

Country Profiles

Decentralization was an explicit policy goal in the 2000s, but implementation has been patchy (Setnikar-Cankar 2011). A constitutional amendment in 2006 paved the way for the creation of fourteen provinces as a new tier of government. However, the legislative package failed to gain parliamentary approval and a consultative referendum held in 2008 did not generate sufficient turnout (Andreou and Bache 2010). To date, no provinces have been created.

In 2011, the law on balanced regional development was amended to transform the regional agencies into self-governing development regions with broader competences governed by an executive and assembly (Law No. 20/2011, Art. 18). These regional development councils (*razvojni svet regije*) consist of representatives from municipalities, business, and non-governmental organizations who elect their president (Andreou and Bache 2010; Law No. 20/2011, Art. 11). Executive tasks are handled by regional development agencies and are supervised by the central government (Law No. 20/2011, Arts. 11 and 20). The law on regional development was amended once more in 2012 to bring in municipal mayors as *ex officio* members (Law No. 57/2012, Arts. 8–9).

Self-rule in Slovenia

		Institutional depth	Policy scope	Fiscal autonomy	Borrowing autonomy	Representation		Self-rule
						Assembly	Executive	
Regionalne razvojne agencije	1999–2010	1	0	0	0	0	0	1

Spain

Self-rule

INSTITUTIONAL DEPTH AND POLICY SCOPE

Spain has two tiers of regional governance: fifty *provincias* (provinces), which date from 1833, and seventeen *comunidades autónomas* (autonomous communities), which came into being with Spain's transition to democracy in 1978, alongside two *ciudades autónomas* (autonomous cities, Ceuta and Melilla) (C 1978, Art. 137). Seven *comunidades autónomas* are single provinces (Asturias, Balears, Cantabria, Madrid, Murcia, Navarre, and La Rioja),¹⁷ and in these cases there is a single regional government, the *comunidad*.¹⁸

¹⁷ Many Spanish *provincias* and *comunidades* have co-official spellings in the local language/s. We use both in the dataset and tables, but use English in the profiles.

¹⁸ When calculating country scores we do not include the self-rule exercised by these uniprovincial *comunidades* in the scores of the *provincias*.

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Comunidades autónomas may establish *comarcas* (counties), which is a third tier of government between municipalities and *provincias* (Council of Europe: Spain 1997). *Comarcas* exist in Aragon, Asturias, Cantabria, Castilla y León, and Catalonia (Law No. 3/1986, 6/1987, 1/1991, 10/1993, and 8/1999) but only in Catalonia do they meet the population criterion for regional government. In addition, there is one autonomous *comarca* in Catalonia: *Val d'Aran* (Aran Valley) (Law No. 16/1990).

Under the rule of Francisco Franco from 1950–77 the fifty *provincias* functioned as deconcentrated outposts of the central government. Two of them, Álava (*Araba*) and Navarre (*Navarra/Nafarroa*), enjoyed special fiscal rights (*fueros* discussed below).

The constitution of 1978 guarantees self-government for all nationalities and regions (C 1978, Art. 143) and lists twenty-two competences that could be transferred to *comunidades*. These include city and regional planning, health and hygiene, housing, public works, regional railways and roads, ports and airports, agriculture, forests and fishing, environmental protection, culture, tourism, promotion of sports, social welfare, economic development within the objectives set by national economic policy, and regional political institutions (C 1978, Art. 148; Council of Europe: Spain 1997; Harty 2002). *Comunidades* can assume residual powers if so stated in their autonomy statute (C 1978, Art. 149.3; Hueghlin and Fenna 2006: 172). The central government has exclusive jurisdiction over foreign policy, defense, justice, labor, civil and commercial law, social security, public safety, customs and trade, and the currency, as well as citizenship and immigration (C 1978, Art. 149; Council of Europe: Spain 1997; Harty 2002; Swenden 2006; Watts 1998, 2008). The central government may also enact framework legislation and transfer or delegate competences to the *comunidades*, and it may adopt harmonization laws even when jurisdiction lies with the *comunidades* (C 1978, Art. 150; Maiz et al. 2010). The *comunidades* score 3 on institutional depth and policy scope from the year in which they adopt their autonomy statute.

The 1978 constitution laid out two routes to regional autonomy (Agranoff and Gallarín 1997; Harty 2002): the *vía rápida* (fast track, C 1978, Art. 151) and the *vía lenta* (slow track, C 1978, Art. 148.2). The fast track was meant to be used only by the three historic nationalities that passed autonomy statutes during the Second Republic—the Basque Country, Catalonia, and Galicia—though Andalusia used the avenue as well. The first two had their statutes approved by the Spanish congress in 1979, while those of Andalusia and Galicia were passed in 1981 (Harty 2002; Law Nos. 3/1979, 4/1979, 1/1981, and 6/1981). The remaining *comunidades* negotiated a limited transfer of powers with the central government, which could be extended later.

