixed Group (Grupo Mixto): one trait that characterises the party system in Spain is the presence of regionalist and nationalist political groups with representation at the state level as well as the regional and municipal levels. Besides the regionalist and nationalist parties described above, mention must also be made of those which have less representation and have joined forces to create the Mixed Group: the Republican Left of Catalonia (Esquerra Republicana de Catalunya, ERC), with three seats, the

Canary Coalition (Coalición Canaria, CC), United Left (Izquierda Unida, IU) and the Nationalist Galician Bloc (Bloque Nacionalista Galego, BNG) with two seats, and the Navarre-Yes coalition (Nafarroa-Bai or Na-Bai) and Union, Progress and Democracy (Unión Progreso y Democracia, UPyD) both with one seat.

Parliamentary, Regional, Local and European Elections

Spaniards participate in politics via their representatives who are elected by means of free, equal and direct universal suffrage cast by secret ballot in four different types of elections:

Parliamentary Elections

The aim of these elections is to designate the representatives in the Spanish Parliament (Cortes Generales). Each of the two houses in the Spanish Parliament – the Congress and the Senate – has its own electoral system.

The system in the Congress of Representatives is one of modified proportional representation. The constituencies are delimited by the provincial demarcation lines (plus Ceuta and Melilla) and are pluri-nominal. Candidates are submitted in closed, blocked lists. The number of representatives to be elected in each constituency is determined by allocating a minimum of two to each and distributing the others proportionately on the basis of population. Ceuta and Melilla have one representative each.

The Senate uses a limited majority voting system in pluri-nominal constituencies. Each voter can vote for up to three of the four candidates assigned to each district. The lists are open and not blocked which allows voters to choose candidates from different parties and does not require them to vote for the candidates heading up the respective lists. Voting involves marking the candidates chosen from a single list that features all of the candidates in alphabetical order. This is the procedure used to elect 208 senators, as well as the 56 (in the 9th Legislature) designated by the houses of representatives of the Autonomous Regions (each has one senator plus one for every million inhabitants).

RESULTS OF THE SPANISH PARLIAMENTARY ELECTIONS: SENATE (208 SENATORS)

Party	Seats 2008	Seats 2004
PP	101	102
PSOE	89	81
PSC-ERC	12	12
ICV-EUIA		
CIU	4	4
PNV	2	6
CC-PNC	–	3

The Senate's electoral system is an exception in the Spanish political panorama, since the other elections (regional, local and European) use systems similar to that of the Congress of Representatives.

Regional Elections

The members of the parliaments of the 17 autonomous regions and the members of the assemblies of the cities of Ceuta and Melilla are all elected. The composition of these assemblies varies from 22 to 135 seats, according to the population of each autonomous region, except in the Basque Country, which is allocated twenty-five seats for each historical territory regardless of the number of inhabitants, and the cities of Ceuta and Melilla, whose assemblies have 25 members.

Local Elections

These are held at the same time as the regional elections of 13 autonomous regions (the exceptions are Catalonia, the Basque Country, Galicia and Andalusia, which hold their elections on different dates due to the competences they

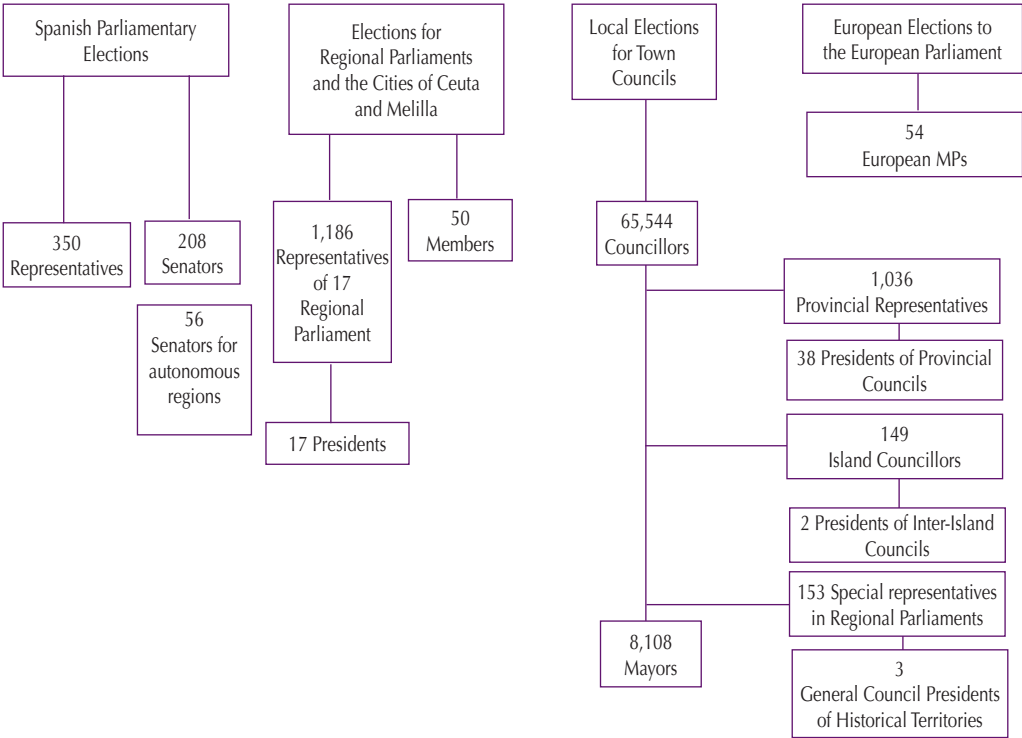
have adopted) and the elections to the assemblies of the cities of Ceuta and Melilla. The outcome is the simultaneous election of councillors in more than 8,000 municipalities, who will then elect the mayors. The constituency in these elections is the electorate of townships.

A special election system is employed in towns with fewer than 100 inhabitants that operate using Open Councils, and likewise in those that, either traditionally or by a municipal decision and with the approval of the regional authorities, have adopted this singular government and administration system in which the inhabitants eligible to vote elect the mayor directly by majority.

European Elections

These elections designate the 54 Spanish representatives in the European Parliament (54 in the 2004-2009 Legislature and 50 in the 2009-2014 Legislature). The constituency is the entire territory of the State. The lists, as in the case of the Congress of Representatives, are closed and blocked. Seats are allocated using D'Hondt's modified proportional representation formula.

ORGANISATION OF ELECTIONS IN SPAIN



THE DEFENCE OF LIBERTIES

State Security Forces

Public security is the responsibility of the state alone and is upheld by the government. These security responsibilities are regulated by the Organic Law of 1986 concerning State Security Forces, which include:

a) The State Security Forces answerable to the government, which operate throughout Spain. They consist of the National Police Force and the Civil Guard. Their main mission is to safeguard the exercise of rights and liberties and to ensure citizen safety.

The National Police Force is a civil, armed corps answerable to the Spanish Ministry of the Interior. It operates in provincial capitals and in the municipal districts and urban areas specified by the administration.

The Civil Guard is a security force founded in the mid-19th century. It is an armed military institution answerable to the Spanish Ministry of the Interior and Ministry of Defence. It is operative in territories not covered by the national police and its territorial waters.

b) The police forces of the autonomous regions. Some Autonomous Regions, pursuant to the competences recognised enshrined in their statutes, have created police forces to perform the duties of guardianship and protection set forth in the Constitution and the Organic Law of State Security Forces. This group includes Catalonia's Mossos d'Esquadra, the Basque Country's Ertza-intza and Navarre's Policía Foral, among others.

c) The police forces answerable to local authorities. These are civil, armed forces with a hierarchical structure and organisation. Local police forces are competent in everything related to the application and execution of specifically local regulations within the scope of their faculties and jurisdiction.

In recent years, public authorities have made a significant effort to improve coordination between the State Security Forces, Regional Police Forces and Local Police Forces. Together they have over 200,000 agents working to ensure public safety in Spain.

The Fight Against Terrorism

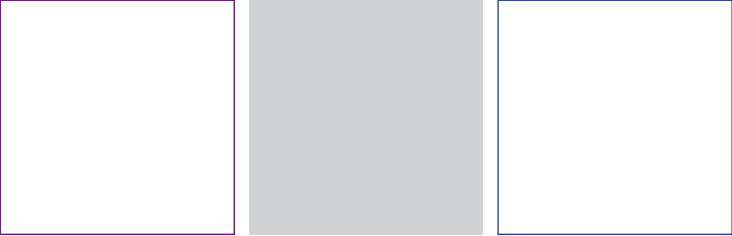
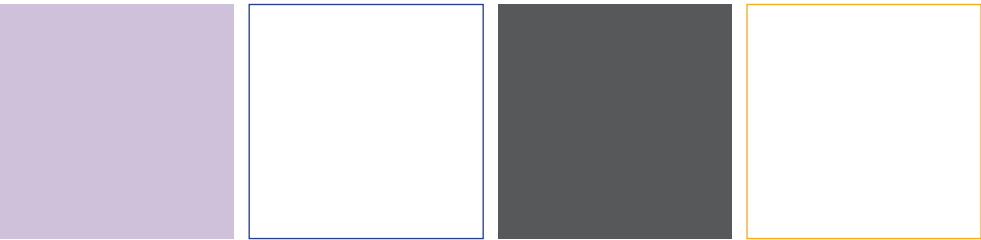
The right to life and personal safety, as well as the freedom of expression, are fundamental rights guaranteed by the Spanish constitution. As in other countries, these rights are at risk of being curtailed by terrorism, which is now the main threat faced by citizens.

The terrorist activities of ETA began in Spain in the 1970s, before the onset of democracy, with one clear aim: the use of violent means to forcibly gain independence for the Basque Country, including activities such as crime, kidnapping and blackmail.

With the onset of democracy, which opened up channels for the activities of all parties and organisations regardless of their aims and ideas, and following a general amnesty in 1977, Spanish society as a whole hoped that ETA would abandon their armed struggle. But this hope was dashed; not only has the terrorist group failed to relinquish its violent ideology, it has actually intensified its criminal activities indiscriminately.

On 8 December 2000, the People's Party and the Spanish Socialist Workers' Party signed the Agreement for Liberty and Against Terrorism which stipulated that "the Government of Spain is responsible for leading the fight against terrorism" and expressed "the determination to eliminate counter-terrorism policies from the sphere of legitimate political or electoral confrontation between our two parties." The agreement also affirmed that "terrorist violence shall not, under any circumstances, be used to obtain any political return or benefit whatsoever." This document was ratified by the main agents and groups of Spanish society.

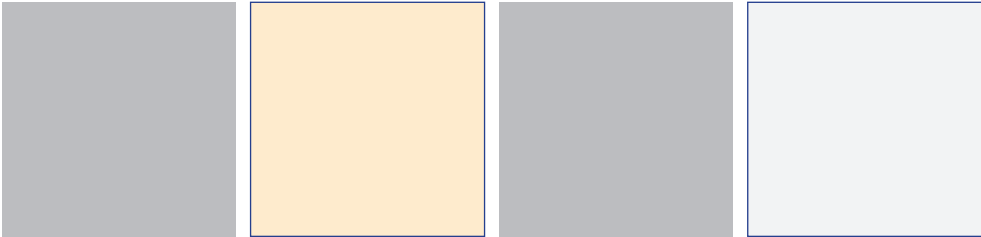
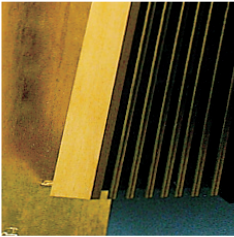
In the fight against terrorism, Spain receives support and collaboration from other countries where terrorists have been known to hide. Collaboration with France is increasingly close-knit in both political and juridical terms. Spain and France have several Joint Investigation Teams (ECIs) to combat terrorism perpetrated by ETA and radical jihadists. Furthermore, extradition from many European and Latin American countries has become standard practice, as these nations have intensified their cooperation with Spain in the struggle to eradicate terrorism.



CHAPTER IV



FOREIGN POLICY



SPAIN AND THE EUROPEAN UNION

The European Union is an organisation open to the world, founded on common values of freedom, democracy, the rule of law and respect for human rights. Its strategic objectives include the consolidation of a stable and united Europe with a unique and independent voice in the international arena. The EU has increasingly more responsibilities and influence in the world, commensurate with its economic, commercial and diplomatic weight. The EU is the largest commercial power in the world, with one of the strongest currencies on the market, and it is the leading provider of humanitarian aid.

The European Community was initially formed in the 1950s (beginning with the European Coal and Steel Community or ECSC in 1951 and the European Economic Community and EURATOM in 1957) without the presence of Spain, which was excluded due to the nature of its political regime. With the transition from dictatorship to democracy, Spain began to establish closer relations and seek equivalency with Europe, and this process culminated in Spain becoming a member of the European Community in 1986. Spain had requested admission before, in 1962, and it had signed a preferential trade agreement with the Common Market in 1970 that made it possible for the Spanish economy to gradually integrate with the larger community economy.

The Spanish government presented its request before the Council of Ministers of the European Community on 26 July 1977, which officially signalled the beginning of the process that would culminate in Spain's admission to the European Economic Community. The administration of Adolfo Suárez gave top priority

to European relations and established a direct and insistent dialogue that, on 5 February 1979, resulted in the opening of negotiations for Spain's accession.

The administrations of Leopoldo Calvo-Sotelo and Felipe González led the negotiations with the backing of an ample parliamentary majority. The addition of a large economy such as Spain's, lagging behind Europe in terms of development, necessarily posed questions of mutual adjustment. These were worked out after seven years of re-negotiations thanks to the establishment of transitional deadlines that gave Spain time to gradually implement European policies in the fields of agriculture, the fishing industry, customs union, monopolies and services. This flexibility was designed to mitigate the impact of our entry in the EEC on the Spanish economy.

Finally, on 12 June 1985, Spain and Portugal signed the Treaty of Adhesion to the European Community. After the treaty was signed in Lisbon, the President of Spain (Felipe González), the Minister of Foreign Affairs (Fernando Morán), the Secretary of State for Relations with the European Community (Manuel Marín) and the Permanent Representative Ambassador before the European Community (Gabriel Ferrán) signed the Treaty of Spain's Adhesion to the European Community in the Salón de Columnas of the Royal Palace in Madrid. The treaty was later unanimously ratified by the Congress of Representatives.

Over twenty years of membership: An active presence

More than twenty years have passed since Spain signed the Adhesion Treaty. These years have constituted one of the most important periods in our recent history. They are years in which Spain has worked to consolidate its political regime and the development and modernisation of our society and economy, boosted by the modernisation, growth and cohesion that came as a result of joining the European project.

The European Union has been generous to Spain and its society. The economic and social



Felipe González, 3rd
Constitutional President,
signing the Treaty of
Adhesion to the EEC in the
presence of His Majesty the
King of Spain.

development enjoyed by Spain in 2005 is partly owing to the process of European integration. A series of data will clearly indicate what belonging to Europe has meant to Spain over the past twenty years.

From an economic standpoint, we have received net funds from the EU equivalent to 0.8% of our GDP on an annual basis since 1987. Our per capita income in 1986 registered at only 68% of the Community average. Spain has moved closer to the European average at a rate of 1 percentage point per year, and consequently we have now managed to equal this average (99.2% or 23,083 euros in 2007). EU financial aid has created around 300,000 jobs per year in Spain, and 90% of the investments that Spain receives from the entire world come from the EU. The EU receives approximately 71% of our exports and 60% of our imports come from EU nations. Finally, without going into too much detail, some specific data from a special sector of activity – infrastructures – is well worth mentioning. Four out of every ten kilometres of the motorways stretching across our territory were financed by Community funds. Moreover, the expansion of the Madrid and Barcelona airports, the Seville underground, the Ciudad de las Artes in Valencia and the expansion of the Las Palmas Port are just some of the large-scale projects that have been made possible thanks to the assistance of the European Investment Bank.

From the social and cultural perspective, EU social funds have reached millions of people. With regard to youth, new possibilities have opened up to them through educational programmes such as Lingua and Erasmus (which celebrated its 21st anniversary in 2008), from which 270,000 students have benefited to date. In the health-care field, Spaniards who travel to other EU countries now carry a European Health Insurance Card that entitles them to medical and surgical treatment should the need arise. In the cultural arena, by way of an example, the European Commission has helped to finance numerous projects such as the restoration of the Courtyard of the Lions at the Alhambra in Granada, the Monastery of Guadalupe or work to repair damages caused by the fire at the Liceo Theatre in Barcelona.

All of this data reflects how much Europe has given to Spain. However, Spain has also given something back to Europe. Over the past twenty years as a member of the Community project, Spain has evolved into one of the most active member-states in proposing new initiatives in the heart of the Union. The EU initiatives in which Spain has played a prominent role and been particularly active are:

- The introduction and consolidation of the idea of a “Citizens’ Europe” and developing it with concrete measures (concept of “European citizenship”, European passport, etc.).

- The proposal of a social Europe along with the concept of an economic and monetary Union: defence and application of the European Union's economic and social cohesion and job creation as a driving force of that cohesion.

- An emphasis on developing a common European policy in matters of Justice and the Interior, especially for the purposes of fighting international organised crime, drug trafficking and terrorism.

- The process of developing and institutionalising EU-Latin American relations, the best example of which is the European Union – Latin American and Caribbean Summits (held in Rio de Janeiro in 1999, in Madrid in May 2002, in Guadalajara, Mexico, in May 2004, in Vienna in May 2006 and in Lima in May 2008). The next summit will be held in Spain in the first six months of 2010.

- Ensuring political stability in the Mediterranean basin: intensifying cooperation ties with Mediterranean nations in North Africa; active mediation work in the Middle Eastern peace process; and hosting the Conference on Security and Cooperation in the Mediterranean in Barcelona. In addition, in 2008 it was decided that Spain – specifically Barcelona – will be the seat of the Secretariat of the Union for the Mediterranean.

Since its accession in 1986, Spain has occupied the rotating presidency of the European Union on three occasions:

- First six months of 1989. At the Madrid Summit in June, the Delors Report was approved, which later led to the Treaty on European Union or the Treaty of Maastricht in 1992.

- Last six months of 1995. The Madrid European Council, held in December, decided that “euro” would be the name of the future European currency. The initiative for Euro-Mediterranean cooperation known as the Barcelona Process was launched.

- First six months of 2002. The euro went into circulation in the countries of the Economic and Monetary Union. The terrorist attacks of 11 September against the United States brought about a shift in the global order.

- During the first six months of 2010, Spain will occupy the presidency of the European Union for the fourth time, although this is the first time that it will be representing 27 different nations which together comprise the most important united region in the world. Another first is that Spain will work with two other nations (Belgium and Hungary) to form a triple-shared presidency that will lead the Council of the EU until 30 June 2011.

Spain's lines of action for its forthcoming presidency of the Council of the EU

- To consistently promote and reinforce the notion of a Citizens' Europe by improving and expanding initiatives of citizen participation and communication.

- To consolidate EU leadership in the global response to the challenge of climate change, energy security and the promotion of renewable energy sources.

- To defend the need for maintaining a social Europe by promoting the 2010 European Social Agenda.

- To encourage gender equality policies, both in the heart of EU institutions and in its member-states and other nations.

- To work for a more integrated domestic market by revitalising the Lisbon Strategy with an intensification of R&D and innovation.

- To safeguard the maintenance of a multi-functional common agricultural policy, conveniently adapted to the new international situation.

- To participate in negotiations for the forthcoming revision of the community budget, defending the preservation of those policies that Spain considers strategic – such as cohesion and policies of technological development and innovation – while promoting policies that will enable the EU to face 21st-century challenges such as immigration, climate change and energy.

- To continue promoting an EU with an independent voice in the world. In this regard, Spain will defend the strengthening of EU relations with its most important historical commu-



3 February 2009. Vice-President M.ª Teresa Fernández de la Vega appoints the Government Executive Committee to make the preliminary arrangements for Spain's presidency of the European Union during the first six months of 2010.

nity – Latin America – without forgetting our renewed ties to Africa; the promotion of the Barcelona Process in this new phase of Union for the Mediterranean; the consolidation of EU ties with its partners in the East, particularly Russia, and with our closest ally, the United States; and the creation of a strong, vigorous and independent European External Action Service.

- To achieve a safer, more secure Union for its citizens by consolidating and expanding a real Space of Freedom, Security and Justice, and by facing the challenges and opportunities of immigration as a united front through the creation of a truly common policy in this area.

- To promote the Union's reinforced action towards the Ultra-Peripheral Regions, a highly relevant issue for the Autonomous Region of the Canary Islands.

SPAIN AND INTERNATIONAL ORGANISATIONS

Spain is a member of all major international bodies and has permanent representatives before the United Nations and its specialised bodies, the Organisation for Security and Cooperation in Europe, the Organization of American States (OAS), and the Organisation for Econo-

mic Cooperation and Development (OECD), in addition to the European Union and the North Atlantic Treaty Organisation (NATO).

The president of Spain has repeatedly expressed:

- Our confidence in efficient, active multilateralism and our steadfast support of the UN's leadership in the struggle to overcome the new global challenges (food and energy shortages, spiking levels of hunger and poverty, climate change, access to and management of drinking water) with efficiency, creating spaces of consensus and promoting political commitment.

- The priority our country attaches to our commitment to development aid, particularly the Millennium Development Goals, which involves generating new sources of development funding, consolidating our voluntary contributions to the Funds, Programmes and Agencies of the United Nations system and providing the benefit of our experience in Latin America and Sub-Saharan Africa.

- The Spanish government's support for the current process of reforming the United Nations, its Secretariat-General and its principal bodies, and for improving the coordination of policies and management of the United Nations system, particularly in the areas of development, humanitarian aid, the environment and gender issues.



United Nations Secretary-General Ban Ki-moon and Spanish President José Luis Rodríguez Zapatero with the participants of the High-Level Meeting on Agriculture and Food Security, held in Madrid on 26 and 27 January 2009.

- The goal of consolidating Spanish initiatives in the UN, such as the Alliance of Civilisations, the founding of a bilateral Spain-UNDP Fund for achieving the Millennium Development Goals, the moratorium on the application of the death penalty and the abolition of the same for minors and the disabled by 2015 as a first step towards the complete abolition of this penalty in the future, the fight against piracy and the Zaragoza Charter on sustainable water use.

- Our desire to help strengthen the United Nations' capacities and authority in the area of safeguarding and consolidating peace, maintaining an adequate level of participation in authorised peacekeeping missions under the command of the Security Council, providing military troops and national security forces and providing the UN with access to the infrastructures it needs to improve its logistical capacities.

The United Nations Organisation

Spain firmly supports the United Nations as an effective guarantor of international peace and security, and collaboration with this organisation is one of the pillars of the present administration's foreign policy. Key elements of this

policy include a scrupulous respect for international law and the purposes and principles outlined in the United Nations Charter.

The United Nations must be prepared to effectively meet the needs and challenges facing the international community, which can only be overcome through solidarity and concerted efforts. Spain, which is the eighth largest contributor to the organisation's ordinary budget and to its peacekeeping operations, is a strong proponent of reinforcing its capacities in this area, based on the conviction that development, peace and security and human rights are the pillars of the United Nations system.

Some of Spain's priorities in the UN, in addition to the aforementioned issues of peacekeeping and security and the reform of its system, include international development cooperation, the promotion and protection of human rights, food security, climate change, gender equality and the empowerment of women.

Other United Nations organisations and programmes

Spain participates actively as a member-state of the international organisations within the United Nations system – the international financial institutions and the funds and programmes of the

organisation – and is now one of the most important contributors to the same. The specialised bodies, funds and programmes of the United Nations, known collectively as the UN system, have become the organisation's instruments of action in a wide range of fields such as health (WHO), sustainable development and the fight against climate change (UNEP, UNIDO), gender issues (UNIFEM, INSTRAW), education and children (UNESCO, UNICEF), agriculture and food security (FAO, WFP, IFAD) and emergency response to humanitarian crises and natural catastrophes (UNHCR, OCHA, WMO).

Spain has participated and continues to engage actively in the design and implementation of the operational activities of all these agencies, in both the office and the field, given that the majority of their principles and goals coincide with those outlined in the various Master Plans for Spanish Cooperation. The financial efforts that Spain has made to fund these activities, which have been recognised and applauded by Secretary-General Ban Ki-moon, have given our country increasing influence and importance within the United Nations system.

Spain is home to several international organisations, most notably the specialised UN organisation WTO, whose headquarters are located in Madrid. Zaragoza was also chosen as the seat of the UN Office to support the Interna-

tional Decade of Action “Water for Life.” In recent years, our country has hosted numerous international events and conferences.

Other organisations: the OSCE and the Council of Europe

The Organisation for Security and Cooperation in Europe (OSCE) is a pan-European security agency whose 56 participating states (the United States, Canada, every European nation and all the former Soviet republics) span the geographical area from Vancouver to Vladivostok. Recognised as a regional agency in accordance with Chapter 8 of the United Nations Charter, the OSCE is active in early warning, conflict prevention, crisis management and post-conflict rehabilitation in the region.

Operating with the conviction that respect for plurality and human rights is the best way to preserve peace and stability, and based on a broad and cooperative approach to security, the OSCE and its institutions structure their activities around three focal points or dimensions: the politico-military dimension, the economic-environmental dimension and the human dimension. As a result, the OSCE addresses a wide range of security-related issues, which include arms control, measures intended to build trust and security, human rights, minority rights, democratisation, policing strategies, combating



The President of Spain inaugurated the Ministerial Meeting of the Organisation for Security and Cooperation in Europe (OSCE) held in Madrid on 29 and 30 November 2007.

terrorism and economic and environmental activities. Decisions are made by reaching a consensus among members that is politically but not legally binding.

As the seventh-largest contributor to this organisation's budget, Spain actively participates in all three dimensions of the OSCE. In recent years, Spain has played an increasingly prominent role in the central institutions and in field missions and operations (with personnel deployed on missions to Croatia, Bosnia-Herzegovina, Kosovo, Serbia, the Former Yugoslav Republic of Macedonia and Georgia, and staff handling Mission Chief duties in Croatia and Azerbaijan). It also plays an important part in another significant area of activity – the observation of electoral processes, in which Spanish observers regularly participate.

In 2007, Spain chaired the OSCE and reinforced this organisation's facet as a forum for dialogue. At the Ministerial Council held in Madrid on 29 and 30 November, the Declaration on Environment and Security was adopted to further boost the organisation's work in this area, placing it at the vanguard of regional international organisations in terms of environmental security. They also adopted a decision on the countries that will chair the OSCE until 2011: Greece in 2009 (after Finland completes its chairmanship in 2008), Kazakhstan in 2010 and Lithuania in 2011. The Spanish chairmanship underscored the importance of the issue of tolerance. The celebration of the High Level Conference on Intolerance and Discrimination against Muslims (Cordoba, October 2007) was the first initiative related to discrimination against Muslims to be held in the framework of this organisation.

The primary goals of the Council of Europe (Europe's oldest political organisation, founded in 1949) are the defence of human rights, the promotion of parliamentary democracy and the pre-eminence of the rule of law. The Council of Europe, whose headquarters are located in Strasbourg, France, currently includes 47 European member-states, and observer status has been granted to five other nations: the Holy See, the United States, Canada, Japan and Mexico. Spain is currently the sixth-largest contributor to the organisation and one

of its most active members. The Council of Europe is the guardian of democratic security in Europe, a security based on respect for human rights, democracy and the rule of law. In January 2008, Lluís Maria de Puig was elected president of the Parliamentary Assembly of the Council of Europe. The first Commissioner for Human Rights of the Council of Europe was also a Spaniard, Álvaro Gil-Robles, who held this post from 1999 to 2006. In addition, Spain will chair the Council of Europe's Committee of Ministers from November 2008 to May 2009.

SPAIN AND THE DEFENCE OF HUMAN RIGHTS

The defence and promotion of human rights around the world is a top priority for Spanish foreign policy. We believe that an effective application of human rights and the strengthening of its international instruments of protection contribute to international peace and security.

Since the beginning of the previous legislature, the Spanish government has adopted the following initiatives as part of its Foreign Policy on Human Rights:

- Ratification of the Optional Protocol to the United Nations Convention against torture and other cruel, inhuman or degrading treatment or punishment.
- Ratification of the UN Convention on the Rights of Persons with Disabilities and its Optional Protocol.
- Ratification of Protocols 12 and 14 of the European Convention on Human Rights.
- Adoption of an active policy to fight discrimination against women and gender-based violence.
- Advancement of the fight against terrorism based on efficient multilateralism and respect for human rights.
- Participation in peacekeeping operations.
- Reinforcement of the Office of the High Commissioner for Human Rights.
- Stepping up international electoral observation efforts.



The United Nations Secretary-General and the Spanish Vice-President sign an agreement to create a UN Peacekeeping Operation Centre in Quart de Poblet (Valencia). Madrid, 28 January 2009.

- The search for mechanisms to control the phenomenon of immigration while ensuring the utmost respect for human rights.

- Collaboration with the International Criminal Court.

- The fight against intolerance and the drafting of a National Human Rights Plan in accordance with the recommendations of the United Nations.

- The Death Penalty Initiative, which proposes two major goals for the year 2015: a worldwide moratorium on the application of the death penalty, and its universal abolition for minors and disabled persons.

The consolidation of foreign policy with regard to the defence of human rights also coincided with a time of internal changes within the major international organisations. As part of the United Nations' reform process, a new Human Rights Council was created to replace the outdated model of the old Commission. Spain played an important role in the establishment of this new Council and it is hoped that this agency will turn over a new leaf in the human rights agenda of the United Nations as the defender one of three cornerstones of UN activity (the other two being peacekeeping and international security efforts and the promotion of development) described in Secretary-General Kofi Annan's report "In Larger Freedom." In the same vein, it is expected that the Plan of Action of the UN's High Commissioner for Human

Rights will bring about important reforms in the so-called Treaty Bodies.

In the European region, the primary organisation responsible for protecting human rights is the Council of Europe, whose Court of Human Rights is also undergoing reforms necessitated by the overwhelming number of cases presented before it, which undermine its efficacy as an instrument of justice.

Taking action on the European and global stage is not sufficient for implementing an effective policy of promotion and defence of human rights; this action must also be complemented by specific measures in the bilateral arena. Human rights are an integral component of Spain's relations with every other nation and are expressed in a variety of ways, ranging from the use of general action frameworks (such as the Africa Plan) to general principles (the horizontal priority of the "defence of human rights" stipulated in the 2005-2008 Master Plan for Spanish Cooperation) or specific bilateral actions (dialogues, consultations, projects and seminars). In addition to the dialogue on human rights established with Cuba, which is already yielding results (with another round of talks scheduled to be held in Havana in January 2009), bilateral mechanisms with Argentina and Mexico have been institutionalised, a model that will continue to be applied in the future.

With regard to foreign affairs, the goal of the National Action Plan for Human Rights is to

synchronise actions in the different international arenas and follow through on the list of specific measures proposed – a list that remains open to changes and additions as new priorities come to the forefront. The plan is currently being reviewed with civil society organisations.

Finally, interaction with civil society and particularly with non-governmental organisations, which speak for the citizens who are committed to protecting human rights, is essential for the purpose of defining specific priorities and policies. The Ministry of Foreign Affairs and Cooperation maintains regular and frequent contact with NGOs and other civil society organisations to keep them informed of developments, but also to gauge their opinions so that they can become active participants in designing the various aspects of foreign policy that affect human rights.

SPAIN AND THE MEDITERRANEAN

The Mediterranean is a priority region for Spanish foreign policy. Spain plays a very active role in this area in promoting peace, stability and the socio-economic progress of Southern Mediterranean nations. The main pillars upon which Spain's foreign policy in this region rests are the Euro-Mediterranean Barcelona Process, the Mediterranean Forum and the 5+5 Dialogue. The latter is an initiative aimed at reinforcing bilateral and multilateral cooperation among the nations of the Western Mediterranean region.

The Euro-Mediterranean Barcelona Process is a project shared by EU nations and the countries along the southern and eastern shores of the Mediterranean. It was created in 1995, at Spain's request, and it recently celebrated its tenth anniversary in November 2005 at the Euro-Mediterranean Summit held in Barcelona.

This summit was followed by a period of reflection (2005-2007) that ended in 2008 with the Paris Summit for the Mediterranean, where the dawn of a new era in Euro-Mediterranean relations was signalled by the introduction of a series of projects in strategic areas (such as

transport, promotion of small and medium businesses and renewable energy sources) and the development of a new institutional framework articulated around a system of North-South co-presidencies and the creation of a permanent secretariat – all within the scope of what became known as the "Barcelona Process: Union for the Mediterranean."

The Euro-Mediterranean Conference of Foreign Ministers held this past 3 and 4 November in Marseilles concreted the form of the commitments made by the Heads of State and Government and, among other important decisions, unanimously chose Barcelona as the seat of the Secretariat of the Union for the Mediterranean. At this stage, and in accordance with the mandate of the Heads of State and Government, the ministers deemed that the phase of the process involving the creation of a true union articulated around projects had been concluded, fully justifying the change to the new denomination of "Union for the Mediterranean."

The great novelty of this union will be a secretariat located in Barcelona. This office concentrates its efforts on identifying projects and discovering and pursuing new sources of financing, and it will also play a key role in the new architecture of the institution. These projects will focus on areas of high strategic importance such as transport, renewable energy and promoting small and medium businesses in the Euro-Mediterranean region.

The Western Mediterranean or the Maghreb

The Western Mediterranean region, also known as the Maghreb, is one of the priorities of Spanish foreign policy by virtue of its geographic proximity, its historical ties to Spain and the level of human, economic and cultural exchanges that currently exist. Spain wishes to contribute to stability and prosperity in this region through the effective tools of solidarity, cooperation and consensus.

The Maghreb poses global challenges that call for a global approach: there are notable differences in average income between the

Northern and Southern Mediterranean countries, an intense south-north demographic and migratory pressure and phenomena of organised crime and terrorism, but there are also significant opportunities to further modernisation processes. The lack of regional cohesion is an obstacle for the progress of the nations of the Maghreb, and it has an economic, social and political price tag. Consequently, there is a growing awareness of the need to make headway on the process of Maghrebian unity, which Spain encourages particularly via the Arab Maghreb Union, as a guarantor of stability and development.

Spain's foreign policy in this region combines close bilateral relations with each country with the need to address these countries as a regional collective. Relations with Morocco, given the depth, breadth and variety of our exchanges and ties, are particularly important, although we also maintain excellent relations with the other nations of the region. Spain has signed treaties of friendship, good neighbourhood and cooperation with Morocco, Tunisia and Algeria as well as framework agreements on bilateral relations with Mauritania and Libya.

Spain hopes to act as a bridge between Europe and the Maghreb in the Mediterranean arena. This regional perspective is bilaterally and multilaterally supported by cooperation forums such as the 5+5 Dialogue of the Western Mediterranean, which combines the five members of the Arab Maghreb Union (Algeria, Libya, Morocco, Mauritania and Tunisia) with the five Southern Mediterranean nations of the western EU region (Spain, France, Italy, Malta and Portugal).

During its chairmanship of the next 5+5 Foreign Affairs Dialogue and its EU presidency in 2010, one of Spain's top goals will be to intensify relations between the European Union and the Maghreb region. Morocco, Algeria and Tunisia already have well-defined relations with the EU thanks to their respective Association Agreements. Morocco was the first Southern Mediterranean country to sign an agreement to reach an Advanced Statute that would reinforce its strategic commitment to the EU. Algeria is planning to draft a priority agenda as

part of its Association Agreement, while Tunisia has expressed an interest in moving towards closer relations with the EU and is negotiating an expansion of the free trade agreement for industrial products. With regard to Libya, Spain supports the regularisation of its relations with the international community and the establishment of a stable relationship with the EU through a future framework agreement for which negotiations began in November 2008.

With regard to the political situation in Mauritania, Spain has denounced the coup d'état of 6 August from the beginning and is deeply involved in the process of political consultations as specified in article 96 of the Cotonou Agreement. The goal of these efforts is to restore constitutional order, renew the process of democratic transition begun in 2005 and obtain a widespread consensus throughout Mauritania. This will serve to consolidate a democratic stability that will propitiate the economic and social progress of a country facing major challenges in matters of security, basic social needs, institutional development and ethnic fragmentation.

The thorny issue of the Western Sahara is followed with great interest. Spain is actively committed to finding a fair and lasting solution that every party can agree upon, based on respect for international law, the principle of self-determination and the guidelines established by the UN. From its position as a member of the Group of Friends of Western Sahara on the Security Council, Spain has helped to draft Resolutions 1754 and 1783 of 2007 and Resolution 1813 of 2008, which have launched a process of direct negotiations with no preconditions within the framework defined by Security Council resolutions. The Manhasset Process, as it is known, aims to achieve a fair, lasting and mutually acceptable political solution that will respect the right to self-determination.

Our humanitarian commitment to the Saharawi people is expressed in the assistance offered by the central, regional and local governments, NGOs and associations as well as shows of solidarity such as the practice of taking in Saharawi children over the summer in homes

all across Spain. Spain is also the largest contributor of humanitarian aid for the residents of the Tindouf refugee camps.

The Eastern Mediterranean

2008 has been a momentous year for Spanish-Eastern Mediterranean relations. Spanish foreign policy with regard to the Israeli-Palestinian conflict is characterised by its support for the two parties' new commitment to engage in peace negotiations made at the Annapolis Conference, held in late November 2007. This commitment is based on the principles of the Madrid Peace Conference – specifically, the principle of “exchanging land for peace,” the Security Council's resolutions, the Arab Peace Initiative and the Road Map for Peace. The ultimate goal is to reach a fair and lasting solution between the concerned parties, based on the existence of two sovereign and viable states co-existing in peace within the accepted borders. Negotiations between Israel and Palestine have continued over the course of 2008, in a context influenced by the US presidential elections and forthcoming elections in Israel, and indirect contact has been established with the Syrians and Lebanese. Meanwhile, Spain is making great financial efforts to support the PNA. Spain pledged 240 million dollars at the Donors' Conference for the Palestinian State held in December 2007 in Paris, which was followed in 2008 by the Berlin Conference in Support of Palestinian Civil Security and the Rule of Law.

The Spanish Minister of Foreign Affairs and Cooperation, Miguel Ángel Moratinos, completed an official tour of the Middle East in September 2008 that took him to Egypt, Israel, the Palestinian Territories, Lebanon, Jordan and Syria. The purpose of his visit was to review the state of bilateral relations with these countries and reaffirm Spain's commitment to the Middle Eastern peace process. During his tour, the minister reminded his hosts of the Spanish contribution to resuming the peace process which, among other things, included Spain's significant participation in UNIFIL (Lebanon) and the solidarity efforts made by Spanish cooperation agencies. This involvement has made Spain the

largest EU contributor to the reconstruction of Lebanon and the second largest provider of aid to the Palestinian people.

In Spain's view, the constructive role played by Egypt and Jordan has been highly positive, and it maintains a mutually beneficial political dialogue and a growing cooperation with both nations. During the Jordanian monarch's visit to Spain in autumn 2008, this country's leaders requested Spanish support and the benefit of our experience in order to strengthen their relations with Latin America. In recent years, there has been an excellent level of cooperation and understanding with Egypt, as evidenced during a visit paid to that nation by the King and Queen of Spain in February 2008. At that time, the Treaty of Cooperation and Friendship between Egypt and Spain was signed, which opened up new channels of collaboration in areas such as the fight against terrorism and drug trafficking and reinforced our mutual cooperation on traditional issues such as the economy, justice, education and culture. Egypt's role in Euro-Mediterranean relations has been strengthened following the Mediterranean Summit held in Paris this past 13 July, where it attended as co-president of the “Union for the Mediterranean,” as the “Barcelona Process: Union for the Mediterranean” is now known. In this respect, Egypt played a key part in achieving a consensus for the selection of Barcelona as the permanent seat of the Secretariat of the Union for the Mediterranean.

As a continuation of the efforts made during the 2006 celebration of the 20th anniversary of Spanish-Israeli diplomatic relations, Spain has increased the number and enhanced the contents of the commemorative activities organised for 27 January, International Holocaust Remembrance Day and the Day of Prevention of Crimes against Humanity. Consequently, the events were attended by a significant number of public authorities and the programme included seminars, book launches, meetings with Holocaust survivors, etc. Another noteworthy development is the consolidation of the activities programme of the Casa Sefarad-Israel (Sepharad-Israel House), opened in Madrid in February 2007, which promotes the study, dissemination and general awareness



The Spanish President meets HM Abdullah II, King of the Hashemite Kingdom of Jordan, at the Royal Palace of El Pardo on 18 October 2008.

among the Spanish public of the values of Jewish culture. The administration also maintains a clear commitment to eradicating anti-Semitism (one example is the Bucharest Conference organised during Spain's chairmanship of the OSCE in 2007) and to learning about, remembering and researching the Holocaust. One result of this commitment has been Spain's integration in the Task Force for International Cooperation on Holocaust Education, Remembrance and Research, and in recent years we have sent hundreds of teachers to the Yad Vashem Holocaust Museum to attend training seminars. From a political standpoint, in 2008 our contacts with Israel have increased exponentially at every level, from President Zapatero's meeting with Prime Minister Olmert at the Paris Euro-Mediterranean Summit to the visit of delegations of Israeli civil servants to learn more about the workings of Spanish government.

Spain is also keen to maintain cordial relations with Syria based on sincere dialogue and support for this country's pursuit of progress and internal reform. In this spirit, in February 2007 Spain welcomed Syria's Minister of Foreign Affairs, Walid Al-Moallem. At the Paris Euro-Mediterranean Summit, which witnessed a thaw in Syrian-Western relations after Syria committed to regularising its relations with Lebanon, President Zapatero met with the Syrian president.

Following the Doha Agreements of May 2008 and the subsequent consensual election of

President Sleiman, which brought an end to the country's severe internal crisis, Lebanon has entered a new era and is on the path to restoring institutional stability and economic prosperity with the full support of the Spanish government. Spain, Italy and France played an important role in resolving this crisis by supporting the initiatives regarding the Arab League. The Spanish contingent participating in the UN peacekeeping mission in Lebanon (UNIFIL), with approximately 1,100 troops and a dozen civil guards, is the third largest after those of Italy and France. Spain is also the number one contributor to the Fund for the Reconstruction of Lebanon that was created after the 2006 war.

Economic relations between Spain and the Persian Gulf nations are becoming increasingly closer with visits and the signing of agreements for political, consular, cultural or economic co-operation. The King of Spain's royal tour in late May 2008 through several nations of this region, accompanied by a delegation of business people, did much to open up a variety of new opportunities of which Spain must take advantage, following the example of our European neighbours. Since this visit, the meetings between national, regional and municipal authorities from these nations have proliferated. Noteworthy examples include the visit paid by the president of the United Arab Emirates and a delegation from its Federal National Council (the UAE parliament) in October 2008 and Ma-

drid's hosting of the Gulf Cooperation Council Sessions on 13-15 October 2008.

Relations with Saudi Arabia were also reinforced in June 2007 with the visit of King Abdullah bin Abdulaziz. This was the king's first official visit to Spain, made in response to the Spanish monarchs' visit to Ryad the year before, and it was followed by a second visit this past summer on the occasion of the Interfaith Dialogue Conference organised by Saudi Arabia in Madrid.

The mutual understanding and relations between Spain and the Arab nations have been boosted with the creation of the Casa Árabe (Arab House) and its International Institute of Arab and Muslim World Studies. This organisation has offices in Madrid and Cordoba, and since it opened in 2007 it has organised debates and cultural activities with the participation of numerous prominent figures of Arab and Muslim culture. Relations between the Casa Árabe and the Arab League have also intensified recently thanks to the presentation of an exhibition of the EFE News Agency's archives on Spanish-Arab relations at the Cairo headquarters of the Arab League, which was inaugurated during the Spanish monarchs' visit to Egypt.

With regard to Iraq, Spain fully shares the EU's desire to continue working to establish a solid relationship that will contribute to this country's stabilisation and reconstruction. The Spanish government has maintained its diplomatic presence and continued its humanitarian work and cooperation in Iraq, fulfilling all of its donation commitments and actively participating in European programmes to rebuild Iraqi infrastructures and resources. One such programme is EUJUST LEX which, over the course of 2008, has trained a significant number of police and prison officers as well as magistrates.

SPAIN AND SUB-SAHARAN AFRICA

In 2006 the Spanish government launched a series of initiatives designed to make Africa one of the top priorities of our action abroad. The 2005-2008 Master Plan for Spanish Coopera-

tion called for a substantial quantitative and qualitative increase in cooperation with the nations of Sub-Saharan Africa. Spanish Official Development Aid (ODA) for this region went from 122 million euros in 2003 to 879 million euros in 2007. The ODA for Sub-Saharan Africa in 2008 is estimated at over 1 billion euros and is expected to reach the goal that Spain has set of 0.7% of our GDP by 2012.

In addition, the Spanish government has approved its own national strategy, the Africa Plan (2006-2008), an ambitious set of measures affecting politics, trade, culture and cooperation over a period of several years. The Africa Plan marked the dawn of a new era in Spanish-African relations, which must translate into a sustained long-term effort. The enactment of the 2nd Africa Plan (2009-2012) will concrete the broad lines of actions laid out in the first plan and focus more intensely on other aspects such as the regional dimension of our relations with the African continent.

Spain's influence in the area of migratory cooperation, both bilaterally and in the European context, is unquestionable, as evidenced at the 1st Euro-African Conference on Migration and Development held in Rabat in July 2006. Countries from Northern, Western and Central Africa as well as the EU participated in this conference, which produced a plan with specific proposals for action based on shared responsibility and solidarity. These were recently renewed in November 2008 in Paris at the 2nd Euro-African Conference on Migration and Development. In December 2007, Lisbon also hosted the 2nd EU-Africa Summit, where President Rodríguez Zapatero introduced the debate on migration, mobility and employment on behalf of the European delegations.

Strengthening our ties with Sub-Saharan Africa requires fostering our mutual understanding. This is the main reason for the creation of Casa África (Africa House), an initiative promoted by the government in conjunction with the regional and local authorities of the Canary Islands that was inaugurated in Las Palmas in 2006. Casa África aspires to become a centre of reference that will help improve mutual understanding and appreciation as well as

cooperation and harmony between the peoples and societies of Africa and Europe.

In the political arena we have attained an unprecedented degree of trust and communication. The reinforcement of our diplomatic and consular presence on the African continent as well as the opening of new sector and liaison offices is proof of this. Important diplomatic advances have been made with the opening of six new embassies (Sudan, Cape Verde, Mali, Niger, Guinea and Guinea-Bissau) and two permanent outposts in Gambia and Liberia-Sierra Leone.

SPAIN AND THE ASIAN-PACIFIC REGION

The evolution of Asia's importance in the global economy and politics over recent decades has earned the continent a position of prominence in the international spotlight. China and India have become important economic players and other nations like Vietnam, Thailand, Malaysia and Indonesia are rapidly moving towards greater economic and social development. Japan, the world's second most powerful economy, and South Korea, with a level of development similar to European countries and strategic industrial importance, have and will continue to play a key role in the global economic and security systems that Spain is committed to supporting.

The recent rapid development of Asia's most populous countries has prompted a major restructuring of the global economic, political and financial balance, which has affected the everyday lives of citizens in other places around the world over the past several years thanks to the globalisation of the economy, communications and knowledge.

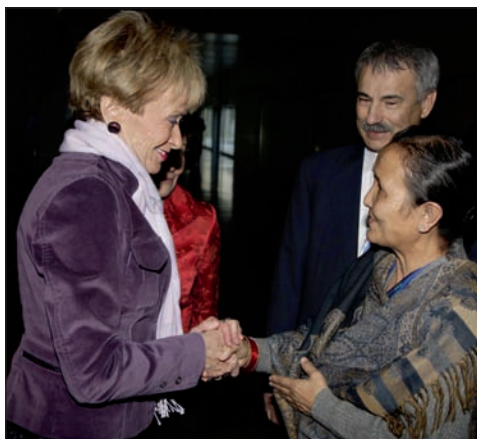
For over a decade, Spain has been implementing its strategy for adapting our country and its foreign policy to this new international scenario in which Asia plays a starring role. As a continuation of the actions taken during this period, over the next four years (2009-2012) the recently approved 3rd Asia-Pacific Plan will be enacted. This is an ambitious initiative that contemplates nearly four hundred different actions in 23 countries through bilateral and mul-

tilateral programmes. It will also expand and intensify Spanish institutional efforts laid out in previous plans, in accordance with the continent's economic and political evolution.

With this plan, the Spanish government has set itself three major goals: to increase our presence and visibility on the continent, to consolidate the achievements of past years with regard to the defence and advancement of Spanish interests and to seek out new ways to promote the image and activity of Spain in Asia.

Asia is home to two of the world's ten largest economies and it holds over two-thirds of the world's currency reserves. For the time being, however, Spanish trading and investment in Asia is limited. Consequently, the new Asia-Pacific Plan will focus on this area to increase Spain's economic presence in Asia and match the level of involvement of other developed nations. To this end, Spain will reinforce the existing structures in priority countries (the Secretary of State for Commerce has already introduced her four Comprehensive Market Development Plans for China, India, Japan and Korea) and will work on the territorial diversification of efforts to promote trade and investments so that they will grow and spread to other important economies of South East Asia such as Indonesia, Malaysia, Vietnam, Thailand and the Philippines.

Spain is the foremost exponent of a culture whose popularity is on the rise – the culture of the Spanish language. In Asia, the interest in Spanish language culture is enhanced by the economic and trading potential of our language in the Pacific region, where it is one of the primary tongues. In light of this interest, the 3rd Asia Plan calls for various actions that will reinforce those carried out by Spain in the past. Thus, new Cervantes Institutes will soon open in New Delhi and Sydney, joining those already active in other important Asian cultural hubs (Beijing 2006, Tokyo 2008). In the Philippines, where Spanish had practically fallen into disuse, the government has decided to reincorporate the language in its education system, a decision that Spain supports through a programme of technical and educational cooperation designed specifically for this country. Spain must also address the larger and perhaps more important task of



Vice-President M.ª Teresa Fernández de la Vega with the activist and winner of the 2007 Queen Sofia Prize, Anuradha Koirala, at the First National Congress on Gender-Based Violence and Health. Santiago de Compostela, 11 February 2009.

projecting an increasingly more accurate and current image of our country in the region's key centres of economic and political decision-making. To this end, celebrations were organised in China to celebrate the Year of Spain in 2007, which boasted a number of excellent cultural activities and had a great impact on the Asian giant's main forums of opinion.

Some of the most important challenges in terms of international security today can be found in Asia. Spain is actively involved in Afghanistan with the presence of military and security forces as part of a larger plan of international cooperation for rebuilding this country, improving security for the civilian population and supporting its political transition. Our contribution includes a Provincial Reconstruction Team in the province of Baghdis and a Forward Support Base in Herat. This commitment was made by the Spanish Ministry of Foreign Affairs and Cooperation at the Conferences of London in 2006 and Paris in 2008, and it entails a cost of 150 million euros over five years (2006-2010) that will be used for projects involving professional training, governance, infrastructure rebuilding, health, education, gender and the fight against drug trafficking.

The Asia Plan also calls for greater efforts to promote human rights, particularly actions to

promote two intersecting goals to which Spain attaches the highest priority: the fight to abolish the death penalty and the improvement of the status and situation of women. Both issues have been an important part of Spanish foreign policy in recent years and inform Spain's current political dialogue and cooperative efforts with the countries of Asia.

