Spain Report

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Sustainable Governance in the Context of the COVID-19 Crisis

SGI Sustainable Governance Indicators

BertelsmannStiftung

Executive Summary

Spain was one of the countries hardest hit by COVID-19 worldwide, both in terms of infections and deaths. The number of coronavirus cases recorded in Spain since the beginning of the pandemic officially exceeded two million at the beginning of January 2021 and the pandemic has continued to follow an upward trend. As a result, the autonomous communities have again strengthened restrictive COVID-19-related measures.

Available data points to the bulk of COVID-19 infections and deaths in Spain being attributable to structural causes (e.g., demographic structure) that Spain shares with most western European countries. There are complex endogenous and exogenous factors which may explain the performance of crisis management in Spain, but it is still too early to make a conclusive assessment.

The political and institutional context in which the pandemic hit Spain was far from placid following recent political and social turbulence. Although economic growth and job creation remained solid prior to the pandemic, Spain has been in crisis mode for the last decade. The economic and financial crisis has led to the so-called crisis of representative institutions, which has seen a huge decline in popular confidence in the main institutions of the democratic system and increasing party polarization. At the same time, the secessionist conflict in Catalonia has intensified since 2012. Reform initiatives have not been successful, among other reasons, because no political party has been able to form a stable government since 2015.

First of all, COVID-19 has revealed weaknesses in the healthcare system, both in terms of public health policy and patient care. Funding cuts to healthcare following the 2008 financial crisis have led to increasing variability in the quality of healthcare services across the autonomous communities that are responsible for the delivery of healthcare services. However, despite the stressful situation that has been endured, and the way some hospitals in Madrid and Barcelona have been overwhelmed, the healthcare system and other public services across the rest of the country did not break down.

The pandemic has shown how vulnerable the economic system is. At the beginning of 2020, Spain displayed weak productivity growth, while private investment in R&D continued to be low. Spain’s business structure is highly fragmented and consists mainly of small business units. Moreover, Spain has been hampered by an excessive dependence on tourism, which prior to the COVID-19 crisis contributed to around 14% of GDP and employed three million people. Regulatory policies adopted after the housing market crash mainly focused on increasing productivity through austerity and reducing wage costs. The unemployment rate in the first quarter of 2020 was 14.1%, with more than 3.5 million people unemployed. Although the Temporary Lay-off Plans (ERTEs) for companies affected by the coronavirus crisis cushioned the impact of the crisis on the labor market, the unemployment rate in Spain is expected to be around 16.8% in 2021. In fact, macroeconomic experts are not predicting a total economic recovery until the end of 2022.

Social resilience and support for the lockdown measures was very high. In April, 97.3% of the Spanish public considered the measures taken to combat the pandemic “necessary” or “very necessary,” 91% said that they were experiencing a “very good” or “reasonably good” lockdown, and 69% approved of the government’s de-escalation plan. In January 2021, a poll by the CIS public research institute revealed that 59.2% of Spaniards believe that central and regional governments should have introduced tougher measures to control the pandemic. The pandemic is having a disproportionate impact on the poorest and most vulnerable. After some positive public policy results since 2014 in this field, the relative poverty rate has increased during the pandemic and this time more sharply. Maintaining social cohesion is becoming a critical challenge.

The COVID-19 crisis has above all revealed the structural weaknesses in and cyclical problems of the Spanish territorial model. It has become especially clear that intergovernmental coordination instruments and joint decision-making bodies were unable to respond to the crisis appropriately. Moreover, tensions between the constitutionally determined framework legislation of the central government and the reality of a model consisting of heterogeneous regional healthcare systems became apparent. This is not new, but various reform initiatives, especially after the economic and financial crisis, have not been successful, among other things, because of party politics and the conflict in Catalonia, which hindered reform of the territorial model for a decade. Due to institutional weaknesses, decisions were taken very late and slowly. However, as the crisis unfolded, intergovernmental coordination improved, and representatives of the various health authorities met frequently to exchange information and to reach common agreements. And the decision-making process for de-escalating COVID-19 measures could be perceived as an example of co-governance between the institutions of central government and the autonomous communities. However, the second state of alarm was implemented in a decentralized and poorly coordinated manner.

Party polarization was also an obstacle to cross-party crisis management agreements. The fragmentation of the party system has intensified since the November 2019 general elections when 22 parties secured representatives in the lower house of the Spanish parliament. The first extension of the state of alarm, from 25 March to 11 April, was passed with the support of all parties represented in the parliament; only the members of the right-wing party Vox abstained. At the request of the government, parliament approved the state of alarm six times, but with support decreasing in each vote. Due to increasing polarization in parliament, the government could not continue to extend the state of alarm and restrictions were lifted. According to virologist and immunologist experts, the relaxation of restrictions came too early to prevent the second wave.

Since January 2020, a minority left-wing coalition government consisting of the PSOE and Unidas Podemos ("United we can") has held power – the first Spanish-wide coalition government since the Second Republic (1931–1939). After many years of crisis management, the government concentrated on new political initiatives to foster resource-efficient economic activity and to promote social well-being. The adoption of a new guaranteed minimum income scheme in May 2020 is one example of the government's commitment to reduce extreme poverty in Spain. On 23 December 2020, the minority government secured parliamentary support for the expansive spending plan for 2021, ending years of budget gridlock and improving its own political prospects inside the fractured parliament. The government played an important role in the design of the European recovery strategy. In October, the government presented the Recovery, Transformation and Resilience of Spanish Economy Plan, which will guide the implementation of European recovery funds between 2021 and 2023. The recovery funds will play an important role in the reconstruction and transformation of the Spanish economy, and help to create future-oriented jobs. In addition, the 2021 budget law also includes new taxes and increased tax rates, which will increase government revenue by up to €5.5 billion in 2021.

Citation:
Molina, I.; Otero-Iglesias; M.; Pablo Martínez, J. (2020), Has Spain's management of COVID-19 been a failure? Errors, lessons and recommendations, Real Instituto Elcano, WP 16/2020.
Kölling, M. (2021), COVID-19 & Federalisms in Spain, en: Rupak Chattopadhyay, Felix Knüpling (ed.), Dealing with the COVID crisis in Federal and Devolved Countries, Foro de Federaciones, Palgrave.
Erkoreka, M.; Grau Creus, M.; Kölling, M. (2021) Decentralisation and Covid-19: the Spanish territorial system under pressure, International Association of Centres for Federal Studies (IACFS), Palgrave.

Key Challenges

An evaluation of the COVID-19 response across the different levels of government will be crucial over the months to come. In October, a joint commission of both houses of the parliament was created to examine the causes and effects of the COVID-19 pandemic. However, there have already been calls for the Spanish national health system to be reformed and the Spanish Ministry of Health to be strengthened. According to these demands, the constitutionally determined coordination functions of the ministry should be improved and the ministry should ensure national standards in healthcare delivery. But there are additional challenges that must be addressed in order to make the system more resilient.

First, economic competitiveness and the resource efficiency of economic activity must be improved, while the economy's reliance on tourism must be reduced. Public policies should prioritize labor-intensive and climate-compatible public investment, and the government must place greater emphasis on innovation and education.

Second, the resilience of domestic SMEs should be fostered through internationalization and the creation of jobs. Flexible and fiscal supports must be retained, with measures focusing on vulnerable groups and viable SMEs.

Third, an institutional framework that promotes cooperation and coordination between the different levels of government should be created. The conference of the presidents of the autonomous communities and the prime minister has proven to be a useful instrument, which could be further institutionalized.

Fourth, the tax system must be consolidated and expanded, and public debt reduced. New tax measures for 2021 are an important step toward increasing government revenue. However, the tax system needs to be more efficient and the incidence of tax evasion must be reduced.

Fifth, labor market policies need to be improved by addressing issues with temporary contracts and the employability of dislocated workers, and fostering active labor market policies.

Sixth, social cohesion should be strengthened and the social impact of the coronavirus crisis mitigated. The new guaranteed minimum income scheme is an important step and should be consolidated. The most visible challenge to the welfare system is population aging, which is exerting pressure on the sustainability of the healthcare system and the viability of the pension system. Most social policies fall under the responsibilities of the autonomous regions. In this sense, the funding system for regional competences needs to be reformed so that subnational governments have sufficient resources to address their responsibilities.

At the EU level, Spain should support effective EU mechanisms for managing future health crises (supply of medical equipment and the design of a sort of European state of alarm), and harmonizing the oversight and monitoring of infections in the immediate term. Spain should also advocate a long-term transformation strategy for the European Union’s economic sectors.

Resilience of Policies

I. Economic Preparedness

Economic Preparedness

Economic Policy Preparedness Score: 6

The economic recovery that began in 2014 remained solid for six years, with economic growth rates consistently above the euro zone average. During this period, economic growth was largely driven by private consumption, equipment investment and exports. However, already in November 2019, the European Commission decreased its GDP growth forecast for Spain from 2.6% to 1.5%, which was worrisome given the high level of internal and external debt, both public and private, and high unemployment. At the beginning of 2020 in Spain, productivity growth was weak and private investment in R&D continued to be low. Other low-scoring indicators were SME in-house innovation, knowledge-intensive service exports and SME product or process innovation.

Regulatory policies adopted after the housing market crash mainly focused reducing wage costs and austerity in order to increase productivity. Reform initiatives have not been successful, among other things, because no political party has been able to form a stable government since 2015 and because of the ongoing secession conflict in Catalonia.

However, after many years of crisis management by the Rajoy government, the first Sánchez government (2018–2019) concentrated on new political initiatives to foster resource-efficient economic activity and to promote social well-being. In February 2019, the government presented the first Strategic Energy and Climate Framework. The plan introduced for the first time a strategic basis for a more resource efficient economy and economic empowerment. However, following parliament’s rejection of the state budget in February 2019, the first Sánchez government collapsed. Eleven months after Prime Minister Sánchez called early elections, a minority left-wing coalition government consisting of the PSOE and Unidas Podemos was formed on 13

January 2020. The second government of Pedro Sánchez continued to advance a reform agenda while operating under the 2018 budget. It was only on 23 December 2020 that the minority government secured parliamentary support for the 2021 spending plan, ending years of budget gridlock and improving its own political prospects inside Spain's fractured parliament.

At the beginning of its legislative term, in January 2020, the government presented the new Integrated National Energy and Climate Plan 2021–2030. The plan aims at making progress with decarbonization and lays the foundation for achieving a climate neutral economy by 2050. Spain aims to achieve a 39.5% improvement in energy efficiency by 2030. Renewable electricity generation in 2030 will represent 74% of the total. Overall, the plan is ambitious in scope, but relies to a large extent on mobilizing private investment. Public funding belatedly materialized at the end of 2020 because of difficulties in adopting a new budget. Moreover, there has so far been limited progress in fostering resource efficiency.

The coalition agreement between PSOE and Unidas Podemos also includes a new industrial development plan, which will be adopted in line with the National Energy and Climate Plan. According to first drafts of the plan, the government will foster public investment in upgrading technology and digitalization. Spain has an advantage in this field, as fiber optic coverage is high and nine out of 10 Spaniards are internet users. However, the government has announced that the 5G network will continue to be expanded. Artificial intelligence, the blue economy (using ocean resources to promote economic growth) and personalized medicine are also priorities. Moreover, the government aims to promote the use of electric cars and trains, as well as public transport in big cities.

Spain's business structure remains highly fragmented and mainly consists of small business units. In fact, eight out of every 10 companies in Spain have two or fewer employees. Small firms with less than 10 employees are particularly vulnerable to long-term economic disruptions, and have difficulties growing or benefiting from integration into European and global markets. The Committee of Regions employment risk index, which combines employment in risk sectors, shows a particularly high risk for Spain. Taking this challenge into account, the government established in 2020 a plan to foster the resilience of domestic SMEs, support SMEs to integrate into international markets, and enable SMEs to create decent and stable jobs.

