Spain: welfare expansion and decentralization

The literature on territorial politics has tended to neglect the social policy dimension, while research on welfare has taken the centralized national state for granted. As a result, normative analyses on social policy-making have often assumed the centralizing ‘command-and-control’ approach as the preferred means to deal with welfare provision. This view is under challenge by social policy developments in the EU.

In general terms, European welfare states have followed a process of convergence towards the middle (expressed by indicators as income inequality, public expenditure and social protection expenditure). Gini coefficients and the risk of poverty have been reduced slightly, while expenditures have risen in absolute terms. The politics of the so-called ‘welfare retrenchment’ have in fact translated into a generalized concern for ‘cost-containment’.

Given this context, the case of Spain displays interesting features of a rather ambivalent -- and even syncretic-- nature. Spain belongs to the Mediterranean welfare regime in which the distinctive feature is the crucial role played by the family and its interpenetration in all areas of welfare production and distribution. A strong micro-solidarity within the family (e.g. ‘resource pooling’) helps to limit the pathological impact of poverty in citizens’ living conditions.

If it is true that Spain’s welfare state has become more liberal in macro-economic policies, social policy-making has followed a pattern of universalization and generalization of welfare entitlements and provision. Unlike patterns in France and Germany, there has been a detachment from the Bismarckian principle of income maintenance. A growing equalisation among occupational groups within the social insurance system has allowed for some relative improvements of low-salaried employees.

Arguably, Spain can serve as case in point to validate the claims that economic prosperity and social cohesion may also be achieved by means of the decentralization of power. Prior to the financial turmoil unleashed in 2008, Spain had performed a very compressed transition from pre-industrial to post-industrial socio-economic structures. Such a GDP growth reflected in increases of the per capita income (PPP, as percentage of European mean) from 58.3% (1959) to 100% (2006 in the Euro-Zone). Throughout this period, the main driving impulse of Spain’s ‘mixed market economy’ has been the desire of ‘catching-up’ with the leading European countries.

With the constitutional decentralization of powers since 1978, the ‘catching-up’ rationale has also provided the less-developed regions with an extra incentive not to be left behind in the general process of ‘home-rule-all-round’. This has translated into a small but meaningful welfare expansion, which has counted with the active support of Spain’s social partners (business associations, trade unions, or NGOs). Such partners have engaged in the so-called ‘social dialogue’ (diálogo social) and have favoured policies not only for national welfare consolidation (Pacto de Toledo) but also for social policy innovation at the regional
and local levels. Illustrative of the latter has been the implementation of the regional assistance programmes of Guaranteed Minimum Income (IMIs) in the period 1989-1995.

In 1988 a regional poverty reduction programme was elaborated, and subsequently implemented in the Basque Country, as the first scheme of guaranteed minimum income in Spain. Since then a ‘demonstration effect’ sparked off in all Spanish Comunidades Autónomas. By the end of the 1990s all Spanish mesogovernments had implemented minimum income programmes, which can be regarded as the ‘bottom’ component of the Spanish safety net, and which are administered at the local level. Already in 1987 a political agreement between the three layers of governments had made possible the establishment of the local units of community care, as well as at the regional offices of social services. This intergovernmental agreement has resulted in the universal provision of social services at the local level, where applications for the IMIs are first submitted (in some regions non-profit making NGOs are also entitled to the initial management of the programmes).

Regional initiatives in social assistance in Spain, as those of the IMIs, are indicative of how the sub-national layers of government may play a leading role in welfare policy expansion. Both the ‘regionalisation’ of welfare and the active involvement of local authorities in the new programmes of welfare provision have proved to be important factors for efficiency and responsiveness. In doing so, Spain’s welfare expansion is politically in line with both European guiding principles of ‘territorial subsidiarity’ and ‘democratic accountability’. Likewise, 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 the so-called ‘new social risks’ (balancing work and family, inappropriate job training, or dealing with de-regulation of public benefits such as pensions).

The risk of exacerbating interregional inequalities in welfare provision is always latent. However, the imitation or ‘mimesis effect’ among the Spanish regions has so far 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, what is more relevant, have acted as a de facto equalizer of policy output.

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