By 1983 all *comunidades* had approved statutes and self-governing institutions (Law Nos. 7–8/1981, 3–5/1982, 8–10/1982, 13/1982, and 1–4/1983;

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Morales and Molés 2002; Swenden 2006: 64). Valencia, the Canary Islands, and Navarre demanded and received additional competences early on, while the rest obtained new powers through renegotiation of their statutes during the 1990s and early 2000s.

Exclusive competences were expanded for the ten slow track *comunidades*—Asturias, Cantabria, La Rioja, Murcia, Aragon, Castilla-La Mancha, Extremadura, Baleares, Madrid, and Castilla y Leon—with a Law adopted in 1992 and coming into effect in 1994 (Law Nos. 9/1992, 1–4/1994, and 6–11/1994; Morales and Molés 2002). Their competences included gambling, industry, distribution and transport of energy, advertisement, meteorological services, concurrent powers in education, consumer protection, mining, energy, environmental protection, press, radio, and television (Law No. 9/1992, Arts. 2–3 and 19). Implementing powers were extended to international trade, management of the social security system, museums, libraries, weights and measures, pharmaceuticals, labor and industrial and intellectual property (Agranoff and Gallarín 1997; Law No. 9/1992, Art. 4).

Further decentralization in the second half of the 1990s brought the competences of the slow track *comunidades* closer to those of the fast track *comunidades* (Beramendi and Máiz 2004; Law Nos. 5/1996, 3/1997, 1/1998, 5/1998, 11/1998, and 1-4/1999) and some *comunidades* also negotiated increased autonomy during these years (Canary Islands, Law No. 4/1996; Valencia, Law No. 5/1994; Galicia, Law No. 16/1995 and 6/1999). A major reform in 2002 devolved responsibility for the provision of health and education to the ten slow track *comunidades* that did not already control these competences (Law No. 7/2001; López-Laborda and Monasterio 2006).

The reform of autonomy statutes is an ongoing process. Overhauls were passed in Catalonia and Valencia in 2006 (Law Nos. 1/2006 and 6/2006), Andalusia, Aragon, Baleares, and Castilla y León in 2007 (Law Nos. 1/2007, 2/2007, 5/2007, and 14/2007), Navarre in 2010 (Law Nos. 1/2001 and 7/2010), Extremadura in 2011 (Law No. 1/2011), Murcia in 2013 (Law No. 7/2013), and Castilla-La Mancha in 2014 (Law No. 2/2014).¹⁹

Ceuta and Melilla were part of Spanish Morocco until it gained independence from Spain in 1956, while they remained part of Spain. The cities were governed as dependencies under the Franco regime. After the transition to democracy, the *ciudades* became autonomous and self-governing within the

¹⁹ The new statutes accommodate prior reforms, slightly amend regional law making, or reduce the number of deputies in the regional parliament. Some *comunidades* also changed their preambles, declaring themselves historic nations. See Generalitat de Catalunya. Departament de Governació i Relacions Institucionals. “Quadre comparatiu de les reformes dels estatuts d’autonomia de Catalunya, Andalusia i Aragó” and “Quadre comparatiu de les reformes dels estatuts d’autonomia de Catalunya, Comunitat Valenciana, Illes Balears, Castella i Lleó, Navarra i Extremadura.” <<http://web.gencat.cat/en/generalitat/estatut>>

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Spanish constitutional framework. Local assemblies were set up with the first direct elections in 1979. The 1978 constitution created an option for Ceuta and Melilla to become *comunidades*, but this reform never took place. Instead, in 1995, both enclaves negotiated statutes as *ciudades autónomas* (Law No. 1–2/1995), a unique and intermediate status. For example the central government still directly provides health care. However, their statutes otherwise grant similar powers as for *comunidades*. The *ciudades* score 1 on institutional depth and zero on policy scope until 1978; from 1978 the scores on institutional depth and policy scope increase to 2^a until the 1995 reform, when the scores on both dimensions increase to 3.

Under the Franco dictatorship the *provincias* were deconcentrated. In 1978 a Law on local elections reformed the institutions of the *provincias* with indirectly elected assemblies as part of the return to democracy (Law No. 173/1978). The primary functions of *provincias* are in social services and fairs (Agranoff and Gallarín 1997). They share with municipalities responsibility for culture, solid waste treatment, coordinating municipal services, delivering rural services, technical assistance to municipal councils, and investment planning for small municipalities (Council of Europe: Spain 1997).^β *Provincias* also coordinate and provide inter-municipal policies (Committee of the Regions 2005; Law No. 7/1985, Art. 31). The *provincias* score 1 on institutional depth and 0 on policy scope until 1978 and 2 and 1, respectively, as of 1978.²⁰

Prior to the democratic transition, Álava and Navarre were allowed to keep unique fiscal arrangements and some limited autonomy in culture and education. These two *provincias* score 1 on institutional depth and 1 on policy scope during the dictatorship. After the democratic transition the unique fiscal arrangements (*fueros*) for all four historically Basque *provincias*, Álava, Navarre, Biscay (*Bizkaia/Vizcaya*), and Gipuzkoa (*Guipúzcoa*) were reinstated (discussed in more detail under fiscal autonomy).