There are also a significant number of large companies which are major international players in sectors related to infrastructure development, renewable energy, tourism, banking, insurance, the textile industry, health technology, aeronautics, the agri-food sector and the car industry. Most of them have been affected by disruptions to chains or reduced custom in 2020. Moreover, Spain has been hampered by its excessive reliance on tourism, which in 2019 contributed around 14% of GDP and employed three million people. In view of these challenges, the government has linked economic assistance to these sectors with reforms to economic competitiveness and environmental orientation.

Citation:
Government of Spain (2020), Integrated National Energy and Climate Plan 2021-2030
https://ec.europa.eu/energy/sites/ener/files/documents/es_final_necp_main_en.pdf
Committee of Regions employment risk index, https://cor.europa.eu/en/our-work/EURegionalBarometerDocs/4370-Barometer%20optimized.pdf

Labor Market Preparedness

Labor Market Policy Preparedness
Score: 6

The structural reforms, implemented around 2012, have arguably contributed to a faster and stronger economic recovery. In particular, there is evidence that the 2012 labor-market reforms helped the Spanish economy to regain competitiveness and create jobs (Ara; Salas 2020). But these labor reforms also contributed to in-work poverty and involuntary part-time employment.

According to data from the National Statistics Institute (INE), the unemployment rate in the first quarter of 2020 was 14.1%, with more than 3.5 million people unemployed. Despite improvements over the last decade, Spain’s labor market still has severe structural problems. These include high unemployment rates among young people and those aged over 50, a high percentage of long-term unemployed, a high percentage low-skilled workers, a high share of temporary contracts in total employment, a lack of flexibility, and a high share of undeclared work. Analysts also point to the existence of several contract modalities, flawed social dialogue and high compulsory social security contributions. Moreover, a study by CEPS found that Spain is one of the EU member states where so-called brain drain occurs the most. Between 2007 and 2017, some 87,000 highly qualified Spanish workers emigrated to other EU member states, especially northern European countries.

In the public sector, the use of temporary contracts increased further at the beginning of 2020, but efforts to strengthen public employment services have continued. The implementation of the Action Plan for Youth Unemployment remains on track, but active labor market policies do not seem to be very effective. Until the end of 2019, the PSOE caretaker government lacked the majority needed to introduce labor market changes. At the beginning of 2020, the new government included in the coalition agreement a commitment to modify the 2012 labor reforms. Preliminary social dialogue meetings between the government and social actors were held. However, Spain's largest employers association, the CEOE, broke off talks with the government in May. After months of tug-of-war, the most urgent issues – the automatic extension of agreements, the removal of the priority of company agreements, and addressing sub-contracting and drop-outs – were included in the government's legislative agenda for 2021. In the context of the recovery plan, the European Commission continued to urge Spain to undertake structural changes to its labor market. The minister for employment confirmed at the end of December 2020 that Spain is working intensively to increase job stability and to reduce the temporary employment rate, and that existing contract modalities are being reviewed.

At the end of 2019, the minimum wage in Spain was increased by an unprecedented 22% from €736 to €900 per month. More than 5.5 million people in Spain earn the minimum wage. In 2020, the government indicated that further increases over the next four years are planned, which will raise the minimum wage to 60% of the average EU salary, although no progress had been made by January 2021.

The government also promised to bring forward legislation to launch a program to help people return to Spain, with a particular emphasis on researchers and young people who left the country in the last few years.

According to the Social Security Ministry and Tax Agency, in 2021, the increasing number of self-employed workers will pay contributions based on their real incomes, rather than a fixed monthly amount. This has been a long-standing demand by the leading freelancer associations, but no decision has been taken yet.

Thus, in Spain, the coronavirus crisis collided with a structurally weak labor market. However, the Temporary Lay-off Plans (ERTEs) for companies affected by the coronavirus crisis cushioned the impact. Furthermore, temporary EU support to mitigate unemployment risks in an emergency (SURE) proved important to fighting the immediate negative economic and social consequences of the coronavirus outbreak. However, at the beginning of 2021, employment remains far from pre-pandemic levels and 750,000 people in Spain remain on ERTEs. These workers are included in the total number of social security affiliates. The unemployment rate in Spain in 2021 is expected to be around 16.8% In fact, macroeconomic experts are not predicting a complete economic recovery until the end of 2022.

Citation:
Stepanyan, A.; Salas, J. (2020), Distributional Implications of Labor Market Reforms: Learning from Spain's Experience, IMF Working Paper, European Department, February 2020.
CEPS (2019), EU Mobile Workers: A challenge to public finances?, https://www.ceps.eu/wp-content/uploads/2019/04/EU%20Mobile%20Workers.pdf

Fiscal Preparedness

Fiscal Policy Preparedness
Score: 5

Government debt as a percentage of GDP fell to 95.5% at the end of 2019, down from 97.5% one year before. Driven by the cyclical improvement of the economy, declining interest expenditure and an increase in tax revenue, the deficit shrank from 4.5% of GDP in 2016 to 2.3% of GDP in 2019. Due to this effort, the European Council closed the excessive deficit procedure for Spain, confirming that Spain reduced its deficit below the European Union's 3% of GDP reference value. Nevertheless, government debt as a share of GDP remained very high. In line with the decision of EU finance ministers to suspend stringent rules on running public deficits, the Spanish government will suspend the EU fiscal rules in 2020 and 2021, as a result of the pandemic's impact on the economy. According to the European Commission's autumn economic forecast, the public budget balance will rise to 12.2% of GDP and the gross public debt to 120.3% of GDP at the end of 2020.

Existing tax policy is difficult to assess with regard to equity and competitiveness. Vertical equity exists in principle, but horizontal equity suffers due to corporate tax engineering, the prevalence of fraud and the scope of the underground economy. According to Chislett, the problem also lies in tax benefits, exemptions and deductions (Chislett, 2020). The Autoridad Independiente de Responsabilidad Fiscal (AIReF) put the cost of tax benefits for housing, pensions, employment, healthcare and education at €60 billion (5% of GDP). In fact, Spain's tax burden at 35.4% of GDP is much lower than the EU average, although marginal personal tax rates are similar to the EU-27 average.

The PSOE government announced in 2019 an increase in annual tax collections to 42% of GDP. However, the failure to pass the 2019 budget law in February 2019 meant that no new tax measures could be introduced. In January 2020, the new government announced that it would continue with this plan.

Regarding the budget process, the constitution specifies the timing of legislative debate. However, passing an annual budget in Spain has become more complex in recent years, as the rise of new parties has led to an increasingly fragmented parliament. In 2011, a constitutional reform added a balanced budget amendment and debt brake to Article 135. Medium-term budgetary planning is regulated by the Organic Law on Budgetary Stability and Financial Sustainability (amended in April 2012). According to this law, the draft budget submitted by the government must take into account the three-year budgetary stability targets previously agreed upon by the parliament. The establishment of the Autoridad Independiente de Responsabilidad Fiscal (AIReF) in November 2013 aimed to reinforce the Spanish budgetary fiscal framework in order to ensure budgetary discipline at all levels of public administration, restore sound public finance policymaking and set public finances on a sustainable path. The AIReF is a public law institution with its own legal personality, and full public and private capacity to act. Although it is attached to the Ministry of Finance and Public Administration, it has been conceived as an entity with functional autonomy and is fully independent from the budgetary authorities.

The burden-sharing arrangement between central and regional governments was adopted in 2009 (e.g., debt insurance, fund transfers) and is still in place. For years various reports and proposals demanded reform of the system in order to move toward a modern system which complies with the principles of classic fiscal federalism (de la Fuente, 2020). However, so far, these demands have not met with success.

Citation:
Gobierno de España (2020), Ley de Presupuestos Generales del Estado para el año 2021
de la Fuente, Á. (2020), Una mini-reforma de urgencia de la financiación autonómica para una mejor respuesta a la crisis, Fedea Policy Papers – 2020/05.
Chislett, W. (2020), The challenge for Spain to use the EU's pandemic recovery fund wisely, ARI 101/2020 – 31/8/2020.
Council Recommendation (2020), Council opinion on the 2020 Stability Programme of Spain, Brussels, 20.5.2020 COM(2020) 509 final.

Research and Innovation

Research and Innovation Policy
Preparedness
Score: 6

Research and technology policy is traditionally a weak point, as evidenced by the low number of patents registered, the relatively poor international ranking of universities and the low level of spending on R&D. Overall R&D expenditure amounted to €15.5 billion in 2019, which was 4.2% up on the previous year and represented 1.25% of GDP compared to 1.24% of GDP in 2018. According to the European Commission's 2020 Innovation Scoreboard, while Spain is a moderate innovator, Spain's innovation performance has notably increased relative to 2010, with human resources the strongest performing innovation dimension. Moreover, Spain performs above the EU average in innovation-friendly environment and employment impacts. Spain

also scores high on new doctorate graduates, sales of new-to-market and new-to-firm product innovations, broadband penetration, and population with tertiary education. Low-scoring indicators include SME in-house innovation, knowledge-intensive service exports and SME product or process innovation.
In 2020, the government approved the new Science, Technology and Innovation Strategy for 2021–2027, with the aim of doubling the amount of public and private investment in R&D to 2.12% of GDP by 2027. In 2021, the budget of the Ministry of Science and Innovation will increase by 59.4%, with respect to 2020. However, a large part of these funds will come from Next Generation EU.

The Science, Technology and Innovation Strategy for 2021–2027 was elaborated together with regional governments, economic and social stakeholders, universities, research organizations, and scientific bodies. The strategy addresses weaknesses highlighted by the coronavirus pandemic, but also the structural problems of Spain’s R&D policy. Health will be one of six priority sectors for the strategy, alongside culture, creativity and inclusiveness; security; the digital world, industry, space and defense; climate, energy and mobility; and a bio-based economy, natural resources and the environment.

The Center for the Development of Industrial Technology (CDTI), which is a public business entity of the Ministry of Economy and Competitiveness, supports startups that transfer scientific output into products, fosters productivity and manages Spanish participation in international technological cooperation programs. The CDTI budget will be increased by 42% in 2021, up to €1,505 million, in order to strengthen knowledge-based business innovation and the science industry.

In addition, regional governments contribute with their own research and innovation policy to technological innovations. The autonomous communities will also see their R&D budgets increase in 2021. Besides these improvements, public and private investment in R&D remains low, while the 2019 Regional Innovation Scoreboard (RIS) indicated substantial variation in regional performance, with the best performing region, the Basque Country, performing three times as well as the lowest performing region, Ciudad Autónoma de Ceuta.

Social innovation has only recently emerged as an important topic at the national level, although several regional governments are quite active in this regard. The Basque Country in particular has a long tradition of promoting social innovation.

Citation:
EC(2020), European Innovation Scoreboard – https://ec.europa.eu/growth/industry/policy/innovation/scoreboards_en
EC(2019), Regional Innovation Scoreboard – https://ec.europa.eu/growth/industry/policy/innovation/regional_en

II. Welfare State Preparedness

Education System Preparedness

Education Policy Preparedness
Score: 6

Despite outstanding improvements in the education system since the 1980s, educational outcomes in Spain are low compared to other OECD countries. The main reasons for the poor results, although the causes differ strongly across regions, include a curriculum that is widely regarded as being out of date, poor teaching quality and the large number of students who repeat years (around 31% of 15-year-old students have repeated a grade, nearly double the average of other developed countries). Although early school-leaving rates continue to decrease (30.9% in 2009; 17.3% in 2019) figures are still very high (the EU average in 2020 was 10.2%). The employment rate of recent graduates is still below the EU average, although the 2019 rate was the highest since the beginning of the 2008 financial crisis.

In 2019, Spain spent 4% of GDP on education (the same share as in 2017), equivalent to 9.6% of total public expenditure (9.7% in 2017), both below the EU-27 averages (4.6% of GDP and 9.9% of total public expenditure). Private spending on education is significant, while public spending as a proportion of GDP has remained the same. However, spending levels vary between autonomous communities. The autonomous communities enjoy a high degree of autonomy in managing education, and are entitled to approve their own annual budget and decide on the distribution of their resources.

