

EUROPE IN TRANSITION: THE NYU EUROPEAN STUDIES SERIES

**POLITICS
AND SOCIETY IN
CONTEMPORARY
SPAIN** From Zapatero
to Rajoy

Edited by
Bonnie N. Field & Alfonso Botti



EUROPE IN TRANSITION: THE NYU EUROPEAN STUDIES SERIES

The Marshall Plan: Fifty Years After

Edited by Martin Schain

Europe at the Polls: The European Elections of 1999

Edited by Pascal Perrineau, Gérard Grunberg, and Colette Ysmal

Unions, Immigration, and Internationalization: New Challenges and Changing Coalitions in the United States and France

By Leah Haus

Shadows Over Europe: The Development and Impact of the Extreme Right in Western Europe

Edited by Martin Schain, Aristide Zolberg, and Patrick Hossay

Defending Europe: The EU, NATO and the Quest for European Autonomy

Edited by Joylon Howorth and John T.S. Keeler

The Lega Nord and Contemporary Politics in Italy

By Thomas W. Gold

Germans or Foreigners? Attitudes toward Ethnic Minorities in Post-Reunification Germany

Edited by Richard Alba and Peter Schmidt

Germany on the Road to Normalcy? Politics and Policies of the First Red-Green Federal Government

Edited by Werner Reutter

The Politics of Language: Essays on Languages, State and Society

Edited by Tony Judt and Denis Lacorne

Realigning Interests: Crisis and Credibility in European Monetary Integration

By Michele Chang

The Impact of Radical Right-Wing Parties in West European Democracies

By Michelle Hale Williams

European Foreign Policy Making Toward the Mediterranean

By Federica Bicchi

Sexual Equality in an Integrated Europe: Virtual Equality

By R. Amy Elman

Politics in France and Europe

Edited by Pascal Perrineau and Luc Rouban

Germany after the Grand Coalition: Governance and Politics in a Turbulent Environment

Edited by Silvia Bolgherini and Florian Grotz

The New Voter in Western Europe: France and Beyond

Edited by Bruno Cautrès and Anne Muxel

The Mobilization of the Unemployed in Europe

Edited by Didier Chabanet and Jean Faniel

Germany, Poland, and Postmemorial Relations

Edited by Kristin Kopp and Joanna Nizyńska

Liberalization Challenges in Hungary: Elitism, Progressivism, and Populism

By Umut Korkut

Lessons from the Economic Crisis in Spain

By Sebastian Royo

The Europeanization of European Politics

Edited by Michael L. Mannin and Charlotte Bretherton

Parliament and Diaspora in Europe

By Michel S. Laguerre

Politics and Society in Contemporary Spain: From Zapatero to Rajoy

Edited by Bonnie N. Field and Alfonso Botti

Also by Bonnie N. Field

Spain's "Second Transition"? The Socialist Government of José Luis Rodríguez Zapatero (*editor*)
Democracy and Institutional Development: Spain in Comparative Theoretical Perspective
(*coeditor with Kerstin Hamann*)

Also by Alfonso Botti

La Spagna e la crisi modernista

Cielo y dinero. El nacionalcatolicismo en España, 1881–1975

Romolo Murri e l'anticlericalismo negli anni de "La Voce"

La questione basca. Dalle origini allo scioglimento di Batasuna

Storia della Spagna democratica. Da Franco a Zapatero (*coauthor with Carmelo Adagio*)

Il Modernismo tra cristianità e secolarizzazione (*coeditor with Rocco Cerrato*)

Romolo Murri e i murrismi in Italia e in Europa cent'anni dopo (*coeditor with Rocco Cerrato
and Ilaria Biagioli*)

Storia ed esperienza religiosa (*editor*)

Le patrie degli spagnoli (*editor*)

L'Ultimo franchismo (*coeditor with Massimiliano Guderzo*)

Clero e guerre spagnole (1808–1939) (*editor*)

Luigi Sturzo e gli amici spagnoli. Carteggi 1924–1951 (*editor*)

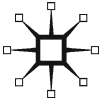
This page intentionally left blank

Politics and Society in
Contemporary Spain
From Zapatero to Rajoy

Edited by

Bonnie N. Field and Alfonso Botti

palgrave
macmillan



POLITICS AND SOCIETY IN CONTEMPORARY SPAIN

Copyright © Bonnie N. Field and Alfonso Botti, 2013.