Catalonia has a third layer of intermediate government—*comarcas*. The legal framework was created by a 1987 regional Law (Law No. 6/1987) and reformed in 2003 (Law No. 8/2003). Municipalities may join together to establish *comarcas* via a popular referendum. The *comarcas* primarily act in public health, environment, economic development, social services, consumer protection, tourism, and regional planning (Agranoff and Gallarín 1997; Law No. 6/1987, Art. 25). The 2003 reform expanded their competences within the general framework of local government and created a council of mayors with formal oversight authority in the *comarca*. It also allowed a

²⁰ Provincial competences are absorbed into the regional government in seven uniprovincial *comunidades* (Asturias, Cantabria, Baleares, La Rioja, Madrid, Murcia, and Navarre). In these cases the authority of *provincias* is not scored once the autonomy statute of the *comunidad* has been adopted and the *provincias* cease to function as autonomous institutions.

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comunidad, provincia, or municipality to delegate responsibilities to the *comarcas*. The *comarcas* score 2 on institutional depth and 2 on policy scope.

There is one autonomous *comarca* in Catalonia. Val d'Aran has special authority to protect the Aran language through the public education system (Law No. 16/1990, Art. 20). These differences are too fine-grained to be captured by our measure and Val d'Aran scores the same on institutional depth and policy scope as other *comarcas*.

FISCAL AUTONOMY

There are two tax regimes for *comunidades*: a special *foral* regime for Navarre and the Basque Country and a common regime for the remaining *comunidades*.

The common tax regime for *comunidades* was established in 1980 with the adoption of an organic law on the finances of autonomous communities (called the LOFCA) setting out which taxes could be devolved and which could not. Taxes that could be devolved were wealth taxes and taxes on real estate sales, inheritance, property, and gambling (Aja 2001; Law No. 8/1980, Art. 9; Toboso and Scorsone 2010).

Subsequent legislation ceded extensive regional control over spending, but little control over revenue. In 1993, *comunidades* began to receive 15 percent of the central income tax. In 1997 this was doubled to 30 percent and *comunidades* gained control over property tax and several minor taxes (inheritance and gifts, real estate, and stamp tax, and both base and rate on gambling) (Almendral 2002). *Comunidades* also gained authority over the rate of income tax within a band set by central government (Law No. 3/1996; Morales and Molés 2002; Toboso and Scorsone 2010). In 2002 another 3 percent of the income tax was devolved, along with 40 percent of alcohol, tobacco, and petrol, 35 percent of the VAT, and 100 percent of electricity (Law No. 7/2001; López-Laborda et al. 2006; López-Laborda and Monasterio 2006; Toboso and Scorsone 2010; Swenden 2006: 134). In 2010, the ceded amounts increased to 50 percent of the income tax, 50 percent of the VAT, and 58 percent of alcohol, tobacco, and petrol (Chapman Osterkatz 2013: 358; Herrero-Alcalde et al. 2012; Law No. 3/2009). *Comunidades* can introduce new taxes if not already levied by the central government (Law No. 8/1980, Art. 6), but there are few areas where this is possible. The *comunidades* score 2 until 1997 and 3 from 1997 onwards.

Until 1978, Ceuta and Melilla were ruled as dependencies. From 1978 until 1996, they were entitled to an additional share of central taxes and an additional 50 percent of the fiscal portion of municipal taxes levied by the enclaves.⁶ The 1996 reform of the law on the financing of the autonomous communities put them on equal fiscal footing with *comunidades* (Law No.

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3/1996). Ceuta and Mellila score zero until 1978, 2 from 1978 until 1996, and 3 from 1996 onwards.

Provincias have limited fiscal autonomy.^a They are funded with small portions of the income tax, VAT, municipal transfers, and some other minor taxes of those living in their territory (Law No. 39/1988, Art. 125). *Provincias* can levy a surcharge on the business tax within centrally imposed limits and control the rate of property tax, a surcharge on the municipal business tax, and a motor vehicle tax. They can also set the rate on buildings, facilities, and urban property (Agranoff and Gallarín 1997; Council of Europe 1997; Law No. 39/1988, Art. 124; Pedraja-Chaparro et al. 2006). *Provincias* score 1 from 1978.