According to the 2021 budget bill, which takes into account European funding, transfers from central government to the autonomous communities for education will rise by 70.2%. The main goals include enhancing the digital skills of teachers and pupils, boosting vocational training, and extending nursery education for children up to three years old. In the 2021 budget, the share of public money allocated to maintenance grants for students from poor backgrounds has also been increased.

The education system is based on a strong commitment to inclusiveness and values at all levels of education. The government's commitment to equity is reflected in the new Organic Education Law, approved in 2020 by the Spanish parliament (177 votes in favor, 148 against and 17 abstentions), which places a strong emphasis on inclusiveness and compensatory measures to address disadvantage. The new law includes measures to ensure that students from low-income families are equally represented in public and semi-private centers (i.e., centers that receive state funding, many of which are run by Catholic groups). Extracurricular activities that must be paid for will not be allowed within school hours and city councils will only be able to cede public land for the construction of public education centers. Under the new law, a student can only be held back once in primary school and twice throughout the mandatory education system.

Although the education system continues to experience challenges related to quality and equity, the system has been shaped not only by socioeconomic struggles over distribution, but also by conflicts over religious, linguistic-cultural and national identity issues, and political factors. Like all the other education laws that preceded it, the new education law failed to produce political consensus, with identity issues (language and religion) again the main conflict lines. The autonomous communities governed by the PP have already announced delays to the implementation of the law.

According to the European Commission's Education and Trading Monitor, schools are well equipped with digital infrastructure and tools. In 2020, 77% of schools had more than 20Mbps broadband speed and 94.4% had Wi-Fi connections. In 2019, there were on average three students per computer (2.8 in public schools and 3.2 in private schools). In small municipalities (below 1,000 inhabitants), the ratio drops to 1.4 (3.5 in big cities). On average, 60% of classrooms have interactive digital systems, 89% of schools have a website and 45% off schools offer virtual learning environments. There is no significant difference in class-connectivity between public and private schools, but there is between autonomous communities. All autonomous communities have digital learning platforms for teachers and students. Also, the Spanish Ministry of Education created a repository of digital learning and teaching materials for teachers, parents and pupils.

According to the 2019 Teaching and Learning International Survey (TALIS), only 68% of teachers were trained in the use of ICT. However, the National Institute of Educational Technologies and Teacher Training (INTEF) provides continuous pedagogical development for digital education through tutored courses.

Citation:
EC(2020), Education and Trading Monitor, Spain
https://op.europa.eu/en/publication-detail/-/publication/c9527d62-2497-11eb-9d7e-01aa75ed71a1/language-en/format-PDF/source-171316235
Spanish Ministry of Education (2020), Platform: Aprendo en casa https://aprendoencasa.educacion.es/aprendemos-en-casa/

Social Welfare Preparedness

Social Welfare Policy Preparedness
Score: 6

Although Spain has made a steady recovery from the 2008 economic recession, poverty rates in the country are appallingly high. The population at risk of poverty or social exclusion (AROPE rate) stood at 26.1% in 2018 compared to 29.2% in 2014. Those at higher risk of marginalization include immigrants, unemployed youth and elderly people with small pensions. According to the Spanish statistical institute, child poverty in Spain is a particularly serious problem. In 2019, 29.5% of children under 16 years old were at risk of poverty or social exclusion. The share of employed people living under the poverty threshold is also very high. The country ranked 25th in the 2019 Social Justice Index – below the EU average. The high long-term poverty rate, along with the absence of an effective policy to lift people out of poverty, has already had negative effects on social cohesion. Seeking to address this situation in 2018, the first Sánchez government created the High Commissioner for the Fight against Childhood Poverty within the Prime Minister's Office, which aims at defining joint lines of action to improve living conditions and opportunities for children in Spain. In March 2019, the Spanish government adopted the National Strategy to Prevent and Combat Poverty and Social Exclusion 2019–2023. This strategy is also part of the second government of Prime Minister Sánchez's government program.

In May 2020, the government approved a new guaranteed minimum income scheme with the aim of reducing extreme poverty in Spain by 80% (1.6 million people). So far, there have been 17 different schemes in Spain, with each run by a different regional government. These programs will be reduced, with additional support offered to people in need. The payment of the new minimum income scheme depends on a family's income and their overall situation. The lowest rate is €462 a month for adults who live alone and the highest is €1,015 a month. Migrants who have been living legally in Spain for at least a year can apply for the guaranteed minimum income. In the first months after the launch of the guaranteed minimum income, the number of applications was much higher than the government expected – with about one million applications received at the time of writing. Moreover, administrative capacities were limited and administrative procedures took more time than expected due to the impact of the coronavirus pandemic on public administration. By the end of 2020, only half of the requests submitted had been processed, with a total of about 140,000 households due to receive the benefit.

Spain is on par with the OECD average in terms of welfare spending on pension, family, healthcare and integration policies as a share of GDP. However, according to the European Commission, Spain should reform the pension system. Spain's population is aging fast and Spain will soon have one of the highest old-age to working-age population ratios in the OECD, which will exert strong pressure on financial sustainability. In fact, in 2020, the government tried to strike a pact with the opposition to ring-fence public pensions. As part of these negotiations, the future of the Social Security Reserve Fund was discussed. The fund was created in 2000 with the aim of investing social security surpluses in order to finance future state pension scheme shortfalls. However, the fund has plummeted in value since 2011. Some of the measures adopted in 2014 to make the ailing system more sustainable have been suspended. At the end of the period under review, the government was finalizing a document on a forthcoming pension reform which contains an increase in the period of calculation for new pensions from 25 to 35 years. The impact of this measure on new pensions will be an average reduction of 5.45%.

In areas of discrimination not associated with poverty, particularly LGBTI rights and gender equality, the situation is much better. The WPS Index (Georgetown Institute for Women, Peace and Security) ranked Spain 15 out of 153 countries with regard to women's social inclusion and security in 2019.

Citation:
EC (2019), Europe 2020 targets – https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-your-country/spain/europe-2020-targets-statistics-and-indicators-spain_en#poverty-and-social-exclusion
INE (2019), Living Conditions Survey
https://www.ine.es/dyngs/INEbase/en/operacion.htm?c=Estadistica_C&cid=1254736176807&menu=ultiDatos&idp=1254735976608
Bertelmann Stiftung(2019), Social Justice Index Report
https://www.bertelsmann-stiftung.de/fileadmin/files/BSt/Publikationen/GrauePublikationen/SJI_2019.pdf
Georgetown University (2020), Women, Peace, and Security Index, https://giwps.georgetown.edu/wp-content/uploads/2019/12/WPS-Index-2019-20-Report.pdf

Healthcare System Preparedness

Health Policy Preparedness
Score: 7

In 2018, the Bloomberg Healthiest Country Index ranked Spain as the healthiest country in the world. The decentralized healthcare system is also ranked highly in terms of efficiency. However, the country's aging population and the accompanying increase in the incidence of chronic diseases poses a risk to the system's sustainability. Funding cuts to healthcare following the 2008 financial crisis have led to increasing variability in the quality of healthcare services across autonomous communities, which are responsible for the delivery of healthcare services. Starting in 2014, the general trend across all autonomous communities has been toward an increase in expenditure per capita. However, differences between autonomous communities are important. There is a group of autonomous communities with an expenditure of around €1,200 per inhabitant (Andalusia, Madrid, Catalonia, La Rioja, Murcia and Valencia) and a group of autonomous communities where expenditure per capita is around €1,600 (Basque Country, Navarre and Asturias). In general terms in 2019 healthcare spending per capita in Spain was more than 15% lower than the EU average (OECD, 2020). Since 2009, public spending on healthcare has fallen by €21 billion and 30,000 healthcare jobs have been cut. Numerous experts and practitioners have for some time been denouncing the cuts inflicted on the system, and the consequent lack of human and material resources.

The system is designed in a relatively efficient way to offer primary care, treat common illnesses and deal with (already known) epidemic threats. However, COVID-19 has revealed weaknesses in the healthcare system, both in terms of public health policy and patient care.

In 2020, there were 157,000 (162,000 in 2012) hospital beds in Spain. Before the coronavirus pandemic, Spain had a total of 5,800 intensive care beds, which was equivalent to 12.4 per 100,000 inhabitants of which 75% were in public hospitals. During the pandemic, this capacity was increased by 4,000 beds by using post-surgical beds. The stock of personnel protective materials was limited. In some indicators (e.g., medical staff per inhabitant) the national health system emerges better than in other countries, although the number of ICU beds is around the OECD average, and the number of nursing staff and beds is low.

Regarding disease management programs, Spain (which, like the rest of Europe, did not suffer from either SARS or MERS) had neither the experience nor enough resources to prevent, detect or deal with a pandemic of this nature, despite the fact that the current National Security Strategy has been warning of this threat since 2017. In 2013, the National Early Warning and Rapid Response System (Sistema Nacional de Alerta Precoz y Respuesta Rápida – SIAPR) was created. Within this system, the Coordination Center for Health Alerts and Emergencies, which is a Spanish Health Ministry department, assumes the functions of coordination, notification and evaluation of epidemiological or pandemic crises. According to the Global Health Security Index 2019, SIAPR was well evaluated, but was ranked low with respect to preventing and reacting to a pandemic. This is because SIAPR is not based on institutionalized intergovernmental relations between the central government and the autonomous communities, and only made provision for meetings at the lower administrative level (Arteaga 2020).

The coalition government program (adopted in January 2020) included the goal of increasing spending on the national health service to 7% of GDP by 2023 (6.2% in 2018). In fact, the 2021 budget foresees a 151% rise in the public health budget (to over €3 billion) due to extra revenue from new tax measures and €2.4 billion in EU funds. The spending increase will include €1 billion for acquiring COVID-19 vaccines, and €1.09 billion for modernizing and updating primary care. Spending will also increase for the National Health System Quality Plan. In order to improve coordination, the government will create the State Center of Public Health to act as a source for consulting, assistance, and scientific and technical advice at the national level.

Citation:
OECD/European Observatory on Health Systems and Policies. (2020), Spain: Country Health Profile 2019, State of Health in the EU. Paris: OECD Publishing.
OECD (2020), Beyond Containment: Health systems' responses to COVID-19 in the OECD, OECD.
Johns Hopkins Bloomberg School of Public Health (2019), Global Health Security Index: Building Collective Action and Accountability. Washington DC: Nuclear Threat Initiative, https://www.ghsindex.org/wp-content/uploads/2019/10/2019-Global-Health-Security-Index.pdf.
Molina, I.; Otero-Iglesias; M.; Pablo Martínez, J. (2020), Has Spain's management of COVID-19 been a failure? Errors, lessons and recommendations, Real Instituto Elcano, WP 16/2020.

Families

Family Policy
Preparedness
Score: 6

Traditionally, Spain is categorized within the southern European social model, due largely to its strong dependence on family assistance and support. However, concerns about very low fertility rates have grown since the 1990s, which has awakened a new sensibility for the need to support care giving performed by families. Family policy in Spain has evolved from support for the patriarchal family to a recognition of family pluralism, and from the evolution of the family salary to a policy that aims to combat poverty and promote family-work life balance.

According to the Women and Men in Spain report, produced by the Institute of Women for Equal Opportunities and the National Institute of Statistics, in 2019, the main reason women reported working part-time in order to care for dependents was the lack of affordable childcare (46.7%). Budgetary limitations and the slow implementation of programs that provide care for dependents has made it difficult for women to free themselves of the burden of family care. However, in 2021, the government will promote the expansion of free childcare for children three years old and under. So far, Spanish public schooling is free for children from three to 18 years of age. Paternity leave in Spain was increased in 2020. Beginning in 2020, male employees can take up to 12 weeks of paternity leave. The 2021 budget plan accounts for a gradual rise in paternity leave in Spain, which will increase from 12 to 16 weeks.

The Royal Law Decree 6/2019 – which addresses urgent measures to ensure equal opportunities, and treatment between men and women at work – established for the first time a mechanism for wage transparency in Spain. The law also extended the obligation to develop equality plans to all firms with more than 50 employees. The implementation deadlines are March 2022 for firms with between 50 and 100 employees, March 2021 for firms with between 100 and 150 employees, and March 2020 for firms with more than 150 employees.