Softcover reprint of the hardcover 1st edition 2013 978-1-137-30661-6

All rights reserved.

First published in 2013 by
PALGRAVE MACMILLAN®

in the United States—a division of St. Martin's Press LLC,
175 Fifth Avenue, New York, NY 10010.

Where this book is distributed in the UK, Europe and the rest of the world,
this is by Palgrave Macmillan, a division of Macmillan Publishers Limited,
registered in England, company number 785998, of Houndmills,
Basingstoke, Hampshire RG21 6XS.

Palgrave Macmillan is the global academic imprint of the above companies
and has companies and representatives throughout the world.

Palgrave® and Macmillan® are registered trademarks in the United States,
the United Kingdom, Europe and other countries.

ISBN 978-1-349-45515-7 ISBN 978-1-137-30662-3 (eBook)
DOI 10.1057/9781137306623

Acknowledge permission granted by Tirant lo Blanch to republish portions
of the following work in chapter 5 of this volume:

Excerpts from chapter 7: "El Estado autonómico: superando la resaca
estatutaria y capeando la crisis," pages 197–202, 205–207, 208–211.

Editors: César Colino and Ramón Cotarelo

Title of book: España en crisis. Balance de la segunda legislatura de
Rodríguez Zapatero.

ISBN/issue number: 978–84–15442–58–5

Publisher: Tirant lo Blanch, Valencia

Date of publication: May 2012

Library of Congress Cataloging-in-Publication Data is available from the
Library of Congress.

A catalogue record of the book is available from the British Library.

Design by Newgen Imaging Systems (P) Ltd., Chennai, India.

First edition: June 2013

10 9 8 7 6 5 4 3 2 1

For Angela—Bonnie Field

For my children: Giaime, Edoardo, and Leo—Alfonso Botti

This page intentionally left blank

Contents

<i>List of Figures and Tables</i>	xi
<i>List of Contributors</i>	xiii
<i>Acknowledgments</i>	xvii
1 Introduction: Political Change in Spain, from Zapatero to Rajoy <i>Bonnie N. Field and Alfonso Botti</i>	1
2 The Long <i>Adiós</i> : The PSOE and the End of the Zapatero Era <i>Anna Bosco</i>	21
3 From Opposition to Government: The Popular Party of Mariano Rajoy <i>Alfonso Botti</i>	41
4 Governing Spain in Tough Times and in Minority: The Limits of Shifting Alliances <i>Bonnie N. Field</i>	61
5 The State of Autonomies between the Economic Crisis and Enduring Nationalist Tensions <i>César Colino</i>	81
6 Economic Reforms and the Labor Market: Zapatero's Endless Period in the Wilderness <i>Óscar Molina and Alejandro Godino</i>	101
7 The Relationship between Unions and Zapatero's Government: From Social Pacts to General Strike <i>Kerstin Hamann</i>	123

8	Youth Protests and the End of the Zapatero Government <i>Carmelo Adagio</i>	143
9	The Spanish Catholic Church from the Zapatero Era to the Rajoy Government <i>Mireno Berrettini</i>	161
10	Gender Equality Policymaking in Spain (2008–11): Losing Momentum <i>Celia Valiente</i>	179
11	The Spanish Welfare State from Zapatero to Rajoy: Recalibration to Retrenchment <i>Eloísa del Pino</i>	197
12	Conclusions <i>Alfonso Botti and Bonnie N. Field</i>	217
	<i>Index</i>	225

