

# Reforming process in Public administration in the conditions of Spain

## Reformný proces vo verejnej správe v podmienkach Španielska

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### Abstrakt

Otázka ekonomickej krízy je v súčasnosti celosvetovou témou a orgány verejnej správy sa snažia prispieť k riešeniu tejto problematiky aj prostredníctvom konsolidácie verejných financií. Krajiny Európy sú charakteristické vysokou úrovňou fragmentácie lokálnej sídelnej štruktúry, Španielsko nevyvímajúc. Aj z tohto dôvodu, Španielsko smeruje k zníženiu verejných výdavkov a rozhodlo sa ísť cestou amalgamizácie, prostredníctvom realizácie reforiem verejnej správy. V príspevku sme sa venovali analýze fragmentácie obcí v podmienkach Španielska a taktiež sme porovnávali situáciu s Portugalskom. V príspevku sme sa zaoberali analýzou a teda či existuje vzťah medzi úrovňou fragmentácie a vidieckosti v podmienkach Slovenska.

**Kľúčová slová:** amalgamizácia, fragmentácia, vidieckosť

### Abstract

The issue of economic crises is right now world-wide spoken and public authorities intend to contribute to solving of this issue also through consolidation of public finances. Europe countries are known for high level of fragmentation of local structures, Spain not excluding. Therefore, also Spain intends to decrease the amount of public expenses and has decided to go in a way of amalgamation through realizing public administration reforms. In the article, we analyzed the fragmentation of municipalities in the conditions of Spain and we compared the situation with Portugal. In this article we strived to analyze whether there is a relation between the level of fragmentation and level of rurality in the conditions of Spain.

**Key words:** amalgamation, fragmentation, rurality

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### Introduction

The territory of Spain is divided into 17 regions and two cities (Ceuta and Melilla), called Autonomous Communities. These 17 regions are divided into 50 provinces

and these are formed by a number of municipalities each with their own Council. In total, there is 8111 municipalities in Spain. The municipal Councils are elected directly by electors and are strongly dependent on regional and central budgets. Currently, the ongoing reform is aimed to decrease the number of municipalities in the regions with less than 5000 of inhabitants. The reforming process in Public administration has started in 2012 and implements soft measures with 5 “transition” years, when the municipalities will be given time to merge by themselves. The reason of the reforming process is mainly high level of public spending. The vice-president of the Government, Soraya Sáenz de Dantamaria, underlines that the objectives of the reform is to strengthen budgetary discipline and public transparency, to streamline the public sector, to improve efficiency and the effectiveness of the public administration services and change the administrative culture for one focused on the beneficiary.

**Fig. 1: Territorial division of Spain**

Comunidades y Ciudades Autónomas de España



Source: GEO ES, 2014

The organizational structure of public administration in Spain is based on the three basic levels of independency and autonomous regional governments, whose powers are divided according to laws and the Constitution. The divisions of the competences is as follows:

- State Administration (Central administration structure, Peripheral Administration and External administration)
- Regional administrations

After configuration of the state of autonomies, each region has its own executive branch, and in the same time runs a territorial administration with legal personality.

- Local Authorities

Next to them, there exists a wide range of instrumental government, despite being partially independent, they are based at the territorial authority that they have

created. The organization and functioning of the local authority is governed by Chapter II of Title VIII of the Constitution. - Law 7/1985 of 2 April, Regulating Local Regime. - Law 57/2003 of 16 December on Measures for the Modernization of Local Government. Local government consists of entities, for subjects with legal personality. Local autonomy is a non- political administrative autonomy, as it lacks legislative power (only has regulatory authority and self-organization). Local authorities consist of towns, provinces and islands (Balearic Islands). The differences between these three local authorities are related to the amount of people that live there and the administration of them. The province is an administrative division of the territory of a state, subject to an administrative authority, while the city is the “capital” of the province. The island is situated at the same level of the provinces.

Possible local entities:

- Community of Municipalities
- Metropolitan Areas
- Counties
- Local Authorities under

### Competences of municipalities

Municipalities have jurisdiction in the following matters:

1. Safety in public places
  2. Traffic management vehicles and people on urban roads
  3. Civil protection, prevention and fire fighting
  4. Planning, management, implementation and planning discipline; development and management of housing; parks and gardens, urban road paving and maintenance of roads and rural roads
  5. Historical and artistic heritage
  6. Environment
  7. Supplies, slaughterhouses, fairs, markets and defending users and consumers
  8. Protection of public health
  9. Participation in the management of primary health care
  10. Cemeteries and funeral services
  11. Provision of social services and advocacy and social reintegration
  12. Water supply and street lighting; street cleaning, refuse collection and waste treatment, sewage and wastewater treatment
  13. Public passenger transport
  14. Cultural and sports activities or facilities; leisure time; tourism
  15. Participate in the planning of education and cooperate with the educational authorities in the creation, construction and maintenance of public schools, intervene in its management bodies and participate in the enforcement of compulsory schooling
- In addition to the powers, municipalities can perform complementary activities in education, culture, promotion of women, housing, health and environmental protection.