The foral regime in Navarre and the Basque Country dates back to Roman times and during the Franco regime survived only in the *provincias* of Álava and Navarre (Law No. 16/1969 and 2948/1976).^a The constitution of 1978 reauthorized the special fiscal arrangements for the *provincias* of Biscay and Gipuzkoa (Aja 2001; C 1978, additional provision one). While in the rest of Spain, taxes are paid to the center and set amounts are transferred back to the *comunidades*, the governments of these four provinces collect income, corporate, inheritance, and wealth taxes and are able to set the rate and base for these taxes autonomously (López-Laborda and Monasterio 2006; Toboso and Scorsone 2010). Taxes are collected at the provincial level and a portion is remitted to the central and Basque governments after negotiations (Toboso and Scorsone 2010). In the Basque territories the amount must total 6.24 percent of what the central government spends on non-transferred competences. The amount is 1.62 percent in Navarre (Chapman Osterkatz 2013: 94).

The modern fiscal regime in the Basque Country (*Concierto*) was set up in 1981 (Law No. 12/1981) and reformed in 2002 (Law No. 12/2002; López-Laborda et al. 2006). The Basque parliament guarantees harmonization among the three provinces with regard to their legislative and executive powers. To this end, the Basque tax coordination agency (*Órgano de Coordinación Tributaria de Euskadi*) was created in 1989 (Law No. 3/1989) and the three provincial councils and the Basque government are represented in this agency. However, the Basque government cannot compel its provinces to enact or revoke taxes. Fiscal autonomy lies with the Basque provinces and the *comunidad* scores zero.^a Álava scores 3 from 1950–77 and 4 subsequently and Biscay and Gipuzkoa score zero until 1977 and 4 subsequently.

Navarre's fiscal regime (*Convenio*) originated in 1841 and has been renewed several times, most recently in 1969 and 1990. The arrangements were prolonged during the democratic transition and through the process of creating the *comunidades* (Law Nos. 839/1978, 2655/1979, 13/1982, Arts. 43 and 45; López-Laborda et al. 2006). The first amendment to the fiscal regime concerned the collection and administration of VAT (Law No. 18/1986). The

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1990 *Convenio* (Law No. 28/1990) was reformed in 2003 (Law No. 25/2003). Navarre scores 3 from 1950–81 and 4 thereafter.

Catalan *comarcas* and the Val d’Aran are funded by the municipalities and cannot set the base or rate of a tax (Law No. 6/1987, Arts. 43–47 and No. 16/1990, Art. 25).

BORROWING AUTONOMY

All *comunidades* may issue debt with prior authorization by the central government (Gordo and Cos 2001; European Commission 2012; Toboso and Scorsone 2010). Authorization is also necessary for loans raised outside the European Monetary Union (EMU) (Council of Europe 2000). Only access to short term credit of less than one year is not subject to prior central approval. Furthermore, *comunidades* may borrow only to finance capital investments and the sum on annual repayments and interest may not exceed 25 percent of the regional government’s revenue (Gordo and Cos 2001; Law No. 8/1980, Art. 14; Swenden 2006: 134). *Comunidades* may borrow to mitigate temporary cash imbalances if the bond maturity does not exceed one year.

Since 2002, *comunidades* must run balanced budgets or budgets with a surplus (Law No. 5/2001; Law No. 3/2006; López-Laborda and Monasterio 2006) and, as of 2010, they have an obligation to publish budgetary execution data on a quarterly basis (European Commission 2012). *Comunidades* score 1 on borrowing autonomy from 1980 or from the year in which their autonomy statute was adopted.

All *provincias* may borrow only for investment purposes and under prior authorization by the ministry of finance or by the government of its *comunidad* (and then only if the *comunidad* has assumed monitoring competences) (Council of Europe 1997; Law No. 39/1988, Arts. 50–54; Monasterio-Escudero and Suárez-Pandiello 2002). Prior to the democratic transition, a network of public banks issued credit to provincial and municipal governments on a regular basis.^a Soon after the transition, central bailouts were required to stabilize local finances. *Provincias* therefore score 1 from 1950.

Until 1978, Ceuta and Melilla were ruled as dependencies but fell under the same borrowing regime as *provincias* between 1978 and 1995. They are subject to the same borrowing rules as *comunidades* from 1995.^a Ceuta and Melilla score zero until 1978 and 1 from 1978 onwards.

Catalan *comarcas* and Val d’Aran are funded by their municipalities and have no borrowing autonomy (Law No. 6/1987, Arts. 43–47 and No. 16/1990, Art. 25).

REPRESENTATION

At the level of the *comunidad*, Catalonia, the Basque Country, Galicia, and Andalusia hold direct elections on a date set by their assembly (Colino and del

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Pino 2010; Gómez Fortes and Cabeza Perez 2013). The first elections took place in Catalonia and the Basque Country in 1980, followed by Galicia in 1981 and Andalusia in 1982. Direct elections were introduced in all other *comunidades* in 1983 and take place every four years. In all *comunidades*, executives are elected by and from the assemblies. *Comunidades* score 2 on assembly and 2 on executive from the first election onwards.

Ceuta and Melilla were managed directly from the center during the Franco regime and have had popularly elected councils since 1979, with executives elected by the assembly (Law No. 1-2/1995). Ceuta and Melilla score zero on assembly and executive until 1979 and 2 and 2, respectively, from 1979.

