

Territorial Pluralism in Spain: Characteristics and Assessment

by

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The Spanish version of territorial pluralism that has developed during the last thirty years has been assessed in a generally positive fashion by academic experts in other countries. It has been seen as a relatively viable and successful model, in terms of coexistence and autonomy of diverse national groups in a common political community, and as an example of successful democratization cum decentralization that, at the same time, has promoted economic growth and social cohesion (Baglioni 2010; Brancati 2009; Encarnacion 2004; Lecours 2010 Stepan, Linz, and Yadav 2011). Assessments within the Spanish political and academic literature seem to be, however, more skeptical. When drawing up a balance sheet, there have been noticeable differences between the views of parties of the national left and right and across different autonomous communities (hereafter ACs). After some years of fairly optimistic assessments, the current prevailing view seems rather pessimistic.

As is the case in other federations, the Spanish system has been criticized by different actors both for being too centralized and too decentralized, and simultaneously excessively rigid and over flexible and fluid. The central government has complained about its gradual loss of power and the difficulties it has faced in implementing national policy objectives given the extensive decentralization of most policies and public expenditure. At the same time, the ACs have repeatedly complained about their lack of resources and autonomy. The Constitutional Court has been criticized both for leaning towards the central government and for upholding the views of ACs. The recent round of regional statute reforms and the current international financial crisis have again raised questions regarding the nature of the system and its effectiveness in accommodating diversity and delivering effective governance. Thus, a range of contrasting views on the nature of Spanish territorial pluralism and on its performance have been advanced.

These views raise various empirical and normative questions regarding the performance of territorial pluralism. However, one of the main problems in evaluating the soundness of territorial pluralism is that most of the existing assessments of it are based on ideology, interests or un-shared normative assumptions. In the case of Spain, apart from some general balance sheets produced by journalists and academics, coinciding with anniversaries of the constitution, thus far there have been few attempts to evaluate the model in a systematic fashion. A good first step towards elucidating the nature, achievements, and prospects of Spanish territorial pluralism is to identify the range of actual views and their underlying premises, and then establish some meaningful empirical and normative criteria to assess them.

On the other hand, there is no universally accepted set of criteria for evaluating different systems of territorial pluralism or federalism, including Spain's. One may assess their performance by looking back at their founding goals or looking at their effects on the political or policy problems for which they were originally established. Alternatively, one may ascertain the extent to which each system accomplishes the specific goals of different social or political groups in the political community. Finally, territorial pluralism may be judged in relation to its capacity to solve current challenges or according to the extent to which it currently meets several valued universal normative goals (such as constitutionalism, democracy, federalism) aimed at the preservation of social justice, unity, and peaceful cooperation with respect for diversity and autonomy. This latter position is the one taken in this chapter.

Drawing on previous work that seeks to evaluate various other federal systems (Armingeon 2000; Bakvis and Skogstad 2008; Schmidt 2001; Simeon 2006), three criteria

are used here to evaluate territorial pluralism in Spain. These are: a) recognition and accommodation of diversity; b) promotion of democracy; c) governance effectiveness and equity. These criteria may be fleshed out through a set of measurement indicators. They could also be applied to any territorial system. Due to space limits, we cannot undertake a detailed evaluation of these criteria and indicators, but we provide an initial exploration.

This chapter seeks, first, to pinpoint the specific configuration of territorial pluralism in Spain. Second, we propose several criteria and indicators for evaluation and present an empirically-based assessment of the performance of Spanish territorial pluralism according to these. The concluding section offers some systematic generalizations on the achievements and the future of the system.

The Nature of Spanish Territorial Pluralism: Institutional Arrangements, Political Dynamics, and Different Views of the System

Spain is a multilingual country with a clearly dominant language and a dominant national identity present throughout its territory, but with several historically mobilized minority national groups and regional identities. The Spanish system has developed several peculiarities that reflect this social basis, the history of the twentieth century and the incentives produced by the decentralized institutional arrangements created in the 1970s and 1980s, after the transition to democracy was completed.

The Historical and Social Basis of Spanish Territorial Pluralism

The most relevant diversities in Spain are linguistic. While speakers of minority languages tend to be territorially concentrated, their distribution does not coincide with the boundaries of a single AC. Significant variations also exist concerning the use of regional languages within ACs. Spanish-Castilian is spoken throughout Spain, serving as a lingua franca to all, including Catalans, Basques, and Galicians. But language is not the only factor determining diversity and the strength of substate national identities. What counts as much is “the interpretation and re-interpretation of historical events that have shaped collective identities, ethnocultural communities and national groups” (Moreno and Colino 2010, 298).

