



20 Years of Spain in the European Union (1986-2006)



Design and layout: Distinctum, S.L.
Printed by: Artegraf, S.A.
Publisher: Elcano Royal Institute
and European Parliament - Office in Spain
Legal number: M. 13967-2006
ISBN 84-689-7384-X

Elcano Royal Institute
c./ Príncipe de Vergara, 51
28006 Madrid
Telephone: 91 781 67 70
Fax: 91 426 21
E-mail: info@r-i-elcano.org

Contents

Letter from Gustavo Suárez Pertierra, Chairman of the Elcano Royal Institute	5
Letter from Josep Borrell, President of the European Parliament	6
Letter from José Manuel Barroso, President of the European Commission	8
Letter from José Luis Rodríguez Zapatero, President of the Government of Spain	9
Introduction	10
Acknowledgements	15
20 Years of Spain in the European Union	16
Economy: 20 facts for 20 years	17
Society: 20 facts for 20 years	59
Politics: 20 facts for 20 years	101
Annex	142
Bibliography	159

When the men and women of my generation look back over the changes that have taken place in Spain since the end of the dictatorship and the proclamation of Don Juan Carlos in 1975, we tend to focus on two important events that stand out over all others. The first is undoubtedly the approval of the Spanish Constitution of 1978, the founding text of our current democratic system. The other is Spain's accession to the European Community on 1 January 1986, which the Institute I have the honour of chairing wanted to commemorate by publishing this work.

In reality, both events were closely related. After 1962, and as a result of the famous 'Munich Conspiracy' following which the Parliamentary Assembly of the European Communities adopted the Birkelbach report, the Spanish people realised that only a fully democratic Spain would be accepted as a full member. Indeed, many of us associated the European Communities not only with modernity and socio-economic progress, but also with democracy and freedom. This was evident once again in 1977, when our application for membership was formally presented just a few weeks after the first free elections to be held in our country after a hiatus of more than 40 years. Since then, the Europeanisation of political, economic and social life in Spain, as well as its internal and external security, has proven to be entirely compatible with the common project we Spaniards have drawn up on the basis of the values enshrined in our Constitution. In short, democratisation and Europeanisation can be considered to be the two major achievements of the considerable development of our country over these last two decades.

However, it is not always sufficiently clear, especially outside Spain, that in addition to facilitating our political and economic convergence with the countries around us, Spain's accession to what is now the European Union also presented an opportunity to overcome long decades of isolation and impotence on the international stage. Although difficult to quantify, this has in turn resulted in Spain having increasing influence on the Union's institutions and decisions. As such, we can talk not only about Spain becoming more European, but also about the European project becoming a little more Spanish.

It would appear, therefore, that there are more than enough reasons for looking in greater detail at what participation in the European Union has meant for Spain. Indeed, that is the primary objective the Elcano Royal Institute hopes to fulfil with the publication of this interesting and timely work.

Gustavo Suárez Pertierra
Chairman of the Elcano Royal Institute

The impact of Spain's 20 years of integration in the European Union in economic, political and, most notably, social terms has been extraordinary. Thanks to Community solidarity and the collective efforts of all its people, Spain has undergone the most extensive transformation and modernisation of its history.

Twenty years ago Spanish inflation was around 10% per year, unemployment was over 17% and GDP was approximately 71% of the Community average. Today inflation is 3%, unemployment is under 10% and Spanish GDP is around 90% of the average of the EU 15, and almost 100% of the average of the EU-25. In 1985 Spain had 2 117 km of motorways and dual carriageways; today it has 13 000 km.

Our accession to the EU brought with it the definitive opening-up of our economy and greater presence on the international stage.

Moreover, in the course of this period Spanish society has been greatly modernised through the widespread and rapid integration of women into the workforce, the expansion of third-level public education, universal healthcare, the introduction of progressive tax systems, the laws on gender equality, etc. Since its entry into the EU, Spanish society has broken all the stereotypes, changing the image of it held by the rest of Europe. The European Union has also provided Spain with an important democratic culture.

Since the beginning, and right throughout the process of European integration, Spain has shown great enthusiasm for completing the single market, achieving the euro and the Economic and Monetary Union, creating a European area of security and justice, and stepping up cooperation in the area of external policy, thereby enabling Europe to speak with one voice throughout the world.

Spain has also brought to the EU its Mediterranean and Latin American dimension, and the special cultural, economic and political relations it has with other nations around the world.

In the course of these 20 years, Spain has been at the forefront of culture in Europe with its contributions to our common heritage through its cultural and linguistic diversity, literature, cinema, music, painting, art and gastronomy.

This publication, '20 Years of Spain in the European Union (1986-2006)', published by the Office of the European Parliament and the Representation of the European Commission in Spain in collaboration with the Elcano Royal Institute, reveals the data behind this profound economic, social and political transformation and reflects the story of a success: Spain's integration in the European Union. At this time of reflection on the future of Europe, its objective is not only to take stock and provide an analysis of what has been achieved, but also, and above all, to provide a basis for the debates that will enable us to consider the future of the European Union from a Spanish perspective.

Josep Borrell
President of the European Parliament

This publication, for which I have the honour of writing a prologue, is a unique contribution to the celebrations of the 20th anniversary of the accession of Spain and Portugal to the European Communities.

It is generally accepted that Spain has undergone unprecedented changes in the last 20 years from a social, economic and cultural point of view. Spain is today an open country with a dynamic economy that has enormous influence in the European Union and throughout the world.

Nonetheless, it was difficult to find a systematic summary of indicators that enabled an objective analysis of how these 20 years in the European Union had affected the lives of the Spanish people. This work seeks to fill this gap, thereby facilitating an analysis that is appropriate in this current phase of European integration.

The people of Europe are in the middle of a process of reflection – reflection on what we are, on our values and on the direction of our common project. And that reflection is taking place while the European Union is endeavouring to complete its largest enlargement process, with the accession of more than 10 new countries in a short period of time. At a time when the European Union's wealth has increased, but alongside its economic and social disparities, it might be interesting to look at elements that enable us to understand what European integration has meant for Spain – a country whose per capita income has risen from 70% to 90% of the Community average in 20 years, and that has transformed from a land of emigration into a land of immigration, with the highest level of net immigration per capita in the European Union.

While reading this work readers will probably ask themselves a question that is linked to one of the traditional questions of the philosophical and political debate in Spain: in the last 20 years, has Europe become more Spanish or has Spain become more European? This debate is interesting from an intellectual point of view, but it is of relative importance. What is vital is being able to understand how Spain's process of integration in Europe has contributed to the welfare, freedom and security of its citizens and all the citizens of Europe.

This work seeks to offer some assistance in this respect by providing an objective compilation of the changes in the principle economic, social and political indicators in Spain in the last 20 years. Interpretation of the information is left to the readers and I hope that this work proves to be a useful tool for them and a source of inspiration and reflection.

José Manuel Barroso
President of the European Commission

1 January 2006 was the 20th anniversary of the accession of Spain and Portugal to the then European Communities.

Twenty years is a sufficiently long period to enable us to take stock of what has been achieved.

It has undoubtedly been a positive experience both for Spain and for what is now the European Union. As far as Spain is concerned, it is difficult to find in our modern history a period of political stability, economic growth and social welfare such as the one we have experienced since 1986. There is no question that Spain today is more modern, more prosperous and more united than the Spain that joined the European Communities 20 years ago.

For its part, the European Union has grown from 12 to 25 countries, which will very soon be joined by Bulgaria and Romania. Enlargement has been accompanied by advances in the process of European integration. Spain has made a vital contribution to promoting that integration, both internally, by encouraging the creation of an area of freedom, security and justice or improving economic and social cohesion, and in terms of relations with third countries, by working resolutely to strengthen relations with Latin America and the third countries of the Mediterranean.

History does not stop, and we therefore want to remember what these 20 years have meant and keep alive the debate on the challenges Spain and Europe are facing and the solutions the European Union can provide.

This publication by the Elcano Royal Institute should prove very useful in focusing and promoting this debate.

José Luis Rodríguez Zapatero
President of the Government of Spain

Introduction

This publication seeks to take stock of the economic, social and political changes experienced by Spain as a result of its accession to the (then) European Communities in 1986, some 20 years ago. It aims to do this simply, in a manner that is visually attractive, and accessible to the general public, while remaining rigorous with regard to the use of sources, data and figures.

Although the information presented in this work is already available to the public, it has never been presented as a whole in a single publication and from the perspective of the impact of Spain's accession to the European Union. The text has been divided into three sections: the first looks at the economic modernisation of the country; the second focuses on the major social and demographic changes; and the third examines the political transformations, both nationally and internationally. In each of these three important sections, the 20 indicators that best reflect the magnitude and importance of these changes have been picked out.

The 60 indicators presented therefore provide a categorical overview. Spain's economic, social and political transformation has been spectacular. Its political system, as well as its economic and social life, have today become deeply and irreversibly Europeanised. As a result, after 20 years of integration the Spain of 1986 is barely recognisable in the Spain of 2006. In that time, Spain has successfully completed a process of unprecedented political, economic and social modernisation, thanks to which it has moved

from the less-developed periphery of Europe to the more influential centre of European politics.

From being a country with an income of around 71% of the European average, Spain has practically reached the average income of the 25 EU Member States; from being a net beneficiary of European funds, Spain is close to becoming a net contributor; and from being a beneficiary of foreign direct investment, it has become a country with a more prominent global position and major multinational corporations. Consequently, having more or less brought its rates of employment, inflation, interest and debt into line with those of its European partners and having sorted out its public funds, Spain is today the eighth largest economy in the world, in addition to being one of the most open and dynamic economies in Europe and an exemplary member of the euro zone.

In the social and demographic field, Spain has undergone rapid modernisation. The sharp increase in social spending and public investment in healthcare and education have consolidated the welfare state at a level hitherto unknown in Spain. Spaniards thus enjoy an extremely high standard of living, with one of the highest life expectancies in the world. The last 20 years have also witnessed the large-scale (though still incomplete) integration of women in the workforce. Moreover, in a short space of time Spain has gone from being a country of emigration to having more than 3 600 000 registered foreign nationals. The new levels of

income and welfare in Spanish society have been reflected in a sharp increase in consumption of cultural goods and in Spaniards' commitment to the environment.

Finally, the information provided in the final part of this publication demonstrates, above all, the considerable solidity of the feeling of identification with, and support for, the process of European integration in Spain. It also demonstrates the extent to which the people of Spain have developed new political activities and values, values that mirror a well-consolidated democratic, political culture, huge satisfaction with the process of decentralisation and the emergence of a very strong current of international solidarity. This all reflects, and supports, a process through which Spain, traditionally absent from the international stage, has succeeded in securing its place at the forefront of those countries most committed to international development, peace and security. The vitality of its culture and its language, added to values that reflect an active commitment on the part of the people of Spain to a more open, fairer and more democratic world, imply a horizon that is radically different to that of the introverted and isolated Spain of the past.

From a historical perspective, it is difficult to find a period in Spain's past so brimming with political, economic, social and cultural achievements. Spain's accession to the Community brought with it an end to the country's long-standing alienation from Europe and the intro-

duction of an active policy of greater European influence in all areas of Spain's political, economic and social life, together with a substantial increase in its presence and visibility throughout the world. Fourteen years later, in 1999, with its integration in the Economic and Monetary Union (EMU), Spain was to achieve full integration in Europe and, subsequently, the end of its segregation in the European context.

Therefore, first the transition to democracy and then integration in the Union closed a century that began with the 1898 'disaster', included a traumatic Civil War and culminated in a long period of dictatorship. There is no doubt that the economic reforms adopted in the 1960s on the basis of the 1959 Stabilisation Plan and, subsequently, the successful Spanish transition and Moncloa Pacts of 1977 were important in achieving these goals. However, it is clear that Spain's full political, economic and social maturity could only be reached after joining the Union. Its accession was thus the culmination of a democratisation process that had begun a decade before, after the death of General Franco in November 1975, and it came to symbolise the end of a long cycle in the country's history, characterised by political turbulence, economic and social failure, and international isolation. Now, 20 short but intense years after that historic event, there is no doubt that Spain's participation in the process of European integration has made a vital contribution to its internal political stability, its economic and

social modernisation, and its European and international prominence.

The full Europeanisation of Spain's political, economic and social life, and its internal and external security, is entirely coherent with the common project Spaniards have drawn up on the basis of the values of peace, democracy and prosperity enshrined in the 1978 Constitution. The considerable solidity of the political, economic, strategic, and even emotional foundations on which Spain's integration in Europe is based demonstrates without a shadow of a doubt that the European project is a project that has been shared by all of society. As such, its success must not be attributed to any one particular government, but to society as a whole.

The information presented in this publication also shows that the path taken has not been easy, and that, despite how it might seem, success was never guaranteed. The competitive pressure of the Union's market forces has required difficult adjustments, and has meant maintaining a high and steady rate of modernisation. It is important to remember, for example, that in spite of the high levels of financial contributions received from the EU budgets, the adjustments needed for European integration have been extremely extensive from the point of view of the high number of Spanish regions and production sectors involved. Similarly, from a political and institutional perspective, the successive Spanish Governments worked tirelessly,

first of all, to balance the most asymmetric aspects of Spain's Treaty of Accession and, later, to secure for Spain a place among the EU's major states.

This publication fulfils a dual purpose at present. Firstly, it adopts a purely national perspective, because it is difficult to find anywhere in Spain's history a period of such economic, political and social success, which has also benefited so many of its citizens. In a country that is very reluctant to congratulate itself and not used to self-indulgence, it is useful to examine from the appropriate perspective what these last 20 years have meant. Be this an objectifiable phenomenon or a mere subjective construction, there is no doubt that it is impossible to recognise in the data here any trace whatsoever of the so-called 'problema de España', analysis of which consumed so much energy for such a long time.

The data presented here portrays Spain not only as a country that is recognised as being on a level footing with those around it, but as a country with huge economic dynamism, a great desire for change, enormous international appeal and, all in all, a high capacity for achieving collective goals. Spain today is therefore an exceptional country, not in the negative sense in which this term has been used about our character and development over the years, but in a positive sense: as a consequence of the desire, the efforts and the sacrifices of these last 20 years, the people of Spain are now among the minority of inhabitants of the planet who

enjoy high levels of economic and social welfare, against a broad and stable backdrop of freedoms.

Rather than fuelling vain triumphalism, recognising what has been achieved is essential in coping with the challenges of the future. Faced with the parallel challenges posed today by phenomena such as economic and financial globalisation, demographic and social changes, environmental pressure or the new security conditions that prevail at a global level, examination of both the initial levels in 1986, when the final phase of a long historic process of Europeanisation began, and the levels that have been achieved, with the help of the data provided in this study, should generate optimism and confidence. Given the pessimism and distrust that prevail in many of our neighbouring countries, it seems logical to presume that a country that has overcome such vast and difficult challenges as those faced by Spain in 1986 has every reason to feel confident about the future.

Secondly, from a more European, or should we say pro-European, perspective, the results of 20 years of Spanish integration in the European Union should instil pride and satisfaction among all Europeans, not just Spaniards. A collective success of the Spanish people, Spain's success is also, as it should rightly be, a European success. At a time when Europe has lost faith in itself and seems incapable of coping adequately with the double challenge rep-

resented by the 'enlargement/constitution' coupling, the case of Spain should serve as a reminder of all that can be achieved when Europe functions and the societies feel involved in the European project.

At the beginning of the 1980s many Europeans saw the incorporation of Spain and Portugal, in addition, thus, to the accession of Greece, as a heavy burden that would encumber the European Union in the economic and political spheres and in terms of its capacity for external action. Spain's income, for example, was less than 75% of the Community average and its unemployment rate was double the European average. All of this was set against a backdrop of political instability, marked by the attempted coup in 1981, an extremely difficult terrorist situation and an isolationist tradition in the area of foreign policy, over and above complicated relations with its neighbour Morocco and a history of mass emigration to Europe.

Consolidating democracy in Southern Europe, the ultimate objective of the support for the candidacies of the three countries, meant that consideration of whether or not it would be appropriate to admit new countries whose welfare levels, political cultures or social structures were way behind the generally accepted practices in the prosperous and democratic Europe of the European Community was left to one side. In spite of reservations, Spain's European partners not only allowed it to join, but also provided it with access to funds that proved to

be crucial, together with the structural reforms undertaken, in modernising the country's economy and helping it on the path towards political, economic and social convergence. European funds, which between 1986 and 2004 have totalled EUR 211 billion (in 2004 prices) have accounted for 0.8% of GDP in 20 years, 300 000 jobs and around EUR 5 275 per inhabitant over that period (approximately EUR 260 per inhabitant per year). They are the Marshall Plan from which Spain never benefited.

In return, Spain has been a loyal and committed partner. Defying the prejudices of those who considered it a natural member of a 'Club Med', incapable of imposing any discipline, Spain joined the third stage of EMU under the same conditions as the rest of the countries, bringing with it others, such as Italy, which had seemed more convinced that it would be possible to 'stop the clock' and postpone the entry into force of the euro.

Without Spain, it is difficult today to imagine economic and social cohesion, European citizenship or the importance of the area of freedom, security and justice. Spain has become significantly more European, but it has also enriched the Union, intensifying its Mediterranean dimension and providing it with a Latin American dimension that it was lacking. It is still appropriate today to highlight the synergy between the EU and Spain, and the amalgamation of its interests in so many areas. It is difficult to imagine the modern Spain without Europe, but Europe must recognise itself in this success and look to the future with confidence. The information presented here endorses this standpoint.

Acknowledgements

This publication would not have been possible without the collaboration and dedication of numerous people and institutions.

Firstly, we would like to thank the working group set up by members of the Elcano Royal Institute, the Office of the European Parliament, the Representation of the European Commission in Spain and the Secretary of State for the European Union of the Ministry of Foreign Affairs and Cooperation for its invaluable collaboration. During the course of successive meetings, it helped to shape and develop the project through numerous comments and observations.

Secondly, although the final responsibility for the project fell to the Europe section of the Elcano Royal Institute, the work presented here would not have been possible without the active collaboration of the International Economy section (Paul Isbell), the Cooperation and Development section (Iliana Olivie), the Language and Culture section (Jaime Otero) and the Demography & Population section (Rickard Sandell), and, finally and very specially, Alicia Sorroza.

Thirdly, many people and institutions assisted us in compiling the data required for this publication. We would like to thank the following people in particular for their assistance: Clara Crespo Ruiz de Elvira, Ministry of Finance and the Economy; Carlos Asenjo, Álvaro Castillo Aguilar, Enrique González, Alexandra

Issacovitch, Jesús Roldán and Javier Salido, Ministry of Foreign Affairs and Cooperation; Félix Moral and Joan Font, Centre for Sociological Research; Professors César Colino, Juan Jesús González, Teresa Jurado, Emilio Luque, Salvador Parrado and Antonia Ruiz, Spanish National Distance University (UNED); Ana Charro, Instituto Cervantes; and Narciso Michavila, Institute of Strategic Studies of the Ministry of Defence.

Last, but not least, we would like to thank Peter Deutsch (Distinctum) for his excellent work in editing the text and graphics.

Madrid, March 2006

Sonia Piedrafita is a researcher in the Political Sciences and Administration Department of the UNED.

Federico Steinberg is an Economics Professor in the Autonomous University of Madrid.

José Ignacio Torreblanca is a Political Sciences Professor in the UNED and the Senior Analyst for Europe in the Elcano Royal Institute.

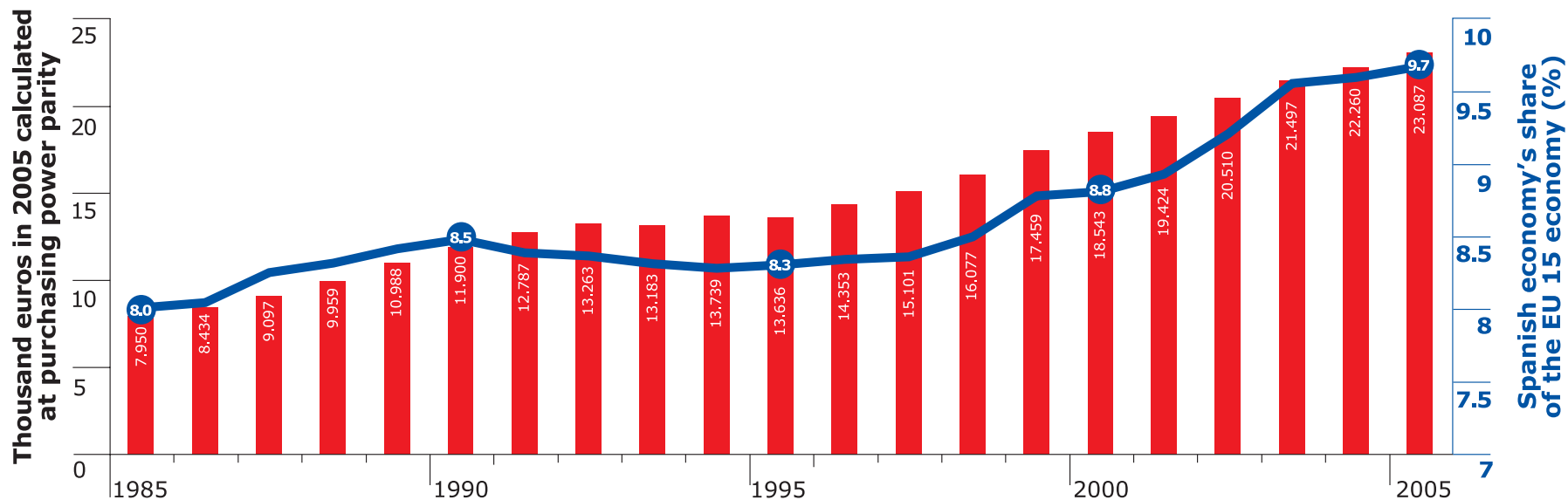
Economy: 20 facts for 20 years

1. Growth and wealth

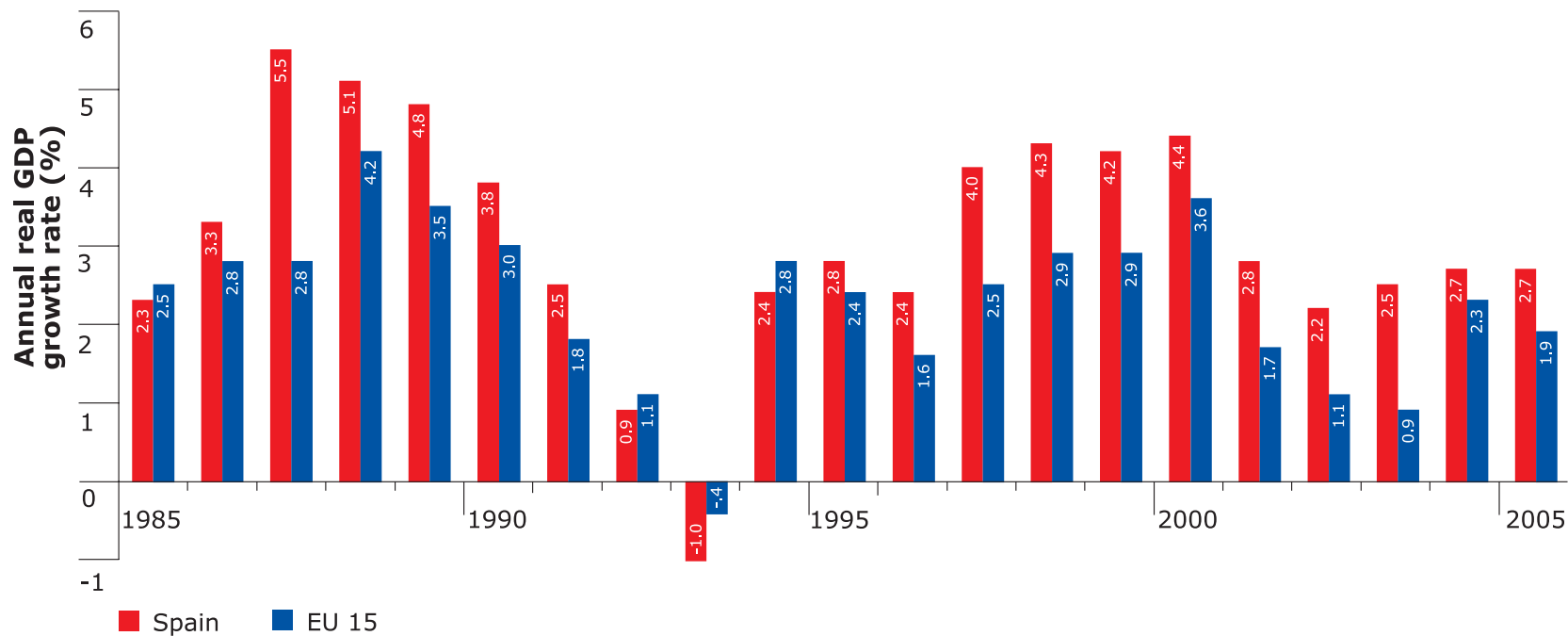
Per capita gross domestic product (GDP) (calculated at purchasing power parity in euros at 2005 prices) increased substantially between 1985 and 2005. From less than EUR 8,000 per capita before accession to the EC, it rose to more than EUR 23,000 per capita in 2005, which is equivalent to 99% of the average income of the enlarged Union. During its 20 years in the EU, the Spanish economy has experienced a total GDP growth of 17 percentage points more than the European average (Spain's GDP has grown by 64.6% in total, while that of the EU 15 has grown by 47.9%). In fact, GDP in the EU 15 only increased at a faster pace than

Spain's during the 1992-1994 recession, which was longer and more pronounced in Spain than in the EU. Moreover, the Spanish economy's share of the EU economy as a whole (EU 15) rose from 8% in 1985 to 9.7% in 2005. All in all, with a GDP of more than EUR 930 000 million in 2005, Spain has consolidated its position as the eighth largest economy in the world and one of the most dynamic economies in Europe.

GDP and per capita GDP; trend and growth



Source: Eurostat, Statistical Annex, spring 2005, Table 6, Banco de España and author.



Source: Eurostat, Statistical Annex, spring 2005, Table 10.

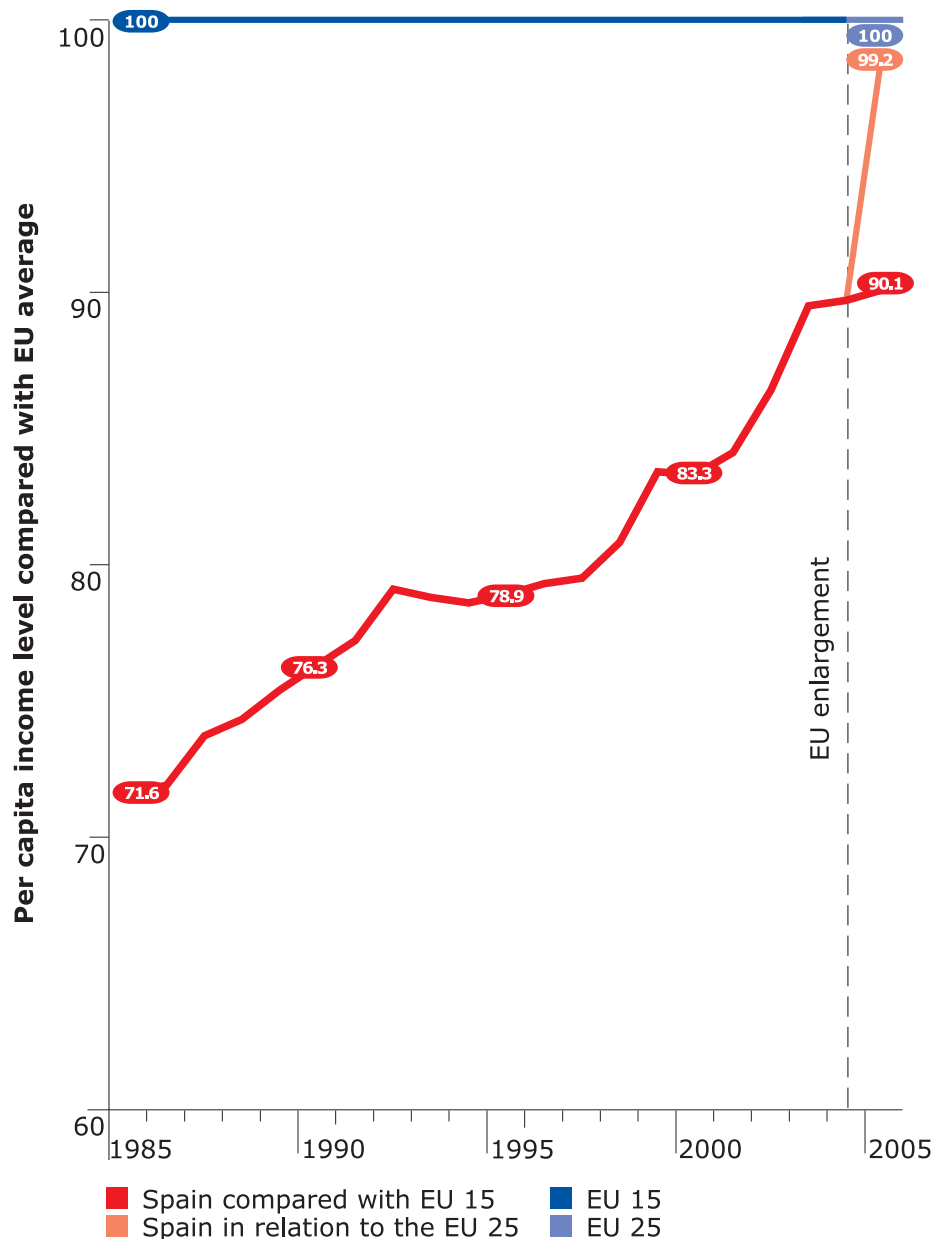
2. Income convergence

Spain has achieved an extremely important real convergence of its per capita income with the EU average. It rose from 71% of the average income of the EU 15 in 1985 to more than 90% in 2005. Thus, in 20 years the disparity between Spain and Europe in terms of income has been reduced by almost 20 points. The greatest convergence took place between 1985 and 1990 (the early years of EC membership) and between 1997 and 2005 (coinciding with Spain's integration in the Economic and Monetary Union). The accession of 10 new Member States to the EU in 2004 (all with incomes lower than that of Spain) provided a further boost to

Spain's convergence with the EU, as Spain's per capita GDP is now 99.2% of the EU 25 average (known as the 'statistical effect' of enlargement). From a regional perspective, too, there has been a strong process of convergence, as a result of which various autonomous communities have exceeded the average income of the EU 15. Similarly, it should be noted that between 1985 and 2005 there was a significant reduction in the discrepancy of the per capita income of the various autonomous communities in relation to the Spanish average, which implies that the inequalities between the regions have been reduced¹.

¹Although all studies show the fast convergence in the per capita income, there is debate about the concrete figures, since data from Eurostat, which have been disaggregated by region only since 1990, some times differ from data from other sources.

Per capita income convergence



Regional income convergence by autonomous community

	1985	1990	1995	2000	2004
EU 15	100	100	100	100	100
Spain	71.6	76.3	79.3	84.1	89.7
Andalusia	52.92	57.45	58.27	65.58	71.27
Aragon	73.98	83.73	86.48	95.13	100.89
Principality of Asturias	69.41	70.69	68.37	72.89	78.13
Balearic Islands	114.06	127.25	109.72	109.41	105.55
Canary Islands	70.34	76.74	75.08	83.82	89.47
Cantabria	69.67	73.5	73.71	80.96	88.91
Castile and Leon	61.1	69.11	73.45	86.16	97.99
Castilla-La Mancha	54.92	62.49	70.26	79.9	84.38
Catalonia	87.42	97.29	98.2	101.8	103.75
Valencian Community	72.27	80.39	81.79	87.36	91.33
Extremadura	45.59	51.5	53.48	66.5	77.56
Galicia	59.06	66.68	66.28	74.1	81.87
Community of Madrid	93.98	104.74	104.63	106.98	111.14
Region of Murcia	59.14	65.44	66.85	71.18	72.51
Community of Navarre	84.96	95.55	101.52	104.83	110.39
Basque Country	80.16	90.14	92.28	101.89	111.11
La Rioja	74.26	83.46	92.22	99.18	100.66
Ceuta	57.27	63.98	65.69	79.14	91.01
Melilla	59.07	67.63	74.47	82.07	94.26

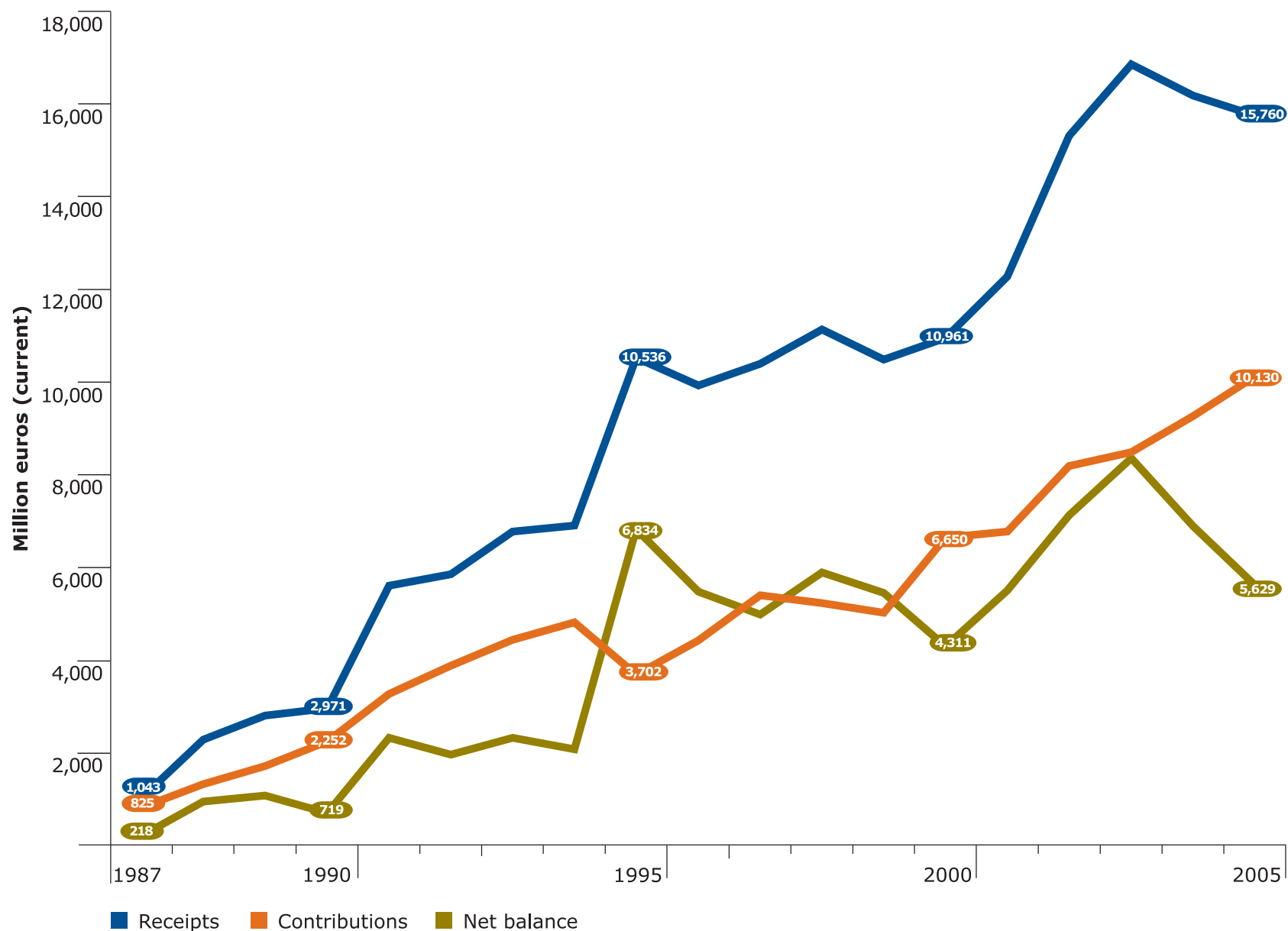
Source: 'Evolución Económica de las Regiones y Provincias Españolas en el Siglo XX', Fundación BBVA, Funcas and author.

3. Financial relations between Spain and the EU

Since 1986 Spain has received a net total of EUR 78,131 million at current prices from the EU (contributions minus receipts). This represents approximately 0.8% of Spain's GDP each year (if calculated in euros at 2004 prices, the total net figure comes to EUR 93,350 million). These transfers have been essential for the transformation of the Spanish economy, as they have made it possible to finance a large number of social and regional cohesion projects and infrastructures that have complemented the considerable efforts of the various governments to modernise and build the welfare state. In fact, along with Ireland, Spain is the country that has made the most effective use of its European funds. Nonetheless, from 2007

Spain will have to cope with a substantial reduction in these funds since they will be allocated primarily to the enlargement countries, which are significantly poorer than the EU 15 Member States. Thus, according to the financial perspective for the period 2007-2013, Spain will become a net contributor to the Community budget in 2010. Maintaining such high levels of growth without the EU funds is therefore one of the major challenges Spain will face in the future.

Financial relations between Spain and the EU

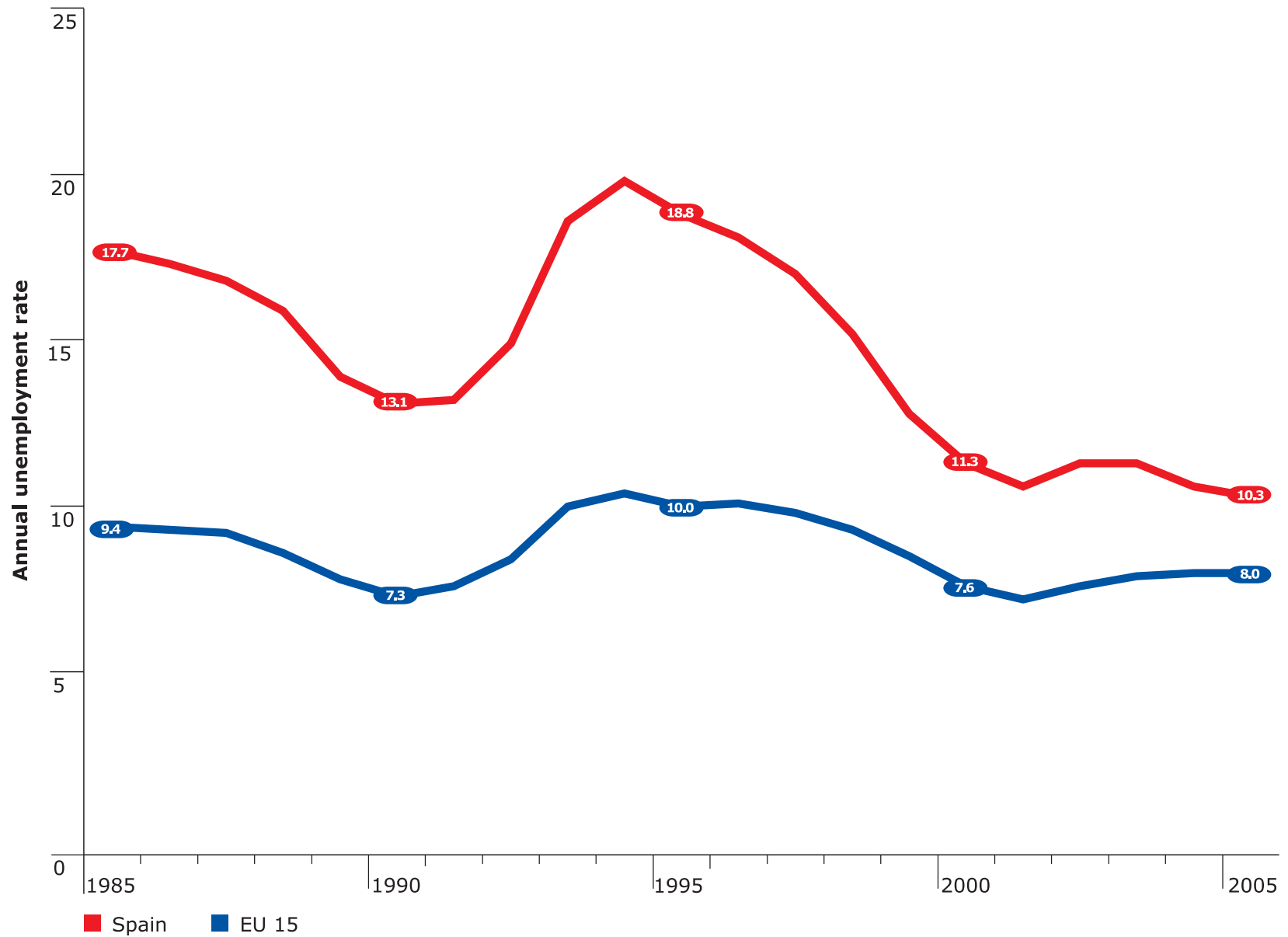


4. Unemployment

In 1985 Spain's unemployment rate stood at around 18%, almost double the European rate. Twenty years later this figure had fallen to 10.3% (8.7% according to the data of the Economically Active Population Survey, whose methodology differs from that of Eurostat), bringing the Spanish unemployment rate down to a level near that of the EU 15. However, the reduction in unemployment has not been linear, nor has it followed the same trajectory in all the autonomous communities. After falling to 13% in 1990-1991, it reached its highest point (20%) in 1994 and then fell by almost 10 points in 10 years. In fact, since 1997 the rate of job creation in Spain has averaged 3.6% per year, three times that of the EU 15. Significant disparities remain from a regional perspective:

Andalusia and Extremadura have unemployment rates of around 15%, while Aragon, Navarre, La Rioja, the Basque Country, Catalonia and Madrid have almost full employment. These differences cannot be put down solely to the different levels of economic growth; they are to a large extent caused by the low geographic mobility of Spanish workers. Moreover, although unemployment among women (11.6%) continues to be more than 5 points higher than unemployment among men (6.6%), Spain is not far from full employment for men. Indeed, as a result of the dynamism of the economy and the labour market reforms, Spain is no longer the EU country with the highest unemployment rate and lowest level of labour market participation.

Annual unemployment rate (%)

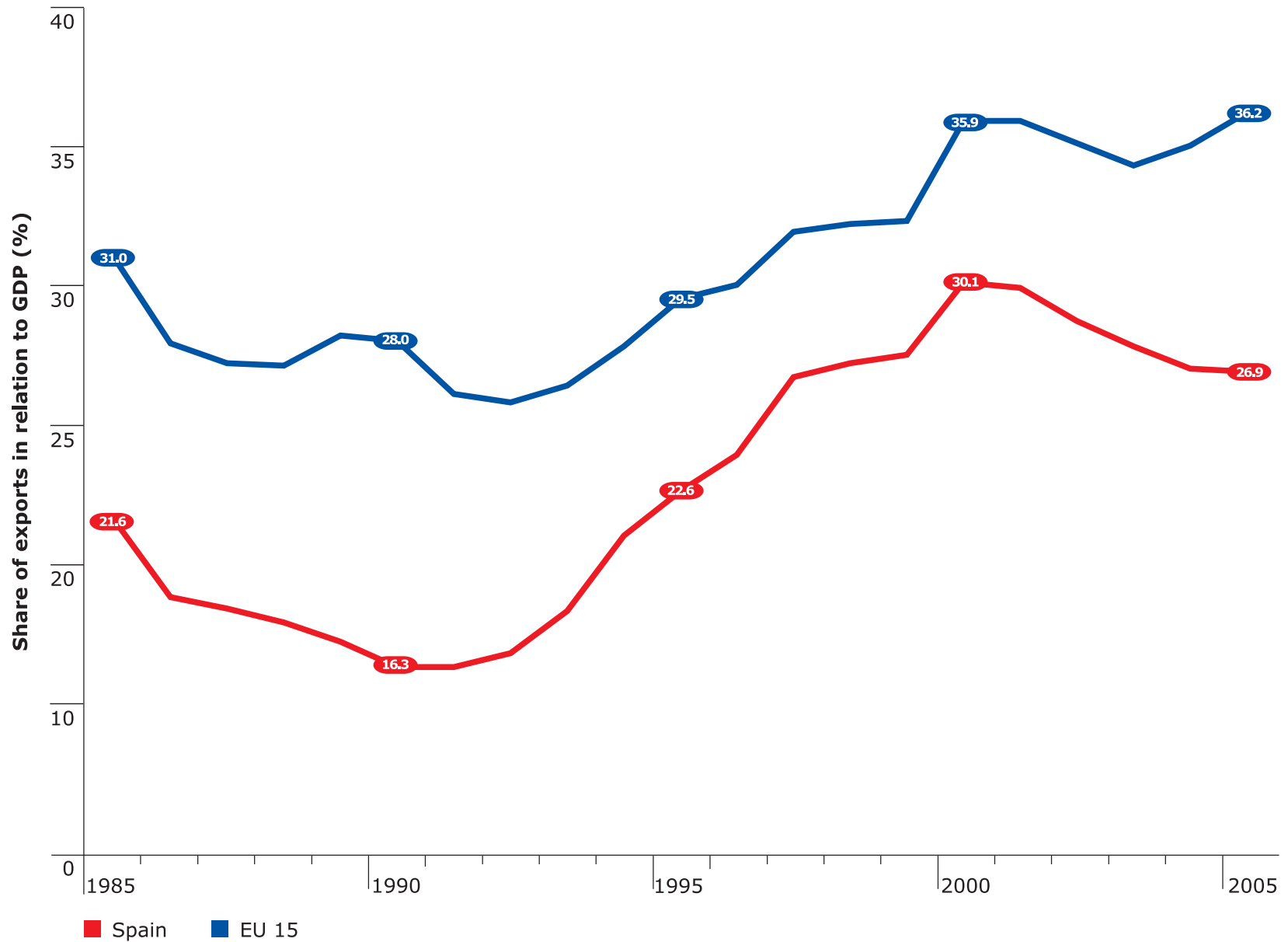


5. Openness to trade

In the last four decades, the Spanish economy has undergone a remarkable process of openness, with the GDP share of exports and imports of goods and services increasing sixfold. Spain's integration in the European Union, in its different phases and forms, has been the catalyst for this process. Initially, trade from Spain was boosted by both the economic openness that followed the 1959 Stabilisation Plan and the signature of the agreement with the Common Market in 1970. Subsequently, in 1986, as a result of Spain's accession, this trade increased once more, reaching its peak in 2000. In 2005 more than 70% of Spain's external trade took place with EU states and focused on a small number of countries (Germany, France, Italy, Portugal and the United Kingdom). Although exports have grown every year, their share of GDP fell after Spain joined the EC, because GDP grew at a faster rate than exports. Exports rose

with the devaluations of the peseta between 1992 and 1994, accounting for 30% of GDP in 2000. Nonetheless, the contribution of exports to GDP continues to be 10 points higher in the EU than in Spain, which demonstrates that one of the unresolved elements of the Spanish economy is improving the competitiveness of goods and services sold abroad. The other major challenge is to diversify the geographical destination of exports, thus increasing exports to countries outside the EU, especially the United States and the Asian economies.

