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The Nordic Path of Spain's Mediterranean Welfare*

by

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Abstract

Despite the fact that the Nordic welfare model has become less exceptional in recent times, it continues to offer numerous examples for “best practices” in social policy provision, together with a high degree of welfare political legitimacy. This paper explores Nordic “benchmarking” as reference to the case of welfare development in Spain. In the general process of convergence of the European welfare states towards the middle, the Spanish case stands out as the one Mediterranean EU country which has gone further in incorporating inputs and traits of the social-democratic Nordic world of welfare capitalism. While Spain's welfare state has become more liberal in macroeconomic policies, and social policymaking has followed a pattern of universalization of welfare entitlements and provision, there has been a detachment from the Bismarckian principle of income maintenance. This paper deals with Spain's evolution in two main areas, which have distinctively characterized Nordic welfare in contemporary times: (1) fiscal resources, and (2) female employment. The analytical purpose of the first section is to ponder the claim as to whether or not Spanish welfare has intensified a socioeconomic path in the direction of the Nordic model. Subsequently, Spain's societal changes and welfare reforms are reviewed with relation to the two areas identified as having the greatest impact in the future evolution of Spain's welfare: conciliation of work and family life, and the territorial politics of welfare provision. Concluding remarks speculate on the hypothesis that countries with fragmented political institutions and a decentralized state organization, such as Spain, may move faster and be more responsive in the development of new welfare policies. Likewise, the emergence of gender and family issues

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into the political arena is also regarded as generating pressure for major changes in Spain's Mediterranean welfare, and possibly intensifying its Nordic path or component.

1. Introduction

More often than not, cross-national comparisons in welfare studies have failed to spell out clearly as reference point the dependent variable, the independent variable, or a co-integration of long-run relations of them. As a result, the choice of the reference point, or base-line, has repeatedly resulted in ethnocentric comparisons. It comes as no surprise that welfare state studies have tended to be rather Nordic-centric and, in particular, Swedish-centric (Esping-Andersen, 1993). The fact that the Nordic systems of social protection had already in the 1970s reached advanced levels of welfare maturation led to the canonic assumption that they constituted the very model of reference for other social systems. However, late developments in the European Union have confirmed that challenges and problems faced by advanced welfare states in the “Old Continent” are increasingly common and the range of options to tackle them is rather akin. The Nordic welfare model has thus become less exceptional, despite that it continues to offer numerous examples for “best practices” in social-policy provision together with a high degree of welfare political legitimacy. In this paper I explore Nordic “benchmarking” as reference to the case of Spain’s welfare development in recent years.

Table 1: Social Expenditure as Percentage of GDP (EU-15)

	1990	1995	1998	2002	2005
Continental Europe	29.6	30.1	28.8	29.3	29.5
Nordic countries	28.1	32.1	30.1	28.8	28.2
Southern Europe	18.0	22.2	23.7	24.6	24.1
United Kingdom	24.3	27.7	26.8	27.6	26.8
Average EU-15	N.A.	27.7	27.1	27.4	27.8

Notes: Unweighted averages.

Continental Europe: Austria, Belgium, France, Germany, The Netherlands; **Nordic countries:** Denmark, Finland, Norway, Sweden; **Southern Europe:** Greece, Italy, Portugal, Spain.

Source: Eurostat (<http://epp.eurostat.ec.europa.eu/>).

European welfare states are in a process of convergence towards the middle concerning, among other indicators: income inequality, public expenditure and social protection expenditure (see Table 1). Gini coefficients and the risk of poverty have been reduced slightly, while expenditures have risen in absolute terms (Adelantado and Calderón, 2006). The politics of the so-called “welfare retrenchment” have in fact translated into a generalized concern for “cost containment” which manifests itself in: (a) a hardening of the criteria of access to and eligibility for welfare entitlements in Continental Europe; (b) a reduction of about 10 percent in the generous welfare benefits provided by Nordic welfare states; and (c) a transfer of responsibilities from the state public to the profit-making private sector in the British welfare state (e.g., pensions) (Moreno and Palier, 2005). In all three instances, approaches to reform have been – at least partially – path-dependent on

those ideas, institutions and interest upon which those welfare states were first built and later developed (Ferrera *et al.*, 2000; Kuhnle, 2000; Pierson, 2001; Taylor-Gooby, 2001).

Indeed, the various programs of “recasting” and “recalibration” reflect a paramount concern for making viable the economic (fiscal) sustainability of welfare spending in EU countries (accounting for some 60 percent of total public expenditures) Main threats to such sustainability are: (1) increased internationalization of national economies; (2) higher relative costs of producing human services and social care (“Baumol’s disease”);¹ (3) “graying” of the population; (4) slower productivity growth in the private sector; (5) persistent unemployment and low employment rates; and (6) disincentive effects produced by the welfare state itself, including moral hazard (Lindbeck, 2006).