But even in those constituent units containing groups with distinct nationality or ethnically based identities, a large proportion of the population also has a state-wide or Spanish identity. Spanish citizens with national identities alternative to the Spanish one, represent only around 5-7 percent of the Spanish population, even though they represent a considerable share of the population in two of the units. This explains why consociational power-sharing arrangements at the centre have never been pursued (Linz 1989). Some informal arrangements have been established, however, to represent different territories in the central executive, and Spain’s proportional electoral system has produced a fair representation of substate parties in the national legislature. Governments of ACs with the strongest substate national identities (Basque Country and Catalonia) have also never sought to establish consociational arrangements at the regional level, since this would imply the explicit recognition of different groups; of ethnic majorities and minorities within their territories. Such recognition would be incompatible both with the assimilationist strategies pursued by these ACs and with their inclusive nation building policies based mainly on the local language and some version of civic nationalism.

A key feature of Spanish regional identities is that they have been channelled primarily through substate parties. This institutionalization of the ACs has served to reinforce the status of such parties and has favoured the emergence of new ones. A majority of the seventeen ACs has regionalist and nationalist parties that defend their local identities and interests. Hence, the pre-existing social basis, the politicization of Spanish social and cultural pluralism in the last 30 years, and the incentives produced by the institutions themselves, have combined to produce a peculiar decentralizing dynamic.

Institutional Arrangements and Their Consequences for System Dynamics

The Spanish Constitution of 1978 laid the foundations for the creation of the so-called *Estado autonómico* (autonomic state or State of Autonomies), through which the management and accommodation of territorial pluralism has been channelled. By allowing for an extensive decentralization of powers and the constitutional recognition of certain specific characteristics of some regions, this institutional solution entailed an autonomy-based strategy of accommodation and some recognition through historical rights or fiscal asymmetry and protection of territorially concentrated ethnic and linguistic minorities. At the same time, several integrationist tools, such as state-wide individual rights and equal representation, were entrenched.

The 1978 Constitution recognized the existence of “Nationalities and regions” and granted them a right to autonomy (Article 2). At the same time, in accordance with a “principle of voluntariness,” the right to accede to self-government was handed to all territorial entities that wished to benefit from it. A clear initial distinction was made in the Constitution, with the consensus of all political parties, to favour regions with historical demands for self-government, so that they could acquire autonomy more quickly. Nevertheless, other regions became actively involved in defining their own sphere of powers within the framework of two lists of shared and exclusive competences (specified in Articles 148 and 149). This meant that the Constitution contained within it the possibility of both asymmetric and symmetric devolution. The dynamics of the system has taken the institutional arrangements in the latter direction.

The regional autonomy thus created was to be further protected by a constitutional reform procedure characterized by its rigidity, including the quasi-constitutional nature of the regional statutes of autonomy and the impossibility of their unilateral amendment by the Spanish parliament. The existence of a Constitutional Court, responsible for adjudicating intergovernmental conflicts and providing constitutional review, also helped to safeguard autonomy. In terms of the division of powers and resources, the Constitution and the regional statutes of autonomy, along with judicial interpretation, gave rise to a particular mixture of federal arrangements. On the one hand, there are some areas where the emphasis has been on shared and concurrent jurisdiction, with no exclusive competence, and where the component units are responsible for implementing federal and AC legislation; a situation that resembles the integrated or cooperative model of federalism that exists in Germany and Austria. However, in other areas of jurisdiction, both ACs and the central government have retained separate areas of legislative autonomy and an independent political and administrative capacity to carry out their own policies, as is the case in Canada. In this way, the Spanish autonomic state has increasingly evolved, through the repeated adaptation of regional statutes, by political praxis, and through judicial interpretation, into a virtually symmetrical cooperative federal model (Watts 2009).

After the transition to democracy in the 1970s, the pressures for decentralization were based mainly on the historical claims and grievances of minority nations or on desires for democratization and economic development. With the emergence of regional political elites, institutions, and substate political parties, the drivers for continuous decentralization seem to have changed. Substate nationalist politicians governing certain ACs appear to consider decentralization as an end in itself, seeing it as a reflection of the national condition of their communities. Accordingly, they have constantly pressed for increased decentralization of powers and resources, as well as for symbolic recognition of their national specificity. Accommodation of these demands has led to continuous incremental reforms by the central government, in many cases as a result of the interplay of parties and electoral competition. The central government, which alternates between the two largest state-wide parties, the Socialist Party and the Popular Party, has occasionally needed regional nationalist parties to achieve its policy objectives in the Madrid Parliament. Minority nationalist parties have exchanged their support for concessions in terms of powers and financial resources. This

dynamic has been emulated by other ACs, as the relative success of minority nationalist parties has stimulated the emergence of regionalist parties in some regions or the strategic conversion to regionalism by the regional branches of state-wide parties.

Currently, the three main drivers of demands for decentralization are: a) regional elites' perception of increasing demands from regional societies and from global and European environments; b) the adaptive reactions of regional politicians and bureaucracies to new governance problems and insufficient resources, and; c) the conditions of regional party politics and electoral competition. All of these have led the system into a continuous tension between centripetal and centrifugal forces (Colino 2008). More recently, dominant minority nationalist parties have realized they are losing the monopoly of the nationalist and autonomist discourse and have radicalized their demands to differentiate themselves from other regional parties. For those that defend autonomy this may imply the imperative to advocate some version of sovereignty or outright secession (Alonso 2011). Only the integrative effect of state-wide party organizations and the interests of regional politicians seeking a national career or needing the support of a state-wide party in their region have counteracted these disintegrative tendencies.