Degree of openness (% exports in relation to GDP)



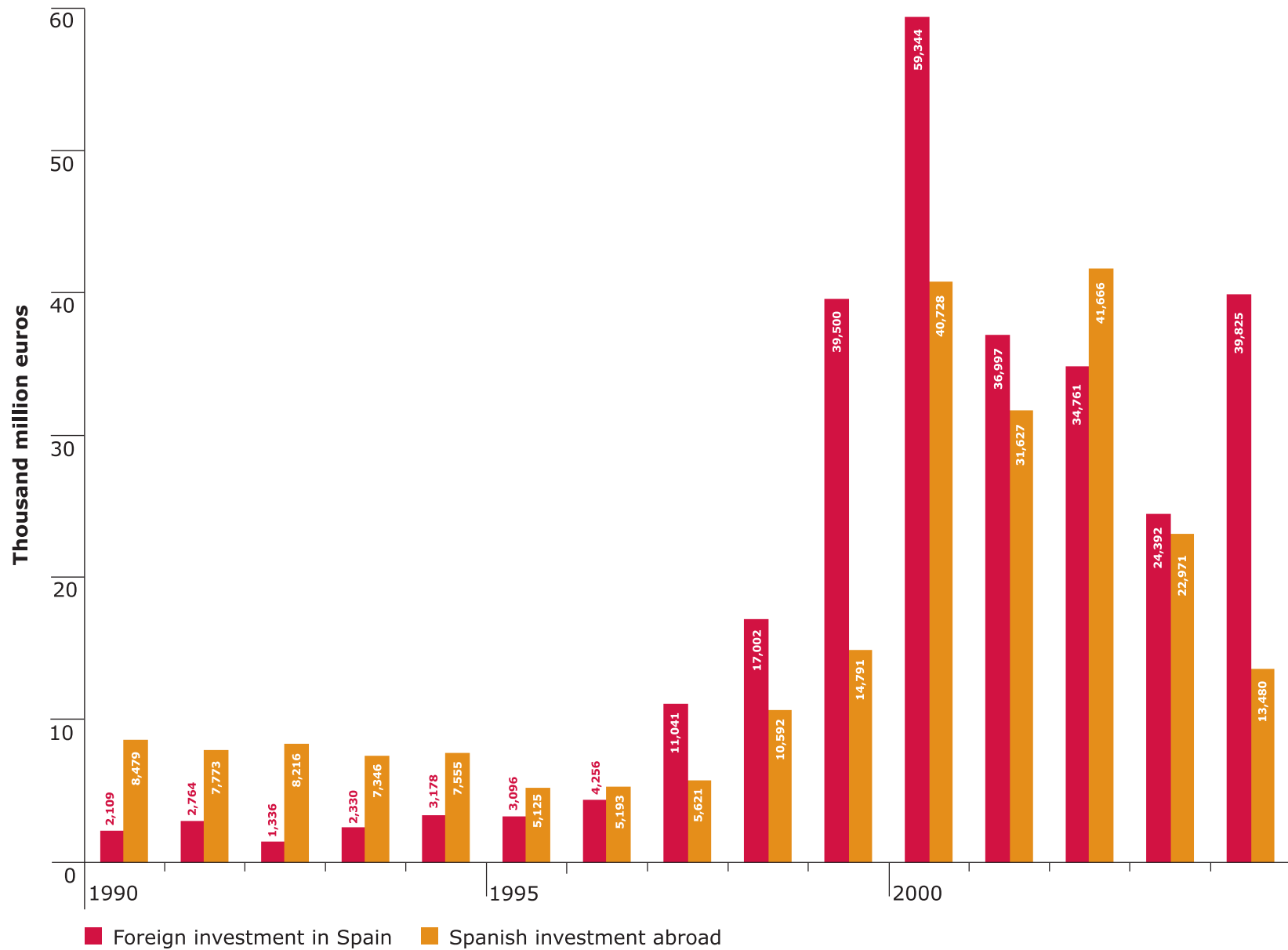
6. Direct investment

Another characteristic of the openness of Spain's economy has been the globalisation of its companies, together with its economy's capacity to attract investment. Until 1996 foreign direct investment in Spain exceeded Spanish investment outside the country, especially during the period from 1986 to 1992, when Spain's accession to the EC resulted in foreign direct investment in Spain totalling 1.5% of Spanish GDP and more than 6% of national investment. The period from 1998 to 2002 saw another wave of foreign investment in Spain (generated by the reduced risk following Spain's integration in the Economic and Monetary Union), during which foreign investment totalled on average 4% of Spain's GDP and 16% of total national investment. However, it was after 1997 that Spanish direct investment

abroad exceeded foreign direct investment in Spain, i.e. when the globalisation of Spanish firms speeded up. Following the privatisations of the major Spanish public companies, Spanish businesses made huge investments abroad, peaking in 2000, when direct investment abroad totalled EUR 59,344 million (almost 10% of GDP). The majority of this investment has taken place in Latin America (and to a lesser extent the EU). Over the course of this period Spain went from having five companies in the 500 largest companies in the world (in terms of income) in 1998 to having eight in 2005, according to the Global 500 ranking drawn up by Fortune magazine.

²Since a technological change took place in the accounts of the balance of payments in 1995, data harmonized in euros are available only since 1990 because the Bank of Spain has only reconstructed the series up to that date.

Spanish investment abroad and foreign investment in Spain



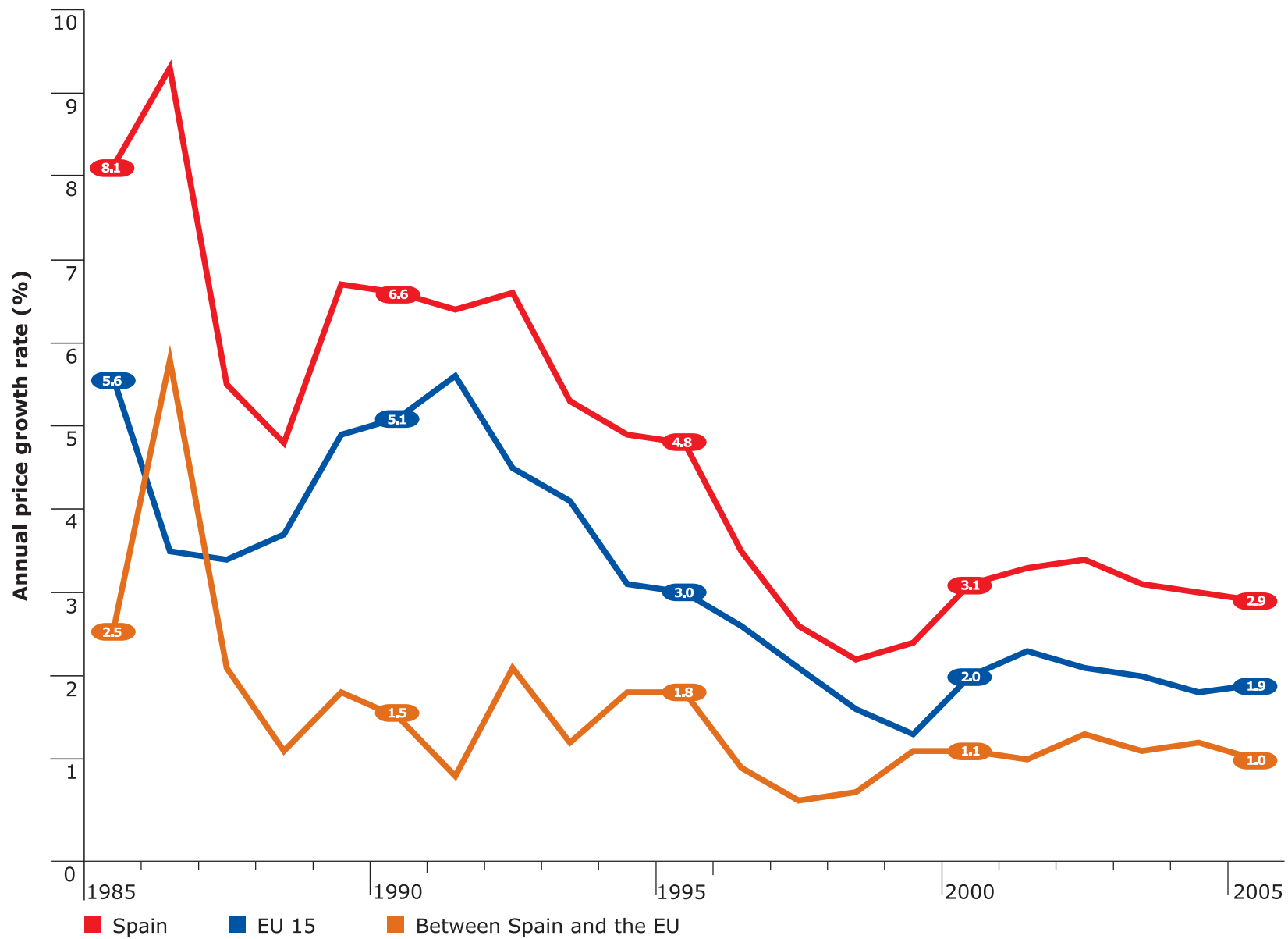
7. Inflation

Although Spanish inflation is still approximately one point above that of the euro zone, huge efforts have been made to reduce this gap, which was almost six points in 1986 . With the exception of the recovery of prices between 1989 and 1992, inflation has been falling continuously, enabling Spain to achieve the price convergence needed to join the euro in 1999. This success in controlling inflation must be attributed to the credibility of the Banco de España (independent since 1994) and, since the creation of the euro, that of the European

Central Bank. In addition, the reduction in salary growth, the decrease in the cost of capital (lower interest rates) and the reduction of debt and the public deficit have made it easier to limit the price increase, highlighting the extent to which economic convergence with the EU and access to the Economic and Monetary Union have been an objective shared by all of Spanish society. In any event, the existence of a permanent price differential between Spain and the EU 15, and the difficulties encountered in reducing it, pose a constant risk of loss of competitiveness.

³Private consumption deflator is used.

Inflation

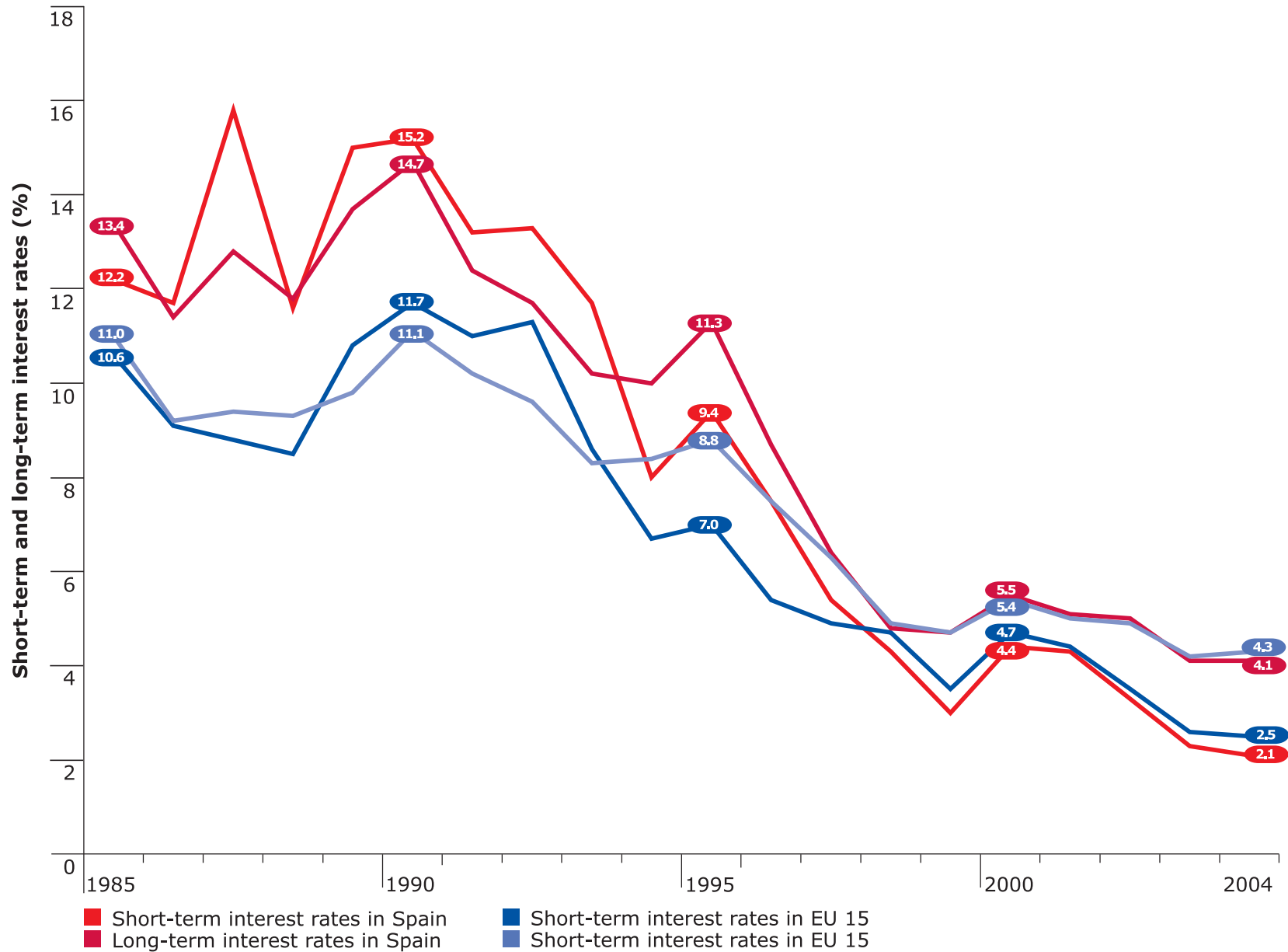


8. Interest rates

Short-term interest rates (three-month inter-bank interest rate) and long-term interest rates (yield on Spanish 10-year bonds) have both followed a very similar path, enabling the Spanish economy to reduce the cost of capital and fall into line with European rates. Short-term rates, which were around 20% in 1983, fell to 12% in 1986 and to 8% in 1994, when the Banco de España became independent. After an upturn in 1995, they decreased due to the prospects of Spain's integration in the

monetary union, and even fell below those of the EU in 1998 and 1999. Long-term rates have followed a very similar path, experiencing a dramatic fall after 1990 and converging with those of the euro zone after 1999, at around 4-5%. This reduction has made it possible to reduce significantly the financing costs for the Spanish economy. It is perhaps in the area of mortgage rates that Spaniards have witnessed most clearly the benefits of Spain's membership of the Economic and Monetary Union.

Interest rate convergence

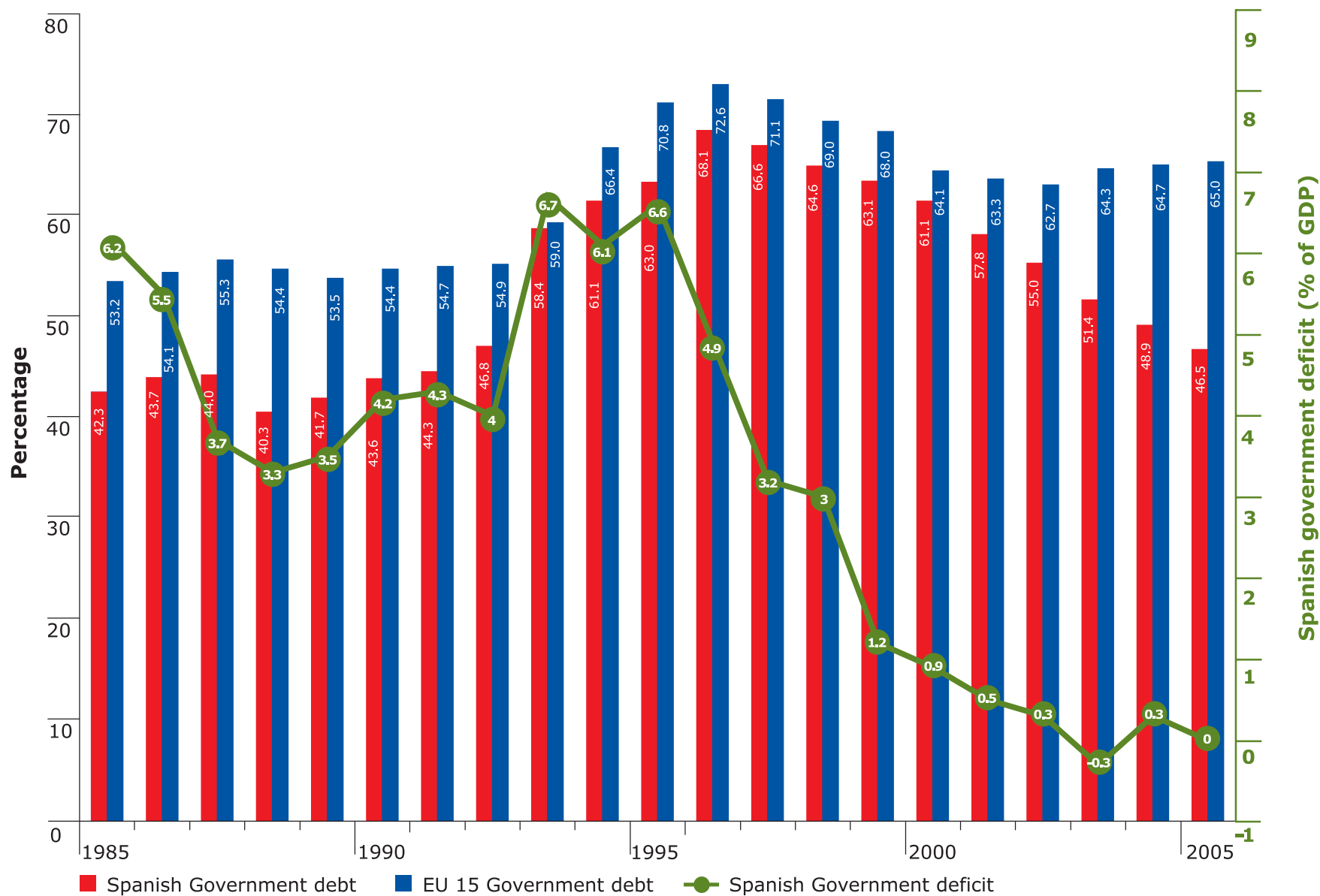


9. Public accounts

Spain's time as a member of the EU has partly overlapped the period in which the infrastructures have been modernised and the welfare state has been consolidated in Spain. Provision of these public goods has required substantial public funding. To this end, the level of consolidated government gross debt grew by 26 points of GDP between 1985 and 1996, reaching 68% of GDP in 1996, very close to the EU 15 average. In addition, government debt, after falling from 6.2% of GDP in 1985 to 4% of GDP in 1992, rose once again to total 7% of GDP in the period 1993-1995. Since then, however, the Spanish economy has made considerable efforts to rebalance the public accounts

with a view to fulfilling the convergence criteria laid down in the Treaty on European Union (Maastricht Treaty) and entering the third stage of the Economic and Monetary Union on the same footing. These efforts were reflected in Spain achieving the goal of a zero deficit in 2003 (three points below the limit laid down in the EU's Stability and Growth Pact) and reducing public debt to 46% of GDP, almost 20 points below the EU 15 average. This debt reduction has cut both the cost of financing the Spanish economy and the burden of interest payments on the government debt, which has enabled public resources to be used for other types of investment.

Government deficit and debt

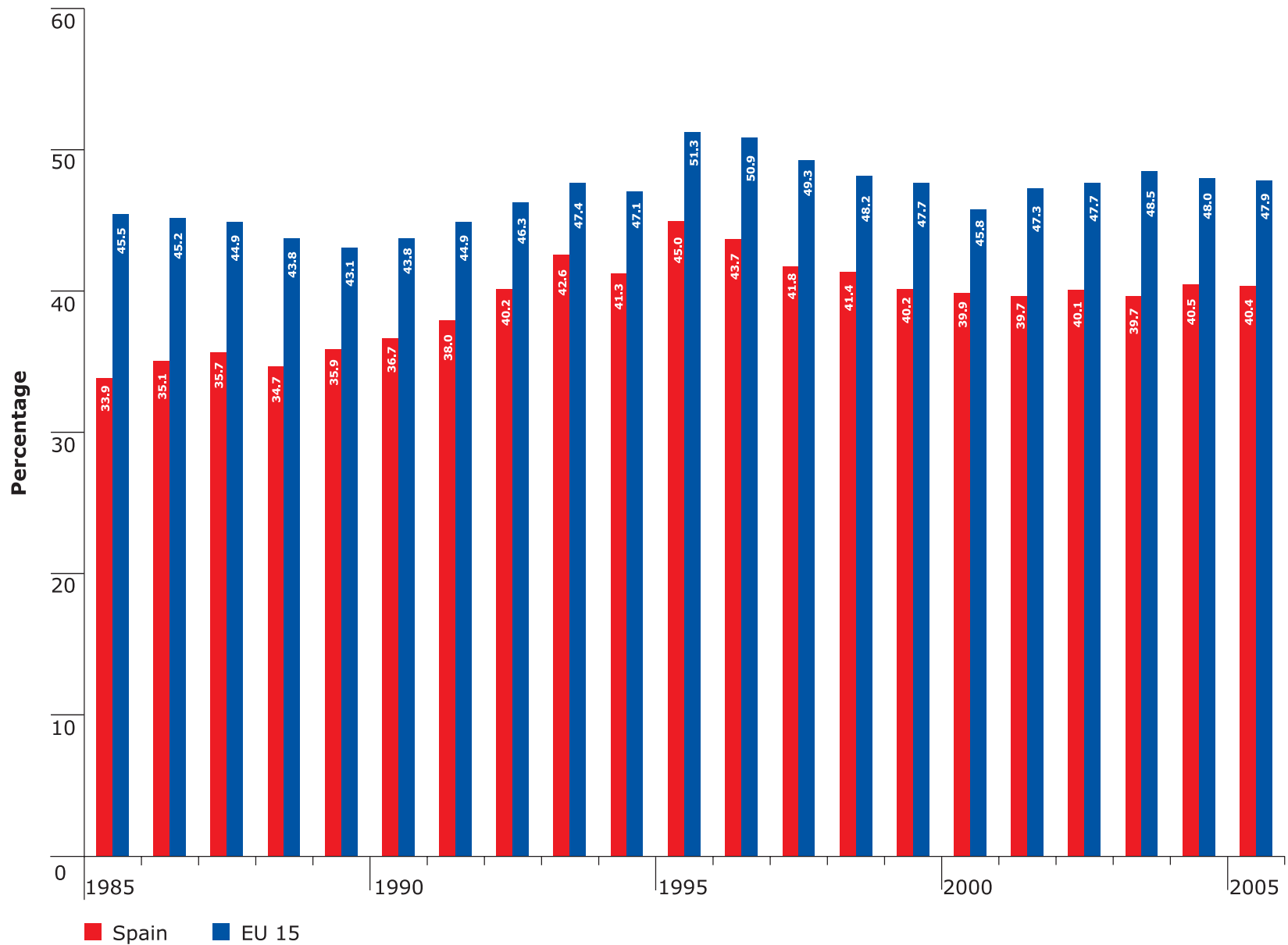


10. Public spending

At the beginning of the democratic period in 1978, Spain had a paltry welfare state, comparatively speaking. In order to overcome this social deficit, especially visible in terms of funding for education, healthcare and social security benefits, Spanish public spending has increased significantly in relation to GDP over the past 20 years. Considerable funding has also been made available to modernise the transport and energy infrastructures. As a consequence, public spending, which represented 25% of GDP in 1978 but had risen to 34% by 1985, increased

to 45% (11 points) only 10 years later. Since then, the level of public spending in Spain has remained stable at around 40% of GDP. Nevertheless, it is still some seven points below the EU 15 average, which reflects a welfare state that, in contrast to the EU's most prosperous countries, is still largely reliant on families and the private sector.

Public spending in relation to GDP (%)

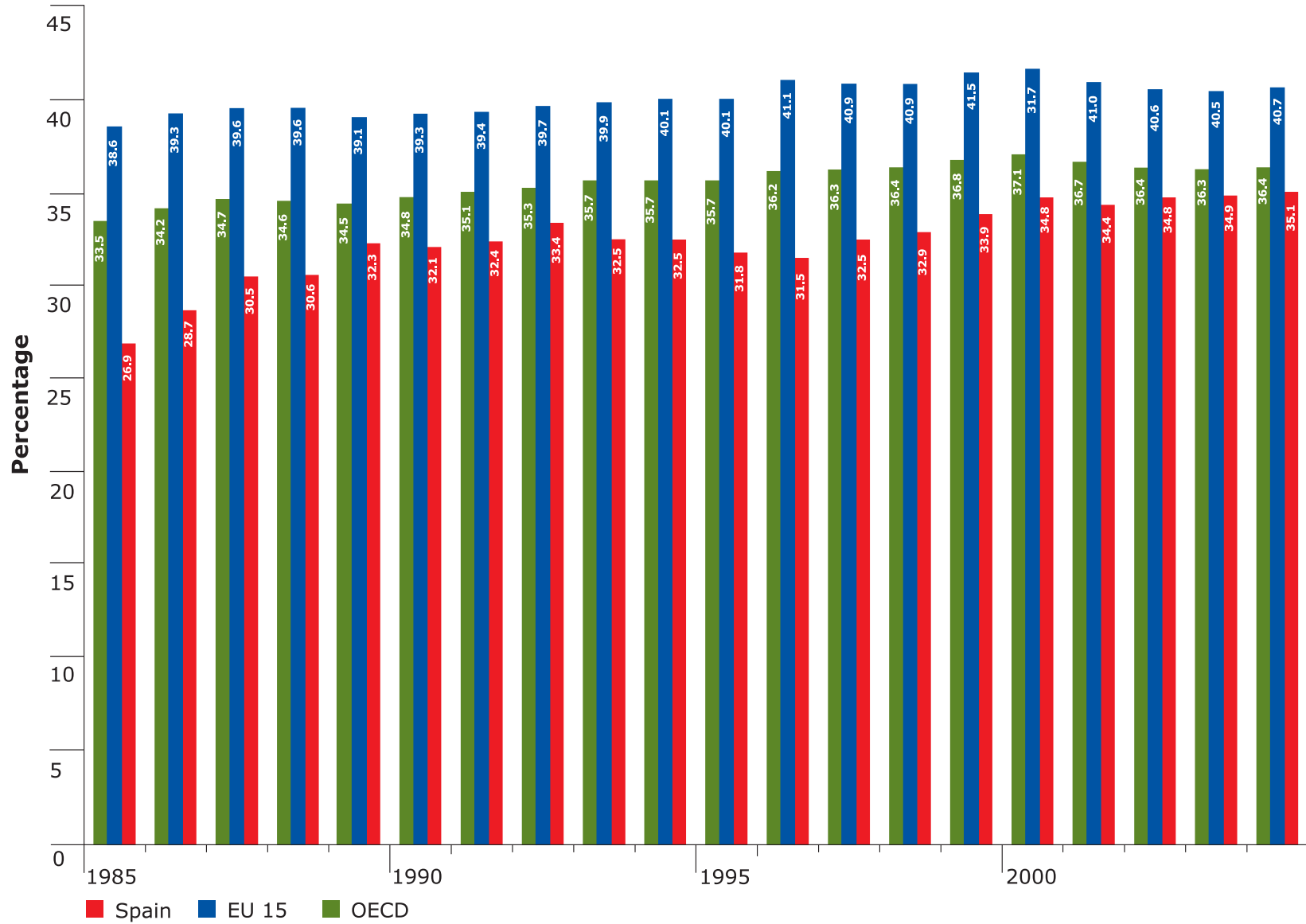


11. Fiscal pressure

The requirements in terms of funding for public spending have significantly increased fiscal pressure in Spain, i.e. the percentage of GDP that citizens pay on average through the various types of taxes. At the end of the 1970s, Spain had levels of taxation that were similar to those of developing countries, but it has today become a modern country in which taxes play a fundamental role as a mechanism for the redistribution of income and promotion of equal opportunities. Consequently, fiscal pressure rose from 27% in 1985 to 35% in 2004.

Nonetheless, it continues to be almost six points below the EU 15 average and is even lower than the average of the OECD countries, which include the United States, Mexico and Australia, which are countries with lower levels of fiscal pressure. In short, Spaniards pay more tax now than they paid 20 years ago, but they still pay less than the EU average.

Fiscal pressure: Tax revenue as a % of GDP

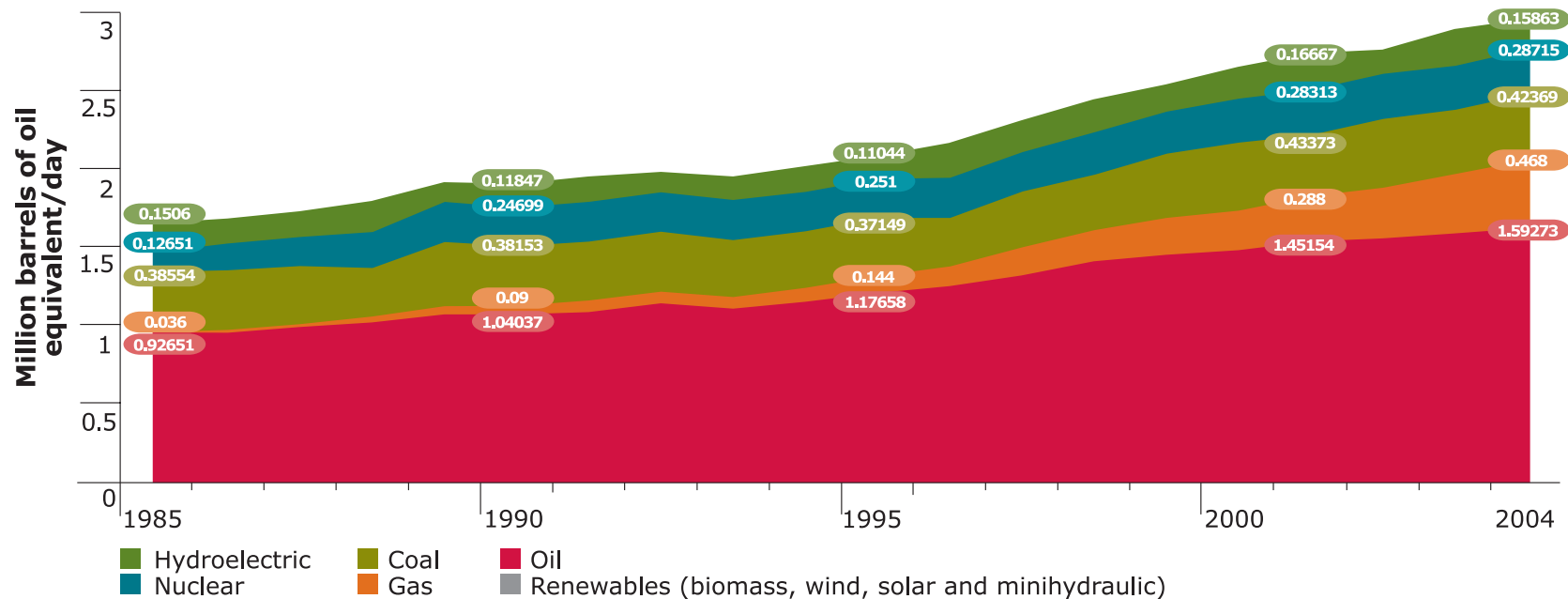
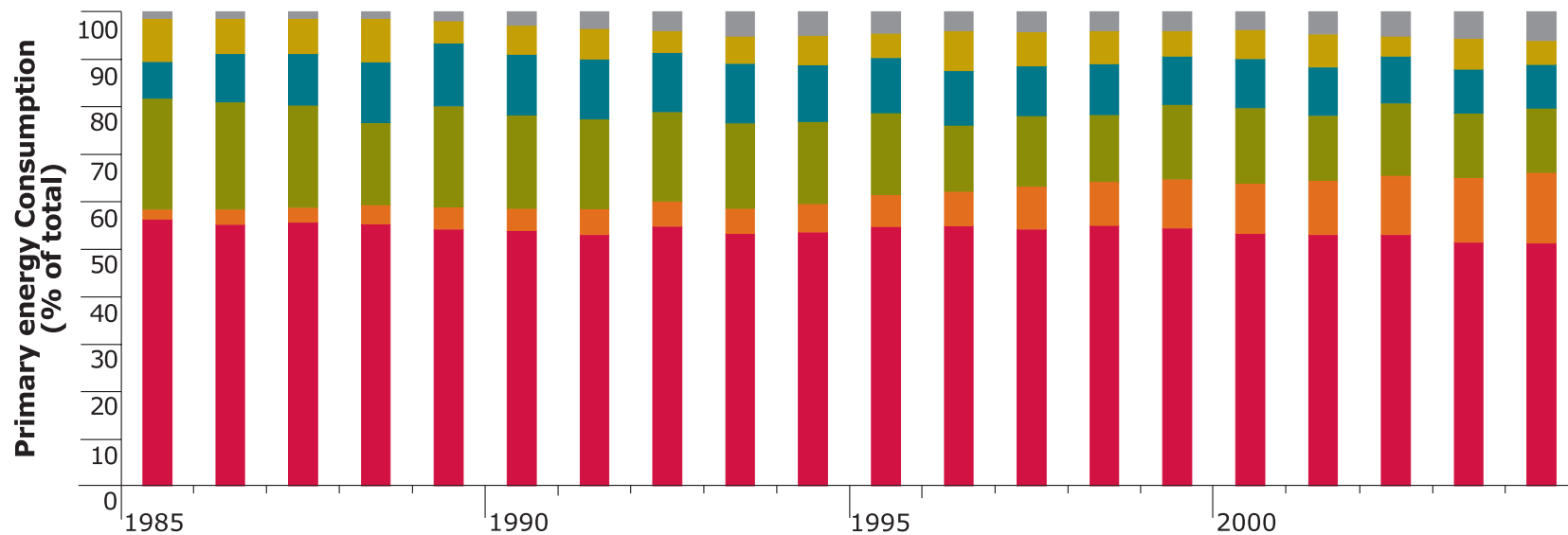


12. Energy

Consumption of primary energy in Spain portrays two characteristics: a continuous increase in consumption and constant dependency on oil. Between 1985 and 2004, consumption of primary energy in Spain doubled, rising from 1.5 million to almost 3 million barrels of oil equivalent per day. This increase is due to the rise in Spanish production and consumption over the years, requiring increasing levels of energy consumables. In addition, Spain has not yet managed to diversify its energy sources. As in 1985, today more than half of the primary energy consumed still comes from oil (in the EU

this figure is 40%). The share of nuclear energy has remained stable (around 10%), while consumption of coal and hydroelectric power has fallen. Renewable energy sources and gas have increased their share, accounting at present for 6.5% and 13% respectively of the total (in the EU these percentages are 6% and 24%). The challenge, therefore, for the Spanish economy is to reduce its dependency on oil, diversify its energy sources, making greater use of renewable energies, and improve consumption efficiency (which is still 20% lower than the EU average).

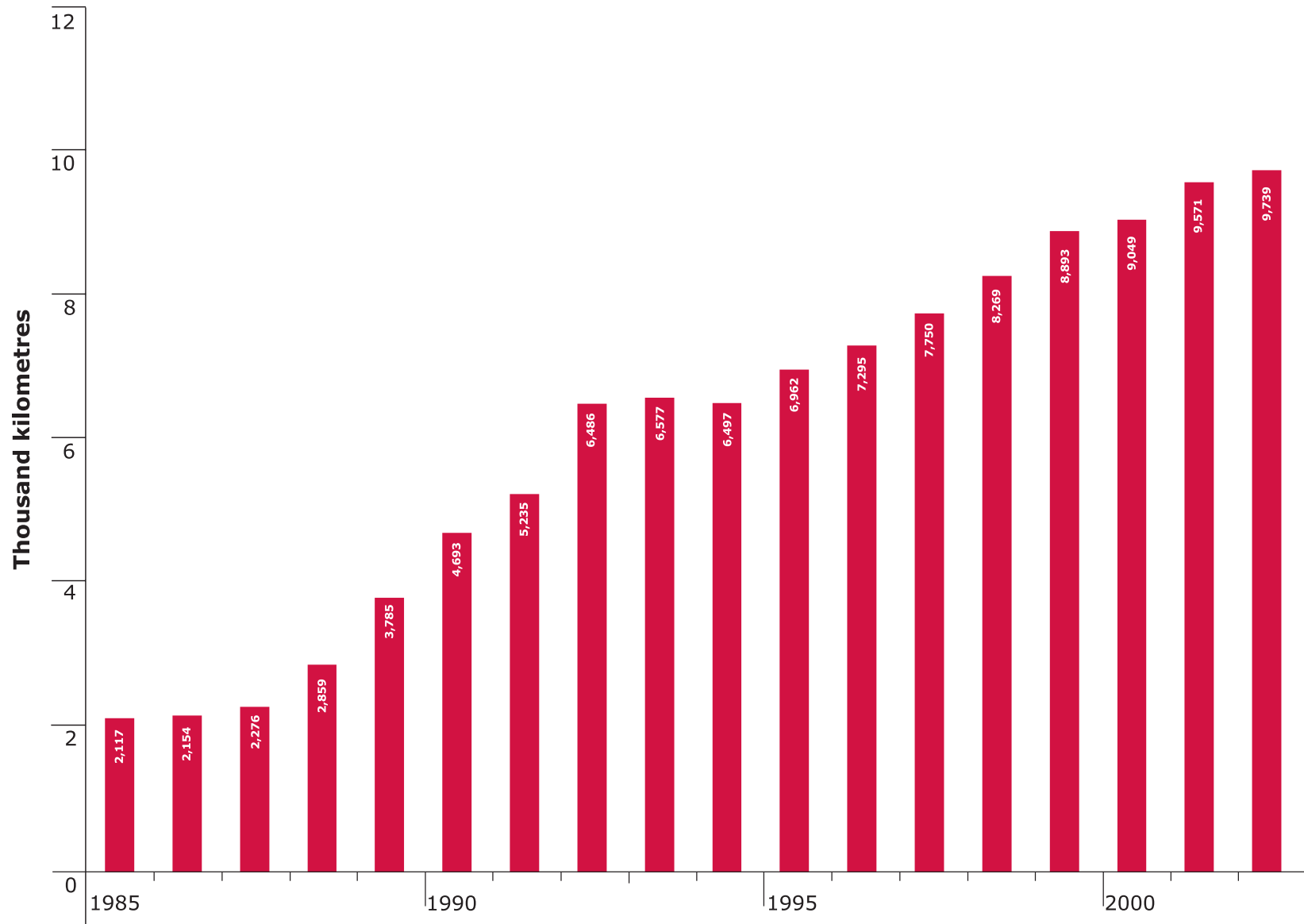
Primary energy consumption



13. Kilometres of motorway

One of the focuses of the modernisation of the Spanish economy has been the improvement of transport infrastructures, which has made it possible to improve communications, cut transport costs and reduce the price of goods and services. As a result of public investment and the funds received from the EU, the number of kilometres of motorway and dual carriageway has increased fivefold in the last 20 years, from 2,000 kilometres in 1985 to almost 10,000 in 2002. As a result of this increase, motorways and dual carriageways comprised 6% of all roads in 2002, compared with just 1% in 1985.

Kilometres of motorway and dual carriageway

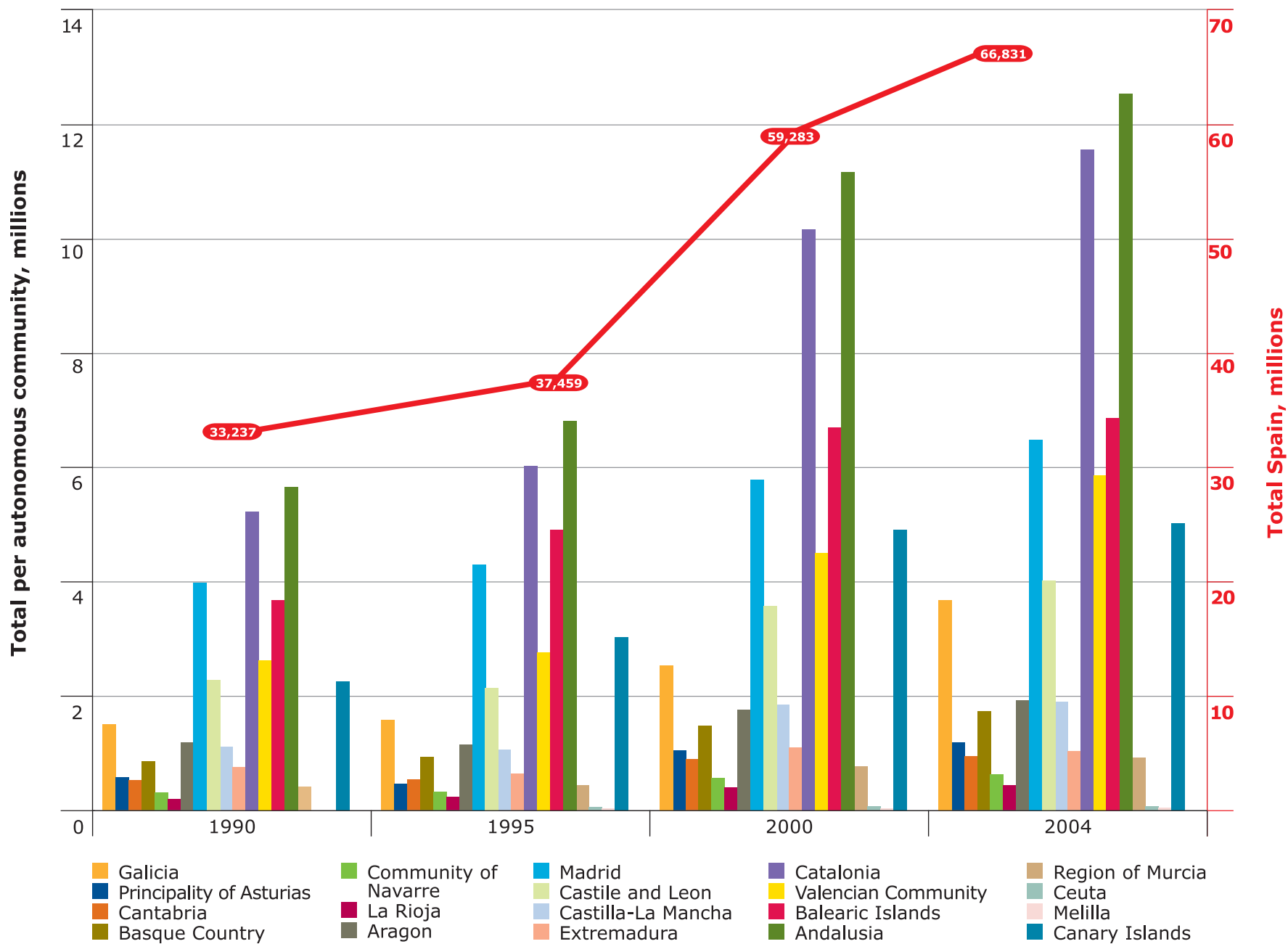


14. Tourism

Since the 1960s tourism has been one of the key sectors of the Spanish economy. Even in 1978 it accounted for 9% of GDP, while in 2005 it generated approximately 12% of GDP and 10% of all employment. Moreover, in the past it has made it possible to restore in part the current account of the balance of payments, which has a structural deficit in Spain. The total number of tourists (from within and outside the Community) has doubled since Spain joined the EU, from 33 million to 66 million per year. This has enabled Spain to consolidate its position as the second tourist destination in the world, after France. The data broken down by autonomous community reveals a steady increase in the number of tourists in all the

regions, notably Andalusia, Catalonia, the Balearic Islands, Madrid, the Valencian Community and the Canary Islands. Moreover, the income generated by tourism totalled EUR 46,000 million in 2005. In spite of these excellent results, the challenge for Spain is to complement the 'sun and sand' tourism model with other forms that generate greater income (since a decrease in the average income per tourist has been observed in recent years), based on a more diverse choice of leisure, cultural and sporting activities.

Number of tourists, total and by autonomous community



Source: Eurostat, online database.

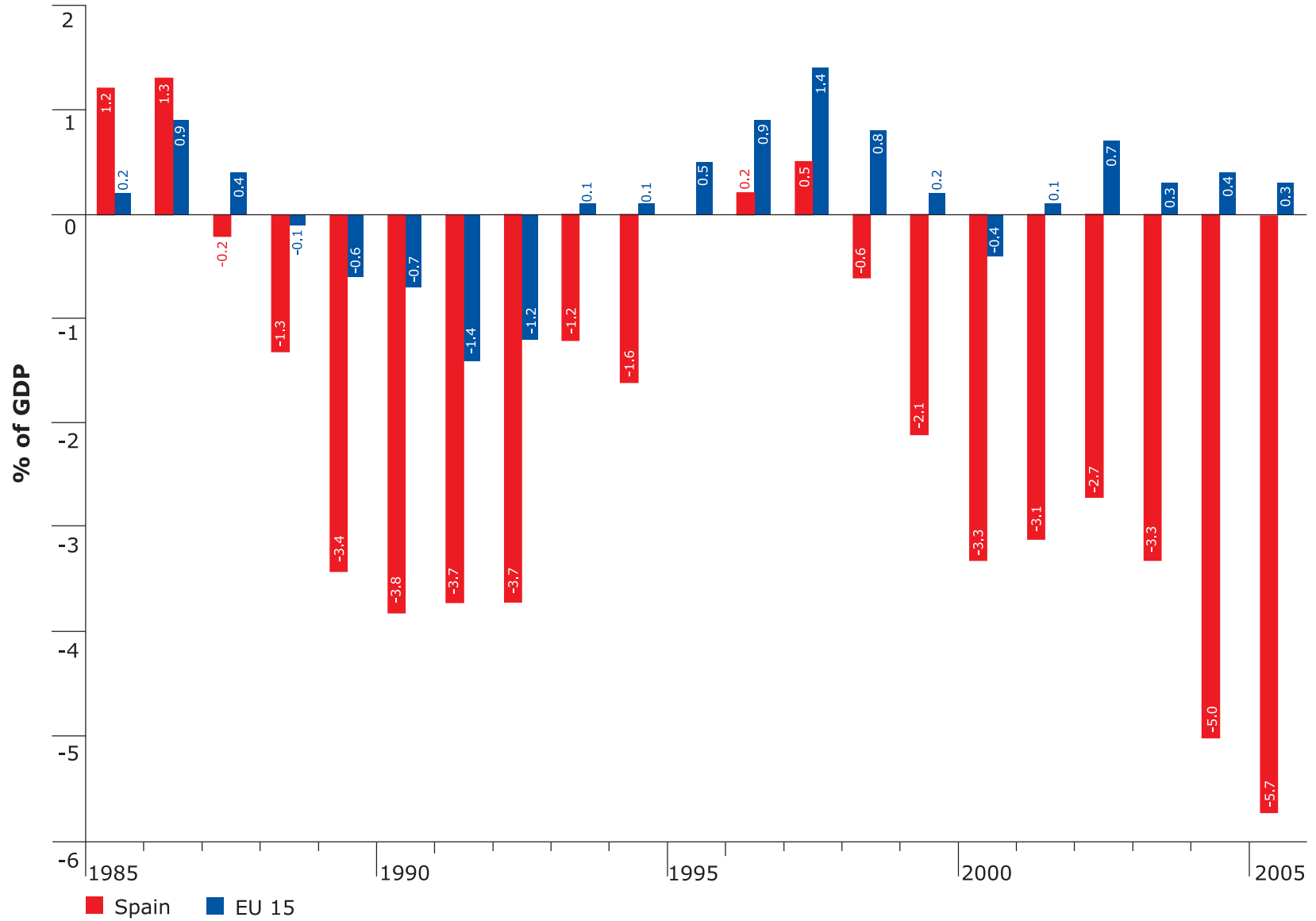
www.realinstitutoelcano.org

15. Need for external financing

The deficit of the current account of the balance of payments is one of the structural problems of the Spanish economy, and it implies that Spain has needed external financing practically every year. Given that a 1% increase in domestic demand is associated with a 3% increase in imports, the periods of growth of the Spanish economy are associated with an increase in the current account deficit, despite the fact that tourism generates a balance of services surplus. In fact, in the last 20 years Spain has only had a surplus (capacity for external financing) in 1985-1986 and 1996-1997, when the devaluations of the peseta paved the way for an increase in exports (reducing their price in foreign currencies) and a decrease in

imports (pushing up the price in the national currency). In recent years, the growth of the Spanish economy, the impossibility of devaluing the currency following the introduction of the euro and the decline in the competitiveness of Spanish exports have pushed up the current account deficit to levels that are historically very high, i.e. around 6% of GDP. Membership of the euro and the Spanish economy's capacity to obtain financing from external sources mean that this deficit is not of concern in the short term; however, policies to improve the competitiveness of exports are required.

