

GLOBALISATION AND NEW DEMOCRACIES: THE SPANISH CASE

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1) Introduction: ABOUT THE CONCEPT OF GLOBALISATION.

The concept of globalisation is mainly economical. Globalisation is considered a process of building a world economy based on the reduction of international trade taxes, the improvement of techniques of transport and communication and the international expansion of technology and capital. It is based also in a more competitive world in which transnational firms operate (Jacquemin, 3). Although the globalisation process began after the Second World War it was accelerated in the 70's, being the 90's is the time of its maturity.

According to many scholars of political science, one can say that globalisation is an economic process with political consequences. Even one can admit with C. Turenne (p. 605) that globalisation must be understood in a holistic manner: as a more comprehensive process that its economic manifestations would suggest. It looks more a new discourse than a new paradigm as P. G. Cerny writes. Anyway, as D. Held puts it (p.206) one can admit that globalization is a new pattern of interconnectedness: technological, organizational, administrative and legal. In other words there is an interdependence among societies, economies and political systems which share common values, institutions and organizative structures.

Eventhough we can see a general trend in the world system which is evolving toward a universal capitalism according to the well known thesis of Fukuyama, we can also admit with Hungtington (p.40) that it doesn't mean that we will have a "universal civilization". Today it seems clear that western ideas about liberalism, constitutionalism, democracy, free markets, the separation of church and state, etceteras, are not shared by other civilizations. Moreover one can say that, eventhough western countries dominate militarily and economically, the world they don't dominate it politically and for the non-Western societies it is better to modernize (socially) than to Westernize (politically).

A critical perspective of globalization is the one of the left wing writers who relate this discourse to "the dogma" of free trade and monetarism, with the new liberalism (Pfaff, 12). They say that "la pensée unique", how it is called in France and Spain, is an economical philosophy dominant in the USA and Europe whose central proposal is that competitiveness among national economies has to be enhanced. Left thinkers add that for new liberals globalisation makes necessary more market and less state and it makes more important economy than politics; liberals say that the market must govern while the government should just manage (Estefania p. 42). From the left viewpoint these goals have some negative effects on western societies: they provoke a reduction of employment (more unemployment) together with lower salaries and less welfare state, or a fiscal crisis of the welfare states and, contrary to what "la pensée unique" affirms, globalization has carried to our societies less prosperity and more poverty (Pfaff, 24).

The Spanish case can be studied in the globalization context as an example, first of all, of the process of liberalization and openness to the world economy, particularly throughout integration in the European Community. This is the topic of next chapter.

It is also a clear example that as a result of that process there

has been a social and a political modernization and a full integration in the western culture. This is studied on the third chapter. Besides, Spain is an interesting case of political decentralization and territorial reorganization according to a new European pattern, in which cultural identities have an important role. That is the theme of the fourth chapter. Finally, in the last part of the work, one can see that the Spanish case illustrates the fact that social effects of globalization drive to an enforcement of community structures of welfare.

2) THE GLOBAL ECONOMY AND SPAIN

From an economical point of view globalization has some important effects: it puts a big pressure on local systems which must evolve and adapt to the new situation by themselves if they don't want to disintegrate (Becattini and Rullaani, 22). To be more precise, a global economy segments distribution and production processes between the different countries -because of comparative costs-, and favors regional integration, basically in three blocs: USA, Europe and Japan. As a result governments must integrate in these blocs to develop their economical infrastructures and their productive and technological capacity and to attract new investments and help to internationalize their national firms.

As E. Gordo explains (p.98) the Spanish economy has been closely linked to the process of internationalization of the markets based on an increase of international trade and investment.

The Spanish economy was partially opened for the first time in 1959; it changed an economical model based on protectionism, on corporatism and state interventionism established in 1891. During the First World War a dominant thesis was that Spain had to develop its industry oriented toward exports, avoiding exits of raw materials and eliminating foreign capital. After the Civil War (1936-39) this economical nationalism was even re-enforced by a

political nationalism.