At the beginning of December 2020, the Spanish government adopted two complementary decrees intended to improve gender equality in the workplace. The Equality Plan Decree (Royal Decree 901/2020) regulates the minimum requirements for company equality plans (the diagnosis, contents, issues to be treated, pay audits, and monitoring and evaluation mechanisms) as well as the registration of these plans. The Equal Pay Decree (Royal Decree 902/2020) refers to the obligation that professional classifications are carried out based on non-discriminatory criteria. The White Book of Women in the Technology Sector, published by the State Secretary for Digital Advancement, contains a specific section on algorithmic discrimination. However, Spain has not yet established a regulation on automated decision-making.

The various pieces of legislation of the autonomous communities provide different solutions to discrimination based on gender identity. Some autonomous communities establish joint anti-discrimination protection on the basis of gender identity and sexual orientation (Galicia, Catalonia, Extremadura, Murcia and Andalusia). Others establish specific and differentiated protection based on sexual identity (the Chartered Community of Navarre, the Basque Country, the Canary Islands, Madrid, the Valencian Community and Aragon).

At the end of 2019, Spain was included in the top 10 of the World Economic Forum (WEF)'s Global Gender Gap Report 2020, establishing its leadership in fighting gender discrimination in the social, political and economic spheres.

Citation:
EC (2019), Report on equality
https://ec.europa.eu/info/sites/info/files/aid_development_cooperation_fundamental_rights/annual_report_g

e_2019_en.pdf
INE (2020), 'Women and men in Spain,' section on 'Reasons for part-time work according to age groups,' www.ine.es/ss/Satellite?L=es_ES&c=INESeccion_C&cid=1259925461773&p=1254735110672&pagename=
European Equality Law Network (2020), Spain – Country report gender equality 2020, https://www.equalitylaw.eu/country/spain
State Secretary for Digital Advancement (2020), Libro Blanco de las mujeres en el ámbito tecnológico https://www.mineco.gob.es/stfls/mineco/ministerio/ficheros/libreria/LibroBlancoFINAL.pdf

III. Economic Crisis Response

Economic Response

Economic Recovery Package
Score: 6

Prime Minister Sánchez declared a nationwide state of alarm on 13 March 2020. The state of alarm is based on Article 116 SC and on the Organic Law 4/1981. The Royal Decree, which came into force on 14 March (Royal Decree 463/2020), conferred full responsibility on the Spanish government for implementing measures to deal with the COVID-19 crisis. At the request of the government, the first state of alarm was extended five times by parliament, with the last extension ending on 21 June 2020. Since the state of alarm was declared, the central government has played a prominent role in introducing measures. Already on 17 March, the central government announced a package of €200 billion to fight the economic fallout of the coronavirus crisis. The package comprised a fiscal impulse made up of public and private investments (€50 billion), and liquidity and guarantee measures (€150 billion) to enable companies and the self-employed to re-finance and invest.

Eight pieces of legislation – Royal Decree-Law 6/2020, Royal Decree-Law 7/2020, Royal Decree 463/2020, Royal Decree-Law 8/2020, Royal Decree 465/2020, Royal Decree-Law 9/2020, Royal Decree-Law 10/2020 and Royal Decree-Law 11/2020 – provided initial measures to address the crisis. The laws include measures that address healthcare and the economy at large, with a particular emphasis on the tourism industry, SMEs and the self-employed, as well as persons affected by the containment measures. Among the extensive range of measures adopted by the central government, it is worth highlighting the establishment of the Temporary Lay-off Plans (ERTEs), the scale of public investments and loan guarantees to ensure the liquidity and solvency of businesses, and the various plans for reactivating consumption.

Public resources to back investments (e.g., support the industrial sector) have been linked to the government's industrial policy goals, which aim to foster digital transformation and new business models. Public resources to back investments in SMEs have concentrated on young entrepreneurs and technology-based companies.

Regarding the fiscal measures, the Royal Decree-Law 8/2020 of 17 March – which addressed urgent measures to deal with the economic and social impact of COVID-19 – included tax measures mainly aimed at extending or suspending the time allowed to fulfill tax obligations and tax procedures. The VAT levied on the sale of medical supplies by domestic manufacturers to public and not-for-profit entities and hospitals has been reduced to 0%. The Royal Decree-Law 19/2020 of 26 May included supplementary tax measures to mitigate the effects of COVID-19, especially regarding the postponement of deadlines for annual accounts.

During 2020, further special relief packages were adopted for sectors most affected by the crisis (e.g., hotel and catering industry). In addition, self-employed workers whose activities have been affected by the COVID-19 crisis could request a moratorium on the payment of their social security contributions and the postponement of debt repayments.

Experts have stated that the relief packages in Spain have been smaller than in other advanced economies, while direct aid has been low compared to other EU member states. The crisis hit Spain when the government had a very small spending margin (both in terms of the debt and the deficit), which prevented the government from adopting more aggressive measures, such as offering equity injections for businesses or paying the rents of restaurants. For this reason, the government placed all its faith in European funds.

The autonomous communities have also set up their own plans of action in order to confront the health crisis, strengthen the healthcare and social protection systems, and introduce measures to complement a recovery in economic activity and consumption.

However, the central government provided financial assistance to the autonomous communities due to their limited financial autonomy. Aside from the regular system of financing, the central government approved a non-repayable fund of €16 billion to finance costs stemming from the pandemic. The distribution of the funds is based on health variables, although some spending is also targeted at educational items.

At the EU level, Spain’s non-paper on a European recovery strategy included the suggestion that priority should be given to the ecological and digital transition of the economy, and to boosting the European Union’s long-term industrial and technological autonomy.

On 7 October, the central government presented the Recovery, Transformation and Resilience of Spanish Economy Plan to guide the implementation of European recovery funds between 2021 and 2023. The plan complies with the priorities of the European Recovery Fund, with "green" investments accounting for more than 37% of the whole plan and digitalization for close to 33%. These investments will increase the growth potential of Spain's economy, and help to create future-oriented jobs and competitive businesses. So far, the government has published a plan for distributing REACT-EU funds among the autonomous communities. The plan proposes distributing two-thirds of the funds based on GDP per capita. The second indicator is the impact of the crisis on unemployment, which will determine two-ninths of the allocation. The third indicator measures the impact of the crisis on youth unemployment (15 to 24 year olds) and has a weight of one-ninth of the total allocation. In addition, aid is included for the outermost region, the Canary Islands.

Considering the high level of debt, the government initially applied only to the €72 billion of EU grants for 2021–2023. Doubts have been raised about whether the Spanish administration will be able to manage these funds. However, private sector expertise will play a vital role given the "demanding" timelines involved. The government will approve, in addition to the new Public Administration Act, a decree law to improve coordination between all administrations. In addition, a reform of the Public Sector Contracts Law, and the Budget and Subsidies Laws are on the way, which aim to guarantee the "efficient management" of the European funds.

Although the government's priority was to modernize SMEs, several big companies will receive significant shares. In fact, public-private collaboration will be the main strategy for the next few years, this will have a big multiplier effect but may also have negative consequences for SMEs.

Citation:
Government of Spain (2020), non-paper on a European recovery strategy April 19, 2020, https://g8fip1kplyr33r3krz5b97d1-wpengine.netdna-ssl.com/wp-content/uploads/2020/04/Spain-.pdf
Bruegel Datasets (2020), The fiscal response to the economic fallout from the coronavirus
https://www.bruegel.org/publications/datasets/covid-national-dataset/#spain
Real Decreto-ley 6/2020, de 10 de marzo, por el que se adoptan determinadas medidas urgentes en el ámbito económico y para la protección de la salud pública
Real Decreto-ley 7/2020 (PDF 410 KB), de 12 de marzo, de medidas urgentes extraordinarias para hacer frente al impacto económico y social del COVID-19
Real Decreto 463/2020, de 14 de marzo, por el que se declara el estado de alarma para la gestión de la situación de crisis sanitaria ocasionada por el COVID-19
Real Decreto-ley 8/2020, de 17 de marzo, de medidas urgentes extraordinarias para hacer frente al impacto económico y social del COVID-19

Real Decreto 465/2020 (PDF 226 KB), de 17 de marzo, por el que se modifica el Real Decreto 463/2020 de 14 de marzo para la gestión de la situación de crisis sanitaria ocasionada por el COVID-19
Real Decreto-ley 9/2020, de 27 de marzo, de medidas complementarias, en el ámbito laboral para paliar los efectos derivados del COVID-19
Real Decreto-ley 10/2020, de 29 de marzo, por el que se regula un permiso retribuido recuperable para las personas trabajadoras por cuenta ajena que no presten servicios esenciales, con el fin de reducir la movilidad de la población en el contexto de la lucha contra el COVID-19

Sustainability of Economic Response

Recovery Package Sustainability
Score: 7

The confinement measures taken in response to the coronavirus pandemic since mid-March resulted in an unprecedented contraction of economic activity in the first half of 2020, with the service sector – especially tourism – being most affected. Economic indicators improved in May, as restrictions started were gradually lifted in differentiated way across sectors and autonomous communities. However, the new restrictions introduced in the second half of 2020, changes in consumer behavior, reduced flight connectivity, disruptions in global value chains and weak demand impeded the normalization of economic activities during 2020.

The overall package of up to €200 billion, close to 20% of the GDP, comprises public funding (€117 billion) and private resources. Although funds were allocated to the most vulnerable families, workers and companies directly affected, packages were also oriented toward projects in line with the goals of the government’s industrial policy or linked to the transformation of the Spanish economy. Most funds aimed to support digital transformation, the circular economy, eco-innovation, decarbonization, energy efficiency, and the development of advanced materials and products. However, while the investments are meant to promote a “green” economic recovery by creating employment and cutting carbon emissions, the objectives may be too ambitious and too dependent on EU funds. For example, in September 2020, the Spanish authorities announced €181 million in spending on renewable energy projects. However, the Independent Authority of Fiscal Responsibility (AIReF) informed the government that it should re-think its plan to invest €75 billion in expanding the AVE network, as the network is not profitable and other forms of transport, such as commuter train services, need to be improved.

Citation:
Government of Spain (2020), España Digital 2025, https://www.lamoncloa.gob.es/presidente/actividades/Documents/2020/230720-Espa%C3%B1aDigital_2025.pdf

Labor Market Response

Labor Market Policy Response
Score: 7

The restrictions brought in to fight the spread of coronavirus had dramatic consequences for the labor market. For two weeks from 30 March, all activity in non-essential sectors of the economy was suspended. The Royal Decree-Law 8/2020 of 17 March established extraordinary and urgent measures to deal with the economic and social impact of the COVID-19 crisis. These measures included a set of labor-related actions that tried to provide a temporary and immediate response to the situation caused by the COVID-19 crisis. Additional measures included measures to promote distance working, increase flexibility in working hours and reduce working hours; exceptional measures for procedures (e.g., for the suspension of contracts); measures to extend unemployment protection and unemployment benefits for part-time and discontinuous employees; as well as measures to automatically extend unemployment benefits and allowances. The Royal Decree-Law introduced the category of temporary lay-off (Spanish acronym: ERTE) directly resulting from a loss of activity due to COVID-19. ERTEs have been widely used to cushion the impact of COVID-19 on the labor market. Thousands of companies, from small firms to corporations, applied for an ERTE as their business ceased or fell dramatically due to the lockdown. The ERTE scheme is a lesson learned from the economic and financial crisis. An ERTE allowed firms to lay off workers temporarily until the end of the state of alarm. Affected workers were entitled to 70% of their basic wage under the benefit. The Spanish government together with Spain’s two largest unions (UGT and CCOO) and the business confederation (CEOE) approved three extensions to the ERTE scheme. The September ERTE agreement also included extra support for self-employed workers who cannot access the aid available for loss of income. Aid is available to freelancers who can prove that their business activity fell at least 75% in the fourth quarter of 2020, with respect to the same period in 2019. The second wave of the coronavirus pandemic has proven to be just as powerful as the first in terms of its ability to inflict damage on the labor market. As a result, the ERTE schemes were beginning to appear insufficient. Labor experts estimated that between 200,000 and 300,000 workers who were placed on early ERTEs lost their jobs between 1 November and 31 December 2020. Although the furlough scheme was extended until 31 January 2021, the Bank of Spain is questioning the “suitability” of the program. Meanwhile, the understaffed employment services faced problems processing thousands of aid applications. The labor union CCOO estimated that there is a four-month delay in processing ERTE claims.