All *provincias* have had indirectly elected assemblies (*juntas generales* or *cortes*) selected by the municipalities and an executive (*diputación provincial* or *foral*) since 1812 (Law No. 173/1978, Art. 31). The assembly elects the executive (Law No. 173/1978, Art. 34) but under the dictatorship of Franco the president of the executive (*gobernador civil*) was centrally appointed. *Provincias* score 1 on assembly and zero on executive until 1978 and 1 and 2, respectively, from 1978.

The *comarcas* in Catalonia have indirectly elected councils (Law No. 6/1987, Art. 20). The assembly of Val d'Aran (*Conselh Generau d'Aran*) is directly elected (Law No. 16/1990, Art. 11-3). The executive in the *comarcas* is elected by the council (Law No. 6/1987, Art. 22; Law No. 16/1990, Art. 15). *Comarcas* score 1 on assembly and 2 on executive and Val d'Aran scores 2 and 2, respectively.

Shared rule

There is no shared rule for *comarcas* and Val d'Aran (Law No. 6/1987 and 16/1990). *Provincias* do not participate in intergovernmental meetings with the exception of those in the Basque Country, and have no executive, fiscal, or borrowing control.

LAW MAKING

Until 1977, the Spanish parliament was unicameral. The *Cortes Generales* (lower house) was set up in 1942 by the Franco regime. Provincial representation consisted of the mayor of the capital city of each *provincia* and one representative from the municipalities (Law No. 200/1942, Art. 2.e), but provincial weight in the *Cortes* as a whole was minimal (Law No. 200/1942, Art. 2). Moreover, the parliament lacked authority since Franco could legislate by decree.

A law on political reform was passed in the *Cortes* in 1976 and put to popular referendum in early 1977 (Law No. 1/1977). The law re-established the senate as a body of territorial representation, giving the king the right to appoint a fifth of the members (Law No. 1/1977, Art. 2). The 1978 constitution

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eliminated royal appointment and introduced representation for the *comunidades* (C 1978, Art. 66), which had not yet been formed. Since then, the *provincias* have 208 members and *comunidades* fifty-eight members in the 266-seat chamber (Harty 2002; Watts 2008). The *Senado* has some reserved powers over constitutional appointments (C 1978, Arts. 122 and 159), but can be overridden by a majority in the lower house on normal legislation and may not initiate legislation (C 1978, Art. 90).

The assembly of each *comunidad* selects at least one member up to a limit of one senator per million inhabitants (C 1978, Art. 69.5). In the current *Senado*, the number of seats ranges from one for La Rioja, Cantabria, and Navarre to eight for Catalonia and nine for Andalusia. While the aggregation rule clearly falls between the principle of “one region, one vote” and “one person, one vote,” it appears closer to the latter.^β *Comunidades*’ assemblies designate representatives in the *Senado* (L2) but their representatives constitute a minority (zero on L3).

All provincial senators are popularly elected: four per *provincia* on the mainland, three for the larger islands, and two for the smaller islands (C 1978, Art. 69; Hueghlin and Fenna 2006: 211–13). *Provincias* are the unit of representation (L1) and provincial senators constitute a majority in the *Senado* (L3).²¹

Under their special autonomy status, Ceuta and Melilla each had three representatives, one directly elected deputy in the lower house and two directly elected senators, but they did not have special bilateral arrangements for law making (C 1978, Arts. 68.2 and 69.4). Since 1995, they have had two directly elected senators. Ceuta and Melilla are units of representation (L1) and together with the provincial senators they constitute a majority in the *Senado* (L3).

EXECUTIVE CONTROL

Intergovernmental meetings were foreseen when decentralization took off in the early 1980s. A Law on the process of autonomy adopted in 1983 stipulated that sectoral committees consisting of representatives from central and regional government would meet at least twice a year (Agranoff and Gallarín 1997; Agranoff 2004; Bolleyer 2006a; Law No. 12/1983, Art. 4). The committees convened at the request of the central government or one of the *comunidades*, but meetings were ad hoc and did not result in binding agreements (Beramendi and Máiz 2004: 137). Negotiation between the national government and the *comunidades* were kick-started from 1987 with intergovernmental

²¹ Asturias, Cantabria, Islas Baleares, La Rioja, Madrid, Murcia, and Navarre combine the institutions of *provincias* and *comunidades*. When calculating country scores we include the collective shared rule in law making exercised by these uniprovincial *comunidades* in the scores of the *provincias*.

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meetings on health (*Consejo Interterritorial del Sistema Nacional de Salud*) that can conclude binding agreements (Law No. 14/1986, final provision 7 and 16/2003, Arts. 69–75).