J. Velarde Fuertes writes (p.365) that three factors made nonsoportable in practice that situation: a lack of equilibrium of the balance of payments, inflation and the socio-political instability. By 1959 a new economical plan (Plan de Estabilización), by which Spain received financial support from the International Monetary Found and the European Organization for Economical Cooperation (the former OECD), determined a change to an open model. The effects of that plan were immediate and by 1961 it began the take off (Tamames, 432).

By 1986 there was another big change due to the entrance of Spain in the EEC. However integration of Spain in the EEC took some years. Since 1957 Spain was interested in the EEC and in 1962 the Spanish government asked for association but only in 1964 the ECC accepted for the first time to have talks with the Spanish government. An economical agreement was signed in 1970 which was suspended in 1974 because of a political crisis provoked by the execution of some political activists in Spain.

Only after Franco's death and once the democracy was established in 1977 the Spanish government could ask for adhesion to the EEC. It took a long period of negotiations and several changes of governments to sign the final Act of adhesion. That long period was due to the fact the EEC was suffering the effects of a strong economical crisis and it was also a time of debate about institutional and structural change in the EEC (Attina, 148). It was also important that Greece and Portugal had also asked for adhesion.

The economical model of 1959 had to be changed in 1986 into another much more open. Between 1986 and 1993 tariffs and state aids to exports disappeared. As a result the process of integration and openness of the Spanish economy that began in the 50's reached a high dynamism; it was bigger and more intense than what we found in the rest of the world. Thus while in 1994 the Spanish production index reaches the same level as the world index

(284.3), the trade volume has been multiplied by 12 while at world scale was approximately half of it (Gordo, 100).

As one can see in table 1, due to the activity on trade the level of liberalization of the Spanish economy (exports and imports in the GDP at constant prices) which in the first 70's was a lot more inferior than that of the industrialized countries, in the 90's it is similar to those of the European countries and bigger than those of the USA and Japan.

TABLE 1
Degree of liberalization (a), International comparison

	1970	1980	1985	1994
France	33.3	44.3	45.1	56.0
Germany	36.1	46.1	51.4	50.3 (b)
Italy	35.7	40.0	43.6	58.4
United Kingdom	34.8	42.8	46.0	55.5
USA	12.4	16.2	17.8	26.6
Japan	19.4	25.0	25.6	30.5
Spain	23.3	31.4	36.1	57.4

(a) Addition of exports and imports at constant prices in the GDP

(b) Related to a unified Germany

Source: Instituto Nacional de Estadística and OECD

On the other hand, as we can see in table 2, by means of integration in the EEC Spain had a definitive impulse toward participation in the global economy. One can see that Spanish trade is more developed with the countries of the European Union than with any other. To open the Spanish economy has been the cause of a structural change and of the modernization of the economy and of the whole society. So it has been the cause of the expansion of market forces and of the economical development. Analyzing Spanish economy in the last 10 years one can see that Spanish economy is completely inserted in and shaped by the European one. As a matter of fact today Spain is ruled according to some compromises accepted when entered the EEC: liberalization

of markets, preservation of an internal stability, control over public expenses and public deficit and creation of an autonomous mark to the monetary policy. However the Spanish economy has its own special situation with deep problems particularly in prices and salaries.