The Asia Plan focuses particularly on the involvement of civil society in foreign policy. Casa Asia (Asia House) plays an important part in this area of Spanish-Asian relations, and in a short time it has become a particularly valuable vehicle for developing initiatives that strengthen the ties between Spain and the Asian continent through their civil societies. Since it was founded, Casa Asia has actively pursued the creation of bonds between civil societies in every area, especially in the fields of culture and academia. Based in Barcelona, this institution has recently opened an office in Madrid that has served to consolidate its activity.

SPAIN AND ITS BILATERAL RELATIONS

France

Spain and France maintain excellent political relations due to their geographic proximity and their common membership in numerous international organisations, most notably the EU. Contact between the two governments is both frequent and at several levels.

Political relations are institutionalised via the annual bilateral summits between the President of the French Republic and the President of Spain, accompanied by a large group of ministers, which the two nations host alternately.

The 20th Summit, which took place in Paris on 10 January 2008, focused on the fight against terrorism (by creating a permanent joint investigation team), energy and railway interconnections and bilateral cooperation on immigration issues.

To date, France and Spain have held two High-Level Meetings on Cross-Border Cooperation (Barcelona in 2005 and Zaragoza in June 2008) attended by the French prime minister

and the presidents of the Spanish autonomous regions on the French border.

The two countries have created a Franco-Spanish Defence and Security Council, chaired by the two presidents, in which the ministers of foreign affairs and defence participate. The council has five specific work groups. In addition, the Franco-Spanish Forum brings together important figures in the civil societies of both countries and usually meets at the same time as the summits are held.

Since Spain became a member of the European Community, economic exchanges have grown at a faster pace than their respective exchanges with the rest of the world. As a result, the two economies are increasingly more imbricated and it is estimated that 200 million euros flow between France and Spain each day. France is currently the largest consumer of Spanish exports and is Spain's second-largest supplier. In turn, Spain is France's second most important client and its fourth-largest supplier after Germany, Italy and Benelux.

Portugal

Spanish-Portuguese relations are currently going through a very positive phase. Portugal is a strategic ally of Spain in a wide range of areas.

The Evora (2005) and Braga (2008) Summits represented a qualitative leap forward in our relations given that technological and scientific cooperation was added to the already extensive bilateral agenda.

The creation of the Spanish-Portuguese Institute for Research and Development of New Technologies and the signature of the Agreement on the Headquarters of the International Iberian Nanotechnology Laboratory, located in Braga and managed by both countries, shows a renewed political determination to move forward together and make the most of existing synergies to develop new areas of bilateral co-operation.

Parallel to the 2008 Braga Summit, the first meeting of the Spanish-Portuguese Security and Defence Council was held. This council is chaired by the heads of government and the nations' respective ministers of foreign affairs and defence participate in it. A decision was also reached to re-launch the Spanish-Portuguese Forum of Dialogue.

The importance of cross-border cooperation as an opportunity for economic and social development and the incorporation of the regions adjacent to the extensive border shared by the two nations is reflected in the presence of the presidents of the bordering Autonomous



Spanish President José Luis Rodríguez Zapatero and Portuguese Prime Minister José Sócrates give a press conference at the end of the Spanish-Portuguese Summit held in Zamora on 22 January 2009.

Regions and the presidents of the Regional Co-ordination and Development Commissions.

In addition to the summits system, there is a close and constant communication between the two governments at every level, with frequent contacts and visits. On matters related to European construction or the international agenda, they coordinate positions and initiatives, given the numerous interests and affinities (geographic, cultural, historical, economic and political) that our two nations share.

Given the importance of our economic ties, these play a central role in bilateral relations. Spain is Portugal's most important supplier and exports consumer. The two countries have also launched important bilateral projects such as the Iberian Electricity Market (MIBEL), the construction of cross-border energy infrastructures and high-speed rail connections.

Cultural and educational relations are also at a positive juncture, due to a shared interest in further collaboration. The Cervantes Institute has a centre in Lisbon, which has recently been joined by the House of Iberian Languages that focuses on teaching, researching and promoting the languages of the Iberian Peninsula. We also maintain a significant level of regional co-operation thanks to the Cross-Border Cooperation Agreement signed at the 2002 Valencia Summit and fleshed out during subsequent meetings in Zamora and Badajoz.

Germany

Spain and Germany have shared the same basic policies for over thirty years, independently of the political views of their administrations, due to their mutual perception as reliable allies and a solidarity stemming from multiple motivations that blossomed after the fall of the Berlin Wall. This solidarity has enabled the two countries to organise joint initiatives on a wide variety of issues: firm support of the shared European project, protecting the environment against climate change by promoting renewable energies, the fight against terrorism, the European security and defence policy, the management of migratory flows or the strengthening of R&D&I (research, development and innovation) policies, to name a few.

German-Spanish relations are currently at a culminating moment thanks to the fluid and constant communications to agree upon positions in different forums and to develop common projects. During the 21st Bilateral Summit, held in Palma, Majorca, on 31 January 2008, they decided to take joint action on key matters such as climate change, energy and technological innovation, immigration and integration, as well as common approaches to European, international and defence issues.

Germany is the largest supplier of Spanish imports, which exceeded 34,000 million euros in 2007, and Spanish exports to Germany were valued at 16,217 million euros. The trade balance reflects a surplus for Germany and is currently Spain's largest bilateral deficit (even larger than the deficit that exists with the United States).

The gross investment flow from Germany to Spain was over 530 million euros between January and September 2007, excluding investments in securities holding companies, while Spain's investment in Germany for the same period amounted to 2,395 million euros, tripling the 709 million invested in 2006. Thus, the value of Spanish investments accumulated in Germany is practically equal to that of German investments in Spain.

Contact between our respective civil societies is close and consistent. Approximately 160,000 German citizens are permanent residents of Spain, and over 10 million Germans visit our country each year, constituting one of the largest groups of foreign tourists.

Italy

Italy is an ally of Spain for historical, cultural and commercial reasons. The fact that they are both Southern states allows them to work together to further their interests in the European Union and NATO. The existence of annual bilateral summits and a forum of dialogue denote the importance that Spain gives to its relations with Italy. In Europe, the only other countries with which Spain enjoys a similar level of institutional dialogue are France, Portugal and Germany.

Spain and Italy face a series of common challenges: controlling illegal immigration, improving competitiveness and productivity, developing relations with our Mediterranean neighbours and fighting the threat of terrorism, among others. This requires the two countries to use their combined influence in the heart of the European Union to promote and defend their shared interests.

The second-to-last Spanish-Italian Summit held in Ibiza marked a turning point in their relations, reactivating the so-called Madrid-Rome axis and widening the spectrum of fields of cooperation. At the last meeting, the 15th Summit, held in Naples in December 2007, discussions continued along these same lines. Some of the central themes addressed at this summit included a review of the three places in which the two countries maintain troops deployed under UN command (in Lebanon, the Balkans/ Kosovo and Afghanistan), issues related to industry and trade, and the development of maritime infrastructures or "sea highways."

Another fundamental instrument of bilateral relations is the Spanish-Italian Forum, a space of convergence for civil societies at the highest level. Of a markedly academic nature based on an analysis of the future of certain European policies, this forum has become a platform of increasing relevance in which political and economic questions essential to bilateral relations are debated. The 10th Forum was held on 10 and 11 October 2007 in Pisa.

Another area in which this strategic closeness is reflected is the Alliance of Civilisations, given that Italy is one of the countries enlisted in the Group of Friends of the Spanish-Turkish initiative.

The volume of economic exchange is commensurate with the importance of political dialogue. Spain is Italy's third-largest supplier with exports valued at 14,292 million euros in 2007 (12% more than during the same period in the previous year) and its third most important client, making purchases valued at 22,232 million euros (9% more than a year ago). Spain was visited by 3.7 million Italians, making Italy our fourth-largest outbound market. In addition, Spanish invest-

ments in Italy have been more buoyant over the last several years. This interest has materialised primarily in the sectors of energy and gas, construction, urban services, hotel management and financial management.

United Kingdom

The growing bilateral interaction between the United Kingdom and Spain involves governments, institutions and civil society.

In economic terms, Spain and the UK are two of the most open and dynamic economies in Europe. The United Kingdom is Spain's fourth largest client and supplier. Spain, in turn, is the UK's seventh largest client and ninth largest supplier. The United Kingdom is among the top three recipients of Spanish foreign investment, and recent years have registered notable transactions in sectors such as banking, transport services and telecommunications. Both countries have large companies established in each others' territories that help to improve mutual perception and ties between their societies.

Hundreds of thousands of British citizens live seasonally or permanently in Spain. The United Kingdom has thirteen general consulates open in major Spanish cities. Spain receives 17 million British tourists per year, and in terms of numbers the UK is Spain's most important inbound tourist market.

There are also profound and intense cultural relations between the two countries. This is manifested in the way that British culture and the English language has penetrated Spanish society in recent decades and in the growing interest in Spanish culture and the Spanish language in the United Kingdom, one of the European countries where the study of Spanish has most increased in recent years.

Our bilateral political relations are those of EU and NATO partners and allies, and both countries meet frequently at every level to consult their respective positions on matters of common interest. Although bilateral relations are in all other respects excellent, the controversial issue of Gibraltar and its various dimensions remains the only matter of contention in our foreign relations. British authorities have

been advised that Spain would like to renew talks on the matter of Gibraltar's sovereignty within the framework of the Brussels Process. In a separate yet parallel process, in 2004 the Forum of Dialogue on Gibraltar was initiated to address matters of local cooperation with a view to improving the living conditions of people living in the Spanish territories bordering Gibraltar and in Gibraltar itself.

Andorra

Relations with Andorra are influenced by our traditional bond of friendship, the presence of a large Spanish colony in the Principality and the intense tourist traffic and business dealings between our countries.

Spain and Andorra enjoy a close relationship of cooperation. In the political arena there is an open line of bilateral communication that has gained strength in recent years and is present at every level.

In February 2007, the Minister of Foreign Affairs and Cooperation paid an official visit to Andorra which served to further improve our bilateral relations. Spain supports closer relations between Andorra and the European Union, which have improved dramatically since the Andorra-EU Cooperation Agreement was signed, and it is working to include Andorra in European cross-border cooperation structures. Spain has also supported Andorra's entry in the Ibero-American Community of Nations.

Spain is currently Andorra's most important trading partner, and it supports the process of economic reform in Andorra to establish a fiscal framework that would eliminate it from the OECD list of tax havens.

Finally, Spain is eager to work with Andorra in the area of infrastructures to improve access to the Principality, and we have given these projects top priority in budget allocations.

Turkey

Relations between Spain and Turkey can also be described as excellent. Political relations were basically defined in the Joint Action Plan for the Development of Relations between Spain and

Turkey, signed on 22 July 1998. On the Spanish president's visit to Turkey in November 2006, the Action Plan was reinforced with the signing of a "Strategy for Reinforcing Bilateral Relations between Spain and Turkey," which sets out new lines of cooperation.

Spain and Turkey have similar positions on many international issues. One notable example is the Spanish-Turkish initiative of the Alliance of Civilisations, which the UN Secretary-General has adopted.

Spain firmly supports Turkey's candidacy to join the European Union. Turkey is Spain's third largest trade partner outside the EU after the United States and Mexico. Spain is now an important investor in Turkey, where Spanish assets – which have historically been almost non-existent – have increased exponentially in recent years. At present, there are 74 Spanish companies established in Turkey and participating in various emblematic projects, such as the high-speed Ankara-Istanbul railway line.

The United States

The trans-Atlantic relationship is of vital importance to Spain, and every Spanish administration has striven to maintain the best possible relations with its American counterparts, according to the specific circumstances of each period. As friends and allies, we share common values, principles, interests and responsibilities with the United States, and the level and number of exchanges and visits is consequently very intense. In addition to being an ally in the international arena, Spain is an increasingly important economic partner and a leading cultural reference for a significant sector of American society.

Our dialogue with the US on international issues and regions of mutual interest, such as Latin America, is constant, and Spain makes important military contributions in areas of strategic interest to Europe and the US such as Afghanistan, Lebanon and the Balkans.

Bilateral relations in the area of defence are very important, both at the bilateral level and within NATO. Our bilateral ties are governed by the Agreement on Defence Cooperation be-

tween the Kingdom of Spain and the United States of America, signed on 1 December 1988, as amended by the Protocol of Amendment of 10 April 2002. These agreements give US forces the right to use certain “support facilities” at two Spanish military bases (Rota and Morón). This agreement will remain in effect until 2011, although it does contain an automatic extension clause. Spanish military facilities are of high strategic value given their characteristics and their proximity to the regions of the Mediterranean, the Middle East and North and West Africa.

Spain and the US are the two Western nations that have suffered the most brutal terrorist attacks to date, which is why we share a special awareness of this problem with the US and we actively cooperate in such matters on both the bilateral and the multilateral level.

Our economic relations are characterised by the sharp increase of Spanish investments in the United States; in 2004, 2% of Spanish foreign investments were made in the US, but in 2007 they represented over 10%. This same year Spain was the fourth-largest foreign investor in the US, behind Canada, the UK and the Netherlands, with a very relevant presence in strategic sectors such as finance, infrastructures and alternative energy sources. Historically, the United States has been one of Spain's most important foreign investors, although the volume of its investment has decreased since 2004. There has also been notable growth in the bilateral trade balance, particularly of Spanish exports to the US, which allowed us to reduce our deficit in recent years.

In the United States, there is enormous interest in Spanish language and culture: 60% of American university students who study a foreign language choose Spanish, and Spain is the second most popular destination for Americans studying abroad after the United Kingdom. The government actively promotes the dissemination of Spanish language and culture in the US through an extensive visiting professors programme, under which approximately 1,200 Spanish academics teach a variety of subjects at high schools across America. This goal is also pursued by the three Cervantes Institutes established on US soil.



US Secretary of State Hillary Clinton receives Spain's Minister of Foreign Affairs and Cooperation, Miguel Ángel Moratinos, in Washington on 25 February 2009.

A new cultural centre has been created in Washington (“Casa España” or “Spain House”) and another is planned for San Juan in Puerto Rico, in addition to the one already existing in Miami.

Spain has an extraordinary opportunity to increase its presence in the United States on the economic, cultural and political stages by developing relations with American Hispanic communities. These communities, which represent more than 45 million people, already constitute the largest minority group in the US and are proving to be tremendously dynamic.

Russia and the nations of the CIS

Russia is an essential partner for Spain. Relations between the two countries are very good, and our mutual cooperation is of great interest to both Spanish and Russian businesses. EU-Russian relations will be a priority for Spain during its presidency of the European Union in the first six months of 2010. The Spanish president, José Luis Rodríguez Zapatero, visited St Petersburg on 1 October at the invitation of the president of the Russian Federation, Dmitri Medvédev. During this meeting, the leaders analysed issues related to the international political situation, Russia's relations with the European Union after the conflict in Georgia, measures to combat the current financial crisis, the possibilities of developing trade relations between the two countries and other matters of mutual interest.

Spain's approach to international relations is based on the defence of multilateralism, preventive diplomacy and a leading role for the United Nations, which can assist in our dialogue with Russia. This trip was a chance to overcome our differences based on respect for international law and peaceful conflict solutions. With regard to Kosovo, Spain – which has not recognised its declaration of independence – agrees with Russia that the solution must be agreed upon by the parties involved and backed by the United Nations. Spain has maintained a logical position of defending the principle of territorial integrity and refusing to recognise unilateral declarations or possible situations of independence. This is also our position with regard to Georgia.

Spain, which took over the presidency of the Council of Europe in November 2008, has been informed of Russia's desire for collaboration to support the role of this international organisation throughout the European territories. Specifically, with regard to the issue of Georgia, Spain trusts that this desire to collaborate will ensure Russia's support for the mechanisms that the Council of Europe may eventually decide to introduce, particularly in the area of the protection and defence of human rights.

Spain sees the conflict between Russia and Georgia in the Caucasus as an isolated territorial problem. Diplomacy, political acumen and serenity must be brought to bear on the situation in order to achieve understanding, rectify the situation and support Georgia, but they must also serve as tools for achieving understanding and dialogue with Russia. And the European Union is the great international agent that can ensure this stability. In this respect, we must point out that Spain has contributed 10 Civil Guards with three armoured vehicles and the necessary operational equipment to the European Union's civilian mission in Georgia. The European Union Monitoring Mission (EUMM) in Georgia is an unarmed civil mission whose aim is to help stabilise, normalise and re-establish order in this country and to ensure compliance with the agreements reached with Russia regarding Georgia.

Relations between the EU and the Russian Federation are governed by the Partnership

and Cooperation Agreement that came into effect in December 1997, the renewal of which is currently being negotiated. Spain recognises the need for a new agreement between the EU and Russia, and we are pleased that the negotiations were resumed after the problems generated by the situation in Georgia. Spain also supports Russia's request to join the WTO and paved the way to achieving a Free Trade Agreement between the EU and Russia.

Spanish-Russian bilateral trade relations grew spectacularly in 2007. Major infrastructure projects have presented new opportunities for Spanish companies, particularly in the energy, transport, infrastructure and banking sectors. For its part, Russia is interested in increasing cooperation with Spain with regard to rail networks, and there is already a degree of cooperation between authorities and companies from both countries in this area.

The Russian Federation's Deputy Prime Minister, Mr. Alexander Zhukov, visited Spain at the head of a delegation that participated in the meeting of the Spanish-Russian Joint Economic and Industrial Committee held on 12 November 2008, where the Spanish representation was chaired by the Minister of Industry, Tourism and Trade, Miguel Sebastián. Zhukov also attended a dinner with the Spanish CEOs who had created the "Spain-Russia Council" Foundation in September 2008. This foundation also represents Spain in the Spanish-Russian Forum of Civil Societies, which was founded in Sochi on the occasion of the Spanish president's visit in 2007.

Central Asia is a region of increasing geostrategic importance. Kazakhstan is of particular interest to Spain because of its key role in maintaining the region's stability and the vast energy resources that it has only begun to tap. Lately, we have intensified our bilateral political contacts and investigated the possibilities of further economic cooperation. Spain supported Kazakhstan's bid for the OSCE chairmanship in 2010, which will allow us to cultivate closer relations with the Commonwealth of Independent States (CIS), as will the fact that Spain's presidency of the EU in the first six months of 2010 will coincide with Kazakhstan's OSCE chairmanship.



Their Majesties the King and Queen of Spain receive the Russian president Dmitri Medvédev and his wife at the Royal Palace of El Pardo on 2 March 2009.

The Spanish chairmanship of the OSCE in 2007 gave us a chance to strengthen our relations with the republics of the Caucasus and Moldavia. Spain is considering an increased diplomatic presence in the near future that would lead to the opening of embassies in those nations. The first step was taken on 3 October 2008, when Spain appointed an Ambassador on Special Mission to Georgia and the Caucasus States. The delicate situation of the conflicts in the territories of Abkhazia, South Ossetia, Nagorno-Karabakh and Transnistria, the location of these countries in a major hydrocarbon production and transit region and their increasing cooperation with the EU under the European Neighbourhood Policy are the catalysts of these relations.

Spain has closely followed the democratic developments in Ukraine and this country's desire to establish closer ties to the European Union and NATO as a result of the increasing importance this country attaches to Western nations and institutions after the «Orange Revolution.» The consolidation of these tendencies and Ukraine's importance as an energy transit country to Europe are two important reasons for Spain to strengthen bilateral relations with this nation. Our diplomatic relations will soon be enhanced with the opening of a consulate-general in Kiev.

SPANISH COOPERATION: A NEW POLICY FOR DEVELOPMENT AND THE ERADICATION OF POVERTY

International development cooperation is an essential part of the government's foreign action, within the framework of international consensus and respect for Spain's commitments to international organisations, as the Ministry's new name (Ministry of Foreign Affairs and Cooperation) accurately reflects. The Spanish Ministry of Foreign Affairs and Cooperation has entrusted the Office of the Secretary of State of International Cooperation (SECI) with directing, drafting, monitoring and evaluating its international development cooperation policy. The specific body within this office that handles these responsibilities is the Directorate-General of Development Policy Planning and Evaluation.

In addition to this internal structure, there are many other actors on the Spanish stage of cooperation – autonomous regions, local administrations, solidarity funds, development NGOs, universities, labour unions and businessmen – that play strategic roles in ensuring both the quantity and quality of cooperation efforts in our country. Without their work, we would not be able to achieve the goals we have set.

The Spanish Agency for International Development Cooperation (AECID) – an independent body operating under the umbrella of the SECI and the Ministry of Foreign Affairs and Cooperation – is responsible for implementing and managing development cooperation projects and programmes. These tasks may be carried out directly, with its own resources, or indirectly, through collaboration with other national and international entities and non-governmental organisations. The agency is also charged with co-ordinating Food and Emergency Aid.

To fulfil these duties, the AECID relies upon an extensive external network comprising 42 Technical Cooperation Offices, 22 Cultural Centres and 4 Training Centres located in those countries where the agency carries out its most important cooperation projects. Aside from these important resources, Spanish cooperation depends upon another fundamental ingredient: human resources. In May 2006, the Council of Ministers approved the Development Workers' Statute, which regulates their specific rights and obligations, schedule of incompatibilities, training, equivalency of services rendered and social welfare categories, pursuant to the provisions of Law 23/1998 of 7 July on International Cooperation for Development.

The Law on International Cooperation for Development establishes the basic priorities of the AECI's work, which are periodically laid out in detail in the quadrennial Master Plan for Spanish Cooperation and the Annual International Cooperation Plans (PACI). In the Millennium Declaration, world leaders committed to join forces in order to achieve the 8 general goals and 18 specific targets that will pave the way for progress in development and reduce world poverty by the year 2015 or earlier. This series of challenges is known as the Millennium Development Goals.

With the intention of making significant progress in the promotion of human and sustainable development and the eradication of poverty, the new cycle of Spanish cooperation outlined in the 3rd Master Plan for 2009-2012 will begin this year.

As a result, eradicating poverty and promoting human and sustainable development

have now become the primary goal of cooperation for development. Bearing in mind the efforts of multilateral organisations – the guidelines of the OECD Development Assistance Committee (DAC), those of the European Union and the declarations made at the Ibero-American Summits – the activities of Spanish cooperation and development policy will be aimed at increasing capacities and ensuring the necessary conditions for achieving decent living conditions for the present and future generations in developing countries. The fight against poverty, the defence of human rights, gender equality, environmental sustainability and respect for cultural diversity were the horizontal priorities established in the preceding four-year plan that covered 2005-2008.

Quantity and Quality of assistance and geographic priorities

In the four-year period covered by the 2005-2008 Master Plan for Spanish Cooperation, we have laid the foundations for our country to continue increasing both the quantity and quality of our ODA in the coming years. In 2008, it is estimated that Spain has reached the goal of dedicating 0.5% of the gross domestic product to Official Development Aid. The New 2009-2012 Master Plan for Spanish Cooperation will be set in motion in 2009, a plan that will make good on Spain's commitment to reach 0.7% of its gross domestic product (GDP). This will require an increase in the volume of resources the system must manage even greater than the increase made in recent years. We must also learn from our experience of the previous four years and consolidate a consistent public policy for development, based on the dialogue and participation of all players.

The budgetary efforts of the past four years represent the largest increase in ODA in the history of our country, and the most significant effort sustained over a four-year period of any European Union member-state. In this regard, in the 2007 peer review of our cooperation policy, the Development Assistance Committee (DAC) recognised Spain's efforts during this time to increase its aid and draw nearer to the

goal of 0.7% set by the United Nations. In addition to increasing the quantity, we have also made progress on improving the quality of aid management in order to increase the effectiveness of our assistance in response to the challenges proposed by the European Consensus on Development and the DAC Principles for Effective Aid.

Three geographic categories have been established according to aid efficacy criteria: *Priority Nations*, which usually receive around 70% of Spanish bilateral ODA; *Special Focus Nations*, which include countries whose special circumstances due to political, economic or social reasons increase the vulnerability of the most disadvantaged sectors of their population; and *Preferential Nations*, countries that are not dependent upon foreign aid but present population sectors living in sub-par economic and social development conditions.

Africa

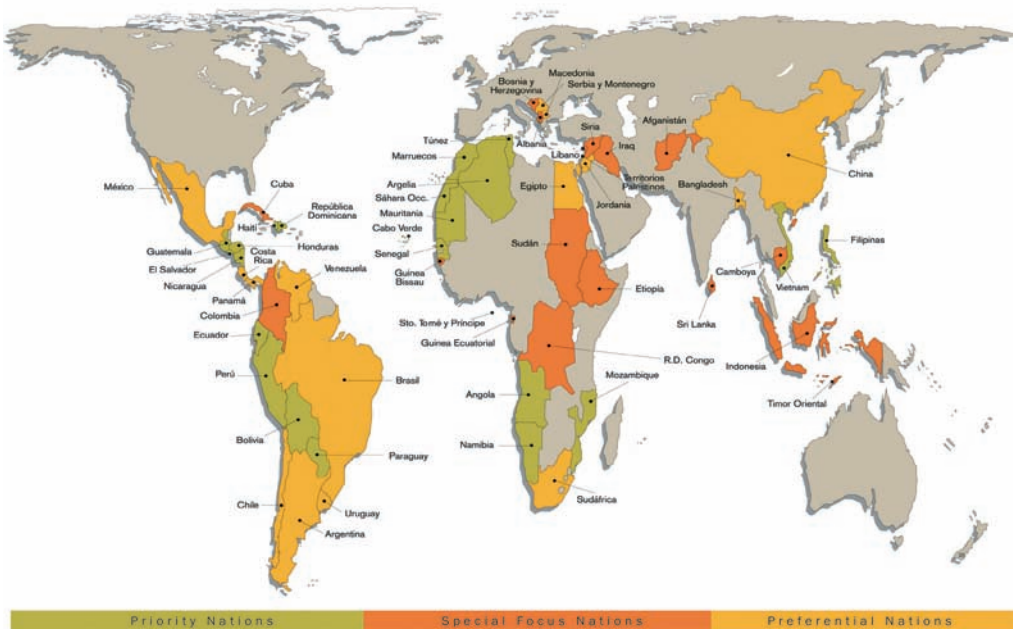
The current 2005-2008 Master Plan states that Spain will give priority to helping less economically and socially developed countries (LEDC), many of which are located in Sub-Saharan Africa. This region will therefore play an important role in the activities of Spanish cooperation ef-

forts over these four years. The guidelines of the Master Plan aim to synchronise Spanish development assistance with the Millennium Development Goals. The new and intense focus on Africa implies an unprecedented increase in resources and the political, diplomatic and cultural presence of Spain in these countries, rooted in a deep-seated sense of solidarity and justice.

Latin America

The Latin American region remains a top priority for Spanish cooperation. Development assistance is adapted to meet the specific needs of this region, where most countries have an average income level. Latin America is facing significant development challenges and has large pockets of extremely impoverished and socially marginalised inhabitants, largely due to the enormous inequalities that exist. Development aid from Spain aims to improve performance capacities, with a clear focus on human development and progress. The three main areas of action are social cohesion, democratic governance and economic progress, together with the horizontal priorities of gender equality, environmental sustainability and support for the indigenous population. 40% of Spanish bilateral ODA will be allocated to this region in 2008.

Geographic priorities of Spanish development assistance.



Areas of Activity of Spanish Cooperation Efforts

The Fight Against Poverty

The Millennium Declaration stipulates that the eradication of poverty is a goal of the international development policy.

Safeguarding Human Rights

The Master Plan and the importance of a holistic approach to development have dual implications for efforts to preserve and safeguard human rights. On one hand, they make human beings the primary agents, actors and beneficiaries of development policy. On the other hand, the Plan refers to the democratic system as an indispensable condition for the development of a country, and works on the basis of this premise to promote the reinforcement of democratic institutions and their smooth operation according to the principles of freedom, equality, justice and political pluralism.

The Fight Against Hunger, Education, Health Care and Vulnerability

Meeting basic social needs is a priority of Spanish cooperation, which usually reserves 20% of ODA for the various aspects of social necessities. One of these is the fight against hunger. Providing people with the tools they need to meet their own basic nutritional needs, both now and in the future, is one of our primary objectives.

At the FAO summit held in Rome in June 2008, Spain committed to invest 500 million euros between now and 2012 in actions related to food security and agriculture to help mitigate the global food crisis.

As a result, the AECID Office of Humanitarian Action has increased the funding destined to mitigate the worst effects of the crisis by 60%. As of late 2008, the AECID Office of Humanitarian Action had provided 39 million euros for funding activities related to hunger aid, nutrition and agricultural recovery, going the extra mile from the very beginning of the food crisis. Through multilateral channels, 56.3 million euros have

been provided for programmes and projects of United Nations agencies, primarily the FAO (Food and Agriculture Organisation), the WFP (World Food Programme) and UNICEF. In addition, the Spain-UNDP Fund has created a new thematic window for “children, nutrition and food security” to which 50 million euros will be allocated.

Education is a right but it is also a fundamental tool for the eradication of poverty and particularly for achieving gender equality. Thus, in accordance with the Education Strategy, Spanish cooperation hopes to help ensure the right to a quality basic education. This entails reinforcing public education systems and civil society organisations in those countries and groups with the lowest education rates, in line with the international commitments of the Dakar Framework for Action.

The Spanish government has also backed the Fast Track Initiative, the goal of which is to establish a partnership between donor countries and developing nations in order to accelerate the attainment of the “Education for All” goals. Specifically, this initiative calls for supporting national education plans and providing quality primary education for all children in developing countries.

Health care is another basic right of human beings and an essential tool for ensuring quality of life. In 2007, the Spanish government committed to donate 700 million dollars to the Global Fund to fight HIV/AIDS, Tuberculosis and Malaria between 2007 and 2010. In this respect, we must also mention the work that is being done by the Vita Programme for Health Cooperation in Africa and the AECID’s financial support of the Health Programme in Latin America, which is promoted by the Pan-American Health Organisation (PHO) of the WHO.

Promotion of the Economic, Business and Production Sectors

Current efforts focus on reinforcing the socioeconomic situation of production sectors – agriculture, forest development and research, industry, arts and crafts, cultural production,

tourism, fishing, etc. – helping small and medium businesses, providing infrastructures, helping countries to access world markets and promoting fair trade cooperatives. The Micro-credits Fund (FCM) managed by the AECID promotes the existence of a regulated and supervised financial system with the ability, in terms of long-term sustainability and profitability, to offer integral financial services for small business owners.

Towards a Sustainable Environmental Policy

Spanish cooperation efforts focus on establishing patterns of sustainable development and preserving the productive capacity of natural ecosystems for future generations. These actions are accompanied by policies that mitigate damages to the environment and improve the management and sustainable use of ecosystems. Active programmes in this area include the Nauta cooperation programmes for the sustainable development of the fishing industry in Africa; Azahar, a cooperation programme for sustainable development, protection of the environment and conservation of natural resources in the Mediterranean; and Araucaria XXI, the renewed cooperation programme for preserving natural resources and ensuring sustainable development in Latin America.

Culture: an Instrument of Development

For the first time ever, Spanish development efforts have incorporated the recognition of cultural diversity, which is essential for encouraging respect for cultural rights and ensuring that all peoples and groups (including unique ethnic or cultural sub-groups) are able to exercise their right to freely express their ideas and traditions, use their native tongues, practice their own religions, carry out artistic activities and participate in social, political and economic life on an equal level with others.

Within the framework of the Culture and Development Strategy, the ACERCA Programme has been launched, which focuses on equipping human resources for development in the cultural sector that will promote

quality, modern training initiatives, promoting the use of information and communication technologies and providing a forum for the exchange of ideas. The recovery of both tangible and intangible cultural heritage is one of the most important aspects of cultural cooperation. The Heritage Programme carries out this task by providing specialised training for workers in Workshop Schools managed by the AECID.

Gender and Development

Gender equality – defined as the formal and real existence of the same rights, freedoms, opportunities, alternatives and responsibilities for men and women of all ages, social classes, cultures or ethnic groups – is a development goal and a fundamental factor in the effective and sustainable fight against poverty. Spanish cooperation efforts incorporate gender equality in every aspect of development programmes, with specific interventions in two priority spheres of action: supporting public policies that favour equality and eliminating domestic violence.

It also supports processes that share the goal of overcoming discrimination and exclusion of women from circles of power where political, economic and other kinds of decisions are made that affect the course of their lives.

The Gender and Development Strategy of the Spanish Cooperation Agency is the primary instrument used to apply the GAD focus at every level, from strategic planning and programme creation to management, observation and evaluation, and the driving force behind a strategic multilateralism for achieving gender equality. A crucial element in its implementation has been the consolidation of the GEDEA (Gender & Development and Effective Aid) Network of Spanish Cooperation, which serves to promote harmonisation, consistency of policies and the coordination of players in Spain, partner countries and around the world. It also serves as a platform for international consensus and debate that open up spaces for exchanging knowledge and the latest advances in the area of GAD and Effective Aid.

Building Peace

The Master Plan expresses Spain's intention of becoming an active "peace builder" and adopting this status as an identifying characteristic in a project involving foreign policy, security and co-operation. Spanish Cooperation's Peace-Building Strategy aspires to make Spain an active contributor to peace-building, based on the awareness that peace is one of the most important universal assets. This strategy aims to match Spain's own capacities and priorities abroad with the needs of the international community so that the targets set for 2015 can be accomplished. One example is Spain's provision of financial and technical assistance to the African Union's (AU) Centre for Conflict Prevention, Security and Peace Building, which aims to reinforce the operational capacities of the Peace and Security Council (PSC) and other related institutions.

Fund for Cooperation for Water and Sanitation

At least 58 million people in Latin America and the Caribbean lack access to drinking water and another 138 million do not have basic sanitation services. In order to meet these basic needs, the Fund for Cooperation for Water and Sanitation was presented on 29 October 2008 at the 18th Ibero-American Summit in San Salvador. The intention of creating this fund had already been announced at the 17th Ibero-American Summit in Santiago, Chile, by President Rodríguez Zapatero.

The goal of the Fund for Cooperation for Water and Sanitation is to help ensure the basic human right to water. This will also bring us closer to meeting one of the Millennium Development Goals – to halve the percentage of people without access to clean drinking water and basic sanitation by the year 2015.

The fund is a Spanish initiative that will donate 1.5 billion dollars to the region's countries over the next four years. Every country will be able to avail itself of the fund's resources. Eligible recipients include national, regional or local government bodies, public organisations, cooperatives and other entities that provide water and sanitation services.

In addition, the Spanish government and the Inter-American Development Bank (IDB) have signed an agreement to collaborate in the multilateral implementation and management of the Fund for Cooperation for Water and Sanitation. Under its terms, Spain will set the priorities and evaluate the impact of the projects financed by the fund, while the IDB will be responsible for identifying and preparing specific investments and for monitoring the execution and evaluation of the same in conjunction with the beneficiary governments.

Spain set aside 300 million euros in 2008 as its first contribution to the Spanish Fund that will be set up at the IDB. This money will finance projects involving drinking water, sewer systems, waste water treatment, urban rainwater drainage, management of water resources, adaptation to climate change, effectiveness and operational management.

SPAIN AND LATIN AMERICA

Latin America is a substantial part of Spain's identity, which cannot be understood without considering the historical bonds that unites us and the present we share with the peoples and citizens of Central and South America. Consequently, Latin America must be and is a constant priority in Spanish foreign policy. In this respect, the Spanish government has launched initiatives in various areas in order to give Spanish-Latin American relations the privileged status they deserve. Spain has worked to establish open lines of communication with every country in the region, motivated by the conviction that maintaining close, continuous and direct dialogue with national leaders will allow us to strengthen our presence and influence in Latin America and, as a result, to better defend our interests there. In addition, Spain now has sufficient economic power and the firm political determination to contribute substantially to the development and prosperity of the Latin American people.

The present administration's policy with regard to Latin America is a reflection of the desire to combine the defence of our interests



Family portrait of the Heads of State and Government who attended the 18th Latin American Summit held in El Salvador on 30 October 2008.

with the needs and ambitions of this region's countries and peoples.

New factors

Our policy takes into account that, although the substratum of this relationship is the same as ever (a common identity and a shared history), there are now new manifestations that affect it. The first of these is the spectacular increase of Spanish investment in the region, particularly in the largest and most important countries. We are now the second largest investor in Latin America (or the first, depending on the criteria used) and we play a decisive role in strategic sectors such as banking, communications, energy and public services in general.

In recent years, Spain has also received a significant influx of Latin American immigrants. Given its recent history as a nation of emigrants, Spain sees this phenomenon as a positive development and values the contribution of Latin American immigrants to our economic welfare.

We are also well aware that Latin America is now facing new challenges. Twenty years ago, the challenges consisted of re-establishing democratic, civil and representative regimes and solving armed conflicts in Central America. Spain made a significant contribution to the restoration of democracy in the southernmost region of South America and the peace processes in Central America. Today, most of the countries in the region have democratically elected governments

The primary goal of democratic regimes, at the dawn of the 21st century, must be the eradication of poverty and social exclusion. Latin American societies want their democratic political systems to meet their legitimate expectations of economic welfare and development and to make headway in the effort to mitigate inequalities. Social cohesion and equitable development are challenges that demand a response. The Spanish government wishes to reinforce Spain's involvement in strengthening the institutions of Latin American nations; in this respect, we can offer the benefit of our recent experience in the successful creation and consolidation of our own democratic system.

In addition to the reinforcement of institutions, the intense poverty and inequalities that exist in Latin America must also be reduced in order to achieve greater stability. Many nations have already launched efficient economic reforms to boost their economies, but the challenge of generating an economic change to promote equality has yet to be addressed.

Spain has contributed its own resources to help fight poverty and strengthen social cohesion, and it will continue to do so. However, Spain also has defended and will continue to defend a more flexible position in international forums regarding Latin America's reasonable demands in matters of finance and the access of their products to the markets of developed countries.

Spain's development cooperation policy is one of the fundamental instruments of our current Latin American policy. A significant part of

Spain's cooperation efforts target this region, primarily in the form of programmes of institutional reinforcement and the meeting of basic needs in an attempt to fight poverty and inequality.

The government has also emphasised the need for Spanish investors to adopt corporate social responsibility policies (almost all of them already do), based on the conviction that the best way to guarantee their interests is to ensure the stability and development of the countries where they operate.

The government also intends to introduce bilateral mechanisms to ensure that the interests of Spanish companies have greater legal protection, are better defended and contribute more effectively to the development of the countries where they operate. In this respect, agreements to promote and protect investments and avoid double taxation have been signed with almost every Latin American country.

The Spanish government believes that multilateralism and integration are the best responses to the dangers of globalisation. Obviously, this also applies to the present-day reality of Latin America and our relationship with the region. Spain supports the different sub-regional processes of economic and trade integration: MERCOSUR, the Andean Community and the Central American System. Furthermore, Spain actively promotes free trade agreements between the European Union and these integration mechanisms. Independently of these agreements, we believe it is essential for the EU to increase its involvement in Latin America, which is why Spain actively participates in the EU-Latin America and Caribbean Summits that began thanks to a joint initiative of the Spanish and French governments. In May 2008, the 5th Summit in Lima addressed two highly relevant themes: poverty, inequality and social inclusion, and sustainable development and climate change. Latin American issues will be a particular focus of the Spanish presidency of the EU in the first six months of 2010.

In October 2008, the 18th Ibero-American Summit was held in El Salvador. This encounter was very constructive and had important political repercussions as it resulted in the signing of

a joint declaration on the global economic and credit crisis. Addressing the primary theme of the summit, "Youth and Development," the participants also approved specific programmes and initiatives aimed at Latin American youth, whom the summit identified as key players in all of the continent's social and political processes.

THE ALLIANCE OF CIVILISATIONS

Since the Spanish president presented the proposal for an Alliance of Civilisations before the General Assembly of the United Nations in September 2004, the initiative has made great headway. In a short time, it has become a new instrument in the hands of the international community for facing problems deriving from the management of diversity and, in particular, for mobilising moderates in the Western and Arab-Islamic world, which constitute the vast majority, in an effort to isolate the extremist minority.

The aim of the Alliance of Civilisations is to help narrow some of the gaps that exist in today's globalised world, especially those related to culture and religion. To this end it advocates the application of specific political measures in four fields that have been identified as high-impact: youth, education, migration and the media.

The initiative enjoys an ample political support base in the international community. The final document of the 2005 World Summit expressed the unanimous support of the member-states of the United Nations. There is also a Group of Friends of the Alliance of Civilisations that has grown larger since that time and currently includes over 90 nations and international organisations.

The Alliance of Civilisations is part of the Spanish government's efforts to promote efficient multilateralism and the reinforcement of the United Nations' role in today's world. In this respect, it is worthwhile mentioning that in 2005 the Alliance of Civilisations was adopted as an official initiative of the United Nations Secretary-General, who in April 2007 named

Jorge Sampaio, the former president of Portugal, as his High Representative for the Alliance of Civilisations. This prominent appointment ushered in a new phase in the initiative's history, granting it a higher political profile and laying the foundations for moving towards its practical implementation.

A few weeks after his appointment, the High Representative announced an Action Plan that sets out a specific work programme for the two-year period from 2007 to 2009. The plan highlights three areas of priority action for the Alliance:

- As a tool that can be used by those who wish to launch intercultural dialogue cooperation projects.
- As a forum for proposing and supporting projects that focus on improving intercultural relations in the areas of education, youth, migration and the media.
- As a space for facilitating dialogue and a political tool available to those who promote moderation and mutual understanding in times of crisis.

The Alliance will gain strength as the various nations gradually integrate it in their own national policies. It is destined to inspire our instruments of conflict management, our international cooperation policy and our internal sectorial policies in education, youth, migration or the media. To move forward in this direction, the High Representative has invited the nations committed to the Alliance to draft national plans or strategies that translate the principles of the Alliance into concrete political measures. Spain approved its own national plan in January 2008.

Moreover, the Alliance aspires to work in tandem with international and regional organisations that work in the field of intercultural dialogue. It hopes to become a horizontal instrument of the United Nations system that will serve to highlight the political importance of what these organisations do to improve the management of diversity. To this end, the High Representative has signed collaboration agreements with international organisations such as UNESCO, the Arab League and the Council of Europe.

Another of the main proposals included in both the Report of the High Level Group created in 2005 by the Secretary General and the High Representative's Action Plan is the celebration of a Forum of the Alliance of Civilisations. Conceived as the Alliance's great event where association agreements will be forged and commitments to specific actions and projects will be made, the Forum is intended to serve to identify good practices, share experiences and underscore the obstacles that must be overcome in order to improve mutual understanding.

The first Forum of the Alliance of Civilisations was held in Madrid on 15 and 16 January 2008. The event brought together numerous countries and international organisations, as well as distinguished representatives from the political, academic, religious and business worlds. It was a great success in terms of the level and number of participants, the contents of the debates and the results achieved.

On the intergovernmental level, it is worthwhile noting that during the Forum a High Level Political Dialogue meeting of the Group of Friends was held, which 81 of the then 83 members of the group attended. 35 of the participating nations were represented by ministers and 10 of the 13 international organisations pertaining to the group were represented by secretary-generals.

The Forum's success has proven the pertinence of this initiative. The Alliance of Civilisations

The President of Spain, José Luis Rodríguez Zapatero, and the United Nations Secretary-General, Ban Ki-moon, during the inauguration of the first Forum of the Alliance of Civilisations in Madrid on 15 and 16 January 2008.



tions is “the right initiative at the right time,” in the words of the High Representative. Some of the specific results achieved are as follows:

1. Spain and New Zealand presented their National Plans, and Turkey announced the elements of its National Strategy for the Alliance of Civilisations.
2. The High Representative signed five Memoranda of Understanding with various international organisations – UNESCO, the League of Arab States, ISESCO, ALECSO and United Cities and Local Governments (UCLG) – as well as a Letter of Intent with the Council of Europe.
3. Sheikha Mozah bint Nasser al-Missned, consort of the Emir of Qatar, announced the launch of “Silatech,” a global initiative for youth employment set up with an initial investment of 100 million dollars. The initiative includes collaboration agreements with the World Bank and the private business sector.
4. Queen Noor of Jordan, on behalf of the King Hussein Foundation, announced the launch of an Alliance of Civilisations Media Fund to fight against stereotyping in the media by signing collaboration agreements with well-known producers, distributors and Hollywood agencies. The fund is endowed with an initial private investment of 10 million dollars.
5. The Alliance of Civilisations Clearinghouse was launched and set up with a pilot project in the field of media literacy education.
6. The Rapid Response Media Mechanism was launched, which will establish a public database of global experts in intercultural dialogue accessible to journalists and the media, especially during crisis situations.
7. The Youth Solidarity Fund was created, which aims at providing small-scale assistance for youth programmes in the sphere of intercultural and interfaith dialogue.

Other important commitments were also made to further the goals of the Alliance of Civilisations, such as the creation of a worldwide network for information and good practice sharing between foundations and individuals that will work in the field of intercultural dialogue, the creation of an Alliance of Civilisations network of goodwill ambassadors, and the drawing up of a catalogue of good practices in the business sector as regards intercultural dialogue.

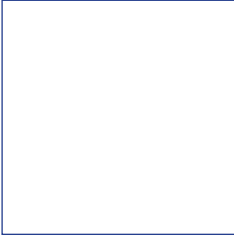
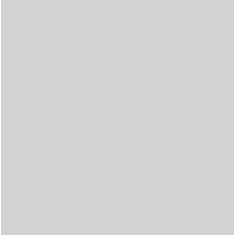
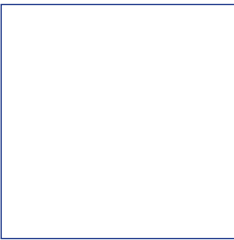
The next forum will be held on 2 and 3 April 2009 in Istanbul. Other nations have expressed their willingness to host future sessions of the forum.

For further information:

www.aeci.es

www.maec.es

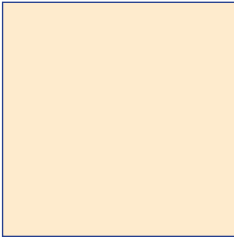
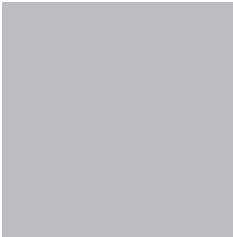
www.unaoc.org



CHAPTER V



DEFENCE
POLICY



THE ARMED FORCES: AN INSTRUMENT FOR ACTION ABROAD

Spain's foreign activity is based on a scrupulous respect for international laws. Two conditions must be met before our Armed Forces will intervene in foreign affairs: the United Nations or another multinational organisation to which Spain belongs must first issue a decision, and the intervention must be approved with the active participation of the Spanish Parliament.

For the purposes of carrying out these actions, on 3 November 2005 the Spanish Parliament passed the National Defence Law. This legislation states that the Armed Forces are responsible for ensuring the sovereignty and independence of Spain, defending the integrity of its territory and constitutionally defined distribution, preserving the welfare of its citizens against threats, calamities and catastrophes and other public needs, and constituting a key element of the State's foreign action by participating in international missions.

With regard to foreign interventions, the law stipulates that the administration shall first consult the Congress of Representatives and obtain its authorisation before ordering foreign operations that are not directly related to the defence of Spain or of national interests.

Said operations must comply fully with international laws, and must be ordered only in response to an express request from the governing authority of the territory where action is to be taken, or to a resolution of the United Nations, NATO or the European Union. Previous consent from Parliament shall not be required for legitimate defensive responses to an aggression against Spain or its national interests.

Spain's security policy in the international arena is expressed through its presence in international organisations, participation in peace-keeping operations and ascription to diverse treaties.

The defence policy of Spain determines the objectives of national defence and the resources and actions needed to achieve them. These objectives are defined in the National Defence Directive, which constitutes the basis of National Defence Planning and military policy.

The National Defence Directive was approved by the president of Spain on 30 December 2004. It was subsequently replaced in late 2008 with a new directive brought before Parliament in November by the Minister of Defence, Carme Chacón. In this document, the government establishes the objectives of national defence and lays out the general lines of action required to achieve them.

Acting upon one of the recommendations of the National Defence Directive, on 30 October 2007 the Spanish Parliament approved the Military Career Law to adopt an updated structure of corps and ranks, promotion systems that



His Majesty the King of Spain on an Army exercise.



Defence Minister Carme Chacón during the qualifying trials for pilots on the "Príncipe de Asturias" aircraft carrier. 10 February 2009.

reward merit and ability, and to reform the military training system.

Both the 2004 and 2008 directives constitute the basis for all defence planning by outlining the strategic scenario that we now face, establishing the framework of Spain's security and defence and dictating the proper response to existing threats.

In the framework of security and defence, Europe is our primary area of interest and, in this respect, Spain shall pursue a truly European security and defence policy. This priority is combined with a strong, balanced trans-Atlantic relationship, in which Spain occupies the role of a firm ally with a clear commitment to the North Atlantic Alliance.

The Mediterranean basin is of particular interest to Spain, which firmly supports all multilateral initiatives proposed by the European Union, NATO and the Organisation for Security and Cooperation in Europe (OSCE) for the Mediterranean region.

Latin America is another priority area, which is why Spain actively promotes bilateral relations and military cooperation with Latin American states and shall support regional initiatives designed to reinforce multilateral cooperation among nations of the Latin American community.

In addition to these three areas that have traditionally been given priority in international defence policy, the 2008 National Defence Directive also underscores the necessity of Spanish involvement to ensure stability in other regions, such as Sub-Saharan Africa and the Asian-Pacific region.

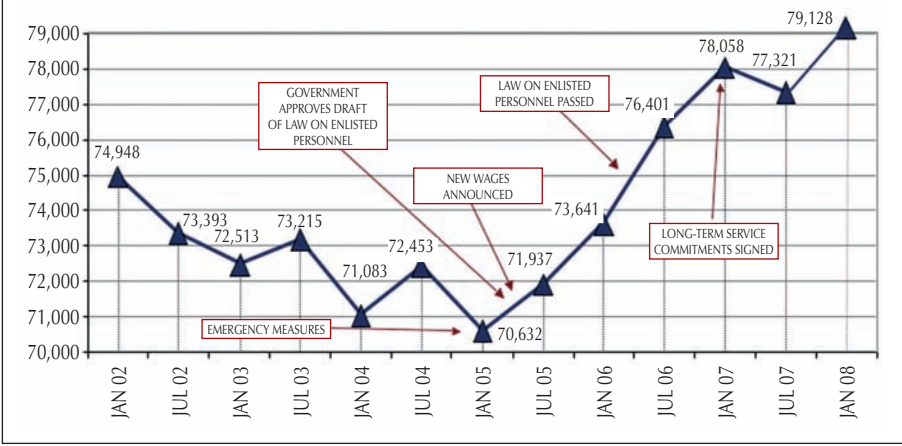
The 2008 National Defence Directive establishes five broad lines of action:

- The sole authority of the national government to act in matters of security and defence, and its implementation through the comprehensive application of all resources – information, prevention, deterrence, intervention and international cooperation, and damage control.
- Spain's commitment to the defence of peace and international security with regard to international laws and the use of multilateralism as a tool of joint action in international relations and for the resolution of conflicts.
- Securing as much support as possible, both from society and in Parliament, to make defence policy a truly national policy and encourage Spanish society to easily identify with its Armed Forces.
- Working collaboratively with our partners and allies to honour our commitments in the area of shared security and collective defence.
- The dynamic and continuous transformation of the Armed Forces as an essential component of defence policy, and its continued adaptation to the strategic scenario.

