

## Chapter 6

# Regional Welfare Regimes and Multi-level Governance

Raquel Gallego and Joan Subirats

### **Political Devolution and the Spanish Welfare State**

The political and administrative decentralization process that began in Spain with the transition to democracy at the end of the 1970s is unprecedented in extent and intensity in the history of the country. It has turned what was initially a unitary state into one of the most decentralized states in Europe. It is an attempt to resolve long-standing tensions between the political centre and peripheral nationalism that even contributed to the civil war of 1936–9. In the three decades or so since they were established, Spain's Autonomous Communities (AACC from now on) have gone on to control more than a third of total public spending (a share that can be explained by the budgetary preponderance of programmes providing health care, education and social services), to manage more than a million and half civil servants (with a large number of health workers and teachers) and to enact, and to try to enforce, more than three thousand of their own laws. All of this is being done through institutions led by two hundred regional ministers and presidents and more than a thousand parliamentarians, alongside a level of local government that has its own strong traditions and is represented by over 8,000 town halls and dozens of provincial councils distributed throughout Spain's territory.

When in 1977 discussions began in Spain about the future territorial distribution of power, the advantages and disadvantages of a general decentralization of political structures in a country with a long centralist tradition became part of the central debate on the process of democratic consolidation. For some commentators, then and now, centralization ensured certain economies of scale in some services, involved efficient coordination and management on externalities in each area, guaranteed greater homogeneity in the provision of public services, facilitated redistribution policies and brought greater efficiency to stabilization policies. For those who favoured decentralization, regional autonomy would reduce the bureaucratic burden, allow a certain competence among institutions that would result in better services for the public, and would make possible a certain amount of experimentation in that problems could be tackled differently in each region.

To these technical and functional aspects were added the more political aspects that particularly affected regions which had traditionally been uncomfortable with the central government regime and which, in defence of their different

historical identities, preferred solutions that reflected the way they fitted into a new multinational and democratic Spain. On top of all this was Spain's process of integration into the European Community in the mid-1980s and its impact on the regional levels of government. Among other consequences, the AACC were presented with new opportunities for political, economic and social projection, occasionally outside the framework of the central state.

Spain's AACC were conceived constitutionally as exercising major responsibilities for welfare policies. The distribution of competences prescribed in the 1978 Constitution gives the Spanish regions full control over health, education and social services, in accordance with the basic legislation passed by the Spanish Parliament. But the Constitution establishes different degrees of responsibility among the regions. As mentioned before, the political system that emerged from the transition to democracy in Spain attempted, for the first time in the country's contemporary history, simultaneously to resolve the tensions between the central state and peripheral nationalisms, and to decentralize government. One option was to establish a political system that recognized the historical, cultural and political diversity of Spain at the end of the twentieth century ('champagne for the nationalities'), the option that was partially adopted in Spain in the 1930s. Another option was a decentralized but homogeneous system, without big differences among the new territorial powers ('coffee for everyone') (Borzèl 2002). Eventually, a combination of the two options was adopted ('coffee with liqueurs' for some and 'straight coffee' for others). That is how the 1978 Spanish Constitution acquired the diversity and the asymmetry of the so-called 'autonomous system', but at the same time it did not close the door on the system's evolving into a level of self-government that was relatively similar for all regions.

So the AACC that would historically have approved Statutes of Autonomy (Catalonia, the Basque Country and Galicia), along with those that requested autonomy following a referendum (Andalusia), achieved the highest level of competencies from the start, while others obtained the same levels of power thanks to a transfer from the central state (the Canaries, Valencian region, Navarre). The other 10 AACC had to wait until 2001 to obtain levels of competencies similar to the pioneers in areas such as health and education. At present, the 17 AACC have the same competencies ceiling for their welfare policies, although it is obvious that they have used this power in different ways and with varying frequency.

The diversity and asymmetry of the current system of AACC in Spain, three decades after it was put in place, can be seen in many and varied ways. The regions are very different among themselves in terms of size, population and socio-economic situation. In many, languages other than Spanish are spoken, to varying degrees. In some of the regions there are significant differences in the prevailing civil laws, in such major areas as matrimonial rights and inheritance laws. Some regions, as a result of past legislation, enjoy a recognized fiscal autonomy that would have been impossible to establish in the other regions. The Statutes of Autonomy recognize different laws in some regions governing their institutional organization (the possibility of dissolution, holding elections at

different times from other regions, and so on) or the management of their criminal justice systems. The regions have also used their powers of self-government very differently; and the public's perception of the identity and future of the AACC varies widely.

Given the weight of the AACC in welfare policies, it is not surprising that the debate on decentralization and equality is increasingly salient in Spanish politics. In Europe and elsewhere, the debate has intensified on the interrelation between decentralization and equity. If decentralization has tended to be interpreted as a process that can help improve the quality and responsiveness of welfare policies, for some it can also endanger equity because of the dynamics of differentiation and the generation of new inequalities that this entails. All this forms part of a process of reconsidering welfare policies themselves, along with their limitations and their inadequacies in relation to new productive, social and family realities. The tension between 'social citizenship' and the formulae of federal or decentralized power is nothing new. The promise of citizenship that can guarantee equal status to all members of a community, and equal access to social services and benefits throughout a territory (Marshall [1950] 1992), could come into conflict with the capacity for self-government implied by a real process of political decentralization (Banting 2006). The challenge is to strike a balance between equity and diversity (Watts 1999). Many studies have analysed how the existence of a central state has conditioned the territorial deployment and innovation of the welfare state: should the capacity for territorial differentiation be sacrificed for the sake of guaranteeing equity in the state as a whole? But we could also ask how far the existence of a devolution process has conditioned and modified the deployment of central state welfare policies: has the regulatory capacity of decentralized governments conditioned the welfare structure of the state as a whole?