In 1992, the intergovernmental framework was consolidated by a Law allowing central government ministers to initiate sectoral conferences which may result in binding collaboration agreements (Law No. 30/1992, Arts. 5–6). In 1999, the 1992 Law was amended to formalize and institutionalize sectoral conferences by specifying the items to be included in the collaboration agreements (Law No. 4/1999). More recently, the autonomy statutes of Andalusia, Aragon, Baleares, Castilla y León, Catalonia, and Extremadura, have further enhanced the formalization of intergovernmental meetings (Law Nos. 6/2006, 1–2/2007, 5/2007, 14/2007, and 1/2011).

In addition to the sectoral committees, there is the *Conferencia para Asuntos Relacionados con las Comunidades Europeas* (Conference for European Affairs) established in 1988 and the *Conferencia de Presidentes* (Conference of Presidents) established in 2004. In 1994 the Conference on European Affairs adopted an agreement that involved *comunidades* in preparing a Spanish position in the Council of Ministers (Hueghlin and Fenna 2006: 242–3). In 1997, this agreement was formalized in law (Law No. 2/1997). It sets out rules on the adoption of decisions that require the support of a majority of *comunidades* (Law No. 2/1997, Annex).

In addition, *comunidades* obtained one representative in the Spanish delegation to the EU who, since 2004, participates as a permanent representative in the Councils of Ministers for employment, social policy, health and consumers; agriculture and fishing; environment; and education, youth, and culture.

The *Conferencia de Presidentes* consists of the presidents of the Spanish government and the seventeen *comunidades* and Ceuta and Melilla and has held meetings on European affairs, health care finance, research, technological development and innovation, fiscal stability and the employment situation.²² In 2009 it adopted internal regulations which stipulate that resolutions at the annual meeting are adopted by consensus and recommendations are adopted with the support of Spanish president and two-thirds of the presidents of the *comunidades* (Law No. 3409/2009). Since 1987 *comunidades* score 2 on executive control.

Executive control was extended to Ceuta and Melilla when they adopted their autonomy statutes in 1995.^a

²² Ministerio de Hacienda y Administraciones Públicas. Secretaria de Estado de Administraciones Públicas. "Conferencia de Presidentes." <http://www.seap.minhap.gob.es/web/areas/politica_autonomica/coop_autonomica/Confer_Presidentes.html>.

FISCAL CONTROL

Comunidades can influence national tax policy through their institutional representation in the *Senado*, but the *Senado* can be overridden by a majority in the lower house (C 1978, Art. 90). In addition, there is considerable attention to fiscal matters in the intergovernmental meetings through the *Consejo de Política Fiscal y Financiera* (Council on Fiscal Policy and Finance), created by the LOFCA 1980 and used for making recommendations on regional finance formulas, transfers, and revenue sharing (Law No. 8/1980, Art. 3). The council is composed of representatives of the ministry of finance, the minister of economic planning, and regional finance ministers (Watts 2005). The Basque Country and Navarre are members of the *Consejo*. The Law on the finances of autonomous communities, LOFCA, establishes an inter-territorial compensation fund (Law No. 8/1980, Art. 16) and reforms of the Law, including the articles concerning inter-territorial compensation, are subject to debate in the *Consejo* (Law No. 7/2001, Art. 4). *Comunidades* score 1 on multilateral fiscal control from the year in which their autonomy statute was adopted. When Ceuta and Melilla became *ciudades autónomas* in 1995, they also became members of the *Consejo* (Law No. 3/1996) and score 1 on multilateral fiscal control.

The *foral* rights of the Basque provinces and Navarre are embedded in the 1978 constitution but the implementation of the special tax regimes is subject to bilateral agreements (C 1978, Additional provision one). A fixed amount of the revenue collected by the Basque Country and Navarre is transferred to the central government to cover central government activity in those territories. This fixed amount, or *cupo*, is settled in advance in bilateral *foral* economic treaties (Toboso and Scorsone 2010).

During the Franco regime, the Basque provinces had no special intergovernmental avenues for negotiation.⁴ The fiscal regime for the Basque Country (*Concierto*) was set up in 1981 and was renegotiated in 2002 but the *cupo* is negotiated every five years (Law No. 12/1981, Art. 48 and No. 12/2002, Arts. 49–50). The negotiations on the fiscal regime take place in a coordination committee (*Comisión coordinadora*) composed of four central government representatives and four Basque representatives, one from each of the three Basque provinces and one from the Basque government (Law No. 12/1981, Art. 40). The *cupo* is decided by a joint committee (*Comisión Mixta del Concierto Económico*) which meets every five years and consists of an equal number of representatives from the central government and the Basque region (half of whom are appointed by the provinces and half by the Basque government (Law No. 12/1981, Art.49; Swenden 2006: 135–6). The 2002 fiscal agreement made the joint committee responsible for determining the *cupo* and for negotiating amendments to the fiscal agreement. It stipulates that decisions are taken unanimously (Law No. 12/2002, Arts. 61–62).