The Armed Forces: 126,000 professional members

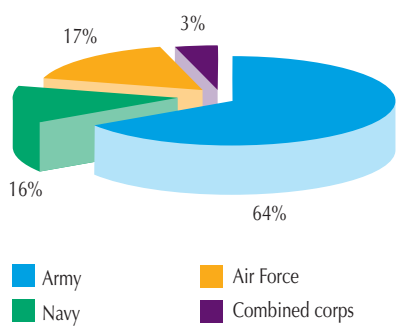
The Spanish Armed Forces have a total of 126,000 members, of which 18,000 are officers, 28,000 are non-commissioned officers and 80,000 are enlisted personnel. They are all professionals, given that mandatory mili-

EVOLUTION OF ENLISTED SOLDIERS AND SAILORS SINCE THE END OF MANDATORY MILITARY SERVICE (ALL SITUATIONS BY SIX-MONTH PERIOD).



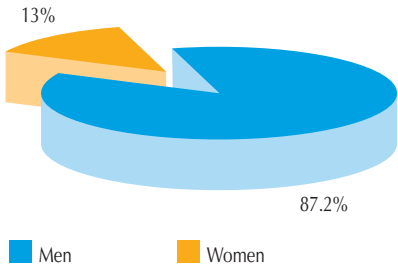
Source: Under-Secretariat of Defence. Directorate-General of Recruitment and Military Training. Subdirectorate-General of Recruitment.

ARMED FORCES



September 2008.

PERCENTAGE OF WOMEN IN THE ARMED FORCES



September 2008.

tary service ended on 1 January 2002. Although the Armed Forces suffered a shortage of recruits for a time, since 2005 the number of enlisted personnel has been growing and is expected to reach 86,000 by the end of 2009, which will bring the total number of Armed Forces members to between 130,000 and 140,000. The number of women in the Armed Forces has also increased. At the end of the 2004-2008 legislature, women accounted for 13% of all military staff and 18% of all enlisted personnel. This same percentage was 0.1% in 1991, 0.7% in 1995, 8.9% in 2000 and 11.5% in 2005.

Women were first admitted to the Armed Forces in 1988, and the following year they were able to join the General Military Corps. Women were admitted, albeit with restrictions, into the ranks of enlisted troops in 1992, and all restrictions were later lifted in 1999.

For the purposes of completely professionalizing the Armed Forces and making the military a more appealing career choice, Law 8/2006 on Enlisted Personnel was enacted. This legislation provides greater stability for the professional lives of soldiers and sailors by offering long-term service contracts (until age 58, trans-

fer to the reserve or retirement) or short-term contracts of two or three years, renewable for up to six years.

This law also offers servicemen and women the option of remaining in the army until age 45, at which time they become entitled to a monthly stipend roughly equivalent to the minimum wage. This payment is compatible with other income obtained in the private sector, but it is not compatible with unemployment benefits.

The Armed Forces: More modern and efficient

At present, over 26 billion euros have been earmarked for programmes that are already underway and are aimed at modernising our military. These include naval resources such as the F-100 frigates, the Strategic Projection Vessel, the Combat Supply Ship, maritime action ships and the S-80 submarines; air programmes in cooperation with other European countries such as the Eurofighter aircraft, the A-400M transport aircraft and the Tigre and NH-90 helicopters; and ground resources such as the mine-resistant 4x4 armoured vehicles, the Leopard tanks and the Pizarro infantry combat vehicles.

March 2006 saw the launch of Spainsat, the main satellite providing government and military communication services and facilitating the communications of the Spanish Armed Forces during their deployments. In 2007, the National Observation Satellites Programme – Peace and Ingenuity – was also launched in a joint effort by the Ministry of Defence, the Ministry of Industry (CDTI) and the European Space Agency, which will give Spain access to a system equipped with the two main observation technologies, optics and radar.

Spain's participation in NATO

Spain has participated in the Atlantic Alliance's activities since its inception on 30 May 1982. As an active member of NATO, Spain and its allies have helped to efficiently implement the



Shield of the new NATO Joint Command Southwest, headquartered at the Retamares barracks (Madrid).

profound internal and external transformations experienced by this organisation.

Some of the most important aspects of NATO's internal transformation in recent years include a significant reduction in forces and command centres, as well as the creation of multinational units. Another important change consisted of replacing the concept of "enemy" and developing the notion of "cooperative security." According to this approach, cooperation among nations is the best prevention against the threat of conflicts; it eliminates barriers between nations, making them feel more secure in an increasingly more interdependent world.

In August 2003, NATO took command of the ISAF operation in Afghanistan with the mission of supporting the Afghan government in its efforts to expand its authority throughout the country. Spain participates with contingents of troops deployed there to stabilise the country and strengthen its institutions, particularly by helping to train the Afghan National Army. Spain is also responsible for a Provincial Reconstruction Team in Baghdis, and the Spanish Agency of International Cooperation works from the provincial capital of Qala-i-Naw on health, education and basic infrastructure projects. In addition, Spain participates in the Forward Support Base at Herat, where its forces support the work of various provincial teams in western Afghanistan.

The future of European defence

After the Treaty of Amsterdam came into effect in April 1999, a process for developing new EU security and defence policies was set in motion.

The document "A Secure Europe for a Better World" described the European Security Strategy and established three main objectives: extending the security zone around Europe; reinforcing international order based on effective multilateralism; and addressing new threats such as terrorism, weapons of mass destruction, organised crime, etc.

As far as Spain is concerned, the 2008 National Defence Directive is very clear on the matter of Spain's intentions, indicating that "national security is intrinsically and indivisibly tied to the security of Europe. Therefore, Spain encourages and promotes a solid European policy of security and defence, endowed with the necessary civil and military resources to face any contingencies or crises that may affect it and to effectively contribute to the cause of world peace in accordance with the United Nations Charter."

Over the course of 2008, Spain has actively promoted a European Union operation in the waters of the Indian Ocean near Somalia with a view to protecting humanitarian and commercial maritime traffic and the fishing industry from pirate attacks. This operation, dubbed Ata-



Defence Minister Carme Chacón and Foreign Affairs and Cooperation Minister Miguel Ángel Moratinos are welcomed with honours on their arrival in Herat (Afghanistan) to wish the Spanish troops a Happy Christmas. 23 December 2008.

lanta, has been approved and will be launched in early 2009.

The Armed Forces: Cooperative efforts

Some of the Spanish Armed Force's most fundamental missions are maintaining international peace, security and stability, as well as active participation in collective security and defence organisations, particularly NATO and the European Union.

As a member of the Atlantic Alliance, Spain has provided NATO's standing forces with various contingents. Spain also participates in the European Army Corps (Eurocorps), in the European Operational Rapid Force (Eurofor) and in the European Maritime Forces (Euromarfor), which are at the service of NATO and the European Union as well as other international security and defence organisations. In addition, Spain is also a member of the Spanish-Italian Amphibious Force, the European Amphibious Initiative, the European Air Group and the European Gendarmerie Force.

Spanish involvement in peace-keeping missions

The Spanish Armed Forces currently maintain several contingents engaged in peace-keeping missions abroad. At the end of 2008, the troops were deployed as follows: 337 soldiers in Bosnia-Herzegovina as part of the European Union's "Operation Althea" to help the country progress towards a situation of greater stability; 617 troops in Kosovo as part of NATO's multinational force; 760 soldiers in Afghanistan, deployed in Herat and Qala-i-Naw with the International Security Assistance Force in Afghanistan; and 1,100 men and women (the largest contingent) in Lebanon as part of the United Nations Interim Force in Lebanon (UNIFIL).

In addition, 7 military observers are currently deployed under the command of the European Union and the United Nations on missions to ensure compliance with various peace agreements.

Spain's official participation in United Nations missions began in 1989. Before this date,



The Spanish navy en route to Lebanon. Centre, the frigate "Juan de Borbón" and the ship "Galicia." Left, the "Pizarro" and right, the "Patiño."

A member of the TACP team of the military section of the Provincial Reconstruction Team (PRT) in Qalati-Naw provides air traffic control for an ISAF aircraft on the outskirts of the city.



Spain had participated, albeit very sporadically, in similar operations, which we now call "peace-keeping operations."

Peace-keeping operations have progressively acquired tremendous importance in Spain's defence and security policy. Spain has focused particularly on these kinds of missions by maintaining a constant presence, investing increasingly greater economic resources and, unfortunately, also sustaining a tragic loss of human lives.

Since the year 1989, Spain has participated in a total of 52 peace-keeping and humanitarian operations, which nearly 80,000 troops from its three standing forces have made possible with their presence on four different continents. In the economic sphere, great efforts have also been made; since 1990, approxi-

mately 5 billion Euros have gone to finance the cost of these operations.

Spain's modest involvement in this type of missions in the early years was followed by a substantial increase in 1992; this was motivated by Spain's decision to join the United Nations Protection Force in Bosnia, which increased the number of our troops deployed abroad to a total of 1,500. This number remained relatively stable until 1999, when our contribution to efforts in Kosovo raised the total to approximately 2,800 servicemen and women.

2003 saw the maximum number of Spanish troops deployed on foreign soil to date, with 3,600 troops on four different military stages, which required our Armed Forces to make a greater effort than was originally anticipated or planned.

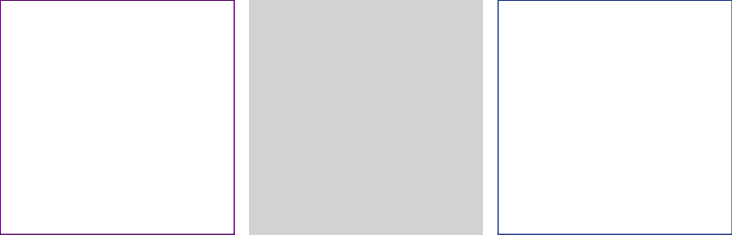
In recent years, the participation of Spanish Armed Forces in operations abroad has involved a total of approximately 3,000 troops. The risk inherent in these missions is unquestionable. Tragical proof of this is the 148 men and women (from the Ministry of Defence or working for said institution) who have died in the line of duty while carrying out their missions.

With regard to humanitarian missions, the Spanish military has engaged in relief work in Mauritania, Pakistan, Indonesia, Mozambique, Turkey, Albania, Central America and Kurdistan to mitigate the effects of natural or man-made catastrophes.

The most recent of these operations, begun in May 2008, is the European mission known as EUFOR Chad-CAR. Spain's contribution consists of air support and 88 troops who work to safeguard the existence of an aerial supply route of humanitarian aid for the refugee camps in Chad and the Central African Republic.

Spain has also sent military contingents abroad to protect electoral processes in Afghanistan, Haiti and the Democratic Republic of the Congo over the past several years.

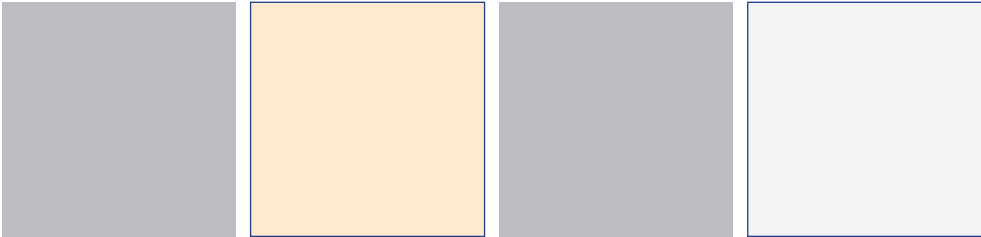
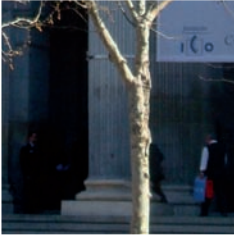
For further information, please consult the official website of the Ministry of Defence: www.mde.es.



CHAPTER VI



ECONOMIC
POLICY AND
THE SOCIAL
PROTECTION
MODEL



INTRODUCTION TO THE ECONOMIC POLICY

In recent decades, the Spanish economy has undergone an unprecedented transformation that has affected not just the productive structure of the economy but also the role played by economic policy.

Spain has gone from an economic system inherited from a country shackled by strict autocracy in the 1960s, characterised by a high level of interventionism and little integration with the outside world, to form part of the Economic and Monetary Union, where the Euro zone represents the most advanced state of economic integration known today.

Integration in the European Economic Community (EEC) in 1986 served as a stimulus for the country to open up to the outside world and to embrace liberalisation, in search of greater efficiency in the goods, services and factors markets. To bolster this process, important reforms were introduced to regulate the economy with a view to fostering the modernisation of markets by improving their performance and facilitating their integration, initially in European circuits and then world-wide.

The role of agriculture in the economy has declined, as its contribution to national production and employment has diminished.

The contribution of industry to the economy has also waned, although this has been compensated by strong growth in services, which currently account for around 66.7% of Spanish Gross Domestic Product (GDP).

The financial system has also undergone a truly extraordinary transformation, as evidenced by the extraordinary dynamism of the major Spanish banks in the international mar-

kets, increasing their presence in other countries while maintaining very competitive positions with respect to other operators in the sector thanks to their favourable efficiency ratios.

These changes can be attributed not so much to the process of opening initiated with the Stabilisation Plan of 1959 as to the Moncloa Pacts signed in 1977 by the administration of Adolfo Suárez and social agents, as part of an integrated strategy to facilitate the modernisation of the Spanish economy and to help the country emerge from the oil crisis. However, the impact of new oil price pressure on Western economies, in a climate of low growth and high inflation, seriously limited the capacity of new reforms to foster the growth of Spain's economy.

Between 1986 and 1989, growth rates reached almost 5% (with average annual growth of 4.7% for the period as a whole and almost 20% during this four-year period), thanks to extremely dynamic domestic investment and consumer demand, which fuelled significant growth in employment and further consolidation of public spending.

However, due to strong domestic demand, the foreign trade imbalance became more pronounced and the first signs of inflationary pressure started to appear.

In 1993, Spain's economy plunged into a severe crisis that inevitably slowed down the process of convergence towards the income levels of its European Community partners. This prompted a dramatic increase in unemployment, which affected around 25% of the working population, accompanied by rapidly rising inflation rates and a worsening of public finance imbalances.

The European Monetary Union became a reality on 1 January 1999, when eleven member states adopted a single currency. The most immediate implication of the creation of the single currency was undoubtedly the system of monetary policy-making, control of which was definitively passed over to the European Central Bank (ECB). As a result, the Bank of Spain lost direct control over the design of monetary policy strategy.

Spain's entry in the Euro zone generated a climate of confidence, which was also boosted by other factors that were partly exogenous but which undoubtedly helped to consolidate the dynamism of the economy and to prolong the growth phase of the cycle currently enjoyed by the Spanish economy. In fact, the fixing of an exchange rate that favoured Spain when it entered the Euro zone (since it clearly improved the competitiveness of Spanish products and consequently boosted exports), coupled with a more than substantial reduction in interest rates as a result of convergence and the commitment to budgetary discipline, stimulated growth during the second half of the nineties and early 2000s, enabling the country to make significant progress in convergence towards the living standards in other European Community countries.

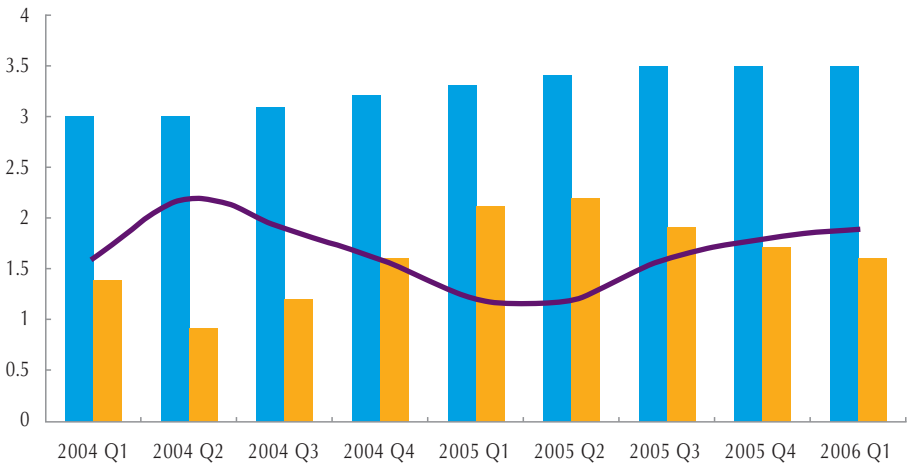
The National Reform Programme, approved by the European Commission in October 2005, is the fundamental reference for the government's medium-term economic policy and establishes the strategic objective of achieving complete convergence with EU income levels by the year 2010. This goal was already reached in 2006, as reflected in the data published by Eurostat.

Furthermore, the substantial injection of structural funds from European Union coffers and the influx of immigrants had a positive impact on GDP growth, job creation and macroeconomic consolidation, helping to reduce public debt and curb inflation rates. Different reforms were also introduced during this period in the labour, goods and factors markets. Spain's economy has enjoyed more than thirteen years of continuous growth, displaying great dynamism, unlike the economies of most European countries which, despite the expansive nature of monetary policy, have been unable to achieve more robust levels of growth due to sluggish demand.

These factors have meant that since 1999 Spain has accumulated a substantial growth differential with respect to other countries in the Euro zone; it boasts an average growth of 1.4 percentage points. As a result of this growth, Spain's GDP per capita is now higher than the EU-27 average and has progressed to 95.5% of the Euro-zone average.

In recent years, the growth of the Spanish economy has been driven largely by dynamic internal demand, and in particular by the dynamism of consumer demand and investment in construction. The aim of the economic policy is to place a greater emphasis on investment in

GROWTH OF GDP IN SPAIN AND IN THE EURO ZONE 2004-2006



capital goods in order to reinforce the quality of growth in coming years.

Meanwhile, the contribution from the foreign sector has moved from negative to positive as a result of the decline in the trade deficit. A variety of factors have contributed to this, such as less dynamic internal demand, falling international oil prices in recent months and the sustained growth of exports, despite sluggish economies in the principal Euro-zone countries.

As such, the foreign sector went from subtracting 0.2 growth points from the GDP in the first quarter of 2008 to contributing 0.8 points in the third quarter of the year.

GDP PER CAPITA (PPP). EU-27=100

Year 2006

Luxembourg	279.6
Ireland	145.7
Netherlands	130.8
Austria	127.7
Denmark	126.0
Sweden	124.8
Belgium	120.0
United Kingdom	118.1
Finland	117.1
Germany	114.3
France	111.1
Euro Zone	110.3
Spain	105.1
Italy	103.6
EU-27	100.0
Greece	97.4
Cyprus	92.1
Slovenia	88.0
Czech Republic	78.7
Malta	77.0
Portugal	74.6
Estonia	68.5
Hungary	65.0
Slovakia	63.8
Lithuania	56.2
Latvia	54.2
Poland	52.5

Source: EUROSTAT.

THE SPANISH ECONOMY TODAY: ECONOMIC STRUCTURE BY SECTORS

In the last four decades, the relative weight of the different sectors in the economy has varied substantially, with the services sector enjoying strong growth at the expense of the primary sector and industry, whose contribution in terms of Gross Added Value (GAV) and employment has declined in recent years.

Industry

In 2006 the industrial sector reported a turnover in excess of 147 billion euros, employing approximately 2,620,000 people. Industrial investment stands at 27.822 billion euros. Since 2000, this sector has experienced growing levels of productivity, surpassing those of the economy as a whole (National Accounts).

An analysis of the business structure of industry by company size (number of employees) reveals that companies with more than 1,000 employees generated more than 29.5% of sector revenues. This figure rises to 65.3% if companies with more than 100 employees are included.

The major contributor to industry revenues was the food, beverages and tobacco sector, which accounted for 15.4% of total sector revenues, metallurgy and the manufacture of metal products (13.1%) and transport material (12%).

Production (IIP) in high-technology sectors also grew by more than 4.5% between January and September 2008. These and medium-high-technology sectors represent 32% of industry in terms of added value and are noted for their high levels of productivity.

Energy

The primary energy sector in Spain produced 33,045 KTOE (kilotons of oil equivalent). In terms of energy sources, most primary energy produced in 2004 was generated by nuclear power (50.2%), with coal (20.9%), renewable

energies (19%) and hydraulic energy (8.2%) trailing far behind. The overall total for oil and natural gas was below 2%.

Construction

Construction has been the most dynamic sector in the Spanish economy in recent years, clearly influencing other activities since its production involves a high level of intermediate consumption.

Thanks to this dynamism, the GAV of the construction sector accounted for 10.4% of GDP in 2005, while investment in construction represented more than 17% of GDP.

This growth has been clearly reflected in employment in the sector, which has risen significantly and accounts for 14% of the total labour force.

The construction sector has also become a major contributor to financial flows, as shown by the high growth rates in mortgage loans.

Services

The importance of the services sector in the economy has gradually increased, and it currently accounts for 60% of GDP.

According to the Annual Services Survey, service sector revenues in 2004 totalled 1,030,272,000,000 euros, maintaining the strong upward trend observed in previous years.

This increase has fostered significant growth in employment in the services sector, which now employs more than 8.2 million people.

In terms of branches of activity, retail accounts for most production and employment, followed by services, tourism and transport.

THE POLITICAL-ECONOMIC MODEL BASED ON MACROECONOMIC STABILITY AND PRODUCTIVITY GROWTH

In Spain, productivity has grown at a slower pace than in most neighbouring countries. Al-

though this has partly been due to the very dynamic employment in recent years, it is also true that other industrialised countries have enjoyed periods of strong growth in employment coupled with very dynamic productivity due to the emphasis in economic policy on the capitalisation of the three pillars of the economy: capital in infrastructures, human capital and technological capital.

The administration is well aware of the importance of productivity for guaranteeing medium and long-term economic growth. It has therefore made productivity one of the cornerstones of its economic policy strategy, combined with stability and macroeconomic rigour and the quality and transparency of public actions.

With these principles in mind, in March 2005 the government presented the Plan to Dynamise the Economy and Enhance Productivity (Dynamisation Plan), the result of intense analysis and consultation among the different ministerial departments and sectors concerned. The Plan was accompanied by a set of specific, urgent measures to be implemented in the short term.

The Dynamisation Plan is structured around the following six pillars:

- Defence of competition.
- Products and services markets.
- Factors markets.
- Quality and efficiency of public spending.
- R&D&I.
- Transparency and quality of the regulatory framework.

The Balance of Payments

According to data for 2005, the internationalisation of the Spanish economy has intensified, as shown by the greater opening up of the economy in recent decades.

Spain's Current Account

In the first 11 months of 2008 the trade balance registered a deficit of 87.132 billion euros, 2.2% lower than in the same period of

FOREIGN TRADE: BREAKDOWN BY ECONOMIC SECTOR (JANUARY-NOVEMBER 2008)

	Exports			Imports			Balance	
	Millions €	% total	% 08/07	Millions €	% total	% 08/07	Millions €	% 08/07
Food	24,431,2	14,0	8,5	23,890,1	9,1	7,6	541,1	77,0
Fruit and vegetables	9,459,9	5,4	3,3	3,012,0	1,1	1,5	6,447,9	4,1
Fish	2,163,7	1,2	-2,3	4,409,7	1,7	-6,5	-2,246,1	-10,2
Beverages	2,417,1	1,4	7,7	1,562,9	0,6	3,1	854,3	17,3
Meat	3,010,9	1,7	20,8	1,467,2	0,6	-12,3	1,543,7	88,4
Other foods	7,379,6	4,2	15,3	13,438,3	5,1	18,6	-6,058,7	22,8
Energy products	11,285,1	6,4	49,0	52,936,4	20,2	42,7	-41,651,3	41,0
Oil and derivatives	10,017,6	5,7	44,6	40,511,3	15,5	41,3	-30,493,7	40,3
Gas	158,8	0,1	14,9	10,016,4	3,8	47,9	-9,857,6	48,5
Coal and electricity	1,108,8	0,6	118,7	2,408,7	0,9	45,1	-1,299,9	12,7
Raw materials	3,406,8	1,9	0,3	9,385,1	3,6	0,0	-5,978,3	-0,2
Animal and plant	1,838,5	1,1	6,0	2,926,7	1,1	-7,2	-1,088,2	-23,3
Minerals	1,568,3	0,9	-5,6	6,458,4	2,5	3,6	-4,890,1	7,0
Non-chemical semi-manufactures	23,047,7	13,2	3,9	22,256,1	8,5	-10,8	791,7	-128,4
Non-ferrous metals	3,483,4	2,0	-0,5	4,095,9	1,6	-17,0	-612,5	-57,3
Iron and steel	9,009,0	5,1	12,5	9,841,1	3,8	-7,1	-832,2	-67,8
Paper	2,870,1	1,6	1,7	3,367,5	1,3	-7,9	-497,4	-40,6
Ceramics and similar products	2,754,3	1,6	-2,7	710,8	0,3	-9,3	2,043,5	-0,2
Other semi-manufactures	4,930,9	2,8	-1,8	4,240,7	1,6	-15,2	690,2	3,114,7
Chemical products	23,515,9	13,4	8,1	32,509,1	12,4	7,8	-8,993,2	7,1
Organic chemical products	2,919,3	1,7	-9,5	6,523,3	2,5	4,9	-3,604,0	20,4
Inorganic chemical products	828,7	0,5	35,2	1,639,9	0,6	30,2	-811,2	25,5
Medicines	6,787,7	3,9	23,7	8,887,6	3,4	18,1	-2,099,9	3,0
Plastics	6,560,1	3,7	0,4	7,664,8	2,9	-5,0	-1,104,8	-28,2
Fertilisers	482,4	0,3	71,7	715,7	0,3	42,4	-233,4	5,4
Colouring and tanning materials	1,619,6	0,9	2,3	1,214,4	0,5	-6,6	405,2	42,6
Essential oils and perfumes	2,467,5	1,4	3,9	2,370,2	0,9	3,8	97,3	5,6
Other chemical products	1,850,6	1,1	11,7	3,493,2	1,3	17,0	-1,642,5	23,5

Equipment	35,485,2	20,3	-1,4	57,914,4	22,1	-3,9	-22,429,3	-7,7
Industrial machinery	9,866,0	5,6	5,6	14,858,0	5,7	-11,2	-4,992,1	-32,5
Specific machinery	3,467,3	2,0	10,2	5,273,5	2,0	-15,6	-1,806,2	-41,7
General machinery	6,398,7	3,7	3,3	9,584,6	3,7	-8,7	-3,185,9	-25,9
Office and telecommunications equipment	2,155,6	1,2	6,0	17,472,7	6,7	17,1	-15,317,1	18,8
Data processing machinery and office equipment	713,6	0,4	-2,8	4,970,3	1,9	-6,7	-4,256,7	-7,3
Telecommunications equipment	1,441,9	0,8	10,9	12,502,4	4,8	30,3	-11,060,4	33,3
Transport material	8,938,9	5,1	-15,9	6,438,0	2,5	-32,1	2,500,9	118,4
Railway	554,6	0,3	21,1	502,3	0,2	41,4	52,3	-49,1
Road	5,665,4	3,2	-2,4	3,432,1	1,3	-23,3	2,233,4	68,6
Ships	611,5	0,3	-74,1	543,2	0,2	-77,9	68,4	-168,2
Aircrafts	2,107,4	1,2	5,1	1,960,5	0,7	-10,4	146,9	-180,7
Other equipment	14,524,7	8,3	3,9	19,145,8	7,3	0,1	-4,621,0	-10,4
Engines	1,114,2	0,6	-7,5	1,168,0	0,4	-11,1	-53,8	-50,7
Electrical apparatus	7,300,2	4,2	6,2	9,286,1	3,5	3,5	-1,985,9	-5,5
Precision apparatus	1,164,7	0,7	-10,4	3,030,0	1,2	-1,0	-1,865,3	6,0
All other equipment	4,945,7	2,8	7,5	5,661,7	2,2	-2,2	-716,0	-39,6
Automotive sector	30,827,7	17,6	-0,3	31,243,2	11,9	-18,0	-415,5	-94,2
Automobiles and motorcycles	20,393,1	11,7	1,5	15,276,7	5,8	-26,7	5,116,5	-796,0
Auto parts	10,434,6	6,0	-3,6	15,966,6	6,1	-7,6	-5,532,0	-14,3
Durable goods	4,784,6	2,7	-8,1	7,182,0	2,7	-12,2	-2,397,4	-19,3
Electrical appliances	862,0	0,5	-18,1	1,610,1	0,6	-13,5	-748,2	-7,5
Consumer electronics	2,009,1	1,1	-2,9	2,432,7	0,9	-10,4	-423,6	-34,4
Furniture	1,460,7	0,8	-7,1	2,505,1	1,0	-11,5	-1,044,4	-17,0
Other durable goods	452,8	0,3	-11,6	634,1	0,2	-17,8	-181,3	-29,9
Consumer articles	14,368,7	8,2	-0,9	23,791,2	9,1	-3,3	-9,422,5	-6,8
Textiles	7,619,4	4,4	0,5	12,738,4	4,9	-2,2	-5,119,0	-6,1
Clothing	4,704,2	2,7	11,0	9,243,4	3,5	1,5	-4,539,2	-6,8
Footwear	1,803,5	1,0	-6,7	1,816,0	0,7	4,8	-12,5	-106,3
Toys	672,8	0,4	-1,1	2,018,1	0,8	2,8	-1,345,3	4,8
Other consumer articles	4,273,1	2,4	-1,0	7,218,8	2,8	-8,4	-2,945,8	-17,4
Other goods	3,889,3	2,2	19,3	1,071,8	0,4	-24,5	2,817,5	53,2
TOTAL	175,042,1	100,0	4,6	262,179,3	100,0	2,3	-87,137,2	-2,2

Source: Deputy Directorate-General of Analysis, Strategy and Evaluation, based on data provided by the Customs and Special Taxes Department of the Tax Office.

FOREIGN TRADE: PRINCIPAL STATISTICS

Period	Exports		Imports		Balance		Margin (%)
	Millions €	% var, vs,	Millions €	% var, vs,	Millions €	% var, vs	
	Previous period,		Previous period,		Previous period,		
2005	155,004.7	5.5	232,954.5	11.8	-77,949.7	26.8	66.5
2006	170,438.6	10.0	262,687.2	12.8	-92,248.6	18.3	64.9
2007	185,023.2	8.6	285,038.3	8.5	-100,015.1	8.4	64.9
2008*	188,184.4	3.7	282,251.3	0.6	-94,066.9	-4.9	66.7
January	14,928.3	6.9	24,080.3	11.5	-9,152.1	20.1	62.0
February	16,621.4	11.9	24,695.4	13.5	-8,074.0	17.2	67.3
March	15,881.6	-2.6	25,484.1	5.7	-9,602.5	23.0	62.3
QUARTER I	47,431.3	5.1	74,259.8	10.1	-26,828.6	20.2	63.9
April	17,963.8	24.8	26,011.8	17.9	-8,048.0	5.1	69.1
May	16,621.3	3.8	24,584.7	2.7	-7,963.5	0.5	67.6
June	15,464.0	-4.0	24,126.4	-1.2	-8,662.4	4.2	64.1
QUARTER II	50,049.1	7.6	74,723.0	6.1	-24,673.8	3.2	67.0
July	17,188.9	12.2	25,200.9	5.1	-8,012.0	-7.5	68.2
August	12,121.8	0.0	19,718.9	-1.1	-7,597.1	-2.9	61.5
September	17,290.4	16.0	24,723.2	6.0	-7,432.8	-11.6	69.9
QUARTER III	46,601.2	10.0	69,643.1	3.6	-23,041.9	-7.4	66.9
October	16,671.5	-0.2	23,316.8	-10.4	-6,645.3	-28.6	71.5
November	14,289.0	-13.8	20,236.6	-19.9	-5,947.6	-31.6	70.6
December	13,142.3	-7.4	20,072.0	-16.5	-6,929.7	-29.5	65.5
QUARTER IV	44,102.8	-7.1	63,625.4	-15.5	-19,522.6	-29.9	69.3

*Provisional data. Source: Deputy-Directorate General of Analysis, Strategy and Evaluation, based on data provided by the Customs and Special Taxes Department of the Tax Office.

2007. The export cover rate (percentage of exports in relation to imports, which estimates the capacity of the former to cover the costs of purchasing goods abroad) reached 66.8% in the same period (1.6 points higher than in the first 11 months of 2007). The correction of the trade deficit is expected to continue in the future.

In fact, available data points to stronger growth of goods and services exports, which increased from 0.9% in the first quarter of 2005 to 1.5% in the third quarter of 2008 according to Quarterly National Accounting figures.

From a sectorial and geographical standpoint, an analysis of Spanish foreign trade reveals a specialisation profile typical of advanced economies with exports destined primarily for countries with similar income

levels. By sector, the data confirms that capital goods exports and semi-manufactured goods exports 20% and 26.5% of all exports respectively) have stabilised at high levels.

Meanwhile, the evolution of imports in 2008 was conditioned by the increase in the value of energy product imports (42.7% year-on-year in the first 11 months of the year), as a result of the sharp increase in the prices of these products on the international markets during the first half of the year.

AGRICULTURE AND FISHING IN SPAIN

In Spain, agriculture is a strategic sector of enormous social, territorial, environmental and economic importance.

It is important to remember that more than half of the surface area in Spain is directly used for agriculture (38% of the land for crops and 14% for meadows and pastureland).

The agri-foodstuffs industry is one of the booming sectors in the Spanish economy. Agri-cultural production continues to increase and is now valued at more than 45 billion euros.

The Spanish agri-foodstuffs industry is the country's main industrial sector (it employs around 500,000 people and generates 17% of total industrial sales).

It must also be noted that agri-foodstuffs exports have recorded consistently positive trade balances.

(Agriculture is covered in a chapter on the natural, rural and marine environment.)

Foreign fishing trade

Spain is one of the world's major fish consumers, with consumption per capita currently standing at 36.5 kg per year – double that of the EU (15 kg/ year). Domestic production is therefore unable to satisfy market demand, so Spain is forced to import a large percentage of the fish it consumes.

Spain is one of the top ten countries in terms of fish product sales in international trade. Annual fish imports total 1,670 million tons and are valued at 5,150 million euros, with 31% originating from the EU.

Exports total 920,000 tons and are valued at 2,287 million dollars, with 77% destined for non-EU countries.

SPANISH TOURISM POLICY

Current situation of Tourism in Spain

In 2008, Spain received 57.4 million international tourists, representing a variation rate of -2.6 %. The majority of the tourists who visit Spain – 93.4% of the total – come from other European countries. The three main tourism markets are the United Kingdom, with 15.7 million visitors and a variation rate of -3.0%;

Germany, with 10.04 million and a variation rate of -0.2%; and France, with 8.1 million and a variation rate of -8.5%. These three countries represent 59.1% of all entries.

In relation to non-European tourists, the United States remains the leader with 2% of all entries.

The arrival of tourists has traditionally been concentrated in the summer months (from June to September), with 45.3% of all entries occurring during this period. However, this trend has begun to change in recent years, with the influx of tourists now being slightly more evenly distributed throughout the year, leading therefore to a gradual process of de-seasonalisation.

In terms of distribution via route of access, of all the tourists who visited Spain in 2008, 77.3% arrived by air; 19.6% by road; 2.7% by sea and 0.2% by rail.

31.5% of the tourists who visited Spain purchased a tourist package, 4.6% less than for the same period in 2007.

64.1% of the international tourists – 35 million – used hotel accommodations, representing a decline of 2.2% in relation to the same period of the previous year.

Travel of residents in Spain between January and September 2008 rose to 130.8 million, reflecting a variation rate of 9.3%.

Between January and October, revenue from tourism in the balance of payments rose by 0.8% in relation to the same period last year, generating 37,263,500,000 euros and a trade deficit cover rate of 34.3%.

The importance of tourism activity in employment is reflected by the fact that in 2008 13% of the working population had a tourism-related job. According to the data provided by the 4th Quarter Working Population Survey, this represented 2.62 million jobs and, in year-on-year terms, an increase of 1.8% compared with the previous year.

The distribution of these jobs by branch of activity was as follows: 54.3% in catering; 12% in hotels; 2.3% in travel agencies; 27% in transport (air, sea and land) and the remaining 16.4% in a variety of activities including vehicle hire, leisure, culture and sports.

Objectives of the Tourism Policy

On 8 November 2007, the Council of Ministers approved the Horizon 2020 Spanish Tourism Plan. This plan, which aims to make the Spanish tourism Industry more competitive and sustainable while ensuring the highest possible degree of social wellbeing, is destined to become a milestone in Spanish tourism policy after its approval by all regional authorities and the tourism industry itself, represented by the Spanish Tourism Council and the Sectorial Tourism Conference. Tourism 2020, thus based on the principle of shared leadership, establishes a strategic long-term working framework to successfully overcome the challenges faced by the Spanish tourism system. The plan's objectives and strategies place it within the context of the Lisbon Strategy, in what has come to be called a new tourism economy where special emphasis is placed on creating value for the customer and on the model's sustainability in a competitive environment.

Tourism 2020 is set in motion by the 2008 Operative Plan, drafted by the Secretariat-General of Tourism and conceived as a springboard for advancing towards the achievement of the Horizon 2020 goals.

The Policy for Promoting Tourism Abroad

TURESPAÑA is the independent body of the national government entrusted with promoting Spain as a tourist destination in international markets. It has a network of 32 Spanish Tourist Offices around the globe, which will be increased to 33 after 2008 when the STO in Mumbai (India), created by the Royal Decree of 24 August 2007, is up and running. The Spanish Tourism Institute (TURESPAÑA) has prepared a strategic plan called the "Plan of Objectives for the International Promotion of Tourism. This plan is divided into three parts: an analysis of the situation of the sector and international trends in tourism, com-

The Cardona Tourism Parador (Barcelona) is a medieval castle with a tower and Romanesque church, situated atop an 11th-century fortified promontory.



bined with a segment-based diagnosis of demand; the formulation of strategies for products and markets; and the promotional activities to be performed every year in each source market, via the establishment of specific action plans.

The plan aims to consolidate and improve the position of Spanish tourism products and destinations by promoting the consumption of potentially more profitable products for the Spanish tourism sector, through a combination of all or some of the following factors: greater spending by tourists; increased consumption of tourist services and infrastructures; development of tourism in new territories and destinations; and “de-seasonalisation” and the promotion of sustainable social and environmental development.

The policy for the international promotion of tourism is based on five pillars of action established in the plan: market research, image and positioning, development and marketing of Spanish tourism products, on-line marketing and management excellence. The Plan of Objectives for the International Promotion of Tourism is further developed in annual action plans. Since Tourism 2020 was approved, TURESPAÑA is adapting its own promotional strategy and has designed its 2008 Action Plan accordingly.

Two of the main lines of action adopted by the Spanish Tourism Institute in recent years are improving the informative and promotional quality of the website www.spain.info by redesigning the page, and drafting a plan of strategic alliances and agreements with the autonomous regions.

THE TAX SYSTEM

The current public revenues system in force in Spain is similar to that used by most developed countries, comprising mainly direct taxes and in particular Value Added Tax (VAT) as the principal indirect tax. This structure means that revenues, together with a large proportion of expenditure, act as automatic stabilisers of the economy. In other words, in periods of stronger

growth, tax collection increases at a higher rate than GDP, thus mitigating inflationary pressure; in less favourable climates, however, tax collection diminishes, which encourages economic growth.

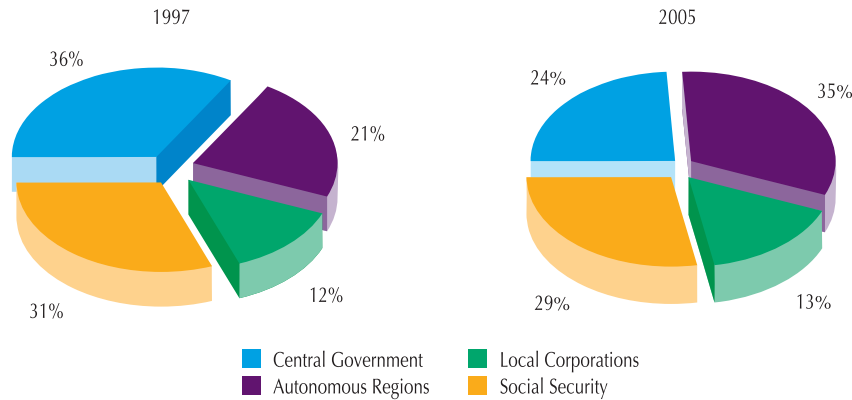
As regards the structure of national tax revenues in 2005, approximately one third of these revenues are transferred to the autonomous regions, specifically by allocating portions of collected Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas – IRPF), VAT (Impuesto sobre el Valor Añadido – IVA) and special taxes. Thus, in 2005 non-financial revenues accounted for just over 19.1% of Spain’s GDP. Moreover, of these revenues, the most important were tax revenues, which represented 17.6% of GDP. Of the different types of taxes, direct taxes accounted for 9.8% of GDP and indirect taxes represented 7.8%.

In terms of the importance of the different taxes as part of non-financial national revenues, according to the 2005 data mentioned previously, the vast majority of non-financial revenues (92.5%) corresponded to tax revenues. What is more, 93% also corresponded to income from taxes. This reveals the importance of taxes within the structure of public revenues. In terms of specific taxes, a distinction must also be made between direct and indirect taxes. Direct taxes accounted for 55.8% of total tax revenues in 2005, and the remaining income was collected from indirect taxes. The most important direct tax was Personal Income Tax (“IRPF”), since it accounted for almost one third of non-financial national revenues (31.5%) and 34.2% of tax income, followed by Corporate Income Tax, which was applied to the income of most companies and which represented 20.3% of total tax revenue. In terms of indirect taxes, 31.1% of total taxes collected corresponded to VAT, and 11.3% to special taxes.

The Legal Budgetary Framework. The Commitment to Budgetary Stability

After analysing the main variables of the Spanish economy, we will now look at the legal frame-

PUBLIC SPENDING. PERCENTAGE STRUCTURE BY PUBLIC ADMINISTRATIONS



NB: if debt interest payments are excluded, the Central Government's share of spending in 2005 was 18.5%.

work of the National Budget, which is established by the Spanish Constitution, the Budgetary Stability Laws, the General Budget Law (Law 47/2003, of 26 November) and other budgetary legislation. These legal provisions attest to the strengthening of the budgetary institutions as part of the policy to prioritise budgetary stability in the strategy of Spanish economic policy.

The budgetary stability laws determine that each year the budgetary stability objectives for a three-year period must be established for the State, Social Security and Regional Governments, based on budget forecasts published in the last update of the Stability Programme of Spain, as well as the limit of non-financial State spending compatible with its budgetary stability objective. The latest objectives approved before the reform of the stability laws came into force are shown in the table on these page.

The principle of stability is defined as a situation of equilibrium or surplus throughout the cycle, except in the case of Social Security, which must always attain a balance or surplus. The budgetary stability objective is established each year using two growth thresholds as points of reference (reviewable every three years): a top threshold over which governments must budget a surplus and a bottom threshold below which they may register a deficit, always with a limit (1% of GDP for all Public Administrations). Between the two thresholds, the governments must balance the budget. Initially, following the entry into force of the law, the minimum temporary thresholds were 3% and 2%, respectively, for the top and bottom thresholds. The obligation to budget with a surplus takes into account, whenever necessary, the degree of convergence of the Spanish economy

CAPACITY (+)/ NEED (-) FOR FUNDING (AS % OF GDP)

Area	2007	2008	2009
Central Government (State + Autonomous State Entities)	0.2	0.2	0.2
Social Security	0.7	0.6	0.6
Autonomous Regions	-0.1	0.0	0.0
Local Entities	-0.1	0.0	0.0
Total Public Administrations	0.7	0.8	0.8

with the European Union in terms of R&D&I and in the development of the Information Society.

The stability objective of the Territorial Administrations is set by the government after a period of consultation and negotiation with all the regional governments. Once the overall objective has been approved, the individual objectives of each region are agreed. Moreover, in order to enhance the solidarity principle, the role of the Fiscal and Financial Policy Board and of the National Commission of Local Administrations is reinforced in the entire process. The individual budgetary objectives of each region are identified, in particular State and Social Security objectives.

Budgetary Priorities

The priorities of economic policy are reflected in the changes in the structure of public expenditure through specific spending policies. These policies are a key element in the allocation of public resources and the budget allocations they receive reflect these priorities.

The emphasis placed in economic policy on improving the competitiveness and productivity of the Spanish economy is reflected in the budget by the very significant growth in productive expenditure, i.e. spending that can contribute most to boosting the competitiveness of the Spanish economy, mainly through investment in research, infrastructures and education, helping to strengthen the technological, human and physical capital of the Spanish economy. Consequently, there has been a very significant relative increase in the amounts allocated to these items of the National Budget for 2006, above the average for other budget items.

The budget for civil research was 30.9% higher than in 2005, enabling the financing of actions encompassed within the scope of the INGENIO 2010 programme. Infrastructures investment also increased significantly, by 14.5% in the provisions for the Strategic Transport Infrastructures Plan (PEIT), as a key instrument for the medium and long-term modernisation of infrastructures. Lastly, the budget for education was increased by 16.6% with re-

spect to 2005. These data reveal the relative importance attributed to these actions. Foreign policy was also bolstered through an increase in the budget assignment for Official Development Aid; the aim is for this to reach 0.5% of GDP in 2008.

Apart from these items, another important element of the budget is its social dimension. In fact, from a quantitative standpoint, the most important budget items are those associated with social services.

The figure shows the percentage breakdown of spending for the central government in the consolidated national budget for 2006.

As can be seen, 48% of the budget is allocated to social welfare and promotion policies, which include economic and non-economic social benefits, 31% to general actions, 12% to economic actions in the different sectors of the economy, including research policy, 6% to basic public services, and 3% to providing primary social services.

Revenues: Tax Reform to Guarantee Economic Growth

As regards the legal framework governing revenues, tax reform is one of the main pillars of economic policy. In this sense, the government has adopted an initiative aimed at boosting growth, increasing equity (through fairer treatment of personal and family circumstances and better treatment of earnings) and improving the environment, bearing in mind that the budgetary stability objectives must never be compromised nor will tax pressure be increased. The reform is rounded out by the Fraud Prevention Law. Fraud is the foremost cause of inequity in the entire tax system. The reform modifies the necessary regulation for the development of all measures adopted in the government's Tax Fraud Prevention Plan.

The main objectives of the tax reform are as follows:

- a) Boost economic activity, promoting growth, competitiveness and employment.
- b) Increase equity through fairer treatment of personal and family circumstances and improved treatment of earnings.

- c) Improve the environment by means of an environmental tax reform in accordance with the principle of “the more you pollute, the more you pay.”

All of these objectives must be achieved while maintaining the budgetary stability objectives and without increasing tax pressure.

The tax reform rests on a series of fundamental pillars:

- Reform of Spanish Income Tax (IRPF).
- Reform of Corporate Income Tax.
- Environmental tax reform.
- Tax fraud prevention measures.

The reforms in the three areas mentioned above are rounded out by the Tax Fraud Prevention Law. Tax fraud has serious consequences for society as a whole. It undermines public revenue, putting more tax pressure on honest taxpaying citizens; it conditions the quality of public services and social benefits; it distorts the activity of different economic agents, which means that tax-compliant companies have to deal with unfair competition from non-tax-compliant companies. In short, tax fraud is the main source of imbalance in the entire fiscal system.

We may summarise by saying that the growing globalisation of the economy is introducing

major concerns regarding productivity and economic growth. It is accompanied by new trends in international taxation including, most notably, the reduction in nominal interest rates for companies and individuals, the simplification of tariffs and tax benefits, as well as the search for a reduction in the taxation of the work factor.

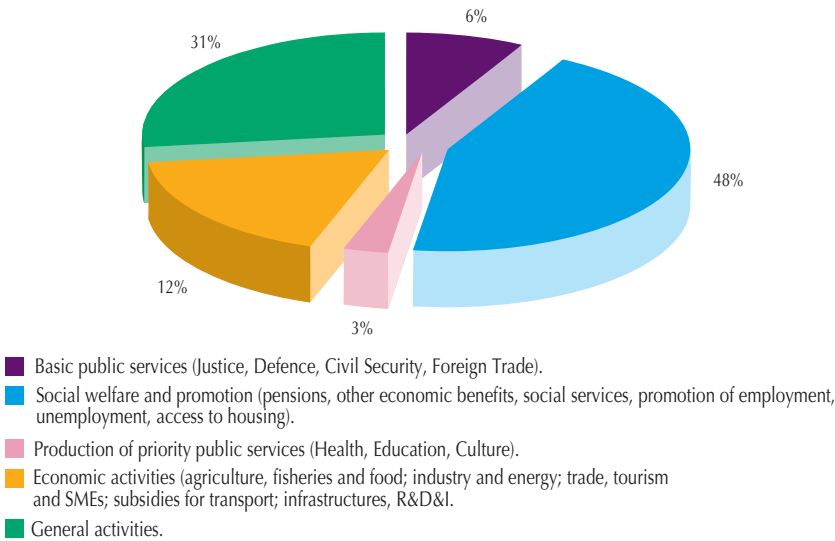
Other relevant initiatives include attempts to achieve greater consistency in the tax treatment of savings, linked to the growing freedom of circulation of capital and an increase in the relative importance of environmental taxation.

The Consolidation and Improvement of Regional and Local Funding Models

On 27 July 2001, the Fiscal and Financial Policy Board, made up of representatives from every autonomous region, unanimously approved the new financing model governing the use of funds made by the autonomous regions beginning in 2002. The model is based on the following summarised principles:

- Generality, since it is an integral model which aims to satisfy the interests of all the autonomous regions.

PERCENTAGE STRUCTURE OF CONSOLIDATED SPENDING. GENERAL NATIONAL BUDGET 2006



- Stability, in order to provide continuity and security to the autonomous regions once competencies have been completely transferred.

- Sufficiency and autonomy, insofar as the system guarantees the efficient rendering of the services assumed under the premise of autonomy so that individual regions can design their own spending and funding policies.

- Solidarity, since the aim is to achieve an equivalent quantity and quality of services. The system contains mechanisms for the convergence of regional income levels through the Inter-Territorial Compensation Fund.

- Fiscal co-responsibility, by providing the autonomous regions with new financial mechanisms granting them broader self-regulatory competencies in terms of Income Tax (IRPF), substantial competencies in the determination of VAT and Special Taxes and total autonomy in terms of Electricity Tax and Registration Tax. This introduces a certain degree of symmetry in national and regional funding, since the transferred basket of taxes recreates the structure and financial flexibility of the national tax system.

The funding model for the autonomous regions is due to be reformed again in the near future in order to increase the regional authorities' share of fiscal responsibility.

SUMMARY

In conclusion, Spanish fiscal and budgetary policy has achieved excellent results in recent years, such as the attainment of a surplus and a sharp reduction in public debt, thanks to a rigorous policy focused on stability. In 2008 the deficit remained at 1.1%, despite the fact that growth dropped to 1.1%. Inflation fell to record lows in 2008 (regular inflation to 0.8% and core inflation to 2%). Public debt amounted to 39.5% of GDP, or 432.523 billion euros. Instruments such as the new budget stability laws have also ensured a legal framework that will guarantee stability in the future. A new tax reform has been introduced which, among other aspects, enhances productivity and equity, and the first steps are being taken to develop a new

system of regional and local funding that fosters greater co-responsibility.