After a 30-year decentralization process, Spain is still immersed in this debate. The discussion is about the threats that the continuation and intensification of the process of decentralization to AACC pose for the Spanish system as a whole, or, from another perspective, about how the future development of the AACC conditions the demands for social policies in the country as a whole. This discussion is particularly relevant when the central aim of all processes of decentralizing political decision-making is to increase the range of options available to those regions, so that they can meet as well as possible the specific demands of a given part of the territory. In Spain this is intensified by the ambition expressed in the Constitution to recognize and generate spaces of diversity (of different nationalities and regions) in relations between the citizens of each autonomous region, between different AACC, and between the regions and the whole that is represented by the state.

In this chapter we analyse the development of this issue, which is especially relevant in Spain, where the development of welfare policies has coincided historically with the process of political decentralization. This experience has not been shared by the European or Anglo-Saxon countries that have been analysed

in more depth in the comparative literature. To this end, we rely on the results of a recently completed research project on decentralization and inequality in Spain, coordinated by Gallego and Subirats (2010).<sup>1</sup> We first analyse the extent to which the AACC have generated distinct welfare regimes. Due to space limitations, we centre the analysis on the options adopted for regional health and education policies, which are programmes that consume the largest budgets in the area of social policy. The analysis shows how the capacity for self-government has led the AACC to generate specific configurations of actors involved in the production of welfare, while a common structure of rights and social benefits has been maintained for the whole territory of the central state, as part of an overriding logic of interrelationship that has been driven more by the dynamic of multi-level government than by that of command and control. Over these years the basic social inequalities that traditionally existed between the territories has been reduced, while the capacity for diversification has encountered spaces to be developed beyond the core of shared policies. We then use the results of 17 focus groups (one for each region) conducted within the aforementioned study to review the predominant perceptions of the impacts of decentralization on social and territorial equity. As will be shown, despite acknowledgement of a global increase in welfare and equity since decentralization began, the general perception is of deep suspicion that possible negative future effects of devolution could reverse the achievements made so far. But all of this is still subject to further evolution that is hard to predict in such turbulent times as the present.

### **Self-government and Welfare Policies**

The evolution of the welfare state in Spain has been, and still is, fully associated with the territorial distribution of power. The reason is that the Spanish map of welfare policies is the result of two simultaneous processes over an equal period of time since the transition to democracy: on the one hand, the gradual (and as yet unfinished) creation of a modern, European welfare state and, on the other, the still incomplete decentralization of state competences in key areas of service provision. In this situation, owing to the lack of institutional mechanisms of either shared government or horizontal coordination, the dynamics of multi-level government have been subject to predominantly bilateral negotiations between central and

<sup>1</sup> This research project was conducted from March 2008 to November 2009, thanks to finance from the Institut d'Estudis Autònoms (IEA) of the Catalan government. The research team comprised José Adelantado, Miguel Ángel Alegre, Eva Alfama, Pablo Barberà, Xènia Chela, Mariña Couceiro, Julio Couto, Marta Cruells, Raquel Gallego, Sheila González, Mariela Iglesias, Gabriela Monteiro, Clara Riba, and Joan Subirats. The work is in press by the IEA under the title *Descentralització i desigualtat en l'estat de benestar: Evolució socio-estructural, percepcions i polítiques autonòmiques in 2010* (see Gallego and Subirats 2010).

regional governments. Hence the schedule of transfers to the AACC and the consequent configuration of regional levels of government with differentiated capacities for decision and implementation have conditioned the evolution of the welfare state itself.

Newly created regional governments have enjoyed during this time major capacities for formulating and implementing welfare policies within the framework of basic state regulations. However, these regulations have not always pre-dated the initiatives of some AACC. As a result, the processes of implementing imitated, learned or adapted public policies, from the point of view both of discourse and of actual policy options, have not followed a clear directional pattern. In some cases, the innovation has started with one or several AACC and has spread both to other regions and to the central state administration. In other cases, it has been the central government that has innovated by proposing directives on options and actions in certain sectors. In yet other cases, the central government and the regional governments have adopted the parameters indicated by the European Union or even other international bodies.

In this context, our interpretation of how each autonomous region has used its capacity for self-government will be conditioned by at least three factors: the starting conditions (which include the degree of public participation in the different areas of intervention), the time scale (derived from the means of access to autonomy and the capacity for innovation) and the regional government budget (which varies depending on its tax system). First, regions differed in their health and education services, as they did in their social and structural characteristics. This original situation has conditioned the viable political options for each regional government. Second, the current map of regional education and health policies that we project in this analysis is the accumulated result of different time scales in the AACC.<sup>2</sup> After transferring education and health to the regions, the central state has conserved its competences associated with basic legislation and the guarantee of common foundations for rights throughout the territory, while the regions have legislated within this framework and assumed the management of services. Finally, the differences between the per capita budgets of the autonomous regions derived from the model of finance for the regions, also condition our interpretation of how they have used their respective capacities for self-government.

