

## Inside Spain Nr 161

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### Summary

Spain gives sanctuary to Venezuelan opposition leader.  
Socialists forecast to build on their general election victory in municipal and regional polls.

Anti-independence supporters in Catalonia surpass those in favour of secession.  
Fiscal deficit slightly lower than reported, release from EU's tutelage.

### Foreign Policy

#### Spain gives sanctuary to Venezuelan opposition leader

The government allowed Venezuelan opposition leader Leopoldo López to take refuge in the Spanish Ambassador's residence in Caracas, but said it would not allow him to use the embassy as a centre of political activism.

López, jailed for 13 years in 2014 for leading anti-government street protests, was subsequently put under house arrest and managed to escape during the crackdown on the organisers of a failed uprising against President Nicolas Maduro, called by Juan Guaidó, who is recognised by some 50 countries including Spain as Venezuela's interim President. López met Guaidó in the residence.

'Lopez's activities will be limited', said Spain's acting Foreign Minister Josep Borrell. 'No decision has been taken about how long López will be accepted as a guest, but he will not be handed over'.

Borrell accused US President Donald Trump's Administration of acting like 'a cowboy' over its implicit threat of military intervention in Venezuela. Madrid wants a group of EU and Latin American governments to agree fresh elections with Maduro.

'The contact group that we are part of is not on the same wavelength as the US administration, which is like a cowboy who says 'look at me, I will draw my gun'.

#### Spanish frigate pulled from US Gulf mission

The government ordered the withdrawal of the frigate that is part of a US-led naval group in the Gulf because it said Washington had changed the original objective and instead was focusing on perceived threats from Iran.

'The US government took a decision outside of the framework of what had been agreed with the Spanish Navy', said acting Defence Minister Margarita Robles.

Spain wanted to avoid being involuntarily dragged into any kind of conflict with Iran amid rising tensions between Washington and Tehran.

The 215-sailor Méndez Núñez was due to celebrate the 500<sup>th</sup> anniversary of the first circumnavigation of the world, accomplished by Portuguese explorer Ferdinand Magellan and Spanish discoverer Juan Sebastián Elcano, as scheduled under a US-Spanish agreement.

The Spanish frigate rejoined the fleet when it reached the Indian Ocean.

### Foreign Minister slams US over ruling on Cuba

Acting Foreign Minister Josep Borrell called the US Administration's decision to lift a ban on lawsuits in US courts over property seized by Cuba an 'abuse of power'.

Washington plans to begin enforcing a provision of the 1996 Helms-Burton Act allowing Cuban-Americans and other US citizens to sue in US courts over property confiscated after the 1959 Cuban revolution.

'This is further proof of a lack of cooperation on the part of the US Administration and the adoption of extra-territorial measures which, according to us, are an abuse of power which we oppose', he told Spanish public television TVE.

Spain is one of the biggest investors in Cuba.

Trump's move, in retaliation for Cuba's support of the embattled Venezuelan President Nicolas Maduro, would open the way for lawsuits against foreign companies that have benefited from the seizure of US companies.

Borrell's stance is in line with the position of the EU, which warned it would challenge the Cuba action before the World Trade Organisation.

### Immigration main concern, not unemployment

The main concern of Spaniards ahead of the European elections on 26 May is immigration (see Figure 1) and no longer unemployment, reflecting the country's recovery from a long recession and the rise of VOX, a far-right, populist and anti-immigrant party that is represented in the national parliament for the first time since 1982 with 24 seats (only one before).

**Figure 1. What are the EU's three main problems (% of respondents)**

	Ave.	France	Germany	Hungary	Italy	Poland	<b>Spain</b>
Immigration	35	20	32	45	35	37	<b>30</b>
Environment	29	29	34	31	24	26	<b>25</b>
Security	23	19	26	31	16	32	<b>18</b>
Unemployment	15	16	10	12	21	11	<b>27</b>
Public debt	18	24	23	9	20	16	<b>21</b>
Political disagreements in EU	17	10	27	19	14	19	<b>13</b>

Source: LENA/YouGov.

Yet the percentage of Spaniards who do not want more refugees to be allowed into their country is one of the lowest among the nations surveyed (see Figure 2).

**Figure 2. My country should not take more refugees from conflict zones. Do you agree with this? (% of respondents)**

	Average	France	Germany	Hungary	Italy	Poland	<b>Spain</b>
Yes	46	43	34	49	53	53	<b>42</b>
No	29	27	41	21	25	17	<b>22</b>
Neither	22	22	21	25	19	25	<b>28</b>

Source: LENA/YouGov.

Spain overtook Italy in 2018 as the main recipient of undocumented migrants who made the perilous Mediterranean crossing to Europe. A record 57,250 people arrived on Spanish shores, up from the previous high of 39,180 in 2006, and around half the total number of 113,145, according to the International Organisation for Migration (IOM).