Figures and Tables

Figures

6.1	Inflation and negotiated wages in Spain, 1980–2008	106
6.2	Real unit labor costs, 1996–2012	107

Tables

1.1	Election results, Congress of Deputies, 2011 and 2008	10
1.2	Proportionality indicators, Congress of Deputies, 2011 elections	12
1.3	Election results in Catalonia and the Basque Country, Congress of Deputies, 2011 and 2008	14
4.1	Party composition, Congress of Deputies, 2008 and 2004	65
4.2	Interparty collaboration, Congress of Deputies, 1977–2011	68
4.3	Average Index of Voting Likeness (IVL) with the governing PSOE, 2004–11	71
6.1	Summary of economic reforms implemented by the Socialist executive, 2008–11	110
7.1	Macroeconomic data, Spain, 2004–11	128

This page intentionally left blank

Contributors

Carmelo Adagio (PhD in contemporary history, La Sapienza University in Rome) is currently a primary and secondary school principal. His dissertation is on the church and the dictatorship of Primo de Rivera. In addition to numerous articles in journals and collective volumes, he published *Chiesa e nazione. La dittatura di Primo de Rivera in Spagna 1923–1930* (Unicopli, Milan, 2004) and, in collaboration with A. Botti, *Storia della Spagna democratica. Da Franco a Zapatero* (B. Mondadori, Milan, 2006). Along with S. Urso and R. Cerrato, he edited *Il lungo decennio. L'Italia prima del 68* (Cierre, Sommacampagna, 1999).

Mireno Berrettini (PhD in political science, Università Cattolica del Sacro Cuore) has been a fellow at the Italian Centro Nazionale delle Ricerche. He is currently a postdoctoral fellow at the Università Cattolica del Sacro Cuore (Milan). He collaborates with the journal *Spagna Contemporanea*. He is interested in issues related to the Spanish Catholic Church and Catholicism. His latest publications are “La formazione del clero castrense spagnolo nei primi trenta anni del XX secolo,” in A. Botti (ed.), *Clero e guerre spagnole in età contemporanea (1808–1939)*; “A settant’anni dalla Carta Collettiva dell’Episcopato spagnolo: Jerarquía, martirio, memoria collettiva,” in E. Acciai and G. Quaggio (eds.), *Un conflitto che non passa. Storia, memoria e rimozioni della Guerra Civile spagnola*.

Anna Bosco (PhD University of Florence) is associate professor of comparative politics at the University of Trieste (Italy) and editor (with Susannah Verney) of the journal *South European Society & Politics*. She has carried out research on political parties in Italy, Spain, Portugal, Greece, and East-Central Europe. Her most recent publications include *La España de Zapatero. Años de cambios 2004–2008* (edited with Ignacio Sánchez-Cuenca, 2009) and *From Berlusconi to Monti: Parties’ Default?* (edited with Duncan McDonnell, 2012).

Alfonso Botti is full professor of contemporary history in the College of Letters and Philosophy at the University of Modena and Reggio Emilia (Italy). Codirector of the journal *Spagna contemporanea*, he is also on the scientific boards of several Spanish and Italian journals. His research trajectory is centered on the history of Catholicism, of the church, and of nationalisms in Spain. Most recently, he published *La questione basca* (B. Mondadori, Milan, 2003), *Storia della Spagna democratica. Da Franco a Zapatero* (B. Mondadori, Milan, 2006) with C. Adagio, *Cielo y dinero* (Alianza, Madrid, 2008), and edited *Le patrie degli spagnoli* (B. Mondadori, Milan, 2007), *L'Ultimo franchismo* (Rubbettino, Soveria Mannelli, 2009) with M. Guderzo, *Clero e guerre spagnole, 1808–1936* (Rubbettino, Soveria Mannelli, 2011), and *Luigi Sturzo e gli amici spagnoli, Carteggi 1924–1951* (Rubbettino, Soveria Mannelli, 2012).

César Colino is associate professor at the Department of Political Science and Public Administration at the Spanish National Distance-Learning University (UNED) in Madrid. He has taught at the University of Salamanca and the Autonomous University of Madrid and has been visiting researcher at the Max-Planck Institute for the Study of Society (MPIfG) in Cologne and research officer at the Institute for Research in Public Administration (FöV) in Speyer, Germany. More recently he has been visiting fellow at the Center for Federal Studies at the University of Kent (United Kingdom, 2008). His recent research and publications have revolved around comparative federalism, intergovernmental relations, and constitutional reform in federations. He has published in journals such as *Policy & Politics*, *Regional & Federal Studies*, and *Publius*.