<sup>2</sup> The transfer of childcare (for children aged up to three years) and compulsory education (for children aged from 3 to 16 years old) took place in the early 1980s in the AA CC that accessed autonomy by the so-called fast track (Andalusia, the Canaries, Catalonia, the Valencian region, Galicia and the Basque Country), and in 1990 for Navarre. In the remaining regions the transfers took place between 1992 and 1999. Health policy was transferred according to the following schedule: Catalonia in 1981, Andalusia and the Basque Country in 1984, the Valencian region in 1987, Navarre and Galicia in 1990, the Canaries in 1994 and the remainder in 2001.

Bearing these caveats in mind, we analyse here the policy options of the AACC on education and health on the basis of three policy dimensions: first, the discursive or symbolic dimension, that is, the frameworks of discourse with respect to the recognition of rights and principles; second, the substantive dimension, that is, the extension or intensity of the coverage policy options define and offer in each sector; and third, the operative dimension, that is, the governance structures and management tools deployed in the provision of services.

### *Education*

The education system in Spain maintains basic features that are common to all of the AACC and that guarantee the accreditation and general validity of qualifications and certificates. In recent years, basic state legislation has been actively modified and this had affected all levels of the education system. The regions have also enacted legislation on education issues, but this has mainly been in complementary aspects or in operational and management areas. The discursive frameworks existing in regional legislation have adopted the central values and elements that have structured state legislation. However, beyond compulsory education (or mainstream schooling), broader educational aspects have provided the ideal terrain for greater differentiation. Thus, equity, effective equality, compensation for inequalities, and inclusion are frequently invoked values, along with more or less explicit, or more or less conditioned, references to families' freedom of choice in selecting schools.<sup>3</sup> The notable discursive homogeneity contrasts with the greater differentiation, as observed earlier, in education areas beyond the hard core of school education. For example, the differences in intensity of coverage are greater in the regulation of childcare for children aged up to three years, lifelong learning – that is, adult education – and activities relating education with its environment. This latter aspect is the most recent addition to the education agenda, which explains the greater differentiation in this respect among regions.

The data on the education systems in the different autonomous regions highlight how the generally positive perception of the hard core of the education system (the period between ages 3 and 16) is based on evidence suggesting convergence in terms of general improvements (Gallego and Subirats 2010). Throughout the period analysed, neither the quality nor the extent or coverage of the public education system suffered any significant changes, although a small dip is observed in quality issues, mostly in relation to the authority of teachers over pupils. The empirical analysis of the education factors tells us that those

3 Whatever the case, it is worth observing that remarkable variations exist in the specific area of the assessment of the points that are used for prioritizing the access of pupils to schools for which there is excess demand, beyond the most common references associated with income levels.

regions that tend to have higher-quality<sup>4</sup> education systems are those where public education is a larger part of the total system. As for the relative position of each region with respect to the subjects analysed, there is one prominent group in terms of the quality of the system (Basque Country, Navarre, Asturias and Castile and Leon), and one prominent group in relation to public coverage (Extremadura, Castile-La Mancha, the Canaries and Andalusia). A cross-analysis of the variables shows that some regions respond well to quality and coverage criteria (Asturias, Cantabria and Navarre), and one group presents more problems in the combination of the two factors considered together (Castile and Leon, Andalusia, Castile-La Mancha and Aragon). Nevertheless, we should stress that convergence and balance prevail over the differences. The data collected show that the educational inequalities that existed at the start of the process have persisted, but with the very significant peculiarity that, thanks to decentralization, they have tended to diminish. There have been improvements in catering for diversity, and there have been improvements in terms of reducing inequalities.

If we refer to the discursive or symbolic dimension of education policy, two major issues are observed that have also marked the debate on education in Europe in recent years. These are the degree of longitudinal scope of regulated or compulsory education (excluding higher education) and the scope of the educational aspects of people's lives other than the aforementioned regulated periods. Logically, from the point of view of coverage of the right to education, which is protected by the Constitution, the former aspect is of key importance. The second, meanwhile, marks the capacity of the system to deal with the challenges of lifelong learning.

An analysis of the interpretive frameworks, which show the conceptual elements of education policies in Spain, reveals the current values associated with the right to education (conceptually associated with mainstream schooling or compulsory education): quality, equity, and the criteria for priority in access to schools where there is excess demand for places. In general, the differences are not particularly significant with respect to the specification of general regulatory values in the specific frameworks in each region. However, the differences are clearer with respect to the assessment criteria used to prioritize candidates for incorporation in schools where there is excess demand: some regions use income-based criteria, while for others the proximity factor carries more weight. So in general, there are few differences in the basic conceptual elements of education policies, while there is more divergence in the operative areas of guaranteeing access to the education system when there is excess demand.

However, with respect to education issues that fall outside compulsory education, the differences are more significant. Characterization of the pre-school

4 In this research the quality of the education system was measured on the basis of indicators referring to resources (number of pupils per teacher or per education unit) and results (percentages of pass and fail at each level, educational level of the population) (see Gallego and Subirats 2010).

period (up to three years old) oscillates between those regions that essentially see it as one further stage of the education process, and those that see it more as a mechanism for reconciling work and family life, while others add goals such as compensation for inequalities or combine two or three of the aforementioned conditions. We find the same diversity in the field of lifelong learning. Some regions consider this stage of education to be strictly academic, while others lean more towards careers-based aspects and/or its impact on enhancing the active share of the population. In this area of informal, non-school education, some regions have legislated more in light of the logic of educational compensation, while others express a more generalist vision of education.