The “new” labor activation paradigm has been embraced all around within the European Union. It finds expression in two broad – but alternative – models for socioeconomic performance: Anglo-Saxon deregulation and Nordic flexicurity. In the former, social policies have a limited role and their short-term paramount concern is to incite individuals to search actively for jobs, while facilitating a potential “reservation army.” In the latter, activation is meant to provide social services on a long-term perspective in an attempt to break an equilibrium between individuals’ and society’s demands (Barbier, 2004; Serrano Pascual, 2007).

Given this context, the case of Spain displays interesting features of a rather ambivalent – and even syncretic – nature. The Spanish welfare state belongs to the Mediterranean welfare regime. Social-demographic trends, institutional peculiarities, political resources, socioeconomic backgrounds, patterns of public policy and value systems are rather similar in the EU southern countries (Sarasa and Moreno, 1995; Ferrera, 1996; Rhodes, 1997). They all experienced authoritarian and dictatorial rule (for longer periods in the case of Portugal and Spain), and have suffered from industrial “delays” in modern times (except for early industrialized areas in Italy and Spain) (Giner, 1986; Gunther *et al.*, 1995; Morlino, 1998). The religious factor has had a structuring role in all four countries (Castles, 1994; van Kersbergen, 1995), but the role of the “national” churches as main organizer of social protection has diminished.² Recent comparative studies using multivariate statistical techniques indicate that Mediterranean countries maintain sharp differentiating characteristics with respect to other European welfare regimes.³

¹This appears in wage increases in welfare jobs, such as those related to dependent citizens or education, which follow those in sectors with faster productivity growth. Increased consumption of tax-financed social services of primary care is usually expected to need higher taxes up to the point where the limit of the “Laffer curve” is reached, and then no further tax financing becomes technically feasible (Lindbeck, 2006). However, the situation in Spain and other Mediterranean EU countries in recent times must be qualified by the impact of “cheap labor” provided in this area of personal services by legal and illegal immigrants (Moreno Fuentes, 2007).

²In Greece the ubiquitous Greek Orthodox church continues to be the most important form of private action for the family and the poor (Symeonidou, 1997). The same applies to the Roman Catholic Church – and its organization Caritas – in Italy, Portugal and Spain. However, state welfare has widely increased in the last decades, relegating the charitable action of the church to an important but complementary role.

³An expanded analysis to EU-17 also confirms that South European countries continue to cluster robustly in a distinctive group (Vasconcelos Ferreira and Figueiredo, 2005)

As in other Southern European countries, Spain's single most characteristic trait is the crucial role played by the family and its interpenetration in all areas of welfare production and distribution.⁴ In particular, the role of women in providing – free of charge – a wide range of human services for the well-being of family members has been crucial for upholding *tout court* a distinct set of welfare arrangements in this world of welfare capitalism. Such family interpenetration contrasts with individual empowerment (liberal Anglo-Saxon), statist egalitarianism (social-democratic Nordic) or institutional partnership (corporatist Continental) as the core tenet for welfare provision in South European countries. The question remains as to whether or not the ongoing transformations will blur the specific characteristics of the Mediterranean welfare regime (Moreno, 2006).

<u>1959</u>	<u>1985</u>	<u>1998</u>	<u>2005*</u>
58.3%	70.6%	81.5%	95.5%

Note: Per capita income (PPPs) as percentage of European mean

* Euro-zone. The corresponding figure for EU-25 was 98.8%.

From the time of its accession to the EEC/UE in 1986, Spain's economic growth accelerated in order to catch up with the main European central economies (see Table 2). Evidence has lent no support to the "social dumping" explanation for such an achievement (Guillén and Matsaganis, 2000). If anything, Spain offers a good example of a pattern of "leapfrogging," or a very compressed transition from preindustrial to postindustrial socio-economic structures (Ferrera, 2007). Spain has thus passed from semiperipheral to core status within the international economic order, and has deployed in such a process a "mixed market economy" variant of the "coordinated mixed economy" variety of contemporary capitalism (Hall and Soskice, 2001).

In the early 1990s, Spain welfare development appeared as a *via media* between both corporatist Continental and liberal Anglo-Saxon worlds of welfare capitalism. Already then, it was incorporating inputs and traits of the social-democratic Nordic welfare typology (Moreno and Sarasa, 1992). Later on, while it has become more liberal in macro-economic policies, and social policymaking has followed a pattern of universalization of welfare entitlements and provision, there has been a detachment from the Bismarckian principle of income maintenance.⁵

This paper mainly deals with Spain's evolution in two main areas which have distinctively characterized Nordic welfare since the times of the *trentes glorieuses*, or "Golden Age" of welfare capitalism (1945-75): fiscal resources and female employment. The purpose behind such analyses is to ponder the claim as to whether or not Spanish welfare has intensified a socioeconomic path in the direction of the Nordic model. Two indicators are

⁴In the Western world there are countries where families and family ties are relatively "strong," while in others they are "weak." Both Central and Northern Europe, together with the U.S., have been characterized by weak family links, and the Mediterranean nations by strong family ties. According to this view, differences have deep historical roots and are not diminishing in present times in any fundamental manner (Reher, 1998).