THE TRANSPORT SYSTEM IN SPAIN

The 2005-2020 Strategic Infrastructures and Transport Plan (PEIT)

In 2005, the Spanish Government approved the 2005-2020 Strategic Infrastructures and Transport Plan (PEIT). This plan represents a clear qualitative and quantitative improvement over previous plans, since it is the first plan to undergo a strategic environmental assessment, in accordance with a procedure that meets the criteria and principles established in the EU Directive on Environmental Assessment of Plans and Programmes.

The PEIT forecasts investments of 248.892 billion euros, the largest investment in infrastructures and transport in the history of Spain. This represents an average annual investment of more than 15.5 billion euros and average investment of around 1.5% of GDP throughout the effective term of the plan (2005-2020).

The government is already well on its way to achieving this goal; since the PEIT was approved, the national budgets from 2005 to 2008 have set aside an average of 16.34 billion euros for investments in transport infrastructures.

The PEIT has been designed to cover all transport needs and to serve as a reference framework for infrastructures and transport policy in the medium and long term.

The PEIT is the expression of the government's new infrastructures and transport policy, designed as an instrument to achieve its overriding objectives in economic and social policy, which may be summarised as follows:

- Boost competitiveness and economic development.
- Strengthen social and territorial cohesion.

Transport Infrastructures in Spain

When the PEIT was first approved, the existing structural road system on the Spanish mainland comprised 25,000 km of the State Road Network, of which nearly 8,700 kilometres (35%) were dual carriageways (6,698 km) and toll motorways (1,951 km).

The PEIT will foster the creation of state-controlled high-capacity infrastructures with a High-Capacity Network, formed by dual carriageways and motorways, which will increase the nearly 8,700 km existing at the start of the Plan to more than 15,000 km, correcting the existing radial nature of the system and forming a mesh-like system.

At the end of 2007, the State Road Network comprised 25,846 kilometres, of which 10,526 kilometres (40.7%), the state high-capacity network, are dual carriageways (7,311 km), toll motorways (2,479 km) and two-lane roads (736 km). Similarly, the 3,166 kilometres belonging to the high-capacity network of the autonomous regions should also be con-

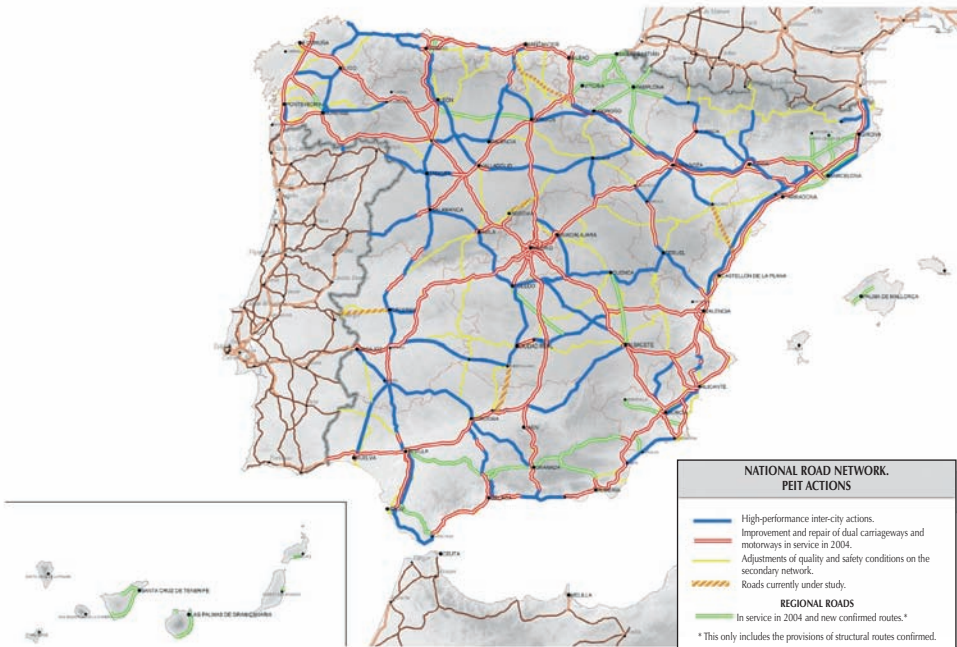
sidered part of this structural road system on the Spanish mainland.

With the PEIT, 94% of the population will be less than 30 km from a high-capacity road, and the high-capacity road network will provide direct access to all provincial capitals.

Road Transport

Road transport is the foundation of inland mobility in Spain and is the most flexible and accessible way to take people and goods to the remotest corners of the country. These favourable conditions, together with the improvement of infrastructure and vehicles, have fuelled the success of every mode of road transportation, such as private cars, lorries and buses. The strategic importance of the road transport sector requires a legal and economic regulation of this activity, particularly with regard to the transport of goods and passenger groups, and it also entails the need to make this mode of transportation more environmentally sustainable and safer.

NATIONAL ROAD NETWORK. PEIT ACTIONS



In 2006, goods transport by road accounted for 84.6% of total tons per kilometre of inter-city goods transport. International road goods transport has declined; only 26.6% of goods coming into and out of Spain are transported by road.

In Spain, the historical business structure of road goods transport has been characterised by a high level of dispersion. Even today, as of January 2008, 54.6% of companies in the sector have only one vehicle and lack the capacity to develop larger commercial structures; therefore, they have to look for stable, permanent or preferential contracts to obtain loads.

Nevertheless, this atomisation is relative since the vehicles of that 54.6% of companies with just one vehicle only account for 17.7% of the national fleet; 35.8% of companies in the sector have between 2 and 5 vehicles and account for 34.1% of the fleet; and finally, 48.2% of all vehicles belong to the 9.6% of companies with more than 5 vehicles each.

In 2006, road passenger transport accounted for 88.8% of passengers/km (national passenger transport), compared with 5.0% by rail and 5.9% by air, and was significantly higher than in 1985, when this figure was at 86.8%.

In 2006, bus transport corresponded to 12.6% of passengers/km (road passenger transport) and 11.2% of the total.

Railway Network

According to the 2008 Network Statement from ADIF (the Spanish railway infrastructure administrator), the railway network in service at 31 December 2007 comprised 15,559 kilometres, of which 1,563 km correspond to the high-capacity lines with a UIC gauge run across the mainland:

- Madrid – Ciudad Real – Cordoba – Seville/ Malaga line.
- Madrid – Guadalajara – Zaragoza. (Huesca) Lleida – Tarragona – Barcelona line.
- Madrid – Toledo line.
- Madrid – Segovia – Valladolid line.



The high-speed AVE train.

The two-track electrified system covers 4,882 kilometres and there are another 6,380 kilometres of rails operating on a one-track, non-electrified network.

The railway system is viewed by the PEIT as the best bet for the future of the transport system, as it aspires to make railways the core element of the inter-modal system of passenger and goods transport. Over 48% of all transport investments are poured into this system.

The PEIT defines an ambitious High-Capacity Network with 10,000 km of track, offering equal coverage nationwide. This is ten times the length of this type of network existing at the beginning of the Plan. After the Plan has been executed, 90% of the population will be within less than 50 km of a high-speed railway station and all the provincial capitals will have access to this service.

The High-Capacity Network envisaged in the PEIT comprises high-speed lines, as required by the European Directive permitting mixed passenger and goods traffic on most sections.

In this sense, the PEIT represents a clear commitment to mixed passenger and freight traffic because it presents a dual opportunity:

- It extends the benefits of the conversion to UIC gauge to goods and not just passenger transport in Spain.
- It allows substantial investments in high-speed railway systems to be used for freight transport and for other conventional passenger traffic.

In terms of the conventional railway network, the PEIT focuses on achieving interoperability of the Spanish network with the European network through gradual, rational and orderly conversion to the UIC gauge.

Although safety levels in rail transport are better than those in other means of transport, safety improvements are also a priority objective and special attention has been paid to block safety systems and eliminating or increasing the safety of level crossings.

Another basic objective of the PEIT railway measures is reinforcing railway freight traffic in order to halt the continual loss of market share of this transport segment.

Seaports and Maritime Transport

The actions envisaged in the PEIT regarding maritime transport and seaports are aimed at achieving the following priority objectives:

- Strengthen the role of ports as nodes of the inter-modal transport system.
 - Encourage the transport of freight by sea, in particular by promoting inter-modality with land transport and the development of high-quality international connections: sea highways.
 - Promote safer and more environmentally-friendly sea transport.
- In this sense, it is important to highlight that the PEIT increases port capacity by 75% through actions for:
- increasing berth lengths by one third.
 - increasing land areas by 56%.
 - increasing protected waters by 17%.

Another cornerstone objective of the PEIT is to reinforce national and European short-distance sea transport and to develop sea highways with a view to promoting inter-modal alternatives to road freight transport, thus helping to reduce congestion and environmental impact.

Spain and France have issued a call for bids to select one or various sea highways between Spanish and French ports on the Atlantic-English Channel-North Sea route, and a decision is expected in the coming months.

EUROPEAN AIRPORTS 2007

Airport	Passengers	% var. 07/06
London-Heathrow	68,068,554	0.8
Paris-Charles de Gaulle	59,919,383	5.4
Frankfurt	54,161,856	2.6
Madrid-Barajas	52,122,214	14.0
Amsterdam	47,793,602	3.7
London-Gatwick	35,218,399	3.1
Munich	33,959,422	10.4
Rome-Leonardo da Vinci	32,855,542	9.1
Barcelona	32,793,897	9.3
Paris-Orly	26,440,736	3.2
Istanbul-Atatürk	25,561,357	9.9
Milan-Malpensa	23,885,305	9.7
London-Stansted	23,777,194	0.4
Dublin	23,289,417	9.9
Palma, Majorca-Son Sant Joan	23,223,963	3.7
Manchester	22,362,050	-1.8
Copenhagen	21,356,134	2.7
Zurich	20,686,986	7.8
Oslo	19,044,011	7.8
Vienna	18,768,468	11.3
Moscow-Domodovo	18,755,098	22.0
Stockholm-Arlanda	17,968,023	1.7
Brussels	17,838,689	7.0
Düsseldorf	17,831,248	7.5
Athens	16,522,680	9.7
Moscow-Sheremetyevo	14,039,843	10.0
Malaga	13,576,080	4.0
Lisbon-Portela	13,392,131	8.8
Berlin-Tegel	13,357,741	13.1
Helsinki-Vantaa	12,956,754	6.7

Source: ACI for data on non-Spanish airports.
AENA for data on Spanish airports.

Airports and Air Transport

The Public Business Entity Aeropuertos Españoles y Navegación Aérea (AENA) (Spanish Airports and Air Navigation) is currently one of the main forces driving Spain's integration in a globalised economy. AENA plays a key role in the strategic consolidation of air transport infrastructures in our country. It is responsible for helping to improve these infra-

structures through a programme of investments envisaged in the 2005-2020 Strategic Infrastructures and Transport Plan (PEIT) of the Ministry of Public Works and Transport, estimated at 15.7 billion euros (6.31% of total PEIT investments).

The main objectives of the PEIT are to improve the effectiveness of the air transport system, enhance social and territorial cohesion, promote sustainability and foster economic development and competitiveness.

The network of airports managed by AENA currently comprises 40 airports and 7 airbases open to civilian traffic, as well as one heliport and 5 Regional Directorates of Air Navigation.

There are also projects underway to create an additional 4 general-interest airports outside the AENA network, and there are 83 smaller airfields (for ultralights and light aircraft) and 41 private heliports, as well as various flying clubs and flight schools for different types of aeronautical training.

Air transport has made significant strides in Spain in recent years. In 2003, the number of passengers who used Spanish airports was 152 million; in 2007, just four years later, this number had increased by 56 million to a total of 210 million passengers. This represents a 36% increase, with an average annual growth of 9% that is 1.5 points above the average growth recorded in Europe.

This important growth has required large investments and the continuous adaptation of

airport and air navigation infrastructures in order to provide the services in demand with the best possible levels of safety and quality.

Between 2004 and 2007, AENA has invested a total of 7,489 billion euros in the network of airports it manages. This investment has been made primarily to satisfy the needs of customers and users with quality and safety and to modernise the airport infrastructures and services in an economically efficient and environmentally friendly way.

The primary investment initiatives have been geared towards:

- Expanding the Madrid-Barajas airport, completed in February 2006, and the Barcelona-El Prat airport to consolidate their status as major European hubs.

- Promoting the airports at major tourist destinations, such as Malaga, Alicante, Valencia and the Balearic and Canary Islands.

- Improving security in airline operating capacity, with the launch of 21 new ILS navigation systems and another 11 with better quality and new equipment. An additional 9 systems are currently under construction.

In 2007, 2,153 million euros were invested, and another 2,556 million has been allocated for investment in 2008, which will allow AENA to continue improving the infrastructures of the airports in its network at a strategic moment in time for the development of the air transport industry, and thus ensure its ability to meet the constantly growing demand for air transport.

EVOLUTION OF PASSENGER TRAFFIC IN SPAIN

Year	National	International		Other Traffic (1)		Total
	Total	EU	Non EU	Total	Total	
2003	62.928.063	80.187.185	8.860.255	89.047.440	1.850.840	153.826.343
2004	68.509.068	83.999.680	11.594.156	95.593.835	2.043.295	166.146.198
2005	76.392.077	89.752.654	13.149.818	102.902.472	1.983.192	181.277.741
2006	81.529.720	94.651.638	15.255.514	109.907.152	2.116.306	193.553.178
2007	89.047.025	103.069.943	16.429.339	119.499.282	1.811.652	210.357.959
2008	82.164.854	—	18.729.198	120.095.139	—	203.793.594

Source: AENA. (1) Other Traffic: includes transit and other types of traffic (general aviation, airborne work, etc.).

To gauge the importance of Spanish airports, it is worth noting that four Spanish airports are among Europe's thirty busiest airports, and the busiest Spanish airport is Madrid-Barajas, which in 2007 ranked fourth in Europe and tenth worldwide in terms of passenger traffic.

On another note, the Directorate-General of Civil Aviation, which acts as the top aeronautical authority in Spain and operates under the aegis of the Ministry of Public Works, is responsible for supervising the development of air transport in Spain as well as carrying out the legislative and regulatory duties and inspections for airports, air navigation, airlines, industry professionals and manufacturers.

In compliance with the instructions of the ICAO and EUROCONTROL that call for member-states to adopt additional air transport security measures, in the first six months of 2008 Spain launched the State Agency of Air Safety, an entity that will handle all inspections and sanctions related to air safety and the protection of passenger rights.

THE WORKING WORLD

Social agents. Social Harmonisation.

The social dialogue and harmonisation that have played such an important role since the transition. During the 2004-2008 period, this process has resulted in over twenty agreements with the most representative business organisations and workers' unions, which have introduced universal benefits of far-reaching significance. The most prominent include those signed for the improvement of growth and employment, the reform of the Social Security system, the implementation of the Law on Aliens, the drafting of the Law of Dependency, the revaluation of pensions and the minimum wage, the extension of collective bargaining agreements, the solution of conflicts outside the courtroom, the improvement of unemployment safety nets for agricultural workers, ongoing education and the prevention of occupational hazards.

This process of dialogue has paved the way for a long period of social peace in which the number of workers who went on strike has gone down nearly 80% – from 8,560,498 in 2000-2003 to 1,818,233 in 2004-2007.

The most representative social agents in Spain are the Spanish Confederation of Business Organisations (CEOE) and the Spanish Confederation of Small and Medium-Sized Businesses (CEPYME) for business owners, and the Workers' Commissions (CC.OO.) and the General Workers' Union (UGT) for the workers.

Agreement to Improve Growth and Stable Employment

Between 2004 and 2007, Spain's economy grew by over 3% per year. In 2008, economic growth was halted by the effects of the international financial and real estate crises. Similarly, job creation rose steeply until 2007 and dropped in 2008.

For four years, Spain's generation of employment was four times higher than the European average: three million jobs created between 2004 and 2007. Since 2003 the unemployment rate had fallen by more than 3 points to 8.6 points, and according to the 2007 4th Quarter Working Population Survey it fell below 8% in the second half of that year, a level not seen in Spain since the seventies.

However, in 2008 the unemployment rate rose again, reaching 13.9% in the fourth quarter. Nevertheless, the last two years have witnessed an end to one of the endemic problems in our labour market: the high proportion of temporary employment.

Until 2006, one in every three jobs – 33.8% – was temporary, with over half of such jobs being occupied by young people. By the fourth quarter of 2008, this figure had fallen to 27.9%, the lowest rate in many years. This significant reduction in the precariousness of employment is owing primarily to the Agreement for the Improvement of Growth and Stable Employment, which was signed in May 2006 and came into effect the following July. This agreement includes all the actors involved in the negotiations: the government, the employers' organisa-

tions, the CEOE and CEPYME, and the most representative trade unions, CCOO and UGT. It is the first relevant labour market reform agreement since the Interconfederal Agreement for Stability in Employment of 1997, signed by the employers' organisation and trade unions and later submitted to the government (which did not participate in the drafting process) for presentation to Parliament and to reform the law.

The agreement maintains workers' rights to existing termination indemnities established in agreement with the trade unions and employers' committees in 1997 (compensation equivalent to 12 days' salary under Temporary Employment Agency contracts, 33 days' wages in the case of unfair dismissal under indefinite-term employment contracts, and 45 days in the case of unfair dismissals under other contracts).

The agreement improves upon various workers' rights. For the first time, it introduces a measure to curb the abusive use of consecutive short-term contracts that can be signed for the same job. In the medium term, this measure will ensure that workers automatically become permanent once the ceiling is reached, and will also deter companies from giving workers consecutive temporary employment contracts.

Companies now benefit from a reduction in costs without any added restrictions. Independently of some of the unfair practices described above, such as the abusive use of consecutive fixed-term contracts, there are no measures limiting existing labour flexibility. Employer contributions to the Wage Guarantee Fund or FOGASA were cut in half thanks to reductions of 0.25% each in two consecutive periods, leaving the current obligatory contribution at -0.5% and the unemployment contribution at -0.2%. It also encourages employers to give workers indefinite-term contracts from the outset. For this purpose, it improves and establishes the programme of incentives for employers to hire workers on an indefinite basis in two ways: by selecting beneficiary groups, extending its application to young people between ages 16 and 30; and by simplifying the financial aid system, which is extended from two to four years in order to maintain employment, and at the same time it replaces percentages with fixed amounts of bonuses.

As from January 2007, companies no longer receive subsidies for converting temporary employment contracts into indefinite-term contracts. As an exception to this rule, an extraordinary plan has been established for these types of contracts to be converted during the last six months of this year, with larger amounts of bonuses.

Thanks to these measures, 1,183,200 permanent jobs have been created and temporary positions have decreased by 986,500 in barely a year and a half.

The Training for Employment Model

The Professional Training for Employment Agreement of 7 February 2006 aims mainly to provide more and better training to employed and unemployed workers throughout their working lives, improving their skills and adapting them to the needs of companies in order to make them more productive and competitive.

The Agreement primarily seeks to train and find jobs for unemployed people, particularly the long-termed unemployed, women, young people, people over age 45, immigrants and disabled people. It also promotes the accreditation of professional skills acquired by workers through training courses or work experience.

The Economic and Social Council

The Economic and Social Council (CES) is a body which advises the government on socio-economic and labour matters. It is an independently constituted public law entity endowed with full authority and organisational autonomy to carry out its functions. It operates under the aegis of the Ministry of Labour and Social Affairs.

The CES was created by a law passed in 1991 for the purpose of fulfilling the constitutional commitment to reinforce the participation of economic and social agents in economic and social life, thus reaffirming its role in the development of a social and democratic state governed by the rule of law.

In addition to fulfilling this function, the CES also acts as a permanent institutional plat-

form for dialogue and deliberation, insofar as it is the only body where a broad range of socio-professional organisations are represented. It is also a permanent means of communication between economic and social agents and the government, thus ensuring more fluid relations and mutual collaboration.

The Economic and Social Council has 61 members, including its president, representatives of trade unions, and business organisations representing associations in the agricultural and fishing industries.

The Council of Consumers and Users, associations of cooperatives and worker-owned companies are also represented, and the Council also includes a group of professional experts.

The trade union and business organisation representatives and the representatives of the different sectors are all appointed by the government based on the nominations presented by the corresponding organisations. The experts are appointed by the central government, after consultation with the organisations represented on the Council. These are people with suitable credentials and recognised experience in the socio-economic and labour arena.

The Working Population

Spain's working population reached 23,064,700 in the fourth quarter of 2008, equivalent to an activity rate of 74.11% of the population between ages 16 and 64. The trend in the last twenty years has almost always been upward.

This trend is also evident among the female population, since 10,035,200 women are now employed, having attained an activity rate of 65.3%. This is 9 points higher than the figure for 2003.

Over the course of last year alone, and despite the onset of the economic crisis, the number of people employed rose by 660,200, of which 510,000 are women.

The activity rate among the foreign population is 77.31%, a situation which is explained by the different age demographics of the foreign population residing in Spain.

In terms of the number of people employed, the figures sustained the same trend until 2007. However, a change occurred in 2008 as a result of the effects of the crisis, which reversed the previous upward trend: in the fourth quarter of 2007, the number of people employed was 20,476,900, and in the final quarter of 2008 it was 19,856,800.

Nevertheless, since 1994 the number of people in employment in Spain has increased by around 8 million, of which 4 million are women, the activity rate having doubled in the female population. Last year 620,000 jobs were lost, but female employment rose by 36,400.

Since 1994 the unemployment rate has fallen from 24.1% to 13.9% (although midway through 2008 it was just 8%), while during the same period the female unemployment rate has fallen from 31.6% to 15.1%.

Employment by Sectors

In recent years, the predominance of the service sector has been confirmed. The construction sector has also enjoyed spectacular growth in recent years, although in 2007 the first symptoms of a slowdown appeared, subsequently being followed by symptoms of recession, which has led to a steep rise in unemployment in this sector.

Although over 1.5 millions jobs were created between 1994 and 2007, nearly half a million (512,800) were lost in 2008. Meanwhile, employment in agriculture has continued its traditional decline, whereas industrial employment, which had risen by around 700,000 jobs between 2004 and 2007, registered a loss of 236,000 jobs in 2008.

In recent years the most active sector in job creation has been the services industry, reflecting the tertiarisation of the Spanish economy, with employment in the sector rising by around 6.5 million people since 1994.

The construction sector has been a driving force in the Spanish economy in recent years, exploiting the strong demand generated by the massive influx of immigrants since 2000, as well as lower interest rates following the introduction of the euro. This led to a sharp increase

in the demand for housing, which in turn resulted in a significant increase in prices. All of this has been halted by the international financial crisis, which has had a particularly notable impact on housing construction.

THE ROLE OF IMMIGRANTS IN THE ECONOMY

The Impact of Immigration on the Spanish Economy

Immigration is a positive phenomenon that has radically altered the face of Spanish society in recent years. Over the space of a short time, we have witnessed the employment rate among foreign nationals rise from 454,000 in 2000 to 2,886,000 in the fourth quarter of 2008. Albeit at a slower rate, this figure even continued to rise following the onset of the economic crisis.

Sustained economic growth and a burgeoning job market in constant expansion, combined with the strategic geographic location of our country, are the main reasons why Spain is an attractive destination for immigrants arriving from points abroad. Based on an awareness that migratory movements will exist as long as there are great gaps between rich and poor nations, the Spanish government will continue to prioritise an immigration policy focused on controlling migratory flows, fighting illegal immigration and achieving the social integration of immigrants.

The increase in the number of foreign workers registered with the Social Security system as a result of the Regularisation Process carried out by José Luis Rodríguez Zapatero's administration in 2005 – nearly 600,000 foreigners emerged from the informal economy – has continued over the last three years. Hence, in December 2008, the number of foreign workers registered with the Social Security system was nearly 2 million (1,938,632).

Various recently published studies reveal the positive effects of immigration on Spain's economic growth. In this respect, three particu-

larly relevant reports are those presented by Caixa Catalunya, BBVA and the Economic Unit of the Spanish Prime Minister's Office. In the latter study, entitled "Immigration and the Spanish economy, 1996-2006," the Spanish executive highlights the effect of immigration on economic growth and describes it as generally positive. According to this report, 30% of the Gross Domestic Product of the last decade can be attributed to the immigration process, and the percentage jumps to 50% if analysis is limited to the last five years.

It is clear that the migratory phenomenon poses significant challenges to advanced societies such as Spain, where the influx of immigrants has taken place over a relatively short period of time. Since 2004, when the new Immigration Regulations were approved, the arrival of immigrants has been conditional upon the labour market's absorption capacity. Thanks to the administration's emphasis on obtaining employment contracts in their countries of origin, a total of 204,000 immigrants came to Spain in 2006 and another 230,000 in 2007.

The agreements that the government reached with corporate interest groups and workers' unions as well as political and social organisations in order to approve the Immigration Regulations at the beginning of the previous legislature have been consolidated at the end of the same. In this context, the Office of the Secretary of State for Immigration and Emigration within the Ministry of



Labour and Immigration has obtained the backing of CEOE, CEPYME, UGT and CCOO for its four years of immigration policy.

In 2008 the immigration policy continued to focus on achieving the integration of immigrant workers. A variety of measures, affecting aspects such as education and innovative integration programmes, were approved in this respect over the course of the year. Similarly, in light of the problems posed by the new economic cycle, the government also approved a measure to provide financial support to non-EU foreign workers who voluntarily return to their countries of origin.

SOCIAL SECURITY AND THE SOCIAL WELFARE SYSTEM

The origins of social welfare policy date back to the Commission for Social Reform (1883), which was set up to study and promote the advancement and well-being of the working class. The first social security law was the Law on Occupational Accidents, introduced in 1990. The National Welfare System Institute was created in 1908; this institute integrated Spanish savings banks which managed the different social security insurance schemes.

Subsequent social security mechanisms included, most notably, the Workers Retirement System (1919), Obligatory Maternity-Leave Insurance (1923), Compulsory Unemployment Insurance (1931), Medical Insurance (1942) and Obligatory Old-Age and Disability Insurance (SOVI) (1947). It soon became clear that the coverage provided by these social security systems was insufficient, prompting the introduction of other welfare mechanisms through the Labour Mutual Funds. These were organised by sectors and aimed to complement existing welfare. Given the multiplicity of Mutual Funds, this welfare system led to discrimination among the working population, produced financial imbalances and made rational and efficient administration very difficult.

The Basic Social Security Law was introduced in 1963. Its main objective was the implementation of a unitary and integrated social welfare model, based on the distribution of funds, public administration and state participation in funding. In spite of this declaration of principles, many of which were established in the General Social Security Law of 1966 that came into force on 1 January 1967, old contribution systems still existed that failed to take into account the real wages of workers and were not revised on a regular basis, and the principle of unity was not established due to the large number of overlapping organisations.

The 1972 Law on Funding and Improvement of Social Welfare was introduced to correct existing financial problems but it ended up aggravating these by increasing the number of social protection activities without defining the resources necessary to fund them. It was therefore not until the arrival of democracy in Spain and the introduction of the Spanish Constitution that a series of reforms were introduced in the different areas of the Social Security system.

Indeed, Article 41 of the Constitution requires “public authorities to maintain a public Social Security system for all citizens, guaranteeing care and sufficient social benefits in situations of need, particularly in the case of unemployment, when care and complementary services will be provided free of charge”.

The first major reform came with the publication of the Royal Decree Law 36/1978, of 16 November. In accordance with the Moncloa Pacts, it created a system of institutional participation of social partners to promote the transparency and streamlining of the Social Security system, as well as the establishment of a new administration system comprising the following bodies:

- National Institute for Social Security: this body manages and administers benefits available under the Social Security System.
- The National Health Institute: this institute manages and administers health services (it later changed its name to National Institute of Health Administration).

- National Social Services Institute: this body manages and administers social services (it later changed its name to the Institute for the Elderly and Social Services -IMSERSO).

- The Social Insurance Institute for the Merchant Navy, which manages the benefits available under the Social Security Scheme for Seamen.

- The Treasury General of Social Security, the only institution in the system that operates on the basis of financial solidarity.

A series of measures were introduced in the 1980s to improve and perfect welfare services by providing broader-reaching benefits to unprotected communities and greater economic stability to the Social Security system. Noteworthy measures included the gradual alignment of contributions with real wages, pension revaluations based on variations in the consumer price index, the extension of obligatory contribution periods for claiming benefit and calculating pensions, the simplification of the structure of the Social Security system and the first measures to separate funding functions to finance contributory benefits with social security contributions while non-contributory benefits would be financed by general funds. This process enabled the gradual generalisation of health services. The Computer Technology Department of the Social Security was also set up in the eighties to coordinate and control IT and data processing services for the different managing bodies.

The 1990s brought a wide range of different social changes that had a strong impact on the Social Security system, including changes and greater mobility within the labour market and the greater incorporation of women in the workplace, prompting the need to adapt social security protection to meet new needs.

The implementation of the non-contributory benefits, the streamlining of Social Security legislation (through the new Revised Text of 1994), the greater alignment between benefits and previous contributions exemptions, the creation of the Social Security Reserve Fund, the introduction of flexible retirement mechanisms and incentives for extending working life and measures to improve protection for persons on lower pensions are just some of the ex-

amples of the changes introduced after 1990 in the area of Social Security.

In the last four years, the pact between generations represented by the public pensions system has provided additional support to persons on the lowest pensions: during the previous legislature, minimum pensions rose by between 26% and 33%.

The year 2009 saw an average rise of 6% and 2.4% for all pensions. More than three million people have recovered purchasing power they had lost in the past. Therefore, the goal set four years ago has been achieved.

More than eight million pensions are paid every month in Spain, and the average pension is 747.25 euros, which is significantly higher than the average pension of 267.23 euros in 1990.

Minimum pensions have also multiplied in recent years. For example, the minimum retirement pension for married persons has increased from 195.69 euros in 1986 to 696.19 euros twenty-three years later. The minimum widow's pension for people aged over 65 in 1986 was 136.43 euros and in 2008 it stands at 561.55 euros. This increase affects 8.5 million contributory pensions and 452,208 non-contributory pensions, as well as 156,624 disabled dependents.

However, all this progress in social welfare would have been impossible without the positive evolution of employment and, consequently, the number of people affiliated with the Social Security System, which has beaten records on a month-to-month basis over the last two years, increasing by three million since 2002 to the current figure of 19.2 million. The number of women registered with Social Security has grown by over 1.4 million, compared with the 1.3 million men registered. Women have therefore driven this increase in Social Security registration.

The regulation of immigrants in 2005 has also contributed to this spectacular increase in social security affiliates, resulting in almost six hundred thousand new members.

Unemployment Protection

The system is articulated around two levels of protection: the contributory level, at which the

benefits provided are based on workers' contributions and the period over which these have been paid; and the welfare level, at which benefits are provided to unemployed people who meet certain requirements.

The year 2008 ended with nearly 20 million people in employment and 3.2 million unemployed workers. The activity rate fell by 3% in the final quarter of the year. Despite the creation of 200,000 jobs in the services sector, employment fell in the remaining sectors. This was particularly true of the construction sector, where 558,000 jobs were lost.

Social Agreements

In April 1995, the Congress of Representatives unanimously approved the "Report of the Committee for the analysis of the structural problems of the Social Security System and of the main reforms that must be undertaken", a document informally known as the "Toledo Agreement". The report was approved with the consensus of all the political parties and supported by all social partners. This Agreement introduced important changes and established a road map to guarantee the financial stability and future benefits of the Social Security System.

The Toledo Agreement is still in force and the scope of its recommendations means that it can be continually adapted to changes in the economy. The implementation of its recommendations has considerably improved the situation regarding social protection, from a deficit scenario to a continual surplus, enabling the creation of a Social Security Reserve Fund, which already contains 56 billion euros after the last contribution in February 2008. In 2008 alone, the Reserve Fund grew by 11 billion euros.

The government has also adopted a dynamic approach based on a policy of agreements with social agents to change the economic and welfare model. This process started in July 2004 with the Declaration for Social Dialogue signed between the government and social interlocutors at the Moncloa Palace. This Declaration established the Agreement on Competitiveness, Stable Employment and Social Cohesion. Since then, more than fifteen

agreements have been signed with social agents, including, most notably, agreements on the development of the Immigration Law, the extension of collective labour agreements, extrajudicial dispute resolution, on-going training, occupational health and safety, improved protection of unemployed agricultural workers and the promotion of the National System for Dependent People. The most important agreements signed recently include the Agreement for the Improvement of Growth and Employment (9 May 2006) and the Agreement on Social Security Measures (13 July 2006).

This last major agreement led to the bill, subsequently enacted as a law, of Social Security Measures, the most important legislative action taken during the legislature in this area given that it affects all of the system's benefits and safeguards the present and future of state pensions by maintaining a balance between improving benefits, guaranteeing the system's financial health and increasing equality, while adapting to social changes.

The Social Security Administration began 2008 with a battery of reforms and incentives that guarantee the future of pensions: the aforementioned Law of Social Security Measures, plus the Self-Employed Workers' Statute and the Law of Self-Employed Agricultural Workers under the Special Self-Employed Workers' Scheme.

Social Services: Other Benefits

Since the 1980s, social services competencies have gradually been decentralised and transferred to regional governments and town councils. This has brought social services closer to citizens. Nevertheless, the Spanish Government is still responsible for regulating social services. This is a priority for the current administration. It is therefore committed to implementing a series of legislative measures that will involve all public administrations and benefit all citizens. The most important measures are described below.

Law to Promote Personal Autonomy and Care for Dependant People. Effective and real pro-

tection for disabled people and all people needing care is a priority for the Spanish government. It is also committed to mitigating the consequences of such dependency, mainly on families. This is the underlying principle of the future National System to Promote Autonomy and Care for Dependant People, which aims to resolve problems relating to equality and the recognition of the rights of all citizens – both care receivers and care providers.

In Spain, families, particularly women, are the main providers of care to dependent people. However, this unfair social and economic model is in a state of crisis due to the growing number of women entering the labour market and exercising their rights. This Law, currently being debated in Parliament, was approved by the Council of Ministers on 28 April 2006, and will provide coverage to the Social Security System. It promotes the regulation and necessary coordination among the different public administrations of the economic-financial bases for their development, the services network, the measures necessary to guarantee the quality of the system, the portfolio of services and benefits and the model of beneficiary participation in financing the cost of these services.

This Law was prepared on the basis of the Agreement adopted by the Government with economic and social agents on 8 July 2004. Civil society played an active role in the drafting of this bill through the main organisations representing disabled people in Spain, namely CERMI, the State Council for the Elderly, the National Council for the Disabled, the State Council of NGOs and the Spanish Federation of Municipalities and Provinces. A consensus was also reached with the autonomous regions, which welcomed and approved the draft bill at the Sectorial Conference on Social Affairs on 30 March 2006. It was also endorsed by the Economic and Social Council and the Council of State.

The core element of the Draft Law is the recognition of a new civil right: the right of all dependent persons to receive health care. This is therefore a universal right, and no dependent people are left unprotected. This is also a subjective and perfect right since it may be claimed judicially and administratively. It is

based on the principles established in Articles 49 and 50 of the 1978 Spanish Constitution, whereby public authorities are obliged to provide care to disabled people so that they can enjoy fundamental rights in equal conditions to other citizens and to promote the well-being of elderly citizens through a system of social services.

This law is helping to build the so-called “fourth pillar” of the Spanish welfare state, the other three pillars being education, health and pensions. These are all universal civil rights, and the right of dependent people to care will become another universal right.

In quantitative terms, the holders of the rights established in the Law are all Spaniards residing in Spain.

In Spain there are currently 194,508 completely dependent people, 370,603 severely dependent people, and 560,080 moderately dependent people, giving a total of 1,125,190 dependent individuals.

In 2015, once the system has been fully implemented, there will be 252,345 very dependent people, 472,461 severely dependent people and 648,442 moderately dependent people. This gives a total of 1,373,248 dependent people.

The Law establishes three levels of protection:

- A minimum level of protection that will guarantee beneficiaries partial coverage of the cost of the services and benefits envisaged in the Law. The central state administration will cover all costs incurred in this first level.
- A second level, agreed between the central state administration and each autonomous region. This protection level, which is necessarily provides more protection than the first level, will be co-financed by the central state administration and each autonomous region under specific agreements, pursuant to which the autonomous regions will have to contribute at least the same amount as the central state administration needed to finance the agreed minimum level.
- A third level of additional protection which may be established by each autonomous region with funding from its own regional budgets.

Law on Infringements and Sanctions relating to equal opportunity, non-discrimination and universal access for disabled persons. This law has been demanded for a long time by disabled people. It addresses direct or indirect discrimination, harassment, and non-compliance with legally established measures in favour of disabled people. Such infringements may be penalised with fines of between 301 and 1,000,000 euros.

The law penalises non-compliance with obligatory regulations governing safety and security and accessibility to shopping centres, educational centres and large public facilities, occupational or sexual discrimination, harassment in the workplace or sexual exploitation, and, of course, audiovisual practices that breach privacy and intimacy rights or image rights.

Strategic Plan for Citizenship and Integration

Spain has been a target country for immigration since the mid-eighties in terms of annual immigration flows, and in terms of immigrants residing in Spain since the early nineties. The increase in migratory flows in the last five years has put Spain at the top of the EU ranking in terms of the proportion of foreigners residing in Spain.

The foreign population makes very important contributions to Spanish society at different levels but it also creates opportunities both for immigrants and their families and for Spanish society as a whole:

1. In the labour market because immigrant work rates are twenty per cent higher than those of Spanish nationals; immigrants also perform many socially and economically useful jobs.

2. In the country's demographic structure because, although immigration cannot compensate the unbalanced Spanish population pyramid on its own, the structure of the immigrant population by sex and age can and does help to mitigate these imbalances, increase the birth rate and recover the fertility rate in Spain.

3. In cultural spheres, because immigration contributes to a cultural diversity brimming with opportunities.

4. Immigrants help to improve the living conditions of their direct relatives and the overall population in their countries of origin and contribute to the economic, social and political development of their countries.

A new immigration policy

Immigration legislation in Spain is formed by a complex network of international, EU, national and regional regulations.

The Plan incorporates the "basic common principles on integration" approved by the Council of Ministers of Justice and the Interior in Brussels on 19 November 2004.

One of the premises of this Plan is that the responsibility for the process of mutual adaptation of nationals and immigrants must be shared and must therefore involve all public administrations, social agents (trade unions and business organisations, NGOs, immigrants' organisations, etc.) and the receiving society as a whole.

To guarantee shared responsibility from the initial design phase of immigration policies and measures, the development of the Strategic Plan has been based on dialogue with the different administrations. A process of reflection and consultation involving all the relevant partners commenced in mid-2005. Before its approval by the Council of Ministers on 23 June 2006, the Plan was submitted for consideration to the High Council on Immigration Policy, the Forum for the Social Integration of Immigrants, the Tripartite Immigration Labour Committee, the Inter-Ministerial Immigration Committee and the Economic and Social Committee.

Cooperation and co-responsibility. The Strategic Plan establishes a framework for state cooperation. The plan, which has been extended to cover the 2007-2011 period and has a budget of 2,000 million euros, is designed as an instrument to develop policies, pool initiatives and provide coherence to actions to support immi-

grant integration undertaken by both public administrations and the civil society.

In this respect, cooperation between the central state administration and the autonomous regions is structured on the basis of annual regional action plans.

The three guiding principles of the Plan are:

1. The principle of equality and non-discrimination, which involves giving the immigrant population the same rights and obligations as the local population within the framework of basic constitutional values.

2. The principle of citizenship, which implies the recognition of full civil, social, economic, cultural and political participation of immigrant citizens.

3. The principle of inter-culturality, as a mechanism of interaction between people of different origins and cultures, as part of the valuation of, and respect for, cultural diversity.

The objectives of the Plan are to:

1. Acknowledge full civil, social, economic, cultural and political rights of immigrants.

2. Adapt public policies, in particular regarding education, employment, social services, health care and housing, to the new needs caused by the presence of immigrants.

3. Guarantee the access of immigrants to public services, in particular education, employ-

ment, social services, health care and housing, in the same conditions as the autochthonous population.

4. Create a system to welcome newly arrived immigrants and immigrants in situations of special vulnerability until they can access general public services.

5. Promote knowledge among immigrant men and women of the common values of the European Union, the rights and obligations of residents in Spain, the official languages in different state territories and the social regulations governing coexistence in Spanish society.

6. Combat different types of discrimination, racism and xenophobia in all areas of public and private social life.

7. Introduce the gender perspective in immigration integration policies and in the application of these policies.

8. Promote political and co-development experiences with immigrants' countries of origin.

9. Raise awareness of immigration in Spanish society as a whole to improve intercultural coexistence, valuing diversity and promoting values of tolerance and respect, and supporting the maintenance and knowledge of immigrants' original cultures.

10. Promote the public policies of the different public administrations and civil society that foster the integration of immigrants and co-operation in this field.

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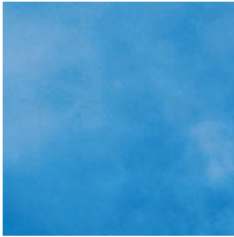
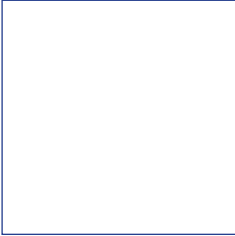
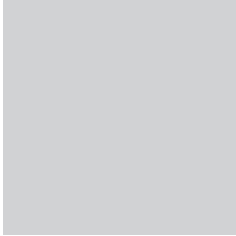
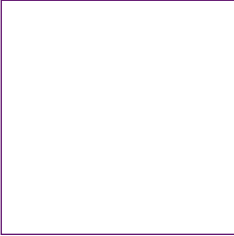
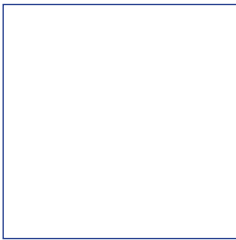
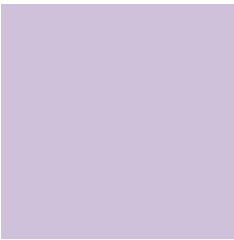
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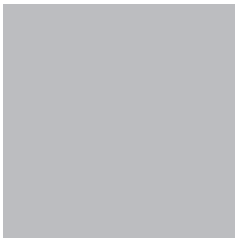
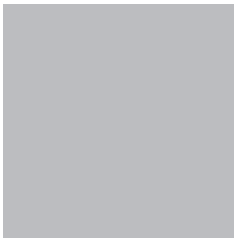
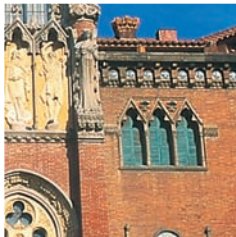
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CHAPTER VII



HEALTH AND CONSUMER AFFAIRS



HEALTH

Introduction

The Spanish Constitution specifically recognises the right of all citizens to effective health protection and to equal, efficient and quality health care. These rights are established in Articles 41, 43, 49 and 51 of the Constitution and represent a huge step forward socially since they recognise the right to health care as a public, objective, personal and non-contributory right, and guarantee both equality in terms of the contents of this right for each citizen, without any type of discrimination, and equal access to the material contents of this service.

As envisaged in the Constitution, the devolution to the autonomous regions of competencies in the area of health and hygiene (public health) started in 1979 and continued in the following years. Health care powers have now been transferred to all the autonomous regions and the autonomous city of Ceuta; the Autonomous City of Melilla is still under the responsibility of the central administration. The decentralisation of administrative health care began in 1981 with the devolution of powers in this area to the autonomous region of Catalonia, and was later extended first to Andalusia, the Basque Country, the autonomous region of Valencia, Galicia, Navarre and the Canary Islands between 1984 and 1994, and then to the remaining regions. The process was completed in January 2002.

The devolution of health care competencies to the autonomous regions is a means of bringing the management of health care closer to citizens. Practical experience of relations between the state and the autonomous regions in the area of health protection provide important

references for the development of cohesion in the State of Autonomous Regions. All parties involved are working to achieve a common identity for the National Health System, based on the constitutional principles of unity, autonomy and solidarity underpinning the State of Autonomous Regions.

In today's context of total decentralisation in health matters, with the autonomous regions determining how health services should be organised and offered, the Ministry of Health and Consumer Affairs has taken on a more supervisory role in the National Health System and is responsible for drawing up overall strategies for equity, quality and efficiency, acting as a basic tool for cooperation to facilitate regional initiatives. The only health management powers it holds are for Ceuta and Melilla and these are exercised through the National Health Management Institute.

Nevertheless, the national government is still exclusively responsible for the following areas of health care: health care abroad and international health relations and agreements, the basic functions and general coordination of health care, legislation governing pharmaceutical products, and the process of obtaining, issuing and approving of professional postgraduate qualifications.

The National Health System

The Spanish Parliament approved the General Health Law on 14 April 1986. As established in Article One of this law, its specific aim is to regulate all actions that enable the effective application of the constitutional right to health care. The law created a National Health System of universal coverage, integrating public and private services and finance, preferably funded by the general national budget, and encompassing all central administration and autonomous region health services.

The General Health Law constituted an important landmark in the transformation of health care in Spain because it integrated all existing public health care resources in a single regulation, based on Social Security resources, and integrated health promotion and disease

prevention policies and activities as well as medical and pharmaceutical services.

After the devolution of health care competencies to all the autonomous regions, the regulatory framework was completed with Law 16/2003 of 28 May on Cohesion and Quality in the National Health System. This law deals with the coordination and cooperation responsibilities of Public Health Administrations as a means for guaranteeing citizens' rights to health care, for the purpose of ensuring equal access to quality health care and citizen participation.

Coordination in the National Health System

The Inter-Territorial Board of the Spanish National Health System (CISNS) is the standing body for coordination, cooperation, communication and information among Health Departments in the autonomous regions and between them and the national administration. It aims to promote cohesion within the National Health

System by fully protecting citizens' rights throughout the Spanish territory. The CISNS comprises the Minister of Health and Consumer Affairs and the Regional Ministers of Health in the autonomous regions. Representatives from the autonomous cities of Ceuta and Melilla also joined this organisation as observers in February 1997, and in April 1999 Ceuta became a full member.

The Under Secretary of Health and Consumer Affairs and the Director-General for Cohesion of the National Health System and Senior Inspectorate can also attend plenary meetings and take part in the discussions, but they are not allowed to vote. The Inter-Territorial Board is chaired by the Minister of Health and Consumer Affairs. The Deputy Chair is held by one of the Autonomous Community Ministers of Health who is elected by the members. The CISNS functions in plenum, with a Delegate Commission, Technical Committees and Working Groups. The Board's agreements are expressed as official recommendations that are approved, when appropriate, by consensus.

Organisation

As provided in the General Health Law, the different autonomous regions have passed their own laws regulating health services; this legislation, while upholding the basic principles of the General Health Law, determine the structural organisation of their respective resources and Regional Health Services. To a greater or lesser extent, the health service of each region integrates all of its public health services and centres into a single body responsible for managing all public health care services in each region. Each health service depends, in turn, on the corresponding health department (Consejería de Sanidad) of the regional government. Guidelines and regulations on funding, planning and public health within the community's own geographical area are their responsibility.

The NHS is organised in line with its basic principles. Since it aims to provide universal support based on the principle of solidarity, it has to ensure equal access to services for all citizens. Since it is financed with public funds,

The Hospital de la Santa Creu i Sant Pau (Barcelona) is a UNESCO World Heritage Site. The new hospital building is situated in the north section of the grounds near the Art Nouveau wings, which were designed by Domènech i Montaner and are open to visitors.



spending must be based on efficiency criteria. The System is therefore organised at two care levels or environments in which accessibility and technological complexity are inversely related.

The first level – Primary Health Care – is characterised by extensive accessibility and sufficient technical resources to resolve the most frequent health problems. The second level – Specialised Health Care – has more complex and costly diagnostic and/or therapeutic resources which must be concentrated in order to be efficient. Access is gained by referral from Primary Health Care.

Primary Health Care aims to provide basic services within a 15-minute radius from any place of residence. The main facilities are Primary Care Centres which are staffed by multi-disciplinary teams comprising general practitioners, paediatricians, nurses and administrative staff and, in some cases, social workers, midwives and physiotherapists. Since this kind of care is located within the community, it also offers health awareness campaigns and preventive health care. Maximum accessibility and equity means that Primary Health Care can also be provided via house calls when necessary.

Specialised Care is given in Specialised Health Centres and Hospitals for both inpatients and outpatients. Once the service has been completed, the patient is referred back to the Primary Health Care doctor who uses the full medical history as a basis for subsequent treatment and overall care. This means that continued care is given in equitable conditions, irrespective of the place of residence and individual circumstances, and care can be given at the patient's home if necessary.

Within this organisational framework, each autonomous region establishes its own Health Areas according to demographic and geographic criteria aiming, above all, to guarantee service proximity for users. Each Health Area covers a population between 200,000 and 250,000 inhabitants. Nevertheless, the specific characteristics of each territory mean that this is only a guideline. The health areas are, in turn, subdivided into Basic Health Zones, which are the territorial framework for Primary Health

Care centre operations. The locations of these centres are determined by the degree of demographic concentration, the population's epidemic history and local resources. Each zone covers a population ranging from 5,000 to 25,000 inhabitants. Each Health Area has a general hospital for Specialised Care. In some Health Departments there are intermediate division between the Health Area and the Basic Health Zone.

Services Covered by the National Health System

The services offered by the Spanish National Health System include preventive care, diagnostics, therapeutics, rehabilitation and health promotion and maintenance.

Primary Health Care covers general and paediatric health care services, as well as preventive care, health promotion, health education and rehabilitation programmes. These services are rendered by Primary Health Care teams according to their "portfolio of services" planned according to the health care needs of the local population (care for women, children, adults and elderly people, oral and dental health, care for terminal patients, mental health care).

Specialised Health Care covers outpatient and inpatient care, and offers all medical and surgical specialities in acute and chronic relapse cases. Emergency care and emergency medical services are available around the clock.

Access to Primary, Specialised and Emergency Health Care is free. Pharmaceutical drugs are co-financed by users, who cover part of the price of pharmaceutical products – 40% in the case of active workers. Pensioners and people with chronic illnesses do not have to pay for prescription drugs. This distribution of expenditure also depends on the type of medication. In the case of drugs for the treatment of chronic diseases, users pay only 10% of the cost with a ceiling of 2.69 euros (e.g. AIDS treatments). However, prescription drugs for inpatients or specialised care patients are not co-financed. For historical reasons, civil servants are covered by publicly financed mutual funds (Mutual Fund for State Civil Servants or MUFACE, the

Social Institute for the Armed Forces or ISFAS and the General Legal Mutual Company or MUGEJU for staff working for the judiciary) under which they contribute to pharmaceutical expenditure in a different way (co-payments of 30% of the cost of medication for active workers and pensioners).

Most drugs authorised in Spain are eligible for pharmaceutical services. Only advertised, cosmetic and beauty products are excluded. There is a list of non-financed products that includes drugs with low therapeutic usefulness/effectiveness. The Spanish Medicine Agency (linked to the Ministry of Health and Consumer Affairs) is responsible for evaluating medical products for registration and authorisation purposes. Pharmaceutical services at the primary care level are rendered by chemists. Chemist opening licenses, opening times or inspections are the responsibility of the autonomous regions.

The Public Health System provides complementary benefits such as orthopaedic and prosthetic services, emergency and scheduled health care transportation, complex diets and at-home oxygen therapy.

National Health System Resources and Activities

The National Health System has 2,913 Health Centres. There are also 10,178 medical centres in small towns to which staff from the zone's primary care centre travel in order to provide basic services to the local population. These are mostly in rural areas, which tend to have a high proportion of elderly patients.