Citation:
El Pais, Thousands of workers in Spain could be laid off as second coronavirus wave bites, 13.11.2020

Fiscal Response

Fiscal Policy Response
Score: 7

According to the European Commission’s autumn economic forecast, the public budget balance will rise to 12.2% of GDP and the gross public debt to 120.3% of GDP by the end of 2020.

Although, at the end of 2020, Spain’s treasury issued bonds with negative yields, there are several measures in place to guarantee future economic viability. In order to finance expansionary fiscal policies, Spain is counting on receiving €72 billion in EU grants between 2021 and 2023. Taking into account the level of public debt, there are few incentives to ask the EU for loans, no matter how cheap these might be. Secondly, the conditions that might come with the funds are seen as a deterrent. Thirdly, it is still not even clear whether the government will have the administrative ability to spend that money.

However, the 2021 budget law includes also new taxes and increased tax rates. Tax revenues will increase up to €5.5 billion in 2021. In October, the Spanish parliament approved two new laws, which created a tax applicable to digital services and the Financial Transactions Tax (Law 4/2020 and Law 5/2020). The government calculates that together they will bring in some €1.8 billion. Building on the OECD recommendations regarding tax challenges arising from digitalization, the digital tax will levy 3% on online advertising, intermediation and sales of data. Spanish entities as well as foreign companies established or not within the EU with net revenues exceeding €750 million worldwide and €3 million in Spain will be subject to this indirect tax. Regarding the Financial Transactions Tax, Spain decided to tax at a rate of 0.2% the acquisition of shares in Spanish companies with a market capitalization above €1,000 million.

The 2021 budget also includes an increase in tax rates for high-income individuals and corporations. Income tax will go up three percentage points for capital gains of €200,000 and over, and two points for wages and salary incomes of more than €300,000.

Public revenues will also increase due to other fiscal measures such as a raise in the VAT on sugary drinks (from 10% to 21%). In line with recommendations from the European Commission and the OECD, there are also new “green taxes” (e.g., a new tax on single-use plastic) that are due to bring in €491 million in 2021.

The Spanish parliament approved at the end of 2020 a reduction in the deductions from individual pension plans from the current maximum of €8,000 per year to €2,000 per year.

The increase in diesel taxation, which the government intended to raise up to €500 million between 2021 and 2022, was not approved.

In addition, the parliament is discussing the Law on Measures to Prevent and Combat Tax Evasion (Proyecto de Ley de Medidas de Prevención y Lucha contra el Fraude Fiscal). The measure is expected to bring in around €830 million a year. Among other measures, the law foresees a reduction in cash payments between companies from €2,500 to €1,000 and the prohibition of tax amnesties.

Moreover, according to the budget law for 2021, new taxes will help fund greater spending on infrastructure and healthcare, and rebuild the pandemic-ravaged economy.

Research and Innovation Response

Research and Innovation Policy Response
Score: 7

In July 2020, the government approved the Action Plan for Science and Innovation (Plan de choque para la ciencia y la innovación). After a decade of cuts and a lack of reforms, the government placed R&D at the center of the recovery strategy. The plan includes 17 measures based on three cornerstones: research and innovation in health, the transformation of the science system and attracting talent, and driving business R&D and the science industry. The plan provides for investments of €1.06 billion, of which €396.1 million were disbursed in 2020 and the rest will be disbursed in 2021. The resources will also be channeled through direct support for R&D in strategic business sectors. Funds allocated to the plan will be complemented between 2021 and 2023 with resources from the EU Recovery Fund. Although the plan focuses on short-term measures, it takes into account the long-term recovery of the science and innovation system. The plan complements the Investment Plan and Reforms for the Recovery of the Economy.

In September 2020, the government approved the Spanish Science, Technology and Innovation Strategy 2021–2027, with the aim of doubling the amount of public and private investment in R&D to 2.12% of GDP by 2027. The government explained that this strategy responds to a “broad consensus” on the need to increase investment in order to “guarantee a sustainable recovery and ensure a future for coming generations.” The Spanish Science, Technology and Innovation Strategy 2021–2027 is in line with the European funding programs, as such programs may be eligible for European funding and international research cooperation.

Citation:
Spanish government (2020) Plan de choque para la ciencia y la innovación
https://www.lamoncloa.gob.es/serviciosdeprensa/notasprensa/ciencia-e-innovacion/Documents/2020/09072020_PChoqueCiencia.pdf

IV. Welfare State Response

Education System Response

Education Response Score: 6

Compulsory education moved quickly to distance learning in response to the pandemic crisis. As result of the COVID-19 outbreak, all education centers were closed on 14 March and in-person education replaced by distance learning. As already mentioned, schools are well equipped with digital infrastructure and tools, and – even though teachers were not fully prepared – their reaction was overwhelmingly positive.

From March to May, the autonomous communities prepared digital learning platforms for teachers and students. The Ministry of Education created a repository of digital learning and teaching materials for primary and secondary education. The ministry and national television broadcasted five hours of weekly programming for schoolchildren aged six to 16. For tertiary studies, the Spanish Universities Association and the Ministry of Higher Education launched a platform called #LaUniversidadEnCasa.

From 25 May, regional authorities decided to reopen schools on a voluntary basis for students finishing secondary studies. Some regions also allowed children up to six years old, students with special educational needs and those in reinforcement programs to return to school. The Sectoral Education Conference (which gathers all government education representatives from regional and central levels) cancelled all primary and compulsory secondary level exams, and decided that all students should advance to the next grade (grade repetition was applied only exceptionally). The conference also decided to delay university entry exams, and to modify the modalities and content of the exams.

Nevertheless, the pandemic posed significant challenges for socioeconomically disadvantaged students. Education authorities estimate that around 10% of the 8.2 million students did not have access to digital devices or the internet at home. The teachers' union pointed out that parents from a low socioeconomic background are less able to support their children. The non-governmental organization Save the Children reported that among families with monthly incomes of less than €900, 42% do not have a computer at home and 22% do not have internet access.

The Ministry of Education, city councils and NGOs also launched initiatives to alleviate the digital divide. Some companies contributed by providing free tablets, smartphones and broadband access (European Council, 2020).
Digitalization and digital competence is one of the 10 priorities of the new educational reform, which will provide a reference framework for digital teacher competence, guide the ongoing teacher training and facilitate the development of a digital culture in the classroom.

Social Welfare Response

Social Welfare Policy Response Score: 7

The pandemic is having a disproportionate impact on the poorest and most vulnerable. After some positive public policy results in this field, during the pandemic, the relative poverty rate is again increasing and more sharply this time. Oxfam Intermón estimated in September 2020 that the rate will rise to 23.1% from 21.5% before the pandemic. That would mean an increase in the number of people living in poverty from 700,000 to 10.8 million.

The second government of Pedro Sánchez – which was formed on 13 January 2020, only weeks before the pandemic outbreak – continued to advance the social inequality reform agenda started by the first Sánchez government in 2018. Sánchez described his four-year government program as "social patriotism." Faced with the pandemic, the government regulated certain protections for those groups that, due to their vulnerability, could be subject to eviction. Evictions were suspended for a maximum period of six months from 2 April 2020 until 31 January 2021. In order to avoid abusive rent increases during the crisis, the duration of rental contracts was automatically extended for a maximum period of six months. This extension applied to all rental contracts ending between 2 April 2020 and 31 January 2021. Other measures included a moratorium on mortgage repayments for the principal residence of mortgage-holders who became unemployed or who, as entrepreneurs or professionals, suffered a substantial loss of income during the coronavirus crisis. The supply of electricity, natural gas and water was guaranteed during the state of alarm for groups classified as at risk of social exclusion. Moreover, assistance relief (bono social) was automatically extended until 15 September 2020. Finally, regarding migration, the deadlines for the stay of third-country nationals whose return was not possible due to the international health emergency caused by the coronavirus were suspended. In addition, the government accelerated the introduction of the guaranteed minimum income scheme, which was approved in May 2020, with the aim of reducing extreme poverty in Spain by 80% (1.6 million people).

Citation:
Real Decreto-ley 11/2020, de 31 de marzo por el que se adoptan medidas urgentes complementarias en el ámbito social y económico para hacer frente al COVID-19.
Real Decreto-ley 30/2020, de 29 de septiembre de medidas sociales en defensa del empleo.

Healthcare System Response

Health Policy Response Score: 5

In early January 2020, the Ministry of Health activated the COVID-19 protocol in coordination with the Departments of Health in the autonomous communities. On 4 February, the ministry adopted an emergency protocol reinforcing the coordination and oversight mechanisms for central and autonomous community health authorities. Nevertheless, compared to other countries, Spain lagged notably behind in raising the level of response to match the surge in reported cases, with the first restrictive measures only coming into effective on 9 March when the number of confirmed cases had already exceeded 1,500. This contrasts with the responsiveness of other countries, most of which adopted measures when they reached 1,000 confirmed cases. Prime Minister Sánchez declared a nationwide state of alarm on 13 March following a videoconference with the presidents of all the autonomous communities when the number confirmed cases exceeded 7,500

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The declaration of the state of alarm allowed the central government to suspend the devolved health policy powers of the autonomous communities. The prime minister delegated authority to the minister for health. With the creation of the “mando único” (single command), the minister for health formally assumed responsibility for decision-making and coordinating health policy decisions with the 17 autonomous communities. The measures undertaken were supported by all autonomous communities at the political and technical level. Nevertheless, taking into account that decision-making and management have been in the hands of the autonomous communities for almost two decades, the central government’s coordination competence has proven be very weak. It was very difficult for the Ministry of Health to obtain and provide even basic operational data as well as to coordinate joint actions with the autonomous communities (e.g., organizing the joint procurement of protective clothing and masks, and data management). Because of shortages of equipment and medical supplies, autonomous communities started to compete with each other for these scarce resources and to purchase materials independently on the international markets. The lack of capacity (data collection, material, testing and analysis) conditioned Spain's public health responses. Nevertheless, coordination has improved, and representatives of the health authorities have since met frequently to exchange information and reach agreements, such as on common standards for PCR tests, the closure of bars, restricting smoking in public spaces, and measures in residences for the elderly. However, the shortcomings have remained very visible. The system as a whole (ministries, departments and service delivery devices) has shown serious capacity problems, and has faced challenges securing the necessary resources, technology and professionals to achieve its objectives.