⁵This shows clearly in the pensions system and the gradual establishment of a "safety net" of minimum income, as well as in the higher equalization in pension payments (Arriba and Moreno, 2005; Sarasa, 2007).

singled out as providing the bases for comparison: increased taxation and female labor participation. How do Spain's welfare developments compare with those Nordic benchmarking references? The answer to this question focuses the attention of the next section of this paper. Subsequently, Spain's societal changes and welfare reforms are reviewed in relation to the two areas identified as having the greatest impact in the future evolution of Spain's welfare: conciliation of work and family life and the territorial politics of welfare provision. Concluding remarks speculate on the hypothesis that countries with fragmented political institutions and a decentralized state organization may move faster and be more responsive in the development of new welfare policies. Likewise, the emergence of gender and family issues into the political arena is also regarded as generating pressure for major changes in Spain's Mediterranean welfare, and possibly intensifying its Nordic path or component.

2. Nordic welfare as a benchmarking reference

As already stated, matured welfare systems in Nordic Europe rests upon a wide range of welfare entitlements and social protection intensity. Their achievements have been postulated as "best practices" in order to offer solutions to Continental Europe's problems and, in particular, to "newcomers" in the advanced worlds of welfare capitalism (Esping-Andersen, 1990). This section explores the distance of Spain's welfare with respect to that of their Nordic counterparts. It also attempts to answer to the question as to whether such a divergence has been reduced, maintained or widened. This paper cannot engage itself in a comprehensive and systematic comparison of all intervening variables. Arguably, it applies the view that the Nordic welfare achievements may be parsimoniously packed into two main indicators of reference: (i) increased taxation, and (ii) women's labor market participation (Abrahamson, 2007).

The analytical risks of over-determination in attempting to draw lessons from comparing numbers and digits from two single indicators cannot be underemphasized. However, and for the purposes of making plausible subsequent interpretations, evidence provided by figures and data of a general nature are included in order to illustrate the "Nordic path" of Spanish welfare.

2.1. Increases of taxation as percentage of GDP

A great deal of Nordic welfare provisions and institutional arrangements was made possible by the financial resources available for their implementation and structuring during a long period of high public social expenditure. Certainly, high public expenditure does not translate into a generous welfare state. It is a necessary although not sufficient condition. Yet, in postwar Scandinavia, highly legitimized governments with strong power resources have been able to implement generous welfare policies across-the-board (Korpi, 1983).

Tax levels of around 50 percent of GDP make Denmark and Sweden world record holders, while Finland and Norway with approximately 45 percent do not fall far behind. Among highly developed OECD countries, Nordic tax levels and structure stand out in comparison with the United States, where personal taxes and VAT are much lower, but where property taxes are higher. The overall tax burden in the U.S. is about half of what

we find in Scandinavia (Abrahamson, 2007). Nordic tax levels were also double those of Spain at the time of the demise of Franco's dictatorship (1975). Currently they have been reduced to around one-third higher. Among the group of advanced industrial countries, Spain has increased most its level of taxation measured as percentage of GDP: 21 percentage points in the period 1965-2005 (see Table 3).

Table 3: Total tax as percentage of GDP in selected countries (1965-2005).

	1965	1975	1985	1995	2005	▲ 65-05
Denmark	29.9	39.3	46.5	48.8	49.7	+19.8
Finland	30.4	36.7	39.9	45.6	44.5	+14.1
Norway	29.6	39.3	43.0	41.4	45.0	+15.4
Sweden	35.0	41.6	47.8	48.1	51.1	+16.1
Greece	19.9	21.3	28.0	31.7	35.0*	+15.1
Italy	25.5	25.4	33.6	40.1	41.0	+15.5
Portugal	15,8	19.7	25.2	31.7	34.5*	+18.7
Spain	14.7	18.4	27.2	32.1	35.8	+21.1
France	34.5	35.5	42.4	42.9	44.3	+9.8
Germany	31.6	35.3	37.2	37.2	34.7	+3.1
United Kingdom	30.4	35.3	37.7	35.0	37.2	+6.8
USA	24.7	25.6	25.6	27.9	26.8	+2.1
OECD (total)**	25.8	29.7	32.9	35.1	35.9*	+10.1
EU-15*	27.9	32.4	37.7	39.2	39.7*	+11.8

* 2004

** Unweighted mean.

Note: EU-15 area countries are: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and United Kingdom.

Source: Revenue Statistics 1965-2004, OECD (www.oecd.org/STATS/taxrevenue.pdf; www.oecd.org/dataoecd/8/4/37504406.pdf).