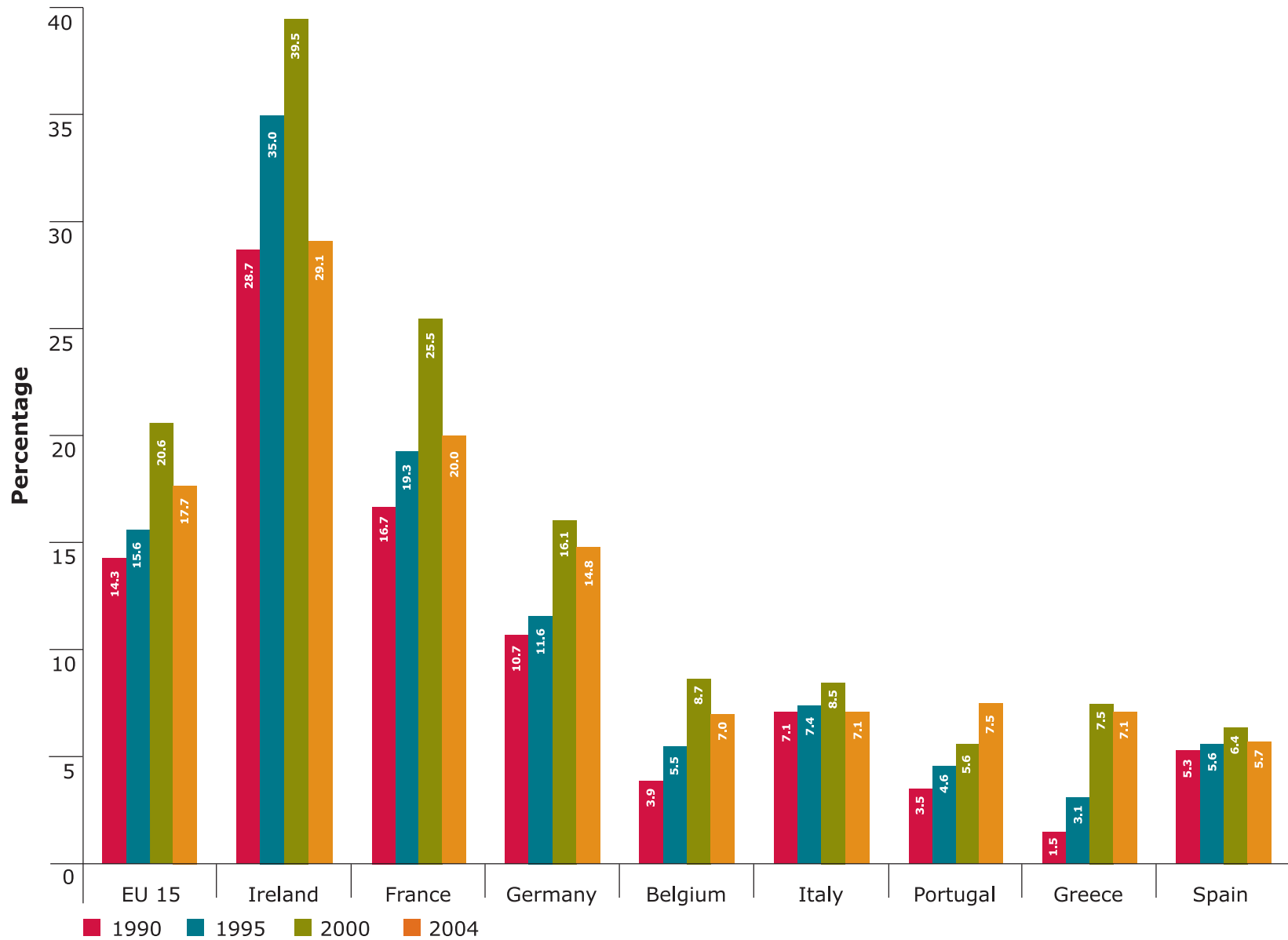
Balance of payments current account deficit (% of GDP)



16. High-technology exports

One of the reasons for the persistence of the balance of payments deficit in Spain is the small proportion of Spanish exports that incorporate high technology: these account for only 6% of the total and their percentage has not increased since 1990. These types of exports require high levels of knowledge, capital and skilled labour and therefore tend to be in high demand abroad, and to command high relative prices. The problem stems from the fact that Spain has not been able to increase to any great degree the production of such goods; as a result, nor can it export them. While other EU countries have succeeded in increasing the share these exports occupy of the total (notably Ireland, with a share of 30%), Spain, like Greece and Portugal, falls short of the EU average, which is around 18%.

Percentage of high-tech exports in relation to total exports

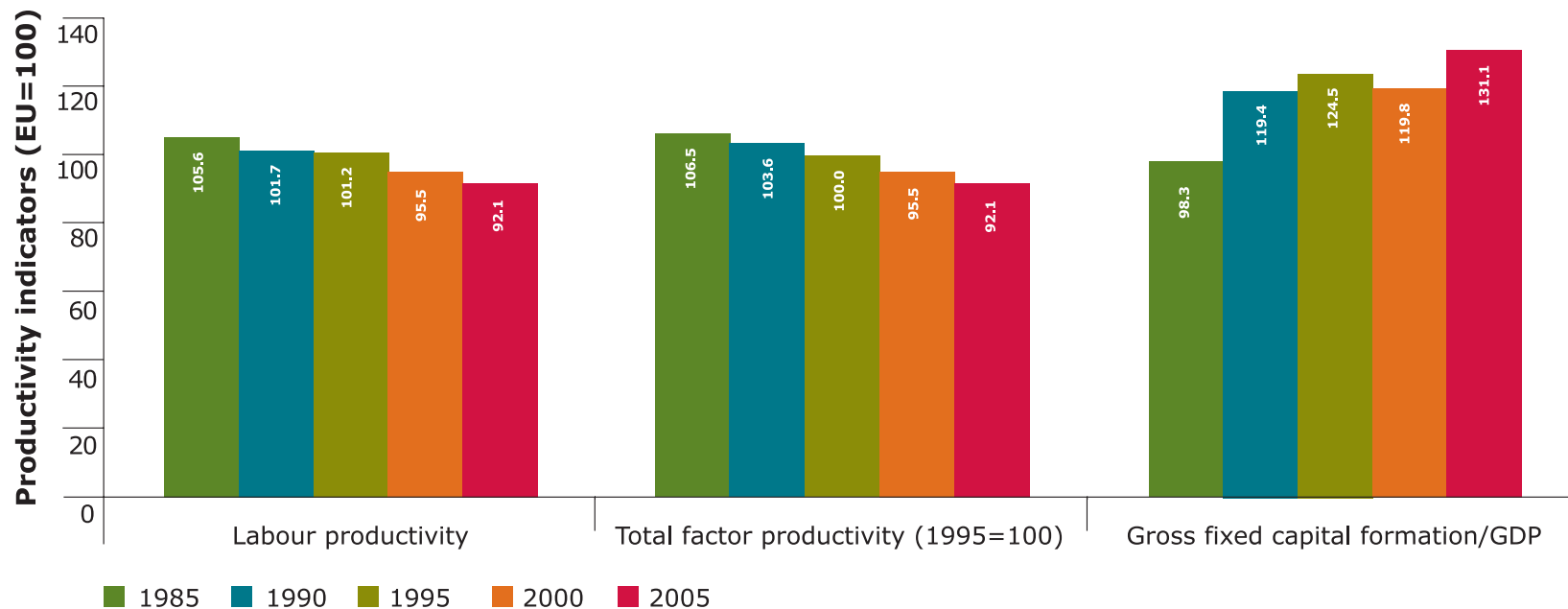


17. Productivity

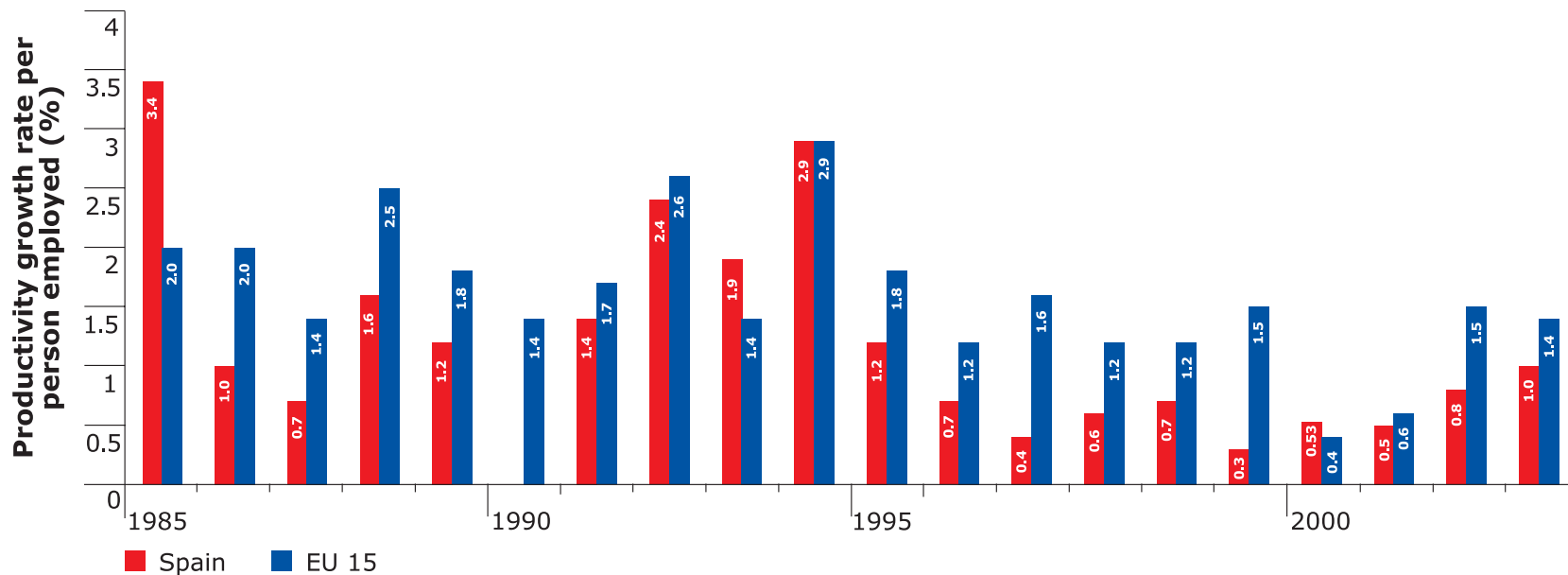
The stagnation of productivity is another aspect of the Spanish economy that has yet to be resolved. The increase in employment in Spain has been accompanied by a reduction in the growth rate of productivity per person employed, which only exceeded the EU average in 1985 and 1993 and has been below 1% per year since 1996. The same can be said of total factor productivity, which measures all the intangible elements that are not covered by the combined productivity of the use of labour and capital (capacity for organisation and innovation, quality of capital, education and experience of the workforce or entrepreneurship of the population). Total factor productivity is

around 92% of the EU average and is displaying a worrying downward trend, given that it exceeded the EU average in 1985. The low productivity is due to the widespread use of temporary contracts, which in 2005 accounted for 31% of all contracts of wage earners, more than double the EU rate (13%). Temporary contracts generate a high level of rotation of staff, which prevents them from undertaking the necessary training to become more productive. The low productivity also reflects the insufficient use of new technologies.

Levels and growth rates of various productivity indicators in Spain



Source: Summary of Economic Indicators of Real Convergence, Banco de España.



Source: Eurostat, online database.

18. Technological effort

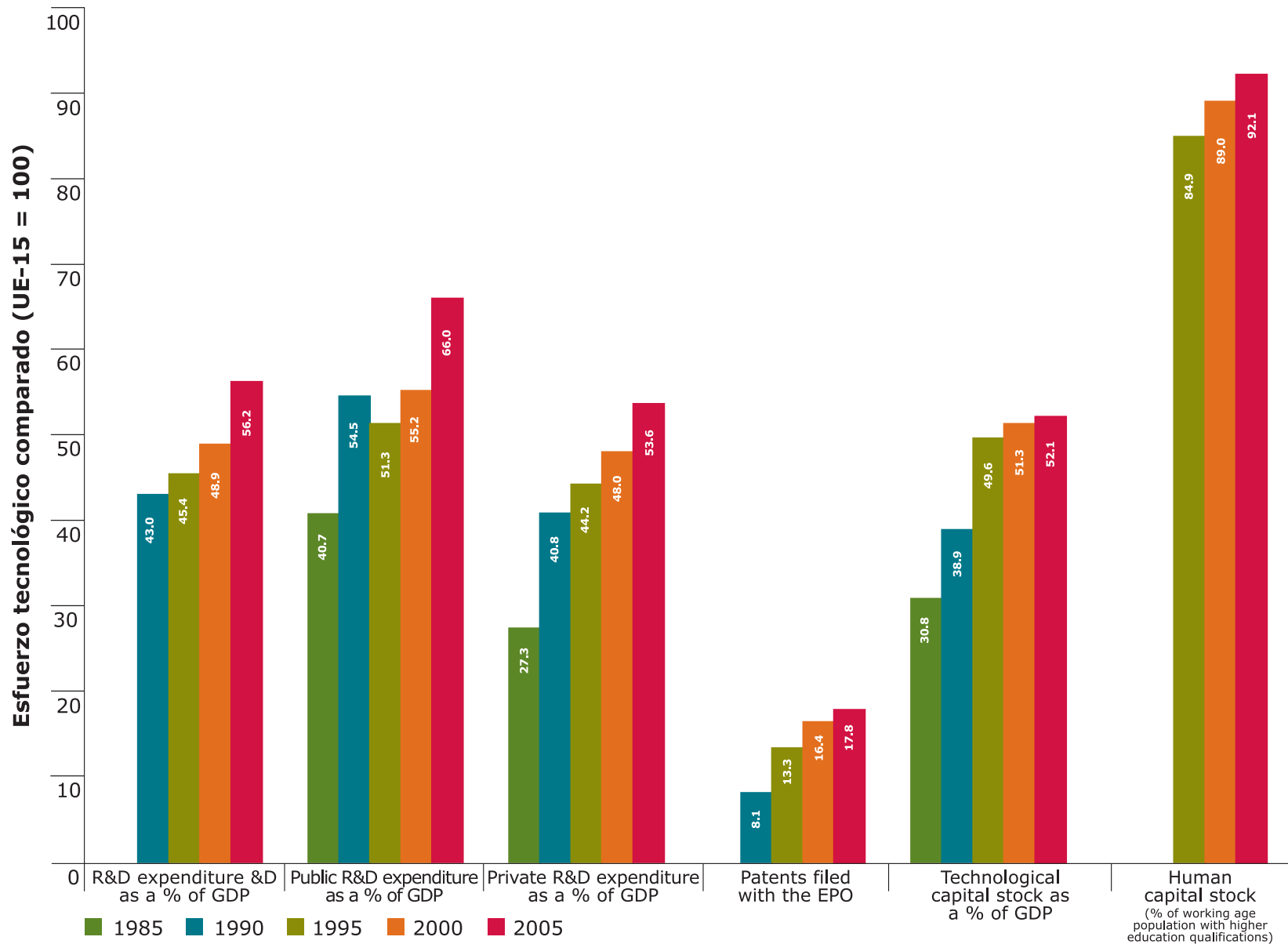
Various indicators of the technological and modernisation effort demonstrate that the Spanish economy is still lagging behind the EU 15 average, which explains its low productivity and the lack of dynamism of its exports.

Although progress has been made in the last 20 years, public and private investment in research, and the technological capital stock as a percentage of GDP are scarcely more than 50% of the European average. However, the variable that reveals the extent to which Spain has fallen behind in relative terms is the number of patents, which is calculated as the number of

patent applications per million inhabitants that citizens file with the European Patent Office.

Although the number of patents filed has doubled in the last 20 years, Spain still files less than 20% of the EU 15 average, i.e. for every 100 patents filed on average in each of the EU countries, Spain only files 18. The sole indicator for which significant progress has been registered is that of human capital stock, which measures the percentage of the working age population with higher education qualifications, a variable in which Spain reaches 92% of the EU 15 average.

Levels and growth rates of various productivity indicators in Spain

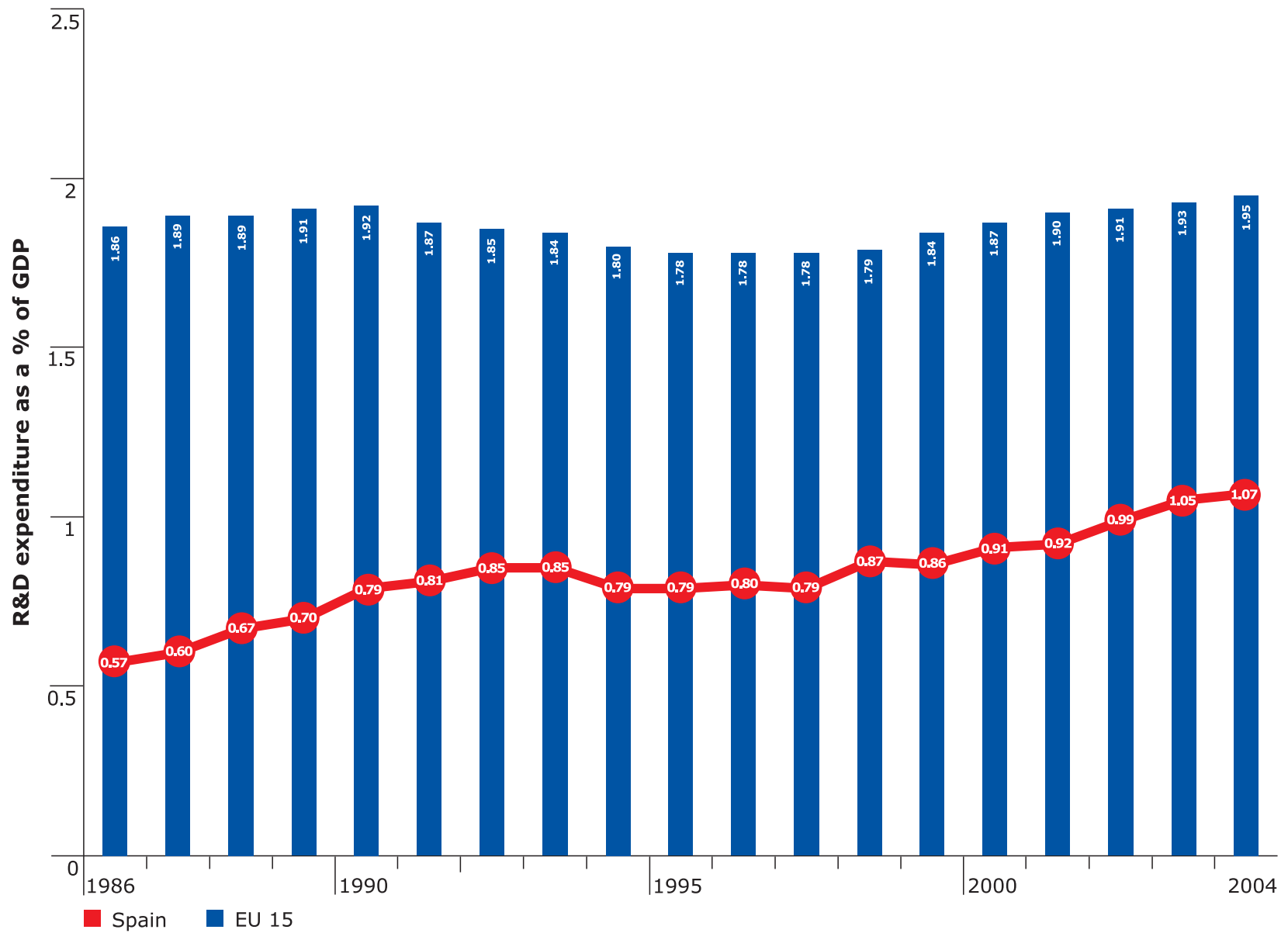


19. Research and development

The indicator that best summarises the extent to which Spain has fallen behind in relative terms in the area of technology is investment in research and development (R&D) as a percentage of GDP. This type of investment is crucial in promoting innovation and increasing the value added of goods and services, boosting productivity, and improving the citizens' income and welfare. In 1985 Spain invested just 0.57% of its GDP in R&D, while the EU 15 invested 1.86%. Twenty years on and although Spanish expenditure has risen faster than that of Europe, there is still a considerable gap: Spain invests just

1.07% of GDP while the EU 15 invests 1.95% of GDP. In addition, it should be noted that other developed countries have an even greater commitment to research than the EU. For example, the United States invests 2.59% of its GDP in R&D, South Korea invests 2.91% and Japan invests 3.12%. This situation means that Spain needs to make additional efforts to ensure that it is at least on a level footing with the other EU countries in terms of investment in R&D.

R&d expenditure&D

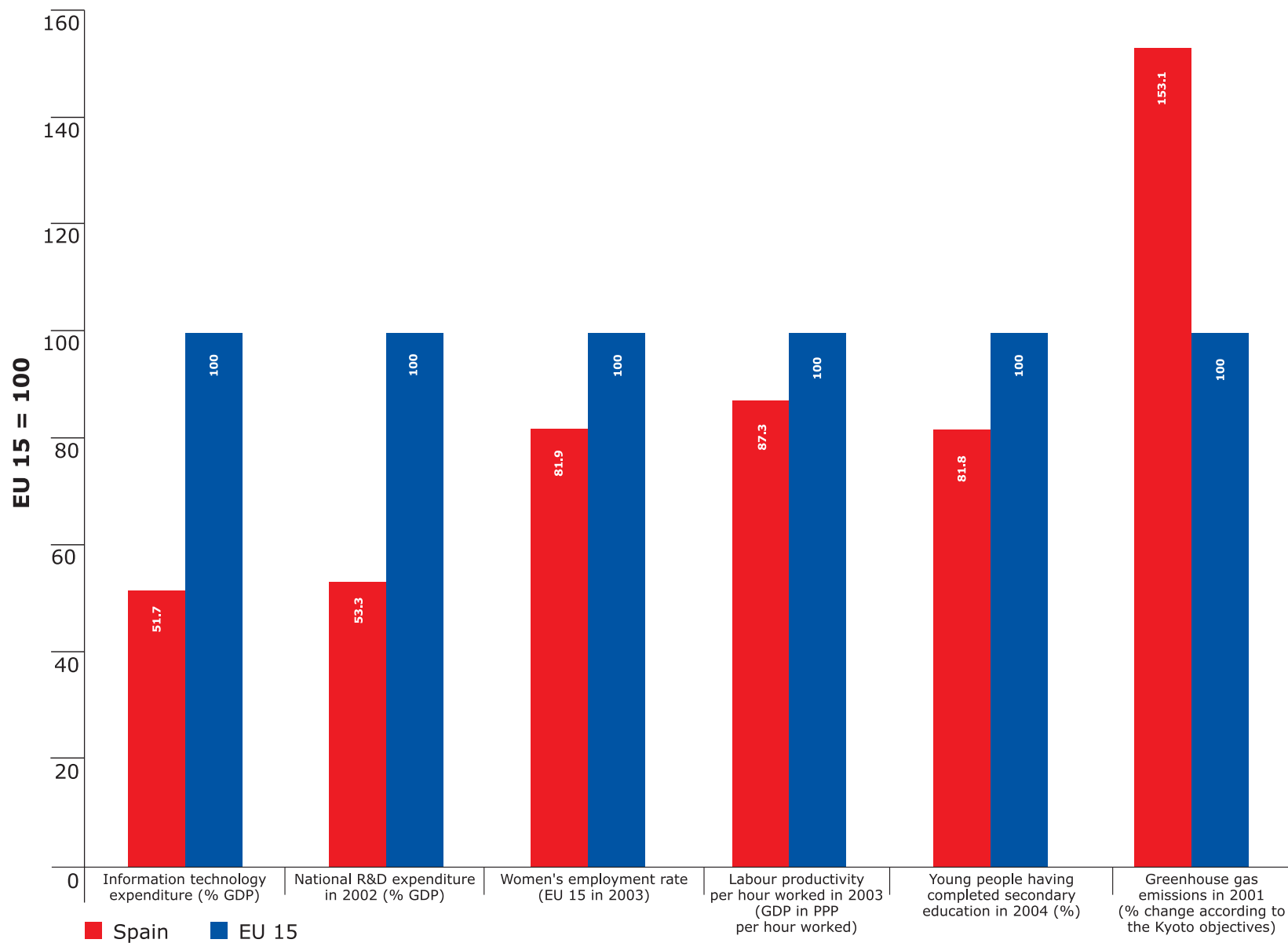


20. Lisbon indicators

In 2000 the Council of the European Union approved the so-called Lisbon strategy, which lays down the objective for 2010 of making the EU 'the most dynamic and competitive knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion'. This reflected the concern about the fact that the European economy was becoming less competitive and losing its capacity for innovation compared with the United States (from 1996 productivity in the EU began to grow at a rate lower than that of the United States, and since then the breach between the two regions has widened, to the extent that in 2005 productivity per person employed in the EU was 88% of that of the United States). As a result, various objectives were set out, in relation to which the

Spanish economy is performing less satisfactorily than the average of the other EU economies. Expenditure on both information and communication technologies and R&D in Spain is some 50% of the EU average. The rate of employment among women and the number of people who complete secondary education are 18% below the EU average; productivity per hour worked is 83% of the EU average; and finally, Spain emits 53% more greenhouse gases. This means that the Spanish economy is faced with having to catch up with the other EU countries in relation to the variables that will define the characteristics of a dynamic, innovative and competitive economy in the 21st century.

Degree of compliance with a number of key Lisbon indicators

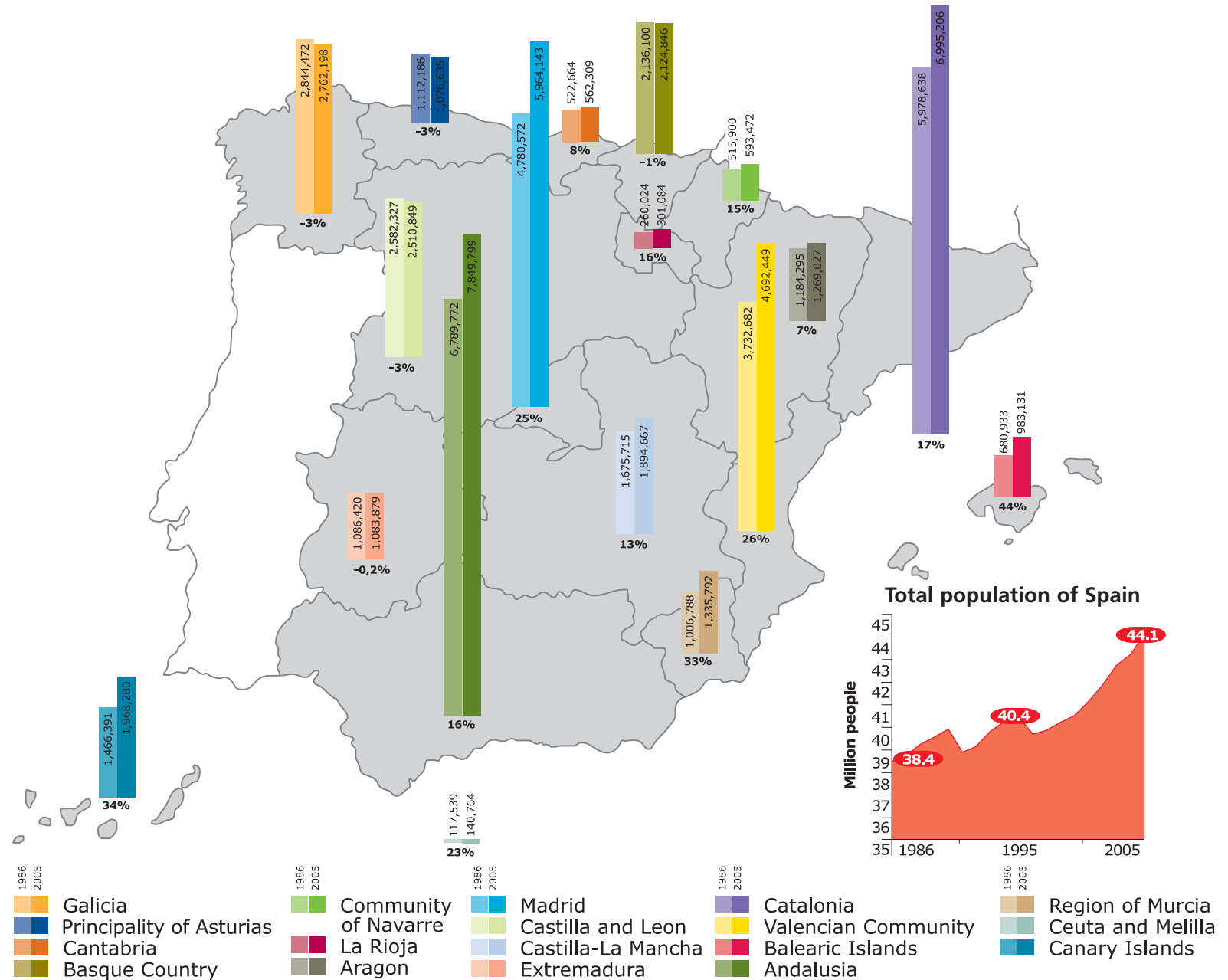


Society: 20 facts for 20 years

1. Population change

In the last 20 years, Spain's population has grown by more than five and a half million people, from 38 473 418 inhabitants in 1986 to 44 108 530 in 2005. As natural growth, or the difference between births and deaths, has remained below 60 000 per year, the majority of this increase can be attributed to the considerable increase in immigration into Spain, particularly after 1996. Madrid, Andalusia and Catalonia are the three autonomous communities that have experienced the greatest population increases, over 1 million inhabitants in all three cases, followed by the Valencian Community. At the other end of the scale lies the Principality of Asturias, Galicia, Castile and Leon, the Basque Country and Extremadura, whose population is lower now than it was in 1986, due primarily to the change in natural growth and the migratory balance in these regions. These autonomous communities have received less immigration and they have higher levels of emigration. In addition, they are all presently experiencing negative natural growth rates.

Total population and population by autonomous community



Source: Compiled from INE data.

2. Population structure

The growth of the Spanish population has been accompanied by substantial changes to its structure, for the most part due to two processes that have taken place at the same time. Firstly, there has been an unprecedented decline in fertility, which began in the middle of the 1970s before peaking and then stabilising in the middle of the 1990s. Secondly, life expectancy has continued to climb significantly and continuously, especially among women. As a result, the base of the pyramid has become much narrower, while the apex, which represents the older population, has become much broader. The recent growth in immigration has generated a slight increase in Spanish fertility, but this contribution has barely any impact on the shape of Spain's population pyramid, which, as in other developed countries, is losing its pyramidal shape and becoming more and more like a tree.

Spanish population structure

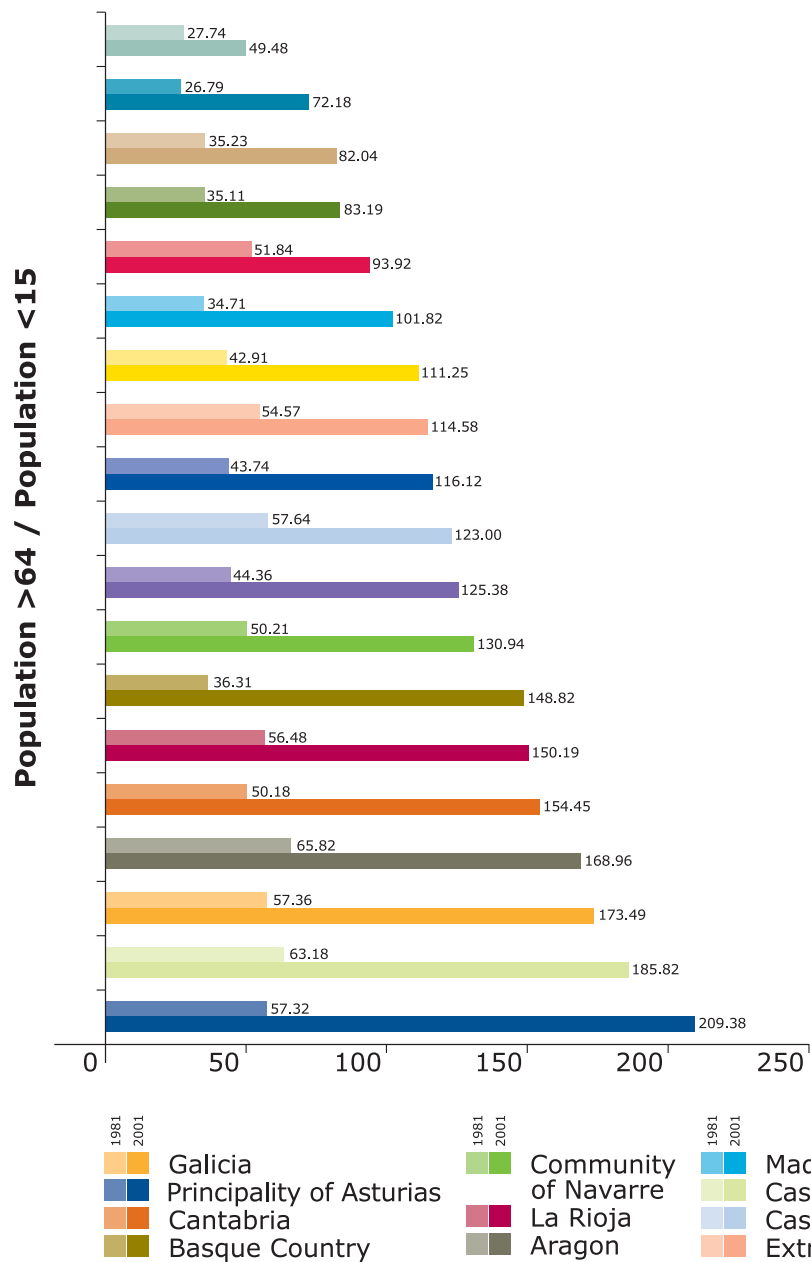


3. Ageing and dependency

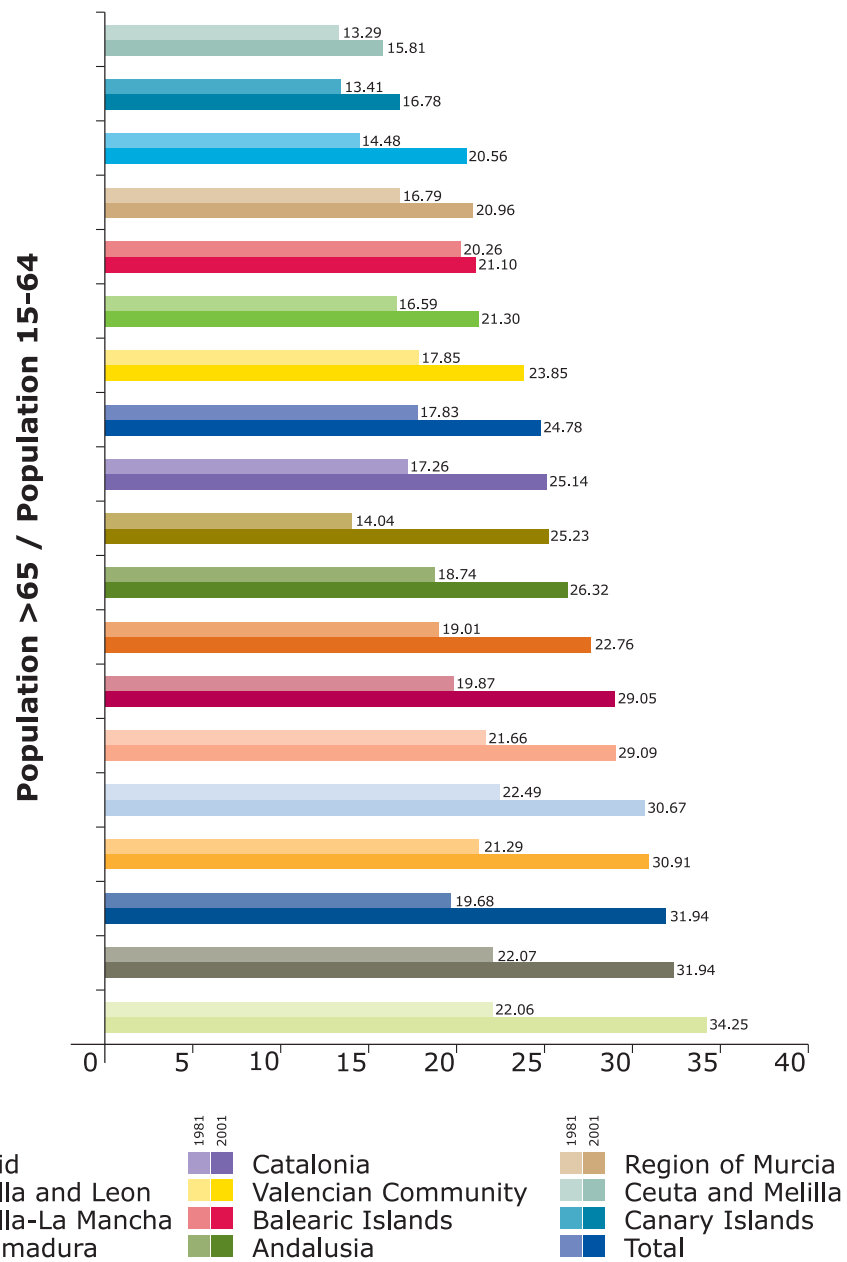
Spain's population stands out as already being one of the oldest populations in the European Union and in the world. Even so, the ageing process has scarcely begun and it is therefore expected that the ratio between people over the age of 65 and people under the age of 15 will continue to grow. This ageing process, which is common to almost all the EU Member States and the other developed countries of the world, also implies an increase in the dependent population. The dependency ratio measures the population aged over 65 as a percentage of the working-age population (all people aged between 15 and 64). High dependency ratios generally mean a considerable economic burden on the working population, which has to support the State pension system. The rise in the ageing rate is due primarily to a decrease in the

fertility rate and an increase in life expectancy. However, migratory movements can also contribute to this trend. For example, the high ageing and dependency rates in Asturias, Castile and Leon, Galicia and Aragon are to some extent caused by the emigration of young people from these communities to others with more dynamic economies. Ceuta, Melilla, the Canary Islands, Murcia and Madrid have the lowest levels of ageing and dependency.

Ageing index



Dependency index

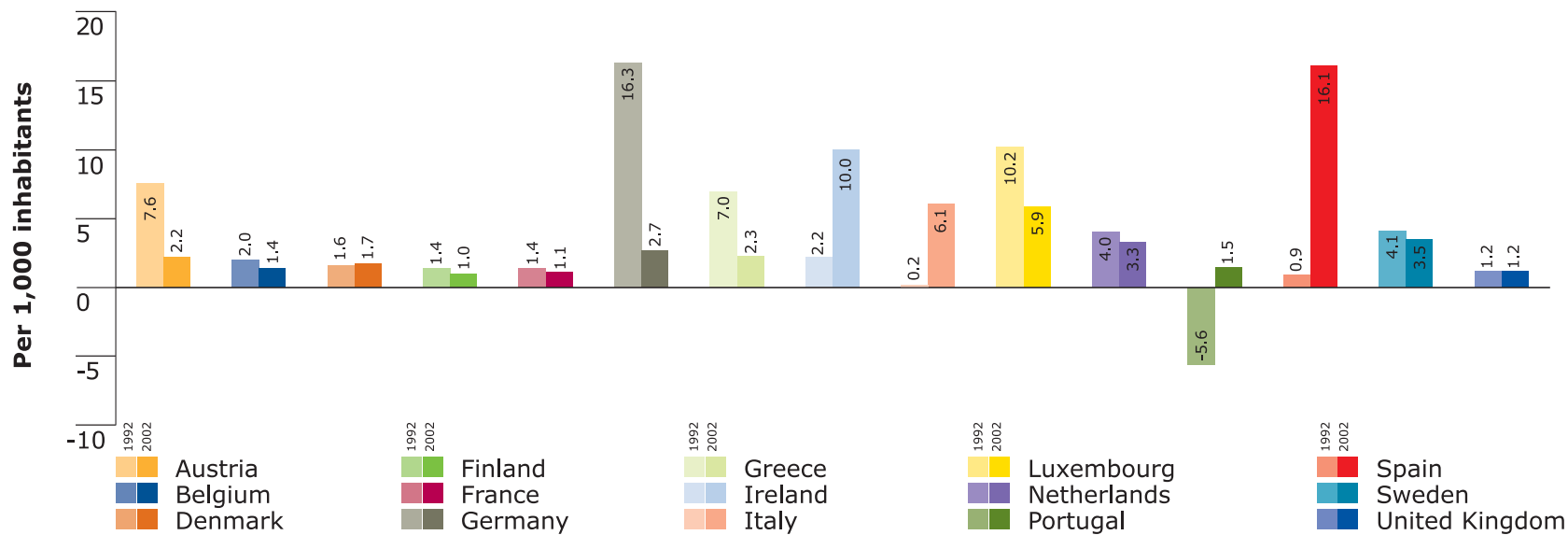


4. Migration

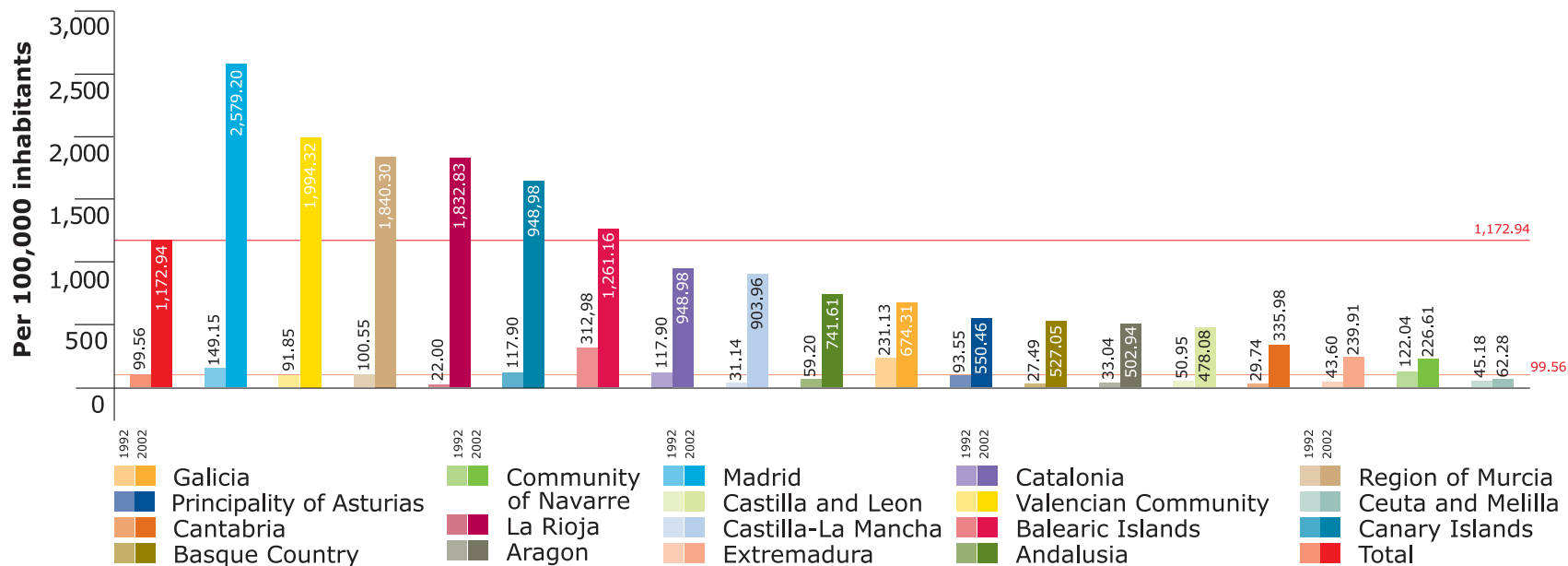
Many of the demographic changes in Spanish society are closely related to the change in migratory movements since Spain's accession to the EU. The net migration balance represents the difference between immigrants and emigrants in a country per 1 000 inhabitants. At the beginning of the 1990s, Portugal, Italy and Spain were the OECD countries with lowest net balances, while Germany was the top country of destination for immigrants. This trend was reversed at the beginning of the new century, to the extent that Spain has become the OECD

country with the highest net migration balance. This can be attributed to two phenomena: the return of emigrants and the rise in immigration. In the short space of a decade, the foreign population per 100 000 inhabitants has risen from under 100 to over 1 000. The autonomous communities that have experienced the largest increase in their foreign population in relation to their total respective populations have been Madrid, Valencia, Murcia and La Rioja. The lowest figures are recorded in Ceuta, Melilla, Navarre and Extremadura.