Citation:
Kölling, M. 2020. 'Federalism and the COVID-19 Crisis: A perspective from Spain,' Forum of Federations Working Paper http://www.forumfed.org/2020/04/mario-kolling-federalism-and-covid-19/ (accessed on 20 October 2020).
Timoner, A. 2020. 'Policy Responsiveness to Coronavirus: An Autopsy,' Agenda Publica, Agenda Publica El País, 08 June 2020, http://agendapublica.elpais.com/policy-responsiveness-to-coronavirus-an-autopsy/ (accessed on 20 October 2020).
del Pino, E.; Moreno-Fuentes, F.J. (et al) (2020) Informe Gestión Institucional y Organizativa de las Residencias de Personas Mayores y COVID-19: dificultades y aprendizajes. Instituto de Políticas y Bienes Públicos (IPP-CSIC) Madrid. http://dx.doi.org/10.20350/digitalCSIC/12636

Family Policy Response

Family Support Policies
Score: 5

Similar to other countries, the coronavirus crisis led to a resurgence in traditional family roles in Spain, although these roles remained very dominant prior to the crisis. Family care and the care professions are highly feminized in Spain. Domestic care tasks, 70% of which are carried out by women, have multiplied with the closure of schools, and day centers for the elderly and disabled. Women also represent 66% of healthcare personnel, and 84% of the personnel hired in nursing and dependent homes. The government approved family support policies to ensure a fair distribution of the burden between the partners during the crisis. The urgent action plan adopted in March and the reactivation plan approved in June included measures to sustain the family incomes of those groups especially affected by the pandemic. Workers' rights and support in the area of work-life balance have been strengthened. For example, workers can request greater flexibility in work hours or a reduction in working hours in order to take care of family members. Moreover, the government established an extraordinary subsidy to cover the loss of work for domestic workers registered in the social security regime. However, there is a high percentage of irregular work in domestic care, and many workers in the sector are not registered and so were unable to receive a subsidy. Despite the possibility of adapting the schedule and reducing the working day to favor conciliation, teleworking has been a very limited conciliation mechanism. Several studies have revealed the higher levels of stress and anxiety experienced by women with dependent children who have teleworked during lockdown. Moreover, no public emergency childcare was provided for families in which both parents work.

The Royal Decree-Law 11/2020 of 31 March introduced additional measures in the social and economic field to deal with COVID-19. Among them, services for female victims of gender-based violence were declared essential and guaranteed. The central government distributed through the autonomous communities a special fund of €300 million for social assistance.

Citation:
Morondo, D. (2020), Gender equality sensitive COVID-19 measures, European network of legal experts in gender equality and non-discrimination. https://www.equalitylaw.eu/downloads/5190-spain-gender-equality-sensitive-covid-19-measures-80-kb
Sanchís, R. G. (2020), Madrid during the COVID19 lockdown: a pilot study on lifestyle, wellbeing and telework. Universidad Politécnica de Madrid, https://www.ucm.es/icei/file/iceipapercovid27
Benlloch, C.; Aguado Bloise, E. (2020), Teletrabajo y conciliación. El estrés se ceba con las mujeres, Universidad de Valencia.

International Solidarity

International Cooperation
Score: 7

Since the beginning of the pandemic, the government demanded a strong European mechanism to face the consequences of the crisis. On 19 April, the government presented a non-paper on a European recovery strategy, which provided important input into the debate on EU anti-crisis measures. Although the Spanish proposal was not endorsed at the European Council on 23 April, several elements appeared in the German-French proposal. These include the suggestions that the Economic Recovery Fund should be based on grants to EU member states, and that the fund should be financed through perpetual EU debt, backed by existing legal mechanisms to fund the EU budget. According to the non-paper, priority should be given to cooperation and financial support in EU health programs, the ecological and digital transformation of the economy, and efforts to boost industrial and technological autonomy. The non-paper has drawn praise from the international financial press. Overall, it was a good example of a proactive attitude able to exert influence at the right moment in time (Molina; Steinberg 2020).

Regarding international efforts, in general terms, there is a weak relation between the declared strategic goals of the Spanish government, and the government's aid budget and the associated changing flows of aid. Furthermore, the major transformations in the international context over recent years, and Spain's domestic economic and political problems have reduced Spain's role in the multilateral aid system. Nonetheless, the government has made Spain's role at the international level a much greater political priority, and actively promotes Agenda 2030 and the SDGs as the indispensable roadmap for Spanish cooperation. In this context, the Spanish government defended the key role of official development assistance in tackling the COVID-19 pandemic at the high-level meeting of the Development Assistance Committee (DAC) of the OECD in November 2020. The government supported the extension of the Debt Service Suspension Initiative of the G-20 until the end of 2021. Spain also backed the call for an extraordinary High-Level Political Forum of the United Nations in 2021 to renew the international community's commitment to 2030 Agenda.

Citation:
Molina; I.; Steinberg, F. (2020) The influence –and weakness– of Spain's European policy in the face of the pandemic: from a diagnostic to proposals and recommendations, ARI 68/2020, 12/5/2020
Olivié, I.; Carrasco, E.; Moreno, M. (2020). España en el sistema multilateral de ayuda, DT 23/2020 – 26/11/2020
Powell, C.; Molina, I.; Martínez, J.P. (Coords.) (2020), España y la crisis del coronavirus: una reflexión estratégica en contexto europeo e internacional, Elcano Royal Institute, Madrid, June.

Resilience of Democracy

Media Freedom

Media Freedom
Score: 7

The media environment in Spain offers a diverse range of views. The OSCE Office for Democratic Institutions and Human Rights noted in 2019 that overall Spanish media operates freely and the media environment is pluralistic. There is a variety of public and private television and radio stations, newspapers, and internet portals. However, the public TV and radio network (RTVE) has been criticized for its lack of impartiality and credibility, while private-owned media are dominated by only three media groups. The population’s increasing access to the internet (with a penetration rate of approximately 85%) and widespread use of social networks have encouraged the proliferation of electronic newspapers and independent blogs, which counterbalance the oligopolistic trends and guarantee that all opinions can be expressed in public debate. Though the approval of new laws, which could constrain media freedoms, combined with Spain’s struggling economy have created difficulties for journalists in recent years. Moreover, there is a high degree of public concern about the dissemination of false information. According to the 2020 Digital News Report, only 36% of Spanish users trust media news, the lowest level since 2015. Trust in information disseminated via social networks (23%) or internet search engines (32%) is also declining. Only 24% of young people trust social networks, 13 points less than in 2019, while 63% say they are concerned about not knowing what is true or false on the internet. The majority of Spanish users (49%) believe that the government, and national politicians and parties are the main sources of disinformation.

The media has played a key role in providing information about and making people aware of the emergency situation during 2020. Although both audiences and experts appreciate the work of Spanish public television, the majority opinion is negative. In this regard, they state that coverage has not been impartial and there has been an excess of information.

In November 2020, the government approved a protocol against disinformation campaigns as part of the European Union’s Action Plan Against Disinformation. Despite claims from the opposition that the government is trying to encroach on press freedoms and to create a “Ministry of Truth,” the European Commission backed Spain’s protocol. The protocol introduces provisions for communication campaigns to counter fake news stories, but stops short of censoring them. However, it leaves it up to the government to decide what exactly constitutes misinformation, as no representatives from media or journalist associations are required to be involved in the process.

Citation:
Villena-Alarcón, E.; Caballero-Galeote, L. (2020), COVID-19 Media Coverage on Spanish Public TV – http://www.tripodos.com/index.php/Facultat_Comunicacio_Blanquerna/article/view/818/837
OSCE Office for Democratic Institutions and Human Rights (2019), Spain Early Parliamentary Elections, https://www.osce.org/odihr/elections/spain/416252
Digital news report España (2020), https://www.digitalnewsreport.es/

Civil Rights and Political Liberties

Civil Rights and Political Liberties
Score: 8

Responses to the COVID-19 crisis have been mainly based upon the constitutional provisions regulating different types of states of exceptionality. Out of the three exceptional regimes provided for in Article 116 of the Spanish constitution and in Organic Law 4/1981 of 1 June (the states of alarm, emergency and siege -martial law-), only the state of alarm can be declared in the event of a health crisis (e.g., an epidemic or a situation of serious pollution). However, the constitution establishes several limits, including that measures taken under a state of alarm must be temporary, restricted to a specific area and limited to only those measures necessary for containing the emergency. If the emergency is limited to a specific autonomous community, the latter can request that central government declare a state of alarm in its territory. On 14 March 2020, the Spanish Council of Ministers approved Royal Decree 463/2020, which declared a state of alarm in order to manage the COVID-19 health crisis. The royal decree came into effect on the same date following publication in the Official State Gazette (BOE). The state of alarm included, among other measures, limitations to people’s freedom of movement, which affected citizens, workers and companies’ activities. At the request of the government, the Congress authorized the state of alarm six times, with the final extension ending on 21 June 2020. The step-by-step plan for lifting the state of alarm and transitioning to the “new normality” in late June was elaborated in close collaboration between central government and the autonomous communities.

Under the new normality, free movement between autonomous communities was restored. Some of the measures decided by the autonomous and local administrations based on scientific evidence and data after the 21 June were annulled in the courts, such as the restrictions on fundamental rights as they can only apply under a state of alarm. On 25 October, the central government declared a second national state of alarm, which was approved by the parliament and extended to 9 May 2021. The subsequent measures were established in Royal Decree 926/2020, which introduced a mandatory curfew for the entire country from 11pm to 6am and perimetral lockdowns, and restricted social and religious gatherings. In contrast to March, measures introduced during the second state of alarm were initially less severe and no national lockdown was introduced. However, the second state of alarm offered the legal framework within which the autonomous community authorities have some authority to approve additional measures.

During the state of alarm, Spanish courts were closed to the public. However, citizens had access to legal recourse to challenge violations of their rights and urgent cases could be dealt with in court. For example, according to the Royal Decree 463, parental disputes relating to childcare arrangements were considered urgent matters. Lawsuits challenging restrictions on fundamental rights (mobility, social gatherings) were also heard by the courts. According to a statistical report on the situation of the judicial bodies, the pandemic led to a 32.9% drop in the activity of the courts and tribunals throughout Spain in the second quarter of 2020 compared to 2019, with a total of 1,059,853 new cases. The number of cases pending at the end of the quarter were 3,057,356, which, with a year-on-year increase of 15.3%, represents the highest number since 2011.

The Spanish Ombudsman claims to have forwarded to the Ministry of the Interior numerous complaints from citizens about the restrictions imposed on movement after the first state of alarm was declared.

Citation:
Vidal Fueyo, M.C. (2020). El derecho a la tutela judicial efectiva en tiempos de pandemia. Biglino Campos, P.; Durán Alba, F. Los Efectos Horizontales de la COVID sobre el sistema constitucional, Colección Obras colectivas, Fundación Manuel Giménez Abad, Zaragoza. DOI: https://doi.org/10.47919/FMGA.OC20.0007
Defensor del Pueblo (2020), “Más de un millar de quejas por el Covid-19,” noticia de 3 de abril de 2020, https://www.defensordelpueblo.es/noticias/mas-millar-quejas-covid-19/. 13
Defensor del Pueblo (2020), “El Defensor plantea la posibilidad de que niños y niñas puedan salir a la calle de manera limitada y tomando las debidas precauciones,” noticia de 17 de abril de 2020, https://www.defensordelpueblo.es/noticias/defensor-crisis-covid/

Judicial Review

Judicial Review
Score: 8

During the state of alarm, Spanish courts were closed to the public. However, citizens had access to legal recourse to challenge violations of their fundamental rights and urgent cases could be heard in court. Spanish courts have been quick to react to appeals against measures adopted by the executive, and courts upheld appeals against restrictions placed on fundamental rights and allowed, for example, demonstrations to take place. For example, the Aragon Supreme Court revoked the city of Zaragoza's ban on a protest involving 60 vehicles with only one occupant per car. The court judged that the state of alarm does not prevent the free exercise of fundamental rights and in no way entails their abolition, and therefore there was insufficient reason to prohibit all types of demonstrations.

Following the state of alarm, regional high courts across the country overturned restrictions implemented by autonomous community and local administrations on the basis that only the central government could restrict fundamental rights (e.g., freedom of movement) under the constitutional authority of a state of alarm. For example, the regional high court in Madrid in October struck down government restrictions that sealed off the Spanish capital and nine of its satellite cities, stating that the measure lacked legal underpinning and breached residents' "fundamental rights."

During the period under review, the General Council of the Judiciary – which is an autonomous body composed of judges and other jurists, and aims to guarantee the independence of the judges – could not be renewed due to the political deadlock.