## Current state of reforming process

In the past 35 years, Spain has taken a giant leap to excellence in the area of public administration. The Government has launched an ambitious reform project to overcome the worst economic crisis in decades, for correcting imbalances that hinder the growth of Spain and would create the ideal foundation on which will be built a new cycle of economic prosperity and jobs for Spanish citizens. A competitive economy requires modernization transparent and agile PA. In a way to reforming process of public administration in Spain, there was created a Commission for the Reform of Public Administration (CORA), by Council of Ministers, in October, 26<sup>th</sup>, 2012. This Commission was attached to the Ministry of Finance and Public Administration, through the Ministry of Public Administration, From the previews, the administrative reform process now addresses a very relevant quantitative and qualitative phase. Within the reform the politicians try for the fusion of all the small municipalities so it will suppose a method to save money and be able to overcome the economic crisis.

In the current stage of the reforming process, and based on the draft proposal from February, 18<sup>th</sup>, 2013, Spain does not intend to remove small municipalities, but provides temporary intervention of municipalities whose population is less than 5000 inhabitants under these circumstances:

- a) It effected the removal of the governing body for breach of budgetary stability objective or goal of public debt.
- b) Exceeding the permitted level of debt and do not present the corresponding debt reduction plan.
- c) That the necessity of financing exceeds 5% income for two consecutive years.
- d) Repeated failure of duty to report information to the Ministry of Finance and Public Administration.
- e) When all the following circumstances (negative evaluation of the minimum municipal services, which present in the three years preceding negative charges negative evaluation of the minimum municipal services and has retained the maximum percentage of participation in state revenues)

The intervention takes place by agreement of the provincial government which involves the assumption of all municipal powers necessary and the implementation of economic and financial plan. The intervention ends when the town meets the budgetary stability objective, the objective of public debt and the spending rule, the report of the body exercising financial supervision. Entities below the town territory cease to be local authorities to become decentralized management bodies. The draft provided two scenarios that would involve the dissolution of associations of municipalities and the smallest local entities 1) If the municipalities does not submit their accounts to the appropriate agencies of the State and the Autonomous Communities within three months from the entry into force of the reform. 2) After examining the services they prove inadequate.

The results of the reform shall consist in more efficient, reliable and transparent public administration, through implementation of streamlining measures. According to

Prime Minister, Mariano Rajoy, in 2012-2015, the reform of public administration will save 37,7 billion Euros. The additional savings consist in reducing of high number of deputies of small municipalities, expected to have impact of additional 1 200 million Euros.

### Proliferation of small towns in Spain. Comparison with the situation in Portugal

Spain has more than 8,000 municipalities, and they differ from each other from the point of view of population and territory. Out of them, 7,000 have less than 5,000 inhabitants and about a thousand of municipalities; have less than a hundred people, spread unevenly in different regions. As regards to its length, there are big differences, not only between the different regions, but also between the different provinces.

This glut of municipalities and the subsequent atomization quite differ Spain from Portugal; however the development of these countries was similar in many areas. Moreover, Portugal can be considered as pioneering and ahead of many European States: it never had an inordinate number of municipalities (the highest number was 800), which can be considered as a great advantage.

Portugal has been scrupulously respecting the principles which were set, in the reforming process. In fact, Portugal has significantly reduced the number of municipalities and, in any case has undergone rigorous criteria according to the creation of new municipalities. Currently, Portugal has 308 municipalities, out of which only about 40 have fewer than 5,000 inhabitants. If we look on the numbers in more details, the average amount of citizens per one municipality is 34 440 citizens and average area per one municipality is 299 m<sup>2</sup> (Klimovský, 2009). The comparison of Portugal and Spain from the point of number of municipalities and view of average size of municipalities (number of citizens and area) is provided in the table 1:

**Tab.1: Comparison of characteristics of municipalities in Portugal and Spain**

Country	Number of municipalities	Average number of citizens per municipality	Average area per one municipality
Portugal	308	34 440	299
Spain	8 111	5 530	62