The National Health System also has 309 public hospitals with 105,113 beds. There are also 20 hospital establishments owned by Mutual Funds for Occupational Health and Safety, as well as 469 private hospitals in which 40% of discharges are for patients whose hospital care was arranged and financed by the NHS.

Spain has 131,310 hospital beds for patients with acute pathologies, of which 72.1% belong to the National Health System. Approximately 37.5% of the 16,028 beds available for psychiatric care and 34.2% of the 12,945 for geriatric and long-term patients also belong to the NHS.

Over half a million qualified people are registered with one of the professional associations in the health sector. Nursing staff represent the largest collective and has the highest percentage of women in the profession.

The health sector employs 1,119,200 people, of which 549,500 correspond to the public sector. Of these, 20% work in primary care and 80% in specialised care.

The primary care sector handles over 300 million consultations per year, with a frequency rate of 7.4 consultations per person per year. Meanwhile, in the specialised care sector, there are over 5.1 million hospital admissions in Spain per year, of which 4 million (77.6% of the total) are funded by the NHS. Meanwhile, specialist doctors receive 73.7 million consultations per year (87.1% funded by the NHS), 25.3 million emergency consultations are handled (77.2% with public funding) and 4.3 million operations are performed each year.

Spanish hospitals are some of the best in the world with regard to organ and tissue trans-

HEALTH CENTRES, HOSPITALS, BEDS AND PHARMACIES

Year 2007	Total	Total per 100,000 inhab.	% Public
Health centres ¹	2,878	6.36	100.00
Hospitals	788	1.77	42.65
Beds installed	159,671	353.25	66.78
Pharmacies ¹	20,741	45.88	—

¹ Year 2008

Sources: Health Centres. Ministry of Health and Consumer Affairs. Regional Health Services; Hospitals and Beds: Ministry of Health and Consumer Affairs. National Catalogue of Hospitals; Pharmacies: General Council of Pharmaceutical Associations.

HOSPITALS ACCORDING TO TYPE OF HEALTH CARE

Year 2007		Total	Total per 100,000 inhab.	% Public
General Health Care	Hospitals	476	1.1	44.7
Mental Health Care	Hospitals	89	0.2	34.8
Geriatric Health Care	Hospitals	113	0.2	30.2

Source: Ministry of Health and Consumer Affairs. National Catalogue of Hospitals.

LICENSED HEALTH PROFESSIONALS

	Total Professionals year 2006	% of women	Professionals per 1,000 inhab. year 1995	Professionals per 1,000 inhab. year 2006
Doctors	203.091	42.86	4.1	4.49
Odontologists and Stomatologists	23.300	41.93	0.4	0.51
Pharmacists	60.581	69.81	1.1	1.34
Veterinarians	26.502	37.77	0.5	0.58
Nurses	237.050	82.7	4.4	5.24

Source: Spanish Statistical Institute. Licensed Health Professionals.

plants, which are performed at specially accredited centres. Organ donation requires the donor's consent. The technological resources provided by health centres and hospitals are on a par with those offered in the most advanced countries, granting Spanish citizens access to top-quality health care. State-of-the-art technology (Computerized Axial Tomography, Magnetic Resonance Imaging, Gamma Chambers and Particle Accelerators) is installed according to criteria of need and usefulness.

Funding and Public Health Expenditure

Health care in Spain is a non-contributory service funded by taxes, which since 2002, has been included in the general budget for each autonomous region. Two additional funds have been created. The first is the Cohesion Fund, managed by the Ministry of Health and Consumer Affairs, which finances health care received by patients outside their region of residence, as well as care provided to foreigners on temporary stays in Spain in order guarantee equity in access to health care services throughout Spain, regardless of their place of residence. The second is the Savings Programme for Tem-

porary Incapacity, which finances the adoption of programmes and measures aimed at controlling expenditure relating to temporary incapacity.

According to figures from 2006, public health expenditure in Spain amounts to 58.466 billion euros, representing 6% of the GDP.

Meanwhile, private health expenditure amounts to 23.598 billion euros, (2.4% of the GDP). Health expenditure is the largest budget allocation after pensions and, on average, accounts for more than a third of expenditure in the autonomous regions.

In terms of the expenditure breakdown, hospital and specialised services (excluding long-term care costs) account for the highest proportion (54.2%), followed by pharmaceutical subsidies (21.5%) and primary health care services (15.1%)

Citizens and the Health Care System

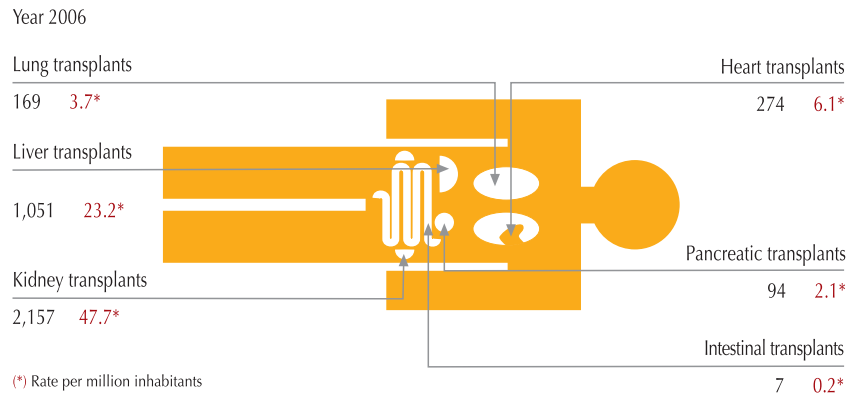
The Spanish health system covers practically all Spanish citizens and residents who have acquired the right to health care by virtue of bilateral agreements. Law 8/2000 of 22 December on the Rights and Freedoms of Foreign Nation-

ACTIVITY IN SPECIALISED CARE AND PERCENTAGE FINANCED
BY THE NATIONAL HEALTH SYSTEM

	Year 1994	Year 2003	
		Total	% NHS (*)
Hospitalisation			
Discharges (thousands)	4,181.8	5,097.1	67.8
Discharges per 1,000 inhabitants	106.8	112.7	
Average stay (days)	10.5	8.5	
Consultations			
Consultations (thousands)	39,454.2	71,658.4	81.7
Consultations per 1,000 inhabitants	1,007.4	1,585.3	
Emergencies			
Emergencies (thousands)	15,277.6	24,395.8	73.0
Emergencies per 1,000 inhabitants	390.1	539.7	
Average stay (days)	10.5	8.7	
Surgery			
Surgical operations (thousands)	2,677.0	4,221.9	73.2
% with hospitalisation	---	51.8	
% with Major Outpatient Surgery	---	18.6	
Other outpatient surgery	---	24.6	
Surgical operations per 1,000 inhabitants	68.3	93.4	
Obstetrics			
Births (thousands)	371.2	463.2	74.0
Caesareans	17.7	25.2	

*Percentage of activity financed by the National Health System.
Source: Ministry of Health and Consumer Affairs. Statistics of Health Facilities with Inpatient Services.

TRANSPLANTS



Source: Ministry of Health and Consumer Affairs. National Transplant Organisation.

HEALTH EXPENDITURE IN MILLIONS OF EUROS

Years	Total health expenditure	Public health expenditure	Private health expenditure
1990	20,842.0	16,412.8	4,429.2
1995	33,386.8	24,124.8	9,262.0
2000	45,568.8	32,672.8	12,896.0
2001	49,405.1	35,213.1	14,192.0
2002	53,126.6	37,947.6	15,179.0
2005	73,022.8	51,116.5	21,906.3
2006	77,185.4	55,681.9	21,503.5
2007	83,059.2	60,189.1	22,870.1

Source: Ministry of Health and Consumer Affairs. Public Health Expenditure Statistics. Spanish Statistical Institute.

als living in Spain guarantees the right to health care for foreigners registered in the municipal census in the same conditions as Spaniards, as well as for minors under 18. Pregnant foreign women are entitled to health care during pregnancy, childbirth and postpartum. It also establishes foreigners' right to receive emergency health care, irrespective of their legal status. The public health system does not establish time limits, grace periods or any other requirements for access and these services are similar to those offered by most European countries.

The rights and obligations of citizens in relation to public health are established in the General Health Law (Article 10) and are aimed at ensuring their right to equal access to high-quality and efficient health care and respect for the principles of autonomy and freedom. Law 41/2002 of 14 November, which regulates the patient's autonomy and rights and obligations regarding health documentation and information, requires Health Services to inform citizens of all their rights and obligations. This obligation covers both the rights and obligations included in basic national legislation and those established in the corresponding regional regulations. One of the primary and most noteworthy consequences of this basic law is that it is the first to guarantee the right of all citizens to request a second medical opinion. Another new aspect introduced by this law, affecting its implementation at the regional level, is related to the regulation of "living wills" and informed consent.

All Spanish health system activities revolve around citizens and regular surveys are carried out to gauge user satisfaction with the system. Results show that citizens are generally very satisfied with the way the public health system works.

For example, the results from the survey conducted in 2007 reveal that, in general, two-thirds of the population thinks that the National Health System works well and less than 4.7% are of the opinion that it should be completely overhauled. However, nearly 27% of citizens believe that major changes are required to improve the system.

The positive results obtained in the health system survey are also reflected in the excellent health indicators of the Spanish population. Spain has a life expectancy rate at birth of 80.5 years, surpassing the EU-27 average of 74.3 years. With 4.1 infant deaths per thousand live births, Spain has the fifth lowest infant mortality rate in the entire EU.

Future Challenges of the National Health System

The Spanish National Health System, like health systems in neighbouring developed countries, faces the challenge of having to improve the quality of services offered to citizens without undermining the sustainability of the existing health care model. The ageing of the population, which is having a strong impact on the way treatment is provided and on the consumption of health ser-

SATISFACTION WITH THE HEALTH SYSTEM: DISTRIBUTION ACCORDING TO PERCENTAGE OF OPINION

	Year 1995	Year 2005	% variation
Generally works fairly well	20.7	21.3	2.9
Works well but needs improvements	40.6	47.8	17.7
Needs substantial improvements	28.2	25	-11.3
So bad it needs to be completely reorganised	9.6	4.7	-51.0
Not applicable/ No answer	0.9	1.2	33.3

vices, coupled with the appearance of new diagnostic and treatment technologies and greater citizen health care demands, account for the significant rise in spending. This has necessitated the introduction of policies for improving health care efficiency and effectiveness.

The strategic actions included in the current health policies of both the Ministry of Health and Consumer Affairs and the autonomous regions aim to improve the population's health and consolidate and improve the quality of the National Health System, since this is a key component of the modern "Welfare State". These include the following actions:

- Promotion of preventive care and health protection and promotion policies.
- Promotion of basic and applied health research.

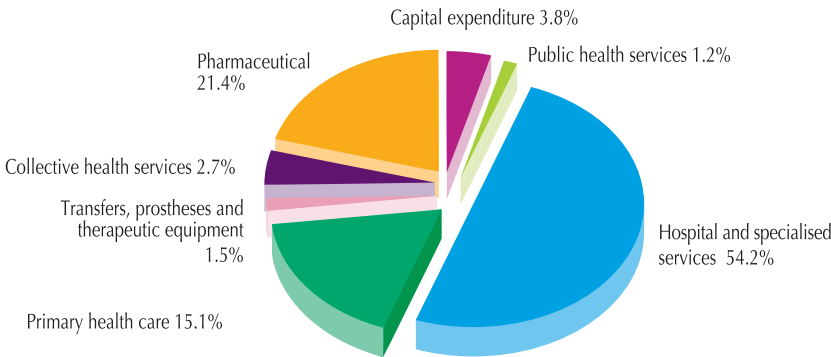
- Improvement of the management of health organisations, encouraging greater integration between different health care levels and the extension of clinical management, case management and evidence-based medicine.

- Streamlining of pharmaceutical services.
- Introduction of criteria for evaluating diagnostic and therapeutic technologies and procedures to guarantee patient safety, excellence in clinical practice and efficient use of resources.

- Development of new communication technologies for using with the health card, electronic prescriptions, medical appointments via Internet and electronic clinical records; these improvements will bring the health system closer to citizens and speed up and modernise health-care administration.

PUBLIC HEALTH EXPENDITURE: BREAKDOWN BY FUNCTIONAL CLASSIFICATION

Year 2005



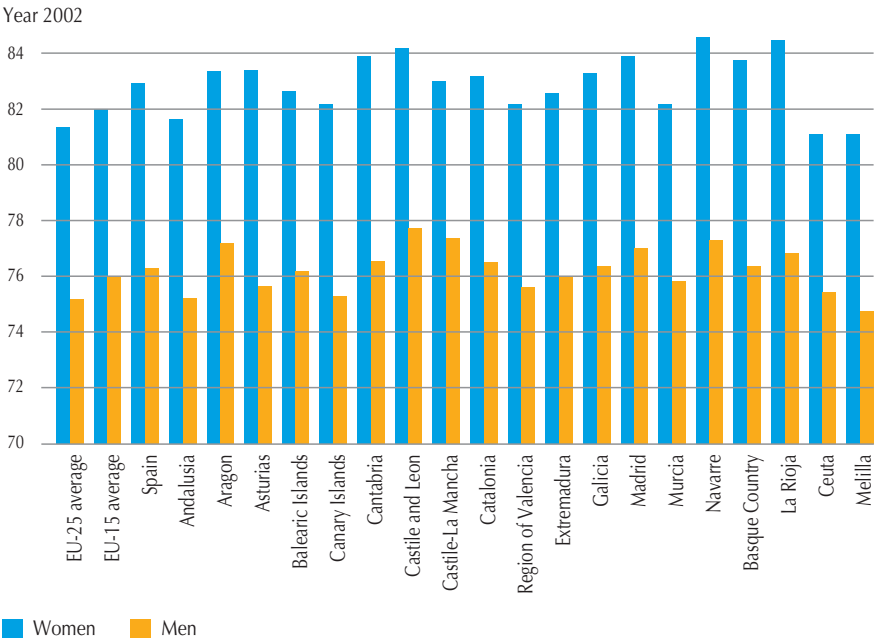
Source: Ministry of Health and Consumer Affairs. Public Health Expenditure Statistics.

INFANT MORTALITY PER 1,000 LIVE BIRTHS

	Year 1980	Year 2002	Girls (2002)	Boys (2002)
EU-25	13.2	5.0	4.5	5.4
EU-15	12.4	4.6	4.1	5.1
Spain	12.3	4.1	3.7	4.6

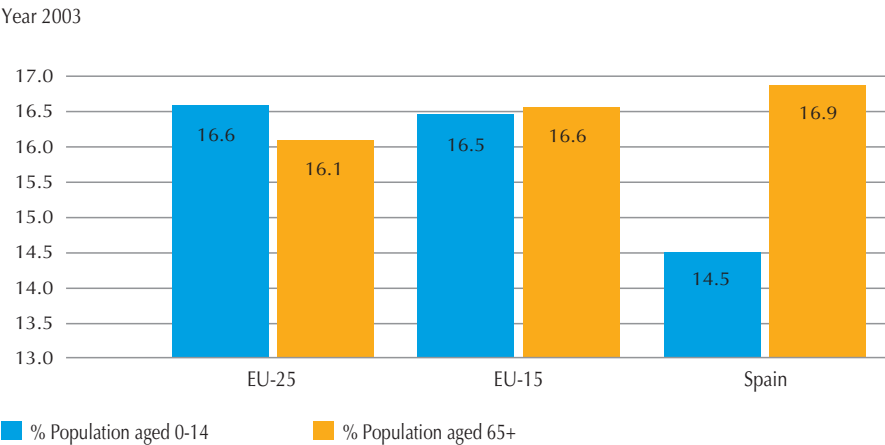
Source: WHO European Health for All Database (HFA-DB). June 2005.

LIFE-EXPECTANCY AT BIRTH BY SEX IN THE EUROPEAN UNION AND SPAIN



Source: National Statistics Institute. WHO European Health for All Database (HFA-DB). June 2005.

STRUCTURE OF THE POPULATION BY AGE GROUPS



Source: WHO European Health for All Database (HFA-DB). June 2005.

CONSUMER PROTECTION

Public authorities have been entrusted with consumer protection since the introduction of the Spanish Constitution. Organic Law 9/92 of 23 December completed the process of handing over practically all consumer protection competencies to the autonomous regions. However, the central government is responsible for promoting the necessary cooperation instruments and for designing overall consumer protection policies, with the participation of all the different public and private partners, as well as for producing regulations on aspects specifically established as the exclusive competency of the state by the Constitution – basically Civil, Mercantile and Procedural Law – and for helping to elaborate EU regulations and transpose them to Spanish law.

To guarantee equal rights and obligations among Spanish citizens, as established in the Constitution, different cooperation instruments have been developed. One such tool is the Consumer Sectorial Conference, which defines common consumer affairs policies to be implemented by the central government and the autonomous regions, and its executive body, the Consumer Cooperation Commission.

At the state level, the National Consumer Affairs Institute (INC), an independent organisation belonging to the Ministry of Health and Consumer Affairs, is responsible for implementing Article 51 of the Constitution. Its objective is to monitor compliance with consumer and user rights, as well as to protect their safety, health and legitimate economic interests. It carries out different activities to achieve these objectives, including market control to foster market unity and equal protection of consumer rights throughout the country. These activities aim to guarantee the quality and safety of goods and services offered to consumers. Analytical control studies are performed by the Research and Quality Control Centre, formed by a group of laboratories which carry out analyses and tests on products sold in Spain to check if they comply with applicable regulations.

The safety of user and consumer products is one of the main objectives of consumer pro-

tection. The Warning Network system is extremely useful in this area since it allows all EU Member States to exchange information on unsafe products. The network is managed by the Directorate-General of Health and Consumer Protection, and in Spain by the National Consumer Affairs Institute.

The National Consumer Affairs Institute also has a Centre for Consumer Information and Documentation (CIDOC) which prepares and disseminates information to consumers, organisations and administrations responsible for protecting consumer rights. General information on the INC, with details of the main areas of activity of this organisation, can be found on the web page www.consumo-inc.es. This information is aimed at users specialised in consumer affairs as well as the general public, who can find basic informative data (Consumer Guide) that is often classified by areas of interest (housing, telecommunications, holidays, guarantees, etc.).

The most important training activity undertaken by the National Consumer Affairs Institute is the Training Plan for Consumer Affairs Professionals, approved by the Consumer Sectorial Conference, and aimed mainly at professionals working for different public consumer affairs departments and Consumer Protection Associations. This plan provides up-to-date, multidisciplinary training for consumer protection professionals.

The National Consumer Protection Institute also implements, develops and disseminates information on the Arbitral Consumer Protection System, a rapid, effective and easy-to-use extrajudicial procedure for resolving consumer-related conflicts.

The most representative consumer protection association in Spain is the National Consumers and Users Council. It is a nationwide representative and consultative body for consumers and users which acts on behalf of consumers and users before the central government and other state institutions and organisations.

EU citizens can acquire goods and services in any country in the Union. The Support Network formed by the European Consumer Pro-

tection Centres guarantee European consumers the same protection and quality of information, assistance and support as they would receive in their own countries. This network was created

following a European Commission initiative to inform, help and support European consumers in the presentation of cross-border complaints and claims.

WEBSITES

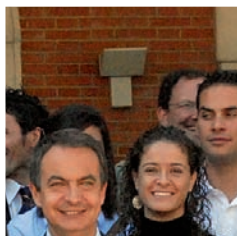
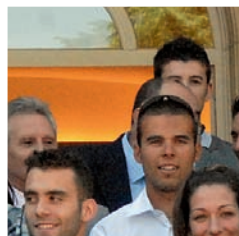
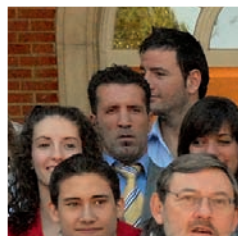
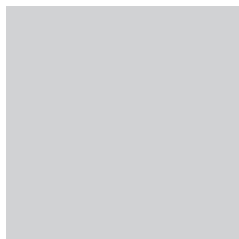
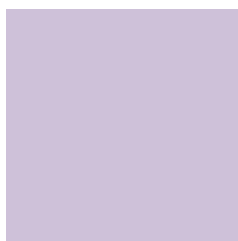
Ministry of Health and Consumer Affairs: www.msc.es

International organisations

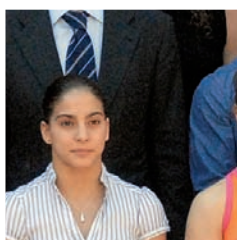
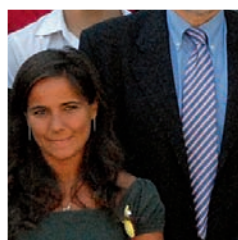
World Health Organisation: www.who.int/es

Organisation for Economic Cooperation and Development (OECD): www.oecd.org

European Union: www.europa.eu



CHAPTER VIII



EDUCATION, SOCIAL POLICY AND SPORTS



This brief description of the current education system is divided into four broad sections: *Principles, Structure, Administration and Education Policy*.

General Principles of the Education System: the Legal Framework

- The 1985 Organic Law regulating the Right to Education (LODE).
- The 2006 Organic Law on Education Act (LOE).
- Law 5/2002, of 19 June, on Qualifications and Vocational Training.

rights recognised in the Spanish Constitution and the LODE, and advocates universal quality and fairness. Emphasis is placed on the inclusive nature of education, equality of treatment and the non-discrimination of persons under any circumstances. The law also reaffirms the nature of education as a public service, considering education an essential community service that must be made available to everyone without exception, offering equal opportunities, guaranteed regularity and continuity, and progressively adapted to social changes. The service of public education may be provided by public authorities and by social initiatives.

The LOE defines basic education as ten years of schooling, commencing at age 6 and ending at age 16. Basic education is broken down into primary education and compulsory secondary education. The law also regulates and effectively restructures pre-primary education, post-compulsory secondary education, art education, sports education, foreign language education, adult education and distance learning within the framework of lifelong learning.

The LOE also encourages cooperation between families and schools, promoting greater pupil and parent participation and responsi-

lity. The law focuses particularly on teachers, whom it regards as crucial figures in the education system, promotes ongoing training and adapts initial training to the degree and post-graduate degree system of the European Higher Education Area. As of 1 October 2009, university graduates who wish to become secondary-school teachers will be required to complete an official master's programme comprising appropriate pedagogical and didactic training. The law also establishes diagnostic assessments of pupils' skills on completion of the second cycle of primary education and the second cycle of secondary education.

In relation to vocational training, in June 2002 the new Law on Qualifications and Vocational Training was passed. Its basic objective is to adapt employment and business needs to the reality of education in Spain today, in order to provide for the lifelong acquisition of modern professional skills and competences.

The purpose of this law is to articulate an integrated system of vocational training, qualifications and accreditation that uses the various branches of training to effectively answer to social and economic needs. A National System of Qualifications and Vocational Training will promote and develop the integration of the various vocational training options available with a National List of Vocational Qualifications. The National Institute of Qualifications is the permanent body responsible for analysing occupational changes in the labour market and the evolution of vocational qualifications in the various economic sectors. This data is essential because it affects the range of vocational training courses available and, consequently, the list of qualifications.

This law also aims to be compatible with European legislation and facilitate labour mobility for both students and teachers.

General Structure of the Education System

The Law on Education (LOE) stipulates the basic structure of the Spanish education system, organising it into different stages, cycles, academic years and levels of non-university training.

In accordance with the LOE, the various types of education provided are as follows: pre-primary education, primary education, secondary education – which comprises compulsory and post-compulsory secondary education (the latter, higher secondary education and intermediate-level vocational training) – plus intermediate-level vocational training in art, design and sports. The higher education sector comprises university education, higher art education, advanced-level vocational training, and advanced-level vocational training in the arts, design and sports. Foreign languages, art and sport are all regarded as special branches of education.

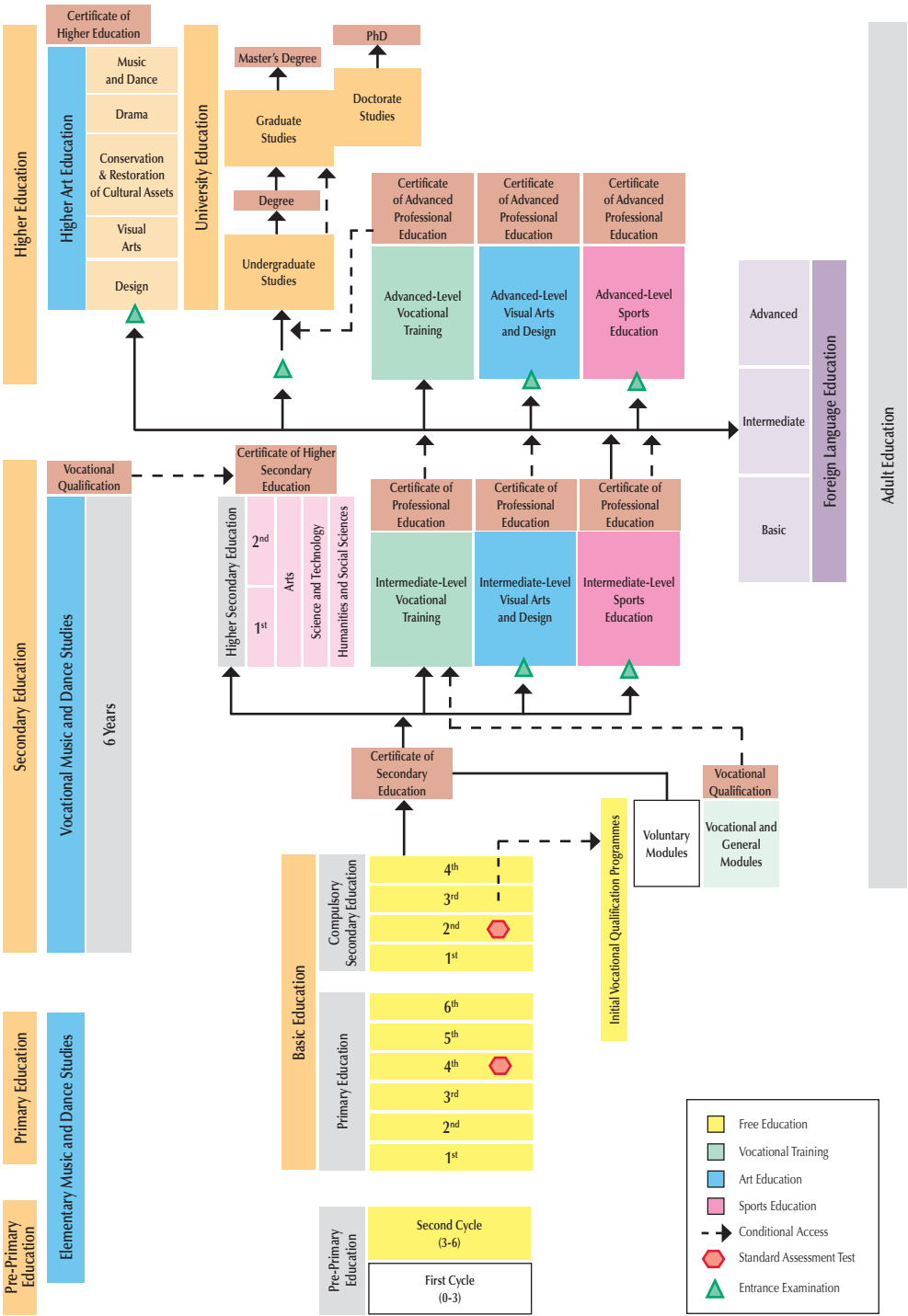
The law establishes that the various non-university levels of the education system must be adapted to pupils with special learning needs in order to guarantee these students' rights to enrol in, continue and advance through the system.

With regard to the distribution of powers between the central government and the regional governments, the LOE establishes the mechanisms of coordination and cooperation between the various education authorities in order to define and reach a consensus on education policies and common criteria and objectives. Based on the need to ensure the same provisions throughout the country and guarantee the validity of the various degrees awarded, the Spanish government dictates the basic aspects of the curriculum – namely, the objectives, basic skills, syllabus content and assessment criteria – referred to in the LOE as the minimum core curriculum. The basic content of the minimum core curriculum accounts for 55% of the school timetable in the autonomous regions with a co-official language and 65% in the regions where Castilian Spanish is the sole official language.

Pre-Primary Education

Pre-primary education is the first level in the education system. It is conceived as a single education stage with its own characteristics designed to meet the needs of children from birth to age 6. Although it bears a close resemblance to primary education, it has a different focus from subsequent stages. Pre-primary education

THE SPANISH EDUCATION SYSTEM (LOE)



is organised in two three-year cycles of an educational and voluntary nature. The second cycle is free of charge. In relation to the first cycle, which comprises the 0-3 age group, the Ministry of Education, Social Policy and Sports, in collaboration with the autonomous regions, has invested considerable effort in recent years to increase the school attendance rate.

The educational content of both cycles is described in a pedagogical proposal drawn up by each school.

Both cycles are expected to promote children's physical, intellectual, emotional and social development, assisting them in the discovery of the physical and social characteristics of the environment in which they live and enabling them to create a positive and balanced image of themselves and acquire personal autonomy. During the second pre-primary cycle, the education authorities are responsible for promoting initial contact with a foreign language, reading and writing, basic numerical skills, information and communication technologies, art and music.

Primary Education

Primary education consists of six years of schooling, usually commencing at age 6 and ending at age 12. It comprises three two-year cycles and is structured around a series of subjects designed from a holistic and integrating perspective.

This compulsory stage and compulsory secondary education are both provided free of charge and together represent basic education. Its purpose is to offer all children an education designed to enable them to consolidate their personal development and well-being, acquire the basic cultural skills concerning oral expression and comprehension, reading, writing and arithmetic, and develop social and emotional skills, work and study habits, artistic sensitivity and creativity.

Although structured into different subjects, the content is nevertheless designed from a global perspective. The compulsory subjects at primary level are as follows: natural science, social and cultural environment, art, physical education, Spanish language and literature

(plus the co-official language and its literature in Catalonia, Galicia and the Basque Country), a foreign language, mathematics, and civics and human rights education. During the third cycle of this stage, education authorities may also add a second foreign language. Subjects instrumental to the acquisition of other areas of knowledge are given special consideration. In addition to their specific treatment in several of the primary-level subjects, reading comprehension, oral and written expression, audiovisual communication, information and communication technologies, and ethics are practised in all subjects. A time is set aside each day for reading as a means of promoting this habit.

Student evaluation is continual and global, taking into account general progress in the full range of subjects. Pupils progress to the following cycle or stage when they have achieved the relevant basic skills and the appropriate degree of maturity.

In order to ensure the continuity of the education process, on completion of this stage of their education, pupils are provided by the education authorities with a report on their learning abilities, targets met and basic skills acquired.

Secondary Education

Compulsory secondary education (ESO), which commences at age 12 and terminates at age 16, consists of four academic years. The structure of this stage of the education system is articulated around two principles: a focus on diversity and the right of all students to equal education.

The purpose of compulsory secondary education is to ensure that pupils acquire knowledge of the basic humanistic, artistic, scientific and technological aspects of modern culture in general; to develop and consolidate study and work habits; to prepare them for further study or the labour market; and to train them in the exercise of their rights and duties as citizens.

During this stage, special attention is devoted to the acquisition and development of the basic skills, with particular emphasis on correct oral and written expression and the use of mathematics. A time is set aside for reading in every

subject as a means of promoting this habit. The subjects taught at secondary level are as follows: natural sciences, physical education, social sciences, history and geography, Spanish language and literature (plus the co-official language and its literature in Catalonia, Galicia and the Basque Country), a foreign language, mathematics, visual arts and crafts, music, technology, civic and human rights education. The last year in this stage is of an orientational nature and offers students a choice of more specialised subjects. A second foreign language can also be learned over the course of this entire stage.

Students advance from one level to the next when they have met the targets for every subject studied or have failed to do so in two subjects at the most. In the event of failing three or more subjects, they must repeat the year. Exceptionally, a pupil who has failed three subjects may progress to the next year if the teaching staff are of the opinion that the nature of these subjects is unlikely to affect the pupil's success the following year, if the pupil is expected to re-sit and pass the subjects in question, and if progression to the next year is likely to benefit his or her academic development. Pupils may only repeat the same year once and may only repeat twice throughout compulsory secondary education.

For pupils who fail to obtain the *Título de Graduado en Educación Secundaria*, or Certificate of Secondary Education, the education authorities may organise *Initial Vocational Qualification Programmes*, including three types of modules, to enable all pupils to attain vocational skills appropriate to a level-1 qualification, to enter the labour market as satisfactorily as possible, and to improve their basic skills as a means of attaining the Certificate of Secondary Education.

Higher Secondary Education

Higher secondary education is non-compulsory and lasts for two years. The entry requirement for this level is possession of the Certificate of Secondary Education. In theory, students enter higher secondary education at age 16 and exit at age 18, but they may spend four years at this level if necessary.

The aim of higher secondary education is to provide pupils with the training, intellectual and human maturity, knowledge and skills required to undertake social functions and enter the labour market with an appropriate degree of responsibility and competence. It also prepares pupils to enter university.

Higher secondary education offers the following branches of study: arts, science and technology, humanities, and social sciences. The arts branch offers two specialisations: plastic arts, design and image; and performance arts, music and dance.

This stage is organised into core, branch-specific and optional subjects. Pupils may choose their subjects from a list of specific classes within their chosen speciality. Each branch is organised in a manner that enables students to specialise in a specific area and thus facilitate access to higher learning or the job market.

At this level, student evaluation is continuous and is carried out individually based on the syllabus targets and assessment criteria established in each autonomous region. Pupils progress from the first year to the second year when they have passed all their subjects or failed two at the most. Pupils who do not progress to the second year are held back the first year, repeating the entire programme if they have failed more than four subjects. Those who do not progress to the second year and have three or four failed subjects may choose to repeat the entire year or enrol in the failed subjects and two or three second-year subjects, in accordance with the terms prescribed by the education authorities.

Pupils successfully completing any of the higher secondary specialties are awarded the *Título de Bachiller* or Certificate of Higher Secondary Education, which is valid for both vocational and academic purposes. All first-year and second-year subjects must have been passed to qualify for this certificate, which grants students access to the various types of higher education programmes.

Access to university-level studies is also contingent upon passing an entrance examination which, together with the grades obtained in the higher secondary level, provides

an objective evaluation of academic maturity and knowledge acquired as well as the ability to cope successfully with university-level studies. All students in possession of the Certificate of Higher Secondary Education, regardless of the speciality or study course followed, are eligible to sit for the university entrance examination.

Vocational Training

Vocational training comprises a series of training measures designed to equip students with specific skills related to different occupations, enabling them to enter the labour market and become active participants in social, cultural and economic life. Vocational training is also characterised by its flexibility, enabling pupils to move freely between this type of education and other branches of the education system.

The purpose of vocational training is to prepare pupils for employment in a professional field, equip them to cope with the changes that may occur in their employment circumstances throughout their life, and contribute to their personal development and the exercise of democratic citizenship.

Vocational training is broken down into intermediate-level and advanced-level training. It is organised in a series of modules of varying duration and theoretical and practical content in keeping with the various professional fields. The two levels must correspond to the National List of Vocational Qualifications and constitute, respectively, intermediate-level vocational training and advanced-level vocational training. After first consulting with authorities of the autonomous regions, the central government establishes the range of qualifications corresponding to vocational training programmes, as well as the basic curriculum components.

The access requirement for intermediate-level vocational training is possession of the Certificate of Secondary Education, while pupils wishing to undertake advanced-level vocational training must be in possession of the Certificate of Higher Secondary Education. Applicants for vocational training who do not meet the academic requirements may take a specific entrance

examination regulated by the competent education authorities.

Learning is evaluated by vocational modules, and successful completion of a training level is dependent on passing all the stipulated modules. Possession of the *Título de Técnico Superior* or Certificate of Advanced Professional Education permits access to university-level studies.

Art Education

The LOE regulates art education, the purpose of which is to guarantee quality training in the arts and provide a framework of qualifications for future musicians, dancers, actors, artists and designers.

Art Education comprises the following: elementary music and dance, vocational music and dance, and both intermediate and advanced-level training in the visual arts and design. It also encompasses higher studies in music and dance, drama, conservation and restoration of cultural assets, design, and the visual arts (including higher studies in ceramics and glass-making).

Successful completion of vocational music and dance studies leads to the relevant vocational qualification. Students completing these programmes are also awarded the Certificate of Higher Secondary Education if they pass the core higher secondary subjects, despite not having followed the music and dance study programme of the arts branch.

Pupils who successfully complete intermediate-level visual arts and design studies are awarded the *Título de Técnico de Artes Plásticas y Diseño* or Certificate of Professional Education in Visual Arts and Design in their chosen specialty. This qualification permits access to the arts branch of higher secondary education. Students who successfully complete advanced-level visual arts and design studies are awarded the *Título de Técnico Superior de Artes Plásticas y Diseño* or Certificate of Advanced Professional Education in Visual Arts and Design in their chosen field.

Higher music and dance studies are organised into different specialities and comprise a single cycle of varying duration, depending on their respective characteristics. Similarly, drama education comprises a single higher-level

cycle with a duration appropriate to the characteristics of this type of education. The conservation and restoration of cultural assets is regarded as a field of higher education.

The LOE created the Higher Council of Arts Education as a state advisory body and instrument of participation with regard to this branch of education.

Foreign Language Education

The law also regulates foreign language education, to be provided by official language schools and in keeping with the various levels recommended by the Council of Europe. The purpose of foreign language education is to equip pupils with the skills necessary for the appropriate use of the various languages, outside the ordinary education system. The levels of skills offered are basic, intermediate and advanced, which correspond to levels A2, B1 and B2 of the Council of Europe. This type of education aims to promote the learning of foreign languages, especially the official languages of the European Union member-states and the co-official languages in Spain, as well as Spanish as a foreign language.

In order to be admitted to an official language school, pupils must be at least 16 years old in the year they begin their studies. Pupils over the age of 14 may also be admitted to study a foreign language not provided as part of their compulsory secondary education curriculum.

Sports Education

For the first time ever, sports education is now regulated by law. The purpose of this type of education is to prepare pupils for a profession in a specific field or area, to facilitate their adaptation to changes in the labour market and sports world, and to encourage active citizenship. It is organised around the various sports branches and specialities recognised by the Higher Council of Sports in accordance with Article 8b of the Sports Law 10/1990 of 15 October. The provision of sports education is organised in association with the autonomous regions after consulting with their various sports education bodies.

Sports curricula are designed in accordance with the National Qualifications and Vocational Training System. Sports education is offered at the intermediate and advanced levels, and may be included on the National List of Vocational Qualifications.

Programmes are organised into blocks and modules of varying duration, and they consist of theoretical and practical subjects related to the various professional fields.

Adult Education

Nowadays, training is regarded as an ongoing process that lasts a lifetime. The value of learning is never lost, as economic and social changes regularly require citizens to broaden their skills. Consequently, the provision of adult education has increased. The LOE encourages lifelong learning by offering young people and adults the opportunity of combining study and training with their employment and other activities.

The purpose of adult education is to offer everyone over the age of 18 – and, exceptionally, young people over the age of 16 with a contract of employment that prevents them from attending an ordinary educational establishment, or who are full-time sports professionals – the chance to acquire, update, complete or broaden their knowledge and skills for personal and professional development purposes.

The organisation and methodology of adult education is based on self-learning processes and takes into account personal experiences, needs and interests. Training is offered through conventional programmes (requiring the presence of the learner) and distance programmes. The methodology used is to be flexible and open in order to meet learners' skills, needs and interests.

The range of adult education programmes comprises basic education and post-compulsory education that offer learners the possibility of entering higher secondary education and vocational training. Appropriate measures are taken to ensure that adults have access to a specific range of studies of this type, which are adapted to their unique circumstance. Public distance education programmes, including the use of in-

formation and communication technologies, are also offered.

People over the age of 25 are automatically eligible to sit the university entrance examination, regardless of whether they have any of the above-mentioned certificates.

General Administration of the Education System: Distribution of Powers between the Various Education Authorities

Since the approval of the Spanish Constitution in 1978, the education system has undergone a major process of transformation involving the gradual transfer of functions, services and resources from the central government to the various autonomous regions. Hence, between 1 January 1981, when Catalonia and the Basque Country were granted the means and resources to exercise their powers in education, and 1 January 2000, when Asturias, Castile-La Mancha, Castile and Leon, Extremadura and Murcia were granted the same powers for all non-university-level education, all the autonomous regions took over the full range of educational functions, services and resources, including non-university and university-level studies.

In this decentralised model of administration, the educational responsibilities are divided between the central government, the autonomous regions, local councils and the schools themselves.

The central government is responsible for safeguarding the homogeneity and basic unity of the education system, and guaranteeing the equality of all Spaniards in the exercise of their fundamental education rights as defined in the Spanish Constitution. These powers are mainly of a legal nature, concerning the regulation of the basic elements or aspects underpinning the system in general, although some of them are of an executive nature.

The autonomous regions are legally responsible for the implementation of state regulations and for governing the non-basic elements or aspects of the system. With the exception of those reserved by the central government, they also

have executive powers in the administration of the system in their own territory.

Although the law entrusts certain tasks to local councils, it does not grant them the status of education authority. It does, however, recognise their capacity to cooperate with the central and regional governments in the implementation of education policy. Hence, the local councils assist the education authorities in the creation, construction and maintenance of state schools and in the provision of complementary activities and services. Municipal participation is also articulated via the regional school councils and the councils of each individual learning centre.

The Ministry of Education, Social Policy and Sports is the central government body responsible for the proposal and implementation of the government's general guidelines on education policy. In order to exercise these functions, the Ministry of Education, Social Policy and Sports has created a series of central units, which make up the basic structure, and peripheral units, which are responsible for the management of tasks at the regional and provincial levels. In every autonomous region there is a government body with the executive capacity to undertake the educational powers reserved exclusively by the central government. This body is called the *Alta Inspección* or Government Inspectorate. In the autonomous cities of Ceuta and Melilla, the Ministry acts as the competent education authority.

Every autonomous region has created its own model of education authority – in some cases a Regional Ministry, in others a Department – in keeping with the functions it has taken over and the services granted by its statute of autonomy.

Not all towns have a designated body for undertaking educational tasks, although in the larger towns and cities there is usually a municipal education department.

The distribution of powers among the various levels of government requires coordination between the education authorities to guarantee the adequate execution of certain functions, such as policy decisions that affect the system as a whole and general planning, the exchange of information for the compila-

tion of statistics, research in the field of education, the general management of teachers and in-service teacher training, and the accreditation of learning centres.

The body responsible for facilitating inter-governmental coordination and the exchange of information about the general organisation of the system is the so-called Sector Conference on Education, whose members are the Regional Ministers of Education and the central government's Minister of Education, Social Policy and Sports. The Conference is a consultative body with no decision-making powers. Additionally, there are several commissions with responsibility for inter-governmental coordination on a variety of issues.

Participation in the Education Community

The Spanish Constitution establishes that the authorities are to guarantee the participation of

society in the general organisation of the education system. Social participation is regarded as one of the guiding principles of the education system. It is conceived as a factor of democratisation that ensures greater sensitivity to social needs and as a crucial tool for promoting quality education.

At the different levels of educational administration, including the schools themselves, there are various official bodies responsible for ensuring the participation of all sectors of society in the education community. At the national level, this body is the State School Council. At the regional level, this function is undertaken by the Regional, Territorial, Provincial, District and/or Municipal School Councils. Finally, each school has its own School Council and each university its own Social Council.

Meanwhile, there are several state institutions which have a consultative status: the General Council of Vocational Training, the Higher

ADMINISTRATIVE STRUCTURE OF THE EDUCATION SYSTEM
AND POWERS AT EACH GOVERNMENT LEVEL. YEAR 2000

	Powers	Government Structures
Central Government	General management of the system, minimum standards in schools, international cooperation in the fields of teaching, development and the general coordination of research, general timetabling of education and regulation of academic and vocational qualifications. Government inspection, funding policy for the development, ownership and administration of state schools abroad, legal framework for foreign schools in Spain, education statistics for government purposes, etc.	Central units of the Ministry of Education, Social Policy and Sports. Peripheral units: a) Government Inspectorates in every autonomous region. b) Provincial Delegations in Ceuta and Melilla.
Regional Government	Government ownership in their respective regions, creation and authorisation of schools, management of staff, timetabling of education, guidance and attention to pupils, grants and subsidies, etc.	Regional Education Departments or Ministries of the various Regional Governments.
Local Government	Provision of land for the construction of state schools, conservation, maintenance and remodelling of pre-primary and primary schools, organisation of complementary activities for school children, monitoring of compliance with compulsory school attendance, etc.	Various municipal education departments.

Source: Prepared by the Educational Research and Documentation Centre (CIDE) in line with current legislation.

Council of Art Training and the Council of University Coordination.

The State School Council is the national body responsible for social participation in the general organisation of the system and for advice on bills and regulations proposed or dictated by the government. The members of this council represent every sector of society involved in education. It has a consultative status in relation to the general organisation of the system and the basic regulations for the implementation of Article 27 of the Constitution, as well as on general management issues, the definition of the minimum core curriculum and the regulation of academic qualifications, the guarantee of equal rights and opportunities in education, the establishment of minimum standards for schools and any other issues which, by virtue of their importance, are entrusted to it by the Minister of Education.

The Regional, Territorial or Area, Provincial, District and Municipal School Councils are the senior bodies for consultation, advice and social participation in non-university-level education in their respective geographical jurisdictions.

The General Council of Vocational Training is the consultative body for inter-governmental institutional participation, which acts as an advisory board for the government. Although the Ministry of Education, Social Policy and Sports is represented on the council, it actually belongs to the Ministry of Labour and Immigration. In addition to the central government, a variety of union and business organisations are also represented.

The Higher Council of Arts Education, a consultative and participatory board, advises on this branch of education, particularly at the higher levels. Participants in this council include the Ministries of Education, Social Policy and Sports and of Culture, educational authorities, representatives of the teacher and student bodies and individuals of renowned prestige in this field.

The University Coordination Council undertakes the functions of management, coordination, planning, recommendation and advice in the field of higher education.

Education Policy

Currently, the main priority of the education policy pursued by the Ministry of Education, Social Policy and Sports is the fulfilment of the European Union's objectives by 2010, while the most important recommendations for action are measures to promote cooperation, equality, and support and reinforcement for pupils with special education needs.

Educational Objectives for 2010 and the National Reform Programme

Within the framework of the Lisbon strategy and the creation of the National Reform Programme, a series of short and medium-term objectives are to be met by the Spanish education system. These objectives are shared and subscribed by all the competent education authorities, and have been established in keeping with those agreed upon by other European Union countries for 2010. The government is totally committed to these objectives.

However, the decentralised structure of the Spanish education system and the distribution of powers that attributes responsibility for the execution of education policies to the autonomous regions means that objectives must be accepted by all the education authorities as well as the individuals providing and receiving education: teachers, families and students. In the same way, society must also make the necessary economic effort to achieve said objectives.

For this reason that the Ministry of Education, Social Policy and Sports conducted a new survey of European points of reference and other relevant data that shed light on the current status of education in Spain. As a result of this survey, three broad blocks of educational goals and ten points of reference have been set for 2010. The blocks of goals are as follows: to increase school attendance at the pre-primary and post-compulsory levels; to achieve success for all pupils in compulsory education; to promote lifelong learning, citizenship, equal opportunities and social cohesion.

The autonomous regions have also been asked to review and update their indicators and

points of reference. The General Education Committee commissioned two teams to report on and make recommendations for improving the results obtained by pupils in compulsory secondary education (skills, qualification), improving the continuity of pupils in post-compulsory secondary education (by reducing the drop-out rate) and increasing the number of pupils obtaining exit qualifications in both higher secondary education and intermediate-level vocational training. As a result of this work, a report has been drafted to monitor the progress made towards achieving both European goals and the proposed benchmarks.

The establishment of Spanish goals for 2010 and their adoption by all the competent education authorities are another indication – perhaps the most unequivocal – that only shared commitments and hard work from everyone concerned can lead to better and enduring educational standards that satisfy the demands made of the education system by society in general.

Plan to reduce school drop-outs

Within the framework of this same line of consensus and dialogue with all the education authorities, the Ministry is developing a specific plan to reduce school drop-outs. The plan has been approved by the Standing Conference on Education and in 2009 it will be allocated 121 million euros from the ministry's budget. The measures included in the plan target all the sectors involved: students, young people who have left school prematurely, teachers, families, businesses and unions and the local authorities. The aim is to halve the percentage of young people between 18 and 24 who are neither studying nor have completed any post-compulsory education, which has remained stable for years at 30%.

The measures currently being developed include providing more training options by diversifying the range of programmes offered and devising mechanisms to encourage young people without any qualifications to return to the education system. Career guidance departments at primary and secondary schools are

also being reinforced and teachers are to receive training in techniques for realising the potential of their pupils. In relation to families, parent programmes will be encouraged and measures will be introduced to encourage parental attendance at parent-teacher conferences. The ministry is also promoting a change in the education-work culture that will emphasise the possession of the Certificate of Secondary Education as a basic qualification for young people wishing to join the job market.

Road map for promoting vocational training

Another priority for the government is to promote vocational training programmes, especially those at an intermediate level where, unlike advanced programmes, the percentage of graduates is still a long way behind the European average. The Ministry of Education, Social Policy and Sports, in conjunction with the Ministry of Labour and Immigration, is therefore developing a “road map” to promote vocational training. Most notably, the principal measures include accrediting knowledge acquired through experience to encourage workers without any qualifications to resume their studies; actively promoting the international mobility of vocational training students; facilitating work-study combinations; creating a National Network of Reference Centres for the 26 professional fields; and expanding the Network of Integrated Vocational Training Centres. The road map also establishes the specific promotion of distance training, taking advantage of the possibilities afforded by information and communication technologies.

Grants Policy

In recent years the grant and bursary programmes have been continually improved with the dual aim of increasing the number of beneficiary pupils and the efficiency of bursaries as crucial instruments in the provision of equal opportunities. As such, the annual budgets allocated to grants and other study bursaries have risen steadily.

Reinforcement, Guidance and Educational Support

The Reinforcement, Guidance and Support Plan (the so-called PROA Plan), devised by the Ministry of Education, Social Policy and Sports in association with the autonomous regions, was launched in 2005 with a contribution of 4.5 million euros provided by the state government, which has increased to 50 million in 2009. The plan consists of the following programmes:

- *The School Mentoring Programme, for pupils with difficulties in the final cycle of primary education and the early years of secondary education.* These students receive educational reinforcement outside of regular school hours from young mentors and/or members of the teaching staff. The aim is to boost learning and academic performance, thereby improving the pupils' social integration.

- *The Reinforcement and Support Programme for socially and educationally disadvantaged schools.* This programme aims to improve the running of schools and the results obtained, working simultaneously with pupils, families and the local environment. The schools draw up an action plan in line with their specific needs, and the education authorities provide the funding for the implementation of the project.

- *The School Library Improvement Plan.* The Ministry of Education, Social Policy and Sports' mission to encourage reading habits among schoolchildren, plus the improved use of and funding for school libraries, have resulted in an explicit reference in the LOE to the status of libraries in schools, increased funding for libraries and the use of these spaces by the community in general. The Ministry of Education, Social Policy and Sports is simultaneously undertaking other initiatives to improve school libraries. The School Library Improvement Plan was launched in 2005 in association with the autonomous regions. During the first year it was allocated 25 million Euros in funding and another 9 million euros in each of the following four years. The autonomous regions are committed to matching this level of funding over three years.