Eloísa del Pino (PhD Universidad Complutense) is senior research fellow at Institute of Public Goods and Policies (IPP) in the Spanish National Research Council (CSIC) (Madrid, Spain). She has taught at several Universities in Madrid (1995–2012) and has been visiting researcher at the Centre d'Études et de la Recherche sur la Vie Locale (CNRS) and at the School of Social Policy and Social Research at the University of Kent. Her research and publications have dealt with the political conditions for change of the welfare state, the reform of public administration and public policies, citizen participation and citizens' attitudes toward the state and welfare policies. She is editor of *Los Estados de Bienestar en la Encrucijada. Políticas Sociales en Perspectiva Comparada* (with María Josefa Rubio, 2013).

Bonnie N. Field (PhD in political science, University of California, Santa Barbara) is associate professor of global studies at Bentley University

(Massachusetts, United States). She is an Affiliate of the Minda de Gunzburg Center for European Studies at Harvard University. She has been a faculty fellow at the University of California, Irvine, visiting fellow at UCI's Center for the Study of Democracy, and Fulbright senior researcher in Spain. Her publications focus on regime democratization, political parties, and political institutions in Spain and Latin America. She is editor of *Spain's "Second Transition"? The Socialist Government of José Luis Rodríguez Zapatero* (2011) and *Democracy and Institutional Development: Spain in Comparative Theoretical Perspective* (with Kerstin Hamann, 2008). Her research has been published in *Comparative Political Studies*, *Comparative Politics*, *Democratization*, *Party Politics*, *PS: Political Science & Politics*, *Electoral Studies*, *South European Society & Politics*, *Revista Española de Ciencia Política*, and *Revista de las Cortes Generales*, and in several book chapters.

Alejandro Godino is a PhD student at the Institute for Labor Studies (IET) at the Universidad Autónoma de Barcelona. He holds a BA degree in sociology (University of Granada) and a master's degree in European labor studies. He has participated in the Seventh Framework Program funded project WALQING, focused on the quality of employment in new and growing sectors across Europe, and, currently, is involved in the "New strategies for immigration: requalification for a new labor market" project, funded by Agaur and Recercaixa, centered on trends and policies for unemployed immigrants. His PhD studies revolve around job quality in outsourced services. His research interests are workplace studies, collective bargaining, and organizational behavior.

Kerstin Hamann (PhD Washington University) is professor of political science at the University of Central Florida and editor of the *Journal of Political Science Education*. Her research focuses on Spanish politics, comparative political economy (especially trade unions) in Western Europe, and the scholarship of teaching and learning. Her books include *The Politics of Industrial Relations: Labor Unions in Spain* (2012), *Parties, Elections, and Policy Reforms in Western Europe: Voting for Social Pacts* (with John Kelly, 2011), *Assessment in Political Science* (coedited with Michelle Deardorff and John Ishiyama, 2009), and *Democracy and Institutional Development: Spain in Comparative Theoretical Perspective* (coedited with Bonnie N. Field, 2008). Her research has been published in journals such as *Comparative Political Studies*, *British Journal of Industrial Relations*, *European Journal of Industrial Relations*, *Publius*, *South European Society and Politics*, *Journal of Political Science*

Education, College Teaching, and PS: Political Science & Politics, as well as in numerous book chapters.

Óscar Molina lectures at the Institute for Labor Studies (IET), Universidad Autónoma de Barcelona. He holds a degree in economics from Pompeu Fabra University and a PhD in political and social sciences from the European University Institute, Florence, Italy. In 2005–2007 he was IRCHSS research fellow at the Industrial Relations and Human Resources Group, University College Dublin, and then junior ICREA researcher in the Centre d'Estudis Sociològics sobre la Vida Quotidiana I el Treball (QUIT). His research interests include comparative industrial relations, comparative political economy, labor market, corporatism, and varieties of capitalism.