Net migration balance



Foreign population



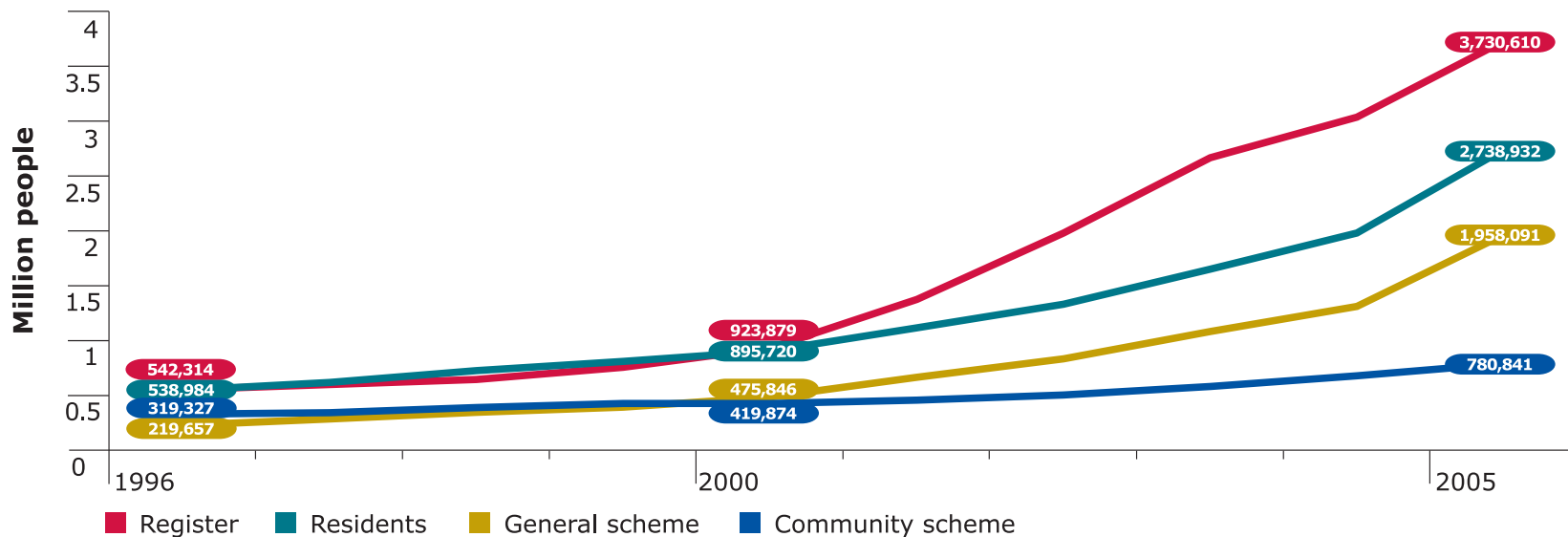
Source: Compiled from INE data.

5. Immigration characteristics

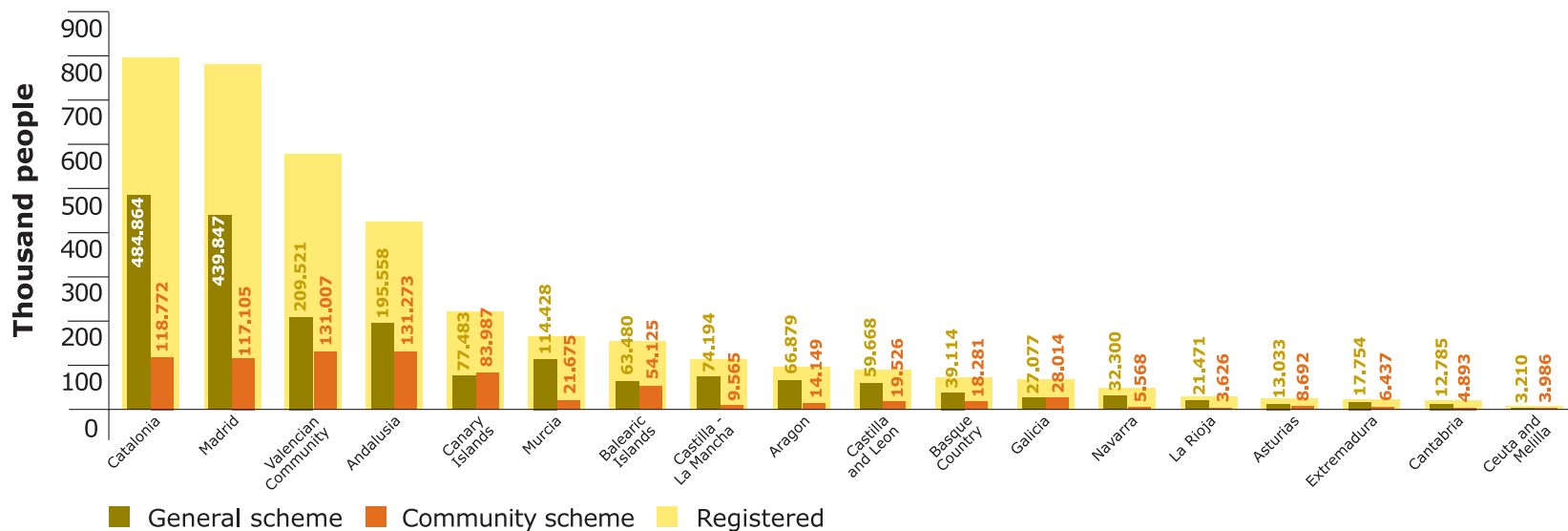
In Spain, traditionally a country of emigration, local authorities have now more than three and a half million registered foreigners, which represents around 8% of the Spanish population. Given that registered immigrants totalled just over 540 000 in 1996, this means that Spain has taken in more than 3 million immigrants in the last decade. According to the data of the National Statistics Institute, more than 2 700 000 immigrants hold residence permits. Of these immigrants, approximately 28% come from the Community, while 72% come from other parts of the world, principally Latin

America, North Africa and the non-EU countries of Europe. The autonomous communities with the largest numbers of immigrants are Catalonia, Madrid, the Valencian Community and Andalusia. Community residents are concentrated mainly in Andalusia and the Valencian Community, while immigrants subject to the general scheme (non-Community) reside mainly in Catalonia and Madrid.

Change in immigration in the last decade



Immigration per autonomous community (2005)

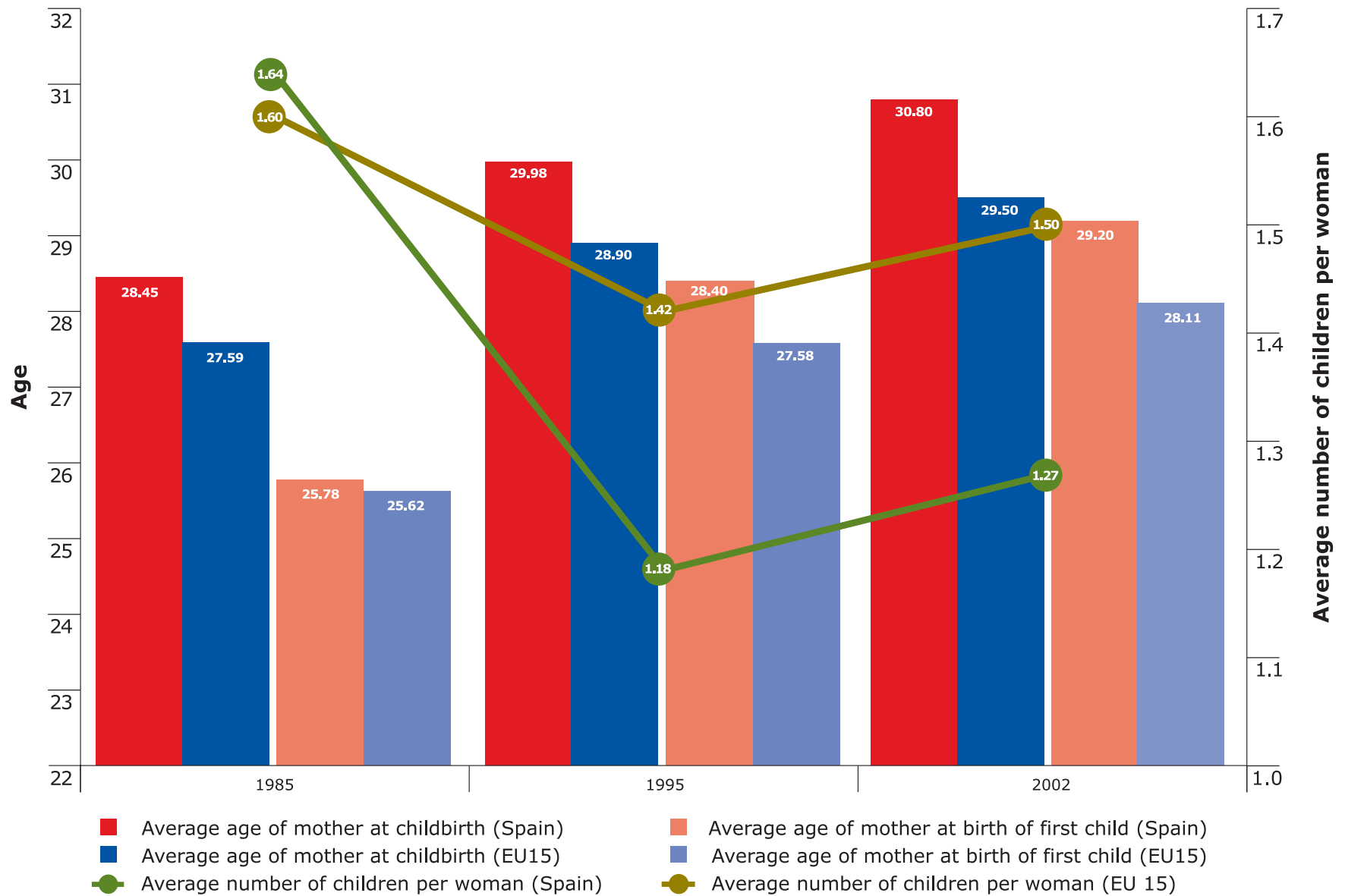


6. Maternity and fertility

Although the maternity and fertility indicators have evolved in a similar fashion in Spain and in the rest of Europe, the changes have been much more pronounced in Spain. Although the fertility rate in Spain in 1985 was slightly higher than the Community average (1.64 and 1.60 respectively), the widespread decline in the average number of children per woman in the last 20 years has been more dramatic in Spain, and the rate is now below the European average (1.27 and 1.50 respectively). It is worth noting, however, that in recent years the fertility rate across Europe has recovered somewhat as a consequence of the growth in the immigrant

population and greater efforts to help women reconcile family and professional life. Another common trend has been the rise in the average age of mothers at childbirth, caused by two main factors. On the one hand, medical advances enable women to have children later in life. On the other hand, the age at which they usually have their first child is continuing to rise as a result of the social and labour changes that have taken place. This trend is again much more marked in Spain, which exceeds the European average in both cases.

Maternity and fertility



7. Human development and quality of life

The Human Development Index (HDI) is a synthetic indicator prepared each year by the United Nations Development Programme (UNDP) to measure the level of development and quality of life of countries worldwide. The Index is drawn up on the basis of three subindices: life expectancy (which takes into account life expectancy at birth in each country), education (which encompasses the literacy rate of the population aged over 15 and the combined primary, secondary and tertiary gross enrolment ratio), and GDP (calculated on the basis of per capita income). Of the 177 countries, Spain currently comes in at number 21 in

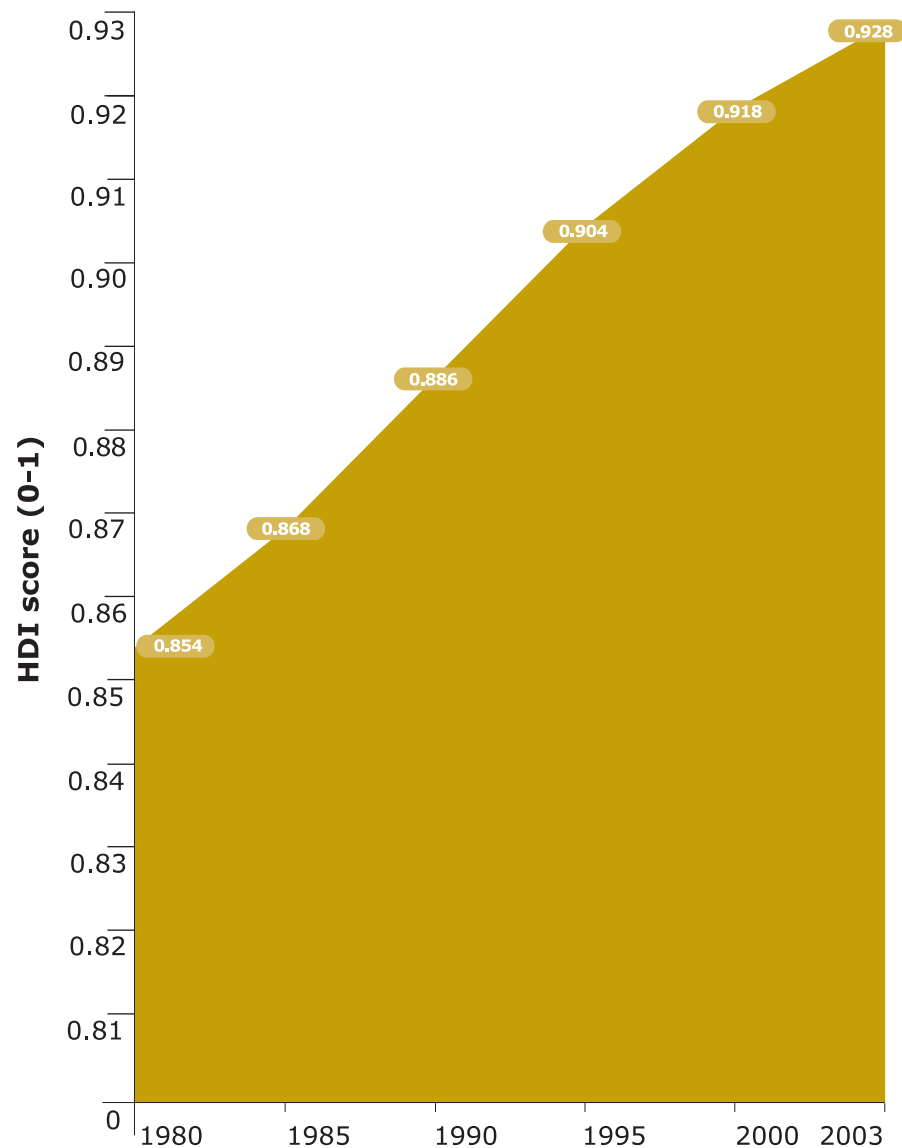
the world ranking, having seen its HDI rise continuously since joining the EU. The improvement in the literacy and enrolment rate, together with the growth in GDP, have contributed significantly to this trend. However, it is the extraordinary performance of the life expectancy subindex that continues to stand out. Spanish women have the highest life expectancy in Europe (83.7 years); Spanish men are in second place, after Sweden, with a life expectancy of 77.2 years.

Human Development Index

	2003 HDI	Life expectancy index	Education index	GDP index
Luxembourg (4)	0.949	0.89	0.95	1.00
Sweden (6)	0.949	0.92	0.99	0.93
Ireland (8)	0.946	0.88	0.97	0.99
Belgium (9)	0.945	0.90	0.99	0.94
Netherlands (12)	0.943	0.89	0.99	0.95
Finland (13)	0.941	0.89	0.99	0.94
Denmark (14)	0.941	0.87	0.99	0.96
United Kingdom (15)	0.939	0.89	0.99	0.94
France (16)	0.938	0.91	0.97	0.94
Austria (17)	0.936	0.90	0.96	0.95
Italy (18)	0.934	0.92	0.95	0.94
Germany (20)	0.930	0.90	0.96	0.94
Spain (21)	0.928	0.91	0.97	0.90
Greece (24)	0.912	0.89	0.97	0.88
Portugal (27)	0.904	0.87	0.97	0.87
Slovenia (26)	0.904	0.86	0.98	0.88
Cyprus (29)	0.891	0.89	0.91	0.87
Czech Republic (31)	0.874	0.84	0.93	0.85
Malta (32)	0.867	0.89	0.85	0.86
Hungary (35)	0.862	0.80	0.96	0.83
Poland (36)	0.858	0.82	0.96	0.79
Estonia (38)	0.853	0.77	0.97	0.82
Lithuania (39)	0.852	0.79	0.97	0.79
Slovakia (42)	0.849	0.82	0.91	0.82
Latvia (48)	0.836	0.78	0.96	0.77

* In brackets: world ranking

HDI change, 1980-2003



8. Marriage and family

During the last 20 years, family life and the types of households in Spain have undergone dramatic changes. In line with the European trend, the nuptiality rate is falling, due primarily to the proliferation of alternative forms of family units, such as common-law couples or single-parent homes. Similarly, the number of adults who decide to live alone has also risen considerably. Since the 1980s, marriages have changed too, particularly with regard to two very relevant aspects. Firstly, men and women now marry at an older age. Whereas in 1985 the average age at which a person first married in Spain was lower than the European average, it is now the same for men (30.20 years) and higher for women (28.30 and 27.90 years respectively). Secondly, marriages are less stable and the number of divorces, although still

below that of other EU countries, is rising steadily. In 1980 only 9.2% of married couples got divorced; that figure is now over 20%. As a result, many of the children born today (more than 26%) are not children of married couples. The type of household in Spain has also changed significantly and family units consisting of a couple without children or with one or two children have become the norm. There has also been considerable growth in households comprising one person or one adult with one or more children as a consequence of the social changes mentioned above.

Marriage statistics

Number of marriages per 1 000 inhabitants:

		1985	1995	2002	Variation
Spain		5.20	5.10	5.07	-2.50
EU15		5.82	5.15	4.85	

Average age at first marriage:

		1985	1995	2002	Variation
Men	Spain	26.63	28.81	30.20	13.41
	EU 15	27.20	28.96	30.20	

Women	Spain	24.30	26.79	28.30	16.46
	EU 15	24.50	26.52	27.90	

Number of divorces per 100 marriages:

		1985	1995	2002	Variation
Spain		9.20	16.50	20.10	118.48
EU 15*		31.24	39.41	41.00	

Number of divorces per 1 000 inhabitants:

		1985	1995	2002	Variation
Spain		0.50	0.80	1.00	100.00
EU 15*		1.77	2.01	2.00	

Proportion of births outside marriage:

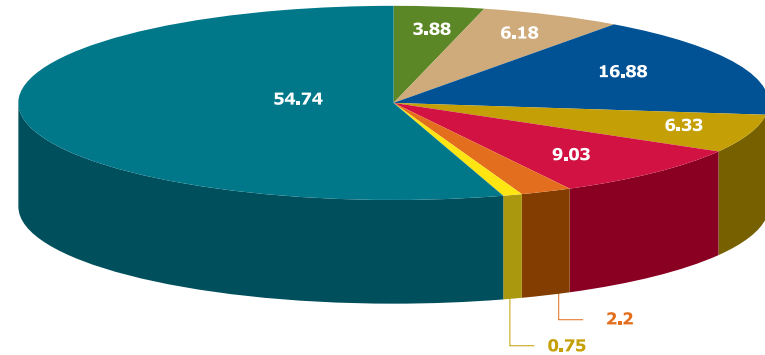
		1985	1995	2002	Variation
Spain		7.97	11.09	26.60	233.75
EU 15		14.90	23.50	30.60	

Source: Compiled from Eurostat and INE data.

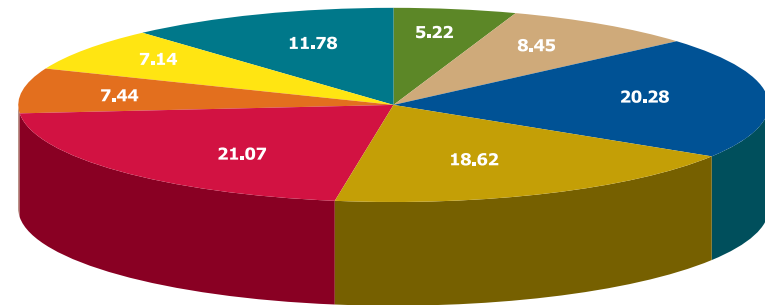
*The average divorce rates for 1985 and 1995 have been calculated without the Irish data.

Tipo de hogar

1991



2002



- Single person aged under 65
- Single person aged 65 or over
- Couple without children
- Couple with one child
- Couple with two children
- Couple with three or more children
- Adult with one or more children
- Other type of household

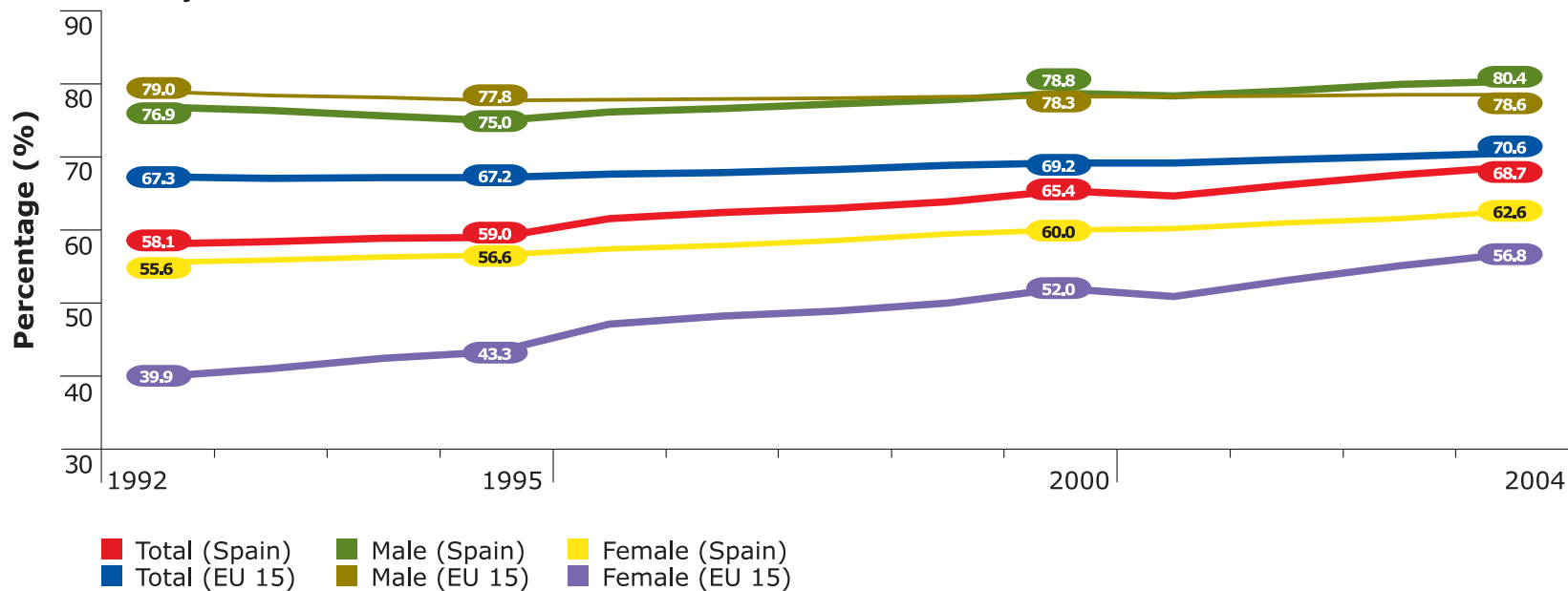
Source: Compiled from Eurostat and INE data, Economically Active Population Survey and Household Budget Continuous Survey.

9. Activity and employment rate

Spain's total activity rate has undergone an important process of convergence with that of the EU 15, rising almost 20 points since 1987 and totalling around 69% (two points lower than the EU average). The activity rate among women, which was an extremely low 33% in 1987, has grown much faster than the total; however, it is still only 57%, almost six points below the European average. There has been a similar change in terms of the employment rate. Many jobs have been created, but in spite of this, unemployment among women continues to be considerably higher than in the EU as a whole. Furthermore, Spanish women between the ages of 25 and 34 with children under the age of 6 tend to give up work more frequently

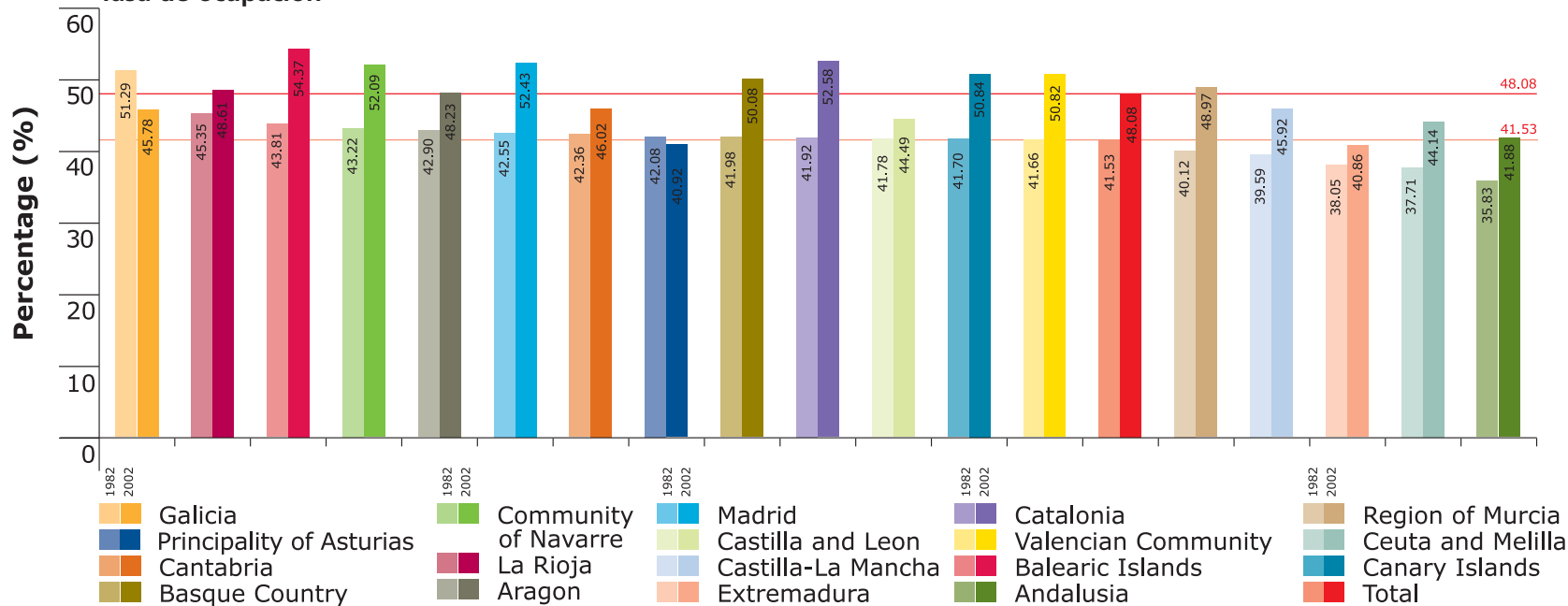
than women in the EU as a whole. This demonstrates that although women's participation in the labour market has increased dramatically, further efforts are needed to achieve full convergence with the EU. As far as the autonomous communities are concerned, the dynamic is similar to the overall trend in Spain, in terms of both activity and employment rates. The highest levels of employment are to be found in the Balearic Islands, Catalonia, Madrid and Valencia.

Activity rate



Source: Compiled from Eurostat data.

Tasa de ocupación



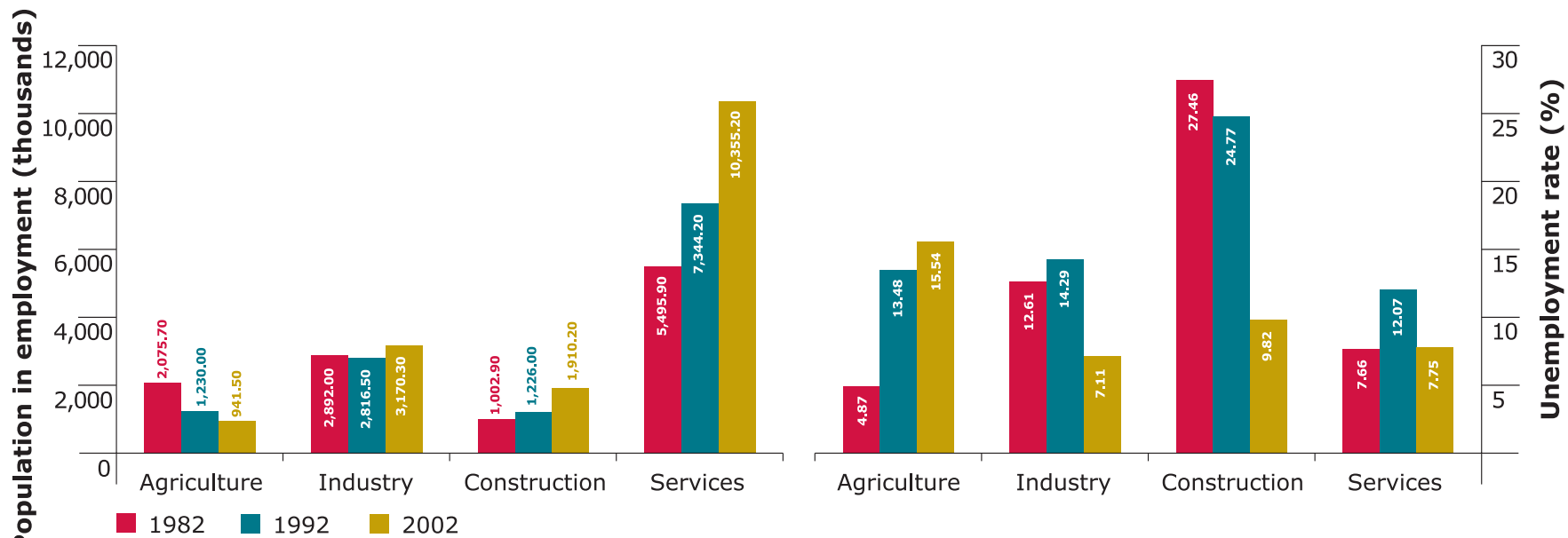
Source: INE, Economically Active Population Survey

10. Labour market

Between 1982 and 2002, the number of people employed in the services sector almost doubled. This sector also has the lowest level of unemployment, together with the industrial sector. In addition, the share of employment in the agricultural sector has fallen to less than half, while unemployment in that sector has increased. The increase in the proportion of employment in the services sector reflects the modernisation of Spanish society and economy over the last 30 years. Nevertheless, Spain's labour market still

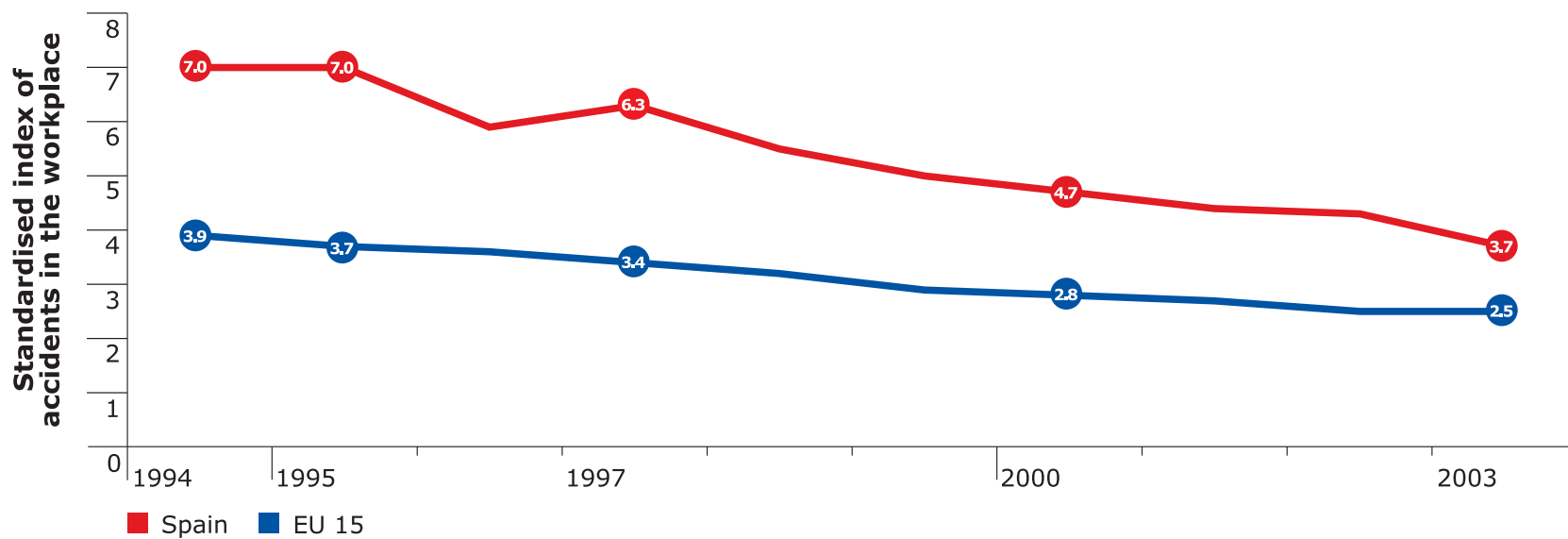
displays two worrying elements from a social perspective. Firstly, the level of accidents in the workplace continues to be 50% higher than in the EU (although there has been a significant improvement given that it was 75% higher in 1994). Secondly, there is still a large wage gap between men and women, which has not fallen in recent decades. According to the most recent data available, the average annual salary was EUR 22 169 for men and EUR 15 767 for women, a difference of 40%.

Labour market



Source: INE, Economically Active Population Survey.

Accidents in the workplace

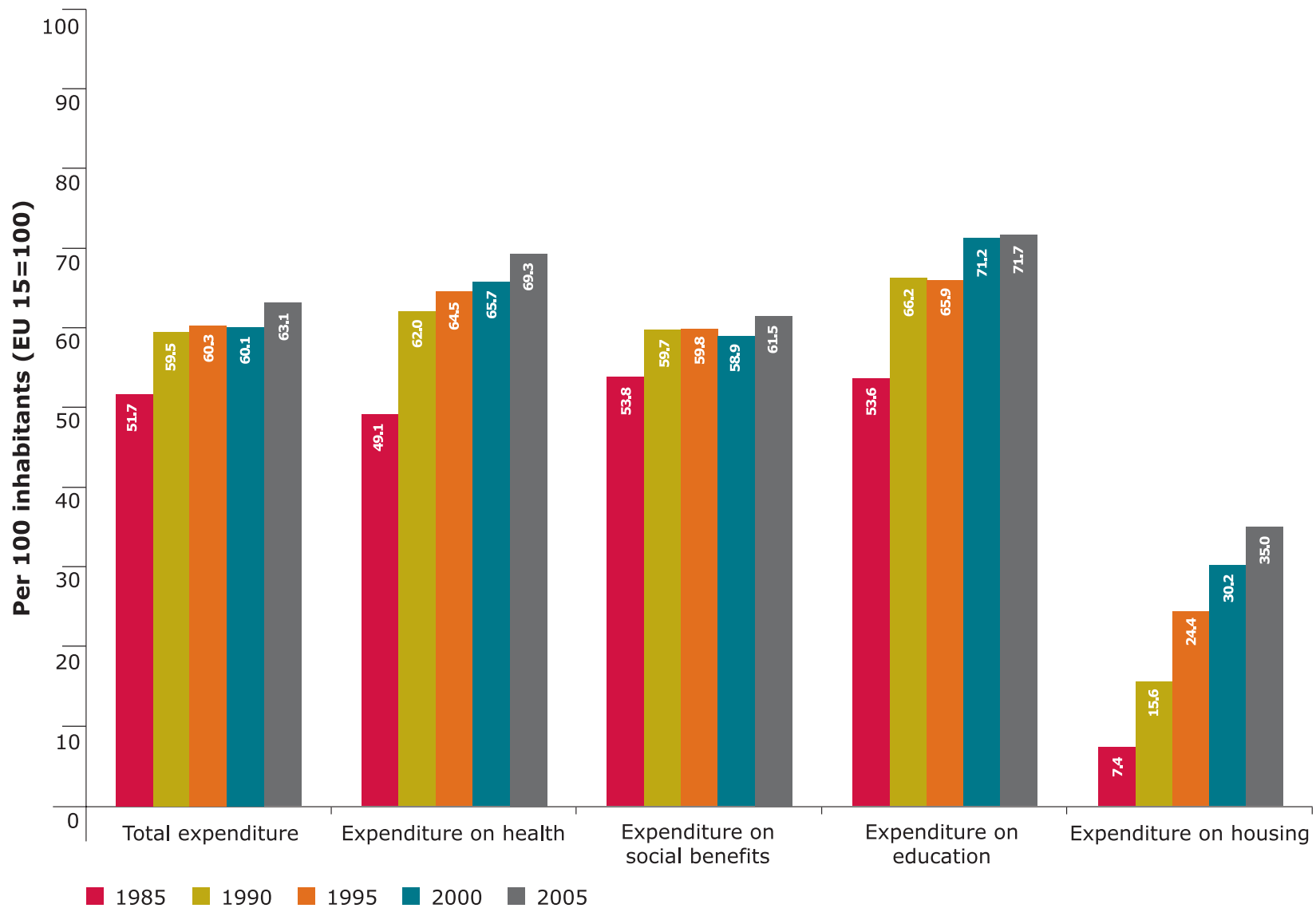


Source: Eurostat.

11. Social expenditure

Social expenditure in Spain has risen by more than 10 points in the last 20 years, but it is still less than 70% of the average of the EU 15, which includes the countries with the most advanced welfare states in the world. The most significant progress has been made in the areas of health, education and housing, and it should be noted that health quality in Spain is one of the highest in Europe. Furthermore, although spending on social housing has increased five-fold from very low levels, it is still less than 40% of the European average. Increases in social security expenditure have been less dramatic. Indeed, in 2005 it scarcely reached 60% of the EU 15 average. All in all, there has been an important process of real convergence in the area of social expenditure. However, from initial levels below the EU average, Spain still requires additional efforts to achieve full convergence.

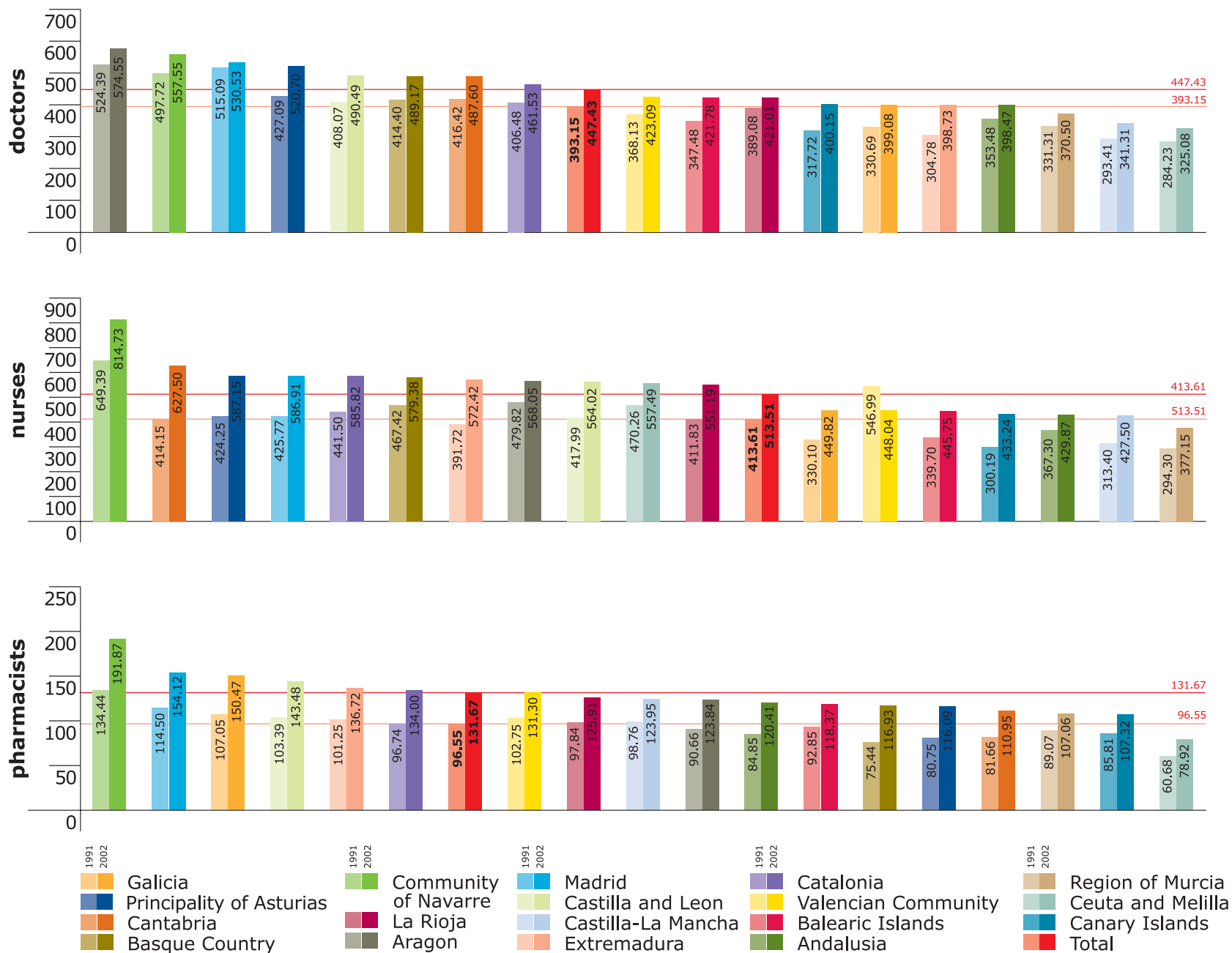
Social expenditure



12. Health professionals

Since joining the EU, Spain has succeeded in consolidating one of the best public health systems in the world. Although spending has not yet reached the EU average, the Spanish system has some of the highest quality indices in the Union. The rise in the number of doctors, nurses and pharmacists per 100 000 people in the last decade is a good example of this transformation. The number of professionals in all categories has risen in every autonomous community. The increase in the number of doctors has not been as dramatic because the initial figures were already high. The spectacular rise in the number of dental surgeons should also be highlighted. Whereas there were only 28 dental surgeons per 100 000 inhabitants in 1992, there are now more than 46.

Health professionals per 100,000 inhabitants

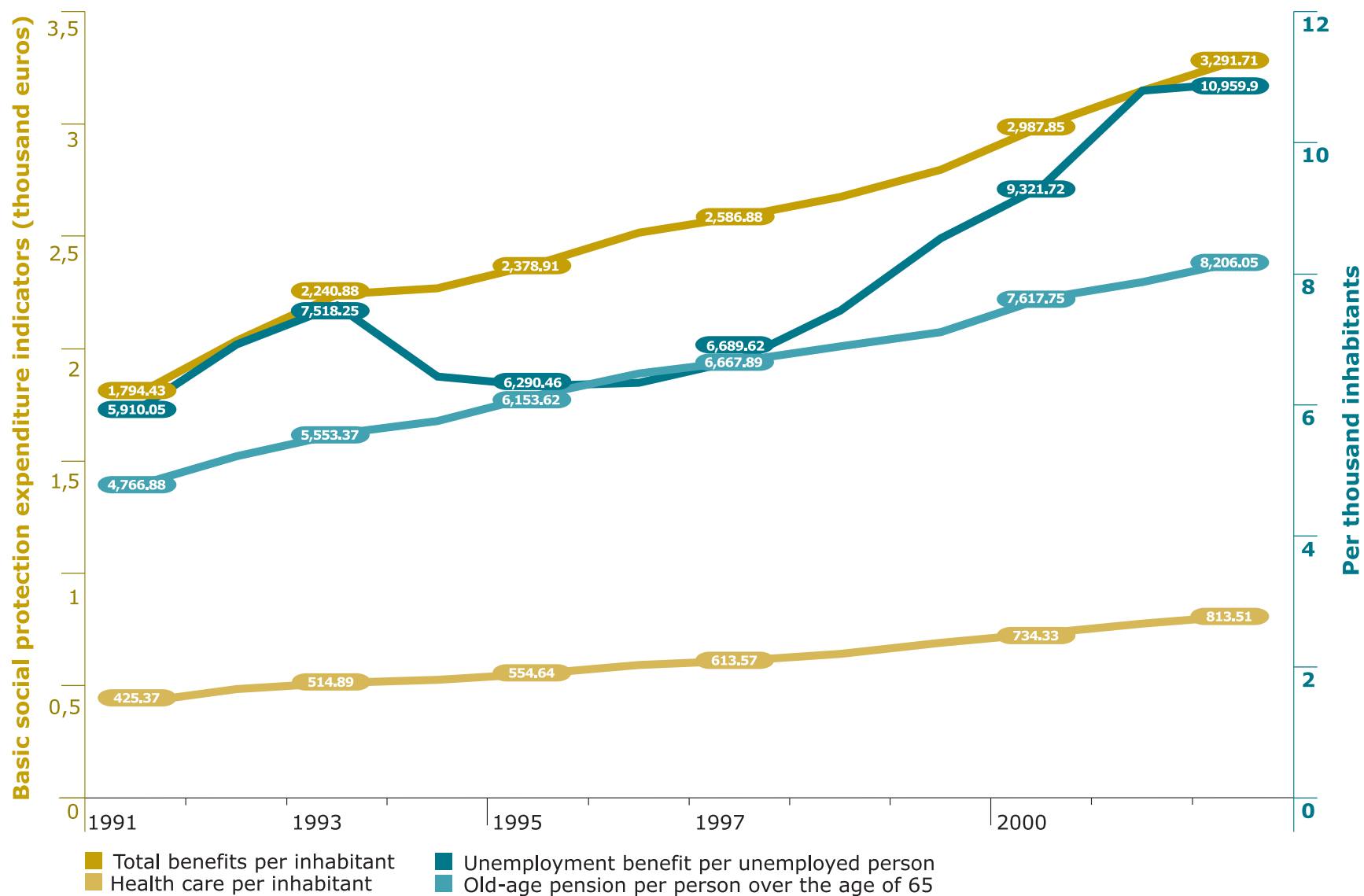


Source: INE.

13. Social benefits

The increase in social expenditure and the quality of life has been accompanied by a rise in social protection, which has been reflected not only in the extension of the level of cover but also in the increase in benefits. Indeed, both the social benefits and healthcare received per inhabitant have grown continuously and steadily since Spain entered the EU. Whereas every Spanish citizen received on average EUR 1 794 per year in social benefits and EUR 425 in healthcare, these figures have increased to EUR 3 291 and EUR 813 respectively. The consolidation of the welfare state is also evident in the growth in unemployment benefit and pensions received by Spaniards. Social expenditure in these areas in relation to the total number of unemployed people and pensioners has also doubled in the last decade.