Fiscal policies in the Nordic countries have been committed to the development of a comprehensive welfare state. Since the 1950s, gradual and sustained increases in public budgets and tax revenues developed. From the 1960s to the 1980s public expenditure was partially loan financed, but in recent times Scandinavian tax revenue is higher of what is needed to just cover its public spending. As a response to this situation, the Denmark government's policy is aiming, for example, at producing an annual budget surplus of around 2 percent of GDP. The objective is to reduce the public debt from the current level of 45 percent to around 25 percent of GDP in 2010 (Ministry of Finance, 2006). Along the same lines, Spain's public administrations obtained in 2005 their first budget surplus (1.1 per cent of GDP) since democracy was reinstated. A year later, the surplus increased to 1.5 per cent of GDP. As in the case of Denmark, Government's objective is to reduce the level of public debt to 34 per cent in 2010 (Ministerio de Presidencia, 2005). This figure reflects a clear deviation from the situation in other Southern European countries (e.g., Italy and Greece had levels of public debt of around 106 percent of GDP in 2006).

Table 4: Legitimation bases for the welfare state in Spain

	1985	1990	1995	2005
The Government is responsible for the welfare of each and every one of the citizens and has the duty to help them out to solve their problems	68	59	62	68
The Government is responsible only for the welfare of least-favored citizens and has the duty to help them out to solve their problems	-*	17	15	23
Citizens are themselves responsible for their own welfare and have the duty of sorting out their own problems	18	16	16	5
Don't know	13	8	8	4

Source: CIS, Spanish Sociological Center (Studies 1465, 1880, 1910, 2154, 2187 and 2594, www.cis.es).

Table 5: Less taxes or more expenditure in welfare benefits and public services

It is better to reduce taxes and having lower expenditure in welfare benefits and public services	24%
It is better to spend more in welfare benefits and public services even if it means paying more taxes	55%
Don't know	21%

Source: Arriba, Calzada and del Pino (2006: 26).

As is the case in Nordic countries (Svallfors, 2004), two-thirds of citizens in Spain have repeatedly expressed their support for a direct public provision of welfare (Table 4). The high proportion of those in favor of the option for “universalistic statism” is high among voters for both main right-wing and left-wing parties (Popular Party-PP and Socialist Party-PSOE). Such citizens’ attitudinal expressions provide a wide legitimating political base for the development of the welfare state along the “Nordic path” (Arriba *et al.*, 2006). Spaniards’ attitudes in favor of universal welfare are corroborated in “negative” by their disagreement with a reduction of taxes and, accordingly, of public services (Table 5). In this way the reticence to pay more taxes is contrasted by a favorable disposition to keep public services and a universal welfare state (del Pino, 2004).

2.2. High female participation in the formal labor market

Employment rates for women in Nordic countries (Denmark, Finland, Norway and Sweden) currently reach around 70 percent, while those of South European countries are in the bottom part of EU’s ranking with percentages around 50 percent, except for the case of Portugal.⁶ Increases in female labor participation in EU Mediterranean countries have been not only notable, but have reached quantum-leap proportions in the case of Spain: 22 percentage points in little more than 10 years to reach the rate of 53 per cent in 2006. If Spain’s total female employment was nearly 20 percentage points behind that of EU-15 in 1995, the difference has been reduced to around 5 percentage points in 2006 (Table 6).

⁶Mainly for historical reasons, Portugal has traditionally had a greater proportion of working women in the formal labor market than its South European counterparts. Already in 2002 it had already accomplished the goal put forward by the European Employment Strategy according to the objectives set in the Lisbon Strategy of reaching 60 percent of total female employment in 2010 (Capucha *et al.*, 2005).

Table 6: Women's employment rates in Nordic and Southern Europe (1993-2006)

	1995	1998	2004	2006	▲ 93- 06
Denmark	66.7	70.2	71.6	73.4	+6.7
Finland	59.0	61.2	65.6	67.3	+8.3
Norway	N.A.	73.6*	72.2	72.2	-1.4
Sweden	68.8	67.9	70.5	70.7	+1.9
Greece	38.1	40.5	45.2	47.4	+9.3
Italy	35.4	37.3	45.2	46.3	+10.9
Portugal	55.0	58.2	61.7	62.0	+7.0
Spain	30.7	35.8	48.3	53.2	+22.5
<u>UE-15</u>	49.2	51.6	56.8	58.7	+9.5
UE-25	N.A.	51.8	55.7	57.6	+5.8**

* 2000

**1998-2006

Note: The female employment rate is calculated by dividing the number of women aged 15 to 64 in employment by the total female population of the same age group. The indicator is based on the EU Labor Force Survey.

Source: Eurostat (2008, <http://epp.eurostat.ec.europa.eu/>)

More relevant to our discussion are those data concerning labor participation in the central ages of women's vital cycles (25-49 years), a period of time when women often confront not only a demanding job careers but also a greater household involvement related to reproduction and child care activities. In the same period 1995-2006, the employment rate for the age-group of 25-49 years increased 25 percentage points to reach 67 percent, a percentage not too distant from the mean figure for EU-15 (see Table 7).

Likewise, a look at Table 8 shows how female activity rates in Spain have more than doubled in the age group of 25-54 years since the time of transition to democracy in 1976, from 29 percent to nearly 70 percent. This latter figure is not far behind that corresponding to the total Nordic female employment rate. If this trend of increasing female participation in the Spanish formal labor market were to be sustained, we would witness a further convergence with the European Union in the not-too-distant future. This development was simply unthinkable a few years ago.