Celia Valiente (PhD sociology, Universidad Autónoma de Madrid) is associate professor of sociology at the Department of Economic History and Institutions of the Universidad Carlos III de Madrid, Spain. Her main research interests are gender-equality policies and the women's movement in Spain from a comparative perspective. She has published articles in *Gender & Society*, *European Journal of Political Research*, *Politics & Gender*, and *South European Society & Politics*, among others. She is the author of *Gendering Spanish Democracy* (with Monica Trelfall and Christine Cousins, Routledge, 2005) and of numerous book chapters.

Acknowledgments

This project initiated with the Istituto Cattaneo in Bologna, Italy, which asked us to lead a project on Spain for their book series *Elezioni, governi, democrazia*. We then assembled an interdisciplinary group of international scholars who could shed light on the political, social, and economic developments in Spain. The collaboration led to the publication in Italian of *La Spagna di Rajoy* (Bologna: Il Mulino). We would like to warmly thank Gianfranco Baldini, Anna Bosco, and Stefania Profeti for their initiative and assistance, and express our gratitude for the financial support the Istituto Cattaneo provided to translate several chapters. We also thank the two translators who worked on the project, David Bull and Jeremy Carden.

Bonnie Field gratefully acknowledges the summer grant support provided by Bentley University. She also thanks her colleagues and friends at the Universitat Autònoma de Barcelona, particularly Joan Botella and Eva Ostergaard-Nielsen, for hosting her as an invited professor in June 2012, which allowed her to exchange ideas with a number of individuals that contributed greatly to her thinking on contemporary Spanish politics. Finally, she thanks the Center for European Studies at Harvard University for the invitation to participate in a roundtable on the 2011 Spanish elections, which also informed the analysis presented here.

BONNIE N. FIELD
ALFONSO BOTTI

CHAPTER 1

Introduction: Political Change in Spain, from Zapatero to Rajoy

Bonnie N. Field and Alfonso Botti

Spanish prime minister José Luis Rodríguez Zapatero was once a darling of European social democracy, and was and remains a villain for the Spanish political right. Leading the Socialist Party (PSOE) to a surprise electoral victory in 2004, following the Islamist terrorist attacks on the Madrid commuter train system, he enacted a striking set of progressive reforms (Bosco & Sánchez-Cuenca 2009; Field 2011).

He rapidly reoriented Spanish foreign policy by withdrawing Spanish troops from Iraq, reversing the support that his predecessor, the conservative José María Aznar of the Popular Party (PP), had given to the US-led war (Powell 2009). Parliament also passed a series of progressive social and civil rights laws, including an ambitious gender equality act and the legalization of same-sex marriage and adoption (Calvo 2009; Encarnación 2009). He placed particular emphasis on women's representation, appointing a cabinet that for the first time in the history of Spanish democracy included an equal number of women and men.

Rooted in the discovery of more than two hundred mass graves with the remains of the victims of Francoist and Falangist violence, Zapatero confronted Spain's divisive history of civil war, the Franco dictatorship, and human rights' violations more than any other Spanish leader since the transition to democracy in the mid-1970s (Aguilar 2009). He oversaw significant reforms of Spain's territorial institutions by expanding autonomy in several political regions (called autonomous communities) (Baldi & Baldini 2009; Muro 2009). Moreover, he strengthened

Spain's comparatively frail, at least in the Western European context, welfare state, especially with the passage of the dependency law, which committed the state to providing some care for those who cannot care for themselves. Nonetheless, it is important to note that various social policies initiated by Zapatero have been criticized for lack of resources, problems of implementation, and for the difficulties of actually meeting their stated goals (chapter 10 in this volume; Bernardi & Sarasa 2009; Calvo & Martin 2009).