*Source: Klimovský, 2009, own processing*

The difference between Portugal and Spain is abysmal and has even been much higher in the mid- nineteenth century, when Spain reached its highest amount of municipalities. Currently, just the province of Burgos, which does not even remotely close to half a million people, has far more municipalities than throughout Portugal. Since the situation in Spain became critical, the attention is being paid not only to quality of provided services but also to effectiveness of the performance in Public

administration. These are not nearly as rigorous as those of the Portuguese legislation, with those who did not resist the comparison and only in some cases impose population is generally considered adequate for a rational municipality. The ends are among the Rioja, which requires a minimum of 500 inhabitants and the municipality in which they arise not less than that number, and Galicia where its required, on one hand, both the town created as the provenance stuck with a population a low of 5,000, and another 10 km between the segregated core and the capital of the former municipality, or in some cases, just 5 km of undeveloped land.

**Tab. 2: Characteristic of municipalities across Spain**

CITYHALLS BY REGIONS AND POPULATION											
REGION	CITYH.	De 1 a 100	101 a 250	251 a 1.000	1.001 a 2.000	2.001 a 5.000	5.001 a 10.000	10.001 a 20.000	20.001 a 50.000	50.001 a 100.000	Mas de 100.000
ANDALUCIA	770	2	24	165	118	202	108	73	49	17	12
ARAGON	731	148	238	228	55	41	8	9	2	1	1
ASTURIAS	78		2	14	17	14	10	14	3	2	2
I. BALEARES	67			6	9	13	17	10	10	1	1
CANARIAS	88			1	7	15	24	15	18	5	3
CANTABRIA	102	2	2	25	26	28	8	6	3	1	1
CASTILLA LEON	2.248	539	723	717	137	75	32	10	6	5	4
CASTILLA LA MANCHA	919	204	174	248	102	118	37	22	7	6	1
CATALUÑA	946	23	160	299	120	141	84	56	40	13	10
EXTREMADURA	383	5	37	156	83	62	25	8	4	2	1
GALICIA	315		1	16	76	106	60	34	15	4	3
MADRID	179	4	16	30	18	34	30	16	11	10	10
MURCIA	45			2	3	4	7	13	12	2	2
NAVARRA	272	34	72	81	26	38	12	6	2		1
PAIS VASCO	251	2	21	78	47	36	28	21	12	3	3
RIOJA	174	52	46	45	10	12	5	2	1		1
C. VALENCIANA	542	22	59	138	82	85	56	40	45	10	5
CEUTA	1										1
MELILLA	1										1
<b>TOTAL GENERAL</b>	<b>8.112</b>	<b>1.037</b>	<b>1.575</b>	<b>2.249</b>	<b>936</b>	<b>1.024</b>	<b>551</b>	<b>355</b>	<b>240</b>	<b>84</b>	<b>61</b>

Source: Gonzales E., 2013

From the table above results, that the region Castilla y León, has the incomparably higher number of municipalities, (2 248), than the other regions. The reason could be found in the history of development of this region. In 1960 the urban population was 20.6% of the total population of Castilla y León; in 1991 that percentage had risen to 42.3% and in 1998 was approaching 43%, indicating the progressive state of rural depopulation. The phenomenon is also reflected in the number of municipalities with less than 100 inhabitants, which increased sevenfold between 1960 and 1986. So that's the main reason why in Castilla y Leon, there is too many "small municipalities" because before the 60' the municipalities had more inhabitants however, due to the increase of the urban population, the rural population (municipalities) has decreased in the number of inhabitants.

If we compared the situation with Andalucía, which is bigger than Castilla y Leon, the economy of Andalucía is based on the agriculture. This means, that in Andalucía, there is a higher share of rural population, so the amount of municipalities (770) is rather high too, comparing to other regions.