The Different Positions and Views of the System

As in other federal settings with concurrent national communities within the same state, Spain also exhibits different visions of the federal constitutional pact and of institutional arrangements. Views diverge as to the nature, goals, and problems of the system, its effectiveness in achieving those goals and therefore on the desirable reforms or constitutional strategies to pursue. This section presents these views in a simplified way.

Regarding the nature of the system and its main problems, minority nationalists in Catalonia and the Basque Country, for example, view the State of Autonomies as a flexible system based on openness, asymmetry for some units, strong decentralization, separation of powers, and continuous negotiation about the rules. This would be the true measure of its success, and any deviance from this or any attempt to impose closure on change is interpreted negatively as an attempt at re-symmetrisation and re-centralization. This perceived erosion of self-government is understood as a breach of the original pact, hampering accommodation of regional aspirations and the recognition of national diversity by entrenching a mononational conception of Spain (Máiz et al. 2010; Máiz and Losada 2010).

Moderate autonomists or federalists, for their part, view the constitutional pact, and the institutional arrangements derived from it, as open enough to allow the model to adapt to new circumstances. Yet, some of them also view certain decentralist and asymmetric characteristics of the system as residues of the transition to democracy, and suggest that they should be gradually abandoned. Although these arrangements might have been useful in the past, they argue, most of the system's achievements have occurred precisely because after the protection of cultural diversity had been guaranteed many of those initial features were abandoned in constitutional practice, leading towards a more predictable, integrated, and cooperative model. It is the remaining excess of openness, asymmetry, and decentralization that causes some of the existing problems of the system to persist, hampering efficiency and endangering the unity and sustainability of the country (Pemán 2009; Tudela 2009).

Regarding the achievements and the desirable reforms of the system, if we leave aside the extreme secessionist and "unitarist" positions, which have negligible support in global Spanish terms and do not aspire to reform the system, but simply replace it, we may find at least three main views.

Minority nationalists tend to assess the system pessimistically, arguing that its evolution and operation have produced low-quality or weak autonomy, due to central encroachment and central spending power, undue policy uniformity, fiscal imbalances, and unjust patterns of financial redistribution (Fossas 2011; Requejo 2005). These critics also claim that the system has not responded to demands for accommodation from substate

nationalists. It has produced insufficient asymmetry and therefore not enough recognition of existing substate national communities. The plurinational and plurilingual nature of Spain has been insufficiently accepted and reflected in central state institutions. This includes insufficient participation of ACs at the centre. The reforms proposed are formal recognition of a different status for some nationality based ACs, reflected for example in further decentralization, bilateralism, asymmetric powers, and disentanglement of roles and responsibilities, as well as veto possibilities in central institutions.

The federalists, who tend to be more optimistic, argue that the system has worked well in terms of decentralization of power but has still some way to go in terms of accommodation. They propose further accommodation of the ACs with double national identities and eventual improvement of the system's cohesion through solidarity and without renouncing the basic equality of regions. In this vein, reform proposals include features typical of other federations, such as a clarification of competencies; participation by regions at the centre, such as a senate allowing for greater regional representation; better multilateral cooperation and decision mechanisms, both for domestic and EU issues; a more equitable system of financial equalization; a reinforced local government, etc. (Romero 2006; Subirats 2006).

The more centralist views in the country still support some degree of decentralization, more or less asymmetric, but are much more pessimistic about the achievements and prospects of the State of Autonomies. They argue that the centrifugal tendencies built into the system have necessarily led to a weakening of the common Spanish project and an exaggerated emphasis on differences and diversity relative to the common cultural and political features and aspirations of Spaniards. They also believe that this signals a slippery slope towards disintegration and delegitimation of the centre. As in Scotland or Belgium, the secession of some constituent units is seen as possible, if not yet likely. They criticize what they see as excesses of the regions in terms of their language and nation-building policies, and in terms of the alleged diversity or inequality of policy results, as well as the threat to the Spanish single market and citizens' individual rights. For those espousing this view, in consequence, further concessions to minority nationalists are not just undesirable but useless, since the goal of accommodation seems virtually unattainable. Minority nationalist elites, it is argued, have kept demanding further decentralization of powers and resources, further asymmetry and recognition, but whenever achieved, have shown continuing dissatisfaction whatever the concessions made by the centre. They have thus continuously upgraded their demands, which have become moving targets (Blanco 2008).

Assessing Spanish Territorial Pluralism: Diversity, Democracy, Governance

This section evaluates the performance of Spanish territorial pluralism in terms of three broad categories: the management of diversity, the promotion of democracy, and effective governance and equity, using several empirical indicators to assess each of them. In some cases, contrasting interpretations of these indicators made by different groups are acknowledged, so that success or failure of the system may be assessed by weighing different arguments.