TABLE 2
Evolution of Spanish foreign trade by countries (percentage)

	Exports			Imports		
	1981	1985	1994	1981	1985	1994
OECD	59,4	69,9	80,0	51,1	56,5	78,2
EU (12)	45,7	52,1	68,7	29,4	36,6	60,9
- Germany	8,6	9,5	14,2	8,1	10,5	14,6
- France	14,3	15,5	20,1	8,0	9,2	17,5
- England	6,9	8,5	8,2	4,5	6,4	7,8
- Italy	5,7	7,0	9,2	4,0	4,6	8,9
- EU rest	10,2	11,5	16,9	4,8	5,8	12,0
USA	6,7	9,9	4,9	13,9	10,9	7,3
Japan	1,6	1,3	1,3	2,7	3,4	3,6
OECD rest	5,4	6,6	5,0	5,1	5,7	6,4
NON OECD	40,6	30,1	20,0	48,9	43,5	21,8

Source: Departamento de Aduanas and Banco de España

3) THE SPANISH POLITICAL CHANGE: THE TRANSITION TO DEMOCRACY

A number of scholars see globalisation as a logical result of the modernization process. As L. Pye (p. 6) writes liberalization and deregulation are both necessary measures to have economic growth, to spread worldwide science and technology, to accelerate and spread communications and to establish educational systems, all of which will contribute to political change, favoring pluralism and a decentralized authority. As a result of these changes the globalisation process is the main cause of the crisis

of authoritarianism in the world.

On the other hand if it is true that civilization identity will be increasingly important in the future and world system would be based on "a clash of civilizations", globalisation at present means fundamentally a deep integration among members of each civilization, particularly at the regional level. European integration is a result, and at the same time a model, of the process of globalisation.

The Spanish case of political change fits very well under the explanation of the modernization theory. In fact the change drove Spain to adopt the west European pattern of a liberal-democratic system and modernization is the way most Spanish political scientists understand the transition to democracy as we will see. Moreover the Spanish political change shows clearly the importance of the regional integration process.

The economical change of the 60's produced great transformations in Spain: fast industrialization, migrations, employment in new sectors, collective bargaining based on a limited trade unionship, etceteras. It also began at the university, among workers and nationalists from Catalonia and the Basque country an open opposition to the dictatorship. At that time it also began a split in the government coalition (Maravall, 189).

Eventhough the Spanish economical development stimulated the transition to democracy, the economical situation was neither the immediate cause nor the most determinant one of the transition process. According to Linz (p. 437) Spanish transition was fundamentally a political, cultural and ideological process. In Spain by 1975 a democratic culture was not developed, however the transition can be explained by the fact that the social and economic modernization that Spain had reached by then was not correlated with the underdevelopment of the political system (Tezanos, 65).

That is the reason why some years before Franco died a

pre-transition to democracy began (Morodo, 876). It was in 1969 with the designation of a future king as Franco's successor. At that moment, some new political associations appeared among the elite with a reformism aim. This fact explains in part why the process was so smooth and peaceful.

By 1976, when Franco died, Spain had a military compromise with the USA and a clear idea of belonging to western Europe, nevertheless it also had an image of a fascist-authoritarian and isolated government (and country) that did not participate when the new world order was built after the Second World War (Mesa, 143, Moran, 725). Therefore the first step in the transition process was to change that image by setting up a new political system and by modifying Spanish foreign policy, particularly by establishing close relations with western Europe democracies. That was the core of the agreement between government and opposition, which was called a "consensus" among democratic forces. The new democratic government of 1976 made big efforts to re-establishing Spain as a serious country (The Economist, 17).

Very fast Spain was transformed into a new democracy under the same pattern of western Europe: a parliamentary government. In addition, two of the most important measures adopted in foreign policy were asking for membership in the NATO and in the EEC. The political acceptance of a democratic Spain by western European countries was so important for Spaniards that the entrance in the EEC became the main goal of the foreign policy. It was seen the best way to modernize Spain but mainly it was seen the best way to make a stable democracy in Spain. In addition NATO membership, that was signed in 1982, was considered the best way to neutralize politically the army, that was invited to take the government control in 1981 by an unsuccessful "coup de Etat".

4) THE PARADOX OF DECENTRALIZATION IN A GLOBAL WORLD. THE SPANISH REGIONALIZATION.