The priorities of the Ministry of Education, Social Policy and Sports also include promoting the use of information and communication technologies in the education system as a tool for improving teaching and learning processes. Both the plan to reduce school drop-outs and the road map to promote vocational training make use of ICTs to offer distance training programmes adapted to the needs of every pupil. Furthermore, in line with teacher-training programmes adapted to the European Higher Education Area, future primary-school teachers will learn about information and communication technologies, how to apply them in the classroom and how to select audiovisual information that contributes to learning, citizenship training and cultural diversity. Those who complete a master's programme to become a secondary-school teacher – to be introduced in 2009/2010 – will acquire the skills to integrate training in audiovisual and multimedia communication in the teaching-learning process.

These initiatives complement those launched in the previous legislature in association with the Ministry of Industry, Tourism and Trade and the Public Business Corporation Red.es, such as the Internet in the Classroom Plan, which was developed in close collaboration with the autonomous regions. The plan includes instrumental measures related to equipment, connectivity and technical assistance, as well as specific actions designed to create an educational setting articulated around the natural, integrated and efficient use of these resources, services and pedagogical applications.

Enactment of the LOE and the Implementation of the New Core Curricula

During the 2007-2008 academic year, the first two years of primary and years 1 and 3 of compulsory secondary school were phased in, as well as new vocational qualifications and the elementary levels of music, dance and foreign languages.

During the 2008-2009 academic year, the new core curriculum for pre-primary will be phased in, along with years 3 and 4 of primary,

2 and 4 of compulsory secondary, and year 1 of higher secondary. The remaining core curricula will be phased in during the 2009-2010 academic year.

University Entrance Requirements

Access to university-level studies is obtained by passing a general entrance examination which, together with the grades obtained at the higher secondary level, assesses students' academic maturity, knowledge acquired and ability to cope with university-level studies.

The entrance examination, which is based on the different subjects and specialisations followed by higher-secondary students, tests the final-year subjects and is valid for access to the various degree programmes offered by Spanish universities.

The Royal Decree which regulates entry requirements for official university degree programmes and the admission procedures for Spanish state universities was approved in November 2008 and will come into force for pupils studying the second year of higher secondary education in 2009/2010.

In keeping with this model, the university entrance examination consists of two parts: a general compulsory part on all common subjects and one optional subject, and a specific extra-credit part for pupils who want to raise their grade. Pupils who obtain a grade point average of 5 out of 10 between their higher secondary grades (worth 60%) and the grade obtained in the general part of the university entrance examination (worth 40%), are entitled to enter university, as long as they have obtained a minimum score of 4 in the general

part. The specific part of the examination allows pupils wishing to enter programmes with a limited number of places to improve their entrance grade. This voluntary section tests the students' knowledge of the optional subjects not chosen in the general part which are related to the branch of knowledge of the degree programme to which they hope to be admitted. The aims are to enable people to recycle their skills throughout their lives, rather than allowing the higher-secondary branch chosen to condition pupils forever, and to provide students with the opportunity of improving their results by going the extra mile. The validity of the grades obtained in the voluntary part will expire after two years. Pupils may take this part as many times as they wish, but they can only submit two higher scores. As such, each of the two voluntary examinations will enable pupils to raise their final grade by one point, or two points if the university they wish to enter has specified that subject as one of the priorities for a particular programme of study. At the beginning of each academic year, the universities will specify the subjects they consider to be priorities for their various programmes.

The Royal Decree also regulates direct university entry for pupils who have followed other higher education programmes (advanced-level vocational training and specialised programmes), as well the entrance examination for mature students over the age of 25, university entry for the over-40 age group via the accreditation of work experience, and university entry for everyone over 45 regardless of their academic qualifications and professional experience, thus facilitating access to education for all adults.

WEBSITES

Ministry of Education, Social Policy and Sports

<http://www.mepsyd.es/>

<http://www.mec.es/educa/internacional/index.html>

Vocational Training

<http://www.mec.es/educa/formacion-profesional/>

Institute of Evaluation

<http://www.institutodeevaluacion.mec.es>

Cide

<http://www.mec.es/cide/index.htm>

Autonomous Organisation European Educational Programmes

<http://www.oapee.es/home.html>

Teacher Training

<http://www.mec.es/educa/formacion-profesorado/index.html>

Europass

<http://www.mec.es/europass/index.html>

Ploteus

<http://europa.eu.int/ploteus/portal/home.jsp>

Grants

<http://www.mec.es/mecd/jsp/plantilla.jsp?area=becas&id=433>

Educational Information and Communication Technologies

<http://www.mec.es/educa/tice/index.html>

CNICE

<http://www.cnice.mec.es/>

Attention to Diversity

<http://www.mec.es/educa/diversidad/>

Coexistence in School

<http://www.convivencia.mec.es/>

National School Council

<http://www.mec.es/cesces/inicio.htm>

Incul – National Institute of Vocational Qualifications

<http://www.mec.es/educa/incul/index.html>

CIDEAD – Centre for the Innovation and Development of Distance Education

<http://cidead.cnice.mec.es/>

Education System

<http://www.mec.es/educa/sistema-educativo/indexSE.html>

Different types of Education

<http://www.mec.es/educa/sistema-educativo/index.html>

Teachers, Schools, Parents and Students

<http://www.mec.es/educa/comunidad-educativa/index.html>

Relations with the Autonomous Regions

<http://www.mec.es/educa/ccaa/index.html>

Intercultural Education

<http://www.mec.es/educa/intercultural/index.html>

Agreements

<http://www.mec.es/educa/convenios/index.html>

Art Education

<http://www.mec.es/educa/enseanzas-artisticas/indexSup.html>

National Reform Programme, Lisbon Strategy

<http://www.la-moncloa.es/PROGRAMAS/PNR/default.htm>

SOCIAL POLICY

Social Policy

Social policies are the highest priority for the government of Spain. In recent years, our country has launched major social initiatives aimed at consolidating and expanding the welfare state. For example, minimum pensions and the minimum wage have been raised, the Dependency Law was enacted, new family benefits have been created (such as those included in the Dependency Law, the 2,500 euros benefit for the birth of a child and the newly-created paternity leave), housing benefits have been introduced (such as the emancipation income for young people) and the value of grants has been increased along with the number of beneficiaries.

In the field of social services, the most notable developments are the implementation of the Dependency Law and the policies targeting

the elderly, persons with disabilities, families and children.

The Dependency Law

The Law on the Promotion of Personal Independence and Care for Dependent People (known as the Dependency Law), which came into force on 1 January 2007, has guaranteed access to social services (remote care, home care, day and night centres and residency places) or financial benefits (for family or personal caregivers) to every elderly or disabled person in need of assistance.

The law has not only created a new universal right but has also turned the dependency system into the fourth pillar of the welfare state in Spain, joining the national health, education and pensions systems introduced in the 1980s and early 1990s.

In the first two years of its application, the law has provided protection for citizens regarded as

highly dependent or Level 2 severely dependent (the most serious cases). According to figures provided by the autonomous regions (the authorities responsible for managing the system), as of 1 January 2009, there were 449,415 people benefiting from this law.

In 2008, the Spanish government dramatically increased funding for this law by allocating 871 million euros to the autonomous regions. This was 118% higher than the figure for 2007 and also far exceeded the estimates established in the national financial report.

Furthermore, the central government and the autonomous regions have signed important agreements for managing the system that address issues such as the level of co-participation by the beneficiaries in financing the services and benefits, and quality criteria for accrediting centres and services provided within the system.

The elderly

In addition to the implementation of the Dependency Law, the priorities of the policies benefiting the elderly are to increase pensions and promote healthy, active ageing.

In relation to pensions, during the period 2004-2008 the minimum pensions rose by between 26% and 33%. In 2008, these benefits rose again, doubling the former average.

With regard to active ageing, in the period 2004-2008 the Spanish government doubled the number of places in the holiday programme for the elderly managed by Imsero, the Spanish Institute of the Elderly and Social Services. Hence, in 2008 over 1,200,000 elderly people enjoyed government-sponsored holidays over a period of 7, 15 or 29 days or stayed at spas and received thermal treatments.

The elderly have also been encouraged to participate in social volunteering programmes.

Disability

In the area of disability, the Dependency Law has guaranteed the provision of care to people who cannot look after themselves, and policies to promote the integration of the disabled into the labour market have received a decisive boost.

In conjunction with disabled persons' associations, the government has drawn up the Global Action Strategy for the Employment of Persons with Disabilities. The principal goal of the text is to promote access to the job market by improving the employability and integration in the workplace of a group that represents 8.6% of the population aged between 16 and 64, and just 4.1% of the total number of people employed. The strategy contains seven operational objectives, which include 93 lines of action, and has a budget of 3.7 billion euros for increasing the rate of activity and employment and improving job quality for persons with disabilities.

Meanwhile, Spain was one of the driving forces behind the UN Convention on the Rights of Persons with Disabilities, which came into force in 2008.

Families and children

Policies that benefit families are the backbone of Spain's entire social policy. In addition to increases in minimum pensions and the implementation of the Dependency Law, recent years have also witnessed the creation of new family rights and benefits.

For example, a universal benefit of 2,500 euros is now granted to all Spanish families for the birth or adoption of every child, and social security family benefits have been improved. Furthermore, following the implementation of the Equality Law, fathers are now entitled to two weeks of paternity leave.

Meanwhile, the central government and the autonomous regions have introduced the Educa3 Plan to increase the number of infant nursery places for the 0-3 age group.

SPORTS IN SPAIN

The Sports Law of 1990 established the legal framework governing sports activities at the national level, with the State taking responsibility for competitive sports activities at the international and national levels. At the regional level, the autonomous regions and town councils play a vital role in the organisation of basic

sports within their territories and within the scope of their statutory limits in relation to the development and promotion of sports.

The quality of sports facilities in Spain at the time was far from optimum and Spain's performance in international sporting events could be classified as irregular at best, combining sporadic successes with mediocre performances in major competitions.

However, when Barcelona won the bid to stage the 1992 Olympic Games, this was the stimulus public authorities and society in general needed to take a qualitative step forward and consider sports events as the ideal scenario for publicising the culture and education of Spain as a modern nation. It provided an incentive for integrating sports into basic education at primary schools, secondary schools and university, and for encouraging our country's top sports professionals to achieve success on a regular basis in individual and team sports, where values such as solidarity, team spirit and harmony prevail.

The short-term goal of public authorities and civil society was to achieve the best results possible at the 1992 Olympics and, in the long term, lay the foundations for the development of sports culture and design certain basic guidelines to ensure that all factors converged to achieve the same objective.

The first initiative was the ADO (*Asociación de Deportes Olímpicos* – Association of Olympic Sports) Plan, which attracted private sponsorship to complement public funding. This plan established a scale of grants and incentives to promote great achievements in sport. The contribution of private funding through large companies was crucial and helped the Spanish team to achieve a record number of medals (22 in all) at the sports facilities in Barcelona.

Between 1996 and 1999, new sponsors joined the ADO Plan and a fund was created to provide financial aid for private clubs, as a kind of reward for contributing athletes to high-level national sports teams.

The ADO Plan has undergone massive changes. Another important legal development was the introduction of Law 4/2004 of 29 De-

cember, on the modification of tax rates and benefits corresponding to events of exceptional public interest, since it included, for the first time, the programme of preparations of Spanish sports professionals for the 2008 Olympic Games in Beijing as an event of exceptional public interest.

On 14 March 2005, agreements were signed with the private companies who sponsored the ADO for the 2005-2008 Olympic cycle by providing 63.1 million euros. In absolute terms, this represented an increase of 22 million euros in comparison with the sum provided for the Olympic Games in Athens. In 2007, all sports were incorporated into the programme when the ADO added the six sports omitted in 2006.

On 27 June 2005 an agreement was signed, for the first time ever, to create and fund the Special Olympics Sports Plan, ADOP (*Ayuda al Deporte Objetivo Paralímpico*), which was endowed with an initial budget of 7.3 million euros that was later increased to 12 million euros. The proposal to create this plan was approved by the government in the belief that sports should be a place of meeting open to everyone, with no barriers or exclusions. During the period 2004-2008, the National Sports Agency awarded grants worth a total 2.7 million euros to the Spanish Special Olympics Committee.

Sports Law 10/1990, of 15 October, establishes that top-level sports are considered an activity of national interest for three reasons: they play an essential role in sports development; they stimulate participation in basic sports activities by virtue of the technical and scientific demands of preparing for competition; and high-level professionals represent Spain as a nation at official international competitions and events.

The Spanish government has signed collaboration agreements with the autonomous regions to provide the necessary resources for technical preparation programmes and the scientific and medical support of top-levels sports men and women, as well as their inclusion in the educational system and their full social and professional integration.



The Spanish President with members of the Spanish Olympic team who participated in the Olympic Games in Beijing. 29 July 2008.

In order to encourage participation in basic sports activities, sports authorities promoted the Plan for the Construction of School Facilities throughout Spain, under the aegis of the Ministry of Education and Science. Under this plan, thousands of sports facilities were built in primary and secondary schools in many small Spanish towns. The programmes for developing and promoting popular sports in Spain were mainly carried out by the sports departments of local governments, the seventeen autonomous regions and the autonomous cities of Ceuta and Melilla.

Public funding for sports is channelled through the National Sports Agency, which is the central body directly responsible for sports-related activities carried out by the national government, the Directorates-General of Sports of the autonomous regional governments and the autonomous cities of Ceuta and Melilla, and the provincial and town councils in their respective fields of competency.

One important factor for sporting success is the increase of private contributions to complement public funds for promoting sports and future performance. In 2007 the National Sports Agency had the highest budget in its history, receiving 202 million euros from public and private sources. The public budget that year was 184 million euros, which represented a 6.74% increase from the 154 million euros received in 2006. The total budget allocation hit a new high

in 2008 at 217.2 million euros, of which 192.42 million came from the public treasury and 25.20 million from private sources, representing a rise of 38.83% from the previous year.

Between 2004 and 2007 Spanish athletes won a total of 1,919 medals at World Championships (729) and European Championships (1,181). At the Olympic Games in Athens we won 19 medals (3 gold, 11 silver and 5 bronze). It would be true to say that our best-ever results (with the exception of Barcelona) were obtained at the Olympic Games in Beijing in 2008, where Spanish sportsmen and women won 18 medals (5 gold, 10 silver and 3 bronze). In Athens, Spain ranked twentieth in terms of total medals, while in Beijing we ranked fourteenth out of more than 200 countries.

Spain can therefore look to the future with a certain optimism and satisfaction at the great progress made in association sports. This progress is evidenced by the numerous world titles currently held by Spain in handball, 5-a-side football and roller hockey.

Spain has become a country of reference in the international sports arena. In Beijing, it was among the countries with the greatest presence in team sports. For the first time since 1992, it had representatives in 25 of the 27 Olympic federations. The only ones in which it did not participate were the football and baseball federations, although the teams of these sports did win the European title and the third continental

position, respectively. The fact that Spain has produced figures of the stature of Gasol, Nadal, Alonso and Contador, and that several of our football players rank as world-class in the surveys, provide the country with an excellent international image.

In the international arena, Spanish sports have enjoyed two years packed with resounding successes. 2007 concluded with 22 medals at world trials, obtained in 12 different sports disciplines, while the magical year 2008 brought major victories in football (European Championships), cycling (Tour, Giro and Vuelta) and tennis (number-one world ranking, Roland Garros, Wimbledon and Davis Cup matches), which were subsequently endorsed by the second-best Olympic results in our history (18 medals, 5 of them gold) at the games in Beijing.

Spain's sportswomen have also made outstanding progress, whose professionalism and determination have taken them to a very high level of competition worldwide in team sports (basketball, handball, field hockey) and individual sports such as dressage, synchronised swimming, tae kwondo, Olympic shooting,

sailing, judo, artistic gymnastics, cycling and weightlifting.

Prior to the Organic Law of 22 March 2007 on the effective equality of women and men, we designed the National Sports Agency Action Plan to ensure full equality for women in the field of sports. Although the women's participation rate in major competitions is notably high, more women are needed in management positions. One of the measures to be adopted in this respect consists of providing more funding to federations that increase their female membership and recruit women for their management positions.

In these years, Spain has also hosted major sporting events in an attempt to encourage its citizens to take up sports and improve sporting infrastructures. Spain has a magnificent international reputation as an efficient, serious and rigorous organiser of sports events, having hosted many top international sports events since Barcelona '92.

Seville's candidacy for the 2008 Olympics allowed the city to host important events such as the World Badminton Championships (1998),

Ski resort in Sierra Nevada (Granada).





Picture of the "Madrid 2016" float during the Three Kings' (Epiphany) Parade on 5 January 2009.

World Athletics Championships (1999), the World Kayaking Championships and the World Rowing Championships (2002), and the World Equestrian Games which were held in Jerez de la Frontera that same year. Barcelona hosted the World Swimming Championships in 2003.

Madrid's candidacy for the 2012 Olympics took the baton from Seville and organised a series of competitions as part of the plan to promote the city's candidacy, including the IAAF World Athletics Championships (2002), the World Karate Championships (2002) and the ISAF (International Sailing Federation) Olympic Class World Championships (Cadiz, 2003), the Finals of the World Volleyball League (2003), the World Cycling, Taekwondo and Archery Championships (2005), and World Badminton Championships and the Women's Field Hockey World Cup in 2006. Other noteworthy events include the European Taekwondo Team Championships (2002), the European Swimming Championships (2004) and European Indoor Athletics Championships (2005).

The Mediterranean Games held in Almeria in 2005 were the best in the history of the event. The city of Almeria hosted the Conference of Sports Ministers from the countries taking part in the games, its sporting and general infrastructures having previously undergone major modernisation and transformation. The games themselves were a great success for Spain, which bagged 152 medals. Meanwhile, in 2007 the Track Cycling World Championships were held in Majorca, the America's Cup in Valencia and the European Basketball Championships in Madrid. In 2008 the Volvo Ocean Race set sail from Alicante; the IAAF World Indoor Championships were held in Valencia, the European Roller Hockey Championships in Oviedo and the European Water Polo Championships in Malaga.

The capacity to organise premier-league competitions is an increasingly decisive factor when defining a country's sporting category. The proliferation of major international sporting events has boosted Spain's importance as an organiser of such gatherings in many parts of the country and for numerous sports. We can be proud, therefore, of having enhanced our reputation in the organisation of competitions, and this is clearly a valuable incentive to continuing to attract the most important sporting events to our country. Options currently on the horizon include the organisation of the World Basketball Championships in 2014, the FIFA World Cup in 2018 and, after winning a spot on the short list in 2008, the Olympic Games in 2016.

If Madrid were to win its bid to host the Olympic Games, this would constitute an ideal springboard for projecting Spanish sports in the international arena. It would also be the perfect platform for launching a second sporting transition to complete the first, which culminated in the Olympic Games in Barcelona. This new phase would confirm Spain as a world-renowned Olympic host country. We have already achieved better results than in the previous bid, and now we must beat four excellent candidates in the final bid election.

Spain is also a pioneer in doping control and the fight against the use of prohibited methods and substances in sports. Since 1963, it has participated in all international forums on this

subject, actively searching for new methods to eradicate doping in sports. Madrid has one of the world's most prestigious doping control laboratories, which was one of the first in Europe to be accredited by the International Olympic Committee. As part of its "zero tolerance" policy towards doping, in 2006 the Spanish Government presented a Draft Bill to Parliament on the protection of health and the fight against doping in sports, which redefines these illegal practices and the penalties applicable to all sportsmen and women. The result of the legislative initiatives adopted in the 2004-2008 legislature was the Violence, Racism, Xenophobia and Intolerance in Sports Law, passed in 2007.

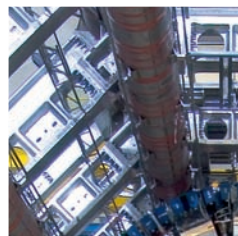
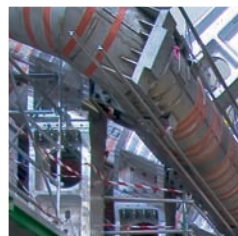
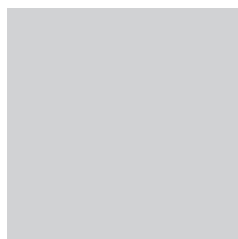
Internationally, the Spanish National Sports Agency plays an active role in the meetings, decisions and agreements of the European Union (EU), European Council, United Nations, UNESCO and World Anti-Doping Agency (WADA-AMA). The informal meetings of EU Ministers of Sports and Spanish Regional Directors-Generals of Sports, which are held every six months, reveal the need for the future European policy to consolidate existing logistical, financial and institutional achievements. Spain participates actively in the work of the WADA-AMA and in November 2007 it hosted the World Conference against Doping in Sports.

In conclusion, sports are currently regarded in Spain as a prime factor of social cohesion and a form of educational and cultural training, and our country enjoys deserved international recognition.

The role of the sports system in society has been turned on its head as sports have come to play the same fundamental role as art or culture. Our model is self-sufficient because society places increasing importance on sports. The advances obtained by Spain during this first decade of the century are there for all to see, while the sustained boost for sports, leading to one success after another, has earned a place for us among the top-ranking countries.

We are confident our sporting potential will continue to grow, and that this will be compatible with a healthy climate in which there is no place for fraud or anything else that implies a lack of sportsmanship, a term associated quite rightly with the noblest human quality.

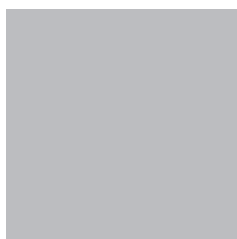
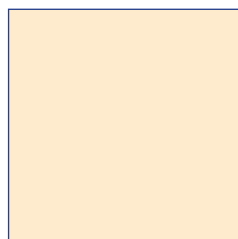
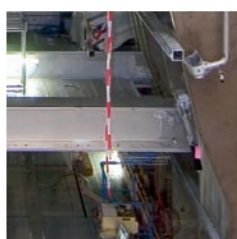
The web page of the National Sports Agency (CSD) www.csd.mec.es contains information on the most representative sports bodies, institutions and structures in Spain. The CSD's web page can also be accessed from the sports section on the web site of the Ministry of Education, Social Policy and Sports. www.mepsyd.es



CHAPTER IX



HIGHER
EDUCATION,
RESEARCH,
SCIENCE AND
TECHNOLOGY



The Ministry of Science and Innovation is the national government department in charge of drafting and enacting the administration's policy with regard to universities, scientific research, technological development and innovation in every field, as well as of coordinating all state-operated public research organisations. Specifically, this ministry is responsible for preparing proposals, managing, monitoring and evaluating the state-wide programmes and strategic actions of the national plan for scientific research, development and innovation in technology.

UNIVERSITY EDUCATION

Organic Law 4/2007, which modifies Organic Law 6/2001 of 21 December on universities, contemplates a series of reforms to increase the autonomy of universities while also demanding greater accountability in the fulfilment of their obligations and duties. The changes introduced are aimed specifically at improving the quality of Spanish universities and facilitating their incorporation into the framework of the European Space for Higher Education. This principle is promoted by the European Union via the modernisation of its universities, which it hopes to turn into active agents for the transformation of Europe into an economy that is fully integrated with the knowledge society.

Moreover, the construction of the European Space for Higher Education, launched with the Bologna Declaration of 1999, includes among its objectives the adoption of a common framework of readable and comparable degrees as a means of enhancing the employability and mobility of students and increasing the competitiveness of European higher education.

The contribution of the Spanish university system to the creation of the European Space for Higher Education and Research and the full integration of this system in that space involves a structural transformation. It also represents a milestone in terms of its conception and the methodology and objectives it entails, thus offering an important opportunity for the modernisation of the system.

The University Strategy 2015 has been introduced in an attempt to boost and improve the Spanish university system. This is an initiative of the current administration and is spearheaded by the Ministry of Science and Innovation, working in conjunction with regional authorities, universities, social and economic experts and society in general. The strategy aspires to make Spain one of the world's ten highest-ranking countries in the field of university education, science, technology and innovation. Another equally important objective is to turn our universities into some of the most appealing and competitive institutions in Europe, thus ensuring that the Spanish university system as a whole will continue to progress in its pursuit of excellence and consolidate its international status.

The Current Organisation of University Education

The structure of university education in Spain is described in Royal Decree 1393/2007 of 29 October, which establishes the organisation of official university education, dictated in compliance with Law 4/2007 of 12 April which modifies Law 6/2001 of 21 December on Universities. This Royal Decree outlines the basic structure around which universities must design their new educational programmes and degrees.

The new university education system is divided into three programmes: Undergraduate, Master's and Doctorate.

The undergraduate programme, with a course load of 240 credits, includes basic general education courses together with others designed to prepare students to practise their chosen profession and grants an Undergraduate degree to those who complete the programme.

The master's programme, with a course load of no less than 60 and no more than 120 credits, is dedicated to advanced, specialised or multidisciplinary education, designed to help students achieve academic or professional specialisation or to promote the undertaking of research projects. Those who complete this programme are granted a Master's Degree.

Finally, the doctorate programme is designed to provide students with advanced training in research techniques and leads to the achievement of a Doctorate Degree.

The new undergraduate programmes will start to be applied in the 2008-2009 academic year; nevertheless, until they have been fully implemented, these education programmes will continue to coexist alongside those in effect under the previous university education scheme, which offered the possibility of obtaining the following degrees: Honours Graduate, Engineer, Architect, Graduate, Technical Engineer and Technical Architect.

University Entrance Requirements

Access to university-level studies is obtained by passing a general entrance examination which, together with the grades obtained at higher secondary level, assesses students' academic maturity, knowledge acquired and capacity to cope successfully with university-level studies.

There are also university entrance exams for people over the age of 25. Pursuant to Organic Law 2/2006 of 3 May on Education and the Organic Law Modifying the Organic Law of Universities (known as LOMLOU), Royal Decree 1892/2008 of 14 November was recently published. This decree specifies the require-

ments for undertaking official university-level studies and the admission procedures for Spanish state universities.

The new university entrance examination described in this royal decree, which will become effective in the 2009-2010 academic year, will be based on the different study programmes and specialisations followed by higher-secondary students, and will test the final-year subjects.

Under the terms of the aforementioned Organic Law on Education, Spanish universities are open to graduates of school systems in European Union member-states or those of other nations that have signed reciprocal international agreements with Spain in this respect. However, such students must have satisfied the university entrance requirements stipulated in their own countries' education systems.

The university entrance requirements for these students are laid out in the aforementioned RD 1892/2008 of 14 November. For the first time ever, this decree also specifies university entrance requirements for individuals over the age of 45 and people over 40 via the accreditation of work or professional experience.

Available degrees, places and number of students

Spain currently has 77 universities, of which 50 are state and 27 are either private or operated by the Catholic Church (the last four private universities to open their doors did not offer classes in 2007-2008). The 50 state universities include the National Distance-Learning University and the Menéndez Pelayo International University, which are administered by the Ministry of Science and Innovation.

DEGREES AND PLACES OFFERED BY STATE UNIVERSITIES (EXCEPT DISTANCE LEARNING). 2008-09 ACADEMIC YEAR⁽¹⁾

	Undergrad		Honours Undergrad		Advanced	
	No. of places	No. of degrees	No. of places	No. of degrees	No. of places	No. of degrees
Total	127.086	1.369	111.841	943	21.186	294
Legal & Social Sciences	67.754	667	44.829	287	9.951	118
Technical Degrees	43.272	512	17.646	146	4.809	84
Humanities	–	–	24.879	305	2.967	35
Health Sciences	13.487	156	9.628	59	–	–
Experimental Sciences	2.573	34	14.859	146	3.459	57

⁽¹⁾ Provisional data in which "unlimited" degrees have been assigned 75 places.
Source: Ministry of Science and Innovation

During the 2008-2009 academic year, Spanish state universities (excluding distance learning) offered a total of 2,606 different degree programmes: 1,369 undergraduate degree programmes, 943 honours undergraduate degree programmes and 294 advanced degree programmes. The total number of available places at state universities (excluding distance learning) for 2008-2009 was 260,113, with 127,086 places in intermediate programmes, 111,841 in honours programmes and 21,186 in advanced programmes.

In the 2007-08 academic year, 1,389,394 students enrolled in undergraduate and honours programmes, of which 54.7% were women. A total of 187,767 students (from the previous year) graduated, of which 60.9% were women. 69.1% of undergraduate and honours students were under the age of 26, and 2.3% were foreign nationals.

During the 2008-09 academic year, universities began to offer the new Bologna degrees that have been authorised. In total, there are 163 new degree programmes, which have been broken down according to branch and type of university in the table below.

Official master's degree programmes were first offered in the 2006-07 academic year, with a total of 952 authorised master's programmes and 16,731 enrolled students. During the 2007-08 academic year, 1,775 master's programmes were authorised and 33,021 students enrolled, of which 53.6% were women and 22.7% were foreigners. A total of 2,021 master's programmes have been approved for the 2008-09 academic year.

The number of available Bologna doctorate programmes has also increased in recent years. 433 new programmes were authorised for the first academic year that they were offered

NEW AUTHORISED DEGREES BY BRANCH OF STUDY. 2008-09 ACADEMIC YEAR

	Total	Ordinary universities		Distance-learning
		State univ.	Private univ.	Private univ.
	163	70	85	8
Legal & Social Sciences	73	29	38	6
Engineering & Architecture	30	10	20	-
Health Sciences	25	11	13	1
Arts and Humanities	26	13	12	1
Sciences	9	7	2	-

Source: Ministry of Science and Innovation.

ENROLLED STUDENTS AND GRADUATES OF INTERMEDIATE AND HONOURS PROGRAMMES BY GENDER. 2007-08 ACADEMIC YEAR

	Enrolled students		Graduates	
	Total	% of women	Total	% of women
Undergraduate & Honours students	1.389.394	54,7%	187.767	60,9%
Honours undergraduate degree	768.650	54,7%	90.453	58,7%
Undergraduate degree	561.539	53,7%	86.420	63,1%
Advanced degree	59.205	63,2%	10.894	61,6%
Branches of study				
Legal & Social Sciences	704.225	62,9%	95.989	69,0%
Technical Degrees	347.692	27,4%	43.107	30,3%
Humanities	124.404	62,2%	14.072	67,8%
Health Sciences	122.052	74,1%	22.005	77,7%
Experimental Sciences	91.021	58,9%	12.594	67,0%
Master's students	33.021	53,6%	-	-
Doctorate students	77.654	51,8%	26.383	50,6%

Source: Ministry of Science and Innovation.

(2006-07). In 2007-08 this number went up to 852, and for 2008-09 the number of authorised doctorate programmes has reached 989.

The number of doctorate students enrolled in the 2007-08 academic year was 77,654, divided among the programmes established under Royal Decree 778/1998 and the new doctorate programmes.

The table (page 196) shows the number of students enrolled and graduated during the previous academic year.

University Teaching Staff

Spanish state universities employ two different types of teachers. On the one hand, there are

the teachers who belong to one of the University Teaching Corps and as such are civil servants. There are four different teaching corps: University Professors, Tenured University Teachers, University School Professors and Tenured University School Teachers. In the future, in accordance with the stipulations of Law 4/2007 mentioned above, these corps will be reduced to two – University Professors and Tenured University Teachers. Universities also employ teaching research staff, whose contracts fall into one of the various specific university employment categories regulated by the law: Assistants, Doctorate Assistants, Doctorate Staff, Visiting Professors and Professors Emeritus.

UNIVERSITY TEACHING CORPS FACULTY

	2004-2005		2005-2006		2006-2007	
	Total	% of women	Total	% of women	Total	% of women
ALL UNIVERSITIES	98.710	35,3%	101.660	35,4%	102.300	36,1%
State Universities	90.309	34,9%	93.033	35,1%	93.372	35,5%
Civil Servants	52.238	33,5%	52.441	33,5%	51.125	33,7%
University Professors (UP)	8.875	13,8%	8.786	14,1%	8.659	14,3%
Tenured University Teachers (TUP)	28.371	36,3%	28.202	36,4%	28.069	36,6%
University School Professors (USP)	2.509	33,1%	2.471	33,0%	2.348	33,0%
Tenured University School Teachers (TUSP)	12.238	41,3%	12.108	41,3%	11.839	41,4%
Others	245	25,7%	874	31,9%	210	23,3%
On Contract	38.071	36,8%	40.592	37,1%	42.247	37,7%
Private and Church-Run Universities	8.401	39,3%	8.627	39,3%	8.928	41,5%

Source: Ministry of Science and Innovation.

UNIVERSITY ADMINISTRATION AND SERVICES STAFF

	2004-2005		2005-2006		2006-2007	
	Total	% of women	Total	% of women	Total	% of women
ALL UNIVERSITIES	51.528	57,5%	53.294	58,2%	54.286	58,6%
State Universities	47.321	57,7%	48.850	57,9%	49.651	58,4%
Civil Servants	26.230	67,8%	26.583	43,3%	27.640	68,5%
A Class	1.726	47,9%	1.776	44,4%	1.855	48,8%
B Class	3.981	61,6%	4.061	43,7%	4.153	62,6%
C Class	12.135	69,6%	12.356	44,4%	12.899	69,9%
D Class	7.330	75,1%	7.434	41,3%	7.808	76,4%
E Class	915	49,3%	927	44,0%	896	50,1%
Others	143	72,0%	29	40,6%	29	51,7%
On Contract	21.091	45,1%	22.011	42,0%	21.735	45,4%
State International Universities	-	-	256	66,8%	276	66,3%
Private and Church-Run Universities	4.207	56,1%	4.444	61,6%	4.635	61,4%

Source: Ministry of Science and Innovation.

During the 2006-07 academic year, the teaching and research faculty (TRF) of Spanish universities rose to 102,300 people. State universities employed a total of 93,372, of which 51,125 belonged to the University Teaching Corps and 42,247 to the group of teachers on contract. The number of teachers working at private and church-operated universities, where they are hired exclusively on contract, was 8,928.

With regard to Administration and Services Staff (PAS), who are responsible for the general running and management of universities, two types are employed by state universities: civil servants, distributed between various corps and levels, and contract staff. In the private universities, all administration and services staff are on contract. The total number of administration and services staff employed in the Spanish university system is 54,286, of which 49,651 work in state universities and 4,635 in private or church-funded universities.

Grants Policy

The grants policy is a vital tool for safeguarding the principles of equal opportunity and non-discrimination in the access to post-compulsory studies for students from low-income families.

Over the last two years, the grants and financial aid policy pursued has resulted in a considerable increase in the size of grants as well as the streamlining of grant applications to facilitate faster delivery to beneficiaries. Similarly, income thresholds have been raised to extend grant eligibility to a larger number of beneficiaries. Moreover, the implementation of new master's programmes has been accompanied by a separate grants and financial aid policy.

There are a number of different grants categories in the university system, all of which are offered in the various programmes. By volume, the most important one is the general programme which offers three different types of grants: grants that cover university fees, grants or financial aid for students and grants that cover university fees for the children of large families. The criteria for awarding these grants are

family income and assets and academic performance, which varies depending on the course of study in question. There is no limit on the number of beneficiaries. Since the 2007-08 academic year, grants for master's students – those intended to cover fees as well as financial aid for students – are included in this general programme. In the 2007-08 academic year, the general programme resulted in 150,377 receiving grants for a total sum of 367.6 million euros. During the 2008-09 academic year, it is estimated that 151,713 beneficiaries will receive a total of 408.3 million euros.

There is also a grants programme for new students which is aimed at individuals who are about to begin their first year at university. In the 2007-08 academic year, this programme attracted 32,173 grants beneficiaries who received a total of 96 million euros.

The third most important in terms of volume is the mobility grants programme, which offers financial aid to students attending a university in an autonomous region other than their family's place of residence. In 2007-08, 22,513 students received a total of 95.9 million euros through such grants.

Finally, there are collaboration grants given to students who are finishing their education and work as assistants in a university department. In the 2007-08 academic year, a total of 8 million euros in grants were awarded to 3,143 beneficiaries.

The introduction of the new master's programmes has been accompanied by a specific grants and aid policy and has led to the launch of a special programme to finance graduate studies for young people under the age of 35. This consists of a zero-interest income-based loan with repayments due once the student has joined the workforce and crossed a certain income threshold.

In 2007-08, the first programme for income-based loans was offered to master's students. This special type of loan is designed to offer students highly advantageous credit terms and enable them to finance their education. During that academic year, such loans were granted to 3,662 students, of which 56.3% were women.

WEBSITES

Ministry of Science and Innovation www.micinn.es

Secretary of State of Universities web.micinn.es/contenido.asp?dir=04_Universidades

Independent Body of European Education Programmes www.oapee.es/oapee/intro.html

National Commission for the Evaluation of Research Activity

www.micinn.es/ciencia/jsp/plantilla.jsp?area=cnei&id=501

National Evaluation and Foresight Agency www.micinn.es/ciencia/jsp/plantilla.jsp?area=anep&id=22

Programmes for tenured professors, doctors and university teachers

web.micinn.es/contenido.asp?menu1=1&menu2=3&dir=04_Universidades/AA2ConBAP/02@Titulados

Programmes for organisations

http://web.micinn.es/contenido.asp?menu1=1&menu2=2&dir=04_Universidades/AA2ConBAP/01@Entidades

Grants programmes for students

http://web.micinn.es/contenido.asp?menu1=1&menu2=1&dir=04_Universidades/AA2ConBAP/00@Estudiantes

Statistics and Reports

http://web.micinn.es/contenido.asp?menu1=5&menu2=0&dir=04_Universidades/02@EstInf

Colegio de España (Spanish Hall of Residence) in Paris www.colesp.net/

CRUE (Conference of Spanish University Principals) www.crue.org/

Universia www.universia.es/index.htm

RESEARCH, SCIENCE AND TECHNOLOGY

Existe In the world's leading developed countries there is a broad consensus on the importance of science and technology in economies in which competitiveness and social welfare largely depend on the generation and application of new knowledge. Since the 1950s, these countries have also witnessed a steady growth of scientific activity and of the number of institutions and individuals dedicated to it. The view of science as a tool for generating knowledge that can be applied to technological innovation is increasingly more widespread.

At a special meeting of the European Council in Lisbon in 2000, the European Union set the strategic objective of turning the Union into the "most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion, and respect for the environment", by the year 2010. This objective comprises two specific goals: a) to ultimately set aside 2% of GDP for R&D; and b) to invest 55% of these funds in the private

sector. The creation of the Ministry of Science and Innovation in 2008 is proof of Spain's firm commitment to the Lisbon Strategy. Its mission is to further the economy of knowledge by serving as the nexus between three important areas: research, education and innovation.

In Spain, the articulation of a solid and clearly defined science and technology policy has occurred later than in many other European countries. The turning point came in 1986 with the drafting and approval of the so-called Science Law, which made research a permanent issue on the political agenda and gave rise to the creation of a government framework for action. This law recognised the important connection between science and socio-economic development in industrialised countries and recommended a coordinated focus based on research goals on one hand and the policies of R&D sectors on the other.

Now, several years after the approval of the Science Law, the figures for research, science and technology in Spain show an advance in the field as well as signs of change. The human and material resources dedicated to research have increased enormously. The Spanish economy's

investment in R&D activities has been considerable; the total expenditure on R&D climbed from 0.43% of GDP in 1980 to 1.27% in 2007. Nevertheless, this percentage is still much lower than the figures recorded in leading European countries.

The number of researchers (with the equivalent of full-time contracts) rose from 18,323 in 1980 to 122,624 in 2007. In relative terms, this represents a jump from 1.4% to 6.02% of the working population. The private sector employs 42,101 of these researchers. Different specific actions are being taken to boost these figures even higher, such as the I3 Programme aimed at encouraging long-term contracts for researchers at public research organisations and universities.

The most important spenders on R&D (13.342 billion euros in 2007) are companies (55.9%) and higher education (26.4%). In terms of investment funding, corporate contributions – also well below the European average – account for 48.1% of the total.

As for results achieved, the Spanish system is another example of the European paradox in that a relative success in the generation of knowledge is not accompanied by a commensurate application and use of scientific advances by the production network and society. Spanish scientific production, in terms of the

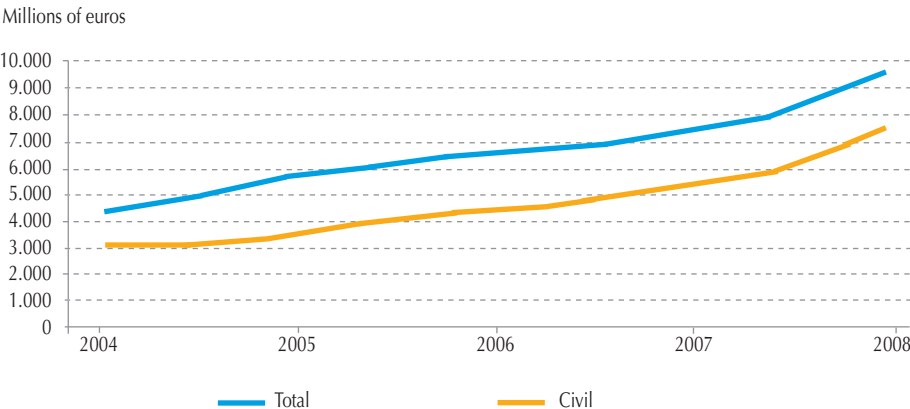
publication of articles in international journals, rose from 0.8% of global publications in 1980 to 3.1% in 2006. This figure is higher than Spain's demographic or economic weight in the world, making our country the seventh most prolific publisher of scientific articles. In contrast, the evident dynamism of basic research in Spain is not matched by patent applications and concessions, which are still notably lower than the European average.

The Technical-Scientific System

The generation and production of new knowledge and technologies are usually described as a system, that is, a group of connected components that exchange resources and information on priorities and produce a series of results with impact for the production network and society in general.

The framework for the Spanish technical-scientific system is established in the Science Law and comprises a variety of institutions: the public authorities, which provide planning and funding, set the guidelines and priorities for research and define a framework of action for R&D activities, as well as having bodies specialised in the management and application of scientific policy; the public R&D system, which includes the public institutions dedicated to

NATIONAL BUDGET FOR R&D AND INNOVATION 2004-2008



Source: Spanish Treasury, Budget Statistics and own research.

technical-scientific production as well as companies – organisations that are both producers of technological innovation and recipients of the knowledge and technological advances generated by the R&D system.

The system also relies on support infrastructures, mainly of a public nature, such as liaison units between the public and private sectors of the R&D system and other services crucial to research activity, such as laboratories and other scientific infrastructures.

With science and technology now firmly on the political agenda, the government has defined a stable science and technology policy and allocated crucial funding to R&D activities. Hence, 43.7% of the total spending on R&D is provided by the public sector. In Spain, government promotion is particularly complex due to the profound political decentralisation defined in the Constitution of 1978. Nowadays, the autonomous regions are also active in this field with their own organisations and specific action plans. In fact, they actually provide around half of all public funds for R&D.

Within the Ministry of Science and Innovation, the Spanish Federation for Science and Technology (Spanish acronym: FECYT) promotes the social dissemination of scientific culture by identifying opportunities and needs and drafting proposals for action, while the Centre for Industrial Technological Development (Spanish acronym: CDTI) supports the innovation and technological advancement of Spanish companies. The Secretary of State of Research is responsible for creating science and technology policy. The structure of this office reflects the two priorities of the current legislature with regard to science and technology: there is a Directorate-General of Planning and Coordination which, under the supervision of the Secretary-General of Science and Technology Policy, helps to define research priorities in collaboration with the autonomous regions; and a Directorate-General of International Cooperation has been created to spread the knowledge generated by the Spanish scientific and technological system to other countries.

Another two bodies also contribute to the tasks of institutional and geographic coordina-

tion: the General Council of Science and Technology, designed to coordinate and cooperate with the autonomous regions; and the Science and Technology Advisory Board, whose function is to liaise with relevant economic and social agents, such as trade unions and employers' organisations and the scientific community itself.

The public R&D network in Spain has a dual nature, its main agents being the universities and the public research organisations (OPIs). The main research centre is the Higher Council of Scientific Research (CSIC), which is multidisciplinary and multi-sectored, and there are five other organisations specialised in food and agriculture (INIA-National Institute for Agricultural Research), fishing and oceanography (IEO-Spanish Institute of Oceanography), soil and land (IGME-Geological and Mining Institute of Spain), energy and the environment (CIEMAT-Centre for Energy, Environmental and Technological Research), astrophysics (IAC-Astrophysics Institute of the Canary Islands) and health (ISCIII-Carlos III Institute of Health).

The CSIC, a government agency whose roots can be traced back to the centre and laboratories created by the Board for the Expansion of Scientific Studies and Research in 1907, is currently Spain's most important public research organisation. It has 130 centres throughout the country, which are either run solely by the CSIC or operated jointly with universities and regional authorities, and it employs 13,500 people, approximately half of whom are researchers. Its activity is multidisciplinary and addresses a wide range of sectors and every field of knowledge. The CSIC conducts basic research such as technological development, shares the knowledge gleaned from its work, helps create technology-based companies and promotes the advancement of scientific culture in society. With 6% of all Spanish researchers on staff, the CSIC is responsible for 20% of the articles in international scientific journals published by Spanish authors and for 50% of the articles appearing in the most prestigious publications. In 2007 it became a government agency, a new legal status that will help this institute achieve its goal of contributing to the advance-



Interior of CERN, the European Organisation for Nuclear Research.

ment of knowledge and to economic, social and cultural development.

The state universities, the CSIC and other public research organisations work closely together through joint CSIC-University units, university research institutes and other collabora-

tive units with other public and private organisations. All of these are the result of a working methodology that seeks to maximise efforts through collaboration and approach research problems and subjects from a multidisciplinary perspective.

R&D and Innovation Intermediaries

To support this network, the Spanish scientific system has a variety of organisations, bodies and action frameworks that serve to place R&D at the disposal of the corporate world. Their purpose is to permit the application of new knowledge and technology to Spanish production. Some of these bodies operate under the aegis of the Ministry of Science and Innovation's Secretary of State of Universities, such as the Research Results Transfer Offices (OTRIs) and the Science and Technology Parks. Some of the organisations and facilities supervised by the Secretary of State of Research include:

- Technological platforms, which involve all parties determined to promote R&D and innovation in a specific sector (businesses, technology centres, universities, etc.). These are forums of great strategic importance given their contribution to employment, competitiveness and knowledge-based growth. By identifying the existing

STATISTICS ON RESEARCH, SCIENCE AND TECHNOLOGY IN SPAIN, 2006

	Spain	EU-27*	OECD*
R&D expenditure (total R&D spending as % of GDP)	1,20	1,76	2,26
Public R&D expenditure (% of GDP)	0,53	0,64 ¹	0,67 ²
Corporate R&D expenditure (% of GDP)	0,67	1,11	1,56
New honours graduates in Science and Technology (‰ of the 20 to 29-year-old population)	11,50	13,00	–
Population with university degrees (% of the 25 to 64-year-old population)	28,20 ³	22,80 ³	–
R&D personnel (FTE) (‰ of working population)	9,50	10,20	–
Researchers (‰ of working population)	5,80	6,00	–
Scientific output: published articles (% of global output)	3,10	–	–
EPO patent requests filed (per million inhabitants)	28,10 ⁴	110,51	–
USPTO patents issued (per million inhabitants)	8,05 ⁵	58,00 ⁴	–

* 2006 data.
Source: Spanish Statistical Institute (INE), OECD (2008) Main Science & Technology Indicators.
¹2003 data (EU-25). Source: Eurostat.
²2003 data. Source: Eurostat.
³2005 data. Source: Eurostat.
⁴2004 data. Source: Eurostat.
⁵2001 data. Source: Eurostat.

medium- or long-term technological needs, they facilitate the creation of the so-called Strategic Research Agendas, which provide orientation on regional, national and European investments of interest to that specific sector as well as on public and private R&D investments that the sector may require. There are approximately fifty technology platforms in existence, and for 2008 they have been granted funding in the form of a government subsidy for 2,336,112 €.

- Singular Strategic Projects (PSE) created to implement the Strategic Research Agendas. These are projects that facilitate the creation of large consortiums in which numerous public or private representatives of the science and technology community participate, for the purpose of carrying out an action with a specific timeline and scope. Their structure includes everything from a steering committee to scientific and technical committees. In addition to applied research, they may address technological development and demonstrations.

- Technology Centres, non-profit organisations that conduct R&D and innovation projects with companies. These are often described as intermediaries between public research and productive output, but they are more than that: they generate knowledge, have important facilities and laboratory equipment and boast their own staff of technological experts and researchers as well as administration departments and personnel. At present, there are 96 Technology Centres in Spain, 72 of which applied for the financial aid packages offered by the Ministry of Science and Innovation in 2008.

- The Singular Scientific and Technical Facilities (ICTS) are one-of-a-kind centres that receive public funding and support by virtue of their high investment and maintenance cost or their unique and strategic nature. There is a national ICTS network of 55 facilities: 23 are already operational, 24 have been approved and 8 are in the works or under construction. Every facility is co-funded by the autonomous region in which it is located. Examples of existing ICTS centres include the Antarctic Bases, the Solar Platform of Almería or the Iris Network of advanced telematic services for the science community. In addition to these ICTS, Spain partici-

pates in major international facilities such as the European Space Agency (ESA) and the European Organisation for Nuclear Research (CERN). In September 2008, the latter launched its Large Hadron Collider (LHC), a gigantic science project that will investigate the origins of the universe and has already been hailed as one of humanity's greatest scientific achievements.

- Finally, mention must be made of the network of Spanish companies, whose importance cannot be underestimated as it is they who put knowledge to work and make it profitable. They are the ones who develop innovations based on the resources provided by other components in the system, whether by improving production processes or putting new goods and services on the market. In 2007, Spanish companies were responsible for 55.9% of all R&D spending, and their investment in R&D activities accounts for 48.1% of the total. They employ 42,101 full-time equivalent researchers involved in R&D activities.

Research Funding and Grants

Desde Since the mid-1980s, Spain has been working to design and implement scientific policy to address the shortcomings of science in our country. Today, after a series of planning initiatives (National R&D and Innovation Plans) and other ad hoc programmes, public involvement in the field of science and technology has materialised in different types of actions:

- Government coordination of the design and implementation of policy and supporting structures for management and evaluation.

- Legislative and regulatory action aimed at creating a favourable general framework for research, both for research activity at universities and public R&D centres and for the private sector via tax relief measures.

- Financial aid for research and innovation.

- Specific actions to improve the system's operative capacity with regard to the coordination and interaction of the system's components (public authorities, public R&D system and companies), the training of human resources, the promotion of basic research and public in-

vestment in scientific and technological infrastructure and other R&D support services.

This boost from the public sector is correlated in the figures of public expenditure. The budgetary provisions for this kind of activity at the national level have increased consistently in recent years. In the draft version of the 2009 National Budget, the national policy for research, development and innovation was provided with 9.662 billion euros in funding, most of which will be used to fund civil research (84.9%). This budget for civil R&D and innovation (totalling 8.203 billion euros) has grown by 183% in the last five years alone. The funds are primarily managed and assigned by the Ministry of Science and Innovation (72.1%) and, to a lesser degree, the Ministry of Industry, Tourism and Trade (25.6%).