The Zapatero government also began risky negotiations with the terrorist group ETA (Basque Homeland and Freedom) with the goal of ending the violence that the radical Basque independence group had been perpetrating since the later years of the Francoist dictatorship. The negotiations were supported by all of the parliamentary parties except the principal opposition party. The PP vehemently opposed the government's antiterrorist policies, and the subject formed part of the deep polarization (or *crispación*) that marked the relationship between the PSOE and PP (Field 2009; Sánchez-Cuenca 2009). The negotiations ended in failure and with a deadly bomb that ETA placed in terminal four of Madrid's Barajas airport in December 2006. It was undoubtedly a defeat for the government and a blow to Zapatero's leadership. But with ETA's declaration in October 2011 that it would definitively abandon violent activity, a month before Spain's general elections, some analysts stressed the contribution of the then failed peace process to the end of terrorism (Sánchez-Cuenca 2012, 55–65), or what the principal Socialist negotiator called a “tactical failure and a strategic win” (Eguiguren & Rodríguez Aizpeolea 2011, 247). Without doubt, the announced end of terrorist activity is a tremendous achievement of the Zapatero governments and for Spanish and Basque democracy more broadly (see chapter 5 in this volume).

Even though the Socialists under Zapatero's leadership had recognized the weaknesses of Spain's preexisting economic model based on consumption and construction, it is evident that the Zapatero government did not effectively reorient the economy or deflate the real estate bubble. This is in part due to the success of the Spanish economy during his first term. As Mulas-Granados (2009) notes, Zapatero preferred to prolong the period of economic expansion that he had inherited from his predecessors. Therefore, the more ambitious economic proposals contained in the 2004 Socialist Party electoral manifesto turned into timid fiscal and labor market reforms. According to Royo (2009a), Zapatero's economic team continued, in general, the economic policies of its predecessors, Felipe González (PSOE) and José María Aznar (PP), and according to López

and Rodríguez (2011) Spain in broad strokes has continued to follow the same economic model adopted during the Francoist regime in the 1950s. The lack of effective action in times of economic expansion would end up being very costly when the international economic crisis began to explode after 2007 and to deeply impact Spain beginning in 2008.

Nonetheless, the government fulfilled much of the program with which the Socialist Party went to the polls in 2004. Despite the aggressive opposition of the PP, and other conservative groups such as the Catholic Church (see chapter 9 in this volume), to nearly their entire political agenda, the government's actions obtained substantial electoral support in 2008. Compared to 2004, the PSOE won more votes and increased its seats by five, with which it was able to continue governing again in minority (see chapter 4 this volume). However, it is important to note that the PP also increased its votes and seats, in fact more than the Socialists, producing the highest vote concentration in the two principal parties since the beginning of Spain's democracy.

Political scientists, historians, and other analysts all highlight the differences between Zapatero's first and second terms in office. The second term, inaugurated in 2008, was inescapably marked by the most severe economic crisis Spain has experienced in the past 80 years. This crisis has not only tested Spain, but, in its international dimensions, has indeed severely challenged the Euro and the European Union (EU). Accustomed to seeing itself (and to being seen) as the architect of a model transition to democracy and economic successes, in sharp contrast,¹ Spain is now at the center of international attention for its economic frailty, extremely high unemployment, and protest movements, such as the *indignados* (indignant).

Zapatero left office following the November 2011 elections, in which he did not compete, as an extremely unpopular figure, even among his prior base of supporters. With Alfredo Pérez Rubalcaba as the Socialist candidate for prime minister, the 2011 elections severely punished the PSOE, and together with the prior local and regional elections relegated the PSOE to its lowest quota of political power since the transition to democracy. This book provides the opportunity to reflect on Zapatero's legacy and to more broadly analyze contemporary Spain. The contributors to the book examine the major political, social, and economic events of Zapatero's second term in depth. They also contrast these developments with those of the first term in order to offer a comprehensive assessment. Last, they evaluate the challenges Spain and the new Popular Party government of Mariano Rajoy face. Before summarizing the chapters, this introduction first evaluates in more detail the economic and

political crisis that exploded during Zapatero's second term and then analyzes the results of the November 20, 2011, elections.

An Economic and a Political Crisis

If Prime Minister Zapatero's first term in office is known for the extension of civil rights and liberties, among other reforms, the second term will surely be remembered for cuts in social benefits, reduction of labor rights, loss of jobs for many Spaniards, and reduction of economic prospects and living standards for many others. Moreover, the economic crisis and the adjustments to it have also provoked a severe political and institutional crisis that does not appear to have attenuated after the general elections of 2011.