The literature about globalization explains that there is a paradox in its process in which two opposed forces operate. At the same time that there is a homogenization of markets, societies and the world, there is also a contrary trend toward the enforcement of polarization of societies at both global and local level (Turenne, 609).

In terms of P. Cerny (p. 618) convergence and divergence are two sides of the same coin. Globalization is accompanied by a revival of identities and a new emphasis on locality that leads to resistances which can manifest themselves as tribal or ethnic strives. Cerny links globalization to a "new medievalism" of overlapping and competing authorities, multiple loyalties and identities. And L. Pye writes (p. 12), by his side, that nowadays political development requires not only the opening of doors to outside influences but also the protection of nativist sentiments of national identity.

In the European case Gallagher, Laver and Mair (p.135) observed that together with the aim of building a unitary supranational entity there is a strong tendency toward a greater decentralization. On the other hand G. Smith (p. 251) writes that the main cause of conflict in Europe is the original construction of the nation-state. Smith explains at the start the European nations were not homogeneous unities based on common ethnic or language, but possibly an amalgam based on a major grouping and several minor ones.

On the other hand it seems that decentralization sets up a new conflict between the states and the new subnational units. Some writers say they are inappropriate for effectively controlling either the design of the complex of local, regional, national and transnational playing fields or the market outcomes which they produce (Cerny, 628). However from an economical point

of view it looks like globalization renovates the role of the territory and its importance, provoking that both unities, state and regions, are complementary. It is explained the today nation-states are the basis of a cultural, political and jurisdictional organization and the regions, as sub-state entities, frame a web of communication and interdependence between districts and industrial cities in the same trade zone (Becattini and Rullani, 13) .

THE SPANISH REGIONALIZATION.

This contradiction or paradox has been very important in the Spanish case and can be considered paradigmatic for Europe. At the same time that Spanish society was opened to the world influences through the processes of liberalization and democratization, the centralized state has been transformed into another fully decentralized. Spain is now a regional-state based on 19 autonomous regions called Comunidades Autonomas, in which the whole territory is divided (see map). Each region has its own government and parliament.

As G. Smith writes about Europe, the cleavage centre-periphery is very old in Spain. The nation-state was built in Spain without solving completely this cleavage conflict (Valles, 366). It has been the cause of several civil wars and especially a very long one in the first half of the nineteenth century (guerras carlistas). The cleavage reappeared at the end of the century linked to a crisis of the nation-state and the Spanish society and connected with liberal- reforming proposals (Elorza and Castells; Termes, de Quer and Rodes). It was affirmed even more with the economical development Spain had at beginning of the twenty century.

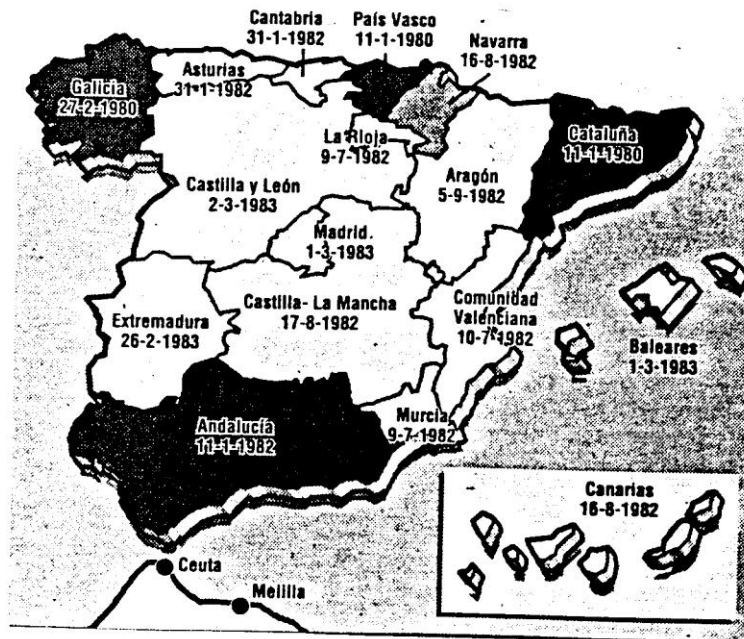
By 1931 Spain was proclaimed a Republic that admitted the regionalization of the state, so that when the civil war started in 1936 there were two regions with autonomy (Catalonia and the Basque Country) and another in the process of having it (Galicia).