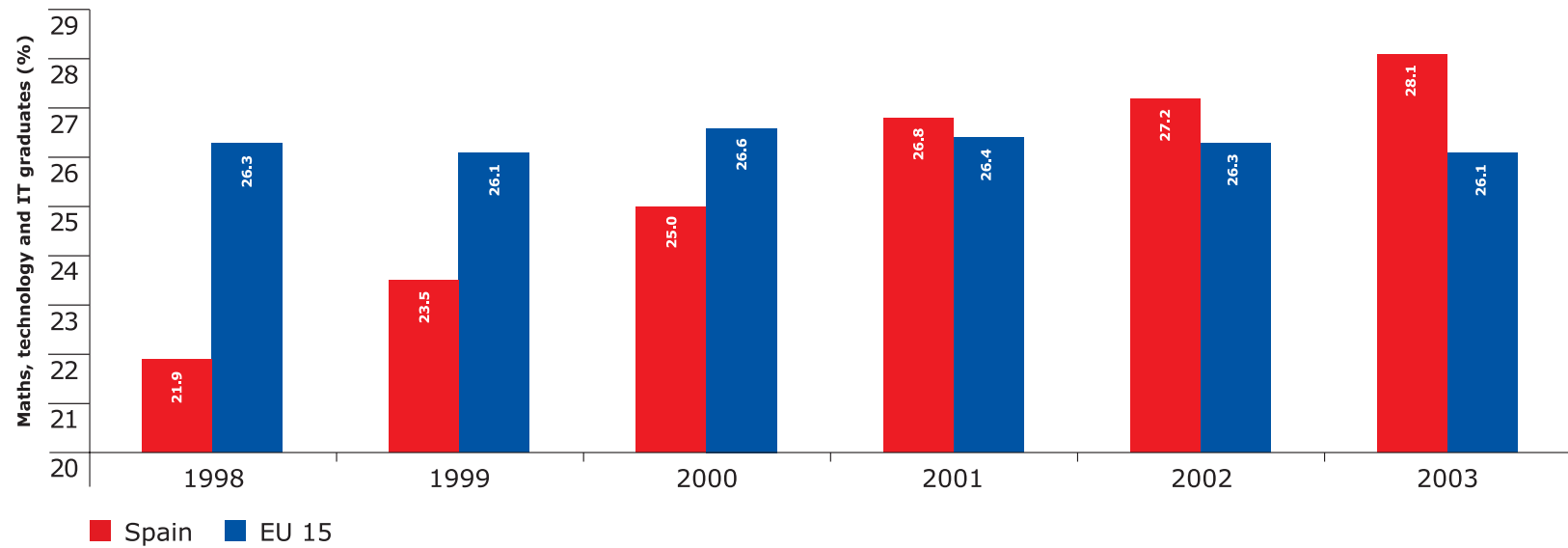
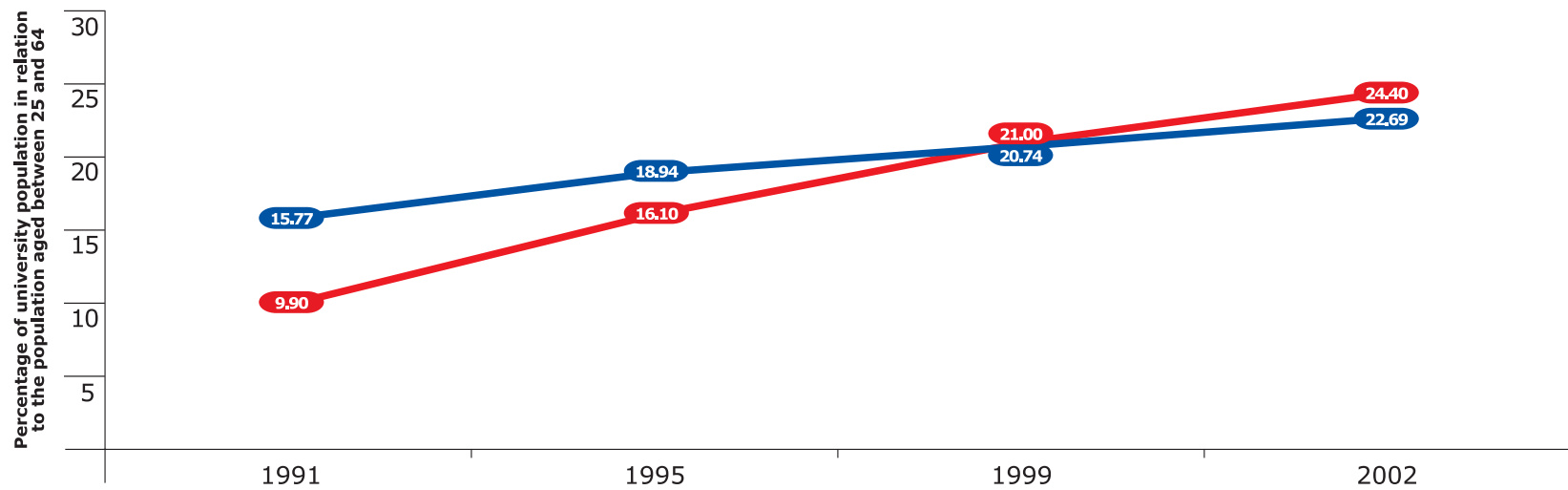
Social benefits



14. Education

Between 1991 and 2002 Spain managed to exceed the EU 15 average in terms of the percentage of the population with university qualifications. This figure rose from 10% in 1991 to 25% in 2002, one and a half points over the European average. Women have played a key role in consolidating this trend. In 2003 there were 133 women at university for every 100 men. Since 1998, the percentage of mathematics, technology and IT graduates, which is one of the Lisbon objectives, has also risen in Spain and exceeded the European average; it currently stands at almost 30% of the university population. However, social sciences and health continue to be the preferred specialities among undergraduates, both in Spain and in the rest of Europe. In spite of this success with higher education, in the PISA report produced by the OECD, which assesses scientific, reading and mathematical literacy of second-level students, Spain's results are below the European average, surpassing only those of Italy, Greece and Portugal.

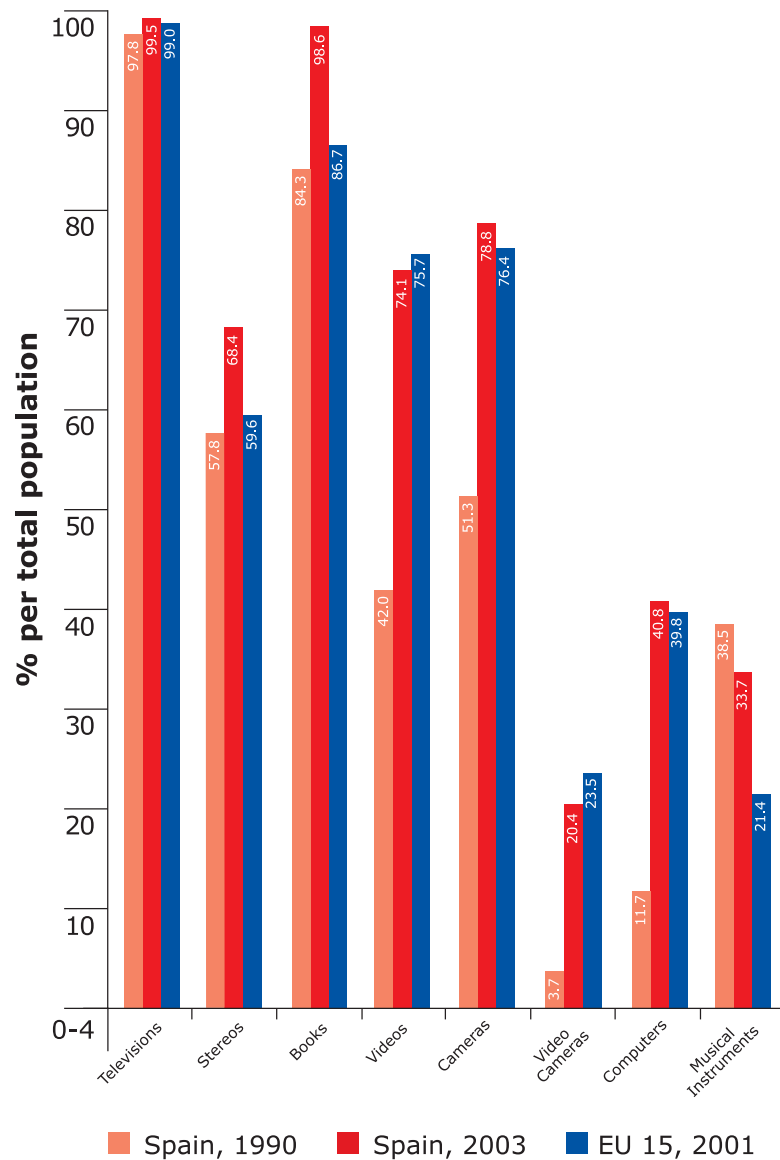
Education



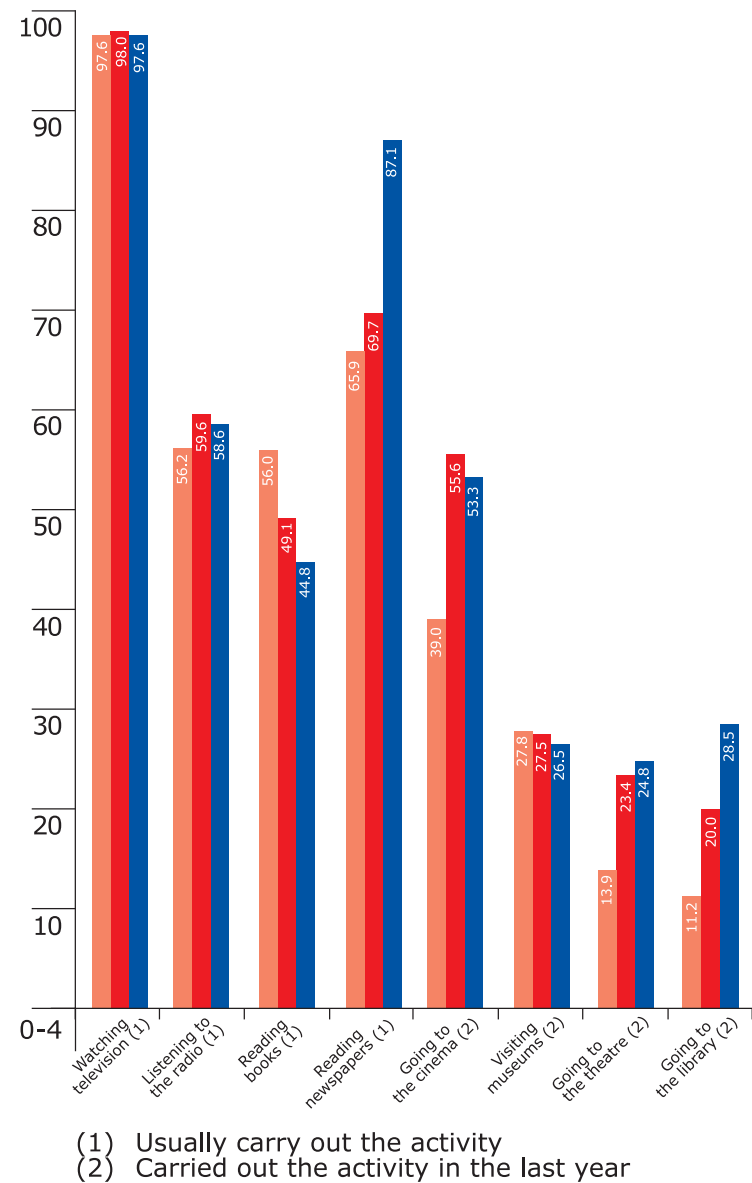
15. Cultural activities

The rise in income and welfare levels experienced by Spanish society has generated an increase in the time and money citizens devote to leisure and cultural activities. For example, the amount of computer equipment, videos, video cameras, cameras and stereos has increased to match the EU 15 levels. Spain exceeds the European average as regards the number of books and stereos. In addition, Spaniards read more newspapers, listen to more radio and go to the cinema, theatre and libraries more often than they did in 1990. However, TV use and museum visits have remained constant (at levels similar to those of the EU 15), while the number of musical instruments and books read have fallen in both Spain and Europe.

Cultural equipment



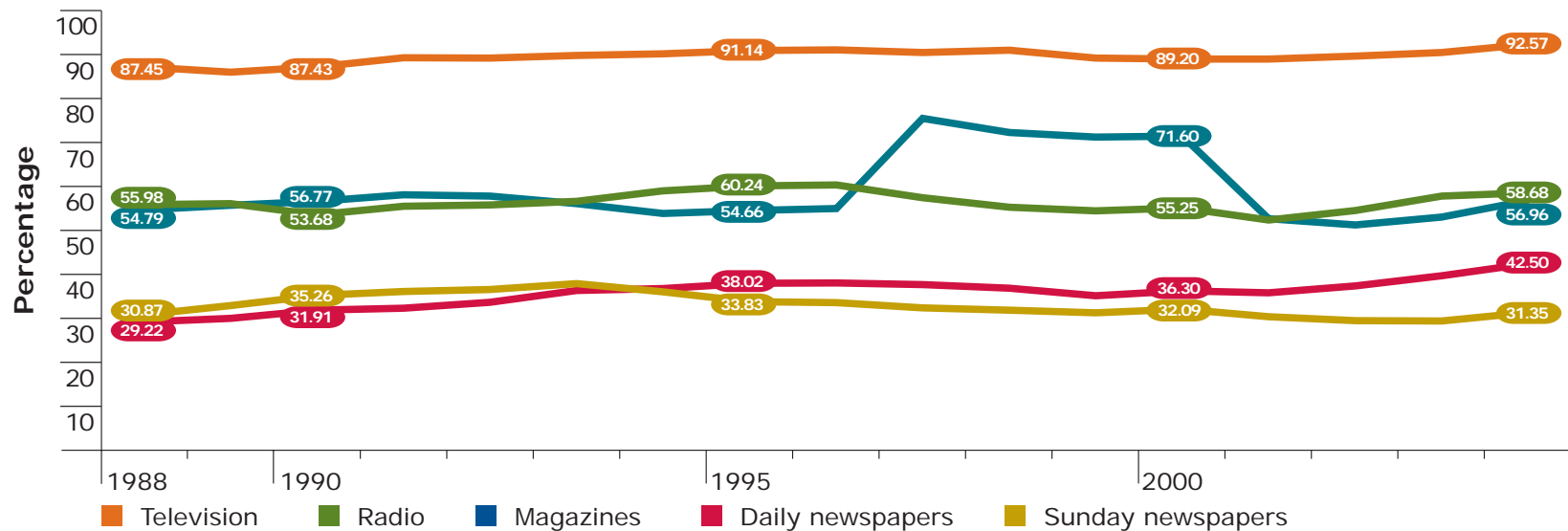
Cultural activities



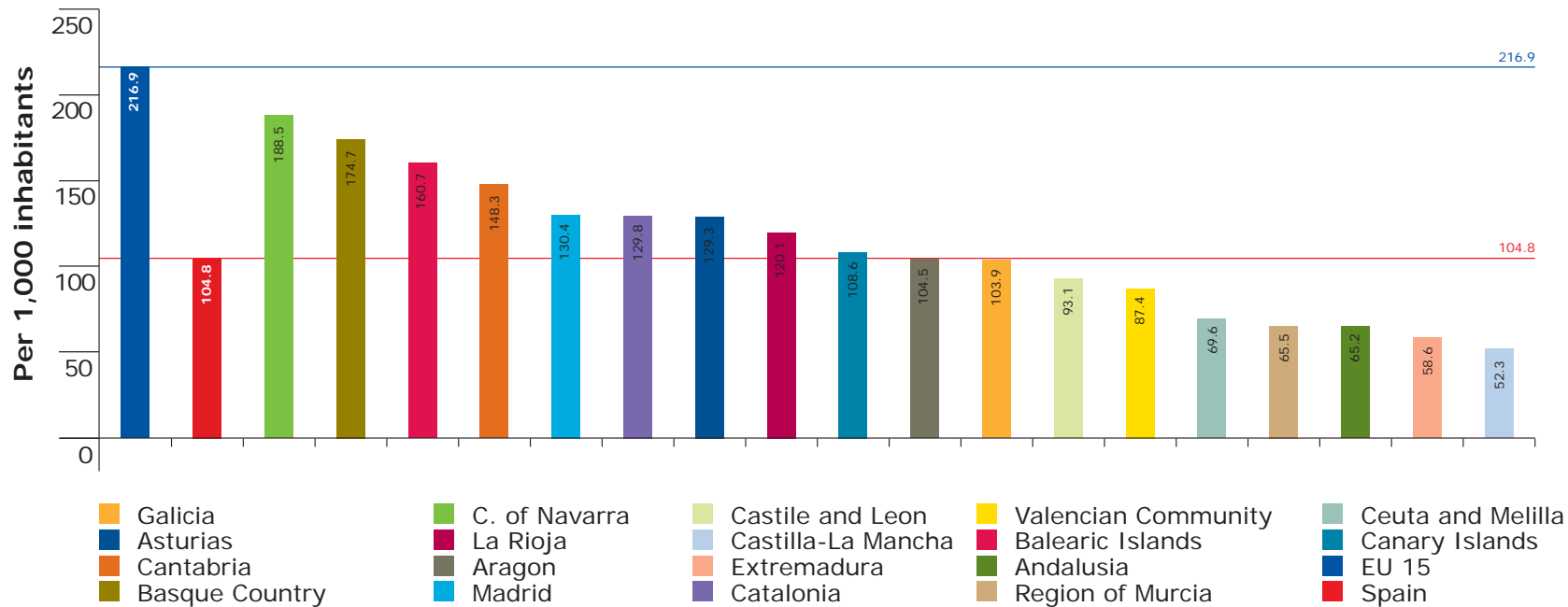
16. Media

The audience of the various media (not including the Internet) has not changed significantly since Spain joined the EU, which indicates that the structural change in the consumption of information took place before 1986. Television continues to have the largest audience (more than 90%), followed by radio and magazines (almost 60%) and daily and Sunday newspapers. Although the number of people who read daily newspapers rose from 29% to 43% between 1988 and 2005, Spaniards read less written press than the EU average, approximately half in fact. As far as the autonomous communities are concerned, the highest indices of press circulation are in Navarre, the Basque Country, Cantabria, Madrid and Catalonia, while the lowest indices are in Castilla-La Mancha, Extremadura and Andalusia.

Audience size by type of medium



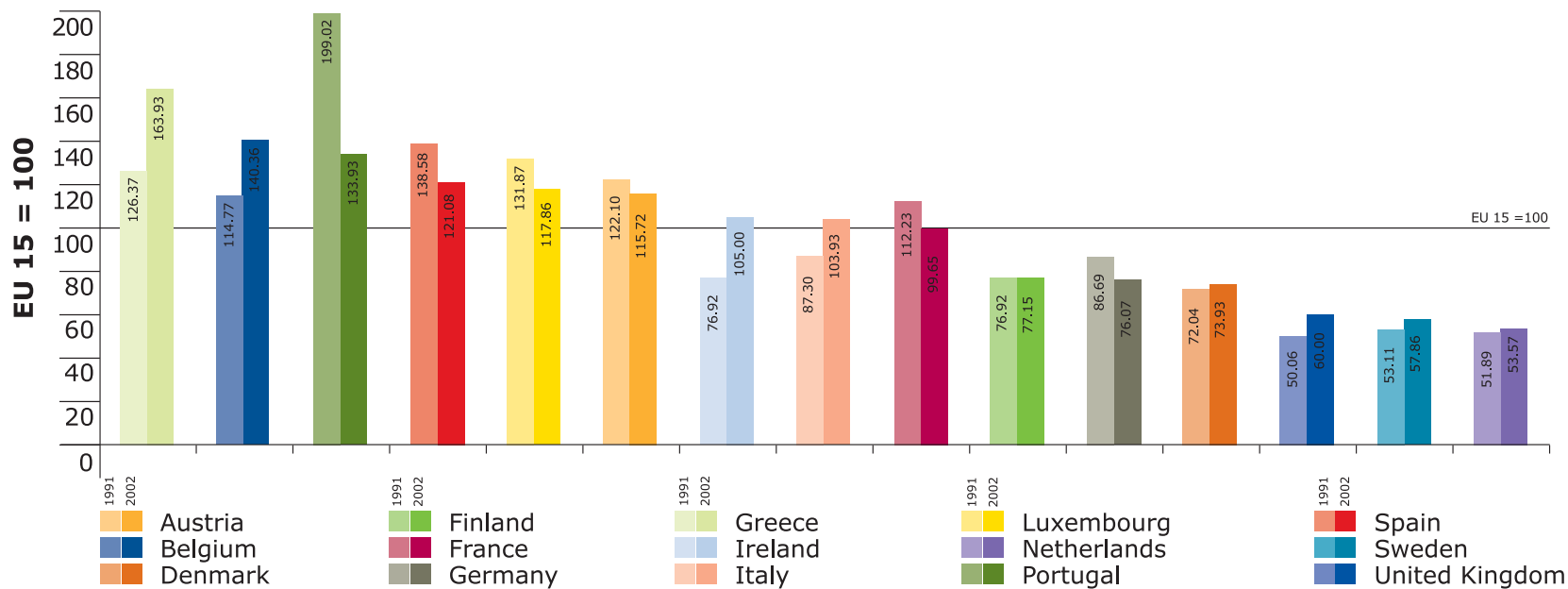
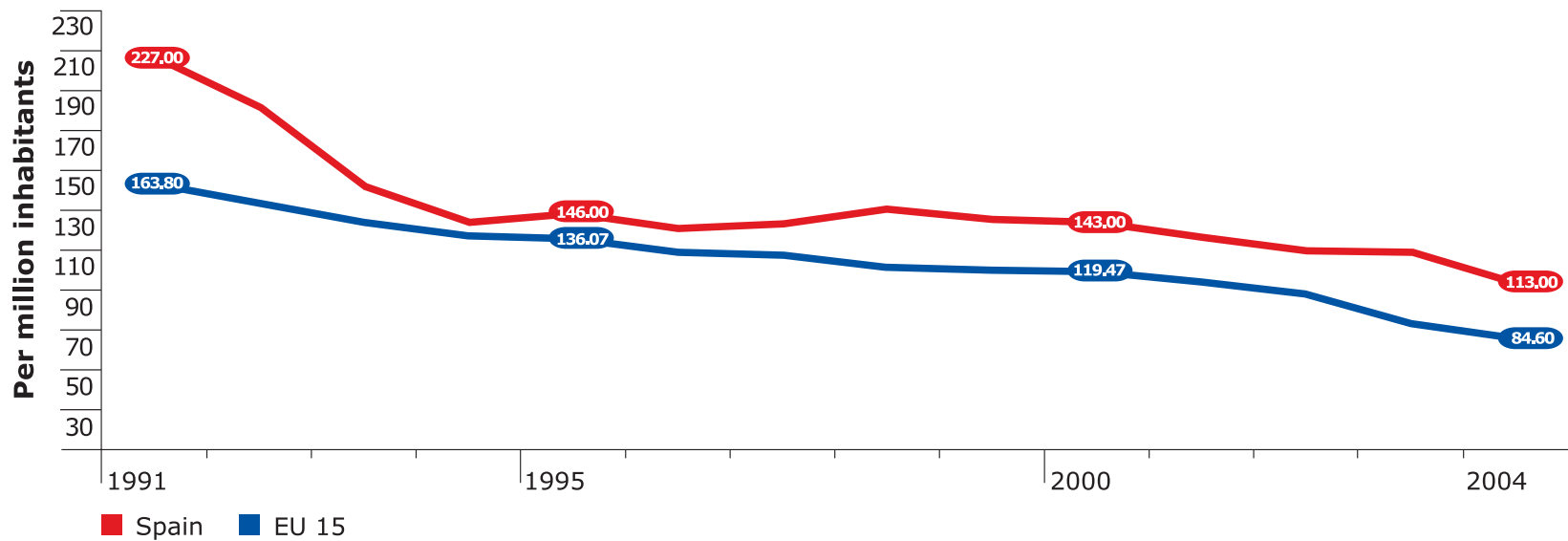
Press circulation index (1997)



17. Road safety

Substantial efforts have been made in both Spain and the EU to reduce the number of deaths caused by road accidents and they achieved a 50% decrease between 1991 and 2004. Although the number of road traffic deaths at the beginning of the 1990s per million inhabitants in Spain exceeded the European average by 64, that difference has been reduced to 29. In relation to its total population, Spain is in fourth position in the EU 15 in terms of the number of traffic fatalities, surpassed only by Greece, Belgium and Portugal. In spite of the significant efforts made to increase road safety education, improve infrastructures, modernise vehicles and raise quality and safety standards since joining the EU, Spain could make additional efforts to achieve full convergence with Europe.

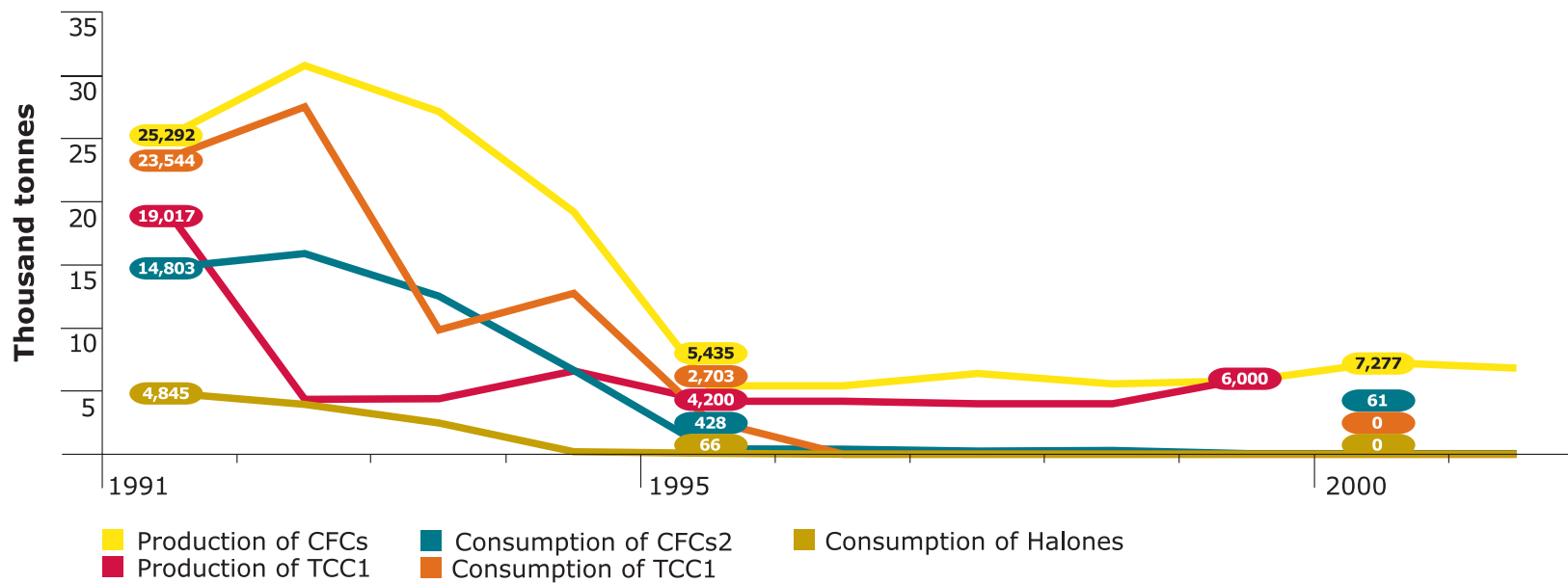
Road fatalities



18. Environment

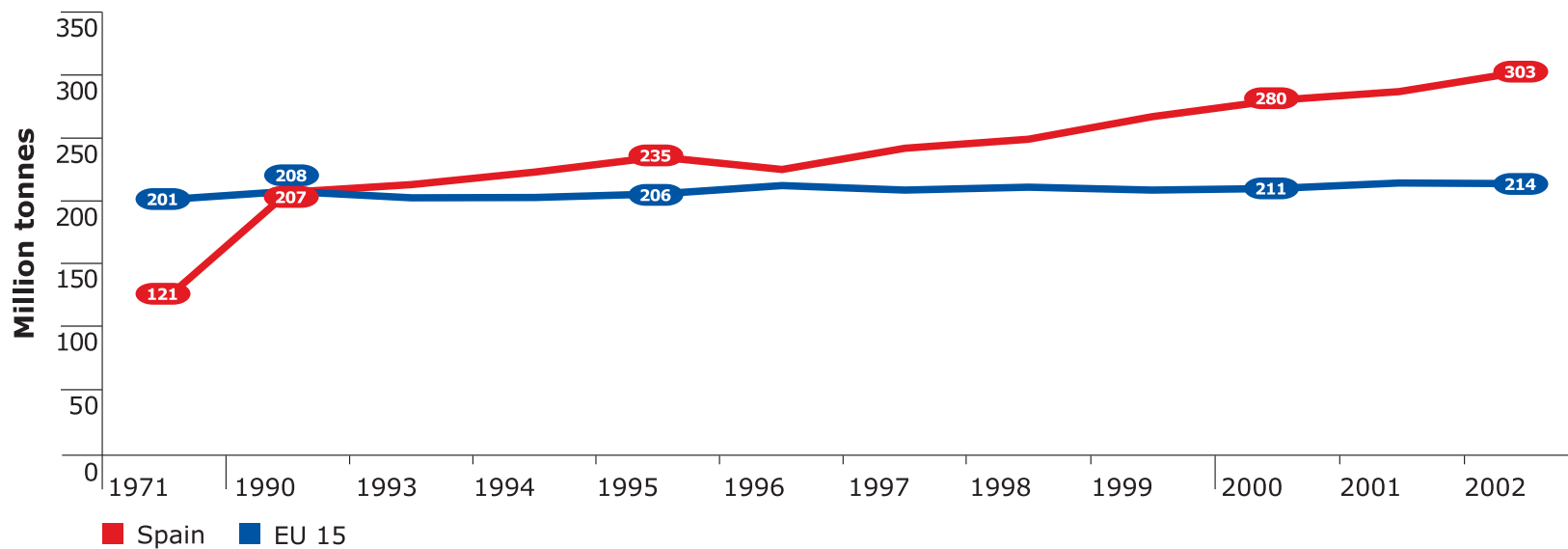
Spain has made considerable efforts to reduce its levels of atmospheric pollution in the last decade, which reflects its growing commitment to the environment. Production and consumption of various substances that deplete the ozone layer have fallen, particularly CFCs (chlorofluorocarbons), production and use of which are four and a half times lower than they were in 1992. Spain continues to emit 50% more CO₂ than the EU 15 average, which means that additional efforts are necessary to comply with the commitments in the Kyoto Protocol.

Production and consumption of substances that deplete the ozone layer



Source: Ministry of the Environment.

Emisiones de CO2



Source: OECD.

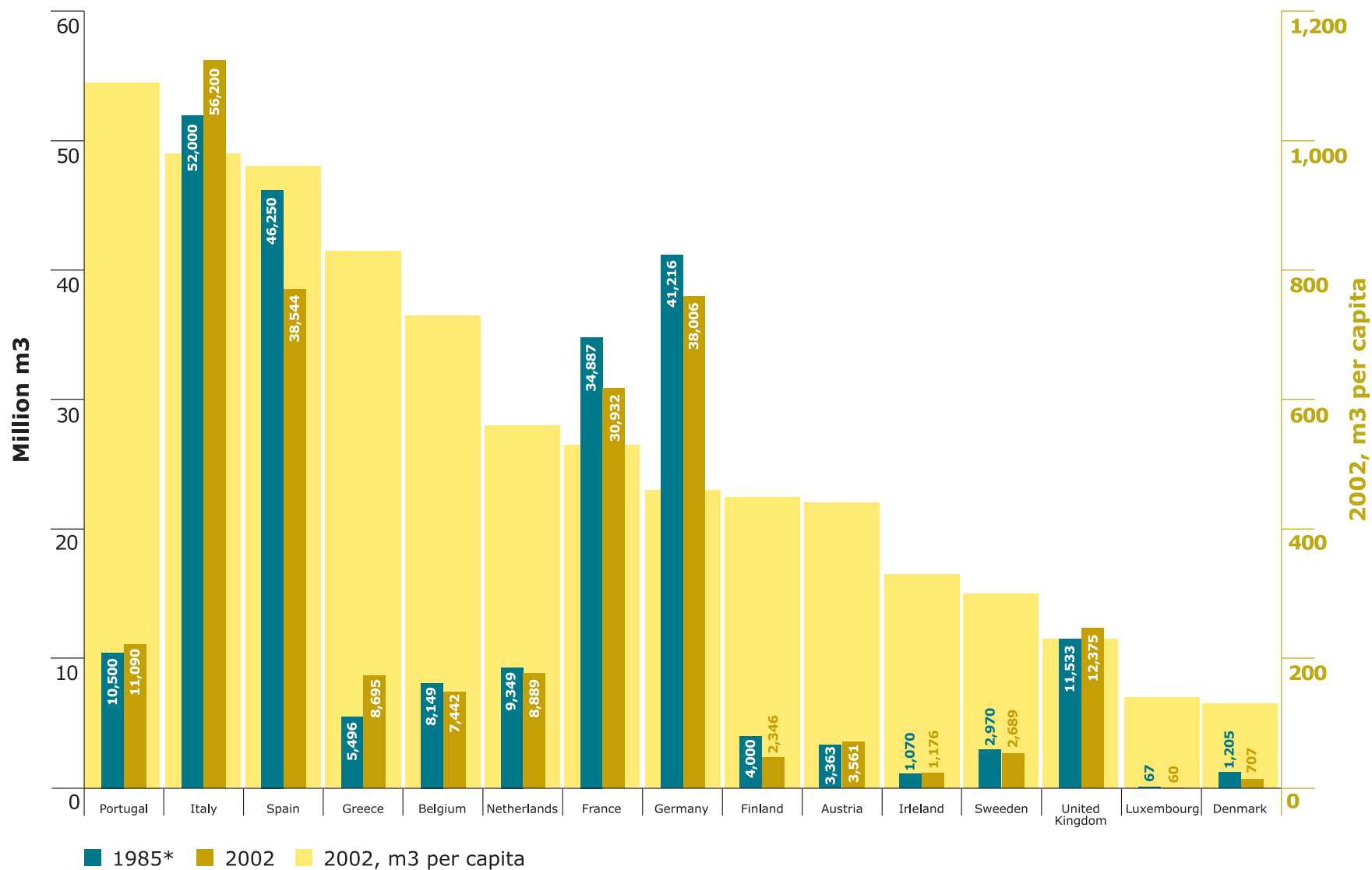
19. Water

Spanish society's commitment to the environment is also reflected in its use and consumption of water. Spaniards are becoming increasingly aware of the need to reduce as far as possible consumption of this often scarce, and always necessary, resource. Water use efficiency has resulted in a considerable decrease in collection for irrigation and purification, falling from 46 250 million cubic metres in 1985 to less than 40 000 million today. Although, relatively speaking, Spain is in third place in the EU 15 in terms of the number of cubic meters of water per capita obtained for irrigation and purifica-

tion for domestic use, behind only Portugal and Italy, it is important to remember that the countries in Southern Europe need much more water for irrigation than the rest of Europe. However, there continue to be water losses in the distribution network, totalling approximately 59 litres per inhabitant per day, which represents 18.7% of the volume of water supplied per inhabitant per day (258 litres).

Water

Water collected for irrigation and purification

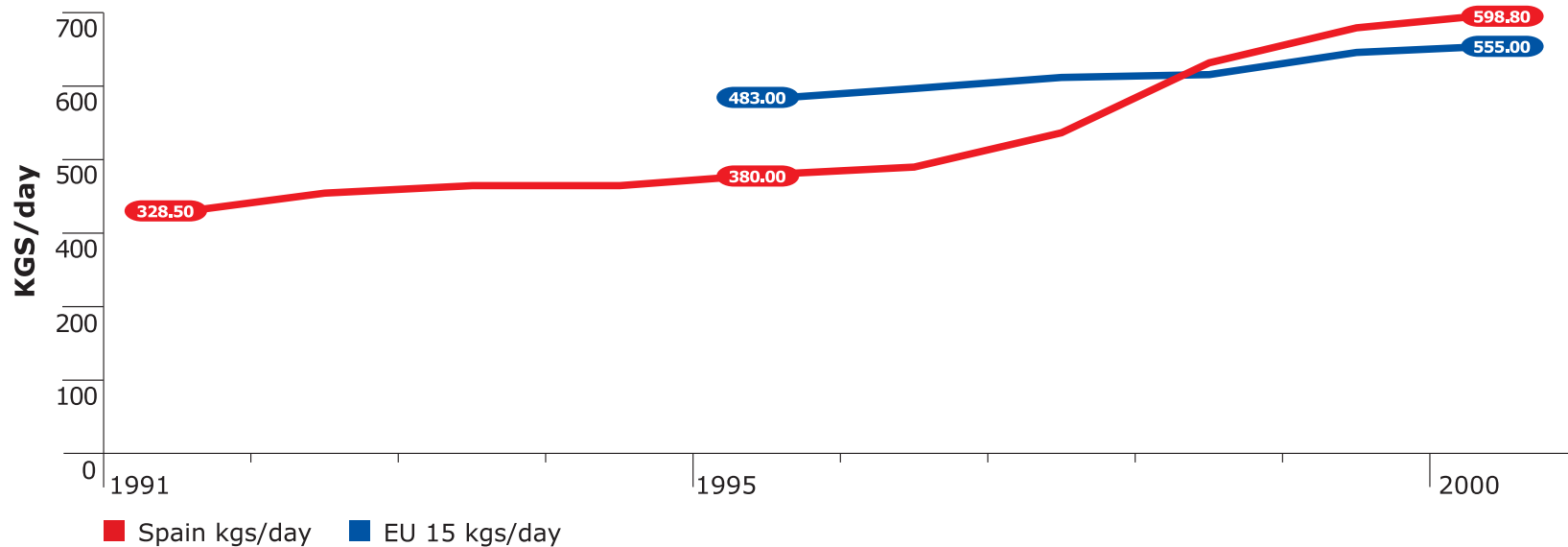


* For the 1985 series, data has been used from 1980 for Portugal and Ireland, and from 1995 for Belgium
 Source: Compiled from data in the OECD Factbook 2005.

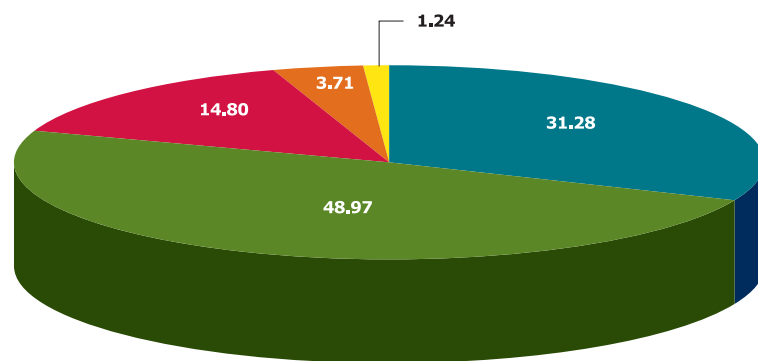
20. Waste

The growth in the Spanish economy has been accompanied by a significant rise in the production of urban solid waste, which doubled between 1991 and 2000 and has exceeded the EU 15 average since 1998. Nevertheless, Spain has also made remarkable efforts to improve the elimination and recycling of this waste. Between 1991 and 2000, uncontrolled waste disposal fell from 31% to 7%, while controlled waste disposal rose from 49% to 60%. This has been facilitated by greater public awareness of the need to promote sustainable development and protect the environment, values that have been strongly influenced by membership of the EU.

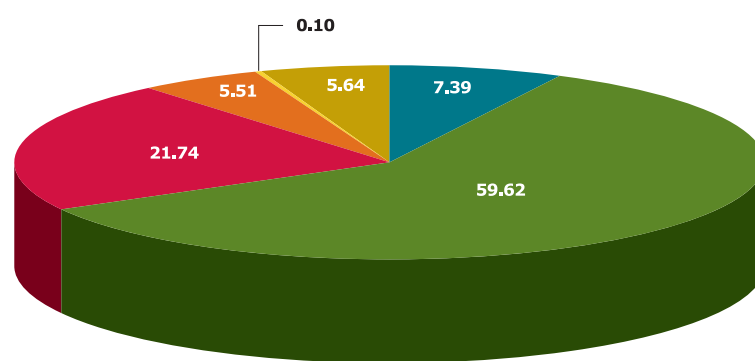
Municipal solid waste production



1991 MSW elimination systems



2000 MSW elimination systems



■ Incineration without energy recovery
■ Incineration with energy recovery

■ Selective collection
■ Composting

■ Controlled disposal
■ Uncontrolled disposal

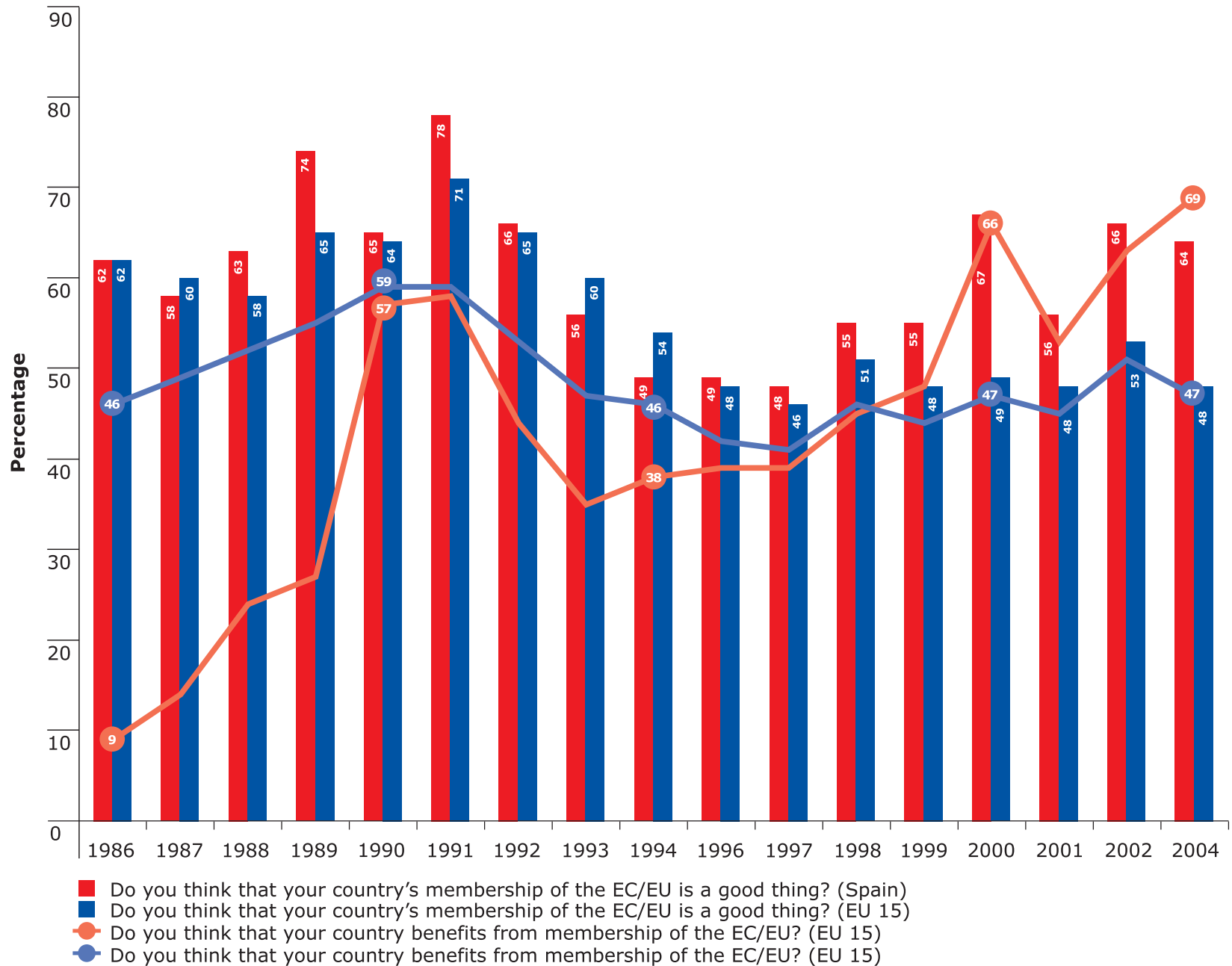
Politics: 20 facts for 20 years

1. Support for the process of integration

Proof of the extent to which the European project and the national project have been the two sides of the same coin is the fact that Spaniards' support for the process of European integration has always been among the highest in the Union. With the exception of the 1993-1994 period, characterised by a difficult economic situation in Spain, pro-European sentiment in Spain has always been above the European average. This was particularly evident in the years immediately after accession, but also, and very importantly, in the period that began in 1998, coinciding with Spain's integration in the third stage of the Economic and Monetary Union. The solidity of the support for the integration process is such that during the years immediately after accession Spaniards supported the process even when only a very

small minority (scarcely 9%) believed that it was economically beneficial for Spain. Subsequently, as time has passed, the people of Spain have begun to see clearly the benefits of integration, to the extent that today an overwhelming majority (64%) believes that Spain benefits from European integration (which puts Spain 22 points over the European average). Similarly, support for the process of integration is now 16 points higher than the European average, a figure that is not just the highest achieved in these last 20 years, but one that puts Spain way ahead of some of its key partners, such as Germany, France, Italy or the United Kingdom.

Support for the process of European integration



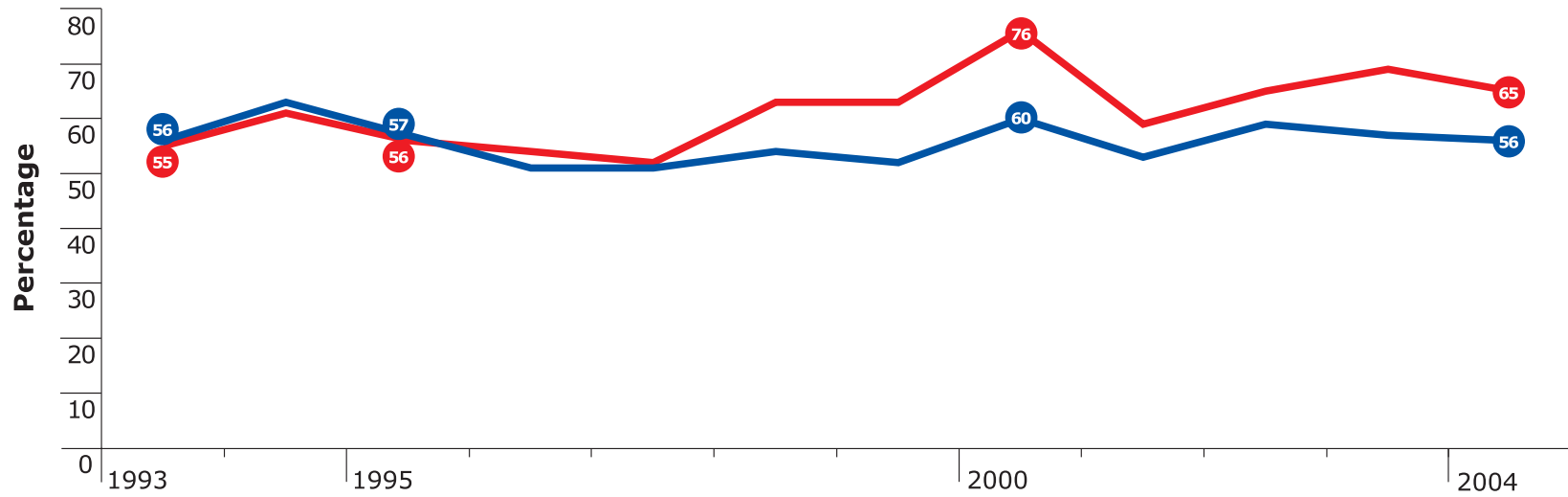
Source: Eurobarometers 25, 27, 29, 31, 33, 35, 37, 39, 41, 45, 47, 49, 51, 53, 55, 57 and 61.