Accommodation and Recognition of Diversity

The management of diversity may be assessed by examining the extent to which ethnic and linguistic diversity are accommodated or integrated, as well as by examining the degree to which minorities are protected and empowered. These practices can contribute to the preservation of regional sociocultural and political regional distinctiveness while respecting liberal and democratic principles (Colino and Moreno 2010; Norman 2006). We can also look at the extent to which symbolic recognition has been achieved by certain territorially concentrated groups or minorities and the degree to which past grievances have been

redressed (McEwen and Lecours 2008). Finally, we can pinpoint the development of citizens' attitudes and identities towards dual and complementary or exclusive identities, and the degree to which the public sees the system as legitimate (Stepan, Linz, and Yadav 2011).

Protection and Accommodation of Ethnic and Linguistic Minorities

When evaluated according to the accommodation of ethnic and linguistic diversity and the protection of minorities, Spanish territorial pluralism has a good track record. Regional languages have been protected and promoted. According to a 2005 report of the Committee of Experts on the application of the Charter for Regional or Minority Languages, Spain has been "among the countries more firmly committed to the protection and promotion of regional and minority languages" (Council of Europe 2005, 4). Since the early 1980s, bilingual communities, such as the Basque Country and Catalonia, Galicia, the Balearic Islands, and Valencia, have initiated policies for the promotion of their regional languages that entail positive discrimination through education and mass media. Both Basque and Catalan language policies are a result of broad-based cross-party agreement. There has also been a promotion of the use of co-official languages in public services delivered by the central government in bilingual ACs, as well as in state-wide official documents (e.g. ID cards) and webpages.

This record has not been free of criticism. Some in Catalonia have proposed more multilingualism in federal institutions, as in Canada or Switzerland, in order to reflect the multinational character of the state. From 2011, the plenary of the Senate will debate some motions in co-official languages. So far, these languages were only used in the Standing Legislative Committee for the Autonomous Communities in the Senate. This step has been accepted by the main state-wide parties in the Senate, which functions as the territorial chamber. However, most state-wide parties reject the idea of renouncing the use of the common language in the lower chamber, considering that all representatives have a common language.

In bilingual ACs, regional governments' language policies focused on nation building have in some cases, in the view of critics, jeopardized the individual rights of significant groups of the population. In Catalonia, policies of positive discrimination, also referred to as linguistic "normalization," have for many years promoted an almost exclusive use of Catalan in all public and educational institutions. For some critics, these policies have relegated the Spanish language, which is still used by the majority of Basques and Catalans, to a subordinate position in the public sphere in those ACs. The justification behind such policies is that, without positive discrimination, the strength of the Spanish language and mass media would displace the use of regional languages.

Recognition of Diversity

Several of Spain's constitutional provisions symbolically acknowledge the distinctive features of some of Spain's territories, either implicitly or explicitly. For example the alternative paths set forth for the creation of ACs were devised to work to the advantage of regions with historical demands for self-government, since they could acquire autonomy more quickly. Diversity is recognized and protected in the Constitution (Articles 2, 3.2, and 3.3 recognize linguistic, cultural, and national pluralism) and the regional statutes of autonomy. The symbolic reference in the Constitutional preamble to "all the peoples of Spain" and the willingness "to protect their cultures, traditions, languages and institutions" was further reinforced

through constitutional asymmetries of various types in the body of the Constitution (Viver 2010a). More recently, the preamble of the Catalan statute of autonomy has pointed to an indirect, albeit controversial, way to recognize the national sentiment of Catalonia, by restating the declaration of its parliament and of the Spanish Constitution as to the national character of Catalonia, which has been accepted by the Constitutional Court. Some ACs also had their traditional systems of civil law constitutionally recognized, while the Basque Country and Navarra enjoy a special financial system, based on historic rights. As a result, these two ACs enjoy more extensive taxing powers than other regions of Spain.

For some commentators, many of the existing policy and institutional asymmetries, largely tolerated by all ACs, and the symbolic asymmetry endorsed by the Spanish parliament when approving the declarations and values proclaimed in the different regional statutes of autonomy, provide an indirect recognition of diversity (Tudela 2009). For others, however, recognition of territorial pluralism has been sadly lacking. For Requejo (2010), for example, the state's internal pluralism is still not explicitly recognized in the existing legal or constitutional framework. The attempts to address this issue in regional statutes are seen as insufficient, while the real internal linguistic plurality is absent from the symbols and institutions of the state (monarchy, central parliament, constitutional court, etc.), a situation that, according to these critics, stands in contrast to other multilingual federations.