Indeed, the paradigm of labor activation embraced by EU's countries has in Spain a case where economic growth has been reconciled with welfare development. The Spanish situation is far from that of the Scandinavian's "flexicurity." However, the strategy of labor flexibility and reduction of corporate payroll contributions - so that hiring more vulnerable employees could be facilitated - runs along a moderate but sustained pattern of social protection expansion.

Table 7: Female employment rates for in EU-15 for the age-group of 25-49 years (selected countries, 1995-2006).

	1995	1998	2002	2006	▲ 95-06
Denmark	77.4	79.2	81.0	82.8	+5.4
Finland	71.1	75.6	79.6	78.9	+7.8
Sweden	81.6	76.7	82.4	82.1	+0.5
Greece	51.1	54.1	57.9	62.9	+11.9
Italy	49.0	50.6	56.1	61.1	+12.1
Portugal	71.0	73.6	76.2	76.6	+5.6
Spain	42.0	46.8	57.0	67.0	+25.0
France	60.0	68.7	72.4	75.9	+15.9
Germany	67.4	69.1	72.8	74.4	+7.0
United Kingdom	69.9	72.1	74.1	74.3	+4.4
EU-15	62.3	64.3	68.6	71.7	+7.4

Note: Data have been extracted from different quarter in the same year.

Source: Eurostat (2005; <http://epp.eurostat.ec.europa.eu/>)

Table 8: Female activity rates in Spain (1976-2003)

Age groups	1976	1980	1985	1990	1995	2000	2004
16-19	48.6	40.0	32.0	30.2	21.8	20.8	19.4
20-24	53.4	54.7	54.5	61.2	57.9	57.3	58.0
25- 54	29.1	30.4	35.6	47.9	56.5	63.5	69.4 ¹
+55	13.8	11.2	10.0	9.0	8.5	8.9	10.5
Total	28.5	27.8	29.0	35.6	37.9	41.8	45.8 ²

¹75.2% (EU-15)

²62.7% (EU-15)

Source: Spanish Active Population Survey (<http://www.ine.es/>) and EU's Labor Force Survey (<http://epp.eurostat.ec.europa.eu/>).

3. Spain's societal changes and welfare reforms

As in other European countries, population aging and economic immigration in Spain (around four million residents in 2006)⁷ are regarded as having far-reaching reper-

⁷Who were registered in the municipal registers of inhabitants or *padrón municipal*. At the end of 2006, there were nearly two million immigrant employees who were in the contributory social insurance system (more than 10 percent of the affiliated workers) (Moreno Fuentes, 2007).

cussions for social policymaking. However, two sociopolitical transformations can be singled out as having the greatest impact on developments in the foreseeable future of Spanish welfare: (1) the increase of women's participation in the paid labor market; and (2) the decentralization of social policy provision and the federalization of politics.

3.1. Household and work, resilient familialism?

Despite its precarious welfare equilibrium, Mediterranean countries have witnessed the transition from a traditional *male breadwinner model*⁸ to one of “family and kin solidarity” (Naldini, 2003). The transfer of caring responsibilities from young parents to other relatives or grandparents—generally women, or “granny-mothers”—⁹ has traditionally reinforced the cultural bases of the familialist welfare regime in Southern Europe.¹⁰ These practices can be regarded as the main resource to conciliate both jobs and household activities, which are very different from those in the Nordic countries. Not surprisingly, family and inter-generation strong micro-solidarity¹¹ has perversely permitted a limited and usually passive state intervention, in many cases “unfriendly,” towards working mothers (Trifiletti, 1999; Saraceno, 2000).

As the hyperactivity of cohorts of “superwomen”¹² vanishes gradually and “ambivalent familialism” transforms itself, there is a serious vacuum emerging in welfare provision which will have enduring effects in social policymaking. The increasing externalization of personal care services traditionally provided by the family has taken a particular turn in Spain, as in other South European countries. Such services are increasingly “purchased” from immigrants at low cost (sometimes in the “underground” economy). This process has been recent and swift, something which reiterates preferences in Southern Europe for contingent solutions (Ranci, 1999; Moreno Fuentes *et al.*, 2006). Developments in this case have unfolded along the lines of the liberal Anglo-Saxon model of private pref-

⁸A model which is rejected by the big majority of Spaniards: just 15 percent of the population agrees that males should get the “bread” and females take care of domestic work, including care for children (CIS, 2004, Barometer 2556, www.cis.es). However, women continue to carry out most domestic activities. In 1996, Spanish women worked on average four hours and thirty minutes more than men did in household activities. In 2001 the difference had been reduced by seventeen minutes. At this rate, it would take eighty years for the time spent by women and men in housework to become equal (MTAS, 2003).

⁹According to data provided by the Family-Employment Compatibilization (*Encuesta de Compatibilización Familia-Empleo*), “granny mothers” are indispensable in the conciliation of family and work for around 40 percent of working mothers (Fernández-Cordón and Tobío, 2005: 30).