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Within the Basque Country a tax coordination agency (*Órgano de Coordinación Tributaria de Euskadi*) is responsible for coordinating the tax regimes of the three provinces. The agency was set up in 1989 and the board consists of three representatives from the Basque government and one representative from each provincial council. Its competences are limited to issuing reports (Law No. 3/1989, Arts. 16–17). The Basque government and Álava, Biscay, and Gipuzkoa score 2 on bilateral fiscal control from 1981 onwards.

Navarre's fiscal regime (*Convenio*) was in place during the Franco regime and was extended into the democratic transition (see Fiscal Autonomy Law). A new fiscal regime was concluded in 1990. The 1990 agreement installs an arbitration board (*Junta Arbitral*) with a president appointed by the Spanish government (after the opinion of the supreme court of Navarre) tasked with resolving regional/central government disputes. Four of its members are appointed by the central government and four by the government of Navarre (Law No. 28/1990, Arts. 45–46). A similar arrangement exists for the Basque Country (Law No. 12/2002, Arts. 65–67). The annual *cupo* of Navarre is negotiated every five years by a coordination commission (*Comisión Coordinador*) of twelve members, also split between the central government and Navarre (Law No. 28/1990, Arts. 53 and 61; Swenden 2006: 135–6). Changes to the *Convenio* need to be approved by the parliaments of both Spain and Navarre (Law No. 13/1982, Art. 45). The latest revision was adopted in 2003 (Law No. 25/2003). Navarre scores 2 on bilateral fiscal control from 1982 onwards.

BORROWING CONTROL

Coordination of public debt is discussed in the *Consejo de Política Fiscal y Financiera* (see Fiscal control, discussed earlier). The decisions of the council are adopted by two-thirds of the votes or, when falling short in the first round, an absolute majority in a second round (Council of Europe 2000).²³ However, the *Consejo* originally had only an advisory role (Law No. 8/1980, Art. 3.2; López-Laborda et al. 2006).

The control of the *Consejo* on borrowing increased when, in response to EMU, a Law was adopted in 2001 (in force since 2002) stipulating that *comunidades* should achieve budgetary stability and that they must submit recovery plans subject to approval of the *Consejo* when they run deficits (European Commission 2011; Gordo and de Cos 2001; Law No. 5/2001, Arts. 2 and 8). The 2001 Law also applies to the Basque Country and Navarre (Law 5/2001, final disposition one). A reform in 2006 brought *comunidades* under stricter control by requirements to negotiate fiscal restoration plans with the *Consejo*

²³ Ministerio de Hacienda y Administraciones Públicas. "Consejo de Política Fiscal y Financiera. Reglamento de Régimen Interior del Consejo de Política Fiscal y Financiera, Art. 10." <<http://www.minhap.gob.es/es-ES/Areas%20Tematicas/Financiacion%20Autonomica>>.

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and to provide more information on the regional fiscal situation to the central government (Law No. 3/2006, Art. 1.3–1.4; López-Laborda et al. 2006).

Since 2012, government debt is subject to a balanced budget law stipulating that all tiers of government may incur deficits only when an absolute majority of the national parliament recognizes a case of natural disaster, economic recession, or other emergency (Law No. 2/2012, Art. 11). *Comunidad* debt may not exceed 13 percent of regional GDP and the *Consejo* sets annual debt targets for each of the *comunidades* (Law No. 2/2012, Arts. 13 and 16). The 2012 Law was amended in 2013 to include commercial debt and to improve the monitoring and enforcement of budgetary stability (Law No. 9/2013). *Comunidades* score 1 from 1980 (or the year in which their autonomy statute was adopted) until 2002, and 2 since 2002 on multilateral borrowing control.

CONSTITUTIONAL REFORM

Senators representing the assemblies of the *comunidades* are too few in number (fifty-eight out of a total of 266 members, just under 22 percent) to be able to raise the decision hurdle so *comunidades* score 0 on multilateral constitutional reform. The lack of collective *comunidad* control over the constitution of the Spanish state is balanced by the fact that each *comunidad* has a veto over amendments to its own statute. A revised autonomy statute requires in any case the approval of a majority in the *Cortes*, in both the congress and senate (C 1978, Art. 81; Colino 2009). The procedure within the *comunidades* differs according to type of majority and whether the revision of the autonomy statute is subject to ratification by a regional referendum, but in all cases the *comunidades* have veto power (Orte and Wilson 2009) and score 4 on bilateral constitutional reform from the year in which their autonomy statute was adopted.

According to the Spanish constitution, Ceuta and Melilla may become *comunidades* when their councils so decide and when the national parliament approves it (C 1978, transitional provision five). Both cities became *ciudades autónomas* in 1995 and amendments to their autonomy statutes require a two-thirds majority of the regional assembly (Law No. 1/1995, Art. 41 and No. 2/1995, Art. 41) as well as the approval of a majority in the *Cortes*, in both the congress and senate (C 1978, Art. 81). Ceuta and Mellila score 0 on bilateral constitutional reform from 1950 until 1978, and 4 from 1978 onwards.