2. Feeling European

For reasons connected to both our recent history and the very visible benefits generated by the process of European integration, Spaniards' level of identification with Europe is very high. While in other EU Member States European identity is poor or shaky, almost 65% of the Spanish population shows signs of identifying with Europe, which puts it 10 points above the European average (EU 15). Spain's successful integration into the Union has undoubtedly reinforced this feeling, and the years of economic prosperity in particular swell the ranks of pro-Europeans. Specifically, Spain's participation in the euro clearly had a remarkable impact, as it was during the years 1999-2000 that the highest level of identification with Europe (76%) was recorded. All of

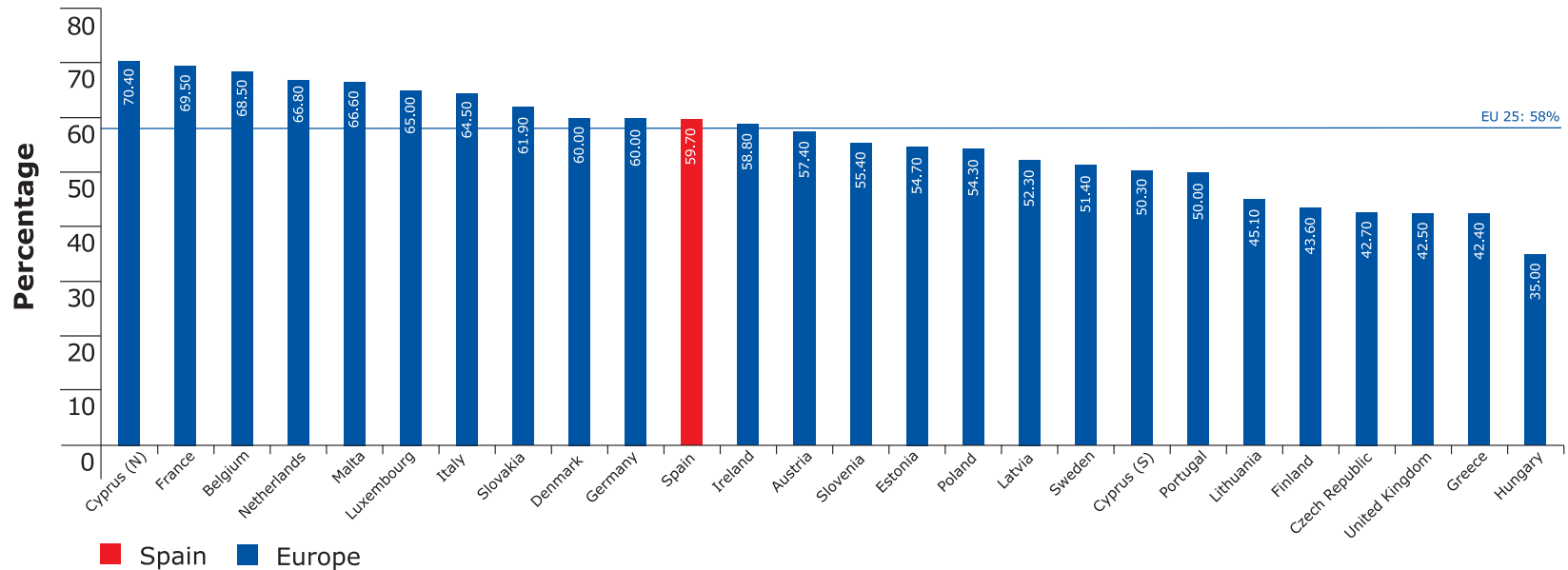
the above confirms the notion that European identity, vital in terms of support for the integration project, is fuelled by both historical experiences and values and the tangible benefits generated by integration. In the last two years, however, coinciding with the crisis surrounding the negotiation and ratification of the Treaty establishing a Constitution for Europe, the feelings of identification with Europe have lessened somewhat in Spain, to the extent that in the EU-25, European identity among Spaniards is barely 60%, slightly above the average.

People who feel European (EU 15)



Source: Eurobarometer 62 (2004), p.94.

By country: 2004

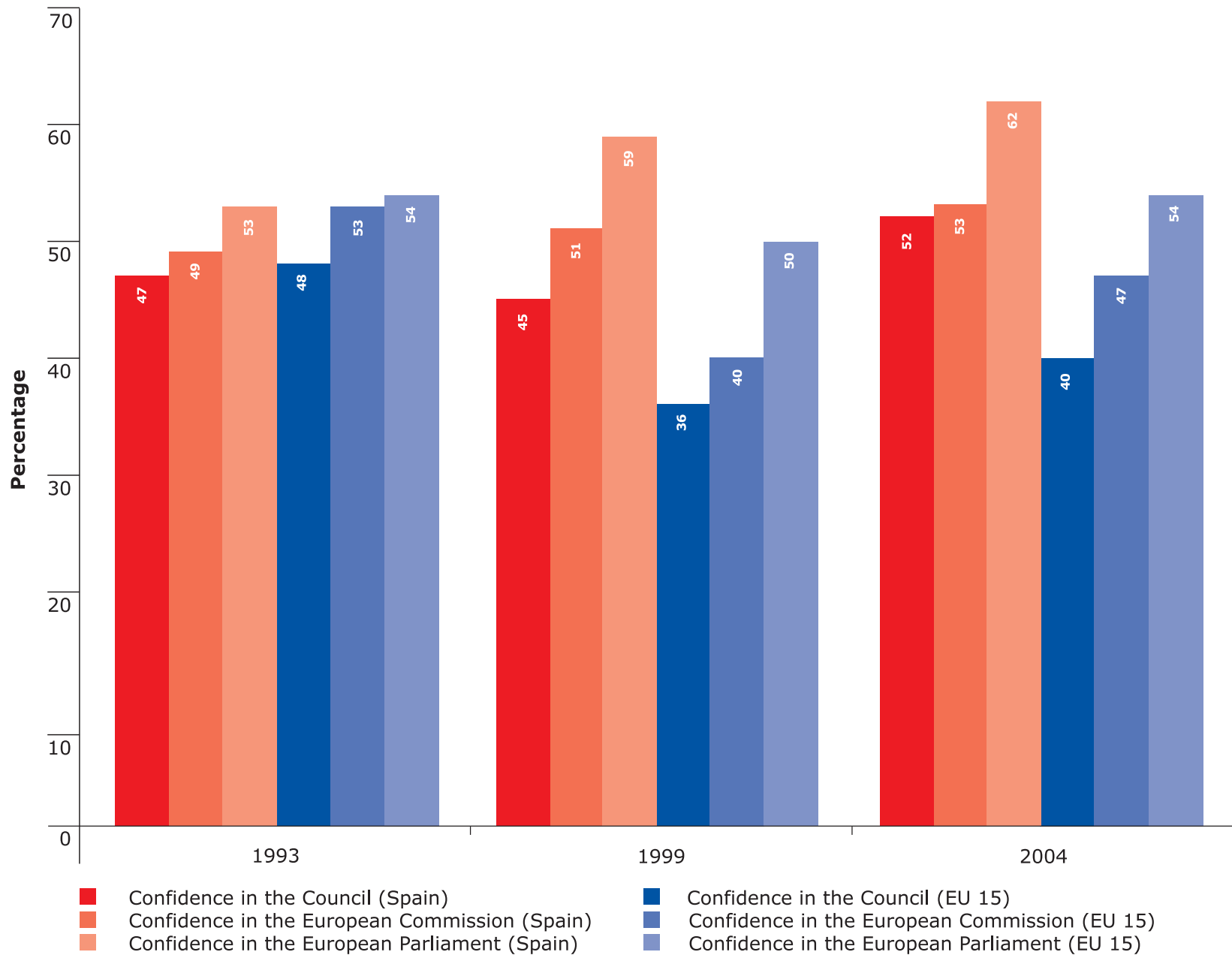


*Figures on European feelings have been obtained by adding three categories: those who feel "European and national"; "national and European"; and "only European"
Source: authors' elaboration from Eurobarometer 62 (2004), Question Q43a

3. Confidence in the European institutions

Spaniards' confidence in the European institutions is among the highest in the Union. From an initial level comparable to that of the other Member States, confidence in the European institutions has grown steadily from the 1990s to the present day. This increase is especially marked in relation to the European Parliament, in which people have practically twice as much confidence compared with the Council or the European Commission. The increase in Spaniards' confidence in the European institutions is all the more striking as it has occurred at a time when the rest of the people of Europe are losing confidence in the Union's three most visible institutions. It is also worth pointing out that, according to the Eurobarometer 63 data (spring 2005), 76% of Spanish citizens believe that the European Parliament plays an important role in the Union, followed, in order of importance, by the European Commission (69%), the European Central Bank (68%), the Court of Justice (67%) and, finally, the Council of the EU (66%).

Confidence in the European institutions

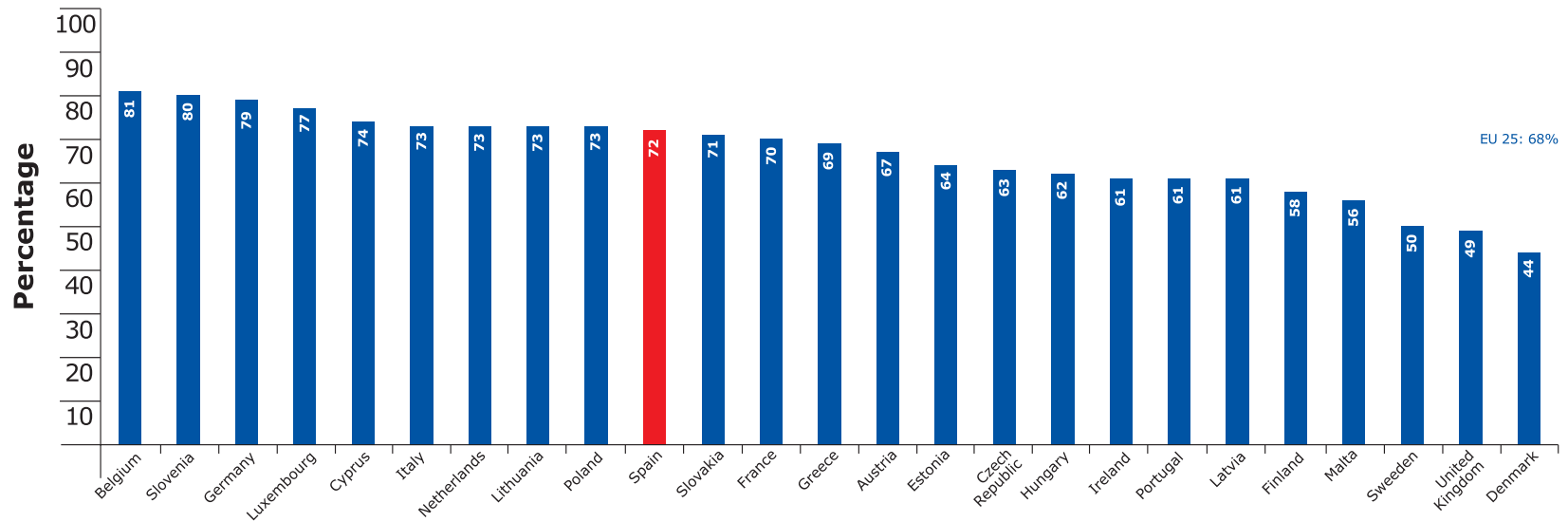


4. Deepening / enlarging

It is often said that there is an ambiguous, if not contradictory, relationship between enlarging and deepening. Nonetheless, the general public in Spain does not seem to share that assessment as it seems decidedly in favour of both the process of deepening the European project and its enlargement to include other countries. Thus, support among Spaniards for the most recent EU enlargement to include the Central and Eastern European Countries, in particular for historical reasons and out of a sense of solidarity, is the second highest in the Union. Only Greece demonstrates greater average net support for the enlargement, due primarily to that country's particular interest in the accession of Cyprus. As regards political integration, approximately one out of every six Europeans [sic] wants to see political

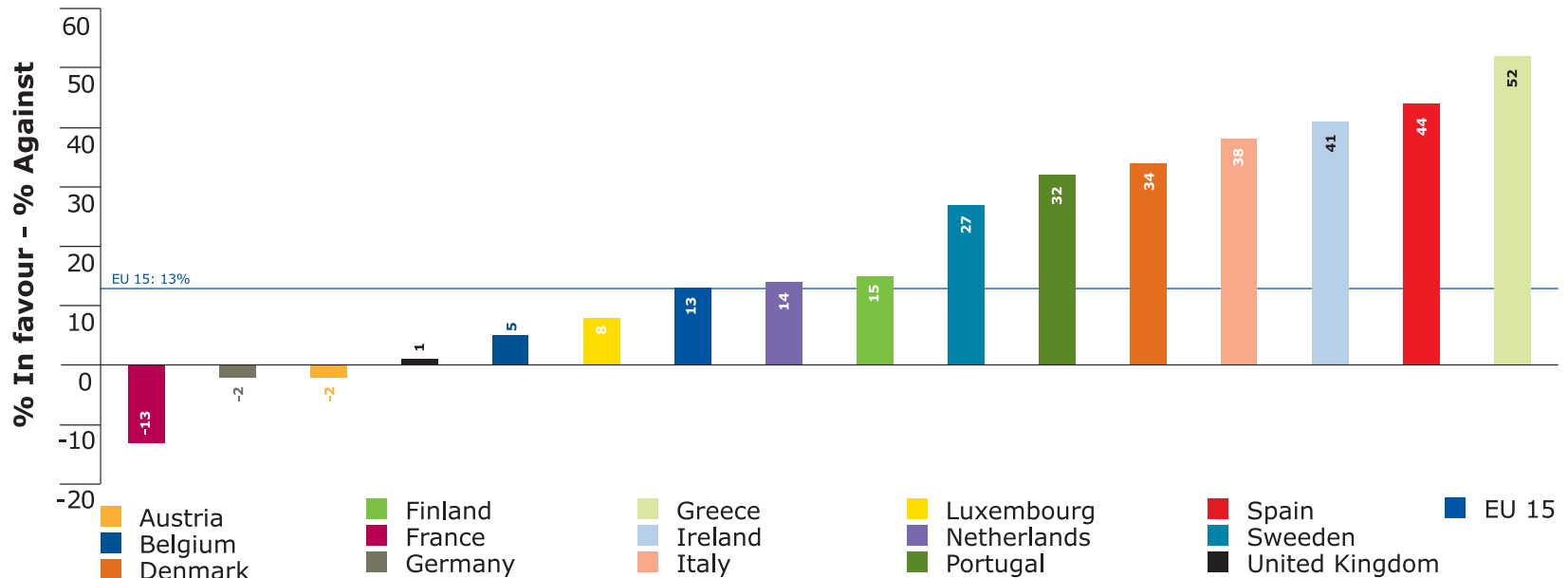
integration, while only one out of every four [sic] is openly opposed to it. In Spain, this figure is 10 points higher than the average, since 68% of the people are in favour of political integration, this figure having peaked at 74% in 2004 (Eurobarometer 62). In addition, according to the Eurobarometer 63 data (spring 2005), the number of Eurosceptics in Spain is considerably lower than the European average (13% compared with 28%). The pro-European sentiment among Spaniards was evident once again during the recent process involving the preparation of the European Constitution, which was supported by 72% of the population, compared with the European average of 68%.

Support for the European Constitution



Source: Eurobarometer 62 (autumn 2004).

Net support for enlargement (2000-2004)



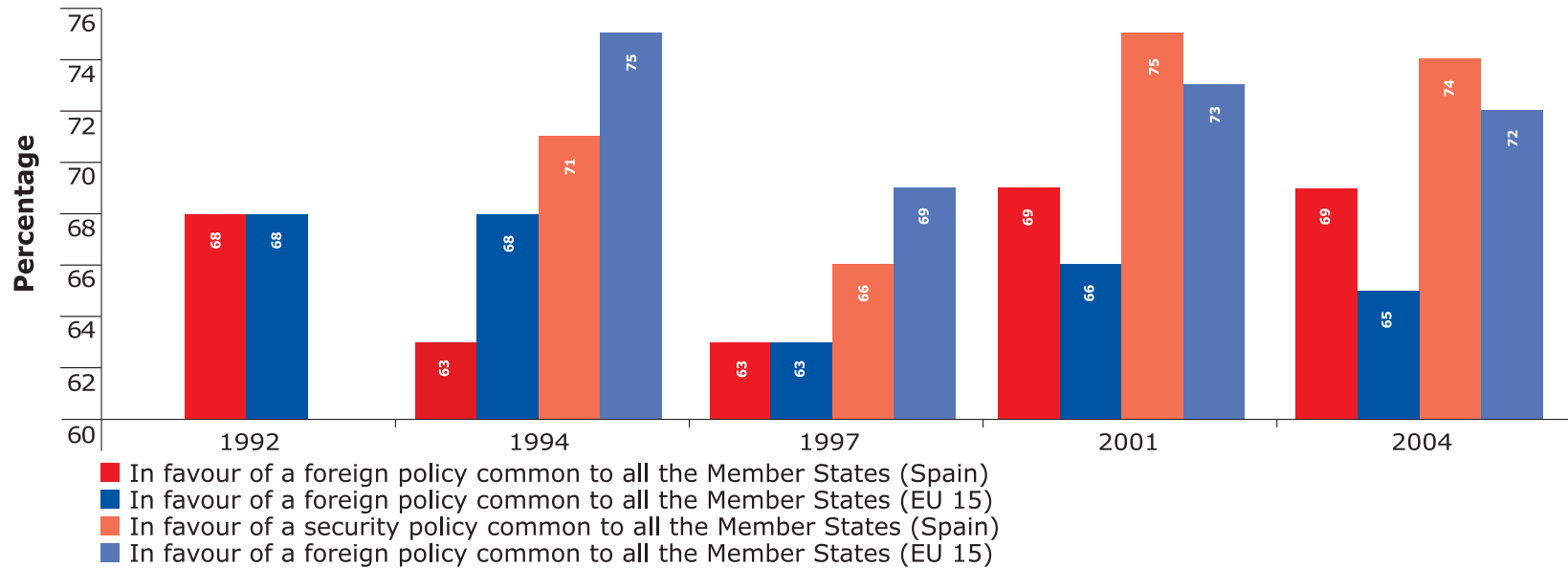
Source: Eurobarometers 54, 55, 56, 57, 58, 59, 60 and 61.

5. The role of the European Union in the world

Support for the common foreign and security policy (CFSP) in the European Union is very high, sitting at levels of around 66% for the EU 15 and 75% for the 10 new members. Support is even higher in relation to the security and defence policy, with levels at around 75% in the EU 15 and 85% in the 10 new members (Eurobarometer 63, spring 2005). As far as Spain is concerned, a reflection, and at the same time a consequence, of the high levels of satisfaction and identification with Europe held among Spaniards, is their ever-clearer preference for granting the European Union substantial competences in the area of foreign policy, security and defence. In 1989 only 58% of the Spanish people believed that foreign policy should be determined jointly with the EC, but

by autumn 2001 this figure had risen to 77%, 6 points above the European average (Eurobarometers 32 and 56). Similarly, the percentage of Spaniards who were in favour of the defence policy being determined jointly with the EC rose from 38% to 51% in the period between 1994 and 2001 (Eurobarometers 41 and 56). The graphs demonstrate how support for both the common foreign and security policy (CFSP) and the European Security and Defence Policy (ESDP) has not only increased steadily in recently years but has also grown faster than in other Member States, which has resulted in 69% and 70% support for the CFSP and ESDP respectively.

Support for the common foreign and security policy



Source: Eurobarometers 38, 41, 48, 56 and 61.

By country: 2005



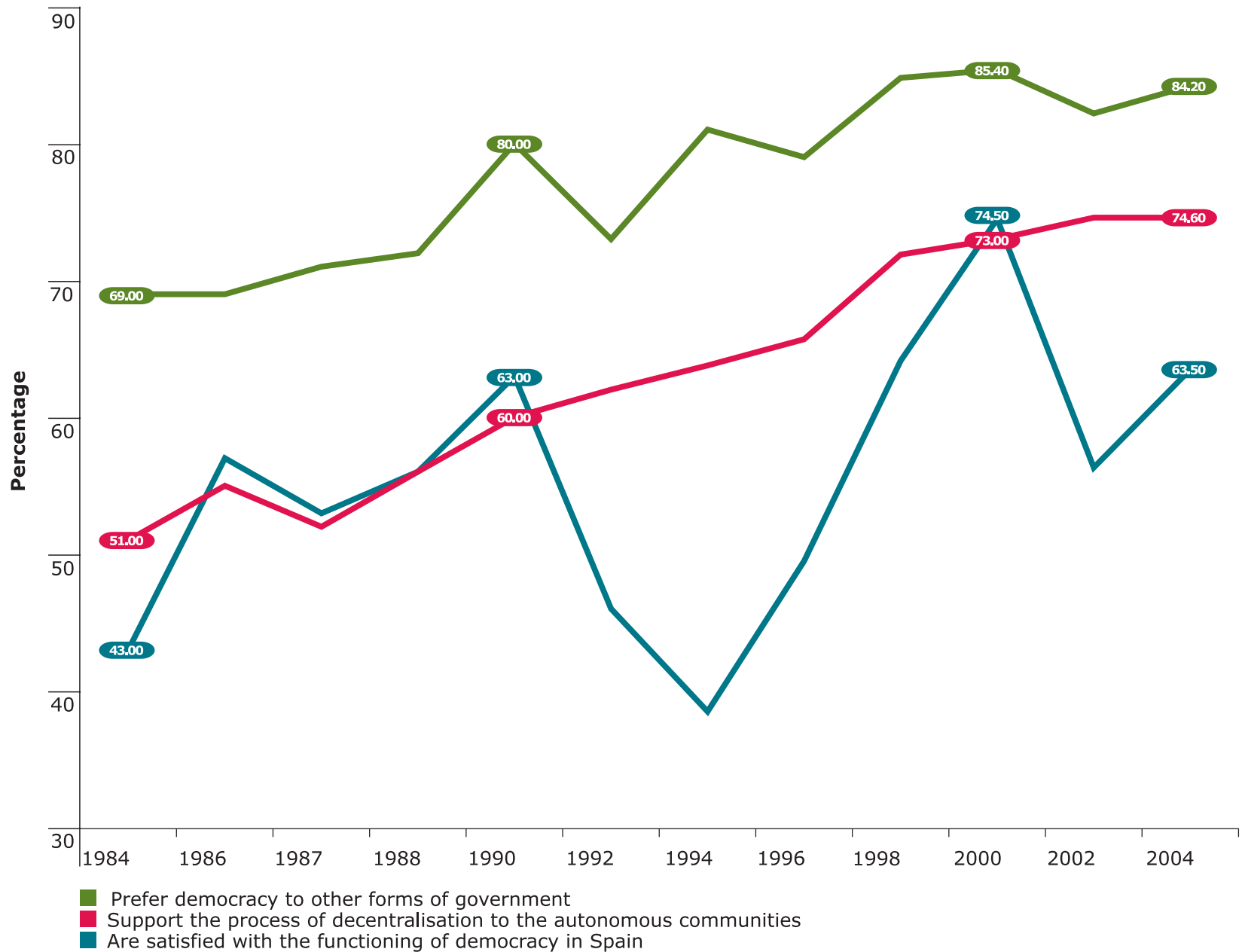
Source: Eurobarometer 63

6. Political culture

Democratisation and European integration have always been closely linked in Spain. Historically, Europeanisation was always seen as something that would finally enable Spain to consolidate its democratic institutions and overcome a past marked by divisions, internal conflicts and authoritarianism. Looking back, it is evident that these hopes were well-founded given that the democratic period that began with the 1978 Constitution is the longest in Spain's history. Nevertheless, when Spain applied to join the (then) European Community in 1977, our partners in the Community wondered if a country like Spain, with a limited democratic tradition, would be capable of developing and consolidating stable democratic institutions. Nevertheless, the data from the Centre for Sociological Research (CIS) demonstrates that in the last 20 years democracy has been overwhelmingly established as the only feasible option for Spanish society. The solidity of the political culture and democratic preferences of the people

of Spain is today unquestionable. Proof of this came in 1994-1995 when the political crisis marked by the end of the cycle of Socialist Party Governments (1982-1996) saw the indicators of satisfaction with the functioning of democracy fall below 40%; however, the preference for democracy as the form of government remained unchanged and maintained particularly strong support (around 80%). The Spanish people's support for the democratic system has been consolidated by Spain's membership of the EU: in 1984 it was the preferred option of 69% of Spaniards, but this figure had risen to more than 84% by 2004. Support for decentralisation to the autonomous communities has also continued to grow, rising from 56% to over 74%.

Satisfaction with the political system



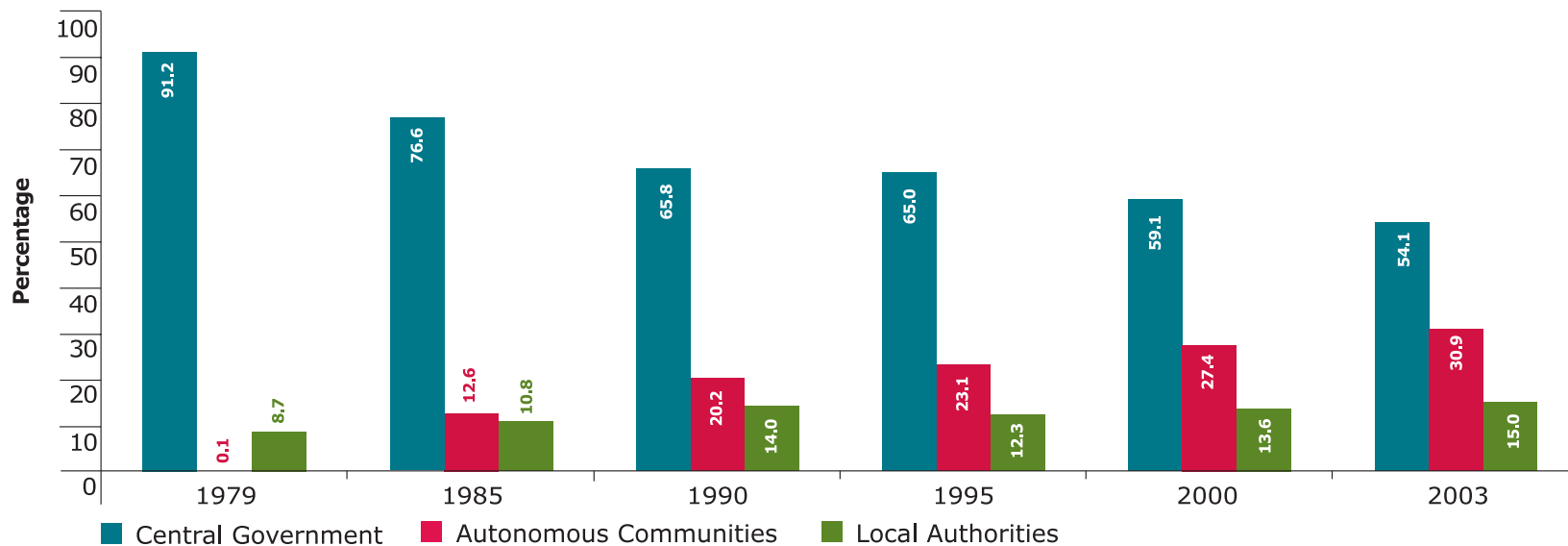
7. Descentralización

Spain's recent history is also the history of a far-reaching process of political and administrative decentralisation in a country traditionally characterised by centralism.

Decentralisation has posed a challenge of enormous magnitude, the importance of which cannot be underestimated given that, in a very short period of time, the central government has transferred to the autonomous administrations a very significant proportion of its financial and human resources. Whereas in 1979 the General State Administration managed 91% of public spending, today this percentage is 54%. In addition, whereas in 1990 the number of civil servants working for the General State Administration was twice that of the administrations of the autonomous communities, today that figure is exactly the reverse: with

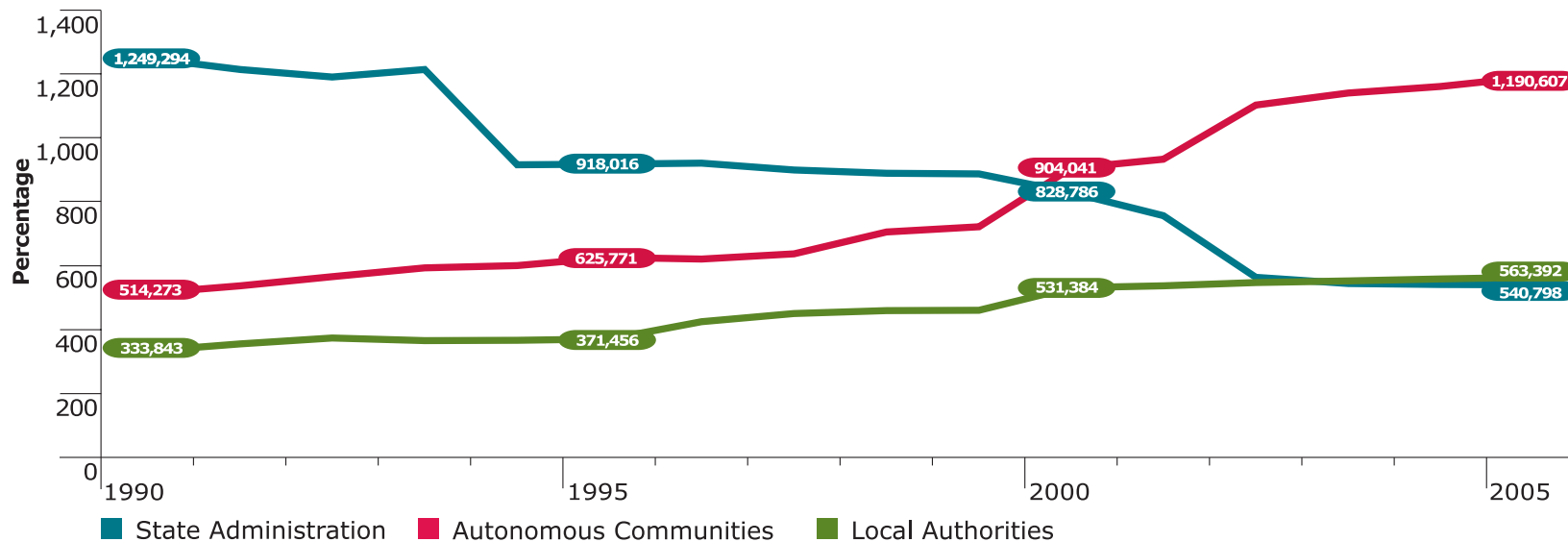
almost 1,200,000 employees, the autonomous communities have twice as many civil servants as the General State Administration. It is therefore possible to declare without any doubt that the autonomous system established in the 1978 Constitution has made it possible to deal with the territorial issue within margins characterised by efficiency, respect for identities and support of the citizens. This is reflected in the data of the Centre for Sociological Research, which demonstrates public support for, and overwhelming satisfaction with, the recent process of decentralisation.

Distribution of public spending between the levels of government



Source: Compiled from data from the Ministry of Finance and the Economy and the MAP.

Employees working for the public administrations



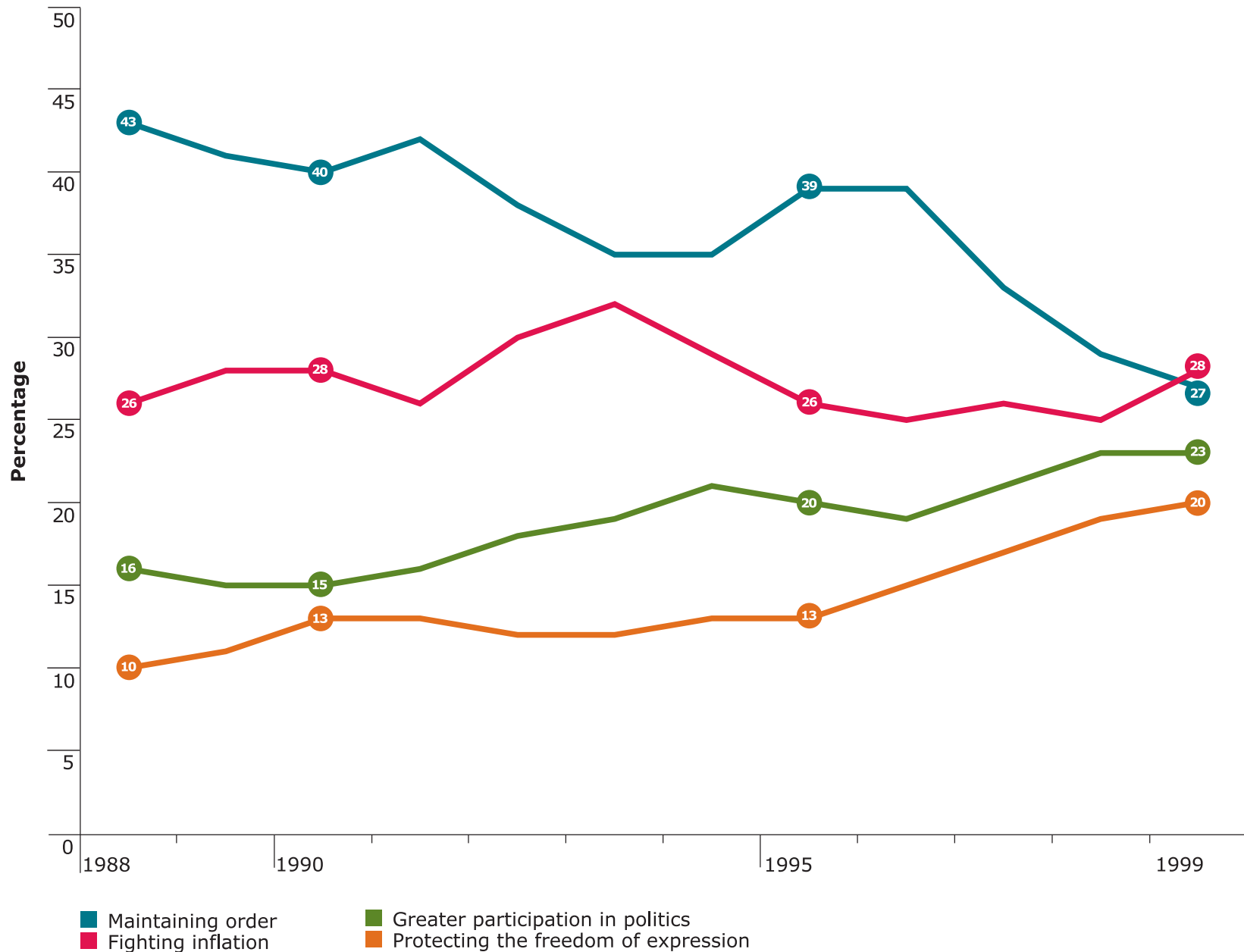
Source: Compiled from data from the Ministry of Public Administration, Statistical Gazette of the Central Personnel Register for the period 1990-2000, Statistical Gazette of the Personnel Working for the General Government for the period 2000-2005.

8. Change in values

In societies facing economic or political crises, citizens' concerns are usually dominated by so-called 'survival' values. In order to obtain comparable data for various countries, a society's level of economic uncertainty in relation to the concern of inflation is usually measured, since, as we all know, inflation harms in particular the most vulnerable people. In the same way, citizens' concerns about order being maintained, whether these concerns relate to civil matters or to crime and organised crime, also clearly reflect the type of values that prevail in the society. However, in more advanced

societies, once the State is capable of guaranteeing collective and individual security and stabilising the economy, citizens tend to develop activities that give priority to so-called 'post-materialist' values that are closely related to aspects such as the enjoyment of freedom, participation in politics, tolerance towards diversity and international solidarity. In the last 20 years, Spaniards' concerns have gradually moved away from the area of physical and economic security and focused increasingly on postmaterialist values (participating in politics or protecting the freedom of expression).

Priority National Objective



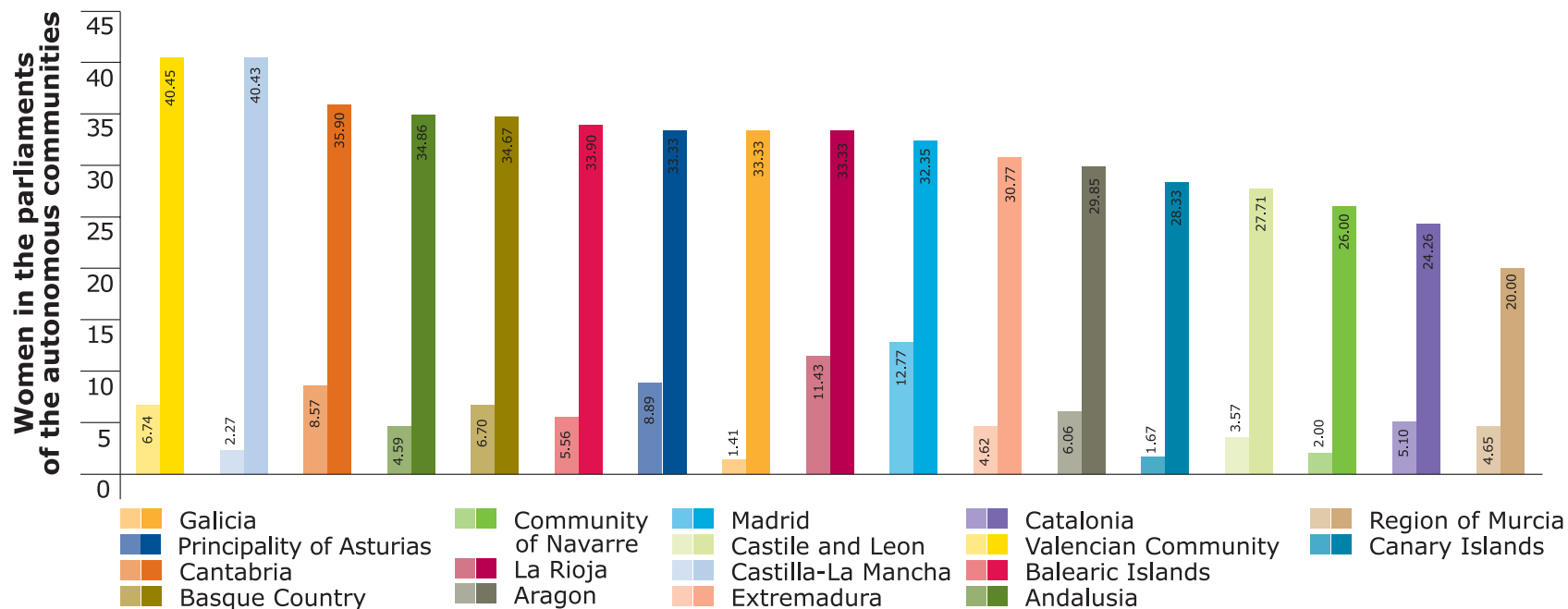
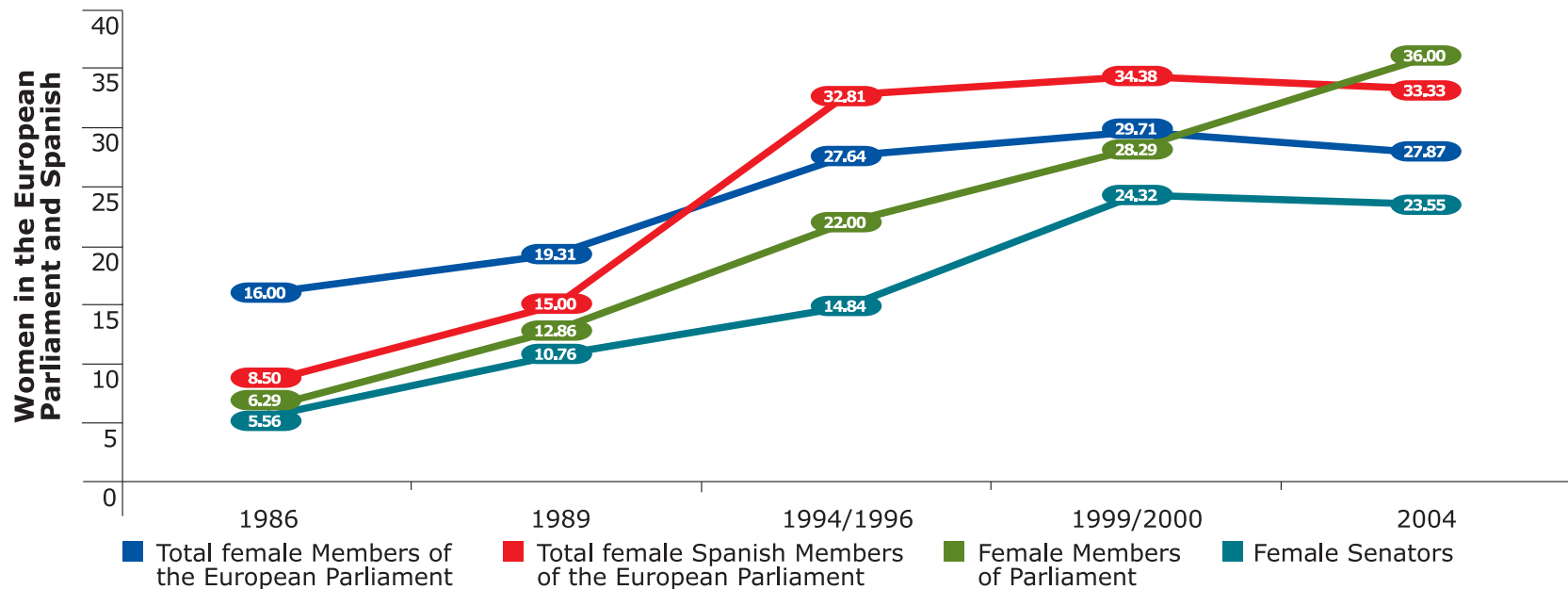
Source: Díez Nicolás, Juan. 'La Escala de Postmaterialismo como medida del cambio de valores en las sociedades contemporáneas.' 'España 2000, entre el localismo y la globalidad', Fundación Santa María.

9. Women's access to politics

Women's participation in, and access to, politics represent an excellent indicator of the extent to which a society is modernised. According to data from the Inter-Parliamentary Union (IPU), on average women account for only 16.4% of the members of national parliaments world-wide (2006 data). Naturally, the differences are striking, with this percentage reaching 40% in Scandinavia, but falling to just 8.3% in Arab states. Special attention has obviously been paid to improving women's representation in the democratic institutions in Spain. As a result, Spain is in an excellent position: women account for 36% of the members of the Congress of Deputies, which puts it in seventh place in the world, only just behind the

Scandinavian countries and ahead of states normally considered to be less traditional than Spain when it comes to gender, such as Germany and France. Comparatively speaking, this means that Spain has 5% more MEPs than the average in the European Parliament. Moreover, the progress made in terms of the improvement in women's representation in the parliaments of the autonomous communities has been even more dramatic, although there are still considerable differences between autonomous communities such as the Valencian Community and Castilla-La Mancha that are almost at the same level, and others that hover around the 25% mark, which means that only one in four members of parliament is female.

Presence of women in parliament

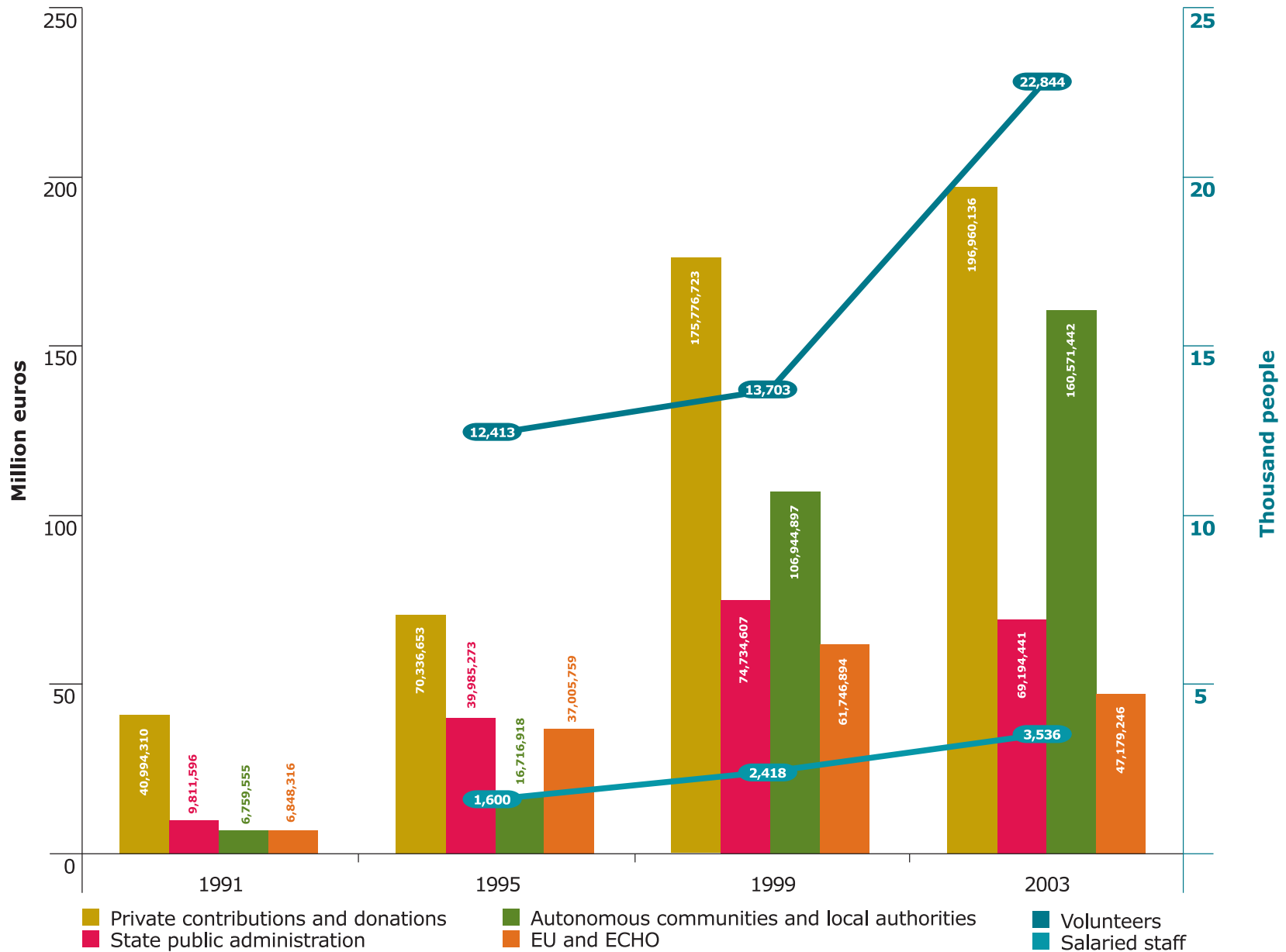


10. Solidarity

The change in values in Spanish society is particularly evident with regard to international solidarity. In the short period of time that has passed since 1991, private donations to non-governmental organisations for development (NGOD) have increased fivefold. There has also been notable growth in recent years in the phenomenon of voluntary service and a steady rise in the number of salaried staff employed by NGOs specialising in development issues. Moreover, there has been a very significant increase of late in the contributions from the public administrations, both at State level and at regional and local level, to the funding of development-related actions. Taking into

account the efforts of all the European countries and the Commission itself, the European Union is today the largest donor of development assistance in the world, having donated a total of EUR 35,000 million in 2004 (0.36% of the combined GDP of the EU 15), more than double what the United States donates (EUR 16,000 million, or 0.16% of its GDP).