**Tab. 3: Division of regions in Spain according to area and population**

Name	Area (km <sup>2</sup> )	%	Population	%	Density (h/km <sup>2</sup> )
Castilla y León	94 223	18,6	2 510 849	5,69	26,57
Andalucía	87 268	17,2	7 849 799	17,80	89,95
Castilla-La Mancha	79 463	15,7	1 894 657	4,3	23,84
Aragón	47 719	9,4	1 269 027	2,9	26,18
Extremadura	41 634	8,2	1 083 879	2,6	26,03
Cataluña	32 114	6,3	6 995 206	15,88	218,73
Galicia	29 574	5,8	2 762 198	6,28	93,78
Comunidad Valenciana	23 255	4,6	4 692 449	10,63	201,78
Región de Murcia	11 313	2,2	1 335 792	3,03	118,07
Principado de Asturias	10 604	2,1	1 076 635	2,44	101,53
Cdad. Foral de Navarra	10 391	2,1	600 027	1,37	60,22
Comunidad de Madrid	8 028	1,6	5 964 143	13,5	740,60
Islas Canarias	7 447	1,5	1 968 280	4,4	264,30
Pais Vasco	7 234	1,4	2 124 846	5,0	293,73
Cantabria	5 321	1,0	562 309	1,3	105,60
La Rioja	5 045	1,0	31 084	0,7	59,67
Islas Baleares	4 992	1,0	983,131	2,2	195,55
Ceuta	19	0,01	75,276	0,2	4 068,97
Melilla	13	0,01	65 488	0,2	5 311

Source: GEO ES, 2013

Based on the table 2 and 3, we can conclude that Castilla y León has even the largest area among all the regions in Spain; however the level of the population does not belong to the highest, so density is quite low, in comparison with Andalucía. Andalucía has similar area but the population is more than three times larger. In these terms we have to remind that the density of population in the whole Spain is imbalanced. Population tends to concentrate in the coastal regions more and in the interior less, except for Madrid.

**Table 4: Proportion of rural areas in Spain**

	Predominantly rural	Intermediate rural	Predominantly urban
Andalucía	31,1	68,9	0,0
Aragón	63,8	36,2	0,0
Canarias	0,0	100,0	0,0
Cantabria	0,0	100,0	0,0
Castilla – La Mancha	84,6	15,4	0,0
Castilla y León	46,6	53,4	0,0

Catala�a	37,9	38,0	24,1
Comunidad de Madrid	0,0	0,0	100,0
Comunidad Foral de Navarra	0,0	100,0	0,0
Comunidad Valenciana	0,0	53,5	46,5
Extremadura	100,0	0,0	0,0
Galicia	57,9	42,1	0,0
Illes Balears	0,0	100,0	0,0
La Rioja	0,0	100,0	0,0
Pais Vasco	0,0	42,0	58,0
Principado de Asturias	0,0	100,0	0,0
Regi�n de Murcia	0,0	100,0	0,0

*Source: Final report on Poverty and Social Exclusion (2008), own processing*

Spain is mainly a rural country, with more than 47% of its territory considered predominantly rural, according to OECD.

If we looked at the tables above, we found out that only some of the regions with the highest fragmentations of local structures: Aragon, Castilla la Mancha, Galicia, Extremadura, have a higher share of the rural population. However, this does not apply to all of the regions with the high level of fragmentation: Andaluc a, Valenciana, Castilla y Le n – especially the last one, with the extremely high level of fragmentation does not prove that with the higher level of fragmentation of local structures is connected with the high share of rurality. Therefore, it is necessary to continue in the analysis of the problematic to find out other indicators influenced by high level of fragmentation.

From the social point of view, small municipalities often lack transparency between politicians and citizens - in many cases generate circumstances not adequate to law, like favored treatment or even corruption. We should abandon unwarranted sensitivities to contemplate public employees themselves or other parties related to political interests. The vast majority of public employees has professional behavior and put aside their beliefs or policy positions as citizens. Policy decisions in a context of large budget shortfalls involves eliminating agencies and services that are not considered priorities but maintain and even strengthen those institutions and services that are political priority .

## **Conclusion**

The problem with fragmentation of local structures across Europe is a big problem and many countries started with reforming processes of public administration in order to consolidate their local structures. Spain is not an exception. Currently, Spain has over 8000 municipalities and the problem consists also in a high level of public expenditures. The currently ongoing reform, which started in 2012, tends to leave 5 “transition” years to municipalities in order to fulfill criteria and thus, Spain strives to



realize the amalgamation process as naturally as possible. According to Prime Minister, Mariano Rajoy, in 2012-2015, the reform of public administration will save 37,7 billion Euros. The additional savings consist in reducing of high number of deputies of small municipalities, expected to have impact of additional 1 200 million Euros. The worst situation, according to high level of fragmentation, is in the region Castilla y León, with 2248 municipalities, however, in this region lives only 5,69% of population and cover 18,6% of the area of Spain. According to the size, in this region is 539 municipalities with less than 100 inhabitants and 723 municipalities with less than 250 inhabitants. Such small municipalities, due to financial restrictions (municipality's budget depends mainly on its size), are not able to provide its citizens services at the sufficient level. Therefore, also due to world-wide economic crises, now, more than ever, it is necessary to realize the savings in as many areas as possible, public sector not excepting.

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