We first provide a brief summary of some of the characteristics of the economic crisis. After a growth period from 1995 to 2007 characterized by a 3.6 percent average annual increase of gross domestic product (GDP), Spain entered a period of recession that reached -3.7 percent GDP growth in 2009, and -0.3 percent in 2010. After a timid recovery in 2011 (0.4 percent), the economy again, according to all estimates, experienced negative growth in 2012.² Simultaneously unemployment reached 24.4 percent of the active population in the first trimester of 2012.³ Youth unemployment reached a dramatic 48.6 percent in 2011 (Fundación FOESSA and Cáritas 2012, 7). The evolution of the budget deficit as a percentage of GDP was 4.5 percent in 2008, 11.2 percent in 2009, 9.7 percent in 2010, and 9.4 percent in 2011,⁴ while the government likely missed the 2012 deficit target of 6.3 percent of GDP (which had already been increased from a 5.3 percent target).⁵

The most revealing and at the same time distressing data are those provided by the report *Exclusión y desarrollo social* (exclusion and social development) (Fundación FOESSA and Cáritas 2012), which indicate that income per capita fell in real terms nearly 9 percent between 2007 and 2010 (p. 6), resulting in a rapid increase in inequality since the mid-1990s. The ratio of income corresponding to the wealthiest 20 percent of the population compared to the poorest 20 percent went from 5.3 in 2007 to 6.9 at the end of 2010 (p. 7); in fact this represents the greatest increase in the EU-27 countries. According to the study's estimates, the proportion of households that fell below the poverty line in 2011 was 21.8 percent, two points higher than in 2009—an increase without precedent in recent decades (pp. 10–11) and which places Spain among the countries with the most poverty in the EU-21, only surpassed by Romania and Lithuania (p. 13).

It is important to underscore some basic points about the economic and financial crisis in Spain. First, Spain was not Greece. Before the crisis exploded the government's accounts were healthy and in fact until 2007 there was a surplus. Spain indeed had been applauded for many years for being an example of economic success and the economy during Zapatero's first term exhibited very positive macroeconomic indicators (Royo 2009a,b). Second, the international crisis affected the Iberian country more punitively because of Spain's structural economic problems, such as low productivity and competitiveness, and a labor market divided between many with precarious jobs and others with permanent contracts and high job security (see chapters 6 and 7 in this volume; Royo 2009b; Salmon 2010), and due to its economic model that is based largely on construction and consumption, which produced an increase in unemployment without comparison in the rest of the EU. Spain has spent months on the edge of a cliff, over which Greece has already fallen, while Portugal dangerously approaches the abyss. Third, Spain's economic model did not originate in the Zapatero era and therefore responsibility for its failures lies with the PSOE and the PP, and the real estate policy in the prior decades is just one of the more obvious examples.

On the other hand, one can surely evaluate the Zapatero government for not having reoriented the economy as we mentioned earlier and for its response to the crisis. Zapatero has been harshly criticized for not reacting to the crisis in time and for denying or underestimating its magnitude. When the government began to respond at the end of 2008, initially its policies were Keynesian in nature, using moderate countercyclical fiscal stimulus measures. But, after May 2010, due to pressure from European institutions, the government's policies were completely reversed, and painful austerity-based adjustment policies were enacted. The government also liberalized the labor market, making firing easier and cheaper, against the fervent opposition of the unions (see chapter 7 in this volume), and with the argument that a more flexible labor market would facilitate employment. But, labor market reform did not create employment (Fishman 2012). The adjustment policies also did not resolve the economic crisis nor did they prevent the emergence of a sovereign debt crisis that persisted after Zapatero left office; many analysts also fear that the adjustment policies will not correct and may even worsen the structural problems of the Spanish economy and labor market (chapter 6 in this volume; Fishman 2012).