Income of Spanish NGOs

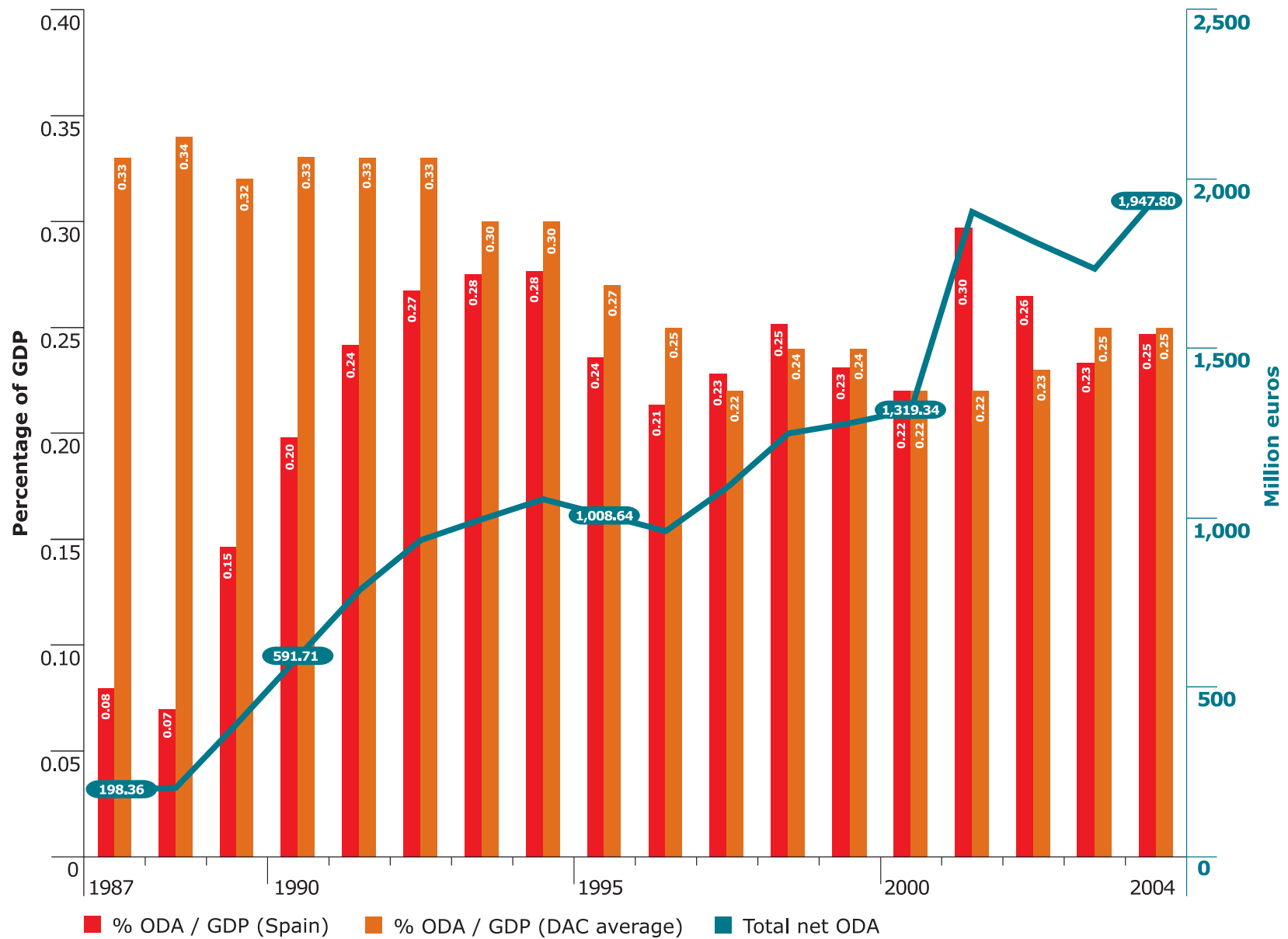


11. Development assistance

A significant aspect of the globalisation of Spain's values and policies in the last 20 years is clearly the importance given to development assistance policies. Thirty years ago Spain was a recipient of official development assistance (ODA). Today Spain is a donor country and its contributions have tripled in the last 20 years. Consequently, the percentage of GDP allocated to ODA increased to 0.25% in 2004 and 0.31% in 2005 (EUR 2,600 million), and according to the PACI (Annual Plan for International Cooperation), it is expected to reach 0.35% in 2006. As a result, Spain's development assis-

tance efforts are on a par with the average of the member countries of the OECD Development Assistance Committee (DAC). Its efforts are therefore far from complete: Spain is still some way from fulfilling the commitments made to achieve the United Nations Millennium Goals to eradicate poverty in all its forms. As the graph shows, this problem is not specific to Spain. It affects all the OECD members, which, between the time of the fall of the Berlin Wall (1989) and the Millennium Declaration (2000), reduced their relative average development assistance efforts considerably.

Official Development Assistance

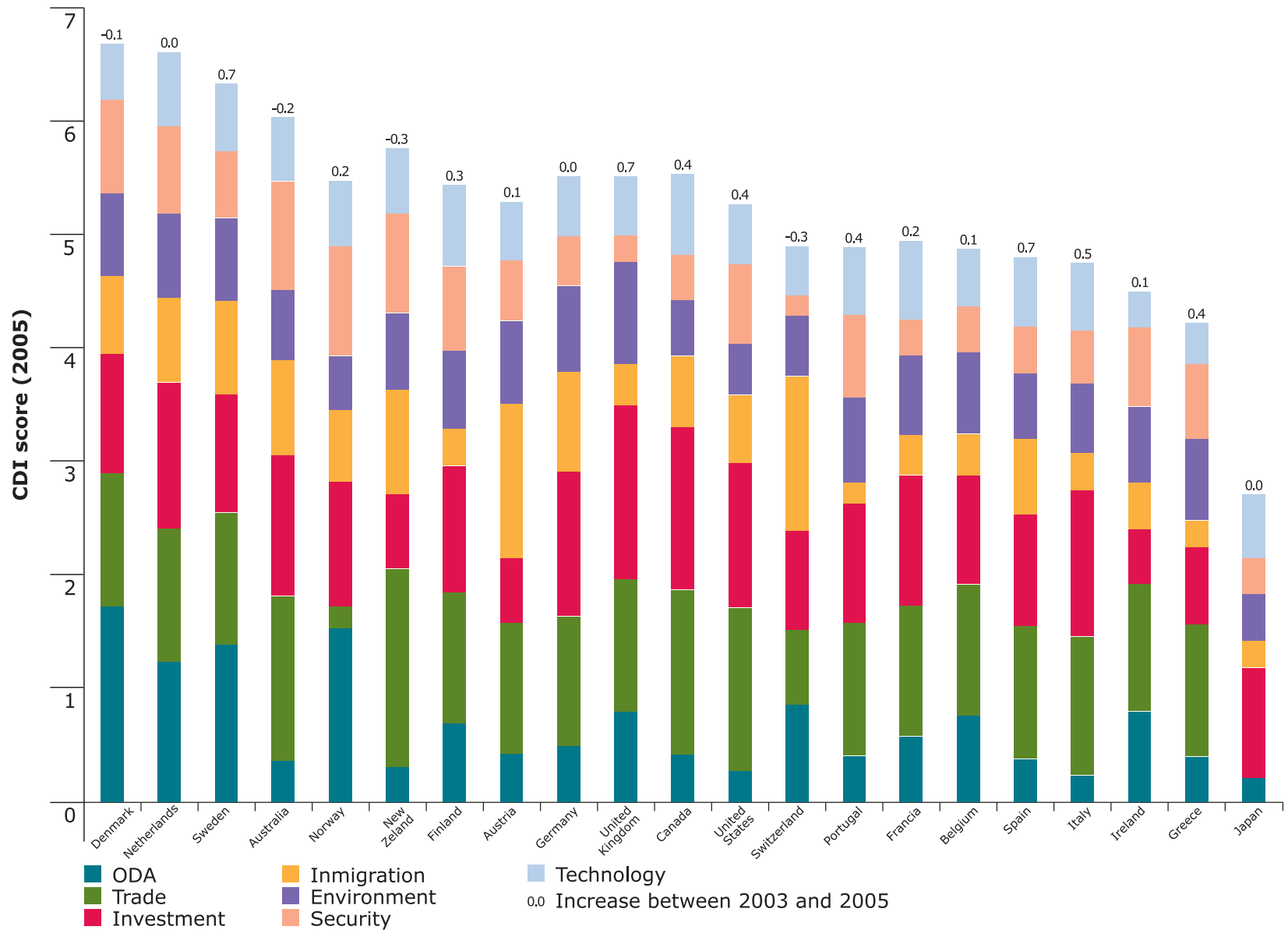


12. Commitment to development

Multilateral institutions constantly assess developing countries in terms of their economic policies, democratic development, social policies and much more. From the opposite perspective, in order to assess the commitment to development of the most advanced countries, the Centre for Global Development (CGD), an independent foundation based in the United States, has created the 'Commitment to Development Index', a hugely useful instrument that evaluates countries' development cooperation policies as a whole using various criteria: level of Official Development Assistance (ODA); market access for exports from developing countries; policies on foreign investment; immigration policies; environmental policies; foreign and security policies; and support for

the use and transfer of new technologies. Spain occupies 17th place among the donors in this Index. Nevertheless, the most important aspect is that Spain is one of the countries that has made most efforts in recent years (taking into account that the efforts made since 2004 have not yet been incorporated in the latest index). In addition, the CGD highlights various areas in which improvements are still necessary: the level of assistance remains low in relation to income and part of the assistance is still 'tied' through trade credits. However, the CGD highlights Spain's open markets, its policy of promoting foreign investment, its regularisation processes for illegal immigrants and its policies for the dissemination of information, knowledge and new technologies.

Commitment to Development Index broken down into sections

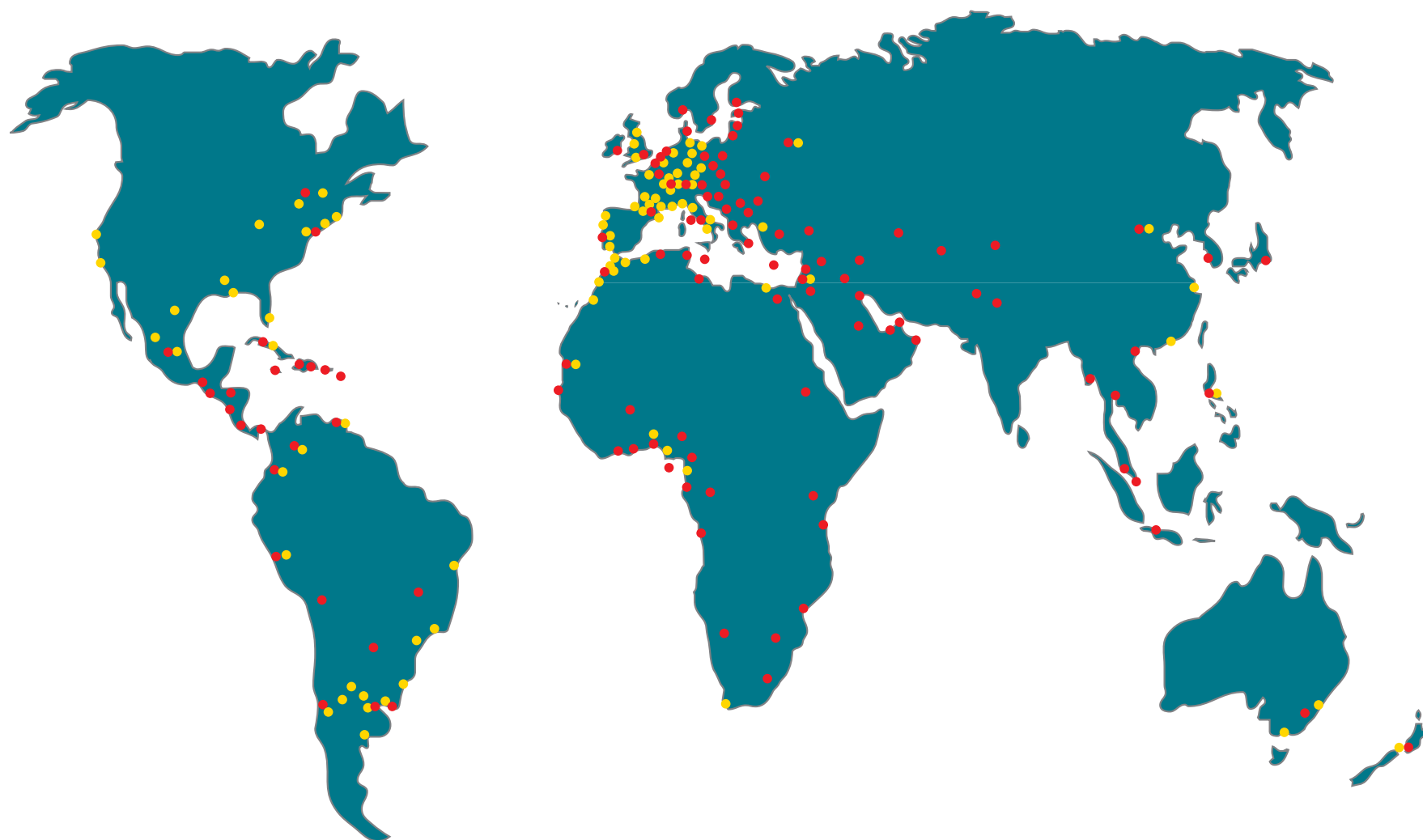


13. Deployment abroad

In the last 20 years, Spain has built up an important global presence. The number of embassies, consulates, trade offices and representations in multilateral bodies reflects a global vocation that contrasts notably with a recent past characterised by isolationism. Between 1985 and 1995 Spain opened 13 embassies and consulates, to which were added a further 18 between 1995 and 2005, the majority in the new EU Member States. Spain's deployment abroad now totals 115 embassies, 87 consulates general and 30 missions in international bodies. In addition, between 1985 and 2005 the total number of diplomats rose by almost 25%, from 674 in 1985 to 838 in 2005. Finally, all of the

other categories of Spanish representatives abroad, from trade advisers to civil servants in the various international bodies (UN, World Bank, IMF, NATO, etc.) have experienced a significant increase, and today there are 3,134 Spanish officials working in international bodies (three quarters of whom – 2,365 – work for the European Union). All in all, Spain has strived to broaden and consolidate its foreign deployment in order to adjust it to the level of a middle power with increasing international influence at both a political and an economic level.

Deployment abroad



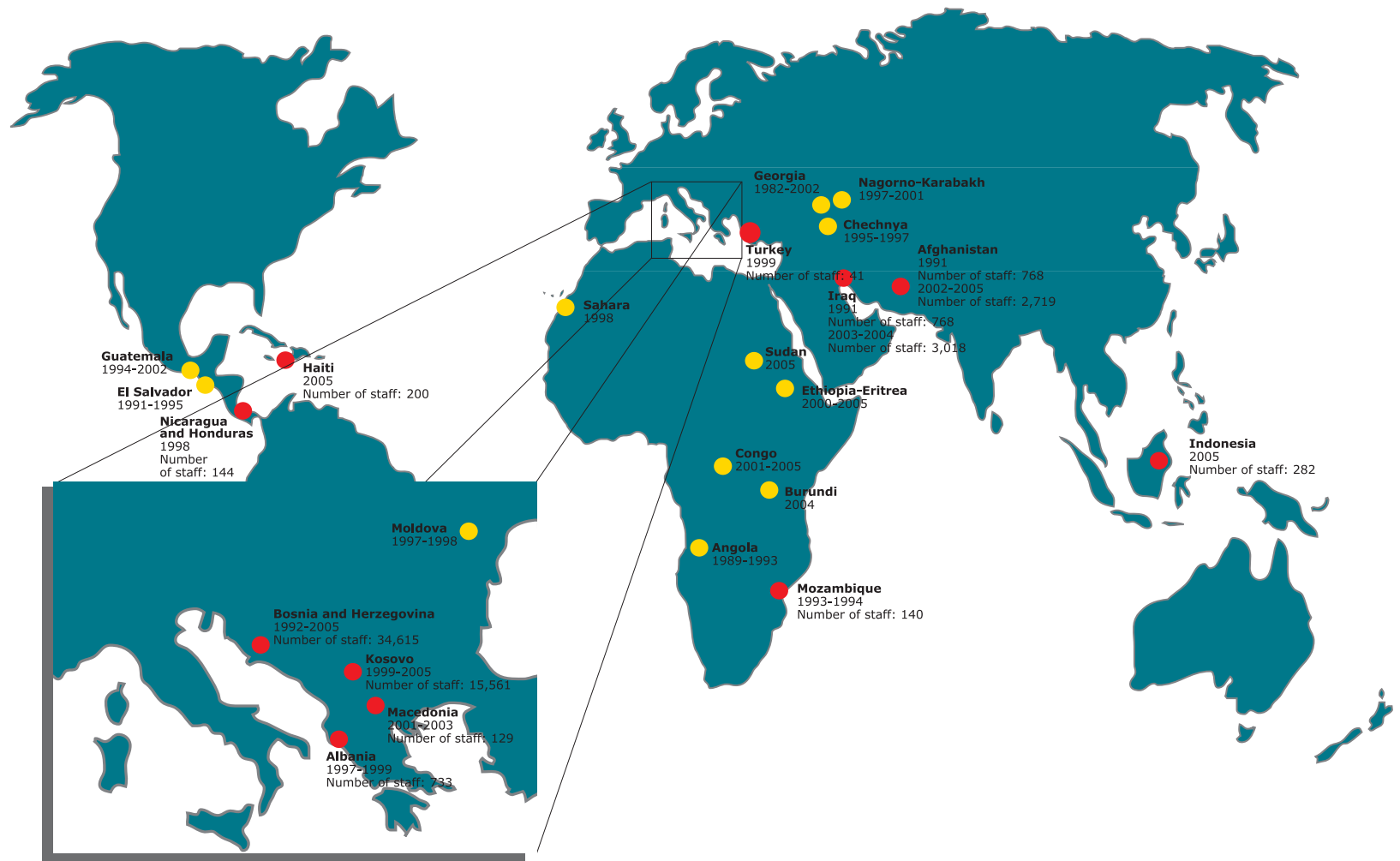
● Embassy ● Consulate general

Source: Compiled from data from the Ministry of Foreign Affairs.

14. International missions

The participation of Spain's armed forces in international missions testifies to the fact that the values related to peacekeeping, humanitarian aid, aid for reconstruction and, in short, the determination to build a safer and more democratic world have been central to Spain's foreign policy over the past 20 years. The complete Europeanisation of foreign policy has also implied the presence of Spanish troops in unprecedented situations in Africa and Asia, as well as the participation of Spanish troops in missions under the auspices of both the United Nations and NATO. Between 1991 and 2005, almost 60,000 Spanish soldiers were deployed across a total of 12 countries. In some cases, such as Bosnia and Herzegovina and Kosovo, Spain has been present on the ground without interruption for many years. In addition, between 1989 and 2005, 618 army representatives have acted as international observers in missions in almost 20 countries.

International missions



External missions: 59,048 staff in external missions

Observers in peace operations: 618

● External missions

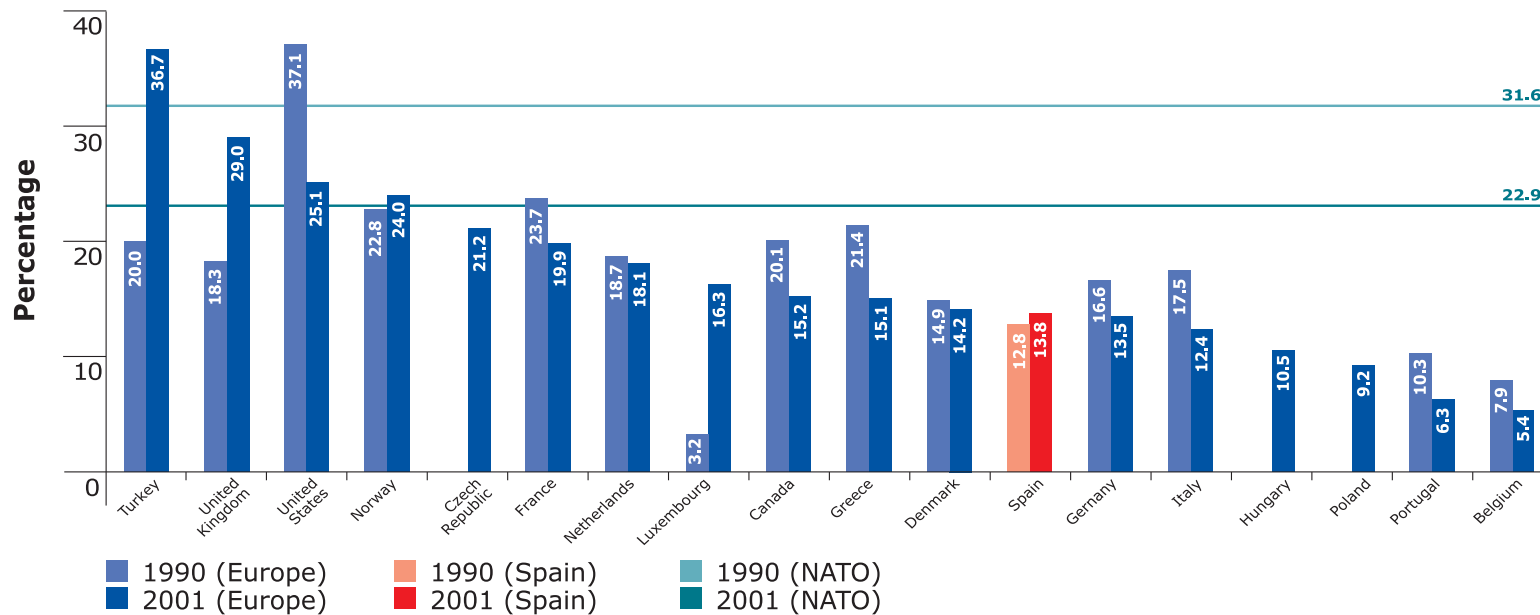
● Observers in peace operations

15. Modernisation of the armed forces

Spain's accession to the Atlantic Alliance marked the beginning of an important process of modernisation of its armed forces. Subsequently, the development of a common security and defence policy in the EU, which took its first steps at the end of the 1990s, established objectives in terms of the military capacities to be achieved within the Union, known as the Helsinki Goal 2010, involving Spain to a greater extent and helping to strengthen these modernisation efforts. This adaptation process has implied important changes in terms of organisation and doctrine, command and control systems, and equipment and training procedures, which now enable Spain's armed forces to operate in a combined unit under multinational mandate with the armed forces of other countries. One of the most relevant aspects has been the change from a territorial structure to a functional

structure in order to fulfil the established missions and objectives. Similarly, although total defence expenditure continues to be low in relation to other NATO countries (1.2% of GDP compared with the NATO average of 2.5%), the percentage of expenditure on equipment and materials has grown in order to respond to this new challenge. The result is that in the last 10 years Spain has gone from having a conscript army that was barely interoperable at international level to having a totally professional army that is integrated in the multinational structures.

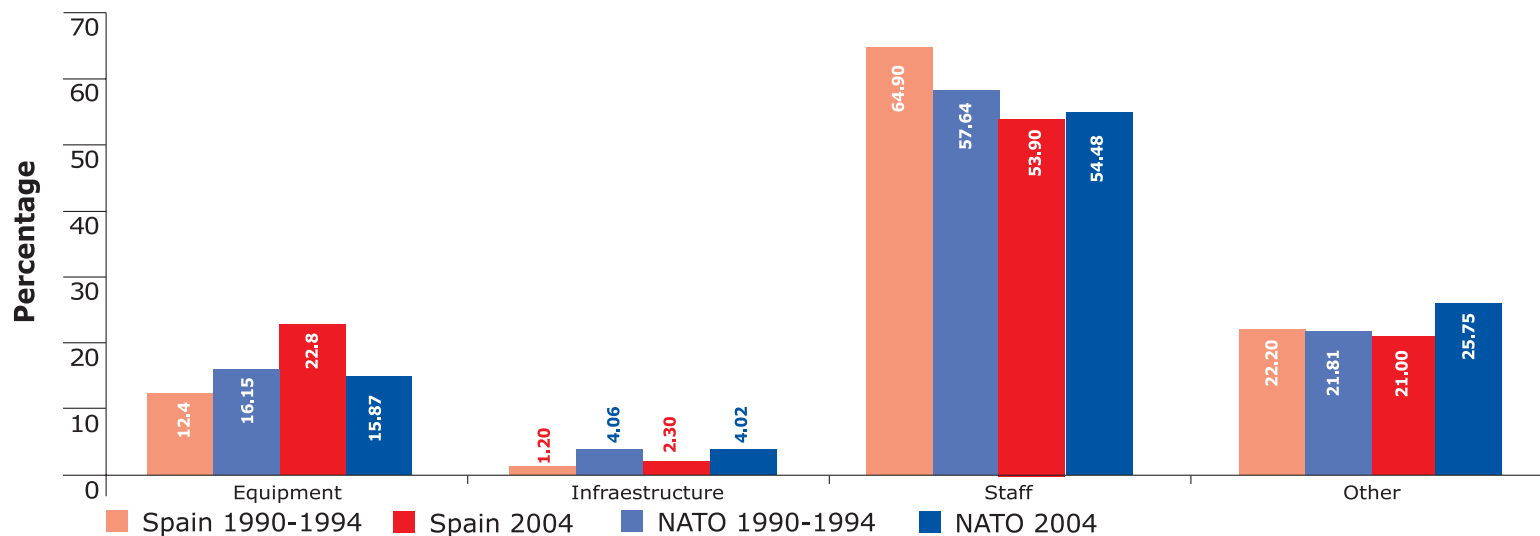
Defence expenditure used for modernisation



*The Czech Republic, Hungary and Poland did not join NATO until 1999

Source: United States Department of Defence, Allied Contributions to the Common Defence.

Distribution of defence expenditure



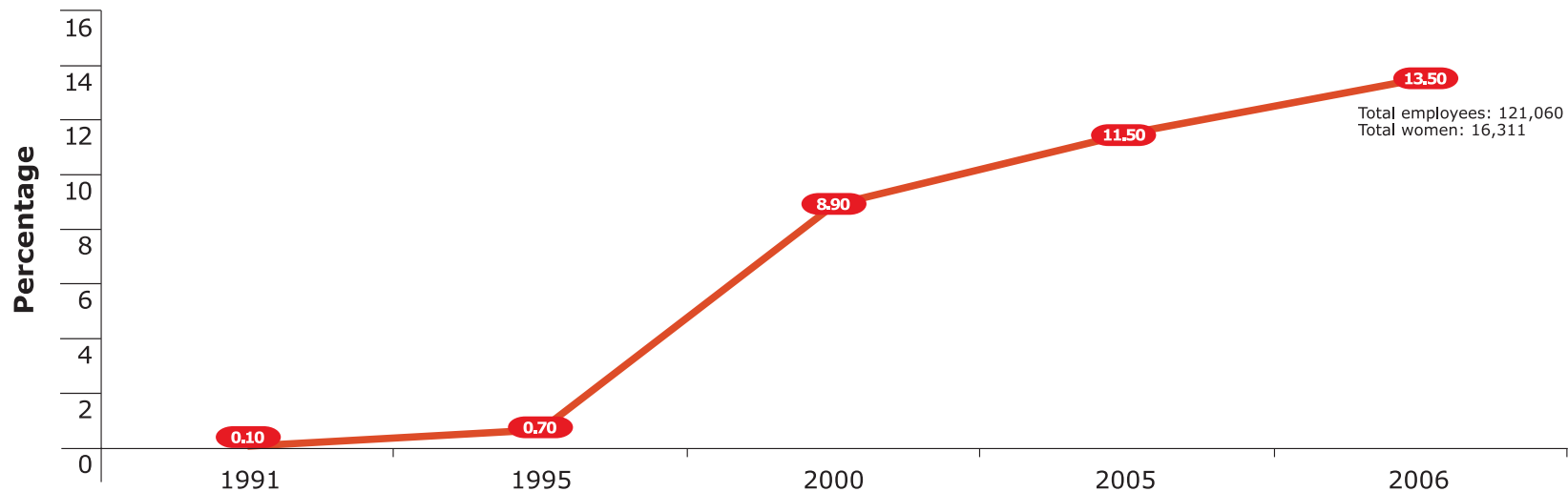
The NATO average was calculated on the basis of the available country data

Source: Compiled from NATO data.

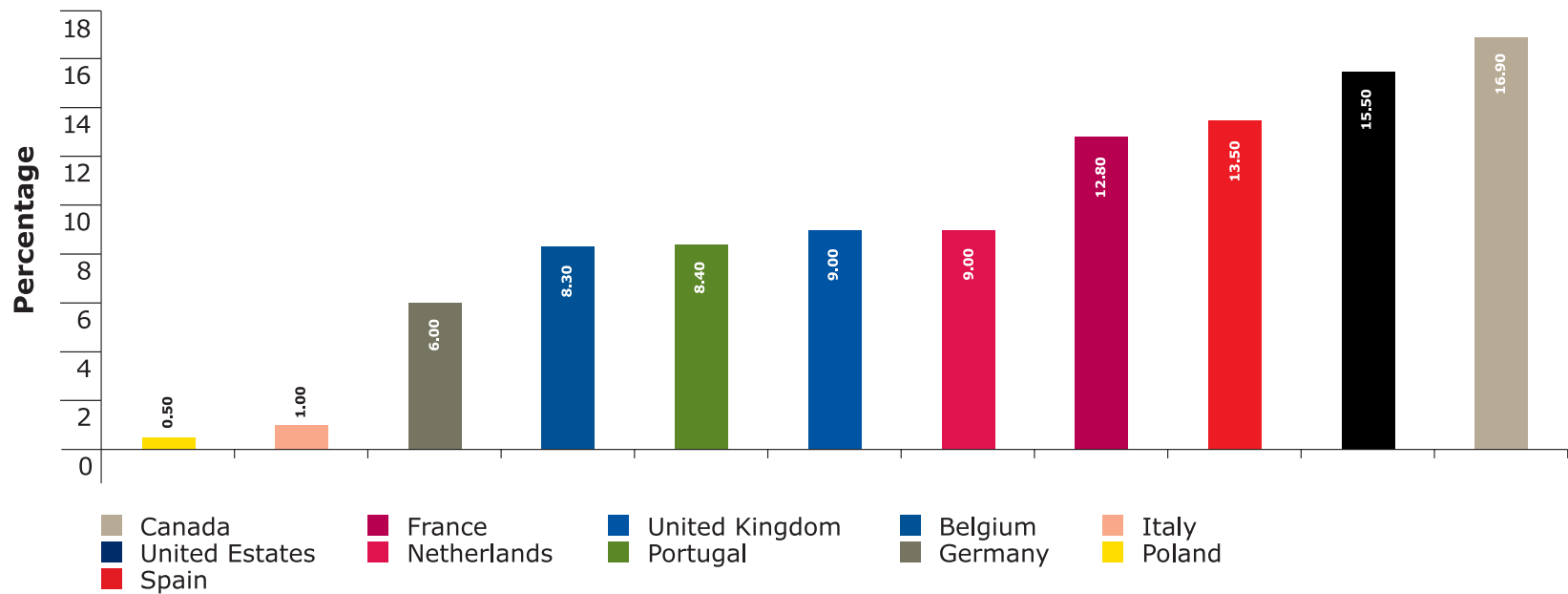
16. Mujeres en las Fuerzas Armadas

Spain is the European country with the largest proportion of women in its armed forces: 16,311 out of a total of 121,060 members, which is equivalent to 13.5%. Women's presence in the armed forces has increased dramatically in the last 15 years, from 0.1% in 1991 to 8.9% in 2000, and rose to 11.5% in 2005 and 13.5% today. Only Canada and the United States surpass Spain, with 16.9% and 15.5% respectively, while the European countries closest to Spain are France (12.8%), Holland (9%) and the United Kingdom (9%). Almost 70% of the women work in the army, 16% in the air force, 11% in the navy and the other 3% in the joint bodies. Looking at the categories, 977 are officers (5% of all officers), 200 are non-commissioned officers and 15,134 are members of the troops and seawomen. In short, the Spanish armed forces, in addition to becoming more professional and more modern, have succeeded in attracting and integrating a growing number of women, putting Spain in a very favourable international position.

Women in the Spanish armed forces



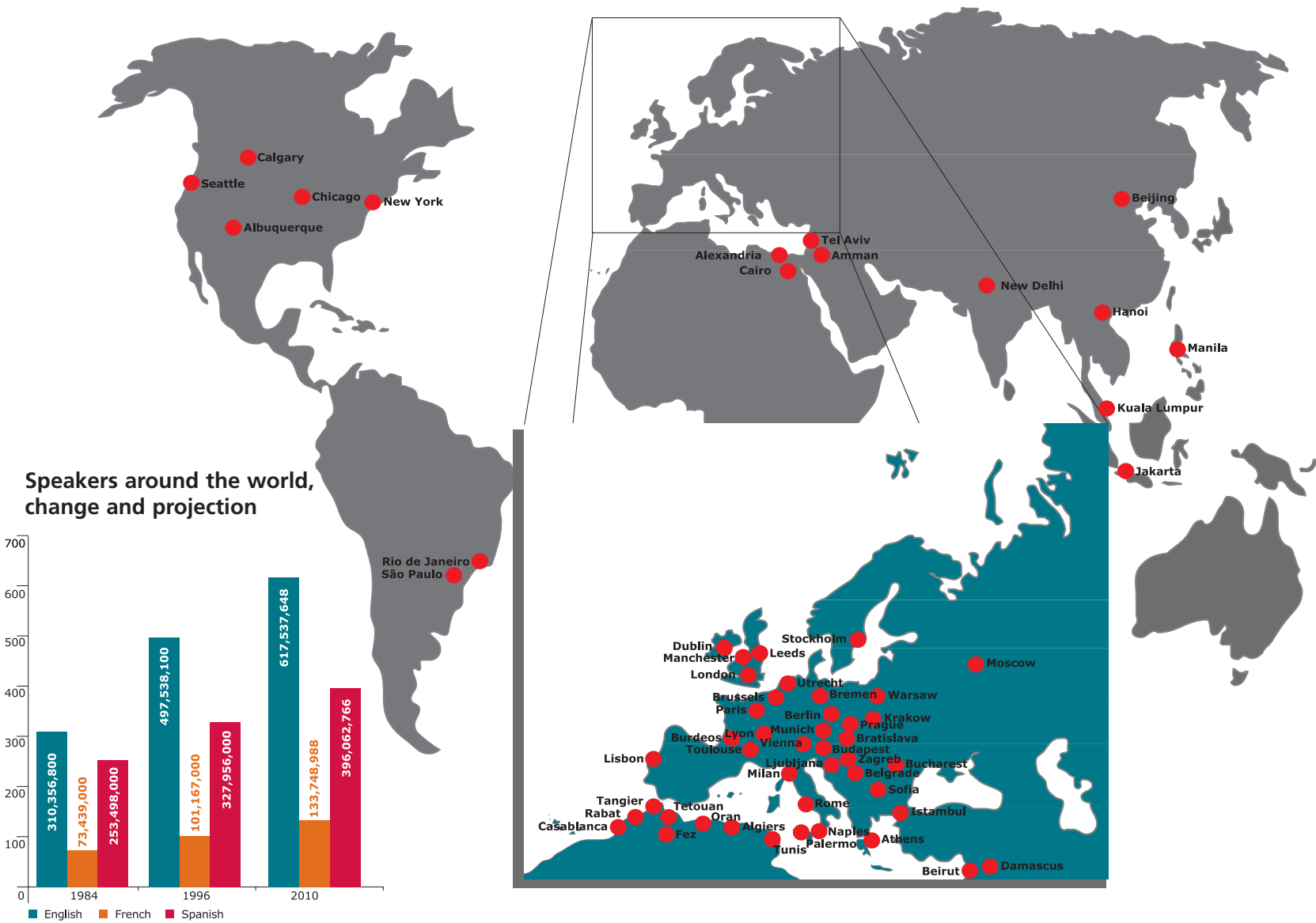
Comparison with other NATO countries in 2005



17. Spanish in the world

Spain's global presence and vocation is supported by the appeal of its language and its culture. Spanish is today a very important asset of what is known as 'soft power', which provides the states who benefit from it with legitimacy and more room for manoeuvre in international relations. In 2005, some 350 million people had Spanish as their mother tongue, forming the fourth largest group of native speakers after speakers of Mandarin Chinese, English and Hindi. In addition, it is predicted that the number of native Spanish speakers will rise to 400 million in 2010 and exceed 20 million in the United States. Spain is the official language in 20 countries (only English and French are official languages in more states), in addition to being one of the official languages of the United Nations, the European Union and the regional organisations in the Americas. In the countries where Spanish is an official language, the average percentage of people with Spanish as their native tongue is over 90%, much greater than the proportion for French or English, which total 35% and 28% respectively. The growing presence of Spanish as an international language would not have been possible without the support the various governments have provided to the Instituto Cervantes, which has opened 61 branches around the world since 1992.

Institutos Cervantes around the world



Source: Instituto Cervantes Yearbook

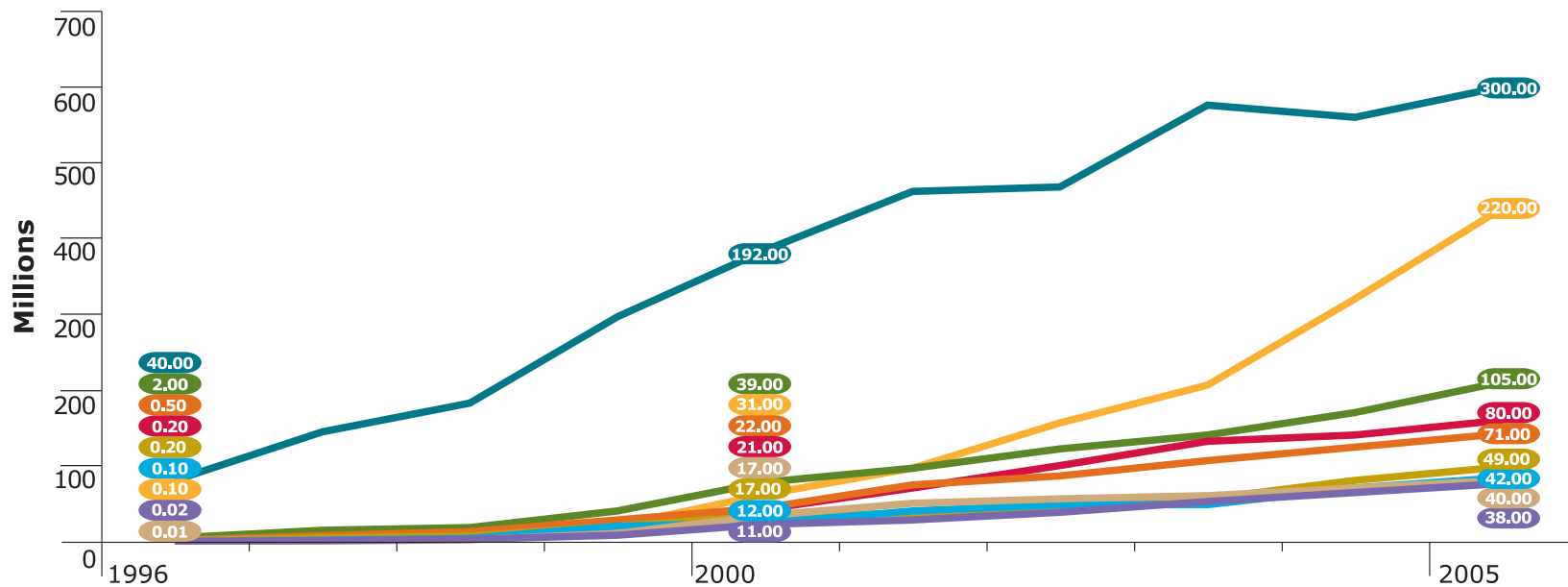
Source: Compiled from data from the Instituto Cervantes.

18. Spanish on the Internet

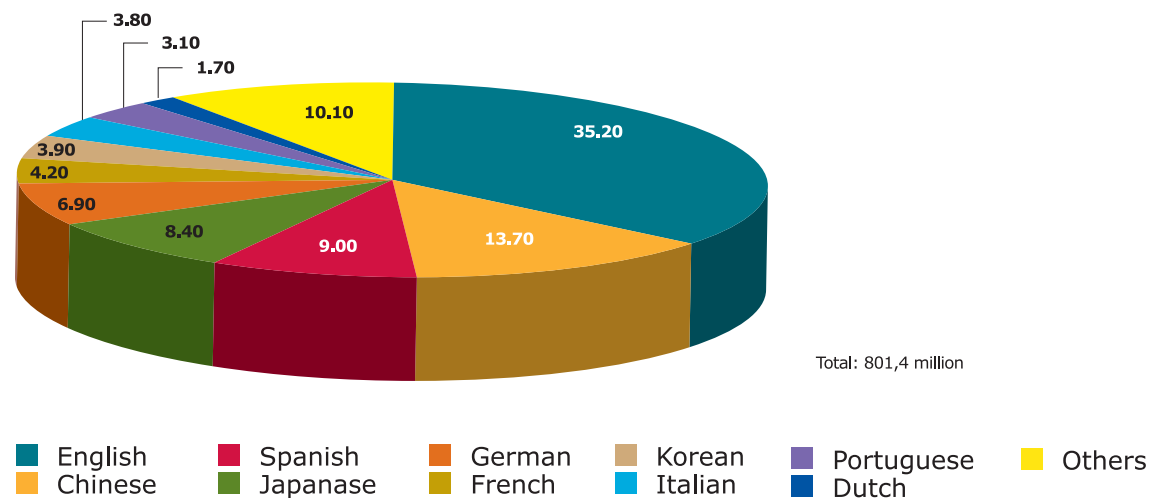
Although in the last decade the estimated number of English-speaking Internet users has grown from 40 million to more than 300 million, the proportion of Internet users who have English as their first language has fallen from 51.3% to 32% in the last five years, according to Global Reach data. Although there were scarcely 200,000 Spanish-speaking Internet users in 1996, this figure had risen to 80 million by 2005, representing one quarter of the linguistic community on the Internet, surpassing even German, French and Italian-speaking Internet users. Contrary to what is happening with

English, the proportion of users whose first language is Spanish has risen in the last five years, from 5.8% to 6%. Similarly, the proportion of material in English on the Internet is falling to the benefit of other languages, Spanish included. According to a recent FUNREDES study, this figure has fallen from 72% to 44%, while the proportion of pages in Spanish has doubled. It is important to note, however, that whereas in 1998 there more than 122 million web pages in English, there were less than 3 million in Spanish.

Internet users by language



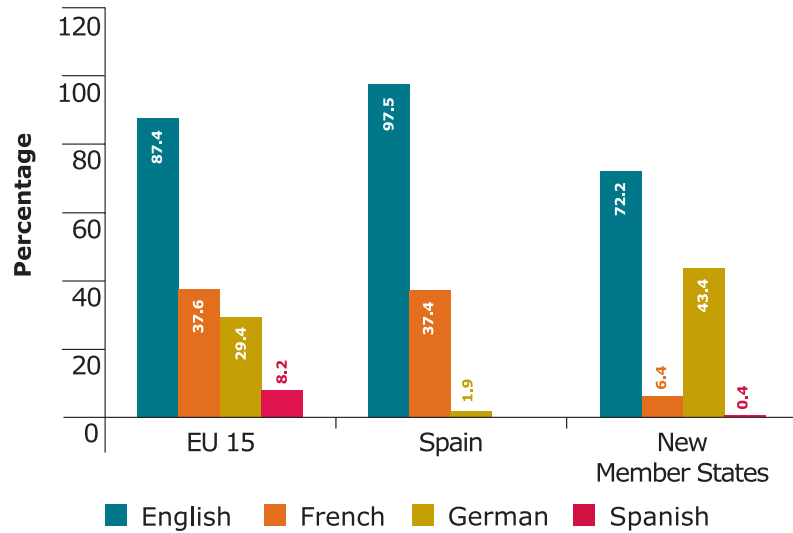
Population connected to the Internet by language (%)



19. Language teaching

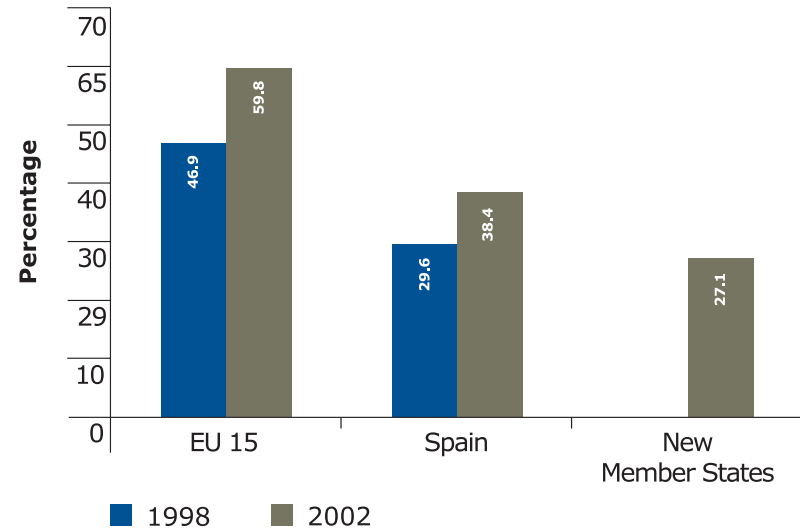
As Spain's process of opening up to the world has unfolded, significant efforts have been made by Spanish society to improve its command of languages. From a society in which the majority of the population scarcely spoke one foreign language or none at all, Spain has transformed into a society in which young people learn at least one language from nursery school and, in many cases at least two languages, particularly once they reach secondary school. Moreover, English has gradually been gaining on French, and has become the most popular foreign language in Spain. According to the Special Eurobarometer on languages in the European Union, 44% of the Spanish population could speak at least one foreign language in 2005, compared with the EU 25 average of 56%. Moreover, according to the same survey, 38% of Europeans speak English, while 8% speak Spanish, now the fourth most commonly spoken language after English, then French and German (14% each).

Second language in secondary school

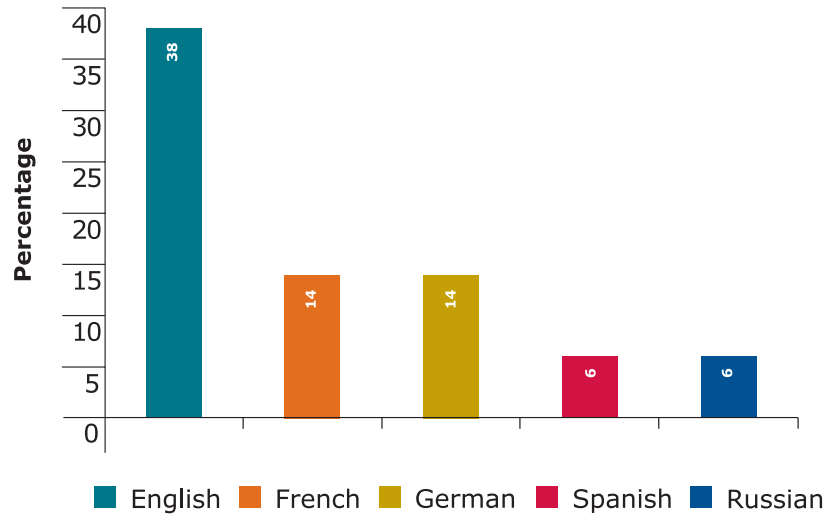


Source: Compiled from Eurostat data.