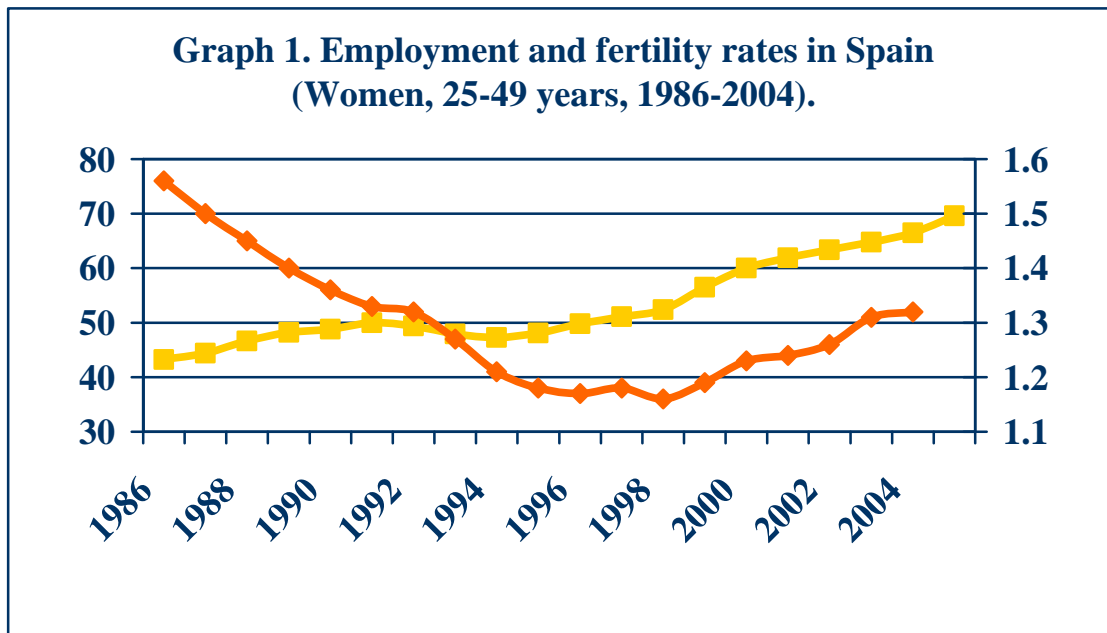
¹⁰In Spain, three-quarters of working mothers have a close relative living in the same town; in more than half of the cases it is their own mother (Tobío, 2001).

¹¹The Spanish severely poor, within an income level equal or lower to a quarter of the mean figure for the per head equivalized household income, reach the figure of 36 percent—when individually counted—but are only 5 percent of Spain’s total population when the aggregated domestic income within households is taken into account (Carabaña and Salido, 2001).

¹²Cohorts of women, now aged between forty and sixty-four, who could only undertake demanding professional activities in the labor market if they were prepared to combine them with traditional unpaid caring work in households, typify Spanish “superwomen” across all Spanish social groups, classes and geographical areas (Moreno, 2004).

erence for market provision, rather than for the institutionalization of public structural reforms, as often implemented in the Nordic countries.¹³

The key question about these contingent strategies is whether their effectiveness for women’s well-being can be sustained for long without structural reforms. A look at the evolution of fertility rates among Spanish women is very illustrative in trying to answer the question. Contrary to other patterns in Continental Europe, Spanish women participate primarily in the labor market on a full-time basis,¹⁴ something which makes the “compatibilization” of domestic and paid work all the more difficult. Among other factors, the decline of fertility rates can be correlated with the steady increase in female labor participation (see Graph 1).



Once the generation of “superwomen” gradually disappears, younger generations of women confront a situation of a continuous postponement of first births. If this phenomenon is common to most developed countries, the Spanish and Southern European peculiarity concerns the acute loss of reproductive opportunities (Esping-Andersen, 2007). As a consequence, and despite the resilience of the Mediterranean family, one of its crucial elements appears to be in crisis. Furthermore, low fertility rates have taken place in parallel with an accentuated aging of the population (a trend partly “balanced” by the impact of massive immigration). All these transformations underscore the decisive importance of family policies, and those policies associated with household life, for the future welfare development in Spain.

¹³In political terms, *dirigiste* state intervention in family matters in Spain still recalls authoritarian policies of Franco’s dictatorship (Valiente, 1995).

¹⁴In 2000, just 8 percent of the Spanish were dual-earner couples with children in which women were part-timers, a percentage which contrasted with those of 53 percent in the Netherlands, 40 percent in the United Kingdom, or 33 percent in Germany (Moreno, 2007b).