Let's consider the context within which the government developed its policies: it was and is an era dominated by neoliberalism; as part of the EU and the Eurozone Spain lacks the ability to devalue a national

currency; EU leaders insisted on austerity; and Spain was under tremendous pressure from the markets. These conditions certainly restricted the Zapatero government's options, but they did not determine the exact response. The government opted, perhaps because its leaders thought it was the best way to avoid the abyss, not only for austerity policies but also to concentrate on the reduction of spending, including social spending cuts and the reduction of public employees' salaries, and not on increasing government receipts through taxation particularly on the wealthy. It is often said that Zapatero focused on avoiding at any cost a formal bailout of the Spanish economy by European authorities; he succeeded but indeed at a very high cost.

It is in this context of severe economic crisis that support for the government and the Socialists eroded and political change occurred. The period that began in the summer of 2008 with the first effects of the international financial crisis in Spain was very different from Zapatero's first term. Nonetheless, the electorate, according to surveys of vote intention and to actual results in European and regional elections, did not immediately change its views as a result of the crisis itself, rather public opinion changed gradually and in response to the Socialist government's handling of the crisis. From this perspective, neither the regional elections in Galicia and the Basque Country in 2009, nor the European elections in the same year were decisive. In the former, the PP, with a small vote increase, recaptured its dominant position in the traditionally conservative region, putting an end to the first coalition government of the PSOE and the Galician nationalists of Galician Nationalist Block (BNG). In the Basque Country, the banning of the political party *Batasuna* from electoral competition, due to its association with the terrorist group ETA, and the Socialist government's political dialog with ETA permitted the Basque Socialists to govern and attain the premiership of the Basque government for the first time, though in minority with the external parliamentary support of the PP. In the European elections, the PP beat the PSOE but only by three percentage points, which can also be interpreted, at least in part, as a result of the abstention of the Socialist electorate.

Change began in May 2010 when Zapatero announced austerity measures under pressure from the European institutions. At this point Zapatero was reproached for a lack of leadership, the underestimation of the magnitude of the crisis, the delayed response, the drastic reduction of government spending, and the cuts to the welfare state (see chapter 11 in this volume). It was not by accident that it was only in October 2010 that PP leader Mariano Rajoy caught up with Zapatero in Spanish public

opinion polls.⁶ Simultaneously Rajoy, after experiencing the worst period of his political life in the aftermath of the 2008 election defeat and after having consolidating his leadership at the party convention in Valencia in 2008 by defeating the hawks within his own party, was able to trot out his triumph in the European elections the prior year (see chapter 3 in this volume).

In the Catalan regional elections in November 2010, the PP won four additional seats, and the decline of the Catalan Socialist Party (PSC-PSOE) and of the Republican Left of Catalonia (ERC) put an end to the tripartite government, which also included Initiative for Catalonia Greens (ICV). This was definitely an important symptom of public disaffection, but still not definitive proof that the electorate had shifted. The real change in the electorate's political orientation became evident with the remarkable defeat of the Socialists in the regional elections on May 22, 2011. This result combined with an economic situation that foreshadowed the adoption of even more drastic and unpopular economic measures that Zapatero no longer felt or no longer had the legitimacy to adopt or that he preferred to leave to his successor led Zapatero to call for early parliamentary elections.

The political and institutional crisis is deeper and more extensive than the defeat of the Socialists. Nonetheless there are few positive signs. The November 2011 elections were legitimately called by Prime Minister Zapatero, and the new parliament and the Rajoy government were the result of free elections. The traditional party system did not collapse in Spain, as had occurred in Greece in May 2012. Additionally, there are no significant xenophobic movements in Spain, as are present in almost all of Europe, in spite of the extremely high levels of unemployment and immigration, which we will explore in more depth in the concluding chapter.

However the political disaffection of Spanish citizens indicates grave problems for Spain's democracy. Among the citizenry, there is the palpable feeling that corruption permeates the political system and that it has increased in recent years (Villoria & Jiménez 2012, 431), especially polluting local and regional politics, often in connection with the urban development and construction "boom" (Jiménez 2009) that for the moment has particularly implicated the PP. Suspected corruption has reached as far as the royal family with investigations into the business dealings of Iñaki Urdangarin,⁷ King Juan Carlos's son-in-law, and the Supreme Court with the resignation, without being indicted, in June 2012 of Carlos Dívar, president of the Supreme Court and of the General Council of Judicial Power, due to a scandal about trips paid for