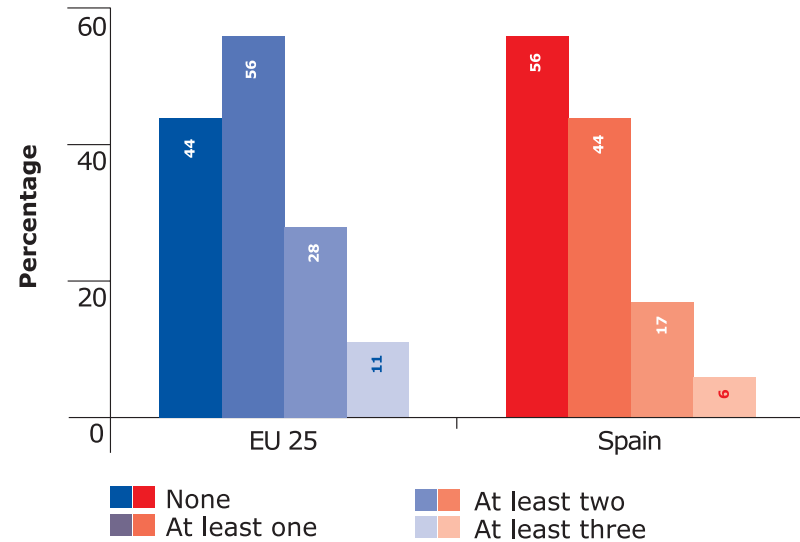
Students learning 2 or more foreign languages



Most commonly spoken foreign languages in the EU



Number of foreign languages spoken

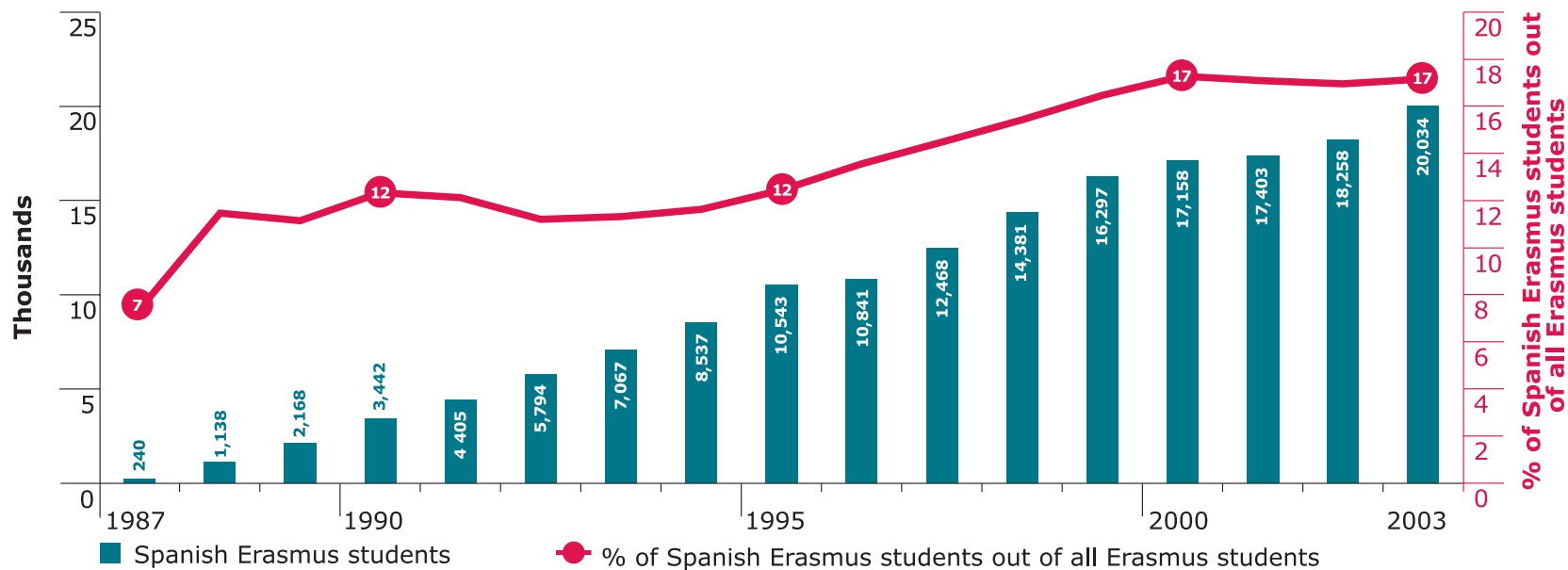


20. Erasmus

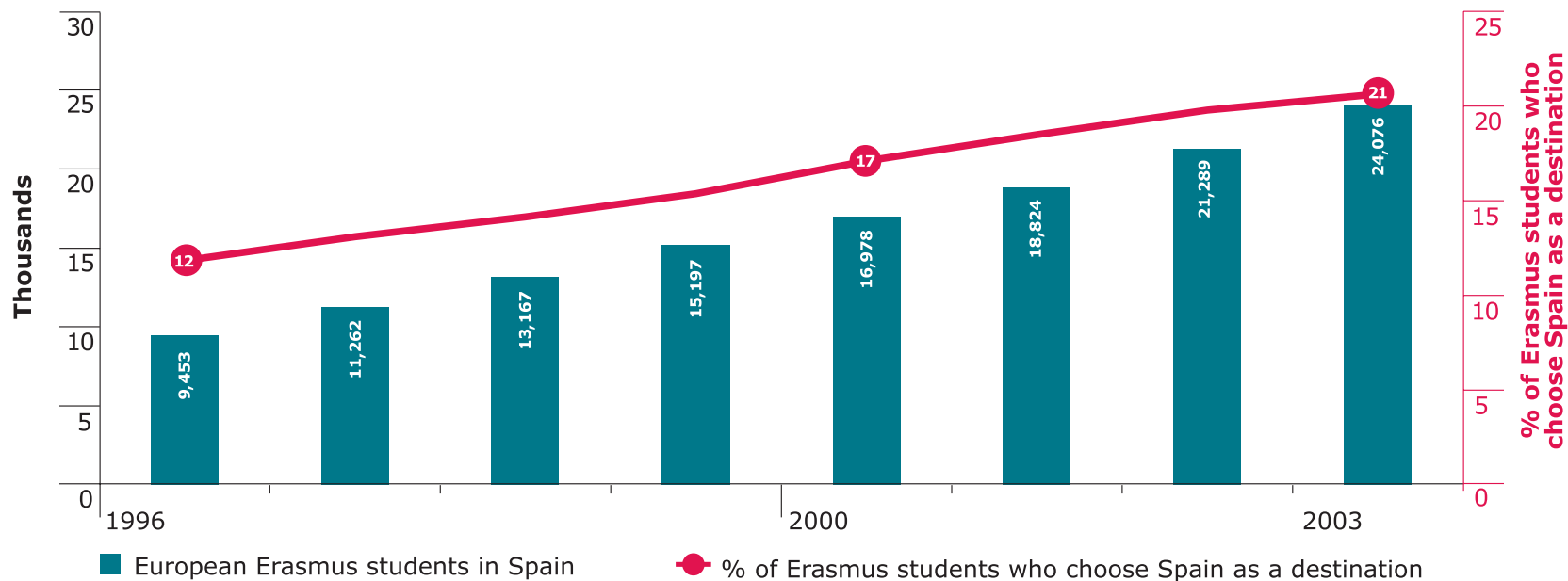
The efforts to improve language learning, as well as knowledge of the situation in other countries, and to improve university training are clearly reflected in the unparalleled success of the Erasmus programme. Specifically, more than 20,000 Spanish university students benefited from the Erasmus programme in 2003-2004 academic year. The success of the Erasmus programme among Spanish students is such that virtually one in five Erasmus students in Europe today comes from Spain. At the same time, thanks to its language, but also its culture and lifestyle, Spain has become a hugely attractive

destination for the Erasmus students from other EU Member States: the 25,000 European students in Spain account for more than 20% of all Erasmus students in Europe. The experience of living and studying in the European Union that these young university students are gaining will undoubtedly be crucial in terms of their future careers, but also in terms of their way of looking at the world, understanding Europe and identifying with it. That is, of course, the 'real solidarity' that would provide the foundations for the European integration referred to in the Schuman Declaration more than 50 years ago.

Spanish Erasmus students



Erasmus students in Spain



Annex

Economy Table 1.
Change in GDP and Spanish per capita GDP

	GDP at market prices (thousand million euros)		Spanish GDP/EU 15 GDP (%)	Spanish per capita GDP (2005 euros in PPP)
	Spain	EU 15		
1985	297.4	3,712	8.0	7,950
1986	316.5	3,933	8.0	8,434
1987	342.2	4,145	8.3	9,097
1988	375.4	4,512	8.3	9,959
1989	414.9	4,928	8.4	10,988
1990	450.6	5,311	8.5	11,900
1991	485.6	5,787	8.4	12,787
1992	504.9	6,032	8.4	13,263
1993	503.2	6,050	8.3	13,183
1994	525.6	6,344	8.3	13,739
1995	522.9	6,293	8.3	13,636
1996	552.0	6,614	8.3	14,353
1997	582.5	6,965	8.4	15,101
1998	620.6	7,300	8.5	16,077
1999	674.3	7,677	8.8	17,459
2000	723.2	8,206	8.8	18,543
2001	760.8	8,515	8.9	19,424
2002	812.0	8,815	9.2	20,510
2003	852.8	8,920	9.6	21,497
2004	894.4	9,316	9.6	22,260
2005	934.3	9,654	9.7	23,087

Source: Eurostat, Statistical Annex, spring 2005, Table 6,
Banco de Spain and author

Economy Table 2.
Spanish GDP at market prices
(thousand million euros)

	Spanish GDP at market prices (thousand million euros)
1985	297.4
1986	316.5
1987	342.2
1988	375.4
1989	414.9
1990	450.6
1991	485.6
1992	504.9
1993	503.2
1994	525.6
1995	522.9
1996	552
1997	582.5
1998	620.6
1999	674.3
2000	723.2
2001	760.8
2002	812
2003	852.8
2004	894.4
2005	934.3

Source: Eurostat, Statistical Annex,
spring 2005, Table 6, Banco de Spain
and author

Economy Table 3.
Real per capita income
convergence. GDP at
current prices in PPP.
EU-25=100

	EU 25	Spain
1990	100	87.4
1991	100	89.0
1992	100	89.1
1993	100	88.5
1994	100	88.1
1995	100	88.1
1996	100	88.3
1997	100	88.3
1998	100	89.9
1999	100	93.1
2000	100	92.7
2001	100	93.7
2002	100	95.7
2003	100	99.3
2004	100	98.6
2005	100	99.2

Source: Eurostat

Economy Table 4.
Real capita income convergence
per GDP at current prices in PPP.
EU 15=100

	Spain	EU 15	EU 25
1985	71.6	100	ND
1986	71.9	100	ND
1987	73.7	100	ND
1988	74.3	100	ND
1989	75.4	100	ND
1990	76.3	100	ND
1991	77.2	100	ND
1992	79.1	100	ND
1993	78.8	100	89.9
1994	78.6	100	90
1995	78.9	100	90.3
1996	79.3	100	90.5
1997	79.5	100	90.7
1998	80.8	100	90.8
1999	83.4	100	90.9
2000	83.3	100	91.1
2001	84.1	100	91.2
2002	86.4	100	91.4
2003	89.5	100	91.6
2004	89.7	100	91.9
2005	90.1	100	92.1

Source: Eurostat

Economy Table 5
Interest rates (%)

	Short-term interest rates (3-month interbank rate)		Long-term interest rates (10-year bond yield)	
	Spain	EU 15	Spain	EU 15
1985	12.2	10.6	13.4	11
1986	11.7	9.1	11.4	9.2
1987	15.8	8.8	12.8	9.4
1988	11.6	8.5	11.8	9.3
1989	15	10.8	13.7	9.8
1990	15.2	11.7	14.7	11.1
1991	13.2	11	12.4	10.2
1992	13.3	11.3	11.7	9.6
1993	11.7	8.6	10.2	8.3
1994	8	6.7	10	8.4
1995	9.4	7	11.3	8.8
1996	7.5	5.4	8.7	7.5
1997	5.4	4.9	6.4	6.3
1998	4.3	4.7	4.8	4.9
1999	3	3.5	4.7	4.7
2000	4.4	4.7	5.5	5.4
2001	4.3	4.4	5.1	5
2002	3.3	3.5	5	4.9
2003	2.3	2.6	4.1	4.2
2004	2.1	2.5	4.1	4.3

Source: Eurostat, Statistical Annex, spring 2005, Tables 49 and 50

Economy Table 6.
Number of tourists, millions

	Galicia	Asturias	Cantabria	Basque Country	Navarre	La Rioja	Aragon	Madrid	Castile and Leon	Castilla-La Mancha	Extremadura	Catalonia	Valencian Community	Balearic Islands	Andalusia	Region of Murcia	Ceuta	Melilla	Canary Islands	Spain
1990	1.496	0.579	0.527	0.855	0.321	0.200	1.194	3.976	2.287	1.110	0.749	5.229	2.621	3.680	5.664	0.417	nd	nd	2.252	33.237
1995	1.575	0.464	0.539	0.938	0.327	0.242	1.152	4.289	2.142	1.059	0.645	6.027	2.757	4.913	6.809	0.440	0.054	0.035	3.023	37.429
2000	2.528	1.051	0.896	1.480	0.566	0.406	1.764	5.781	3.579	1.847	1.100	10.163	4.499	6.688	11.168	0.767	0.067	0.032	4.901	59.283
2004	3.676	1.181	0.942	1.734	0.628	0.438	1.918	6.479	4.017	1.899	1.030	11.559	5.866	6.869	12.535	0.926	0.068	0.040	5.028	66.831

Source: Eurostat, online database.

Economy Table 7
Financial relations between Spain and the EU

million euros (current prices)	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Total
contributions	666.52	825.19	1,340.26	1,726.71	2,251.99	3,280.32	3,893.36	4,451.10	4,828.53	3,702.23	4,441.48	5,409.11	5,234.82	5,028.67	6,650.06	6,776.93	8,193.28	8,496.65	9,275	10,130.21	96,602.56
receipts	616.04	1,043.36	2,298.27	2,813.94	2,970.80	5,618.23	5,861.67	6,787.83	6,913.44	10,535.74	9,928.72	10,403.52	11,136.75	10,489.46	10,961.19	12,287.20	15,320.16	16,858.81	16,179.46	15,759.58	174,784.17
balance	-50.49	218.17	958.01	1,087.23	718.81	2,337.94	1,968.31	2,336.74	2,084.91	6,833.51	5,487.24	4,994.41	5,901.94	5,460.80	4,331.13	5,510.27	7,126.88	8,362.16	6,904.32	5,629.37	78,201.66
million euros (1999 prices)	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Total
contributions	1,234.54	1,452.56	2,232.26	2,685.86	3,257.72	4,426.81	4,910.73	5,398.53	5,647.97	4,130.54	4,786.73	5,697.48	5,384.52	5,028.67	6,430.12	6,304.73	7,364.63	7,429.30	7,889.10	8,381.70	100,074.51
receipts	1141.04	1,836.59	3,827.86	4,377.03	4,297.55	7,581.83	7,393.37	8,232.65	8,086.70	11,754.62	10,700.52	10,958.16	11,455.24	10,489.46	10,598.67	11,431.06	13,770.71	14,741.00	13,761.66	13,039.43	179,475.14
balance	-93.50	384.04	1,595.61	1,691.17	1,039.83	3,155.02	2,482.65	2,834.11	2,438.73	7,624.08	5,913.78	5,260.67	6,070.71	5,460.79	4,168.55	5,126.33	6,406.08	7,311.70	5,872.57	4,657.72	79,400.64
million euros (1995 prices)	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Total
contributions	1,106.53	1,301.94	2,000.79	2,407.36	2,919.91	3,967.77	4,401.52	4,838.74	5,062.31	3,702.23	4,290.38	5,106.69	4,826.18	4,507.23	5,763.36	5,650.97	6,600.97	6,658.93	7,071.05	7,512.57	89,697.42
receipts	1,022.72	1,646.15	3,430.94	3,923.16	3,851.92	6,795.64	6,626.73	7,378.97	7,248.16	10,535.74	9,590.94	9,821.87	10,267.40	9,401.77	9,499.65	10,245.73	12,342.78	13,212.45	12,334.67	11,687.32	160,864.71
balance	-83.80	344.22	1,430.15	1,515.80	932.00	2,827.86	2,225.21	2,540.23	2,185.85	6,833.51	5,300.56	4,715.18	5,441.22	4,894.54	3,736.30	4,594.76	5,741.81	6,553.53	5,263.62	4,174.75	71,167.29
million euros (2004 prices)	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Total
contributions	1,451.44	1,707.76	2,624.45	3,157.75	3,830.07	5,204.55	5,773.49	6,347.01	6,640.26	4,856.24	5,627.72	6,698.48	6,330.53	5,912.16	7,559.83	7,412.41	8,658.53	8,734.56	9,275.14	9,854.29	117,656.66
receipts	1,341.51	2,159.27	4,500.38	5,146.03	5,052.58	8,913.88	8,692.32	9,679.04	9,507.46	13,819.80	12,580.50	12,883.40	13,467.81	12,332.36	12,460.76	13,439.39	16,190.10	17,330.86	16,179.46	15,330.33	211,007.25
balance	-109.93	451.51	1,875.94	1,988.29	1,222.52	3,709.33	2,918.82	3,332.04	2,867.20	8,963.56	6,952.78	6,184.93	7,137.28	6,420.20	4,900.92	6,026.98	7,531.57	8,596.30	6,904.32	5,476.04	93,350.59

Source: S. Sosvilla (FEDEA) for the Elcano Royal Institute

Economy Table 8.
Annual unemployment rate
(Eurostat definition)

	EU 15	Spain
1985	17.7	9.4
1986	17.3	9.3
1987	16.8	9.2
1988	15.9	8.6
1989	13.9	7.8
1990	13.1	7.3
1991	13.2	7.6
1992	14.9	8.4
1993	18.6	10
1994	19.8	10.4
1995	18.8	10
1996	18.1	10.1
1997	17	9.8
1998	15.2	9.3
1999	12.8	8.5
2000	11.3	7.6
2001	10.6	7.2
2002	11.3	7.6
2003	11.3	7.9
2004	10.6	8
2005	10.3	8

Source: Eurostat, Statistical Annex,
Spring 2005, Table 3

Economy Table 9
Exports as a % of GDP

	EU 15	Spain
1985	21.6	31
1986	18.8	27.9
1987	18.4	27.2
1988	17.9	27.1
1989	17.2	28.2
1990	16.3	28
1991	16.3	26.1
1992	16.8	25.8
1993	18.3	26.4
1994	21	27.8
1995	22.6	29.5
1996	23.9	30
1997	26.7	31.9
1998	27.2	32.2
1999	27.5	32.3
2000	30.1	35.9
2001	29.9	35.9
2002	28.7	35.1
2003	27.8	34.3
2004	27	35
2005	26.9	36.2

Source: Eurostat, Statistical Annex,
Spring 2005, Table 36

Economy Table 10.
Annual inflation rate (%)
Final private consumption deflator

	Spain	EU 15	Difference between Spain and EU 15
1985	8.1	5.6	2.5
1986	9.3	3.5	5.8
1987	5.5	3.4	2.1
1988	4.8	3.7	1.1
1989	6.7	4.9	1.8
1990	6.6	5.1	1.5
1991	6.4	5.6	0.8
1992	6.6	4.5	2.1
1993	5.3	4.1	1.2
1994	4.9	3.1	1.8
1995	4.8	3	1.8
1996	3.5	2.6	0.9
1997	2.6	2.1	0.5
1998	2.2	1.6	0.6
1999	2.4	1.3	1.1
2000	3.1	2	1.1
2001	3.3	2.3	1
2002	3.4	2.1	1.3
2003	3.1	2	1.1
2004	3	1.8	1.2
2005	2.9	1.9	1

Source: Eurostat, online database

Society Table 1.
Change in total
Spanish population

1986	38,473,418
1987	38,725,115
1988	39,218,820
1989	39,541,782
1990	39,887,140
1991	38,872,268
1992	39,137,979
1993	39,790,955
1994	40,229,598
1995	40,460,055
1996	39,669,394
1998	39,852,651
1999	40,202,160
2000	40,499,791
2001	41,116,842
2002	41,837,894
2003	42,717,064
2004	43,197,684
2005	44,108,530

Source: Compiled from INE data

Society Table 2.
Population by autonomous community

	1986	1996	2005	1986-2005 variation	Percentage variation
Nacional	38,473,418	39,669,394	44,108,530	5,635,112	15%
Andalusia	6,789,772	7,234,873	7,849,799	1,060,027	16%
Aragon	1,184,295	1,187,546	1,269,027	84,732	7%
Asturias	1,112,186	1,087,885	1,076,635	-35,551	-3%
Balearic Islands	680,933	760,379	983,131	302,198	44%
Canary Islands	1,466,391	1,606,534	1,968,280	501,889	34%
Cantabria	522,664	527,437	562,309	39,645	8%
Castilla-La Mancha	1,675,715	1,712,529	1,894,667	218,952	13%
Castile and Leon	2,582,327	2,508,496	2,510,849	-71,478	-3%
Catalonia	5,978,638	6,090,040	6,995,206	1,016,568	17%
Ceuta	65,151	68,796	75,276	10,125	16%
Valencian Community	3,732,682	4,009,329	4,692,449	959,767	26%
Extremadura	1,086,420	1,070,244	1,083,879	-2,541	-0.2%
Galicia	2,844,472	2,742,622	2,762,198	-82,274	-3%
La Rioja	260,024	264,941	301,084	41,060	16%
Madrid	4,780,572	5,022,289	5,964,143	1,183,571	25%
Melilla	52,388	59,576	65,488	13,100	25%
Murcia	1,006,788	1,097,249	1,335,792	329,004	33%
Navarre	515,900	520,574	593,472	77,572	15%
Basque Country	2,136,100	2,098,055	2,124,846	-11,254	-1%

Source: Compiled from INE data

Society Table 3.
Population by age group (Population structure)

Age	1986		2005	
	Male	Female	Male	Female
0-4	1,261,733	1,179,593	1,079,294	1,015,288
5-9	1,579,186	1,496,463	1,033,173	979,914
10-14	1,700,362	1,611,532	1,108,850	1,048,634
15-19	1,676,976	1,599,195	1,218,199	1,153,224
20-24	1,614,517	1,563,526	1,553,976	1,477,657
25-29	1,448,524	1,430,035	1,986,840	1,855,524
30-34	1,271,397	1,258,180	1,993,837	1,857,000
35-39	1,223,963	1,222,657	1,885,715	1,796,659
40-44	1,108,079	1,111,489	1,742,996	1,700,087
45-49	996,329	1,023,287	1,528,427	1,518,132
50-54	1,131,326	1,176,693	1,295,100	1,306,711
55-59	1,057,365	1,127,444	1,221,934	1,269,367
60-64	914,015	1,019,121	1,041,541	1,108,184
65-69	661,739	838,674	876,918	997,319
70-74	530,194	740,894	894,842	1,084,893
75-79	384,233	590,165	663,303	911,773
80-84	213,583	379,145	411,735	675,731
85 and over	107,868	235,160	244,189	571,564

Source: Compiled from INE data

Society Table 4.
Change in immigration in the last decade

	Registered	Residents	Residents (general scheme)	Residents (Community scheme)
1996	542,314	538,984	219,657	319,327
1997	600,000	609,813	277,255	332,558
1998	637,085	719,647	338,720	380,927
1999	748,954	801,329	382,955	418,374
2000	923,879	895,720	475,846	419,874
2001	1,370,657	1,109,060	659,179	449,881
2002	1,977,946	1,324,001	826,956	497,045
2003	2,664,168	1,647,011	1,074,895	572,116
2004	3,034,326	1,977,291	1,305,041	672,250
2005	3,730,610	2,738,932	1,958,091	780,841

Source: Compiled from INE data (Municipal Register) and Ministry of Employment and Social Affairs (Immigration Statistical Yearbook)

Society Table 5.
Immigration by autonomous community (2005)

	Residents (general scheme)	Residents (Community scheme)	Registered
Catalonia	484,864	118,772	798,904
Community of Madrid	439,847	117,105	780,752
Valencian Community	209,521	131,007	581,985
Andalusia	195,558	131,273	420,207
Canary Islands	77,483	83,987	222,260
Murcia	114,428	21,675	165,016
Balearic Islands	63,480	54,125	156,270
Castilla-La Mancha	74,194	9,565	115,223
Aragon	66,879	14,149	96,848
Castile and Leon	59,668	19,526	91,318
Basque Country	39,114	18,281	72,894
Galicia	27,077	28,014	69,363
Navarre	32,300	5,568	49,882
La Rioja	21,471	3,626	31,075
Asturias	13,033	8,692	26,797
Extremadura	17,754	6,437	25,341
Cantabria	12,785	4,893	20,547
Ceuta and Melilla	3,210	3,986	5,928

Source: Compiled from INE data (Municipal Register) and Ministry of Employment and Social Affairs (Immigration Statistical Yearbook)

Society Table 6
Activity rate (%)

	Spain Total	EU Total	Spain male	EU male	Spain female	EU female
1992	58.1	67.3	76.9	79.0	39.9	55.6
1993	58.4	67.1	76.4	78.5	41	55.9
1994	58.9	67.2	75.7	78.2	42.4	56.3
1995	59.0	67.2	75.0	77.8	43.3	56.6
1996	61.6	67.7	76.2	77.9	47.1	57.4
1997	62.4	67.9	76.7	78.0	48.2	57.9
1998	63.0	68.3	77.3	78.1	48.9	58.6
1999	63.9	68.9	77.9	78.3	50.0	59.5
2000	65.4	69.2	78.8	78.3	52.0	60.0
2001	64.7	69.2	78.4	78.3	50.9	60.2
2002	66.2	69.7	79.1	78.4	53.1	61.0
2003	67.6	70.1	80.0	78.6	55.1	61.6
2004	68.7	70.6	80.4	78.6	56.8	62.6

Source: Compiled from Eurostat data

Society Table 7.
Standardised index
of accidents in
the workplace

	EU 15	Spain
1994	3.9	7
1995	3.7	7
1996	3.6	5.9
1997	3.4	6.3
1998	3.2	5.5
1999	2.9	5
2000	2.8	4.7
2001	2.7	4.4
2002	2.5	4.3
2003	2.5	3.7

Source: Eurostat

Society Table 8.
Basic indicators of social protection indicators (euros)

	Total benefits per inhabitant	Health care benefits per inhabitant	Old-age pension per person >64	Unemployment benefit per person unemployed
1991	1,794.43	425.37	4,766.88	5,910.05
1992	2,034.78	485.64	5,217.00	6,924.73
1993	2,240.88	514.89	5,553.37	7,518.25
1994	2,269.07	527.06	5,755.87	6,436.38
1995	2,378.91	554.64	6,153.62	6,290.46
1996	2,516.41	592.30	6,483.92	6,338.56
1997	2,586.88	613.57	6,667.89	6,689.62
1998	2,676.26	643.33	6,897.93	7,437.74
1999	2,796.83	691.32	7,110.00	8,540.24
2000	2,987.85	734.33	7,617.75	9,321.72
2001	3,148.44	776.97	7,871.96	10,795.41
2002	3,291.71	813.51	8,206.05	10,959.92

Source: INE

Society Table 9.
Audience per type of medium

	daily newspapers	Sunday sup- plements	magazines	radio	television
1988	29.22	30.87	54.79	55.98	87.45
1989	30.05	32.91	55.81	56.21	86.21
1990	31.91	35.26	56.77	53.68	87.43
1991	32.36	36.14	58.23	55.58	89.49
1992	33.65	36.59	57.90	55.91	89.47
1993	36.36	37.93	56.18	56.72	90.07
1994	36.83	36.07	54.00	59.10	90.40
1995	38.02	33.83	54.66	60.24	91.14
1996	38.13	33.58	55.09	60.47	91.29
1997	37.71	32.42	75.65	57.53	90.70
1998	36.87	31.91	72.43	55.41	91.23
1999	35.20	31.28	71.39	54.54	89.42
2000	36.30	32.09	71.60	55.25	89.20
2001	35.89	30.39	52.77	52.45	89.22
2002	37.44	29.52	51.38	54.65	89.93
2003	39.74	29.42	53.11	57.94	90.70
2004	42.50	31.35	56.96	58.68	92.57

Source: General Media Study, Asociación para la
Investigación de Medios de Comunicación

Society Table 10.
Road fatalities

	Spain	EU 15
1991	227.00	163.80
1992	201.00	152.40
1993	163.00	142.27
1994	143.00	135.93
1995	146.00	136.07
1996	139.00	128.27
1997	142.00	125.40
1998	150.00	120.80
1999	144.00	119.47
2000	143.00	118.53
2001	135.00	113.20
2002	129.00	106.93
2003	128.00	91.27
2004	113.00	84.60

Source: CARE (Community Road Accidents Database)

Society Table 11.
Consumption and production of substances that deplete the ozone layer

	Production of CFCs	Production of TCC1	Production of HCFCs	Consumption of CFCs2	Consumption of TCC1	Consumption of HCFCs3	Consumption of halons	Consumption of methyl chloroform
1991	25,292	19,017	371	14,803	23,544	226	4,845	326
1992	30,816	4,347	400	15,908	27,540	nd	3,943	244
1993	27,172	4,400	412	12,532	9,847	312	2,474	72
1994	19,210	6,600	600	6,664	12,767	nd	210	81
1995	5,435	4,200	741	428	2,703	397	66	46
1996	5,424	4,200	492	399	0	530	0	0
1997	6,405	4,000	948	242	0	nd	0	0
1998	5,570	4,000	915	301	0	nd	0	0
1999	5,839	6,000	916	49	0	nd	0	0
2000	7,277	nd	355	61	0	83	0	0
2001	6,836	nd	214	46	0	16	0	0

Source: Ministry of the Environment

Society Table 12.
Water collected for irrigation and purification

	Water collected (million m3) 1985	Water collected per capita (m3 per capita) 2002	
Portugal	10,500	11,090	1,090
Italy	52,000	56,200	980
Spain	46,250	38,544	960
Greece	5,496	8,695	830
Belgium	8,149	7,442	730
Netherlands	9,349	8,889	560
France	34,887	30,932	530
Germany	41,216	38,006	460
Finland	4,000	2,346	450
Austria	3,363	3,561	440
Ireland	1,070	1,176	330
Sweden	2,970	2,689	300
United Kingdom	11,533	12,375	230
Luxembourg	67	60	140
Denmark	1,205	707	130

For the 1985 series, data has been used from 1995 for Belgium and from 1980 for Ireland, Denmark and Portugal.

Source: OECD

Society Table 13.
**Production of MSW
(municipal solid waste)**

	EU 15 kgs/day	Spain kgs/day
1991	nd	328.50
1992	nd	355.02
1993	nd	365.00
1994	nd	365.00
1995	483.00	380.00
1996	497.00	390.00
1997	512.00	437.00
1998	516.00	531.97
1999	546.00	579.36
2000	555.00	598.80

Source: Compiled from INE and Eurostat data.

Society Table 14.
Use of water by
autonomous community

	Volume of water available	From water collected	Groundwater	Surface water	Other water resources	Volume of water supplied	To households	Other uses	Water lost in the distribution network	Percentage of water lost in distribution (%)
	litres/inhabitant/day									
National total	381	270	184	76	10	258	167	91	59	18.7
Andalusia	435	244	181	61	2	266	184	82	71	21.2
Aragon	479	235	205	29	1	279	169	110	86	23.5
Principality of Asturias	363	233	195	38	0	244	161	83	53	17.9
Balearic Islands	314	194	49	125	20	224	130	94	63	22.1
Canary Islands	340	185	21	61	103	225	135	90	51	18.3
Cantabria	406	400	358	41	1	343	185	158	44	11.4
Castille and León	443	351	246	99	6	316	168	148	56	15.2
Castilla-La Mancha	390	318	172	133	13	265	184	81	65	19.6
Catalonia	349	188	96	87	5	253	183	70	48	16.0
Valencian Community	388	300	107	179	14	239	163	76	94	28.4
Extremadura	405	220	166	54	0	291	163	128	57	19.5
Galicia	344	306	226	72	8	236	143	93	55	18.9
Community of Madrid	327	322	312	10	0	250	166	84	41	14.1
Región of Murcia	318	136	97	37	2	222	149	73	41	15.5
Community of Navarre	382	359	175	184	0	300	152	148	62	17.1
Basque Country	543	413	362	23	28	277	149	128	39	12.3
La Rioja	411	418	395	23	0	244	136	108	73	23.0
Ceuta and Melilla	400	400	53	236	111	184	139	45	87	32.1

Source: INE

Politics Table 1.
Support for the process of European integration. Do you believe that your country benefits from membership of the EC/EU?

		Spain(%)	EU (%)
EB-25	1986	9	46
EB-27	1987	14	49
EB-29	1988	24	52
EB-31	1989	27	55
EB-33	1990	57	59
EB-35	1991	58	59
EB-37	1992	44	53
EB-39	1993	35	47
EB-41	1994	38	46
EB-45	1996	39	42
EB-47	1997	39	41
EB-49	1998	45	46
EB-51	1999	48	44
EB-53	2000	66	47
EB-55	2001	53	45
EB-57	2002	63	51
EB-61	2003	69	47

Source: Compiled from Eurobarometer data

Politics Table 2.
Feeling of European identity

		Spain(%)	EU (%)
EB-40	1993	55	56
EB-42	1994	61	63
EB-44	1995	56	57
EB-46	1996	54	51
EB-47	1997	52	51
EB-50	1998	63	54
EB-52	1999	63	52
EB-54	2000	76	60
EB-56	2001	59	53
EB-58	2002	65	59
EB-60	2003	69	57
EB-61	2004	65	56

(1) The result was obtained by combining the percentage of people who responded that they saw themselves as European and their respective nationality (and vice versa) and European only

Source: Compiled from Eurobarometer data

Politics Table 3.
Satisfaction with the political system

	% Satisfied with the functioning of democracy in Spain	Prefer democracy to other forms of government	Support the process of decentralisation to the autonomous communities
1984	43.00	69.00	51.00
1986	57.00	69.00	55.00
1987	53.00	71.00	52.00
1988	56.00	72.00	56.00
1990	63.00	80.00	60.00
1992	46.00	73.00	62.00
1994	38.50	81.00	63.80
1996	49.50	79.00	65.70
1998	64.10	84.80	71.90
2000	74.50	85.40	73.00
2002	56.30	82.20	74.60
2004	63.50	84.20	74.60

Source: Compiled from CIS data

Politics Table 4.
Employees working for the public administrations

	State administration	Autonomous Communities	Local authorities
1990	1,249,294	514,273	333,843
1991	1,213,659	536,983	355,548
1992	1,190,283	565,460	374,656
1993	1,213,255	593,453	366,391
1994	915,496	600,961	367,032
1995	918,016	625,771	371,456
1996	921,097	620,474	425,156
1997	899,834	637,218	450,400
1998	889,196	705,176	460,054
1999	887,205	721,571	460,710
2000	828,786	904,041	531,384
2001	756,693	932,716	537,498
2002	563,989	1,101,999	547,728
2003	544,946	1,139,927	552,492
2004	541,812	1,159,951	558,785
2005	540,798	1,190,607	563,392

Source: Compiled from CIS data

Politics Table 5.
Priority National Objectives (% scale of 4 items)

	Maintaining order	Fighting inflation	Greater participation in politics	Protecting freedom of expression
1988	43	26	16	10
1989	41	28	15	11
1990	40	28	15	13
1991	42	26	16	13
1992	38	30	18	12
1993	35	32	19	12
1994	35	29	21	13
1995	39	26	20	13
1996	39	25	19	15
1997	33	26	21	17
1998	29	25	23	19
1999	27	28	23	20

Source: Díez Nicolas, Juan.
'La Escala de Postmaterialismo como medida del cambio
de valores en las sociedades contemporáneas.'
'España 2000, entre el localismo y la globalidad',
Fundación Santa María.

Politics Table 6.
Spanish Official Development Assistance

	% AOD / PIB (Spain)	% AOD / PIB (Media CAD)	Total AOD neta (Mill. Euros)
1987	0.08%	0.33%	198.36
1988	0.07%	0.34%	205.11
1989	0.15%	0.32%	393.48
1990	0.20%	0.33%	591.71
1991	0.24%	0.33%	788.08
1992	0.27%	0.33%	934.35
1993	0.28%	0.30%	996.80
1994	0.28%	0.30%	1,055.70
1995	0.24%	0.27%	1,008.64
1996	0.21%	0.25%	962.26
1997	0.23%	0.22%	1,091.01
1998	0.25%	0.24%	1,250.71
1999	0.23%	0.24%	1,279.51
2000	0.22%	0.22%	1,319.34
2001	0.30%	0.22%	1,903.93
2002	0.26%	0.23%	1,817.11
2003	0.23%	0.25%	1,735.96
2004	0.25%	0.25%	1,947.80

Source: Compiled from AECI

Política Tabla 7.
Commitment to Development Index

	ODA	Trade	Investment	Immigration	Environment	Security	Technology	Index score	Variation 2003-2005
Denmark	1.72	1.18	1.05	0.69	0.73	0.82	0.50	6.7	-0.1
Netherlands	1.22	1.18	1.29	0.74	0.75	0.77	0.66	6.6	0.0
Sweden	1.38	1.17	1.04	0.83	0.73	0.59	0.60	6.3	+0.7
Australia	0.35	1.45	1.24	0.84	0.62	0.96	0.56	6.0	-0.2
Norway	1.52	0.20	1.10	0.64	0.47	0.97	0.59	5.5	+0.2
New Zealand	0.30	1.75	0.65	0.93	0.67	0.88	0.58	5.8	-0.3
Finland	0.68	1.16	1.12	0.32	0.69	0.75	0.72	5.4	+0.3
Austria	0.41	1.15	0.57	1.36	0.73	0.53	0.52	5.3	+0.1
Germany	0.48	1.15	1.28	0.88	0.76	0.43	0.53	5.5	0.0
United Kingdom	0.78	1.17	1.53	0.37	0.90	0.24	0.52	5.5	+0.7
Canada	0.41	1.45	1.44	0.63	0.49	0.40	0.72	5.5	+0.4
United States	0.26	1.44	1.28	0.61	0.45	0.71	0.53	5.3	+0.4
Switzerland	0.85	0.66	0.88	1.36	0.53	0.18	0.43	4.9	-0.3
Portugal	0.39	1.17	1.05	0.18	0.75	0.73	0.60	4.9	+0.4
France	0.57	1.16	1.15	0.35	0.71	0.31	0.70	4.9	+0.2
Belgium	0.75	1.16	0.96	0.37	0.72	0.41	0.51	4.9	+0.1
Spain	0.37	1.17	0.99	0.67	0.58	0.41	0.62	4.8	+0.7
Italy	0.23	1.22	1.29	0.33	0.61	0.47	0.60	4.7	+0.5
Ireland	0.79	1.13	0.48	0.42	0.67	0.69	0.32	4.5	+0.1
Greece	0.39	1.16	0.69	0.24	0.72	0.66	0.37	4.2	+0.4
Japan	0.20	0.00	0.97	0.24	0.41	0.32	0.56	2.7	0.0

Source: Compiled from data from the Centre for Global Development

Politics Table 8.
Internet users by language (millions)

	English	Chinese	Japanese	Spanish	German	French	Italian	Korean	Portuguese
1996	40.00	0.10	2.00	0.20	0.50	0.20	0.10	0.01	0.02
1997	72.00	1.20	7.00	0.80	3.50	2.00	0.50	0.05	0.20
1998	91.00	2.00	9.00	1.80	6.30	3.40	1.80	0.80	1.20
1999	148.00	10.00	20.00	13.00	14.00	9.90	9.70	5.00	4.00
2000	192.00	31.00	39.00	21.00	22.00	17.00	12.00	17.00	11.00
2001	231.00	48.00	48.00	35.00	37.00	18.00	20.00	25.00	14.00
2002	233.80	78.00	61.00	50.00	43.00	23.00	24.00	28.00	19.00
2003	288.00	103.00	70.00	66.00	53.00	28.00	24.00	30.00	26.00
2004	280.00	160.00	85.00	70.00	62.00	40.00	35.00	35.00	32.00
2005	300.00	220.00	105.00	80.00	71.00	49.00	42.00	40.00	38.00

Source: Compiled from Global Reach data

Politics Table 9.
Erasmus students

	Spanish Erasmus students	= % of Spanish Erasmus students out of total	Total Erasmus students			
1987-1988	240	7%	3,244			
1988-1989	1,138	11%	9,914			
1989-1990	2,168	11%	19,456			
1990-1991	3,442	12%	27,906			
1991-1992	4,405	12%	36,314			
1992-1993	5,794	11%	51,694			
1993-1994	7,067	11%	62,362			
1994-1995	8,537	12%	73,407			
1995-1996	10,543	12%	84,642			
1996-1997	10,841	14%	79,874	European Erasmus students in Spain	% of Erasmus students who choose Spain as a destination	Total EU Erasmus students
1997-1998	12,468	14%	85,999	9,453	12%	79,874
1998-1999	14,381	15%	93,096	11,262	13%	85,999
1999-2000	16,297	16%	98,842	13,167	14%	93,096
2000-2001	17,158	17%	99,217	15,197	15%	98,842
2001-2002	17,403	17%	101,822	16,978	17%	99,217
2002-2003	18,258	17%	107,617	18,824	18%	101,822
2003-2004	20,034	17%	116,689	21,289	20%	107,617
				24,076	21%	116,689

Source: Compiled from MEC data

Bibliography

For further information...

Economy

Most of the economic statistics in this work come from Eurostat, both its Internet database (<http://epp.eurostat.cec.eu.int/>), and the *Statistical Annex of the European Economy*, published by the European Commission twice a year. Data has also been taken from the Organisation for Economic Cooperation and Development (OECD, www.oecd.org), the National Statistics Institute (INE, www.ine.es), the Banco de España (in particular its numerous indicators of Spain-EU real convergence, available at www.bde.es) and the Fundación de las Cajas de Ahorro (FUNCAS).

For an analysis of the income convergence (national and regional) and financial relations between Spain and the EU, see: '*Evolución Económica de las Regiones y Provincias Españolas en el Siglo XX*' by J. Alcaide Inchausti (Fundación BBVA, Madrid, 2002); '*La política de cohesión europea y la economía española: Evaluación y prospectiva*' by S. Sosvilla-Rivero and J. A. Herce (*Documento de Trabajo*, DT 52/2004, Elcano Royal Institute); and '*¿Adiós a los fondos? Claves para entender la posición de España a la hora de negociar el presupuesto de la UE para 2007-2013*' by J. I. Torreblanca (*Documento de Trabajo*, DT 21/2005, Elcano Royal Institute).

For an excellent analysis of the transformation of the Spanish economy since 1978, see: '*Balance de la economía española en los últimos veinticinco años*' by G. de la Dehesa (*Información Comercial Española*, No 811,

December 2003), and the articles compiled in '*75 Años de política económica española y de Técnicos Comerciales y Economistas del Estado*' (*Información Comercial Española*, No 826, November 2005). Finally, for a somewhat more comprehensive analysis of the various areas of the Spanish economy, see '*Lecciones de Economía Española*', coordinated by J. L. García Delgado (Civitas, Madrid, 2005).

Society

The data used to draw up the section on society has for the most part been taken from the statistics prepared by Eurostat, the INE (INEbase), the OECD (especially its Factbook), the surveys carried out by the Centre for Sociological Research (CIS) and the various editions of the *Human Development Report* produced by the United Nations Development Programme. Most of the statistics are available on the web pages of these institutions.

There is also a series of publications that analyse the various aspects of the social changes Spain has undergone since joining the EU, notably: '*Three decades of social change in Spain*', edited by J. J. González and M. Requena (Alianza Editorial, Madrid, 2005); '*Women in Numbers 1983-2003*' (Women's Institute, Madrid, 2003); '*Encuesta de hábitos y prácticas culturales en España*' (Fundación Autor, Ministry of Culture, Madrid, 2005); '*Recent demographic developments in Europe*' (Council of Europe Publishing, Brussels, various years); and the '*Immigration Statistical Yearbook*' (Observatorio

Permanente de la Inmigración, Ministry of Employment and Social Affairs, Madrid, various years).

Politics

For an assessment of the significance of Spain's 20 years in the EU and for a detailed analysis of the challenges of the future, see 'Construir Europa desde España: los nuevos desafíos de la política europea' by C. Powell, J. I. Torreblanca and A. Sorroza (Report by the Elcano Royal Institute, 2/2005). The figures concerning the attitudes of the general public in Spain towards the process of European integration come from *Eurobarometer* (<http://europa.eu.int/comm>). For a study on European identity in Spain, see 'La identidad europea de los españoles: sentido pasado y presente de la identificación con Europa en España' by A. M. Ruiz Jiménez (Documento de Trabajo. DT 61/2004, Elcano Royal Institute).

There is also a series of books that analyse Spain's process of European integration from different perspectives, notably: *'Spain and the Process of European Integration, 1957-1985'* by J. Crespo MacLennan (Palgrave, London, 2000); *'Spain and the European Union'* by C. Closa and P. Heywood (Palgrave, MacMilan, 2004); *'España en Europa: Historia de la adhesión a la CE, 1957-85'* by R. Bassols (Estudios de Política Exterior, Madrid, 1995); *'La política europea de España'* by E. Barbé (Ariel, Barcelona, 1999); *'España en Democracia: 1975-2000'* by C. T. Powell (Plaza y Janés Ed. Barcelona, 2001);

'Desafíos: La Unión Europea ante su ampliación', compiled by J. Hay (Siddharth Metha Ediciones, Madrid, 2003); *'La séptima potencia: España en el mundo'* by M. Gaviria (Ediciones B, Barcelona, 1996); *'Las relaciones exteriores de la España democrática'* by F. Rodrigo, J. Story and R. Gillespie (Alianza Editorial, Madrid 1995). In addition, the data reflecting the changes in political values in Spain may be consulted in *'La Escala de Postmaterialismo como medida del cambio de valores en las sociedades contemporáneas'* by J. Díez Nicolás (Fundación Santa María, Madrid, 2003).

Finally, data from the following sources has been used for the section on politics: *'Anuario del Ministerio de Asuntos Exteriores'* (www.mae.es), OECD Development Assistance Committee (www.oecd.org/dac), Spanish Agency for International Cooperation (AECI, www.aeci.es), Centre for Global Development (www.cgdev.org), CIS (www.cis.es), Inter-Parliamentary Union (www.ipu.org), Women's Institute (www.mtas.es/mujer), Observatorio de la Mujer de las Fuerzas Armadas (www.mde.es), NATO (www.nato.int), Ministry of Public Administration (www.map.es), *'Military Balance'* (International Institute for Strategic Studies, various years), and *'Memoria de la Legislatura'* of the Ministry of Defence (various terms).



EUROPEAN PARLIAMENT
Office in Spain
www.europarl.es



EUROPEAN COMMISSION
Office in Spain
<http://europa.eu.int/spain>