If we focus on the substantive dimension of education policy, two aspects enable us to identify different options for the regions: the finance effort made by each region and the level of coverage of school places that they offer at each stage of education. Also, in this case the differentiation is maintained between what we have called the central stage of education (ages 3–16) and education outside that period (pre-school and lifelong learning). An analysis of the finance data shows differences in the efforts made per pupil, fluctuations that are notably influenced by different taxation systems in the cases of the Basque Country and Navarre and, less significantly, by differences between the other regions. Here we also note greater diversity in the efforts dedicated to non-compulsory education, such as pre-school education vocational training and lifelong learning. But these varying intensities do not appear to have occasioned any outstanding impacts on the degree or extension of the population coverage of any stage of education.

Finally, we focus on the operative dimension of education policies, that is, aspects associated with implementation including management instruments and the level of involvement of different agents in the provision of services. Here we have identified different trends in privatization and municipalization. Privatization means the degree of presence of the private sector in the existing school network, including public expenditure in the so-called *concertado* (state-subsidized) sector. Municipalization refers to the weight of local or municipal governments' financial effort as a share of the overall public expenditure of each autonomous region, understood to be an indicator of the degree and significance of local government involvement in educational affairs. Although they are not educational administrations in the basic sense, their involvement can lend more weight to community aspects, which are present in so many analyses of the quality of education systems.

As for the degree of privatization of education, we should first note that in Spain generally direct publicly provided education accounts for about 66 per cent of the total, state-subsidized education around 30 per cent, and the non-state-subsidized private sector provides around 3 per cent; this pattern has been a stable one for many years. These figures vary significantly among the autonomous regions (Subirats and Gallego 2010), but these differences, especially in respect of the weight of state-subsidized education, existed before the creation of the AACC themselves. Even so, the greatest variation is in the autonomous region of Madrid,

with respect to the percentage of pupils in the non-state-subsidized private sector, which is four times higher than the all-Spain average for compulsory education and more than double that for non-compulsory secondary and higher education. But the differences in the degree of privatization increase outside mainstream school education (that is, in pre-school and lifelong learning), basically because in these areas state legislation has less presence and the weight of educational traditions in each territory is considerably lighter. In some regions we even find a total absence of public involvement in pre-school education. The degree of municipality involvement in education varies notably. The municipalities of the AACC of Catalonia and Navarre spend twice the Spanish average on education, while at the other extreme the municipalities of Extremadura do not spend even half the national average.

An integrated vision of the options for regional education policies reveals that the bulk of the AACC notably converge in all the aspects concerning compulsory and non-compulsory secondary education (ages 3–18) analysed, especially in conceptual and normative aspects, with some differences in financial effort (Basque Country, Navarre), the presence of non-state-subsidized private education (Madrid), and municipal participation (Catalonia, Navarre). However, in the aspects analysed concerning non-compulsory childcare (the pre-school range and lifelong education) the variations increase significantly, leading to more well-known diversity. The final result enables us to speak of a major coincidence in the stage of education considered basic and compulsory, and of diverse expressions and preferences in the other educational areas considered. The combination of a shared basic core and a diverse range of discretionary educational policies has led, on the one hand, to convergent results (OECD 2007) and, on the other, to future perspectives in which the differential elements could be more significant in the medium term, as the educational perspective of the strictly school-based stage is extended to a vision of lifelong learning.

To summarize these findings, Table 6.1 classifies the AACC according to the degree of differentiation or innovation they show in each of the three dimensions analysed for education policy. In *italics* are those regions that appear in more than two dimensions with either a 'High' or a 'Medium' degree of differentiation or innovation – namely, Catalonia, Madrid, Basque Country, Cantabria, Asturias, Canaries and La Rioja. This analysis reveals that these regions, which have been among the first to introduce innovations in education policy, have also tended to pursue differentiated policy options with respect to central government regulations.

Table 6.1 Degree of differentiation in regional education policies in Spain

Degree of differentiation/innovation	Discursive/symbolic dimension*	Substantive dimension**	Operative dimension***
High	Catalonia Canaries Asturias Madrid Extremadura	País Vasco Navarra Cantabria Asturias Galicia	Catalonia Navarre Balearics Madrid Basque Country La Rioja Castile and Leon
Medium	Galicia Cantabria Basque Country Aragon Rioja Castile-La Mancha Murcia	Catalonia Madrid Balearics Castile and Leon La Rioja Aragon	Cantabria Canaries Aragon Murcia Valencia Asturias
Low	Andalusia Balearics Navarre Valencia Castile and Leon	Extremadura Castile-La Mancha Canaries Valencia Andalusia Murcia	Andalusia Extremadura Galicia Castile-La Mancha

Notes: \*To assess the degree of differentiation/innovation in the symbolic or discursive dimension of regional education policy, we have combined three indicators: the values attached in regional legislation (a) to pre-school education, (b) to lifelong adult education, and (c) to education 'beyond school'. For pre-school education, we have considered how many of the following purposes regions specify in their legislation: as a further stage of the education process, as an instrument that facilitates the reconciliation of home and work schedules, and as an instrument of compensation for inequalities. For adult education, we have considered how many of the following purposes regions specify in their legislation: as an instrument to access the education system, as an instrument for vocational training, or as an instrument for the development of active citizenship. For education 'beyond school', we have considered how many of the following purposes regions specify in their legislation: as an instrument of educational compensation, and as an instrument of generalist education. For each education stage, the more purposes regions specify, the higher their level of differentiation/innovation.