Citation:
Bilbao Ubillos, J.M. (2020). La libertad de reunión y manifestación en tiempos de pandemia. Biglino Campos, P.; Durán Alba, F. Los Efectos Horizontales de la COVID sobre el sistema constitucional, Colección Obras colectivas, Fundación Manuel Giménez Abad, Zaragoza. DOI: https://doi.org/10.47919/FMGA.OC20.0013

Informal Democratic Rules

Informal
Democratic Rules
Score: 5

From the mid-1980s to the mid-2010s, Spain's national party system was dominated by a simple competition between the social-democratic Spanish Socialist Workers Party (PSOE) and the conservative People's Party (PP). The bipolar left-right competition led to a majoritarian and confrontational style of democracy, but – as the major parties tended to win an absolute parliamentary majority – polarization was no more than a minor obstacle to policymaking. However, a number of factors (including economic crises, corruption scandals, lack of popular trust in the two traditional parties and the secessionist conflict in Catalonia) have produced a more fragmented and polarized party system. While the wider political choice available to voters may be healthy, it has come at the cost of reformist momentum and government stability. Moreover, polarization has proved to be a significant obstacle to cross-party agreement and the formation of parliamentary majorities. Since 2015, due to the fragmentation and polarization of the party system, no party has been able to form a stable governmental majority. The fragmentation of the party system has intensified since the November 2019 general election when 22 parties won representation in the Congress of Deputies, the lower house of the Spanish parliament. Since January 2020, a minority left-wing coalition government consisting of the PSOE and Unidas Podemos ("United we can") has held power. As previously mentioned, the proclamation of the state of alarm strengthened the executive, but Congress retained leverage given its role in approving the state of alarm and its extensions. At the request of the government, Congress authorized the state of alarm six times. The first extension, from 25 March to 11 April, was passed with the support of 269 out of the 350 members of the Congress; only the members of the right-wing party Vox abstained. Nevertheless, in the subsequent votes, opposition to the state of alarm increased and the PP, which abstained in the third and fourth votes, voted against the fifth and sixth votes. Furthermore, the pro-Catalan independence parties, the left-wing Esquerra Republicana de Catalunya (ERC) and the conservative Junts per Catalunya (JxC), voted against the fourth prolongation of the state of alarm after unsuccessfully trying to negotiate support for the state of alarm in return for securing a "negotiation table" between the central government and the Catalan government. Due to the increasing polarization in parliament, the government could not continue to extend the state of alarm and restrictions were lifted. According to virologist and immunologist experts, the relaxation of the state of alarm came too early to prevent a second wave.

Nevertheless, the second "light" state of alarm could be approved in October, with the specific mention of the need to prolong the measure for a long period of time. This measure was widely criticized by the opposition parties.

Resilience of Governance

I. Executive Preparedness

Crisis Management System

Crisis Management System Score: 5

Regarding disease management, Spain (which, like the rest of Europe, did not suffer from either SARS or MERS) had neither the experience nor enough resources to prevent, detect or deal with a pandemic of this nature, despite the fact that the current National Security Strategy has been warning of this threat since 2017. The General Public Health Law 30/2011 established the model for managing an epidemiological or pandemic crisis. In 2013, the National Early Warning and Rapid Response System (SIAPR) was created, which assumes the functions of coordination, notification and evaluation of an epidemiological or pandemic crisis. According to the Global Health Security Index 2019, the system was evaluated positively. The assessment endorsed both the healthcare capacity of the national health service and the warning capacity of SIAPR. Nevertheless, the model was criticized for its limited ability to prevent and react to a pandemic threat. In particular, the system does not guarantee the coordination of political measures between the central government and the autonomous communities (Arteaga 2020). According to this, the crisis management system was not prepared for the outbreak of COVID-19. In fact, the Coordination Center for Health Alerts and Emergencies was quickly overwhelmed in March by the coronavirus crisis, and was not able to collect data in a timely and orderly fashion. The Lancet Public Health journal published in October an editorial titled “COVID-19 in Spain: a predictable storm?” in which the editors stated that, despite the fact that Spain had created the Center for Coordination of Health Alerts and Emergencies in 2004, the pandemic had exposed the country’s weak surveillance systems.

During the state of alarm, the government deployed the Military Emergencies Unit (Unidad Militar de Emergencias, UME), which has proven to be an important instrument in the crisis management. The UME, which was created in 2005, facilitated the transport of citizens, goods and surveillance services during the state of alarm.

Citation:
Arteaga, Félix. (2020), "La Gestión de Pandemias Como el COVID-19 en España: ¿Enfoque de Salud o de Seguridad?",' RIE, 42/2020.
Kölling, M. (2020), 'Federalism and the COVID-19 Crisis: A perspective from Spain,' Forum of Federations Working Paper.
Timoner, A. (2020), 'Policy Responsiveness to Coronavirus: An Autopsy', Agenda Publica, El País, 08 June 2020.

II. Executive Response

Effective Policy Formulation

Effective Policy Formulation
Score: 7

On 9 March, the central government issued its first warnings and countrywide recommendations. At the time, the number of confirmed cases had already exceeded 1,500. On 13 March, Prime Minister Sánchez announced a nationwide state of alarm once the number of confirmed cases had already exceeded 7,500. In comparative perspective, Spain lagged notably behind other countries in raising the level of response, with some other countries adopting measures once they had recorded 1,000 confirmed cases (Timoner, 2020). With regard to expert advice, the Spanish government relied on the opinions of professionals from different areas (e.g., medical experts, virologists and/or epidemiologists) as well as on information from the autonomous communities, town councils and government organizations. According to the Ministry of Health, four working groups were created in response to the COVID-19 pandemic. A multidisciplinary working group was set up by the minister of science. The plan to transition to a new normality was prepared by a committee of experts, made up of 15 professionals from different areas. Moreover, the Scientific and Technical Committee was established to advise the government; and a technical group was set up to monitor and evaluate the epidemiological situation in the autonomous regions. There were also expert groups established at the level of autonomous communities.

Since January 2020, a minority left-wing coalition government consisting of the PSOE and Unidas Podemos ("United we can") has held power. This is the first coalition government at the national level since the Second Republic (1936–1939). The lack of experience in forming coalition governments has had an impact on the effectiveness and coherence of policy formulation, and led to coordination problems among ministries.

A group of Spanish epidemiologists and public health experts published several letters in the scientific journal The Lancet requesting an independent review into the COVID-19 response in Spain. Among other things, they criticized the lack of trust in scientific advice demonstrated by the government. Moreover, when the national lockdown was lifted in June, some regional authorities were too fast to reopen, too slow to implement an efficient track and trace system, and ignored scientific advice.

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Timoner, A. 2020. 'Policy Responsiveness to Coronavirus: An Autopsy,' Agenda Publica, Agenda Publica El País, 08 June 2020, http://agendapublica.elpais.com/policy-responsiveness-to-coronavirus-an-autopsy/ (accessed on 20 October 2020).

Policy Feedback and Adaptation

Policy Feedback and Adaptation
Score: 6

Regarding sustainable crisis management, the government had difficulties implementing measures at the beginning of the pandemic. However, the state of alarm offered the government a solid legal framework within which it could adopt severe decisions according to the changing circumstances of the pandemic. Considering the decentralized organization of the Spanish healthcare system, the national Ministry of Health was quickly overwhelmed by the coronavirus crisis in March and was not able to collect data in a timely manner in order to assess the adopted measures. However, cooperation and coordination with the regional health authorities quickly improved, and the government was able to adopt decisions and to evaluate measures based on reliable data. After the end of the state of alarm, the ability of public administration to respond was limited due to the unclear division of competences, a lack of legal endorsements, party politics and territorial cleavages. In this sense, the assessment of adopted measures was more complicated. At the end of September, the central government agreed with the majority of regional governments to impose restrictions in areas with more than 100,000 residents if they met three benchmarks: 500 cases per 100,000 inhabitants, 35% COVID-19 patient occupancy in intensive care units and positive results in 10% of tests.

Public Consultation

Public Consultation
Score: 7

Since the outbreak of the COVID-19 pandemic, the government has engaged actively in dialogue with trade unions and employers' associations. The social stakeholders and the government signed several agreements: the rise in the minimum wage, the Temporary Lay-off Plans (ERTEs), a benefit scheme for self-employed workers, the Economic Reactivation and Employment Agreement, the Remote Working Agreement, and the creation of the

“Coronavirus Board.” The government has also convened many meetings with social stakeholders to structure and monitor the various economic and social responses to the pandemic.

In November, the government, trade unions and employers’ associations set up the Social Dialogue Board for Recovery, Transformation and Resilience. This board will serve as a channel to regulate dialogue between the government and social stakeholders regarding the recovery plan.

Social and environmental interest groups participated in the elaboration of several policy responses, such as the Spanish Science, Technology and Innovation Strategy for 2021–2027. Nevertheless, the investment plan for the implementation of the EU recovery plan has not been elaborated in close cooperation with the social stakeholders but mainly with private consultancy agencies. Moreover, there was no collaboration with the private sector, and SMEs and business representatives have voiced concerns about the limited information they have received from the government regarding the implementation of the EU recovery plan.

Crisis Communication

Crisis Communication
Score: 6

The government frequently communicated its assessment of the situation as well as the rationale behind the measures taken. However, despite the daily taskforce briefings and numerous press conferences by members of the government, the management of communication has been widely questioned. The main criticisms have to do with delays in providing information, the lack of consistent and sufficient data, as well as the lack of clarity. Neither the prime minister nor any other member of the government agreed during the first three weeks of the state of alarm to answer questions submitted by journalists electronically. From April onward, the government held press conferences with journalists by videoconference and allowed them to reformulate questions. The government and the COVID-19 taskforce did not prepare citizens for the most negative scenario and provided an overly protective message of calm in the initial stages of the pandemic (Costa-Sánchez and López-García 2020). Criticism of public authorities and trust in sources were moderate during the initial stages of the state of alarm but became more critical as the crisis progressed. During the 30 days of the state of alarm, 38% of citizens claimed that the government was the most reliable source of information. One-third of the respondents (33.8%) evaluated government information as clear and sufficient at all times, and 22.8% thought that it was timely. Nevertheless, 52.8% of citizens believed that the whole truth was not revealed, 45.9% that the information provided confused the population and 48.4% that it had caused social alarm (Moreno et al, 2020).

Citation:
Costa-Sánchez, C.; López-García, X. (2020). "Comunicación y crisis del coronavirus en España. Primeras lecciones." El profesional de la información, v. 29, n. 3, e290304. https://doi.org/10.3145/epi.2020.may.04
Moreno, Á.; Fuentes-Lara, C.; Navarro, C. (2020). "Covid-19 communication management in Spain: Exploring the effect of information-seeking behavior and message reception in public's evaluation." El profesional de la información, v. 29, n. 4, e290402. https://doi.org/10.3145/epi.2020.jul.02

Implementation of Response Measures

Implementation of Response Measures
Score: 7

At the end of February 2020, the autonomous communities played a leading role in adopting contentious measures. In an uncoordinated way and with little planning, each autonomous community applied its own measures, depending on the degree of incidence and spread of coronavirus in its territory. The measures adopted by the autonomous communities failed to contain the spread of cases throughout the country. On 13 March, Prime Minister Sánchez announced a nationwide state of alarm, which conferred full responsibility on the Spanish government for managing and implementing measures to deal with the COVID-19 crisis. These measures included placing the country in lockdown and ordering people to stay at home, as well as measures to ensure the supply of goods and services needed for health, food, power and essential services. With the creation of the "single command," the minister for health formally assumed responsibility for decision-making and coordinating health policy decisions among the 17 autonomous communities. However, the Ministry for Health did not have the administrative capacity to implement the measures, which meant that the measures were implemented by the autonomous communities at the political and technical level (e.g., regarding staff resources for monitoring infection rates or contact-tracing capacity). Nevertheless, public support for the state of alarm weakened since the main problems related to the equipment of healthcare services did not improve and the autonomous communities were asymmetrically affected by the state of alarm. Moreover, the lack of strong vertical and horizontal coordination mechanisms at different levels of government led to confusion and conflict. The central government's crisis management decisions have disproportionately affected industrialized regions (e.g., the Basque Country) and tourist regions in Valencia. Several autonomous communities opposed the central government's crisis measures, with some autonomous communities demanding stronger measures, while others demanded less severe measures. The government showed willingness to deal with vested interests and was not opposed to subnational decision-making within a commonly agreed nationwide framework. The emergency economic aid provided to the autonomous communities has included unconditional transfers, although transfers have been based on specific criteria for revenue-sharing established by the central government in order to prevent misuse.

