



Spain: Local Governments in a Largely Decentralized State

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Spain's provinces and municipalities find their roots in the nineteenth century, but their current sense and function can only be properly understood within the framework of the principles of democracy and territorial decentralization established by the Spanish Constitution of 1978. Although local bodies account for only 13 percent of total public expenditure, their political relevance is in no way secondary and often matches that of the regional divisions – the Autonomous Communities. It is no surprise that politicians experienced in national or regional policy become candidates for the mayoralty of larger cities like Madrid. The political relevance of cities also results in the generalized rejection of any municipal amalgamation, regardless of the economic inefficiency of the exaggerated number of municipalities in Spain.

Spain consists of 17 Autonomous Communities, two Autonomous Cities in North Africa (Ceuta and Melilla), and two types of local divisions – 50 provinces and 8,108 municipalities. In the Canary Islands and the Balearic Islands, this basic organization is complemented with specific local bodies encompassing each of the archipelagos. Municipalities are the principal local bodies, entrusted with the delivery of local public services, while provinces assist the small villages and towns with the performance of obligatory tasks

that overreach their organizational and economic capacities. The current existence of the provinces is explained by two main reasons: first, all municipalities are assigned nearly the same responsibilities, without regard to size; and second, more than 80 percent of municipalities are composed of less than 5,000 inhabitants and have scarce revenues at their disposal.

The institutional uniformity of municipalities is a major feature of Spanish local government. Only the cities of Madrid and Barcelona differ partially from other municipalities. Both maintain complex structures for the cooperative provision of metropolitan public services such as the intercity transport, the water supply and the sewage system and for the coordination of urban and environmental planning.

The Constitution of 1978 includes two principles regarding local government: the right to “local autonomy” from other authorities including the state legislature, and legislative powers over local government conferred to the State and Autonomous Communities. The constitutional recognition of a right to local autonomy implies that the municipalities and provinces are not merely internal divisions of the Autonomous Communities, but are part of the State as a whole. However, local autonomy does not mean that power is directly conferred upon local authorities: there is no specific designation of power for local bodies, unlike the constitutional regulations that govern Autonomous Communities.

Local government is therefore defined by State laws and by regional laws of the Autonomous Communities. The State establishes the “basis of the legal system of the Public Administrations.” On the other hand, the Statutes of Autonomy confer exclusive powers over local government to the Autonomous Communities. The Constitutional Court has concluded that the Spanish local system has a “two-fold nature.” The State is responsible for “fundamental” regulations while the Autonomous Communities are responsible for the “non-fundamental” or so-called “development” regulations. Thus far, the State has interpreted its own powers broadly, limiting the regulatory capacities of the Autonomous Communities. This situation should change profoundly once the effect of the new Statutes of Autonomy – Catalonia in 2006, Andalusia, Aragon and Balearic Islands in 2007 – is felt. Both new Statutes strengthen the exclusive powers of the Communities over local government. Further statutes concerning other Autonomous Communities are likely to follow, and it is clear that the extent and scope of State powers must be reinterpreted in light of the new Statutes of Autonomy.

Generally speaking, Spain’s local government system includes very limited State and Autonomous Community supervision or control of municipal and provincial activity. The Constitutional Court has ruled that the local auto-

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nomy excludes most governmental monitoring. Supervision is thus replaced with a complex system of intergovernmental relations based on the idea of full respect for the powers of local institutions and the principle of cooperation.

The local governmental system in Spain has functioned smoothly since 1985. Local government is thoroughly democratized and has been receptive to new forms of participatory democracy. The citizens directly elect councilors, who in turn choose the mayor. According to the results of the municipal elections, political parties then designate representatives to the Provincial Council. Electoral participation has been relatively high and local governments are generally stable when in power. Several recent proposals for direct election of mayors have been rejected simply because there are no perceived deficiencies in the way the present system operates. The elimination of controls from other levels of government has not resulted in a deterioration of local public services and only in recent times have a few isolated cases of corruption arisen in local planning matters.

Despite repeated complaints, claims from local bodies about lack of funding are not always justified. Medium-sized and large cities generally have sufficient sources of revenue at their disposal to effect their own political choices, but they rarely take advantage of the powers of taxation granted to them by law. On the other hand, smaller municipalities experience a more significant shortage of assets, often lacking the assistance they should receive from the provinces or the Autonomous Communities.

Current debates on financial issues concern the possible distinction between big cities and small villages and towns. Medium-sized and larger cities already obtain a small percentage of the revenues obtained through State taxes. The big cities propose to raise this share to ten or 15 percent, mirroring the revenues generated in each municipality. But such a proposal encounters significant objections. First, lack of financial accountability is feared since the city councils do not directly impose the tax. Second, the greater the share of State revenues redirected to the larger cities, the smaller the amount directed towards small towns and villages.

Perhaps the most significant failures at the local level emerge from the rivalry between local bodies and Autonomous Communities, mainly in two areas: jurisdiction on matters of local interest and funding. According to the Constitution, most local matters are governed by laws of the regional Parliaments. These laws often assign costly services to local bodies without the funds necessary for them to be performed effectively. On the other hand, Autonomous Communities contribute very modestly to the general expenses of the local bodies and prefer to finance specific municipal projects by means of agreements. These projects have to be discussed and approved each time by the regional government and are often presented as shared public policies. There remains some work to be done in defining the scope of intergovernmental cooperation, a precise distribution of powers, and the relationships between financial and political accountability.