Although Franco's government was extremely centralized, nationalism in Catalonia and the Basque Country was strengthened once again in the 60's by the economic development due to the liberalization of the economy. Regional nationalists become stronger and stronger because they were connected with the democratic opposition (de Blas, 596).

MAP:

Spanish regionalism: constitutional procedures and time

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- Procedure of art. 151 of the Constitution
- Procedure: art. 143 of the Constitution
- ▨ Special procedure
- Creation in 1995

The transition to democracy was particularly conditioned by the centre-periphery cleavage because of the strong weight the regional nationalism had among democratic parties, so that the

plan of the new democratic elite was to decentralize the state. The most important fact in the Spanish regionalization process was that instead of just regionalizing part of the country, as it happened in 1936, the center to right government (from UCD) with the support of the opposition parties (socialist and Communist) led to a regionalization of the whole territory (the policy of "coffee for all the people"). Though some autonomous regions were feebly supported by the population or did not seem very useful (de Blas, 113; Valles, 368).

TABLE 3: Spanish regionalism

Regions	GRP (a)	Population 1991	Unemp. (b)	Party Gov.
Balearics	148,07	745.944	11.7	PP
Madrid	139,86	5.030.958	21.1	PP
Catalonia	123,70	6.115.579	19.4	CIU
Navarre	117,42	523.563	20.9	PP*
La Rioja	111,53	267.943	11.2	PP
Basque Country ..	111,06	2.109.009	21.9	PNV, PSOE, EA
Aragon	109,34	1.221.546	15.7	PP*
Canary Islands...	95,67	1.637.641	23.7	CC
Valencia	97,03	3.923.841	22.6	PP*
Cantabria	96,67	530.281	22.6	PP*
Castile-Leon	87,37	2.562.979	20.0	PP
Ceuta-Melilla ..	89,57	136.878	30.7	PP
Asturias	91,60	1.098.725	19.0	PP*
Castile-La Mancha	80,89	1.651.833	19.9	PSOE
Galicia	82,06	2.720.445	16.4	PP
Murcia	77,37	1.059.612	24.2	PP
Andalusia	68,80	7.040.627	34.8	PSOE
Extremadura	68,94	1.056.538	28.6	PSOE*

- (a) Gross Regional Product in 1995 as % of national average (=100). Source J. Alcaide, 14.

- (b) Unemployment % 1995; Source: Anuario EL PAIS 1996, 427

- Party of Government 1997: * Minority Government; PP: Partido Popular; PSOE: Partido Socialista Obrero Español; CIU: Convergencia y Unio (nationalist); CC: Coalicion Canaria (nationalist); PNV: Partido Nacionalista Vasco; EA: Eusko Alkartasuna (nationalist)

The aim of the complete regionalization of Spain was to dilute the strong and radical regional nationalism, but at the same time that policy was seen the basis of a deep reform of the public policies management (and the public administration) and a reorganization -in progress today- of the whole territory.

There are big differences among regions in territory, population or economical resources (see table 3). Two of them are small cities: Ceuta y Melilla, and some others are at the same time provinces (administrative divisions): Madrid, Asturias, Cantabria, Navarre, La Rioja, Murcia and Baleares.

The main distinction among regions is the level of self-government. It is due to the constitutional pact of 1978 that created an ambiguous open model of regionalism (federalism), in which each autonomous community can determine by itself the level of autonomy it wants. In addition, different procedures were placed in the Constitution to achieve distinct levels of self-government. Throughout art. 151 regions could formally reach the highest one (see map).