\*\*For the assessment of the degree of differentiation/innovation in the substantive dimension of regional education policies, we have taken into account regional public expenditure per student including compulsory education (for 3–16 year olds), vocational training, and adult education.

\*\*\*For the assessment of the degree of differentiation/innovation in the operative dimension of regional education policies, we have combined two indicators: the weight of indirect provision (that is subsidized private schools) and the weight of local government financing spent on education. 'Low' includes those autonomous regions where both

indicators have lower weights, 'High' those where both indicators have higher weights, and 'Medium' where the two indicators either have the average weight or have different weights.

Source: Authors' elaboration.

### Health Care

The general principles that sustain the symbolic or discursive dimension of health care policy in the AACC are based on the promotion of health and the prevention of disease, the correction of territorial and social imbalances in public health care, and universal, free access in effective conditions of equality. These principles are endorsed in the Spanish Constitution, in basic state legislation, and also in autonomous regions' statutes of autonomy (quasi-constitutions) and laws. In this sense, there is a remarkably homogeneous symbolic dimension that has achieved a high level of legitimization and consensus in being positively evaluated by citizens (Gallego and Subirats 2010). Even so, the concretion of the most specific principles has been subject to differences between AACC, but only in emphasis. The principles are specified in basic state legislation (General Health Law of 1986 and Law on the Quality and Cohesion of the National Health System of 2003) and include: the rationalization of the system, the efficiency, efficacy and exploitation of resources, the promotion of the environment, training and research, the quality and evaluation of the system, participation and the rights and obligations of users. All of these principles, despite the differences in emphasis, were incorporated in the legal frameworks of the AACC.

In general, the time scale of the legal recognition of these specific principles by the AACC has been associated with the timetable for the transfer of competencies on this matter. However, the direction of their later diffusion has not always been from central government to the regional governments. For example, the principles of rationalization and of quality and evaluation were made explicit in regional regulations subordinate to the law and implemented through numerous actions in cases such as that of Catalonia, prior to the legal initiatives or other types of action undertaken at the central government level. In Catalonia, the creation of the Hospital Network for Public Utilization in 1985, the Plan for Hospital Reorganization in 1986, the regulations prescribing the terms of contracting with health suppliers, and the creation of the Medical Technology Assessment Agency are examples of how innovation in public policies and their governing principles can originate in one autonomous region and later be used as a reference by other regional governments or by central government.

The evolution of the discursive or symbolic dimension in health policy has also progressed in line with the recognition of rights. During the first stage, the Spanish Constitution (1978) and the General Health Law (1986) recognized rights associated with the conditions for treatment, participation and claims, health care benefits, private health services and information. In a second phase, which started in

the late 1990s, the AACC took the initiative by recognizing rights related to health information, intimacy, patient autonomy, medical history, medical documentation and the option of a second opinion. Led by Catalonia, Navarre and Galicia, the regional laws for health care planning began dedicating sections to citizens' rights to health care; the Basque Country was the first region to recognize the right to participation, and all the other regions have finally included rights related to treatment conditions. In this second period, the directives of international bodies paved the way for the central government passing its Law on Patient Autonomy of 2002 and Law on the Quality and Cohesion of the National Health System of 2003, all after the initiative of the aforementioned regions. Most AACC have amended their laws in order to include aspects of these latter two central government laws, although some others have not introduced any significant modifications to their own regulations.

Finally, an important part of the symbolic dimension of health policy has varied in recent years: the inclusion of a new and specific section on rights in the statutes of autonomy of some regions. Since the 1990s, all the autonomous regions apart from the Basque Country have modified their statutes of autonomy. But in this process, a point of territorial differentiation can be detected: only five regions (Catalonia, Castile and Leon, Andalusia, Aragon and the Balearics) have included such a specific section on rights. Coincidentally, the statutes of these five regions were the last to be modified (all in 2006).

In terms of the substantive dimension of the health policies of the AACC, that is, the extent and intensity of their coverage, the first thing we observe is that there was a significant increase in the average expenditure by families on health care between 1998 and 2006: Asturias, Castile and Leon, Cantabria, the Basque Country, Castile-La Mancha, Navarre, Catalonia and Galicia are the regions where this increase has been the greatest; only in the Canaries has there been a decrease, and in Murcia it has remained stable. In 2006 four regions already had between 20 per cent and 25 per cent of their population with dual (public and private) health care coverage (the Balearics, Catalonia, Madrid and the Basque Country), and only three had less than 5 per cent of their population with dual coverage (the Canaries, Navarre and Extremadura). In the remainder between 5.4 per cent and 13.5 per cent of the population had mixed coverage.

In this context, we note that since 2000 the differences between autonomous regions' percentages of public expenditure devoted to health have diminished. On the other hand, although per capita public expenditure on health generally increased in the period 1999–2005, the differences between the individual AACC have also increased, as has public expenditure on health care as a percentage of their respective GDPs. However, stable differences have been maintained in terms of staff and centres per protected population. Whatever the case, in 2004 Spain spent 1,329 purchasing power units (PPU) per capita on health care, far below the

European average, both of the EU-15 (2,900 PPU) and of the EU-25 (1,600 PPU) (Navarro and Freixanet 2007).

In this evolution, differences have also been observed between the average annual growth rates of public expenditure on health per person in the different autonomous regions and the respective average annual population growth rates on the one hand, and the average annual ageing rates on the other. In other words, regions with comparatively more ageing and/or population growth have not always commensurately increased their health care expenditure per person.