Citizens' Attitudes and Identities

Finally, surveys suggest that Spain lacks a single, all-embracing national identity; more or less intense regional identities are found across the board. The phenomenon of "dual" or "nested" identities features prominently in Spain; many Spaniards share a feeling of belonging to both the Spanish and regional communities in various degrees and without apparent contradiction between them. In the early 1980s, around a third of Spaniards identified themselves as exclusively or primarily Spanish, and just under 40 percent selected Spanish and their regional identity as equally salient. Over time, the combined weight of exclusive and primary Spanish identity has fallen to about 20 percent. The proportion of Spaniards who feel a sense of dual identity now reaches 55 percent. However, the relative strength of Spanish and substate identities follows different patterns across regions. People showing a predominant or exclusive allegiance to their region represent between 40 and 48 percent in Catalonia, the Canary Islands, Navarre, and the Basque Country. On the other hand, 39 percent of people in Madrid claim an exclusive or primary Spanish identity (Table 1). Notwithstanding clear regional differences, these data support the view that the Spanish system of territorial pluralism has not promoted the development of exclusive identities among citizens in different regions. Indeed, the contrary is true. However, this conclusion should be qualified by some data showing stark differences between the population at large and the elites in some regions, who tend to show a much higher degree of exclusive identity (Miley 2008).

Table 1: Subjective National Identity in Selected ACs 2005-2010 (in %)

	Only Spanish	More Spanish than ***	As Spanish as ***	More *** than Spanish	Only ***
Andalusia	5.1 (3.0)	7.1 (9.6)	68.9 (68.6)	16.1 (15.0)	1.1 (1.0)
Basque Country	4.3 (5.6)	6.3 (5.9)	36.3 (33.2)	24.1 (21.5)	23.7 (24.3)
Canary Islands	3.0 (2.4)	2.4 (2.0)	57.9 (56.9)	37.9 (29.8)	7.6 (6.7)
Castile La Mancha	18.0 (15.1)	9.4 (15.5)	66.7 (63.5)	2.1 (2.6)	0.2 (0.7)
Catalonia	8.2 (7.7)	9.0 (8.2)	41.3 (44.8)	25.6 (23.4)	13.6 (14.3)
Galicia	3.2 (3.8)	3.3 (9.6)	68.7 (60.6)	16.1 (21.9)	1.1 (2.8)
Madrid	28.1 (22.1)	10.8 (11.3)	38.4 (51.9)	2.2 (2.8)	0.7 (1.2)
Valencian Community	16.4 (14.6)	15.0 (18.3)	56.1 (55.9)	9.0 (7.8)	1.5 (1.5)
Spain	11.1 (10.3)	9.7 (10.0)	55.0 (57.0)	14.8 (13.5)	4.6 (5.0)
***: Andalusian, Basque, Canary, Castilian, Catalan, Galician, Valencian; from Madrid Results: 2010 (2005)					

Source: CIS. Barómetros autonómico 2005 and 2010. Own elaboration

When it comes to popular assessment of the institutional system, opinion polls show that support for decentralization has been growing for many years, and the current model, so-called Autonomic State *Estado Autnómico* is now the option favoured by most Spaniards throughout the country. Only some 10 to 15 percent of the people prefer either a more decentralized version of the *Estado Autnómico* or a more centralized one, and support for independence is marginal (Llera 2009; Martnuez-Herrera and Miley 2010). However, almost 30 percent of Catalans and Basques would like more regional autonomy, and over 20 percent would like the state to recognize the right to secede (Table 2). The recent economic crisis and populist media campaigns against the ACs have affected support for decentralization, which has for the first time decreased. The centralization option in recent surveys has increased among the Spanish population at large by more than ten points since 2010. In Catalonia, for its part, the secessionist option has also clearly grown (Grau 2012). In general, however, the system still counts on the support of most of the population across all regions.

Table 2: Preferences for Territorial Organization of the State in Selected ACs 2010 (in %)

	Unitary-centralized	Less autonomy	Autonomy as present	More autonomy	Right of self-determination
Andalusia	8.5	10.5	53.8	13.6	1.9
Basque Country	1.8	3.6	36.2	28.4	21.9
Canary Islands	9.4	9.8	47.9	25.5	2.6
Castile-La Mancha	17.4	13.9	45.3	11.8	1.5
Catalonia	10.7	4.8	26.2	29.3	23.6
Galicia	13.3	14.3	49.8	13.5	1.7
Madrid	21.0	17.0	42.0	6.6	1.6
Valencian Community	18.3	11.9	42.2	14.3	2.9
Spain	14.1	16.6	42.3	11.2	6.5

Source: CIS. Barómetro autonómico 2010. Own elaboration

Disparate political preferences among the population of different territories have not translated into a strongly confrontational climate, even if some populist media have played that card from time to time. In fact, according to the results of a recent survey in 2010, an overwhelming majority of Catalans (72 percent) saw a hypothetical referendum result in favour of independence as an opportunity to open negotiations between the central and regional government to avoid secession, while a majority or significant minorities of Spaniards in other regions of Spain would be willing to grant Catalonia some concessions in order to avoid secession (Universitat Operta de Catalunya 2010). Most interestingly, the social perception of Catalans outside Catalonia has not worsened as a result of the debates on independence. Over 55 percent of Spaniards contend that Catalans have contributed significantly to the progress of Spain and disagree with the statement that “all Catalans are partly separatists.” And 76 percent would not back a boycott against Catalan products, even if Catalans were to seek a referendum on independence (Universitat Operta de Catalunya 2010).