Decentralization in Spain is an unfinished process yet eventhough there have been several agreements among the two main state-based parties, in 1981 and 1992, to organize the process. As a result there are three groups of regions. At the top of the scale with the biggest autonomy -with differences among them- are Catalonia, the Basque Country, Galizia and Andalusia. At a second step are Navarra, Valencia and the Canary Islands. At the bottom are the rest.

5) GLOBALIZATION AND WELFARE STATE. THE SPANISH CASE

There is also a clear relationship between the debate about globalization and the debate about the welfare state. In general terms, at present the proposals about reshaping the welfare state are linked to the process of globalization.

There are quite different points of view about that relationship. From the radical point of view of the "new right"

(Mishra 1984) based on an economic determinism, the global economic change encourages a convergence of national social policies in a constrained way. As Cerny puts it, the welfare state is disappearing to permit the emergency of a "competition state", which pursues marketization to make economic activities located within a national territory more competitive in international and transnational terms. Cerny says that the welfare state is at the end becoming a "residual state" (p. 634).

From the left wing point of view there is a close connection between the globalization theory and "le pensée unique": the neo-liberal ideology that dominates politics today. The main point of its program is to eliminate the welfare state and to increase the marketization of all kind of social relations on account of the globalisation process. W. Paff (p.22) explains that there is a contradiction between the proposal of getting rid of the welfare system when, due to the dominant ideology, big social groups have been impoverished and a great amount of employment has been destroyed.

In opposition to "le pensée unique" the left wing program, and particularly the socialdemocratic one, proposes that it must be an improvement of the welfare state. Socialdemocrats explain that the welfare state is more necessary than ever before just because the effects of big unemployment, technological retraining, sooner retirement, etc., that economic globalization produces (Paterson and Thomas, 30).

In general terms there is a general agreement among scholars that there must be a reform of the welfare state under a new liberal consensus (Müller, 47). However, as Mishra, Heclo, Pierson and others write, it is not possible a radical reform. What stands out, says P. Pierson (p. 147), is the relative stability of the welfare state in its present shape eventhough there is a combination of economic changes, political shift to the right and rising costs associated with maturing welfare states that has provoked growing calls for retrenchment in the post-1973 period.

The welfare state stability is caused by the fact that it is not an economical product but a political one and it is a mature institution of western industrial societies. According to Mishra (1989, 76) capitalism and democracy act as compensatory powers in relation to the welfare state, so that the dominant liberal paradigm enforcing the market has been compensated by the strong roots of the institutionalized universal welfare services. As a result the pressures of a new global economy over the welfare state collide with popular, deeply institutionalized public policies (Mishra 1984, 176).

P. Pierson adds to this question that there are powerful political forces that stabilize welfare states and channel in the direction of incremental modifications of existing policies. The first major protection for social programs, says Pierson (p. 176), stems from the generally conservative characteristics of democratic political institutions. Thus major policy change usually requires the acquiescence of numerous actors and where power is shared among different institutions, as it happens in pluralists societies, radical reform will be difficult.

THE SPANISH WELFARE STATE

In that field the Spanish case is specially significant because it shows the rightness of the thesis that welfare state is a well established institution in the democratic industrialized world. Secondly the Spanish case affirms that the effects of economic globalisation enforce social policies, particularly in democratic systems. Finally this case is a good example of the fact that it is necessary a constant adaptation of the welfare system based on consensual decisions.

The Spanish welfare state was developed at the same time democracy was established and consolidated. It can be said that the construction of the welfare state was part of the democratic transition process.

With Franco's dictatorship the welfare system appeared in a paternalistic, authoritarian and residual pattern. Before the 60's there were differentiated, limited, descoordinated and bad financed social protections (Rodriguez Cabrero 1989B, 80). Only after the Plan de Estabilización of 1959 it began to be built an institutionalized welfare state. Institutionalization was due to the model of economic growth of 1959 based on a partial-open economy which needed to improve the technical training of workers at the same time that it was necessary to give an answer to new middle class demands.