3.2. Federalization, growing disparities?

The territorial form of the state greatly affects welfare provision and institutional responsibilities (Moreno and McEwen, 2005). As a result of intrastate variations, often reflected in different party systems, channels of elite representation and interest articulation, decentralization has become a major embedding factor in contemporary political life in Europe. In some countries it is affecting the very “core” of traditional social policies. In Spain, universal health care, for instance, has been decentralized in various degrees and manners allowing the establishment of regional systems of health provision (Guillén, 2002). The regional implementation of Spanish welfare policies has so far allowed for a great deal of autonomy in the direction of management.

The decentralization of economic development policies has gone hand in hand with the decentralization of political institutions and the further regionalization of welfare policies, particularly those concerning assistance and social services of primary care. Spanish sub-state layers of government have found in the principle of European subsidiarity a renewed impulse for the running of public affairs, and new opportunities for policy experimentation. There is certainly a case for sub-state units to become “laboratories of democracy.” It has been argued that the greater the need for innovation (for example, a “new” problem or solution), the greater is the rationale for that function to be provided by the subnational (sub-state) government (Beer, 1993; Donahue, 1997). In Spain the payoff from innovation has so far exceeded the advantages of uniformity and has underlined policy diffusion as a criterion. Welfare innovative and “credit-claiming” policies have been made possible, as in other areas of policymaking, by the regions’ ability to optimize both the non-categorical transfer of financial resources from the central treasury and their own regionally-raised revenue. The territorial pattern of public expenditure in Spain has dramatically changed in the last twenty-five years (see Table 9). Both autonomy and financial resources have allowed mesogovernments the implementation of new welfare programs (e.g. minimum income schemes) that could have hardly been tried in a centralized country.¹⁵

Spanish regional economic disparities have been reduced, a development which has translated into a regional convergence in terms of per capita GDP (see Table 10).¹⁶ As a result those regions with lower income levels have grown at a faster pace than those with higher income levels. Certainly a progressive fiscal system notably helps to improve the disposable family income in those Spanish poorer regions (Parellada and Álvarez, 2006). As counter-intuitive as it may seem, the decentralization of power has contributed to the equalization of economic resources in Spain. Concerning welfare provision, mesogovernments have been able to integrate social services and social assistance policies into a common regionally-based network which facilitates universal access to residents.

¹⁵These are non-contributory programs regionally implemented by the seventeen Spanish *Comunidades Autónomas* with the general aim of social insertion for low-income or non-income families. According to 2004 data by the Spanish Ministry of Labor and Social Affairs there were nearly 100,000 households in Spain receiving these means-tested benefits.

¹⁶Despite lower income levels, in general, than in Northern and Central European countries, the pace of economic growth by Spanish regions is higher when it is compared to that of those European regions.

Table 9: Territorial Distribution of Public Expenditure in Spain (1981-2002) (%)

	1981	1984	1987	1990	1993	1996	1999	2002
CENTRAL	87.3	75.6	72.6	66.2	58.3	58.9	56.2	48.7
REGIONAL	3.0	12.2	14.6	20.5	25.8	26.9	28.2	35.5
LOCAL	9.7	12.1	12.8	13.3	15.9	14.2	15.6	15.8

Source: MAP (1997) for years 1981-90, and MAP (2002) for years 1993-2002.

Notes: (a) During 1999-2002, strong regional increases corresponded to the decentralization of education and health to all seventeen *Comunidades Autónomas*.

(b) Spending on social insurance pensions has not been taken into account as it would introduce a bias were it to be included as a central government matter.

Table 10: Convergence of Spanish per capita regional GDP in the EEC/EU (1980-2003) (%)

	1980 (EEC)	2003 (EU-15)	2003 (EU-25)
Andalusia	56	68	74
Aragon	76	95	104
Asturias	77	76	83,0
Balearics	86	102	112
Basque Country	89	111	121
Canaries	59	83	91
Cantabria	78	86	94
Castille-La Mancha	61	69	76
Castille and Leon	70	83	90
Catalonia	83	108	118
Extremadura	45	59	64
Galicia	61	70	77
La Rioja	88	98	107
Madrid	81	118	129
Murcia	65	75	82
Navarre	90	113	123
Valencia	71	84	92
SPAIN	71	89	97

Note: The per capita GDP is in power purchasing parities. European GDP is the base 100.

Source: Parellada and Álvarez (2006, Table 7).

4. Concluding remarks

Deep political and social transformations in Spain have given rise to big questions about future scenarios for welfare development. During the last decades there has been a further intensification of the “Nordic path,” manifested in an expansion of welfare entitlements (universal health care and education), together with an extension of social services. However, analytical attention ought to be paid to the evolution of those two specific areas sketchily examined above these lines.