In 2005, a new strategic government initiative came to light – the INGENIO 2010 Programme. In addition to maintaining existing R&D support activities, this programme introduced new resources and new actions aimed at strengthening public-private collaboration in R&D and innovation. It is also an instrument for promoting Spain's participation in the Seventh European Union R&D Framework Programme, increasing critical mass and encouraging excellence in research and the full development of the information society.

The end goal of Ingenio 2010, in accordance with the Lisbon commitments, is to improve Spain's position in the context of the European

Union and the OECD in terms of both the generation of knowledge and competitiveness by making use of technological innovation.

The programmes laid out in INGENIO 2010 have been incorporated into the 2008-2011 National R&D and Innovation Plan. The four most significant are: Euroingenio (to increase the benefits of Spanish participation in the 7th Framework Programme); Avanza (managed by the Ministry of Industry, Tourism and Trade, whose goal is to help Spain reach the European average of Information Society indicators); and CENIT and CONSOLÍDER, two initiatives of the Ministry of Science and Innovation.

The National R&D and Innovation Plan

The National R&D and Innovation Plan, which is funded by the Spanish government and European Union structural funds, is one of the pillars of public action and the primary instrument for planning and assigning priorities in technological research and development. It contains the plan for actions to be taken over a four-year period and defines the strategic objectives and focal points of public action and specific programmes in the different scientific fields that determine the ranking of priorities. The plan now in effect covers the 2008-2011 period and maintains three general principles, which are the main guidelines that shape Spanish science and technology policy:

- To serve the citizens, ensure the welfare of society and promote sustainable development, with the full and equal participation of women.
 - To contribute to the improvement of business competitiveness.
 - To recognise and promote R&D as an essential tool for generating new knowledge.
- In order to follow these guidelines, the National Plan outlines the following strategic objectives:
- To make Spain a global frontrunner of knowledge.
 - To promote a highly competitive corporate sector.
 - To develop a comprehensive policy on science, technology and innovation.

INGENIO 2010 PROGRAMME: STRATEGIC GOALS, FUNDING AND INSTRUMENTS OF ACTION

- Increase the ratio of R&D investment to GDP from 1.05% in 2003 to 1.6% in 2008 and 2% in 2010.
- Increase the private-sector contribution to R&D investment from 48% in 2003 to 52.5% in 2008 and 55% in 2010.
- Achieve the EU-15 average percentage of GDP spent on Information and Communication Technologies, moving from 4.8% in 2003 to 6.4% in 2008 and 7% in 2010.

- To move forward in the international context so that the system can make a qualitative leap.

- To create a favourable environment for investing in R&D and innovation.

- To promote the culture of science and technology in society.

The structure consists of four areas that are directly related to these general objectives: the generation of knowledge and of scientific and technological capacities; the promotion of co-operation on R&D activities; sector-specific technological development and innovation; and strategic actions.

In order to meet these objectives in accordance with the four areas described above, the plan identifies six Instrumental Lines of Action that will be further developed through National Programmes:

- Human resources.
- R&D and innovation projects.
- Institutional reinforcement.
- Scientific and technological infrastructure.
- Use of knowledge and transfer of technology.
- Coordination and internationalisation of the system.

The National Plan aims to streamline traditional management mechanisms with the publication of a single order regulating the terms of each Instrumental Line of Action and one call for applications per National Programme. In the case of the Strategic Actions, their specific instruments of action may be consolidated in additional calls for applications. Reducing the administrative workload is one of the primary goals of the 2008-2011 National Plan.

The ENCYT and the New Science Law

La Identifying the capacities, opportunities, problems, challenges and ways to meet the needs of the entire Spanish R&D and innovation system has served to define the so-called National Science and Technology Strategy (ENCYT). This strategy outlines the major principles that must govern our research and innovation policies and programmes.

The ENCYT, which covers the period up to 2015, was prepared in a collaborative effort between representatives of Spain's science and technology system, of the national and regional governments, of R&D and innovation workers (scientists and technological experts) and of civil society (unions and business associations), among others. It was agreed upon at the Inter-ministerial Commission of Science and Technology and the Conference of Presidents of Autonomous Regions in January 2007, thus becoming an element of consensus and consolidation for Spain's science and technology policies. It also laid the foundation for the creation of a framework of greater cooperation in the R&D field between national and regional authorities.

As stated earlier, science and technology in Spain have made great progress and shown an obvious tendency towards change in recent years. This is why it was necessary to prepare a new Science Law to replace the existing legislation from 1986. Although it is currently being drafted, some of the law's basic aspects will be as follows:

- Establishment of the principles and objectives of Spanish science and technology, linked to modernisation and a change in the model of production.

- Definition of the governance mechanisms of the Spanish science and technology system, particularly those related to the bodies and instruments of coordination, planning and participation.

- Acknowledgement of the scope of public involvement in the Spanish scientific system, whose agents and participants have increased and diversified in recent years.

- Definition of the mechanisms for transferring knowledge to production sectors and promoting innovation.

- Positive evaluation of the research activities of public and private agents and improvement of the mechanisms of communication between the two.

- Design of the various stages of university research studies.

- Streamlining of all existing instruments for promoting science and technology.

- Recognition of the European nature of Spanish research in terms of standards, regulations and priority lines of action. Internationalisation (beyond the EU) of the Spanish scientific system and coordination of its participation in development cooperation projects.

- Familiarisation and increased awareness about science in society, with measures to facilitate a better understanding of the science community's efforts by publicising and encouraging a science culture.

Internationalisation

Science and technology are high on the list of political priorities and they have also gained tremendous importance in global society. Spanish science has been completely European for some time: we played an important part in the creation of the ERA (European Research Area) during the Ljubljana Process, providing a scientific and legal framework that would allow researchers to work in conditions of improved mobility.

The Ministry of Science and Innovation is involved in the Joint Technological Initiatives (JTIs) and the Research Infrastructures (RI), participating in the construction of pan-European infrastructures such as X-FEL and FAIR. It also oversees the construction of other major facilities in Spain such as the European Neutron Spallation Source (ESS) and the European Extremely Large Telescope (E-ELT).

Spain is involved in all major European programmes and activities in the area of scientific and technological cooperation, such as the EU R&D Framework Programme, the Eureka programme, the European Organisation for Nuclear Research (CERN, home of the LHC or Large Hadron Collider), the European Molecular Biology Laboratory (EMBL), the European Space Agency (ESA) and the International Thermonuclear Experimental Reactor (ITER).

Now our goal is to further internationalise Spanish science, which is already European, and to support the internationalisation of the ERA. The creation of a Directorate-General of International Cooperation within the Ministry of Science and Innovation is a reflection of this goal and of the conviction that now is the perfect time to reinforce Spain's status in the global R&D and innovation community.

It was recently confirmed that Spain, via its Ministry of Science and Innovation, will participate in the International Cancer Genome Consortium (ICGC), the largest international research project ever created to investigate the genome of this disease. Other participating countries include Australia, Canada, China, France, India, Japan and the United Kingdom. Spain's task will be to study the genome sequence of chronic lymphocytic leukaemia, the most common type of leukaemia affecting adults in Western nations which generally cannot be cured using the therapeutic strategies that are presently available.

WEBSITES

Ministry of Science and Innovation www.micinn.es

Secretary of State of Research http://web.micinn.es/contenido.asp?dir=05_Investigacion

National R&D and Innovation Plan www.plannacionalidi.es/

INGENIO 2010 Programme www.ingenio2010.es/

National Science and Technology Strategy

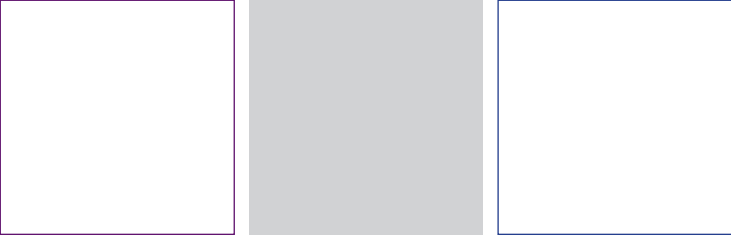
http://web.micinn.es/contenido.asp?menu1=2&menu2=2&dir=05_Investigacion/01@APoliticas/02@Encyt

Public Research Organisations (OPIs)

http://web.micinn.es/contenido.asp?menu1=6&menu2=0&dir=05_Investigacion/04-OPI

Spanish Foundation for Science and Technology www.fecyt.es

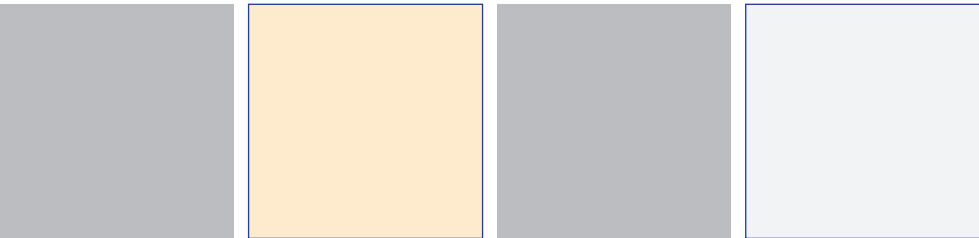
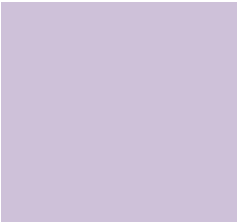
Centre for Technological and Industrial Development: www.cdti.es/



CHAPTER X



THE NATURAL,
RURAL AND MARINE
ENVIRONMENT



CLIMATE CHANGE

Following the conclusion of the 2005-2007 National Allocation Plan (NAP) for the allocation of greenhouse gas emission allowances, Spain has now embarked on a new period for the allocation of greenhouse gas emission allowances via the 2008-2012 NAP. The new plan proposes a total allocation of 152,250 Mt CO₂/year, representing a reduction of 19.8% in relation to 2005 emissions.

In addition to the implementation of the 2008-2012 NAP, the Government Executive Committee on Economic Affairs held on 17 July 2008 identified six strategies for the reduction of greenhouse gases: Waste and Manure Management, Sustainable Mobility, Sustainable Building, Sustainable Energy, Forestry Policy and Sinks, and Innovation. Working groups at every ministerial department are participating in the definition of these strategies and the implementation of the various measures.

These measures, specified below, are a vital complement to the economic mechanism established by the emission allowance market to combat the effects of diffuse emissions on the climate.

Waste and manure management

One of the most important objectives is the Integrated National Waste Plan (INWP). There are also plans to promote better manure and slurry management in order to reduce the emissions produced by these materials. Meanwhile, the capture and use of biogas obtained from manure and slurry is under contemplation via the formulation of the Slurry Biodigestion Plan.

Sustainable mobility

To achieve this objective the Government Executive Committee on Climate Change decided to actively promote the enactment of a regulation with law status (the Sustainable Mobility Law) and a national strategy for sustainable mobility comprising transport infrastructure and modal change policies, an industrial and vehicle innovation policy, and a policy on innovation in fuel, air quality, noise, safety and health.

Sustainable building

The principal objective of this strategy is to promote energy efficiency and a higher degree of self-sufficiency in energy consumption in housing and buildings. The actions contemplated impact on the construction of new housing (by strengthening the application of the Technical Building Code), on existing housing (via the implementation of the RENOVE Plan, a grants programme for the renovation of building exteriors), and on non-residential buildings (by pushing ahead with the application of the Energy Saving and Efficiency Plan in central government buildings).

Sustainable energy

The aim of this strategy is to integrate community energy saving and improved efficiency objectives and to promote renewable energy sources. In this respect, the most important measure is the enactment of the Energy Efficiency and Renewable Energy Law. There are also plans to review and update the 2013-2020 Energy Saving and Efficiency Plan and the Renewable Energy Plan for the 2011-2020 period. In addition, this strategy also contemplates the creation of a national legal framework for the capture and geological storage of CO₂ (the relevant community directive is currently at the negotiation stage).

Forestry policy and sinks

In this case, the objective is to promote the carbon fixing potential of forests and agricul-

tural activities. As one of the measures contemplated in the plan put to the Council of Ministers by the Ministry of the Natural, Rural and Marine Environment (MNRME) on 12 September 2008, 45 million trees are to be planted by 2012.

Innovation

The purpose of this strategy is to reinforce research, modelling and technological development in water management in order to increase response and adaptation capacities in situations of extreme climate conditions, and to promote and develop technologies, with a special emphasis on renewable energy sources.

The various actions planned include the creation of the Climate Change Research Institute, the creation of a Renewable Energy Technology Centre, and regular assessments of general awareness about climate change in Spain.

ENVIRONMENTAL ASSESSMENT

The Environmental Impact Assessment Law

Royal Legislative Decree 1/2008 of 11 January approved the Amended Text of the Environmental Impact Assessment Law which regularises, clarifies and harmonises all existing legal regulations pertaining to environmental impact assessment.

Meanwhile, efficiency measures are being introduced to improve environmental impact assessment procedures, maintaining the environmental guarantees and rigour of environmental impact statements but speeding up the process involved. These measures are as follows:

- Enhancing the transparency of procedures by permitting consultation on the MNRME website.
- Promoting electronic processing.
- Adapting the procedure by establishing open-ended deadlines and determining the effects of failure to respond to consultations.

- Creating monitoring committees with representatives from the MNRME, the Ministry of Public Works and the Ministry of Industry, Tourism and Trade.

- Coordinating with the autonomous regions.

The protection of the atmosphere

The European Environment Agency (EEA) estimates that emissions of air pollutants will fall across Europe over the next two decades thanks to the gradual implementation of legal instruments to monitor emissions, either already in force or in preparation, and to structural changes in the energy system. Most of the reductions are expected to affect energy-related emissions, especially SO_2 , NO_x , COV and primary $\text{PM}_{2.5}$, with fewer reductions in agricultural emissions.

Despite the measures introduced in the past, both the assessments conducted across the whole of the EU as part of the CAFE Programme (*Clean Air For Europe, 2001*) and those carried out in Spain by the autonomous regions in keeping with current legislation reveal that contamination levels with highly adverse effects still exist.

The main problems detected in the latest assessments conducted in Spain are as follows:

- In large cities: exceedance of the maximum established nitrogen dioxide values, mainly due to traffic.
- Exceedance of maximum sulphur dioxide values in certain industrial areas, due to petrochemicals or thermal power stations fuelled by carbon with a high sulphur content.
- Presence of PM_{10} particles due both to industrial sources and traffic, as well as the climate and geographical conditions of our country.
- Exceedances of target ozone values in suburban and rural areas due to the atmospheric dispersion of precursor pollutants from urban areas and to climate conditions favourable to the formation of ozone.

In Spain, air quality assessments reflect both our special meteorological conditions

(higher solar radiation, which favours photochemical pollution and, therefore, the formation of ozone, particle re-suspensions due to the shortage of rain, etcetera) and our special geographical conditions (episodes of particle intrusions from the Sahara).

Measures already underway and measures planned

The government has adopted the 2nd National Emission Reduction Programme in line with the contents of Directive 2001/81 on national emission ceilings for certain air pollutants (ammonia (NH₃), nitrogen oxides (NO_x) and volatile organic compounds (COV), and sulphur dioxide (SO₂) by 2010). Among other actions, this programme contemplates the following: voluntary agreements with the autonomous regions to reduce energy-related emissions, specifically from road and air transport; the introduction of legal instruments to limit the emission values of certain non-regulated values; the creation of plans and programmes to promote the use of cleaner vehicles, etcetera.

At the end of 2007, parliament approved the text for the new Air Quality and Atmosphere Protection Law (Law 34/2007 of 15 November) presented by the Ministry of Environment, the purpose of which is to reinforce government action on air pollution and achieve healthy levels of air quality.

In relation to public information, the year 2008 witnessed a new stage in the recording and notification of emissions by industrial parks to the National Pollutant Release and Transfer Register, PRTR-Spain. The principal aim of the register is to inform the public in general, and publish on the internet at www.prtr-es.es, of the emissions of air, water and land pollutants generated by the main industries, as in fact had been the purpose of the previous European Pollutant Emission Register, EPER-Spain. The main difference between the PRTR and the EPER is that the former has a larger scope, affecting more industries, more pollutants and more channels. It also includes information on waste transfer for management outside the industrial parks.

The sustainable management of chemical products

The greatest instrument for the sustainable management of chemical products in the European Union is the REACH Regulation, which was passed on 18 December 2006 and came into force on 1 June 2007. Its principal aim is to safeguard human health and the environment from the risks of chemical substances without undermining the competitiveness of the European chemical industry.

One important aspect of the regulation is that the information generated by manufacturers and importers and evaluated by the agency in association with the member states will greatly facilitate the implementation of other regulations related to the prevention and control of pollution from chemical substances.

To guarantee compliance with the regulation, a bill has been drafted establishing the framework for sanctions contemplated in Article 126 of the REACH Regulation. This bill has now been approved by the Council of Ministers and is continuing its progress through parliament.

The new regulation reinforces the obligation of the various government authorities to collaborate in ensuring compliance with the law. The text also contains a list of infringements and sanctions. Other articles contemplate a sliding scale of sanctions, the role of the autonomous regions in imposing sanctions and a description of the various infringements and sanctions. Furthermore, the bill establishes the prevalence of criminal liability over administrative liability and contemplates the concurrence of sanctions.

Waste management policy

The legal framework concerning waste management continued to be developed in 2008 by virtue of Law 10/1998 pertaining to this specific issue.

On 1 February 2008, the Council of Ministers approved Royal Decree 105/2008, which regulates the production and management of construction and demolition waste (CDW). This Royal Decree had previously been inclu-

ded as a recommendation in the 2001-2006 National Construction and Demolition Waste Plan.

Royal Decree 105/2008 is now, therefore, a vital tool for CDW management. It applies principles such as the producer's responsibility, waste prevention and the shared responsibility of all the agents involved in the CDW production and management chain (developers, designers, government bodies, builders, managers, etcetera). Its aim is to contribute to the sustainable development of the construction industry in Spain by promoting the prevention, reuse, recycling, evaluation and proper treatment of CDW destined for elimination.

On 1 February 2008, the Council of Ministers also approved Royal Decree 106/2008 on batteries and accumulators and the environmental management of spent batteries and accumulators. The scope of the decree covers both batteries and portable accumulators, which includes those most frequently used for domestic consumption as well as those used in industries and vehicle manufacturing. It also prohibits the marketing of batteries and accumulators containing certain quantities of mercury or cadmium.

Spent batteries and accumulators will now have to be treated and recycled in processes that comply with the efficiency standards established in the royal decree. The producers, which include importers, are legally obligated to cover all the collection and management costs, as well as the costs of publicity campaigns.

On 16 July 2008, after over a year of joint efforts to draw up a comprehensive list of the existing illegal dumping grounds and agree on measures for their removal, the Directorates of Environmental Quality and Assessment of the Ministry of the Natural, Rural and Marine Environment and the autonomous regions implemented a plan of action for illegal dumping grounds in Spain.

The year 2008 saw the approval of the 2008-2015 National Integrated Waste Plan (NIWP).

The principal aim of the NIWP is to encourage the various government and funding

agencies involved in the consolidation of waste management to efficiently integrate the guiding principles of European waste policy and significantly improve waste management in Spain. Specifically, the plan seeks to modify the current growing trend of waste generation by promoting efficient prevention and reuse, consolidating recycling and other forms of use, and reducing the recourse to dumping grounds by eradicating illegal dumping. It also recommends increasing waste treatment infrastructure in Spain and improving the efficiency of the existing infrastructure.

The NIWP encompasses urban domestic waste, waste subject to specific legislation (hazardous waste, end-of-life vehicles, end-of-life tyres, spent batteries and accumulators, electrical and electronic appliances, waste containing PCB/PCT, construction and demolition waste, sludge from sewage treatment plants and waste from extractive industries), contaminated land and certain non-hazardous agricultural and industrial waste which, despite a lack of specific legislation, is nevertheless important due to its quantity and impact on the environment. Furthermore, the plan includes a strategy for reducing biodegradable waste destined for dumping grounds.



THE RURAL ENVIRONMENT

Agriculture in Spain

Agriculture in Spain is a strategic sector of great social, territorial, environmental and economic importance.

Half of the surface area in Spain is given over to agricultural or livestock activities (32% corresponds to farmland and 17% to meadows and pasture land). The agri-foodstuffs sector is one of the most dynamic sectors of the Spanish economy. Agricultural products continue their upward trend, currently bringing in over 40 billion euros.

The Spanish agri-foodstuffs industry is the largest industrial sector in the country (employing around half a million people and with sales in excess of 78 billion euros, representing 16% of total industrial sales).

Furthermore, exports of the agri-foodstuffs industry consistently reveal a positive trade balance.

The national agricultural policy

Within the framework of the CPA and the national agricultural policy, Spanish agriculture has a specific priority: to consolidate and increase secure, quality, market-oriented and sustainable production, in terms of both its economic and social viability and the respect for environmental practices and regulations, and to fulfil the functions assigned by society which are not strictly productive.

Products

The value of agricultural production in Spain in 2007 rose to 40.2 billion euros, of which 60.6% corresponded to crop production.

Due to the variety of climate and soil conditions, Spain boasts a great diversity of crops and, consequently, of products: Mediterranean, tropical and those associated with a temperate climate. The value of fruit and vegetable production represents 58% of Spanish crop production. Other crops of considerable importance are olives and grapes.

Olive oil and table olives

Spain is the largest olive oil producer in the European Union, providing 48% of the total and boasting 2.5 million hectares of land given over to olive groves. The value of olive oil production represents 7.5% of the total crop production. In the 2007/2008 campaign, over 600,000 tons of oil were exported. The principal destination for exports is the European Union (78%).

The trade balance for table olives, like olive oil, is also notably positive. The majority of the production is exported, the annual average ranging between 250,000 and 300,000 tons.

Fruit and vegetables

The value of production in the fruit and vegetable sector rose to approximately 14.2 billion euros in 2007 (35% of the value of Spain's agricultural production). The 2007 trade balances for both fruit and vegetables were positive: 3.303 billion euros and 2.728 billion euros, respectively. The European Union is the principal destination for our exports, absorbing over 85% of the volume and over 90% of the value.

Fruit, processed vegetables and citruses reported a trade balance in excess of 1 billion euros.

The wine sector

The average wine production is approximately 40 million hectolitres of wine and grape must, of which 13 million hectolitres correspond to



quality wines and 21 million to table wines. In 2007, a record 15.3 million hectolitres of wine were exported, with a value in excess of 1.8 billion euros. The common market is the principal destination for our exports, absorbing approximately three quarters of the volume exported. The five main destination countries for our products are France, Germany, Portugal, the United Kingdom and Italy. Meanwhile, in 2007 our exports to the United States rose by 19% in terms of volume and 11% in terms of value.

LIVESTOCK BREEDING

A longstanding tradition in Spanish agricultural production, this economic activity has been considerably reinforced since our country joined the European Union.

In 2007, livestock production reached 15 billion euros, which represents 35.5% of the final agricultural production.

The most important livestock sector in Spain is pork, which contributes a third of the total value of livestock production. After Germany, Spain is the largest pork producer in Europe with an animal population of nearly 24.6 million. It is also the most active sector in terms of international trade, Spanish pork exports having risen to 21% of national production. In the last six years, pork exports have risen by 60%.

This sector is followed in importance by beef and veal which, with an animal population of 6.4 million represented 15% of livestock production in 2007.

Milk production accounts for 19% of livestock production, and, as a result of the application of production quotas, the cow population has stabilised at around one million heads.

The sheep and goat sector, with a population in excess of 25 million heads, accounts for 12% of final livestock production. This sector is followed by the poultry sector, which also contributes 12%, while egg production represents 6%.

The meat sector has a positive trade balance, the value of exports having doubled in the last eight years to over 2.7 billions euros in 2007. Furthermore, the pork and egg indus-

tries, both surplus sectors in our country, are vital for maintaining the balance of the domestic market.

THE FISHING INDUSTRY IN SPAIN

The fishing fleet

The Spanish government has made a great effort to adapt the Spanish fishing fleet to the fishing grounds in order to ensure the sustainability of fishing resources, and bring it in line with the European Union framework. As of 31 December 2007, the Spanish fishing fleet comprised 13,006 vessels, of which 96% operate in national fishing grounds (12,494). Another 233 vessels operate in EU fishing grounds and 279 in the waters of third countries, although vessels often alternate between fishing grounds.

Of the total, 70% are in convergence regions (Galicia and Andalusia) and 30% in non-convergence regions (the remainder).

Aquaculture

Parallel to traditional fishing, the aquaculture sector has experienced extraordinary growth in Spain. Thanks to the degree of productive and technological development in recent years, and in terms of the sustainability of resources, this activity has become a complementary source of food to extractive fishing.

In 2007, the production of marine and freshwater aquaculture rose to a total 400,000 tons, of which 301,865 tons corresponded to mussels and 98,135 tons to other fish, molluscs and crustaceans. The breakdown within the fish group was as follows: 17,836.3 tons of gilthead seabream, 9,438 tons of bass and 6,215 tons of turbot in the marine category, and approximately 30,000 tons of trout in the freshwater aquaculture category.

Production and employment in Spain

Total captures by the Spanish fleet reached 763,864 tons in 2007, of which 355,600 tons

were extracted from the Northeast Atlantic (ICES); 102,200 from the Western Indian Ocean; 84,700 tons from the Mediterranean; 81,500 tons from Central East Atlantic waters and approximately 62,000 from the Southwest Atlantic. The fleet employs 33,069 workers on board (Mariners' Social Institute figures), principally in Galicia and Andalusia, which represent 70% of the total. Spain leads the European Union in the value of offloaded fish, in tonnage of fleet and in numbers of fishermen. However, it ranks third, behind Greece and Italy, in total number of vessels; and second, behind Denmark, in volume of total captures and offloads.

Fish sales

The marketed volume of catches stands at 538,128 tons of fresh fish, 219,653 tons of frozen fish and 272,596 tons from aquaculture, with a total value of 1.815 billion euros.

The foreign fishing trade

Spain has one of the highest fish consumptions per capita, currently standing at around 36.5 kg per year and doubling the EU figure of 15 kg per year. Consequently, our production cannot satisfy market demand and Spain therefore has to import a high percentage of its fish.



Mussel farming, San Carles de la Ràpita (Tarragona).

In relation to foreign trade, Spain is among the top ten countries in terms of the market value of fish products. Imports rose to 1,707,022 tons in 2007, with a value of 5.221 billion euros. Of these, 27% (31% in value) came from EU countries.

Meanwhile, exports rose to 967,050 tons and a value of 2.432 billion euros, with EU countries receiving 67% (78% in value).

WATER

Water Policy

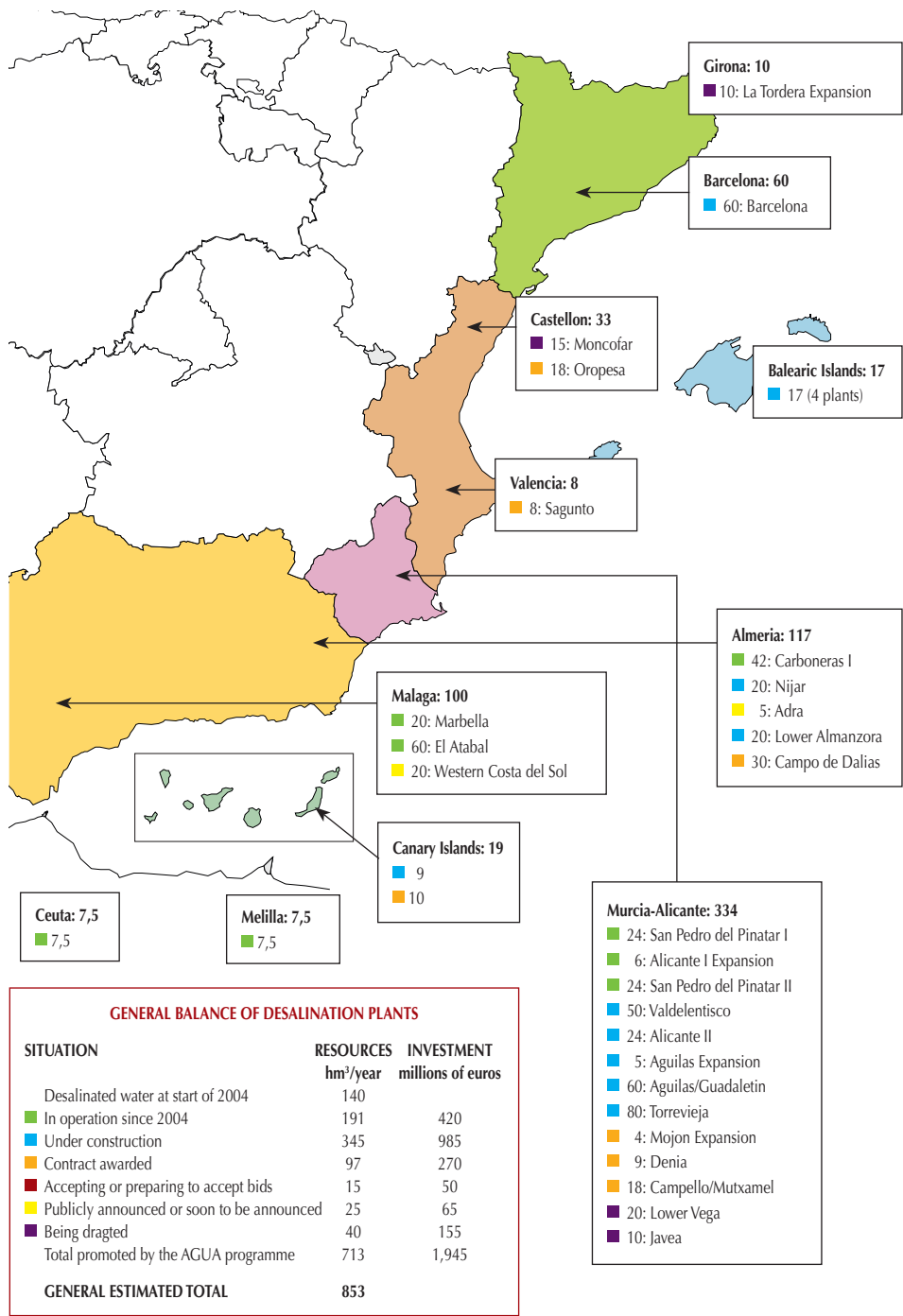
The water policy pursued by the Ministry of the Natural, Rural and Marine Environment is underpinned by the principles of the protection and recovery of water masses, together with a use of same in line with the Water Framework Directive. An integrated system of water resources management is currently in place, based on recovery and environmental management, the improved use of water, increased investment (mainly for modernising infrastructure) and planned management for natural disasters such as droughts and floods. New river basin plans are also being prepared that reflect the needs and wishes of Spanish citizens.

The priority projects currently underway affect the availability of resources for water basins with deficits or serious problems such as the over-exploitation and contamination of aquifers.

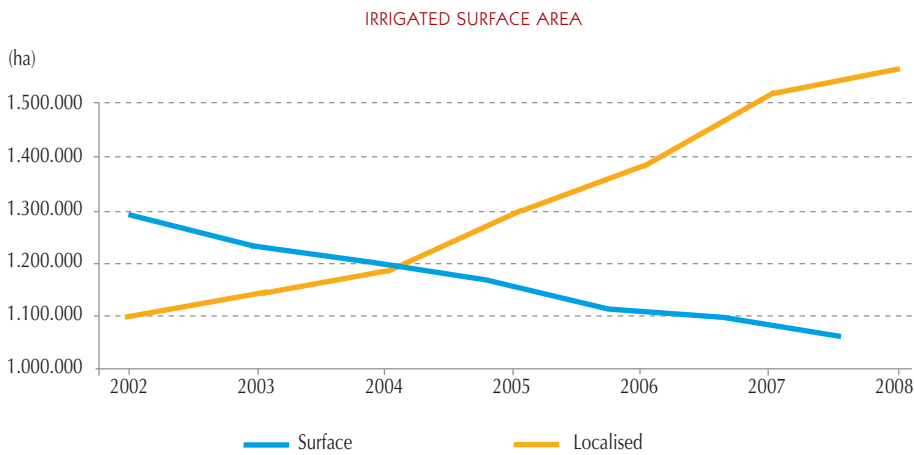
Throughout 2008, intense efforts have been dedicated to the following:

- River Basin District Plans: through the publication of documents entitled "Outlines of Important Issues" and citizen participation in their contents, a set of new plans will be drawn up and approved over the course of 2009.
- Modernisation of irrigation systems: on the point of concluding the modernisations contained in the 2006-2007 Emergency Plan, and with the Horizon 2008 National Irrigation Plan also about to end, under the auspices of which two million hectares have been modernised, the ministry is currently working with the autonomous regions on a new sustainable irrigation plan (2009-2015) to complete the modernisation of the entire usable agricultural area.

SITUATION OF THE AGUA PROGRAMME DESALINATION PLANTS
September 2007. All Capacity Figures In Hm³/ Year



Map of A.G.U.A. programme desalination plants on the Mediterranean coast, the Canary Islands, Ceuta and Melilla.



The hectares containing localised irrigation systems now far surpass those with surface irrigation, which clearly reflects the modernising effort of these plans.

- **Water quality.** Currently, 90% of waste water is treated and purified. Over 800 million euros have been invested in improving quality and purifying water.
- **Desalination.** Following an investment of 575 million euros, ten new desalination plants are currently in operation, producing 265 hm³ per year of water recovered from the sea. The volume of drinking water obtained from desalination has doubled since 2004. Another 11 desalination plants are currently under construction which, thanks to an investment of 965 million euros, will provide an additional 306 hm³ of water.

In an attempt to reduce speculation and excessive urban development, the Land Law establishes the binding nature of the mandatory reports published by the hydrographic confederations on the availability of water prior to commencing any new urban development project.

Work has begun on the preparation of the National Map of Floodable Zones in two large geographic areas: Cantabria and the area of the Júcar River Hydrographic Confederation. The information contained in this system will be made available to central, regional and local government bodies and will be publicised in keeping with the law on freedom of information.

THE NATURAL ENVIRONMENT AND BIODIVERSITY

Endangered species

Thanks to its wide array of habitats, Spain has a great diversity of species. According to one estimate, approximately 80,000 species are present on the mainland and islands, and Spain boasts the richest variety of vascular flora in Europe and the Mediterranean region.

Law 42/2007 on Natural Heritage and Biodiversity established the List of Species Requiring Special Protection and the Spanish Register of Endangered Species, which will include the threatened taxa or populations, subdivided into the categories “in danger of extinction” and “vulnerable”, and the obligation to draw up a recovery plan to guarantee their preservation. The law may also designate critical areas for their possible inclusion in the Spanish Register of Habitats in Danger of Disappearance.

Natura 2000

This is an ecological network of areas whose biodiversity requires proactive conservation efforts. It is the most ambitious initiative undertaken by the European Union to protect the

natural heritage of the member states and halt the loss of biodiversity.

Its purpose is to guarantee the long-term survival of the most important natural habitats and wildlife species at risk in Europe. The network comprises Special Areas of Conservation (SACs), established in line with the Habitats Directive (92/43/EEC), and Special Protection Areas (SPAs) for birds, created under the auspices of the Birds Directive (79/409/EEC).

Spain's contribution to the network comprises 25.8% of its total surface area, located in four different bio-geographical regions (Alpine, Atlantic, Mediterranean and Macaronesian).

Forestry policy: fires

Forest fire prevention efforts and increased means for collaborating with the autonomous regions in their fire fighting tasks have led to a



The brown bear is in danger of extinction in Spain. Only a few specimens remain in the Cantabrian Mountains and the Pyrenees.

significant decline in the number of fires and the burned area in relation to previous years. In 2008, the forest area affected by fire was the smallest of the last decade, with a total of 38,523.53 hectares compared to the decade average of 127,143.41.

NATIONAL LIST OF ENDANGERED SPECIES					
Number of taxa (species and sub-species) listed by endangerment category					
Taxonomic groups	In danger of extinction	Sensitive to habitat alteration	Vulnerable	Of special interest	Totals
Flora	112*	7*	9*	11	139* 137 taxa
Invertebrates	16	7	9	10	42 42 taxa
Vertebrates	38	7*	43*	342*	430* 423 taxa
Fish	4	0	6	1	11 11 taxa
Amphibians	1	0	1	20	22 22 taxa
Reptiles	5	3	1	42	51 51 taxa
Birds	21*	3	12*	251*	287* 283 taxa
Mammals	7	1*	23*	28*	59* 56 taxa
TOTALS	166*	21*	61*	363*	611* 602 taxa

* Contains taxa (species and sub-species) with populations in different endangerment categories.

Rural development

Sustainable Development of the Rural Environment Law: a sustainable rural development programme

Law 45/2007 of 13 December on sustainable rural development is currently at the implementation stage. The Council for the Rural Environment, the Inter-ministerial Commission for the Rural Environment and the Rural Development Associations Committee have all been created and a Sustainable Rural Development Programme has been established as the instrument of application. Expected to be approved by 2009, the programme will include a series of actions and measures designed to respond to rural development needs.

The law highlights the importance that all levels of government attach to the rural environment, which accounts for 90% of all land and 80% of all municipalities, and is home to 35% of the population (over 14 million people).

The principal general goals are to maintain and expand the economic base of the rural environment through the preservation of competitive and multi-sector activities and the diversification of the rural economy; to maintain and improve the population level in the rural environment, and to improve the welfare of its citizens by re-

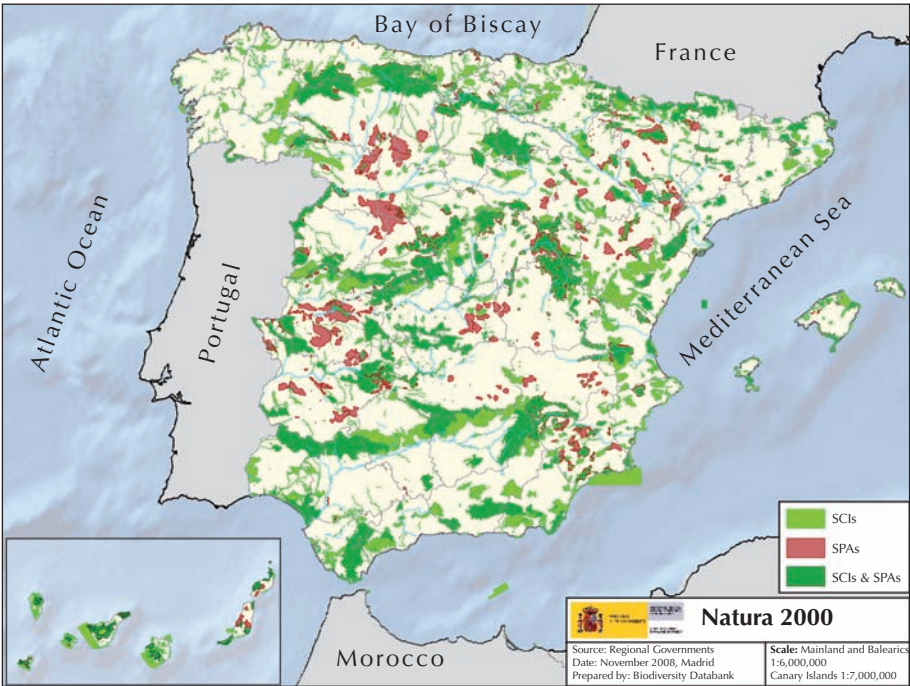
inforcing and guaranteeing basic public services which are both appropriate and sufficient; and to preserve and recover the heritage and natural resources of the rural environment.

For the very first time, the law will actively involve 12 ministerial departments. To ensure that all rural development policies are coordinated and convergent, an Inter-ministerial Commission for the Rural Environment has been created with representatives from all the departments involved. Under the auspices of this law, it will be possible to establish horizontal rural development policies for, issues such as education, culture, health, housing, transport, communications between regions and safety in the rural environment.

The law also places particular emphasis on the development of groups regarded as priority population sectors, encouraging the participation of the rural youth to maintain the population level and promoting the equality and advancement of women.

Rural development in the CAP: the 2007-2013 national strategic plan, the national framework, rural development programmes

The Common Agricultural Policy, and specifically the EAFRD Funds, establishes programmes



eligible for joint funding by the EU (contained in Council Regulation EC 1698/2005 of 20 September). The purpose of these funds is to promote rural development policies in line with the Lisbon and Gothenburg objectives (competitiveness and employment, and sustainable development and environment, respectively). Other objectives to be fulfilled are improving the quality of life in the rural environment and maintaining a financial priority in the convergence regions and an integrated approach to equal opportunity.

For the implementation of this regulation in Spain, the MNRME, in conjunction with the autonomous regions, drew up the 2007-2013 National Strategic Rural Development Plan and the National Rural Development Framework. Approved by Commission Decision C (2007) 5937 of 28/11/2007, these include the national guidelines for rural development actions and establish specific horizontal measures to be adopted throughout the country and, consequently, to be included in all Regional Rural Development Programmes.

In the 2007-2013 period, these rural development measures are being applied in Spain through Rural Development Programmes (RDPs) in the autonomous regions, coordinated by the MNRME. The programmes are co-financed by EU funds, the central government (through the MNRME) and the regional governments.

The measures are divided into four main areas of action associated with increasing the competitiveness of the agricultural and forestry sector, improving the environment in general and the rural environment and quality of life in rural areas, diversifying the rural economy and the Leader+ initiative.

Furthermore, in 2008 the Commission approved an additional programme, the National Rural Network, the purpose of which is to promote synergy between the implementation of the national rural development policy and the new 2007-2013 European programme. The latter is an integrated programme designed to strengthen alliances, share experiences and create a common scenario for all the players involved in sustainable development in the Spanish rural community.

Food and the agri-foodstuffs industry

The Mediterranean diet: UNESCO candidature

On 29 September 2008 the candidature for the Mediterranean Diet to be included on the List of the Intangible Cultural Heritage of Humanity was presented at UNESCO headquarters in Paris. The candidature was drawn up by Spain, Italy, Greece and Morocco, and UNESCO will announce its decision in September 2009.

Backed by the FAO and the WHO, this nutritional model has scientifically proven health benefits.

Consumption and marketing: an improvement plan for agricultural product marketing

In its initiatives to develop the food chain, the MNRME pursues the following objectives: to encourage the transparency of information about the food market, to improve knowledge about the structure of the food chain, to improve the competitiveness of the agri-foodstuffs industry, to promote innovation and efficiency in the chain, and to improve training for management through the Advanced Training Programme for Managers of Food Chain Companies.

One efficient tool for achieving these aims is the Price Monitoring Body. As a methodological instrument and forum of analysis, this monitoring centre provides knowledge on the formation of prices in the food chain, thus contributing to the transparency of the markets.

A global food quality, security and traceability strategy

The food quality strategy basically consists of two activities. One is to review, establish and update quality standards in line with European regulations, technological innovation and demand in the sector. An example is the approval of Royal Decree 1469/2007, which establishes the Quality Standard for Iberian Meat, Ham, Ham Shoulder and Cured Pork Loin. The other is to coordinate quality control with the autonomous regions and the EU member states through the Food Quality Coordinating Com-

mittee, within the framework of the National Food Chain Control Plan, using traceability as the instrument of control.

Organic farming

Organic farming experienced considerable growth last year, in terms both of the surface area devoted to this type of farming and the number of farmers. Specifically, organic farmland increased by 6.7% in 2007, the number of farmers by 5% and the number of associated industries by 9.4%.

THE MARINE ENVIRONMENT

The sustainability of the coast and sea

Management of land in the public domain

The Spanish coastline is particularly unique, offering a wide variety of climates and marine, geological and sedimentary environments around Spain's shores.

Activities such as fishing, coastal tourism and commercial maritime transport, which are vital to the socio-economic and cultural development of our country, have long been practised on the coastline. However, as a consequence of these activities, the Spanish coast has undergone considerable transformation, leading to the deterioration of a large part of the

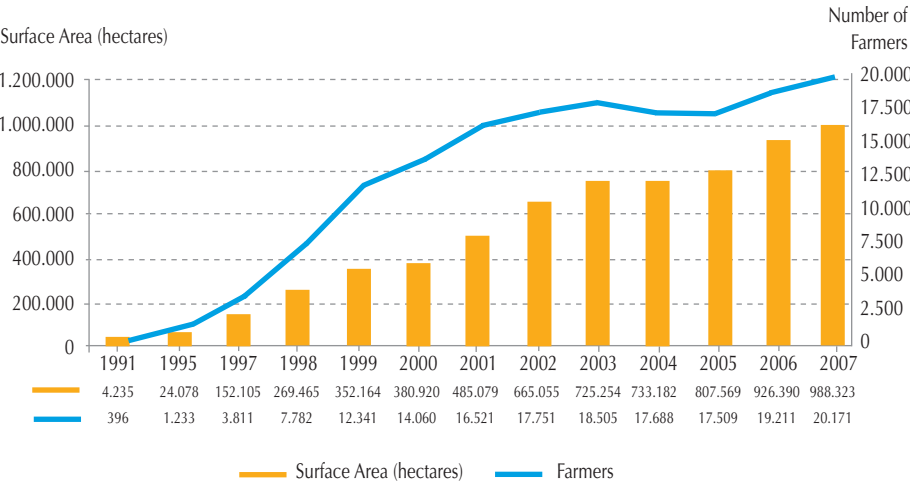
coastal area and even to the disappearance of valuable natural spaces.

The management of the public domain on land and sea is regulated by the Coast Law, the purpose of which is to defend the integrity of the coastal environment, including its balance and physical evolution through the protection and conservation of its natural merits and virtues and the rational exploitation of its resources. This law also guarantees its use and enjoyment by the public by making it accessible for everyone, with a few exceptions in the interest of the public good that impose strict limits on time and space for the purpose of taking appropriation restoration measures.

The fulfilment of these objectives necessarily implies fighting two phenomena: the physical destruction and the privatisation of our coast.

The management of this vast state-owned natural heritage (Art. 132.2 EC) must also consider the various interests that converge therein (shellfish harvesting, fishing, leisure, tourism, ecology, ports, etcetera) but which are sometimes conflicting and even mutually exclusive, and which are all championed by those hoping to see their expectations met. The various governments (central, regional, local and even international), and the different bodies and organisations within each of them, also converge in their jurisdiction over the maritime and terrestrial public domain, which means that conciliation, coordination and harmonisation are absolute priorities in the exercise of all these jurisdictions.

EVOLUTION OF ORGANIC FARMING PRODUCTION (1991-2007)



To fulfil these objectives, the Ministry of the Natural, Rural and Marine Environment carries out the actions listed below:

- The demarcation of the maritime and terrestrial public domain. The conception of the coast as an extremely sensitive, fragile and narrow band in our environment calls for the implementation of conservation and protection measures. The demarcation of the public domain is vital because it permits the knowledge and delimitation of the assets it contains, as well as the application of instruments established in the Coast Law to protect them.

The length of the Spanish coast is approximately 10,099 kilometres, 84% of which are demarcated. Work will continue on the demarcation of the maritime and terrestrial public domain until it has been delimited in its entirety.

- Management of the maritime and terrestrial public domain. This consists of guaranteeing that the use and exploitation of the public domain on land and sea, and the use of the adjacent terrain, comply with the stipulations of the Coast Law. To this end, the instruments of land and urban planning management are enacted, the corresponding permits and concessions are studied and processed, etcetera.

- Property purchase. The “Property Purchase Programme” operated by the Ministry of the Natural, Rural and Marine Environment is articulated around several projects which acquire land adjacent to the maritime and terrestrial public domain of high ecological value or which is under pressure to be developed, thereby ensuring its conservation and protection and, where necessary, leading to the demolition of existing constructions to restore these spaces to their natural state.

To date (2005-2008), several properties have been purchased, representing a total surface area of 13,985,612 square metres.

The integrated management of the coastal areas

The Ministry of the Natural, Rural and Marine Environment has been working on the following: the development of preventive measures for controlling the erosion and degradation of the coastline; the protection and recovery of

coastal ecosystems; the regeneration and restoration of coastal spaces which have been degraded; the correction of actions which are preventing or limiting a rational public use of the coastline; actions to improve the environmental quality and public use of the coast; and the installation of infrastructure associated with the environment, such as coastal footpaths, with centres for environmental education and learning to appreciate nature.

The sea and coastline

The Ministry of the Natural, Rural and Marine Environment is engaged in a wide variety of activities designed to protect the marine environment. Specifically, it participates in international conventions for the protection of the marine environment by attending technical, scientific and political meetings, and conducting activities derived from these conventions. Finally, it is also involved in activities aimed at protecting marine diversity, such as the preparation of conservation strategies.

Research and support vessels for the fishing industry

The Spanish fishing authorities own a fleet of research and support vessels for the fishing industry, all built in the last eight years, such as the *Emma Bardán*, the *Vizconde de Eza* and the *Miguel Oliver*.

These are the most accurate and reliable tools for evaluating and analysing the status of fishing grounds and their marine resources. Thanks to the multi-disciplinary campaigns conducted, it is possible to apply the information obtained to a wide variety of scientific fields, including physics, chemistry, marine geology, biology and environmental studies.

These floating laboratories are becoming a vital source of information for Spanish fishing and scientific policy, and also for decision-making at European and international levels, all thanks to the rigorous technical information they provide for various fields. Furthermore, with an agenda of between 7 and 9 annual campaigns and an average operational capaci-

ty of 315 days per year, they are a crucial part of our cooperation with third countries on fishing-related matters.

Marine reserves network. The conservation of marine biodiversity

The Ministry of the Natural, Rural and Marine Environment – specifically the Secretariat General of Marine Affairs – has been committed to the marine reserves of fishing interest (MRFIs) for more than 20 years. Initially created to support traditional fishermen, the reserves have proven their efficiency not only in preserving healthy, sustainable, traditional fishing methods, but also in the conservation of marine biodiversity in areas of great aesthetic value. The traditional fishermen themselves backed the creation of these spaces, which are contemplated in Law 3/2001 on state maritime fishing

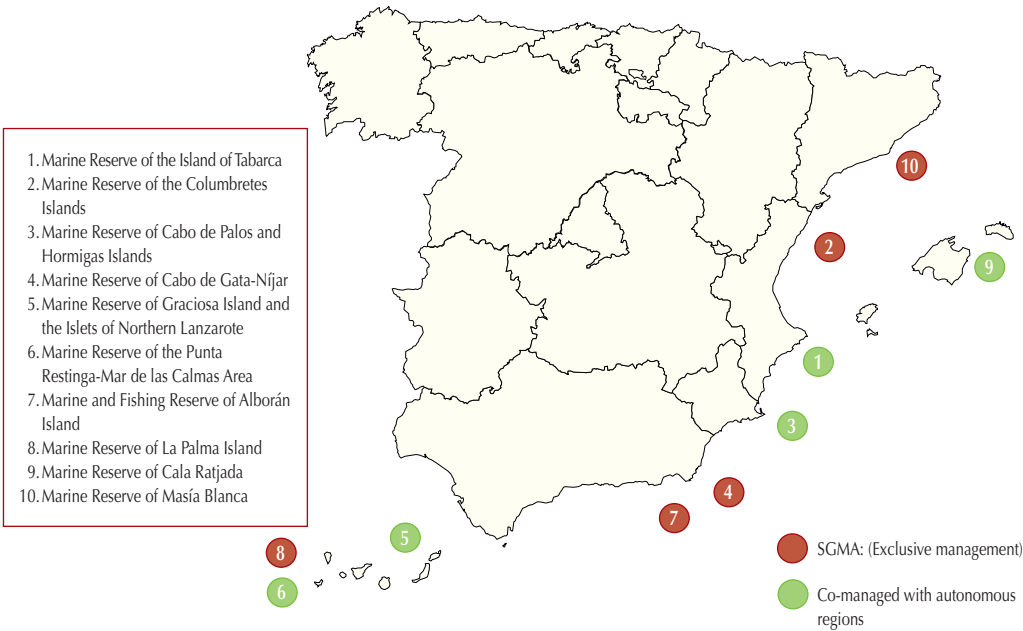
and which have been protected by Spanish legislation since 1980.