On the one hand welfare services were reorganized in a unitary way through the Social Secure Law of 1963 which was the basis for the universalization of the welfare system. The structure established in 1963 remains today. In 1970 education was also reorganized. Another action was a housing financial plan for the period 1961-76.

On the other hand social public expenditure was increased so that by 1960 the percentage of social expenses were 36,2 of the public expenditure while in 1970 they were 56,6 percent. In the 70's the growth of social expenses continued to 62,1 by 1975 (Rodriguez Cabrero 1989, 195). In addition, the population protected by the welfare system was also increased, although quality of welfare services were very low. Moreover in the 60's the welfare system began to be financed in a small part by the budget. Only after 1972 welfare began to be financed mainly by the budget.

TABLE 4
Public and social expenditures as percentage of the GDP

	1960	1965	1970	1975	1980	1985	1990	1992
Public exp.	20,1	19,5	18,7	20,8	33,32	42,3	43,69	46,77
Social exp.	7,3	7,4	10,6	12,9	21,76	24,77	25,37	27,06

Source: Rodríguez Cabrero: 1989 p. 194 and 1994 p.180

Rodriguez Cabrero (1989B, 81) points out that this period of time was characterized by the inability of social groups to send inputs to the political system, by the subordination of the welfare state to the goal of capitalist accumulation, by the weakness of the welfare financial system and, finally, by a regressive fiscal structure through which it was not possible a redistributive policy.

With the transition to democracy the Spanish welfare state had a big change. First, the Constitution of 1978 declared the social rights and, second, throughout political parties, trade unions and other pressure groups social demands were channeled to the political system. Then a process of welfare institutionalization began based on social distribution and universalistic welfare services. It also began the process of decentralization.

TABLE 5
Functional distribution of public expenditure (percentage)

	1980	1982	1984	1986	1988	1990	1992
Public exp.....	100	100	100	100	100	100	100
Social exp.	65,3	60,4	60,9	57,4	58,1	58,1	57,8
- Education	9,8	8,7	8,3	8,4	9,1	9,5	9,2
- Health	13,6	12,8	11,9	10,7	10,7	11,4	11,6
- Housing	3,5	3,6	4,4	4,3	4,2	3,4	3,4
- Pensions	25,9	23,9	24,3	23,2	23,8	24,2	23,3
- Unemployment..	6,7	6,8	6,1	6,3	5,9	6,0	6,7
- Family	1,3	0,9	0,6	0,4	0,3	0,2	0,3
- Others	4,3	4,9	5,1	3,9	3,9	3,2	3,3

Source: Rodríguez Cabrero: 1994 p. 182

At that time the Spanish economy was strongly affected by the 1973-crisis with a sharp rise of unemployment. The unemployment

insurance expenses became very important (see table) together with expenses in health and education, still quality of services was low. However the biggest rise of social expenses in the end 70's and first 80's were old-age pensions.

After 1982 a socialdemocratic government (PSOE) improved the universalistic programs according to a social-democratic model of welfare, defining welfare services as social rights (Esping-Andersen, 27). The socialist period was characterized by a process of universalization of programs, eventhough social expenditure was refrained because it didn't increased at the same pace as other public expenses. Additionally, part of the welfare was left to the regional governments. This period was also characterized by a partial privatization of social programs in education or health, which were financed by the budget (Rodriguez Cabrero 1994, 176)

TABLE 5
Spanish unemployment

	1978	1980	1983	1987	1990	1993	1995
(a) % rate	7,1	11,5	17,7	20,6	16,3	23,9	22,8
(b) Insurance	46,6	48,6	26,3	43,9	42,9	67,2	50,7
(c) Billions	0,4	0,7	0,6	1,1	1,3	1,9	1,4
(d) Long-term	--	--	18,0	60,5	67,4	56,6	57,0