First, reform concerning household-employment relationship stands out for its potential knock-on effects and implications for the whole of welfare arrangement and institu-

tions in Spain. Sorting out the apparent conflict between society's expectations of women's role as mothers and their professional aspirations would be crucial in order to adapt the familialist Mediterranean welfare regime to the dual challenge of increasing labor productivity growth and preserving social cohesion (Salido, 2006). Besides the sharing of domestic activities, other measures for greater gender equality could be implemented also for those women unable to enter the labor market or willing to devote themselves entirely to family life. Caring credits or credit allowances, together with a panoply of fiscal measures, should effectively—and legally—recognize the material nature of unpaid (principally caring) activities within households, and to promote gender equality.¹⁷

Among the concrete government initiatives favoring the reconciliation of work and family life, the number of *crèches* and places for children aged 0-2 years should be substantially increased.¹⁸ Such policy implementation would add to the practically universal pre-school attendance in Spain (3-5 years),¹⁹ and compulsory and universal education for those aged 6-15 years. Such initiatives cannot be expected to reverse overnight a long-standing “familialist” culture or, let alone, to “de-familialize” welfare arrangements in Mediterranean Spain. In fact, a general policy toward the family is lacking in Spain. Partial and expedient policies have been implemented in recent times in the light of pressing societal developments like the sudden drop in birth rates or the exponential massive entry of women into the formal labor market. It is difficult to assess whether such policies promote activation, redistribution or are pronatalist. The lack of a tradition of woman-friendliness in social policymaking in Spain has combined with an urge to comply with the aims set by the Lisbon Agenda and the fertility deficit so that the implementation of policies “towards” the family often lacks a clear programmatic purpose (Salido and Moreno, 2007). However, they have been resisted in many instances by the hierarchy of the Roman Catholic Church, which has shown great discomfort and uneasiness with some policies of the Spanish “Nordic path.” All things considered, those policies of reconciliation of work and family life and equality between women and men may provide the institutional means and bases for the promotion of choice for women in either to do unpaid work or not, or to engage in paid or unpaid work (Lewis, 1997).

Second, the territorial structure of Spain—a “federation in disguise”²⁰—appears to have the greater impact for the expansion and extension of welfare policies. Spain is a highly decentralized state with a meso-level very dynamic in policy innovation, including provision of social services. Their input would be crucial for the implementation of the

¹⁷The Law for the Effective Equality Between Women and Men (*Ley Orgánica para la Igualdad Efectiva entre Mujeres y Hombres*) passed in 2007 has introduced measures of positive discrimination with respect, among other issues, to parental and family leaves or working time reduction.

¹⁸According to the electoral promise of the governing Socialist Party, 300,000 new places should be created raising the coverage up to 33 percent of all children aged 0-2 years by the year 2012. A similar measure was already promised during the electoral campaign of the 2004 elections and was largely unfulfilled.

¹⁹Attendance rates in the academic year 2006-07 were: 96 percent (children aged 3 years), 100 percent (aged 4 years) and 100 percent (aged 5 years). Two-thirds of the total were in public schools and one-third in private/concerted schools (Valiente, 2008)

²⁰Except for the dysfunctional operation of the Senate as chamber of territorial representation of the citizens of the *Comunidades Autónomas*, Spain's system of government satisfies the criterion of being considered a federal country (Moreno, 2007a).

recently approved Law on Promotion of Personal Autonomy and Care of Dependent People (2007), which has established a universal and legally enforceable entitlement for care not only for the frail elderly but for all those citizens who lack personal autonomy.²¹ The model of provision would not be one of centralized “command-and-control,” but one which should be worked out gradually by intergovernmental agreement with respect to practicalities and, more importantly, funding by the three main layers of government.

While respecting the principles of democratic accountability and territorial subsidiarity multi-level governance in Spain is not likely to be recentralized at the state level. Spain’s new welfare seems to validate the thesis that countries with fragmented political institutions and a decentralized state organization may move faster and be more responsive in the development of new policies covering “new social risks” (Taylor-Gooby, 2004). The risk of exacerbating interregional inequalities in welfare provision is always latent. However, and up until now, the imitation or “mimesis effect” among the regions has proved to be an effective “credit-claimer” barrier against open discrimination among them. As a result, “demonstration” practices and policy innovation have so far prevented the well-known practices of inter-governmental “blame avoidance,” and acted as a *de facto* equalizer of policy output.

Spain’s case of welfare development is interesting to follow closely as some lessons could be drawn with regard to the situation of other emerging worlds of welfare capitalism, e.g. Eastern Europe (Guillén & Palier, 2004). Indeed there is a “Nordic path” clearly identifiable in the Spanish welfare state, which concerns universal access to education, health care, non-contributory pensions and access to social services. The labor activation and liberalization which have witnessed the accelerated economic growth in recent decades have also run in parallel with the construction of more protective welfare systems along the lines of the “Nordic path”. It remains to be seen whether such a process would make Spain’s *via media* to appear less continental and more Nordic within the future worlds of advanced welfare capitalism.*

²¹The Law establishes a “dependency system” which will provide services to dependent citizens (day care, household help or residential homes) and benefits to main care providers. The risk of dependency or lacking personal autonomy loses, therefore, its individual character and becomes a social risk. It is estimated that the total cost of the System of Protection for Dependent People in 2015 will be 9,355 billion euros and that 300,000 direct jobs will be created (as a consequence, by 2010 Spain’s GDP should have grown by 1.6 percent) (Rodríguez-Cabrero, 2005).

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