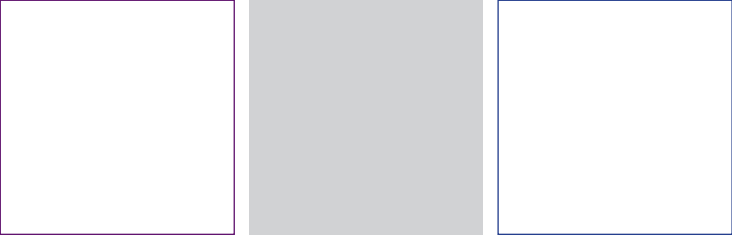
This is no random coincidence. Healthy environments accommodate a diversity of sustainable socio-economic activities: by protecting these communities of self-employed fishermen, we are also protecting the marine habitats which have enabled the associations to sustain, even now in the 21st century, profitable fishing activities within a framework of self-control and responsible fishing practices.

In addition to the aforementioned advantages, the MRFIs afford numerous opportunities: they are ideal areas for marine research, not only for the obligatory monitoring of the efficiency of all the marine reserves but also for permitting other institutions to conduct scientific studies on the habitat and communities they accommodate.

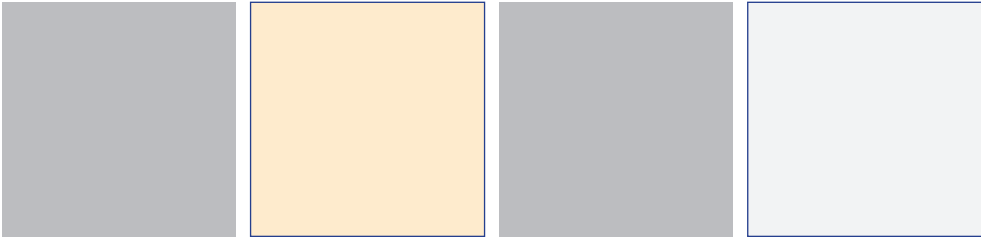
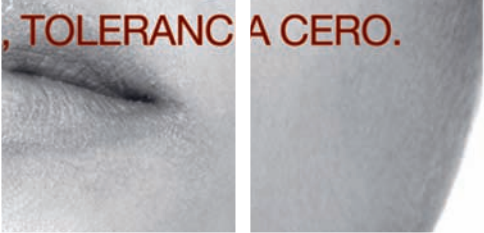
www.marm.es

MARINE RESERVES IN SPAIN MANAGED BY THE SECRETARIAT-GENERAL OF MARINE AFFAIRS





EQUALITY
POLICY





MINISTRY OF EQUALITY

The creation of the Ministry of Equality reflects the Spanish government's endorsement of a firm commitment to place the equality of men and women at the top of the political agenda, thereby ensuring that equality is genuine, effective and at the core of every government action.

From the creation of the Institute of Women's Affairs in 1983 to the enactment of some of the most advanced laws in Europe, such as the Law of Integrated Protection against Gender-Based Violence and the Law on Effective Equality between Men and Women in the last legislature, the momentum of the advances in equality achieved in this country in recent decades has been unstoppable. Nevertheless, certain issues of inequality and discrimination still exist.

In this context, the mission of the Ministry of Equality is to combine efforts to efficiently

fight gender-based violence, to address female unemployment and the discrimination of women in the workplace, to continue to promote youth policies and, in short, to continue to increase the freedom and equality of all people.

The road map is defined by the enactment of the two above-mentioned laws and, in keeping with the EU Charter of Fundamental Rights, the introduction of an integrated law on equal treatment to ensure a global approach to the eradication of social discrimination, both direct and indirect, for reasons of religion or beliefs, disability, age, gender, sexual orientation and racial or ethnic origin. The road map is further defined by the Integrated Plan to Fight the Traffic of Human Beings for purposes of sexual exploitation, especially women and children, by a new law on the voluntary interruption of pregnancy, and by the launch of the 2008-2011 Strategic Equal Opportunities Plan.

Based on these premises, the Ministry of Equality will address specific gender inequality issues and the different needs of various sectors of society by combining two strategies: the mainstreaming of or integrated approach to gender and specificity.

Ministry of Equality Actions

The eradication of violence against women and the provision of protection and social assistance to women who are victims of violence are top priorities for this ministry. Last June marked the third anniversary of the enactment of the Law of Integrated Protection against Gender-Based Violence. Thanks to this law, there is now greater social awareness about the problem, women enjoy greater protection, more women report gender-based violence and manage to escape the spiral of abuse they have endured for years, and women have recourse to social rights and, as and when required, incentives to join the workforce.

However, there is still much work to be done. The Ministry of Equality has established five broad strategic aims: prevention and awareness-raising, leading to the launch of the "zero tolerance for perpetrators of gender-based violence" campaign last July; improved services for





the victims of gender-based violence; improved professional response in the various measures designed to fight gender-based violence and greater efficiency in action protocols; research and knowledge management on violence as a key tool for continuing advances in the provision of appropriate responses; and integrated action on masculinity and men.

The discrimination of women in the workplace and eliminating the wage gap is another priority for the ministry, not only from the social justice perspective but also from the point of view of efficiency and economic profitability as instability, temporary work, precariousness and pay disparity are problems that mainly affect women.

In order to further equality in employment, the Ministry of Equality is currently implementing the various mechanisms of the Equality Law such as gender impact assessments, equality units and the “Equality Badge” as a mark of excellence that companies can aspire to earn. Other actions by the ministry include the creation of labour inspection and social security units specialising in advice on and the prevention of discrimination in the workplace and inequalities in employment, and in the monitoring of discriminatory actions.

Meanwhile, the Ministry of Equality is working in conjunction with the Ministry of Employment and Immigration to define an employment strategy for the coming years in which equality will be one of the primary focuses of action.

The Ministry of Equality has also created an equality committee within the framework of the

Social Dialogue initiative, whose members include representatives of the Ministry of Employment and Immigration, the Ministry of Education, Social Policy and Sports; from the General Union of Workers (UGT) and Workers’ Commissions (CCOO), and from the Spanish Confederation of Small and Medium-sized Businesses (CEPYME) and the Spanish Confederation of Business Organisations (CEOE). The main aim of the committee is to monitor and implement the Equality Law within the framework of social dialogue, and to promote measures and programmes to increase the presence of women in the workforce and reduce gender discrimination.

Through the negotiation of equality plans, collective agreements will also become powerful tools for achieving effective equality between men and women in the workplace.

At companies with over 250 employees, the Ministry of Equality is developing training and professional advancement programmes to equip women for business management. In forums between businesses, unions and government bodies, the ministry also encourages debate on the situation of women in the corporate world.

In addition to improving working conditions for women, the Ministry of Equality is also actively promoting the creation of businesses, self-employment and cooperatives by and for women. To this end, it is reinforcing lines of microcredits for projects initiated by female entrepreneurs and specific grants to enable small and medium-sized businesses to implement equality plans.

Another crucial area of action in the field of labour equality is conciliation and co-responsibility. The challenge to be met is this: when women have the opportunity to work and when young women join the workforce, they should be able to do so without renouncing motherhood and in a context that favours shared social and family responsibilities between women and men.

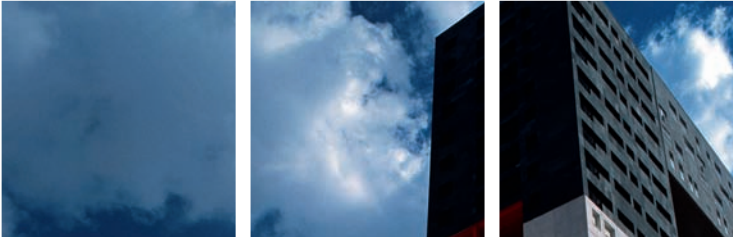
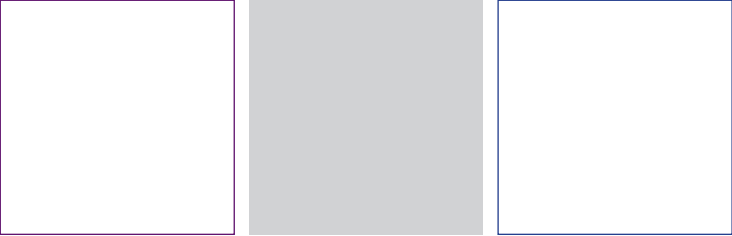
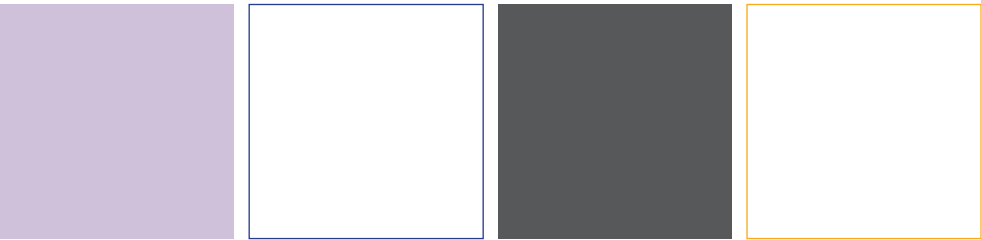
In relation to policies targeting young people, the Ministry of Equality, with decisive input from the autonomous regions and local authorities, is developing a network of Youth Emancipation Offices in towns and cities with more than 50,000 inhabitants. Through the Tripartite Commission for Youth Employment, the Ministry of Equality is leading the drive for decent

and steady employment for young people, as well as designing the Strategic Plan for the Promotion of an Enterprising Culture and creating a Territorial Cooperation and Innovation Network.

Similarly, the upcoming Spanish presidency of the EU highlights the need to move forward with the construction of European citizenship. This necessarily implies gender equality and the integration of our young people in the shared future we want for Europe.

In short, the mission of the Ministry of Equality consists of collaborating with all state institutions and civil society to substitute discrimination for rights and inequality for resources.

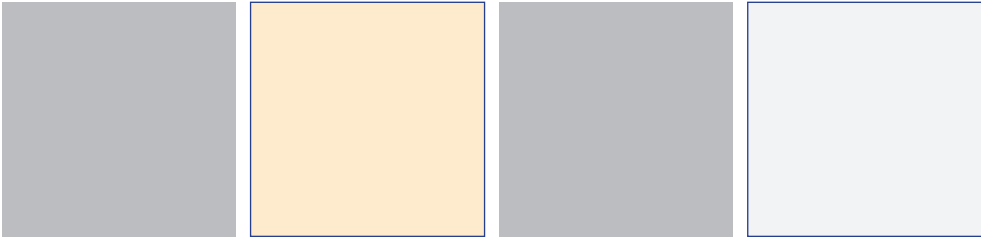
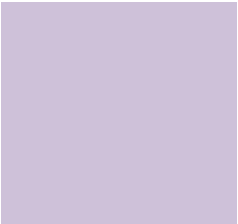
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CHAPTER XII



HOUSING
POLICY



SPANISH HOUSING POLICY IN 2009

Article 47 of the Spanish Constitution states that all Spaniards have a right to decent and appropriate housing. The housing policy is responsible for achieving this aim. However, while the central government is responsible for the design and funding aspects, the Autonomous Regions have the task of regulating and implementing the policy. One of the most important government measures in this field is the Public Housing Plan, which covers a period of several years and establishes the various modes of action and the income levels for beneficiaries eligible for subsidised housing. Following approval of the plan, the Autonomous Regions sign agreements with the Ministry of Housing to specify the aims of the housing policy to be funded by the central government in their respective territories.

In 2004, due to the special need for urgent measures, a one-year Action Plan was approved. Subsequently, the 2005-2008 Public Housing Plan was approved and has remained in effect to this day. The degree to which its goals have been achieved thus far is fairly positive and was estimated at over 85% as of 31 October 2008. The new plan has a dual aim:

- to lay the structural foundations for the housing policy instruments
- to respond to the current needs of the sector by using the housing surplus to meet the needs of the population.

One of the principal novelties is a firm commitment to rentals, with 40% of all subsidised programmes being reserved for this form of access to housing. This is based on the premise that Spain needs to strengthen its still-weak rental market, and the Ministry of Housing has therefore launched measures to increase the supply of available housing. For example, the Code of Civil Procedure and the Urban Leases Law have been amended to provide greater legal protection to owners, enabling them to deal more swiftly with cases of eviction and unpaid rent. Another reform to be introduced in this respect is the regulation of Real Estate Investment Trusts (REIT).



The Mirador Building in Sanchinarro, constructed under the subsidised housing programme.



Housing Minister Beatriz Corredor with the winners of the last edition of the Architecture, Urban Planning and Housing Quality Prizes, 18 February 2009.

The commitment to comprehensive renovation and urban regeneration is another important characteristic of government action. Renovation is a labour-intensive and technologically advanced activity which has the added benefit of fostering the development of other industries and auxiliary services for the residential construction sector, thereby providing an excellent boost for the reactivation of the corporate economy. At the same time, it improves quality of life for citizens, the habitability of towns and cities and the accessibility and energy efficiency of buildings and housing.

With over 25 million homes in Spain, there is enormous growth potential for renovation if it is provided with appropriate incentives. Half of these homes are over 30 years old and nearly 6 million are over 50 years old. This gives an idea of the tremendous potential for this activity, especially bearing in mind the fact that in other countries renovation represents the largest sector of the entire construction industry. For example, in Germany 62% of building works are conducted on existing constructions and just over 37% represent new constructions.

An important aspect of this policy of support for renovation is the Municipal Investment Fund, approved by Royal Decree-Law 9/2008 of 28 November, whose aims include the renovation of public urban spaces, the improved energy efficiency of buildings and the removal of architectural barriers. Under the terms of this

same Royal Decree-Law, an additional 120 million euros has been allocated for the renovation of housing.

Finally, the Public Housing and Renovation Plan includes a series of temporary measures, contained in the provisional stipulations, which aim to mitigate uncertainty and ensure that the transition from the public plan currently in effect to the new one will not cause developers and government bodies to further slow their already sluggish construction activity. Hence, the temporary measures that have been designed will permit the injection of funds into companies, simplifying the necessary requirements for transferring the surplus of unsold housing from the free market to the subsidised market, expanding the pool of those eligible to receive government assistance and enabling more families and citizens to access subsidised housing.

However, the Housing Plan does not exhaust the tools at our disposal for implementing the housing policy. In this respect, the two public companies dependent on the ministry, namely the Public Land State Corporation (SEPES) and the Public Rental Company (SPA) both have an important role to play.

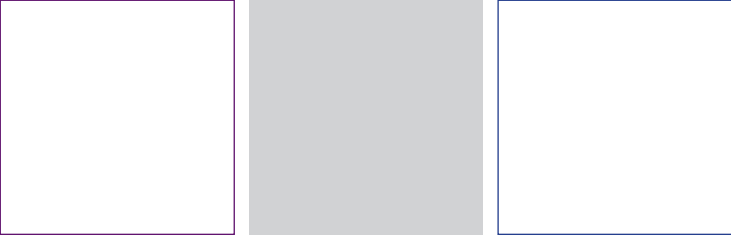
In keeping with the government's reaction to the economic situation, housing-related tax relief measures have also been introduced to the tune of 6.25 billion euros, which accounts for a quarter of the total tax cuts introduced in 2008 and 2009.

In 2009 the ministry will also continue to actively promote the access of young people to their first home, primarily through the Basic Emancipation Income, which more than 45,000 young people received on monthly basis in 2008. This measure, which consists of a monthly payment of 210 euros, plus other benefits where guarantees and deposits are required, is targeted at young people in the 22-30 age bracket who have a lease contract in their name

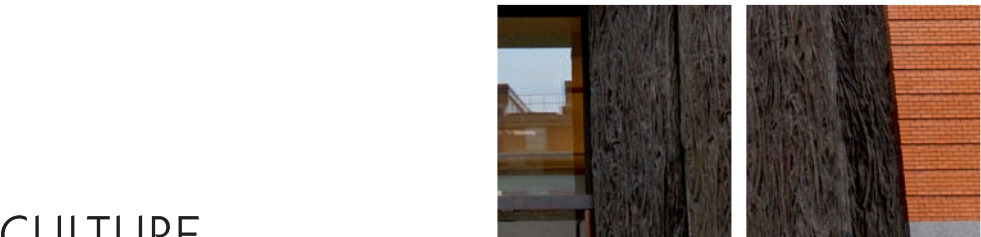
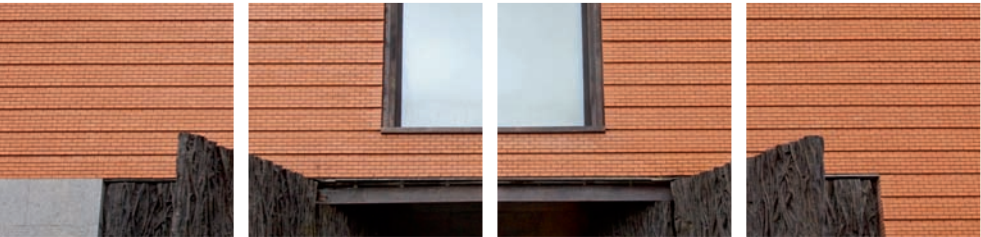
and a maximum annual income of 22,000 euros. It is payable for a maximum of four years.

All of these measures are contained in the 2009 budget approved for the Ministry of Housing. Considering the prevailing policy of austerity, the fact that this ministry was allocated over 17% more funding for 2009 than was provided in the 2008 budget demonstrates that public housing continues to be a top priority.

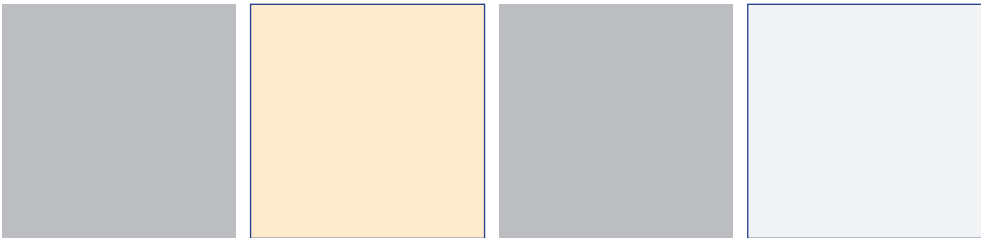
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CHAPTER XIII



CULTURE





THIRTY YEARS OF CULTURE IN SPAIN

Many things have changed in Spain over the last thirty years. The recovery of rights and liberties has brought a sweeping modernisation of the country in every area, and culture is no exception. Spain's culture has flourishing spectacularly in the last three decades on the wave of modernisation and democratisation, and is now much more readily accessible to the entire population.

The public and private sectors have contributed enormously to this cultural boom. Thanks to the drive of the national government, autonomous regions and town councils, hundreds of monuments have been restored and theatres and museums have been opened; music festivals have multiplied and film production has received strong support. Culture, or rather the cultural sector, has also become an important source of employment.

400 million Spanish speakers

In this period, Spain has become a major force in the publishing world, largely thanks to the importance of the Spanish language, which, with just over 400 million speakers, is the third most spoken language in the world. But this circumstance aside, growing worldwide interest in Spanish is also endorsed by the plethora of illustrious young writers who have sold millions of copies of their books.

This success has been repeated in the world of film. The Spanish film industry can now boast a growing number of internationally-renowned actors and directors and, despite often having to compete on unequal terms with films produced by large multinational studios, the industry has produced feature films that have re-

ceived recognition at some of the world's most important film festivals and competitions.

Something similar is happening in performing arts. Spain has produced numerous first-class opera singers who are already international icons, and many theatrical companies are enjoying enormous success at major theatres on all five continents.

In terms of art, Spain has successfully managed to protect its extensive and rich historical heritage. At the same time, it has been able to build new modern art museums, support new creators and improve the facilities of its museums, some of which now enjoy an iconic international status – the Prado Museum being a case in point.

The space of Spanish literature

Spanish literature is a sum of contributions, a combination of efforts which helps to satisfy one indelible human need: the need to learn.

To satisfy this demand, Spain has many outstanding writers whose works are published and distributed through 40,000 bookshops and other points of sale. This sector handles 346,000 titles and more than 77,000 new titles are added every year, which, at an average of 4,500 copies per title, gives a total production of 346 million copies per year. This production and distribution network generates a turnover of more than 500 million euros abroad and over 3,000 million euros in the national market. Many of these copies are made available to readers via the country's largest cultural network, which is also free of charge: the library network, comprising more than five thousand libraries. This network is 97% dependent on town councils and receives 83 million visits per year by Spaniards and immigrants. Books are published in all of Spain's co-official languages (Spanish, Galician, Basque and Catalan). In terms of book production, 82.3% of books are printed in Spanish and the rest in the other co-official languages, mainly Catalan. The book industry directly and indirectly employs nearly 100,000 professionals, although publishing production is very concentrated, with Madrid



and Catalonia accounting for 70% of national production.

A film industry brimming with vitality

Spanish cinema is dominated by very specific styles of filmmaking which give the industry its own personality, stemming mainly from the vitality evident in its different sectors, in the projects developed by professional filmmakers and in the richness of their films. This has resulted in a broad variety of films where genres, styles and trends diversify and intertwine, just like the different generations of artists and experts who create the images that appear on screen. Spain ranks third in Europe after France and Germany in terms of production volume (150 feature films and 209 shorts in 2006). The situation regarding other aspects of the film industry (with a market share of 15.47% last year) may not be as healthy as we would all like, but it is positive bearing in mind its status in the EU, boosted by the international prestige bequeathed by directors such as Pedro Almodóvar, Alejandro Amenábar, Carlos Saura, Álex de la Iglesia or Bigas Luna, and renowned and

popular actors and actresses like Javier Bardem, Antonio Banderas, Penélope Cruz, Carmen Maura or Victoria Abril.

In terms of financial support for Spanish films (which received more than 465 million euros in 2006) and for projects of special cultural value or others involving new producers (granted six million euros in the same year), the funds provided by the Cinematography Protection Fund have increased substantially in the last two years (64.5 million euros in 2006, 2.25% more than the previous year) to cover other key areas of culture, including the distribution of Spanish and European films, reduced interest rates on loans negotiated by producers with banks, or the conservation of film negatives. These consist of a broad series of measures implemented by the Ministry of Culture through the Institute of Cinematography and Audiovisual Arts (ICAA), and complemented by others such as the creation of the Reciprocal Audiovisual Guarantee Fund of the SGR (Reciprocal Guarantee Society) or the regulation introduced by the government and inspired by the “Television without Frontiers” (TWF) Directive, whereby all television operators are required to allocate 5% of their revenues to the European film industry, 3% of which must go to the Spanish film industry.

The number of co-productions has increased, particularly with other European and Latin American countries. In four years, exported productions have risen more than 50%; documentary feature films are already an accepted film genre; the number of women behind the camera is increasing ... It is safe to say that the Spanish cinema is now more alive than ever.

Music

Spain has produced many great musicians over the last thirty years during the heyday of great lyrical singers worldwide. Many of these magnificent vocalists also visited Spain during this period to perform in important concert series and festivals. Contact with the world's best music has been the breeding ground for the creation of many new permanent orchestras and



Palau de la Música Catalana (Catalan Palace of Music).
Barcelona. Winner of the Prince of Asturias Prize for the Arts,
2008.

another beautiful phenomenon: young people's orchestras. Meanwhile, the generations of maestros have nurtured the development of a group of new young composers who have earned the respect of international audiences.

Theatre

The great development of public theatres has fostered the production of shows and performances that define Spain throughout Europe. Spain's two great twentieth-century dramatists – Valle-Inclán and García Lorca – have also benefited from the 1980s renaissance and their works have finally been given the recognition they so richly deserve. Classical theatre from the Spanish Golden Age has enjoyed an equally important renaissance. The classics have been returned to their rightful place in the collective heritage of the Spanish nation, thanks to the work of two theatre companies: the Almagro Festival of Classical Theatre and the National Classical Theatre Company

Once again, we must inevitably refer to a new, plural and diverse Spain, where public spaces have appeared in all the autonomous regions and different companies and playwrights have produced plays that have defined

the development of the use of Spain's different official languages. As a result, and with private sector support, several hundred new theatre productions are staged every year in our country.

Dance

In the last thirty years, an illustrious group of new choreographers have burst on the scene and taken contemporary Spanish dance to new and unprecedented heights. Our classical dancers have also graced the world's stages with their genius, talent and quality. Spanish dance, the legacy of flamenco, has also nurtured a powerful generation of artists whose shows bring audiences to their feet around the world.

Visual arts: widespread dynamism

This positive climate for the creation and promotion of visual arts currently warrants Spain's consideration as not just a creative giant but also a market force. This is a new element of our socio-cultural reality, accounting for the strong emphasis in cultural policy on the need to educate audiences and strengthen the rela-



Corral de Comedias Theatre, Almagro (Ciudad Real).



Museum of Contemporary Art of Castile and Leon (MUSAC), Leon.

tionship between art and society. This dynamic process has driven the growth and consolidation of art collecting, which has branched into new artistic fields and areas of development.

The creation of numerous contemporary art spaces by public authorities during the last two decades has given way to a period of greater maturity, in which permanent collections and temporary exhibitions and activities aimed at different audiences form part of an on-going project and a coherent, high-quality programme.

Spain currently has more than 200 contemporary art exhibition halls or facilities distributed throughout its various autonomous regions.

MNCARS, a benchmark of contemporary art

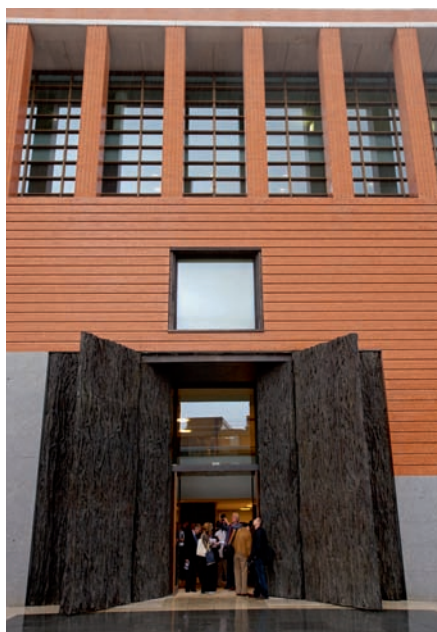
Once work on the new wing, designed and supervised by the architect Jean Nouvel, has been completed, the Museo Nacional Centro de Arte Reina Sofía (MNCARS) will be one of the largest contemporary art museums in the world.

State museums

State museums are currently being modernised and adapted to cater to new social demands. In this sense, our museums are working towards two converging objectives: the renewal of their conceptual apparatus through the implementation of museum development plans as an essential work instrument; and the modernisation of their infrastructures, so that they can efficiently and effectively perform their traditional functions and provide the new services they are committed to offering.

The National Prado Museum

One example of this policy is the construction of a new wing at the Prado Museum, the most significant expansion in the nearly two hundred years of its history. The new building, designed by Rafael Moneo, has doubled the museum's surface area and makes it possible to offer the different public services and events related to the exhibition and conservation of the museum's collections in a more orderly and spacious manner. This project is part of an on-



Detail of the Prado Museum's new wing.



Fortified walls of Ávila, a UNESCO World Heritage City.

going expansion programme that includes making different neighbouring buildings part of the Prado's facilities, such as the Casón del Buen Retiro and the Salón de Reinos, with the aim of fulfilling the primary objectives of this national museum: to open the museum to society, develop the museum's different buildings into a museum campus, extend the museum's activities throughout Spain and increase economic resources through an efficient and stable funding model.

Heritage: protecting the past for future generations

Spain has a rich historical and cultural heritage. The Iberian Peninsula has been home to a host of different cultures: the peoples of the Upper Palaeolithic and Neolithic periods, autochthonous peoples such as the Celts and Iberians, colonial civilizations such as the Greeks, Phoenicians and Carthaginians, occupying peoples like the Romans, Visigoths and Muslims, and peoples from the medieval kingdoms in peninsular Spain have all left an enormous number of archaeological remains, including concentrations of sites with cave paintings unique in

the world, castles, cathedrals, cities and medieval settlements, etc.

The Spanish government is collaborating with the autonomous regions to devise a series of policies aimed at conserving our architectural and artistic heritage. The National Cathedrals Plan has established a Master Plan for each cathedral, and most cathedrals have already been restored, particularly those in dire need of repairs. The National Castles, Abbeys, Monasteries and Convents Plan, the National Industrial Heritage Plan or the World Heritage Cities Programme are other initiatives designed to ensure the application of an efficient conservation policy, with the appropriate planning and methodology, to protect our historical heritage as effectively as possible.

The Cervantes Institute

The Cervantes Institute www.cervantes.es is a public entity created by Spain in 1991 to promote Spanish and the co-official languages of Spain and to spread the culture of Spanish-speaking countries. It has offices in 60 cities in Europe, Asia, America and Africa. In 2005, it was awarded the Prince of Asturias Prize for



Their Majesties the King and Queen of Spain inaugurated the Cervantes Institute's new headquarters in Madrid on 11 October 2006.

Communication and Humanities together with five other leading cultural institutes in Europe.

The Institute is governed by a board of trustees whose honorary president is His Majesty the King of Spain. The president of Spain is the executive chairman. Other members elected to the board include distinguished representatives of Spanish and Latin American literature and culture, as well as writers who have received the Miguel de Cervantes Prize for Literature.

Every year the Institute offers around 8,000 Spanish courses, as well as classes on the other co-official languages in Spain (Catalan, Basque and Galician). More than 100,000 students enrol for its courses each year. Most are students and the rest are teachers on special training courses.

The Cervantes Institute organises and administers the examinations for obtaining the Diploma in Spanish as a Foreign Language (DELE). The DELE is an official, internationally-recognised accreditation certifying students' knowledge of Spanish as a foreign language. Every year, more than 30,000 candidates sit the examinations, which are held at 400 testing centres around the world.

The Institute promotes culture in Spanish in its most varied forms: literature, plastic arts, film, theatre, music, philosophy, etc. To this end, it has organised more than 4,000 activities, with an average of 20 cultural activities per day.

cultura.cervantes.es

The Institute's network of libraries has more than 760,000 volumes in all sorts of media: books, periodicals, CD-ROM, audio and video tape, etc. The libraries are connected to the information highways and their catalogues can be consulted on the Internet, making them a key reference tool for teachers, students and anyone interested in the Spanish-speaking world.

bibliotecas.cervantes.es

The Cervantes Virtual Centre is an expression of the Institute's strong commitment to the Internet and new technologies. The Centre receives one and a half million visits each month and offers Internet surfers more than 100,000 pages of contents, with materials and services for Spanish teachers, students, translators,



Detail of the front door of the Cervantes Institute.

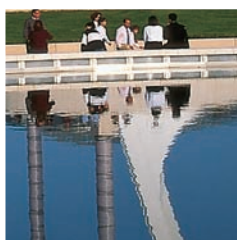
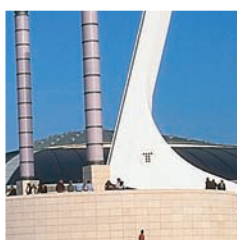
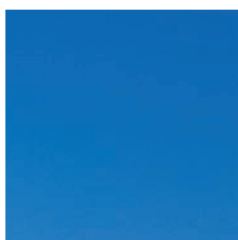
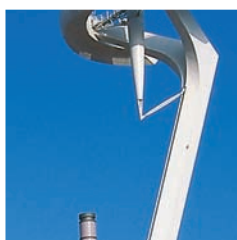
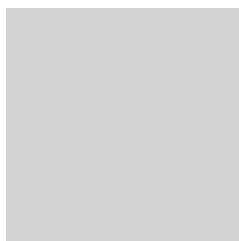
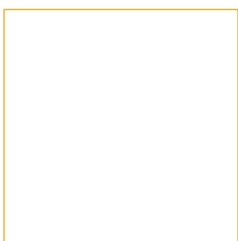
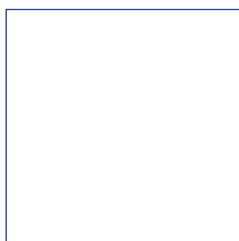
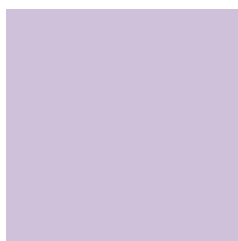
Spanish language and culture experts, journalists and anyone interested in Spanish language and culture.

cvc.cervantes.es

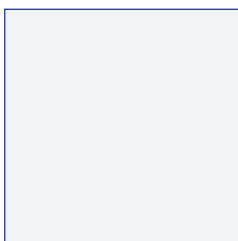
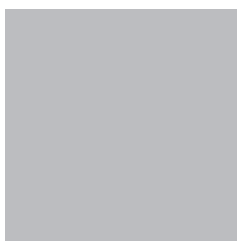
The Virtual Spanish Classroom offers a full range of Internet-based Spanish courses. With a

new teaching system that is open, accessible, fast and affordable, students are free to choose the time, pace and place of study. Students are provided with interactive teaching materials and a designated tutor to help them and monitor their progress.

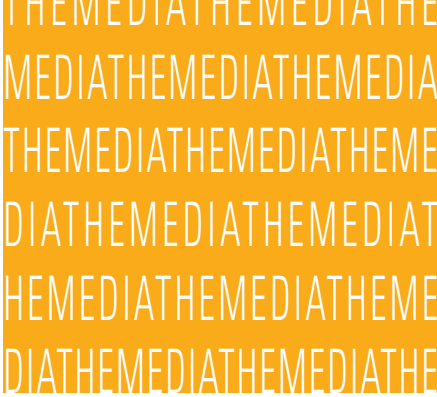
ave.cervantes.es



THE MEDIA



CHAPTER XIV



PANORAMA OF THE MEDIA IN SPAIN

The media in Spain today is characterised by fierce competition among the actors in each of the various markets that comprise the map of the country's media industry.

The basic aim of this chapter is to provide an overview of the television, radio and press markets in Spain by using the latest official data available.

The market with the most economic clout and the greatest penetration in society is television, whose overall figures have grown steadily in recent years. In 2005, the Spanish audiovisual market, including radio and television operators, generated revenue for end services of nearly 5 billion euros, according to figures provided by the Spanish telecommunications regulatory body.

With regard to broadcasting technology, television using hertz waves – mainly analogue, although some progress is being made in digital terrestrial television – continues to maintain its hegemony, although cable television continues

to make inroads in the Spanish market. Meanwhile, no noticeable change has been observed in satellite television penetration, and broadband television has been winning over new customers slowly and steadily.

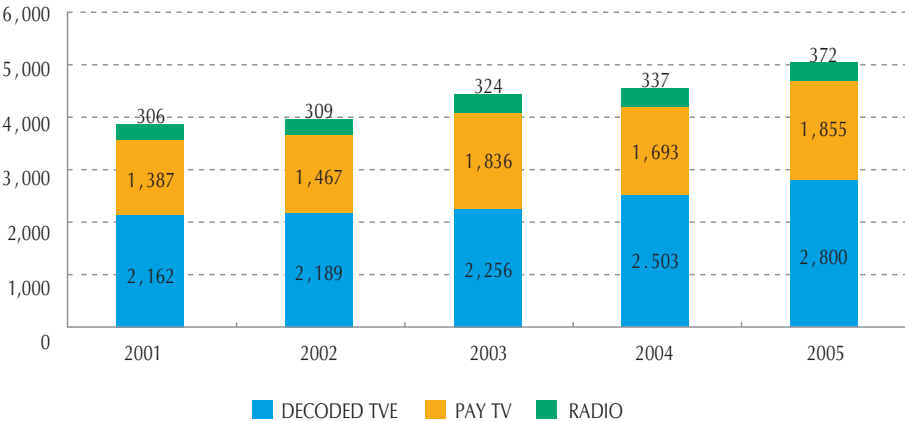
Spain has begun to rewrite the legal framework governing the audiovisual sector in a move towards a liberalised market, bringing the provision of public radio and TV services into line with the EU framework, while also setting in motion the final move to digital terrestrial television (herein referred to as DTT).

Indeed, the law on urgent measures to promote digital terrestrial television, liberalise cable television and encourage pluralism is already a reality, and the date has been set for the digital switch-off (2010). The aim is facilitate an effective transition from analogue to digital terrestrial technology, give people the opportunity to access more programmes and services of greater quality, and ensure an adequate variety of choice in Spain.

The launch of DTT is expected to offer 13 new channels, but it will be obliged to gradually increase them to 18 over a 20-month period at the most, according to the DTT Technical Plan. This plan has also opted for increasing the presence of state-owned public television by granting it five digital channels, with the option of adding another three when the analogue switch-off occurs.

The relaunch of DTT in our country coincides with the 50th anniversary of the birth of television in Spain with RTVE, the national

TURNOVER OF AUDIOVISUAL INDUSTRY W/O SUBSIDIES
(millions of euros)



Source: CMT (Telecommunications Market Commission).
2005 Annual Report.

public television company that has recently embarked on a complete overhaul.

The restructuring of RTVE ensures the provision of a quality public radio and television service that is modern, competitive, independent of the government administrations in power, financially efficient and responsible, transparent in its dealings and at the service of all Spanish citizens. These provisions are set forth in Law 17/2006 of 5 June on State-Owned Public Radio and Television.

Furthermore, the number of actors on the Spanish television stage has grown. In addition to the host of regional and local DTT channels created following several ten-

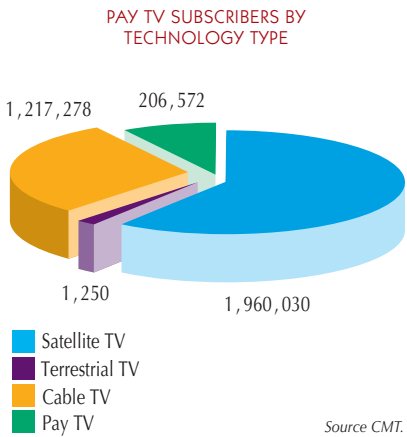
ders called to assign digital frequencies to public and private channels, the number of national channels has also increased from four national operators broadcasting decoded channels (TVE 1, La 2, Antena 3 Televisión and Telecinco) to six channels. The new channels are Cuatro, which began to broadcast in November 2005, and La Sexta, which received its broadcasting licence in the course of 2006.

Telecinco has a market share of 20.6%, Antena 3 has 19.5%, TV1 17.8%, La Cuatro 6.8% and La Sexta 5.4%. The regional and thematic channels have smaller share percentages.

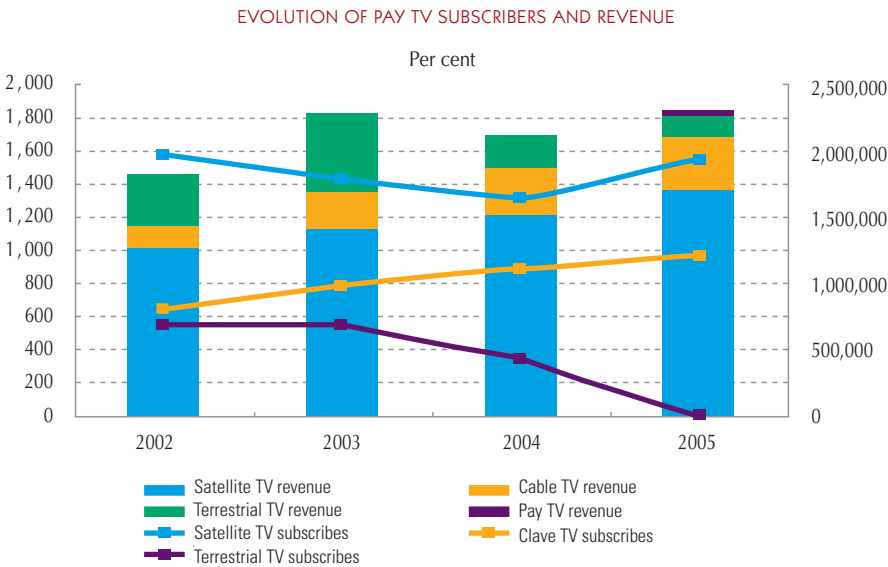
All of the above is changing the face of audience ratings – an area traditionally dominated by public television – which are also affected by the fragmentation stemming from the presence of more agents in the market and the increase in the available array of audiovisual supports and media platforms.

The trend of elevated television consumption is becoming consolidated in Spain, despite a gradual increase in the penetration of other platforms such as the Internet, as the graph clearly shows.

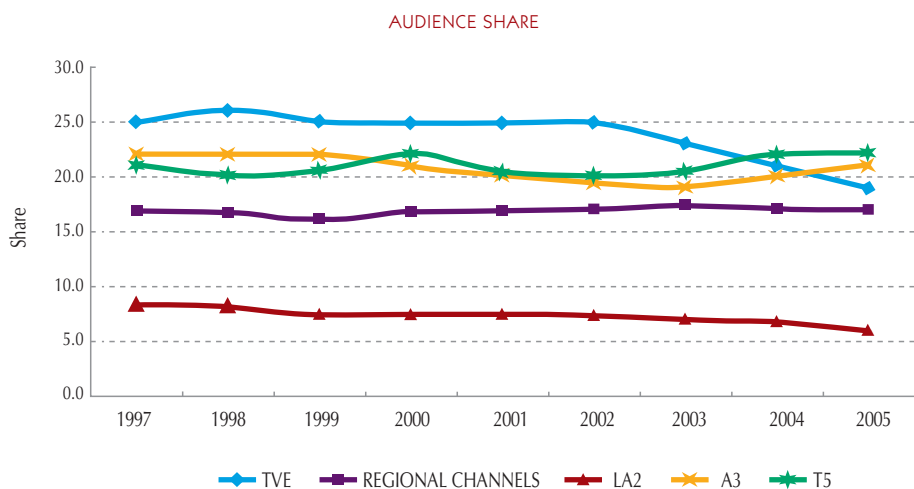
Spain will soon begin drafting the legal framework that will regulate the audiovisual sector in the future, with a view to organising the scattered and obsolete legislation in this industry



Source: CMT.



Source: CMT.



Source: CMT. *Soñes Audiencia de Medios.*

and ensuring a stable regulatory framework. Radio and television services will be liberalised and a greater variety of news will be guaranteed, as will transparency in the ownership of the media and linguistic diversity. Within this framework, Spain expects to move forward with the new General Audiovisual Law and the State Audiovisual Media Board, an independent regulatory body.

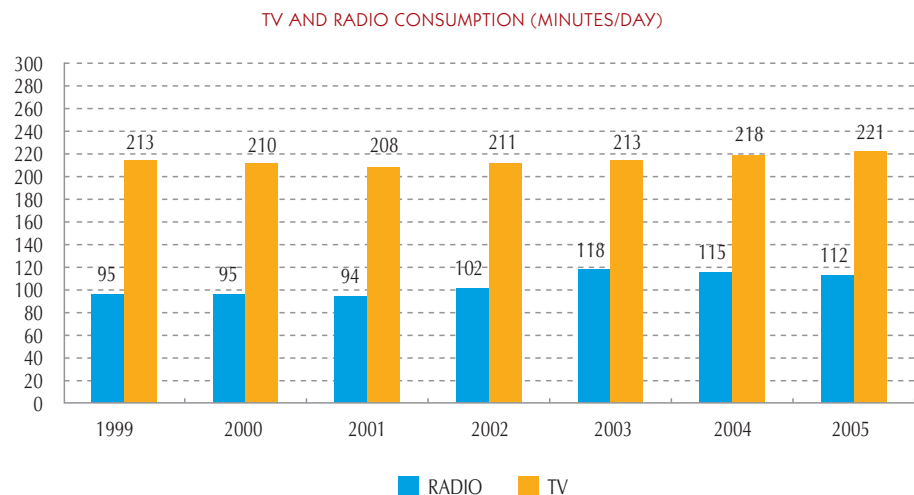
Finally, it is important to emphasise the efforts made by the public authorities and television channels to promote a Code for Self-regulation of Television Content and Child Protection that would introduce effective mechanisms to control the content of television programmes

that could be harmful to children in certain time slots.

Radio

The Spanish radio industry is divided among three large, private groups: the Prisa group (SER radio), Radio Popular (COPE) and Uniprex (Onda Cero). The Prisa group owns SER, 40 Principales, Sinfo Radio, Cadena Dial, M80, Radiolé and Máxima FM, while Radio Popular manages COPE and Cadena 100. Finally, Uniprex has Onda Cero, Onda Cero Música and Europa FM.

Another operator in the market is Radio Nacional de España (RNE), a public radio station



Source: CMT. *Soñes Audiencia de Medios.*

with national coverage that also runs several local and regional public radio stations. RNE does not air advertisements, since its operating costs are covered by The Corporation Radio Televisión Española.

Last year, SER led the market with revenue of more than 186 million euros, followed by Onda Cero with 91.9 million euros and COPE with 88.8 million euros. An observation of these figures over a longer period of time shows that the market trend is one of continuous growth.

With regard to radio audiences, general-interest radio accounts for 49.9% of the audience. Thematic radio accounts for 46.3% of the audience, 92.1% of which corresponds to thematic music programmes and 7.4% to news programmes.

The general-interest radio station with the largest audience remains SER, with 4.7 million listeners or 38.4% of the radio market. Following at a distance are COPE, with two million listeners or 16.1%, Onda Cero with 13.4% and RNE with 7.8% of the market. Thematic radio is dominated by music stations and Cadena 40 is the leading broadcaster in this category with 21.3% of the market.

Press

It is worth mentioning that 60% of the total revenue of the press industry in 2004 was produced by the six large corporations or groups in this market – Vocento, Prisa, Godó, Unedisa, Zeta and Prensa Ibérica – which also accounted for a similar percentage of national circula-

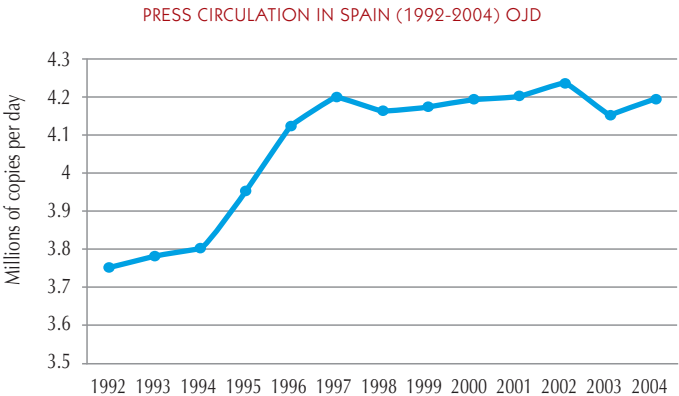
tion (58.9). The overall circulation figures are shown in the accompanying graph.

In retrospect, a degree of stagnation can be seen in the newspaper circulation figures. National distribution has dropped to levels of 15 years ago: 98.4 copies per 1,000 inhabitants. The present-day level of daily newspaper circulation is shown in greater detail in the accompanying graph.

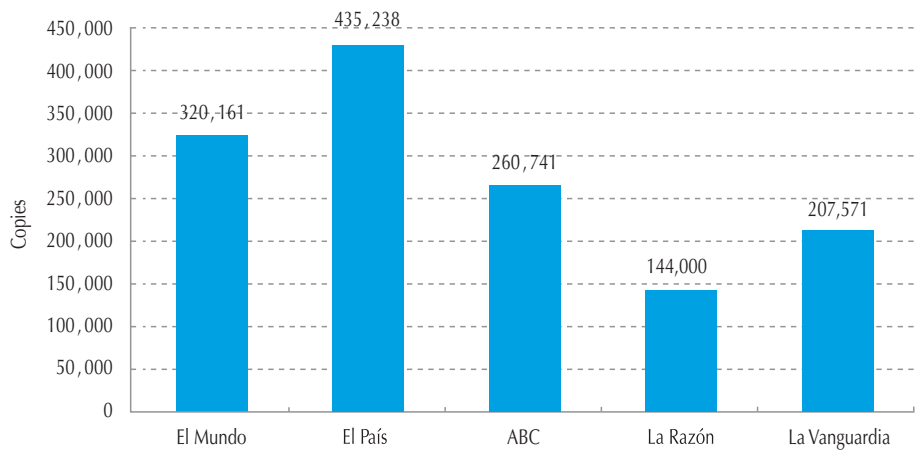
Another recent characteristic of this market is the increasing concentration of the Spanish press industry over the course of the first decade of the 21st century.

In 2008, seven increasingly consolidated corporations controlled 80% of the market. According to the General Media Study, these were ranked by number of readers as follows:

- The Unedisa group, publisher of the daily newspaper *El Mundo*, belonging to the Italian Rizzoli group, with 4,155,000 readers.
- The Prisa group (7 newspapers, including *El País*) has a market share of 17.2%, a position maintained thanks to *El País*, a newspaper which in recent years has become the general-interest Spanish-language daily with the highest readership. The number of readers is currently 3,574,000.
- Vocento (14 newspapers, including *ABC*) controlled almost one fifth of national distribution in 2008. It boasts a readership of 3,191,000.
- Recoletos (3 newspapers) owes its ranking to the sports paper *Marca*.
- It is followed by Zeta with five different local editions of *El Periódico de Catalunya*, the daily with the highest circulation in Catalonia.



AVERAGE CIRCULATION OF GENERAL-INTEREST NEWSPAPERS
JULY 2005-JUNE 2006. OJD



- Prensa Ibérica, the publisher of 15 provincial newspapers with 1,698,000 readers.
- The Godó group, publisher of *La Vanguardia* and *Mundo Deportivo*, has a very similar market share with 1,283,000 readers.

In 2008 the economic crisis took its toll on the newspaper industry, although circulation did increase.

Meanwhile, the online edition of Spanish dailies monitored by the interactive OJD (Circulation Audit Office) actually registered a two-digit year-on-year increase in readership.

The popularity of free newspapers has also grown exponentially. The number of copies “released for distribution” – the only statistic monitored for this type of publication – leaves no doubt as to the quantitative importance of the phenomenon. The leading free newspapers are *20 minutos* with 2,889,000 readers, followed by *Qué* with 2,255,000 readers, *Metro Directo* with 1,823,000 readers and *ADN* with 1,787,000 readers.

MAIN NEWSPAPER PUBLISHING GROUPS

Groups	2004	2003
VOCENTO	799,639	794,030
PRISA	737,995	704,303
RECOLETOS	433,228	443,344
ZETA	357,089	350,790
PRENSA IBÉRICA	314,303	313,784
GODÓ	313,134	309,817
UNEDISA	308,618	286,685

Source: OJD of Copies.

CLASSIFICATION OF DAILIES
BY CIRCULATION

Groups	OJD	EGM
El País	380.273	2.274.000
El Mundo	317.815	1.354.000
ABC	223.717	662.000
La Vanguardia	197.734	697.000
Periódico	166.965	825.000
La Razón	143.609	91.000
El Correo	125.800	352.000
Voz de Galicia	97.155	587.000
Expansión	50.128	166.000
La Gaceta	37.902	No data

Source: Circulation Audit Office (OJD) and Office of General Media Studies (EGM).

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