Promoting Democracy

The effects of territorial pluralism on the quality of democracy may be assessed by observing the extent to which it promotes constitutionalism, the rule of law, and rational democratic principles. It can also be evaluated by examining whether or not territorial pluralism improves the quality of democracy through a better power balance so that both levels of government have the opportunity to participate and influence public policy and check each other. Also, we look at the importance of equality or fairness of representation of all groups, territories, and non-state-wide parties in representative institutions. Finally, democracy can also be assessed by the degree of accountability and transparency of governmental action in decision making achieved by the control and scrutiny capacity of parliaments and electorates at both levels, through the clarity of responsibilities and revenues, and by government’s proximity to citizens favouring their political participation.

Constitutionalism and the Rule of Law

In modern Spain, territorial autonomy and democracy are seen as mutually reinforcing and mutually necessary. Some observers, however, have criticized the territorial model on the grounds that it has allowed the introduction of some elements incompatible with mainstream Western rational constitutionalism. It has done so, the argument goes, by entrenching the presence of historical or non-democratic types of legitimation of power, for example by justifying some privileges or special treatment for some units based on the recognition of medieval or pre-constitutional historical rights (Tajadura 2008).

Power Balance and Equality of Representation

Spain’s political institutions have paved the way for a growing balance of power between governments through the vertical and horizontal division of powers. This has permitted many different parties and groups to participate in regional executives and to influence public policy, acting as a check on other governments, for example through the existence of multilevel coalitional politics (Alonso 2011). Regarding the equality of representation and apportionment of a fair share of seats in the central legislature for the different constituent units, the Spanish proportional electoral system has produced some disproportionate representation of third parties at the national level, but this has not prevented main substate parties and interests from being fairly represented in the lower chamber of parliament. Despite some common criticisms about the excessive influence of regional parties in the Spanish parliament, their representation may be said to be in accordance with their real vote-

share. The existing asymmetry in fiscal arrangements, however, has sometimes raised the criticism that it entails inequality of representation for Basque and Navarrese deputies, who may vote, and even be decisive, on the passing of fiscal regulations affecting the other ACs in the Congress and the Senate, while deputies from these other regions have no say regarding the special fiscal arrangements of these two ACs (Pemán 2009). This is a Spanish version of the “West Lothian” question that arose as a result of the devolution of power to Scotland in the United Kingdom.

Accountability and Participation

In terms of accountability and transparency of governmental decision making, the dominance of executives vis-à-vis parliaments, and the mostly concurrent or shared distribution of powers, have made it difficult for citizens to attribute responsibilities to the proper level (León 2011). Moreover, the reliance on revenue-sharing and the use of central grants for the funding of regional services and public investments have blurred accountability—although this is an unavoidable, and sometimes exaggerated, aspect of any federal division of powers. In terms of participation and social capital, it is clear that decentralization has promoted the government’s proximity to citizens, favoured a higher level of political participation, both electoral and of civil society associations at all levels, and the general growth of social capital and trust in government, even if differences on this score persist across ACs.

Governance Effectiveness and Equity

We examine the extent to which territorial pluralism has fostered coordination and collaboration between governments, through the existence of working mechanisms of intergovernmental relations. We can also assess the effectiveness of the system by examining its social and economic sustainability. Such sustainability can be observed in, for example, the existence of funding arrangements capable of providing the different orders of government with enough resources and spending power to promote public investment compatible with budget stability, economic growth, a fair and generous welfare state, and environmental sustainability. Effectiveness and equity also refer to the extent to which the system achieves territorial cohesion, solidarity and success in maintaining a uniformity or equivalence of living conditions across territories, avoiding privileges, and ensuring the right of territorial units to benefit from their own economic growth. Another indicator is the promotion of policy innovation, and the adequacy and efficiency of public service delivery, able to reach the entire population. We look at the response to the current crisis as an indicator of the effectiveness of the system.

Coordination Capacity

Over the years, the Spanish system of territorial pluralism has developed a degree of coordination capacity and collaboration between governments through the evolution of a network of intergovernmental bodies such as ministers’ sectoral conferences and other consultative multilateral and bilateral bodies. Within these, the central government has sought to promote co-decision making and coordination where ACs have concurrent jurisdiction, such as industrial policy, telecommunications, energy, or technology policies, international trade, etc. Contrary to other cooperative systems, and due to Spain’s unique mixture of institutional arrangements and division of powers, decision making has not been plagued by pathologies such as decision blockage through the second chamber or veto actors in intergovernmental bodies. Some coordination success has been achieved in national plans and strategies for climate change, stability and fiscal consolidation, modernization policies, high-speed transportation, and in the promotion of Spanish companies abroad. In other policies, however, problems and failures in terms of coordination of national policies and goals have been identified, including in transportation planning or spatial or infrastructure planning (Romero and Farinós 2011).