The data also show positive developments in the great majority of AACC in the key indicators of resources per capita, for example in the number of health centres and health personnel per 10,000 inhabitants in primary care during the 2004–2007 period. With health centres, Galicia and, at some distance, Extremadura, Castile-La Mancha, Castile and Leon, Aragon and Navarre, are the best equipped, while Madrid, the Balearics, Valencia, Andalusia and Catalonia are the worst equipped. As for the ratio of healthcare personnel, Castile and Leon, Extremadura, Aragon, Castile-La Mancha and Navarre are the best placed, while La Rioja, the Balearics, the Basque Country, Murcia, the Canaries and Valencia are the worst placed.

However, the number of hospital beds per 1,000 inhabitants fell in all regions between 1996 and 2005. At the end of the period, the regions with the highest ratio were Catalonia, Aragon, Castile and Leon, the Canaries, Navarre and the Basque Country, and those with the lowest ratios were Valencia, Castile-La Mancha, Andalusia, Murcia and La Rioja. In this sense, the aggregate data show that, although the quality and provision of health care have increased without interruption since around 1990, the quality and provision of hospitals in particular have shown an opposite trend – so it is primary care that carries the greatest weight in this improvement.

With respect to substantive options, the regions display clear differences, but only in terms of public coverage of certain benefits that are complementary to basic and generic coverage. An analysis of the discourse of the 17 focus groups used in this research shows that are differences that the public can detect on the basis of personal experience, the exchange of information with other people, or the coverage of the topic in the media. Many interpret them to be indicators of inequalities, and some as indicators of the capacity for adaptation to different territorial needs and demands.<sup>5</sup>

5 Some examples are: neonatal screening (in which Galicia was a pioneer), the far more numerous sleep units in the Balearics, direct aid for coeliac patients in Castile-la Mancha, the treatment of smokers in La Rioja, the pioneering child mouth and dental care in Navarre and the Basque Country, higher birth benefits in the Basque Country, the pneumococcal vaccine in Madrid, free medicine and health products for newborn babies during their first year and sex change operations in Andalusia, and assistance for natural childbirth and a higher number of palliative care units and of specialists (in all areas) in Catalonia.

On this account the operative dimension of regional health policies has been highly conditioned by the degree of diversity among the regions on the provision side of health services at the start of the devolution process. Despite this, the model for the provision of health services has been developed on the basis of a gradual increase in the diversity of management methods (that is, as between direct and indirect provision). This has affected the legal nature of the health authority – whether autonomous body, public body of an institutional nature, or directorship general – as much as the legal nature of the suppliers (with the increasing presence of private or mixed public–private ownership) and the legal instruments suppliers use in relation with health authorities (agreement, contract, contract-programme, organizational integration and direct control). Even so, differentiation can be identified with respect to the model of provision among regions, and also with respect to the balance between the public sector and the private sector in the provision of services. In this sense, Castile-La Mancha, Extremadura, La Rioja and Navarre clearly display a preference for a public and integrated model (direct provision), while Catalonia, Valencia, the Balearics and Madrid tend to go for an indirect model of provision with a major dependence on provision by private suppliers. In Andalusia, Asturias, the Canaries, Castile and Leon, Galicia and the Basque Country we find a model involving indirect provision, but through eminently public suppliers.

In sum, we observe clear symbolic and discursive homogeneity in terms of the right to health and to universal, free and equitable access to health care services, which is reflected in the regulations enacted by the AACC and by the central state. This homogeneity is maintained in the 17 regional health systems, to the extent that all of them respond to directives for public coverage that are included in a basic offer of benefits that are the same for all citizens of all territories. The differences appear in the choices that the different regions have made in relation to complementary benefits, in response to the different specific demands and/or needs of their social realities. Similarly, and despite the increasing popularity of certain options since 2000, the operative scenarios that characterize the networks for the provision of services reflect the structural (economic and productive) realities of the health care sector that, in the main, were already in place before the regional governments were established.

To summarize the findings of this study, Table 6.2 classifies the AACC according to the degree of differentiation or innovation they show in each of the three dimensions analysed for health care policy. In *italics* are those regions that appear in more than two dimensions in either a ‘High’ or a ‘Medium’ degree of differentiation/innovation – namely, Catalonia, the Basque Country, Galicia, the Balearics, and Castilla León. This analysis reveals that those regions that have been among the first to introduce innovations in health policy have also tended to pursue differentiated policy options with respect to central government regulations.

**Table 6.2 Degree of differentiation in regional health policies in Spain**

Degree of differentiation/Innovation	Discursive/symbolic dimension*	Substantive dimension**	Operative dimension***
High	<i>Catalonia</i> Navarre <i>Basque Country</i> <i>Galicia</i>	Navarre Aragon <i>Castilla León</i> Extremadura	<i>Catalonia</i> Valencia <i>Balearics</i> Madrid
Medium	<i>Balearics</i> Valencia Aragon <i>Castilla León</i> Andalusia Cantabria	<i>Balearics</i> <i>Basque Country</i> <i>Catalonia</i> <i>Galicia</i> Cantabria La Rioja Asturias Canaries Castile-La Mancha	<i>Galicia</i> <i>Castilla León</i> <i>Basque Country</i> Canaries Andalusia Asturias
Low	La Rioja Madrid Asturias Canaries Murcia Castile-La Mancha Extremadura	Madrid Andalusia Valencia Murcia	Navarre Castile-La Mancha La Rioja Murcia Cantabria Extremadura Aragon

*Notes:* \*To assess the degree of differentiation/innovation in the normative dimension of regional health policies, we have taken into account the pace and scope of legal acknowledgement of new health rights.