(a) Percentage of unemployed; source: INEM (Instituto Nacional de Empleo: registered) and EPA (Encuesta de Población activa: survey). (b) Percentage of registered unemployed with benefits; source: INEM

(c) Expenditure in Billions of pesetas. (d) Percentage of (c) (asistencial)

In 1990 the universalization plan of the PSOE was completed in education, health and pensions but not in unemployment because by 1988 only 28,77 per cent of unemployed were protected (43,9 in 1987, see table 6). On the other hand redistribution of resources

towards the poor through social expenditure planned by socialists has been limited. The most effective program in a redistributive way has been health expenditure because it has been intensively used by the poorest people, still education and pensions have been more protective of middle classes. In the first 90's socialist government has to refrain and rationalize social expenditure, so that it began a process of means-tested assistance to fight poverty (see long-term unemployed in table 6).

There was a big growth of public expenditure between 1980-84 (table 4) because social expenditure increased 2,4 points of GDP. Between 1985-88 the public expenditure was contained, and again in 1988 there was another growth of more than 2 points that was due to a period of economic growth.

In general terms social expenditure decreased in relation to total expenditure between 1980 and 1992 (table 4). Paying attention to different programs, one can say that since 1984 it took more importance economical functions as pensions, unemployment and family allowances than social services as education, health and others.

The growth of public and social expenditure has been considered as a dysfunction of the Spanish economy (Malo de Molina, 42). It is partially explained by the fact that the rise in Spain took half the time that in any other European countries. It is mainly explained by the fact that grown liberalization and market expansion have been linked to a constant pressure to develop the welfare system.

Nowadays after a government change, the Spanish welfare state is in a process of reform and rationalization under the liberal paradigm, directed by a center to the right government of the Partido Popular. However there are a number of problems of the Spanish welfare state, which are shared with other south European countries, that must be solved in order to have a mature system. As Ferrera (p. 96) writes, first of all, it must be a redistribution of the protection, giving less to the middle

classes and more to the poor. Second, it must be a renewal of financial and organizative structures in order to have more efficiency and more equality. Finally, it is necessary to reduce private interests and groups control over welfare programs.

6) CONCLUDING REMARKS

The invitation of this workshop to think about the globalization discourse in relation to the Spanish case allows me to set up some conclusions.

First of all I can affirm that Spain has been strongly affected by both globalization of markets and of politics. From the end 50's on the goal of social and economical modernization drove Spain to an economical liberalization process, which was limited at the beginning, but it was very fast once Spain transited to a democracy.

I can also say that in Spain democracy has been linked to the openness of the country to the western world influence, both political and economical. Until the second World War Spain had been closely related to Europe but the isolation of Franco's regime made the Spaniards feel themselves distinct from the Europeans. Particularly after the take off of the 60's the dictatorship provoked a paradoxical situation in which a modernized society had an underdeveloped political system. Meanwhile Spanish people wanted to see themselves as Europeans, that is why there has been always a strong support to the European Union.

Another conclusion is that the Spanish case could be a clear example of decentralization enforced by globalization. Some of the Spanish regions are defined as the more powerful subnational units in Europe (Gallagher and alt., 147). It is true that regionalization is not a new phenomenon in Spain but it is true, however, that nationalism was reinforced by economic development and regionalization has been seen as the best way to satisfy

nationalistic demands and at the same time to give an answer to new problems of public management.

The built up of the Spanish welfare state in the last twenty years is clearly connected with the process of globalization. The setting up of the welfare state has been part of the modernization process. In addition, the welfare programs were developed together with the integration of Spain in the EEC on account of the economic liberalization that took place then. Finally one can say that, the Spanish welfare state is an example of a more integrated and democratic society in which social demands are channeled to and articulated in the political system.

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