Forty-five per cent of respondents in Spain believe populist parties threaten the working of the EU (see Figure 3).

**Figure 3. Are you in agreement with the following affirmations? (% of yes)**

	France	Germany	Italy	<b>Spain</b>
The austerity policies of the last few years have been beneficial	20	33	18	<b>29</b>
The EU needs solidarity mechanisms between countries	38	57	54	<b>53</b>
The EU should foster social policies of equality of living conditions	54	51	56	<b>61</b>
Populist parties threaten the EU's functioning	41	56	36	<b>45</b>

Source: LENA/YouGov.

The figure for those who say EU membership is good for Spain remains one of the highest at 65% (see Figure 4), and 74% of respondents said they expected the EU to still be in existence in 10 years' time (see Figure 5).

**Figure 4. Is belonging to the EU good for your country? (% of respondents)**

	Average	Germany	Poland	<b>Spain</b>	Hungary	Italy	France
A lot, quite a lot	63	70	70	<b>65</b>	64	57	51
Neither good nor bad	20	16	14	<b>24</b>	25	20	24
Little or nothing	12	11	11	<b>7</b>	8	19	19

Source: LENA/YouGov.

**Figure 5. Do you believe the EU will continue to exist in 10 years' time? (%)**

	Yes	No
Germany	74	19
<b>Spain</b>	<b>74</b>	<b>17</b>
Poland	69	20
Hungary	68	22
Italy	68	22
France	60	20

Source: LENA/YouGov.

## Domestic scene

### Socialists forecast to build on their general election victory in municipal and regional polls

The Socialists, who won the snap general election on 28 April, are expected to continue to gain strength in the municipal and regional elections on 26 May, and their outcome could influence the shape and ability of Pedro Sánchez, the caretaker Prime Minister, to form a new minority government.

According to the state-funded CIS, the Socialists will be the most voted party in 10 of the 12 autonomous regions (out of a total of 17) that go to the polls, and together with the support of Más Madrid and Podemos would be able to regain control of Madrid from the Popular Party (PP) for the first time since 1995. The most voted party in the Madrid municipal election would be Más Madrid of Manuela Carmena, the capital's current Mayor. The Socialists are also expected to win the European elections.

Sánchez's victory in the general election was a personal triumph. Elected leader of his party in 2014, he led the Socialists to their worst-ever election result in December 2015, and then lost even worse in June 2016 when political deadlock produced another inconclusive vote. Forced out of his party for refusing to allow the PP to continue in office, he resigned his seat in parliament and travelled around Spain building grassroots support, and in June 2017 won the primaries to lead his party again. Not for nothing is the title of his recent book *Manual de resistencia* (Resistance manual).

His victory was also good news for Europe's ailing social democracy. EU socialist leaders appointed him their representative for the forthcoming negotiations on the distribution of senior positions in the European Commission once the results of the elections for the European Parliament are known.

Less clear is whether and when Sánchez, with 123 of the 350 seats (up from 85 in 2016 and the best result since 2008) will be able to form another minority national government (see Figure 6). The PP and Ciudadanos (Cs) are likely to vote against the Socialists in the first vote in the national parliament when an absolute majority is needed (but only a simple majority in the second vote). The far-left Unidos Podemos (UP), with 42 seats, down from 71, is insisting on forming a coalition with the Socialists in return for its support, rejected by Sánchez, who only wants policy pacts to be agreed.

UP's economic programme is wildly unrealistic and it also backs a referendum on independence for Catalonia, although its position on secession is not clear. UP's support in whatever form would still leave the Socialists 11 short of the 'magic' number of 176, a gap that Sánchez does not want to be filled by the pro-Catalan independence parties, who won 22 seats, five more than in 2016. His first government in June 2018 depended for its survival on Catalan MPs as they, along with UP, supported a censure motion against the PP government of Mariano Rajoy, but it only lasted eight months as they rejected the Socialists' draft budget.

**Figure 6. Results of general elections, 2019 and June 2016 (seats, millions of votes and % of total votes)**

	2019			2016		
	Seats	Votes	%	Seats	Votes	%
Socialists	123	7.48	28.7	85	5.42	22.6
Popular Party	66	4.35	16.7	137	7.90	33.0
Ciudadanos	57	4.13	15.9	32	3.12	13.1
Unidas Podemos	42	3.73	14.3	71	5.04	21.1
VOX	24	2.67	10.3	–	–	–
Catalan Republican Left	15	1.01	3.4	9	0.62	2.6
JxCat (1)	7	0.49	1.9	8	0.48	2.0
Basque Nationalist Party	6	0.39	1.5	5	0.28	1.2
EH Bildu	4	0.25	1.0	2	0.18	0.8
Canarian Coalition	2	0.13	0.5	1	0.07	0.3
Others	4	0.33	1.2	–	–	–
Voter turnout (%)	75.75			69.84		

(1) CDC in 2016.