\*\*To assess the degree of differentiation/innovation in the substantive dimension of regional health policies, we have combined three indicators: per capita public expenditure, per capita primary care resources (centres and personnel), and per capital hospital care resources (beds).

\*\*\*To assess the degree of differentiation/innovation in the operative dimension of regional health policies, we have taken into account the weight of indirect provision within the publicly financed health system. ‘Low’ includes those regions where direct public provision is prevalent, ‘Medium’ those where indirect public provision is increasing, and ‘High’ those where both private and public indirect provision tends to prevail.

*Source:* Authors’ elaboration.

### Perceptions of the Devolution Process

Over the past 30 years, Spain has been the protagonist of the creation of a multi-level system of government that is not only one of the most decentralized in Europe but also historically unprecedented in Spain. Central government and administration coexist with 17 regional governments that were created *de novo*, and are now responsible for more than a third of government expenditure, and



enjoy very substantial legislative and executive capacity. Nobody now questions their existence. What is at issue is how well these powerful and deeply rooted regional institutions manage to respond to public needs, whether they adequately manage their public resources and, at the same time, the extent to which they manage to represent and satisfy the demands for the recognition of diversity, which in some cases (historical nationalities) were based on the claims for autonomy at the end of the Franco dictatorship.

The AACC were created at the beginning of the democratic period in order to resolve or pacify the historical dispute between the nationalist periphery and the central administration (see Chapter 2). This new model of the state presented a more efficient, citizen-friendly and therefore more decentralized way of governing Spain. After this long period, and with a focus on social and welfare policies, the questions are: what assessment can we make of these years? How have the 17 regions used their capacities for self-government in these areas? Has decentralization helped to improve internal cohesion or have the differences between the AACC increased in relation to social benefits and rights? There is a substantial literature on the subject in Spain (Bosch and Duran 2005; Castells and Bosch 1999; Gallego, Gomà and Subirats 2003, 2005; Subirats and Gallego 2002; Vilalta 2007), which in general terms offers some answers to these questions. Among the 'coffee for everyone' and 'champagne for the nationalities' (Börzel 2002: 99), the new regional institutions had to be able, in the medium term, to improve their capacity to provide public services, bringing administration closer to the problems it addressed, while also favouring the common recognition of multiple identities.

Over these years, aside from the symbolic and identity-based components, which are more present in some regions than in others, the regions have become the privileged managers of a set of basic social rights and resource centres to be exploited by the most entrepreneurial sectors. The regions and, more specifically, their executive bodies and administrations have become veritable power nuclei in highly specific sectors, playing a determinant role in key areas of welfare. Nevertheless, the general perception is that the shortcomings are as significant in relation to decentralization as they are in relation to 'multi-nationality'.

Periodic opinion polls<sup>6</sup> show the strong legitimacy of the State of the Autonomies, and the full incorporation of the regional-territorial dimension in the political-institutional imaginary of the Spanish people. However, a constant tension persists between those who are concerned by the lack of 'closure' of the system of Autonomies<sup>7</sup> and perceive that devolution has not lessened the differences

6 See the link in English to the studies that are periodically conducted by the Centro de Investigaciones Sociológicas on this matter: <http://www.cis.es/cis/opencms/EN/index.html>.

7 The expression 'closure' of the system of Autonomies is used in the Spanish political and academic debate as a synonym for definitively fixing or agreeing a system for distributing the competences and defining the powers of the AACC. Nationalist forces on

between territories, and those who view the current devolved system as unable to sufficiently recognize the diversity of origins that exists in the country. This tension is especially evident when one examines such a sensitive issue as social benefits and rights across the regions.

Indeed, findings from our recent study (Gallego and Subirats 2010), suggest that although territorial inequalities in terms of welfare in Spain are thought to have been reduced since the transition to democracy, and the economy and welfare are believed to have developed very positively throughout the state, the future remains uncertain. It is admitted that decentralization has positively contributed to the capacity of the regional governments to make and to implement decisions, which enables them to adapt better to the distinct needs or demands of the territories. Nevertheless, and apart from the 'historical' AACC or those with a nationalist identity, it is often noted that devolution, which has so far been positive, could turn the other way and intensify territorial inequalities. Those who believe this outcome is possible cite the dynamics of bilateral pressure (state-region) that are perceived in the struggle for resources and in the lack of transparency that is understood to surround these dynamics. Regional self-government in Spain has been built without the shared government mechanisms for joint planning and decision-making that some federal states possess. So, since there is a lack of institutionalized venues for territorial representation that could allow autonomous regions to participate in the configuration of central state policy, Regions have developed bilateral strategies (Grau 2000, 2010). However, beyond global considerations of the evolution of the welfare state, there is often no consistency between public perceptions of the main problems that are observed on a social and cultural level in the AACC (in health, education, social exclusion) and the data available on the provision and operation of the corresponding services.

To summarize, the perception in most AACC is that the decentralization of the last 30 years has improved everyone's position but, at the same time, it is believed that the most developed territories have achieved better and more complete social protection systems for their populations. Therefore, it is felt that the 'original' or pre-existing inequalities in the State of Autonomies have increased. The truth is that, despite these perceptions, and as we have seen in this chapter, the existing data confirm that the basic core of rights and benefits is essentially shared by the whole country, and that the existing differences do not decisively affect this common base.