Provincias in Spain played no role in constitutional reform during the dictatorship. Since 1978, constitutional reform requires a three-fifths majority in both the upper and the lower house on the first vote and—failing agreement—a two-thirds majority in the lower house and absolute majority in the *Senado* in a subsequent vote before the proposal can be submitted for ratification in a referendum (C 1978, Art. 167; Harty 2002; Swenden 2006: 77). The directly elected provincial senators can therefore veto constitutional change and score 3 on multilateral constitutional reform from 1978.

Self-rule in Spain

		Institutional depth	Policy scope	Fiscal autonomy	Borrowing autonomy	Representation		Self-rule
						Assembly	Executive	
Provincias	1950–1977	1	0	0	1	1	0	3
	1978–2010	2	1	1	1	1	2	8
Álava/Araba	1950–1977	1	1	3	1	1	0	7
	1978–2010	2	1	4	1	1	2	11
Bizkaia/Vizcaya	1978–2010	2	1	4	1	1	2	11
Gipuzkoa/Guipúzcoa	1978–2010	2	1	4	1	1	2	11
In Catalunya: comarcas	1987–2010	2	2	0	0	1	2	7
In Catalunya: Val d'Aran	1991–2010	2	2	0	0	2	2	8
Comunidades autónomas*	1982	3	3	2	1	0	0	9
	1983–1996	3	3	2	2	2	2	13
	1997–2010	3	3	3	1	2	2	14
Comunidades autónomas**	1983–1996	3	3	2	2	2	2	13
	1997–2010	3	3	3	2	2	2	14
Andalucía	1981	3	3	2	1	0	0	9
Galiza/Galicia	1981–1996	3	3	2	1	2	2	13
	1997–2010	3	3	3	1	2	2	14
Navarra/Nafarroa	1950–1977	1	1	3	1	1	0	7
	1978	2	1	3	1	1	0	8
	1979–1981	2	1	3	1	2	2	11
	1982–2010	3	3	4	1	2	2	15
Catalunya/Cataluña	1979	3	3	2	0	0	0	6
	1980–1996	3	3	2	2	2	2	13
	1997–2010	3	3	3	1	2	2	14
Euskadi/País Vasco	1979	3	3	0	0	0	0	6
	1980–2010	3	3	0	2	2	2	11
Ceuta	1956–1977	1	0	0	0	0	0	1
	1978	2	2	2	1	0	0	7
	1979–1994	2	2	2	1	2	2	11
	1995–1996	3	3	2	2	2	2	13
	1997–2010	3	3	3	1	2	2	14
Melilla	1956–1977	1	0	0	0	0	0	1
	1978	2	2	2	1	0	0	7
	1979–1994	2	2	2	1	2	2	11
	1995–1996	3	3	2	2	2	2	13
	1997–2010	3	3	3	1	2	2	14
	1956–1977	1	0	0	0	0	0	1
	1978	2	2	2	1	0	0	7
	1979–1994	2	2	2	1	2	2	11
	1995–1996	3	3	2	2	2	2	13
	1997–2010	3	3	3	1	2	2	14
	1956–1977	1	0	0	0	0	0	1
	1978	2	2	2	1	0	0	7
	1979–1994	2	2	2	1	2	2	11
	1995–1996	3	3	2	2	2	2	13
	1997–2010	3	3	3	1	2	2	14

* Aragón, Asturias, Cantabria, Islas Canarias, Castilla-La Mancha, La Rioja, Murcia, and Valencia.

** Castilla y León, Extremadura, Islas Baleares, and Madrid.

Continued

		Law making									Executive control			Fiscal control			Borrowing control			Constitutional reform		Shared rule						
		L1	L2	L3	L4	L5	L6	M	B	M	B	M	B	M	B	M	B	M	B	M	B							
Catalunya/Cataluña	1980–1986	0	0.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	6.5		
	1987–2001	0	0.5	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	8.5	
	2002–2010	0	0.5	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	9.5	
Euskadi/País Vasco	1980	0	0.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	6.5	
	1981–1986	0	0.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	7.5	
	1987–2001	0	0.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	9.5	
	2002–2010	0	0.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	10.5	
Ceuta	1956–1977	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	1978–1994	0.5	0	0.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	5	
	1995–2001	0.5	0	0.5	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	9	
	2002–2010	0.5	0	0.5	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	10	
Melilla	1956–1977	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	1978–1994	0.5	0	0.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	
	1995–2001	0.5	0	0.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	5	
	2002–2010	0.5	0	0.5	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	9	
		0.5	0	0.5	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	10	

National legislature: L1=regional representation; L2=regional government representation; L3=majority regional representation; L4=extensive authority; L5=bilateral regional consultation; L6=veto for individual region. Total shared rule is either multilateral (M) or bilateral (B).