Social and Economic Sustainability, Cohesion, and Solidarity

Regarding the funding capacity of regional governments, financial arrangements have evolved from a system based on conditional transfers to a system that increasingly relies on its own source tax revenues, revenue-sharing, and some unconditional equalization grants. The funding arrangements have been criticized for their deviation from the design of traditional systems of fiscal federalism because of the perverse incentives they create, the lack of revenue autonomy for the units, the lack of accountability of regional governments, and lack of clear distributive criteria for equalization mechanisms. All of these problems are said to lead to soft budget constraints for regional governments and to systematic overspending. The fiscal equalization scheme has also produced an anomalous rank order among the regions in terms of per capita funding after redistribution, with rankings placing ACs with higher fiscal capacity in positions behind some of the territories with lower fiscal capacity. This has called into question the criteria used to allocate fiscal transfers. These shortcomings have been blamed on the lack of clarity and objectivity in the funding formulae, in the financial guarantee clauses, and on the way they are negotiated and designed through repeated bilateral, political bargaining that neglects technical criteria (Bosch and Durán 2008; Herrero and Tránchez 2011).

For other authors, however, it is precisely the peculiar nature of the institutional rules devised when the funding system was established and the possibility to increase the funding by way of central grants, together with a long period of economic growth and soaring state revenues, that have allowed the surprising path of growth and development registered in Spain since the mid-1980s. Such developments would not have been possible under the rules and incentives of fiscal federalism present in other countries (Toboso 2006). In this fashion, the large number of responsibilities of regional governments and their lack of power to tax their residents until the 2000s resulted in a strong bias towards regional government spending and towards competition among regional governments for central grants. The competitive nature of this system created incentives for regional politicians to undertake as many regional policy programs and projects as possible, since they did not have to tax their citizens to finance them, and could rely on the common federal funds, which, if not claimed, would go to finance projects in other ACs.

This built-in incentive for regional overspending stimulated huge public investment expenditures in infrastructure, social welfare and other public services, as well as in local and regional development and related programs. The spending increases were underwritten by a soaring tax base across the country and by significant funding obtained from the EU. Until the 2008 crisis, the fiscal system generated relatively small aggregate levels of regional deficits and borrowing. This allowed Spain to catch up in terms of physical and human capital with wealthier EU members. On the other hand, the political race for regional public investment and spending also resulted in costly and, at times, underutilized infrastructure such as regional airports or high speed rail lines, which seem less sustainable in times of crisis. Competition for central funds was also associated with cases of regional clientelism, party patronage, and federal investments in different territorial projects based on party-political criteria (Gordin 2009).

The levels of equity and redistribution produced by regional funding arrangements in combination with the social security system have been high, both in terms of income distribution at the regional and family or personal level. Due to the limited fiscal autonomy of regional governments, except in the case of the two charter regime governments of Basque Country and Navarra, it has been possible to maintain homogeneity and tax harmonization across the country, similar to that in Germany and other cooperative federations. This development made it possible to avoid tax distortions and efficiency losses derived from tax competition between subnational governments in order to attract investment (Toboso 2006). For other authors (Fernandez 2011), however, all these benefits have been possible only in times of economic growth, when the real estate bubble and the long period of growth allowed

a continuous increase in tax revenues. Central and regional governments had been financing current expenditures and investments with extraordinary revenues from real estate taxes. Tensions over distributive issues could always be solved with spending increases at each level of government without producing a zero-sum game.

With respect to territorial cohesion and solidarity, the Spanish system has led to a certain degree of regional economic convergence, although disparities still exist. In terms of equity, a typical criticism of the system has been directed at the different treatment of the so-called charter territories (Basque Country and Navarra) and their non-participation in the funding of horizontal and vertical equalization transfers used to ensure that public services are provided at similar levels in all units (Monasterio 2010). The resulting differences in per capita funding across the ACs, alongside different levels of development, have produced some clear regional disparities. These can be observed in, for instance, health policy, in terms of public health and hospital care; or in education, student performance, schooling rates, curricula, mobility, and teachers' pay. Regarding social services and poverty assistance, different ACs exhibit significantly different levels and eligibility criteria for the minimum income assistance schemes. In general, however, recent studies have argued that a common core of basic welfare public services has been guaranteed in all ACs, so that the Spanish decentralization model has not necessarily increased inequality (Gallego and Subirats 2011).

Service Delivery and Innovation

Regarding the capacity of the system to produce efficient service delivery and policy innovation, recent work has shown that regional governments have been better suited than the central government to deal with policy, at least in some sectors such as education and roads construction (Solé-Ollé 2009). There is also some evidence that decentralization has led to greater experimentation in health services (Lopez Laborda 2011). A number of ACs have established innovative programs in social policy, including areas such as family assistance, housing, poverty assistance, environmental impact assessment, health care, and development aid. These innovations have subsequently been emulated by other ACs and even the central government. However, there are also some notorious failures. One example is spatial planning and urban development, a regional responsibility. Spanish ACs seem to have been unable to control urban overdevelopment on the coast throughout the country, with pernicious environmental effects.