National Coordination

National Coordination
Score: 7

The management of the pandemic in a decentralized country such as Spain, in which implementation of healthcare policies fall under the authority of the autonomous communities, clearly could not be done without intergovernmental cooperation. However, there is neither a permanent institutionalized representation of regional interests at the national level nor a framework for intergovernmental relations, which could facilitate intensive coordination and cooperation efforts among the different levels of government during the management of the pandemic.

In a videoconference held on 15 March, two days after the declaration of the state of alarm, Prime Minister Sánchez informed the presidents of the 17 autonomous communities about the measures, and asked them to commit to pursuing “unity of action” and demonstrate loyalty. An institutional manifesto confirming their commitment was released after the meeting. According to this commitment, the prime minister, and the presidents of the 17 autonomous communities and the autonomous cities of Ceuta and Melilla would hold weekly online meetings during the state of alarm. All the presidents of the autonomous communities participated in these meetings, including for the first time since 2018 the president of Catalonia, in order to reach common agreements. Most of the presidents of the autonomous communities stressed the usefulness of the conferences, despite their purely informative nature during the management of the COVID-19 crisis.

The national health minister and the health ministers of the autonomous communities met online twice a week to exchange information and reach agreements (e.g., regarding common standards for PCR tests, the closure of bars, restrictions on smoking in public spaces, and measures in residences for the elderly). Other low-profile intergovernmental mechanisms were also reactivated. In early May, the Spanish Ministry of Health issued a ministerial order, which aimed at regulating the role of the autonomous communities in the decision-making process for the de-escalating the state of alarm. From June to October, the central government efforts were largely directed toward coordinating with the autonomous communities (e.g., regarding minimum standards for schools returning to in-person teaching).

At the end of September, the central government agreed with most autonomous communities on specific thresholds for local lockdowns. After the autonomous community of Madrid, which was one of the autonomous communities with the highest rate of incidence at the beginning of the second wave, had to impose local lockdowns in cities that met these criteria, the

Madrid High Court ruled that the central government could not limit fundamental rights without resorting to a state of alarm. As a consequence, the central government imposed a selective state of alarm and lockdown of 15 days for these cities in the autonomous community of Madrid.

In contrast to March, the second state of alarm, which was approved at the end of October following requests from subnational governments, was implemented in a decentralized manner and primarily managed by autonomous community governments, with less coordination between the different levels of government.

Citation:
Kölling, M. (2021), COVID-19 & Federalisms in Spain, in: Rupak Chattopadhyay, Felix Knüpling (ed.), Dealing with the COVID crisis in Federal and Devolved Countries, Forum of Federations, Palgrave.
Erkoreka, M.; Grau Creus, M.; Kölling, M. (2021) Decentralisation and Covid-19: the Spanish territorial system under pressure, International Association of Centres for Federal Studies (IACFS), Palgrave.

International Coordination

International Coordination
Score: 8

The government contributed actively to European efforts to tackle the public health, economic and social consequences of the COVID-19 pandemic. In April 2020, the Spanish government presented a non-paper on a European recovery strategy, which provided significant input into the debate on the EU anti-crisis measures. At the international level, Spain forms part of the global alliance ACT-Accelerator, the largest global geostrategic commitment for the development of COVID-19 medications and vaccines. Within this multilateral U.N.-headed response, Spanish cooperation will mobilize a total of €1.72 billion to tackle the global impact of the pandemic. The response will focus on three priority areas: support for public health systems; protection of rights and recovery capacities; and socioeconomic development and the governability of the people most affected. Spain has identified resources for an initial donation of €318 million, plus another €1.36 billion in refundable financial cooperation. The government will initially provide €732 million, the regional governments a total of €39.9 million, local authorities €7.3 million and the Bank of Spain €941 million.

In December, the Council of Ministers authorized the transfer of €20 million in voluntary contributions to U.N. funds and agencies in order to tackle the impact of COVID-19 around the world. This support complemented the annual quotas. The voluntary contribution is aimed at projects that focus on major global policy agendas, such as health and gender. Spain is the third leading country in managing EU delegated funds and a key partner in European cooperation, particularly in Latin American and African countries.

The Spanish cooperation agency aims to combat the pandemic by working together with the European Union to support the distribution of COVID-19 vaccines in developing countries. In November 2020, the government announced that the new 2021 ODA budget will amount to €3.1 billion (0.25% of GNI), which represents a 23% increase compared to 2019 ODA disbursements.

The Joint Response Strategy from Spanish Cooperation to the COVID-19 Crisis will include an online monitoring platform and will be subject to an independent assessment in the second half of 2021.

Citation:
Ministerio de Asuntos Exteriores, Unión Europea y Cooperación (2020) Estrategia de respuesta conjunta de la cooperación española a la crisis del COVID-19, http://www.exteriores.gob.es/Portal/es/SalaDePrensa/Multimedia/Publicaciones/Documents/Estrategia_de_respuesta.pdf

Learning and Adaptation

Learning and Adaptation Score: 5

In August and September 2020, in an article published in The Lancet journal, several health experts demanded a comprehensive evaluation of the Spanish health and social care systems. The article called for an independent and impartial evaluation led by a panel of international and national experts, focusing on the activities of the central government and of the governments of the 17 autonomous communities in three areas: governance and decision-making, scientific and technical advice, and operational capacity. The government is supporting an independent evaluation of the management of the pandemic in Spain. In October, a parliamentary commission was created to assess the causes and effects of the COVID-19 pandemic. Specific ministerial initiatives (e.g., the Joint Response Strategy from Spanish Cooperation to the COVID-19 Crisis) include independent assessments to evaluate their progress. There are also ongoing evaluations at the level of the autonomous communities. Some independent organizations (e.g., Instituto de Bienes y Políticas Públicas, Consejo Superior de Investigaciones Científicas, CSIC) have already analyzed the institutional and organizational management of retirement homes during the COVID-19 crisis.

Citation:
del Pino, E.; Moreno Fuentes, F.J. (coord.) (2020), Gestión Institucional y Organizativa de las Residencias de Personas Mayores y COVID-19: dificultades y aprendizajes,. Instituto de Bienes y Políticas Públicas, Consejo Superior de Investigaciones Científicas, octubre.
García-Basteiro, A.; Alvarez-Dardet., C. (et al.) (2020), The need for an independent evaluation of the COVID-19 response in Spain, The Lancet, Volume 396, Issue 10250. DOI:https://doi.org/10.1016/S0140-6736(20)31713-X

III. Resilience of Executive Accountability

Open Government

Open Government
Score: 6

During the state of alarm and after the suspension of all administrative deadlines, more than 30 Spanish civil society organizations called on the Spanish government to guarantee the right of access to information. In fact, during the state of alarm, the Transparency Portal (website) of the central government administration was not updated. Moreover, for several months, the government refused to provide the names and professional profiles of the members of the expert teams that are advising the government's coronavirus strategy – these names were finally published at the end of 2020 – nor did it provide the minutes of meetings and reports from the Scientific Committee, which has been advising the government on managing the pandemic since March 2020.

During 2020, the Council for Transparency and Good Governance – an independent body – urged the Spanish government on several occasions to deliver information relating to the purchase of medical equipment as had been requested.

After initially experiencing difficulties collecting data in a timely and orderly fashion, the government and the autonomous communities have on a daily basis published data on infection rates and their temporal development, as well as the local distribution of infections.

In October, the Spanish government presented the ambitious four-year Open Government Action Plan, which includes a reform of the 2013 Transparency Law, the ratification of the Council of Europe Convention on Access to Official Documents, new laws on lobby regulations and whistleblower protections, and the opening of key data. The plan was formally approved by a meeting of the multi-stakeholder Open Government Forum.

Citation:
Moretón Toquero, M.A. (2020). Libertad de información y transparencia pública bajo el estado de alarma decretado para afrontar la pandemia por Covid19. Biglino Campos, P.; Durán Alba, F. Los Efectos Horizontales de la COVID sobre el sistema constitucional, Colección Obras Colectivas, Fundación Manuel Giménez Abad, Zaragoza. DOI: https://doi.org/10.47919/FMGA.OC20.0011

Legislative Oversight

Legislative Oversight
Score: 6

The pandemic has seriously interfered with the functioning of the Congress of Deputies, as its parliamentary activities were reduced to a minimum (i.e., basically voting on whether to extend the state of alarm). This situation reinforced the traditionally weak position of the Spanish parliament vis-à-vis the executive. Although the proclamation of the state of alarm further strengthened the executive, the Congress retained significant leverage through its role in approving the state of alarm and its subsequent extensions. At the request of the government, the Congress authorized the state of alarm six times, with the final extension ending on 21 June 2020.

Another very sensitive issue was the recurrent use of a particular Spanish type of norm, the so-called Royal Decree Law. Royal Decree Laws are made by the government and formally ratified by the Congress within 30 days. During the first half of 2020, the government approved 24 Royal Decrees Laws, while the parliament did not pass any new formal law, either organic or ordinary.

From 26 February until 15 April 2020, there was also not one session of parliamentary questions. However, the minister of public health appeared several times in front of the Congress's Commission of Public Health.

Once the state of alarm was over, the parliament recovered its constitutional functions, both regarding the legislative process and in monitoring the actions of the government. However, following frequent debates in parliament during the state of alarm, since June, the prime minister has only appeared before parliament to provide a briefing once every two months and the minister of health once every month, which has reduced parliamentary control over government decision-making.

In October, the Joint Congress-Senate Commission was created to assess the causes and effects of the COVID-19 pandemic.

Citation:
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Independent Supervisory Bodies

Auditing
Score: 5

The Audit Office (Tribunal de Cuentas) is the body charged with auditing the state’s accounts and the financial management of the entire public sector. In addition, most autonomous communities have also established courts of audit that cover their devolved competences. The Audit Office is empowered to undertake investigations on its own initiative following the submission of a complaint. Although there have been certain improvements, the office suffers from a lack of political independence, since its members are appointed by the parties themselves.

Deadlines for submitting accounts and other financial information to the Court of Auditors were suspended during the state of alarm. Moreover, the Coordination Committee of the Court of Auditors on several occasions pointed out that the fight against COVID-19 has an substantial impact on public spending and auditing. In this context, the workload increased considerably in the second half of 2020. The Audit Office is examining solutions to improve their control capacities. However, the Audit Office has been understaffed for years – a situation that has been exacerbated by the impact of the pandemic. Nevertheless, the program of audits approved in parliament on 22 December foresees the revision of emergency contracts between government ministries, the autonomous communities, town councils and publicly owned businesses. In the first half of 2021, the Court of Auditors plans to audit most measures taken by public bodies to tackle the coronavirus pandemic.

Data Protection
Score: 7

Spain participates in the Pan-European Privacy-Preserving Proximity Tracing (PEPP-PT) initiative. On 6 April 2020, the Spanish government launched and made available to all autonomous communities the official mobile application for self-diagnosis and information. In parallel, three autonomous communities launched their own mobile applications. In this context, the Spanish Agency for Data Protection issued a statement that reiterated the criteria to be applied in order for the processing of personal health data to be legal. According to the Data Protection Authority, the EU Personal Data Protection Regulation (Regulation 2016/679) contains all the safeguards and rules for the processing of personal data during the coronavirus crisis. According to Article 46, in exceptional situations (e.g., an epidemic), the legal base for processing activities can be based both on the public interest and on the vital interest of the data subject or another natural person. In this context, the agency pointed out that an emergency situation should not lead to a suspension of the fundamental right to the protection of personal data. At the same time, however, the data protection regulations cannot be used to limit the effectiveness of the measures adopted by the competent authorities, especially the health authorities, to fight the epidemic.

The Data Protection Authority published several documents in relation to COVID-19 to help individuals and organizations protect their personal data. For example, the authority published a report that analyzed the processing of personal data in relation to COVID-19 crisis.

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