On the other hand, the data we have been able to collect (Gallego and Subirats 2010), which coincide with the outcomes of other studies conducted from different perspectives (Rodríguez Pose and Gill 2004; De la Fuente 2008; Goerlich and Villar 2009), suggest that the gaps between the AACC that existed in

the periphery generally oppose such 'closure', while the main state-wide political parties – centre-right PP and socialist PSOE – promote it.

1979 in such areas as disposable income, education levels and access to basic services have shown a notable tendency to decrease over the last 30 years, even though the differences in productive capacities between the more and the less developed regions have tended to increase. The political decentralization of Spain has favoured greater equality among Spaniards, or at least has not reduced it.<sup>8</sup> It would be interesting to examine in more depth the deviation between perceptions on the one hand and existing indicators and data on the other, to find out the extent to which the perception of inequality is derived from the lack of transparency in the tradition of bilateral agreements, is rather the result of as yet unresolved issues between AACC, or simply reflects confusion between equality and uniformity.

### Conclusions

The analysis we have presented here asks whether decentralization has led to territorial differences in relation to the welfare policies deployed by the AACC in Spain. We have focused on education and health policies, as they are not just still central areas of welfare, but are also those that bear the greatest budgetary weight in these territorial regional governments. For both policies, we have analysed the main differences that have been detected in what we have defined as their symbolic, substantive and operative dimensions.

In relation to the symbolic dimension, according to what can be gleaned from the evolution of legislation, there is a remarkably high degree of homogeneity when it comes to a declaration of the governing principles and recognition of rights by both the central state and regional governments. In this sense, processes of both diffusion and convergence can be inferred (by following the time scales involved in the adoption of the regulations) in the cognitive frameworks that form the foundations of public interventions in each area. Sometimes the itineraries of diffusion circulate among the AACC and from them towards higher government bodies, sometimes from central government or even from international bodies towards sub-state governments.

In similar fashion, clear homogeneity is identified in a substantive core of the extent and intensity of public coverage for a range of services in the cases of education and health. Hence, the diversity of substantive options (what needs and demands are to be covered) appears only in relation to services complementing the nucleus defined by central government legislation as being common to the

<sup>8</sup> In this sense, the recent study by the researchers at the Consejo Superior de Investigaciones Científicas (CSIC) concludes that, if in 1975 the regional distribution of income presented a major divide between the richest regions (then the Basque Country, Madrid, Navarre and Catalonia) and the less rich ones (then Extremadura, Galicia, Andalusia and Castile-La Mancha), at present (2005 data) the AACC at each extreme are still the same, but the distance between them has been very significantly reduced (De la Fuente 2008: 689).

whole state (a range of basic services). The extent to which this diversity should be interpreted as inequality or rather as an indicator of the capacity for response and for prioritizing the distinct needs or demands in each territory is a matter of ongoing debate that is subject to future modulations or intensifications.

Along the same lines, the operative dimension of the policies analysed shows divergences when we observe the persistence of structures of provision of inherited services that were initially different in each territory. But we also observe a tendency to expand and consolidate methods for indirect provision of services, with the private and non-profit making sectors playing an increasing role in all of the AACC.

Undoubtedly, indicators such as the evolution in expenditure per capita dedicated to a particular policy area and the relative weight of this effort in the budget of each regional government tell us a lot about the degree of that government's commitment to certain services and problems. This clearly includes political decisions to define and/or prioritize more or fewer areas of intervention within their competences. Even so, certain factors distort this reasoning and limit the interpretation of these conclusions, such as, for example, the finance system of autonomous regions and the resources per capita that each of them finally commands in its budget. In Spain, the redistributive effort has led not only to a high degree of convergence in terms of the availability of public resources to the AACC, but also often to the radical alteration of the original positions that they held in terms of their contribution to the state's overall budget. Moreover, the special finance systems in the Basque Country and Navarre may inspire, for example, these AACC to systematically dedicate more resources per capita to the services analysed and, in passing, also contribute to their populations' perception that the level of benefits and the quality of those services are much better than those of the other AACC. It is also significant that the autonomous regions, even when evaluating these aspects in the other regions, consider their own systems to be superior.

In short, 30 years on from the establishment of the State of the Autonomies, the general picture painted here suggests that there is a remarkable shared core of principles, values, benefits and services, and a periphery in which the differences between regions in certain benefits and the existence (or absence) of certain services is more manifest. The deployment of these options is occurring against a background in which we observe the persistence of territorial differences in relation to certain characteristics of the population, such as structure by age groups and the degree of urbanization, or even the intensification of differences in relation to new phenomena such as immigration and new social habits that might involve new social risks. However, a tendency has been observed towards convergence with respect to economic development in some cases, and with respect to the availability and dedication of public resources per capita to welfare policies in others, although there is no positive correlation between the two.

The general data suggest that the gaps in terms of welfare have narrowed, but at the same time the general publics in the respective regions still consider that

differences existed before the creation of the AACC and that these differences are still present. We therefore have here the classic case of evidence suggesting one thing but perceptions suggesting quite another. This all implies that we should continue to discuss convergence and divergence in the decentralized construction of welfare policies in Spain. We understand that, for the moment, the value of equality has not been altered by the capacity to serve the value of diversity, both of which values are present in the constitutional foundations of the democratic state of Spain. It remains to be seen whether the convergence process in the basic aspects of the policies analysed, and even the coming together of benefits that appear to be the most diverse today, stems from dynamics of emulation and learning between AACC or from the logic of hierarchical decision-making in the central state.

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