The Response to the Current Crisis as a Litmus Test

After the recent economic and financial crisis brought about the burst of the real estate bubble and the collapse of revenues of all government levels, public debt has soared to dangerous levels. This has produced a problem of fiscal sustainability, which has been aggravated by the European sovereign debt crisis. This has forced the ACs, for the first time, to undertake radical cuts to their budgets and public services from 2010 onward. The failure of some ACs to meet consolidation targets has raised doubts about the sustainability of the autonomy model and its responsibility for Spain's economic plight. However, despite the aforementioned shortcomings of the system, including the perverse incentives for regional spending, it would be incorrect to see the current fiscal state of affairs as a natural consequence of the model of territorial pluralism. The current inability of ACs to reach consolidation targets can be explained by the disparity between their spending obligations and an unforeseeable drop in revenue-raising capability. The ACs are responsible for 60 percent of public consumption, and also for expenditure items that are very difficult to reduce, such as health, education, and social services. At the same time, they have seen a sharp reduction in their revenues (about 30 to 40 percent) produced by the bursting of the real estate bubble and the collapse of the tax yield from real estate and other taxes. Therefore, the state of autonomies cannot reasonably be considered the cause of the debt crisis but its victim (see Viver 2010b). Furthermore, institutional arrangements have not prevented the central government from implementing the necessary economic policies and structural reforms,

while the ACs have been able to coordinate their consolidation policies in reasonable ways, if at different pace and success rates.

Conclusion

As this chapter has demonstrated, a culturally diverse and mobilized social basis in some of Spain's constituent units, coexisting with a longstanding common identity, language, and history throughout the country, has over the past few decades produced a mix of institutional elements that constitute a peculiar type of territorial pluralism. These arrangements were developed mainly to accommodate both internal nationalism's and citizens' demands for democratization and more effective governance. Different groups or territories in the country have favoured some of these goals over others, and the combination of goals and the mix of institutional arrangements that have evolved out of the political dynamics have produced specific institutional incentives for political actors. These have led to both centrifugal and centripetal dynamics in the system and to some difficulties with governance and the management of diversity; patterns that are present in many other plural federations. Despite a current mood of pessimism in the wake of several failed reforms and a deep economic crisis, a systematic assessment of the Spanish model of territorial pluralism shows a good overall performance in terms of diversity management, quality of democracy, and effective governance.

In terms of accommodation and recognition of diversity, it seems that the ethnic and sociocultural communities that require protection are already reasonably protected by the autonomy and constitutionally entrenched asymmetries, as well as by the effectiveness of the regional institutions and the funding arrangements. The Spanish Constitution seems to have allowed a space for the recognition and protection of diversity compatible with democracy and the basic equality of regions and citizens. Here we find ourselves confronted with what has been referred to as the "paradox of dissatisfaction," whereby the achievements of the system in terms of empowerment, accommodation, or recognition are assessed favourably in all regions except in those who benefit the most from them. Despite the persistence of regional identities and moderate support for secession in some units, central and regional institutions and the party system have helped to promote peaceful relationships and a dominant dual identity among most of the citizens. While regional nationalist politicians continue to demand additional recognition, resources, and powers, it seems probable that further asymmetries and decentralization of resources would endanger social cohesion and disable existing integrative mechanisms. Such adverse effects might create problems of governability, and create new grievances among regions, preventing a desirable basic equivalence of the living conditions of citizens. Although some additional symbolic concessions to minority nationalisms may improve the stability of the system, they will only be useful provided they are met with reciprocity, the exercise of federal loyalty, and the symbolic acceptance of the common state by substate nationalists.

Regarding its effectiveness and quality of democracy, the Spanish system has also shown some dysfunctions, whose origins can be traced to the way the system was created. While institutional arrangements and policymaking in Spain's system of territorial pluralism share some of the democratic shortcomings of many other federal systems, they have been able to avoid some known failures in terms of democracy and governance found in other countries. They have also promoted the political participation of citizens and the development of civil society. Moreover, the system has facilitated many years of economic growth, the creation and development of a welfare state, and modernized the country in terms of human capital and the redistribution of wealth across territories and citizens. It is still too soon to say whether its main elements will be radically affected by the current economic crisis or whether it will be able to adapt and even reinforce itself in the face of external challenges.

If we consider the future prospects of territorial pluralism in Spain, although its survival is, realistically speaking, not in question, there is clearly a need for rationalization of

institutions and a renewal of the original consensus among the different state and substate actors. Currently, however, the nature of electoral competition in the country, both at the national level and in the ACs, and some of the current demands of nationalist parties, seem to stand in the way of a new constitutional consensus or reform in the foreseeable future.

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