Source: Interior Ministry.

Meanwhile, the PP, the traditional party of the right, and Cs are battling out which of them represents the centre right and are setting themselves apart from the far-right VOX, which entered the national parliament with 24 seats after an electoral campaign in which the three parties seemingly sought to outdo one another in who was the more conservative and could beat the nationalistic drum the loudest. The divided right helped the Socialists become the most voted party.

The PP's leader Pablo Casado, who replaced Mariano Rajoy last July, has softened his aggressive discourse, which alienated some of the party's voters, and seems more ready to cooperate with a Socialist government on some issues than Cs whose ambition is to become the main centre-right party. The PP lost 71 seats in the general election and 3.5 million votes, its worst result ever. Another drubbing in the upcoming elections would further weaken Casado's leadership.

The new parliament has the largest share of female MPs in Europe and the second in the world after Ruanda (see Figure 7).

**Figure 7. Female members of EU national parliaments, May 2019 (% of total members)**

	%		%
<b>Spain</b>	<b>47.4</b>	Denmark	37.4
Sweden	47.3	Austria	37.2
Finland	41.5	Italy	35.7
Norway	40.8	Portugal	35.7
France	39.7	UK	32.0
Belgium	38.0	EU average	31.5

Source: European Institute for Gender Equality.

### Anti-independence supporters in Catalonia surpass those in favour of secession

For the first time since June 2017, more people are against an independent Catalan state than in favour, but only by a small margin (48.6% vs 47.2%, see Figure 8).

**Figure 8. Do you want Catalonia to be an independent country? (%)**

	Dec 2014	June 2015	June 2016	June 2017	April 2018	May 2019
Yes	44.4	42.9	47.7	41.1	48.0	47.2
No	45.3	50.0	42.4	49.4	43.7	48.6

Source: Centre d'Estudis d'Opinió, Catalan government.

The poll was conducted after the 28 April general election, which saw the Catalan Republican Left (ERC) and Junts per Catalunya, the two parties in favour of independence, winning 22 seats in the national parliament, five more than in 2016, on the highest turnout (77.5%) since 1982. Including Front Republicà, which won no seats in parliament, the pro-independence parties obtained 1.62 million votes (39.4% of the total and 510,279 more votes) compared with 1.74 million (43.2% and +379,026) for those against secession. The other 17.4% of votes went to other parties, mainly En Comú Podem which is in favour of a referendum on independence but has no clear position.

The centre-right Popular Party (PP) was all but wiped out in Catalonia as it only won a single seat, down from six in 2016. The Socialists gained 12, five more, and Ciudadanos (Cs) five, the same number.

ERC's leader, Oriol Junqueras, is one of five Catalan politicians elected or re-elected to parliament or the senate who have been in pre-trial detention for the last 18 months. Guarded by police, they were allowed to register their seats and then returned to prison. They have been on trial at the Supreme Court since February charged with rebellion and sedition along with seven others for their alleged roles in organising and holding the

illegal referendum on independence in 2017, followed by a unilateral declaration of secession.

There is no date by when the outcome of the trial is expected. The Spanish justice system moves at a snail's pace: the Constitutional Court took a staggering four years to rule in favour of the Popular Party's challenge to parts of the 2006 Catalan autonomy statute. That decision propelled the independence movement.

If sentences are handed down later this year, the confrontation between the Catalan and national governments would reach boiling point and could provoke Quim Torra, the ultra-nationalist Premier of Catalonia, into calling a snap election in the region.

Alternatively, Torra could wait until next March when the three-year ban on Artur Mas, a former Catalan Premier, from holding public office is lifted. Mas was sentenced for holding a non-binding vote on independence in 2014.

The new minority Socialist national government, assuming it can be formed, is expected to continue to sit down with pro-independence Catalan leaders to see if ways can be found to resolve the crisis, although the evidence so far shows that the talks are a dialogue of the deaf.

Albert Rivera, the leader of Cs, called on Pedro Sánchez, the caretaker Prime Minister, to impose direct rule on Catalonia under Article 155 of the Constitution. That was done by the Popular Party Prime Minister Mariano Rajoy between October 2017 and June 2018 after the illegal referendum and declaration of independence. Imposing direct rule is in the hands of the Senate, which the Socialists gained control of in April's general election and is not an option under consideration.

Sánchez's attempt to appoint Miquel Iceta, the leader of the Catalan Socialist Party, president of the Senate, in what was seen as a goodwill gesture, was blocked by the pro-independence parties who have a narrow majority in the Catalan parliament. The body's approval was needed because Iceta would have gone to the Senate as a senator appointed by the parliament. The 17 regional parliaments appoint 58 of the Senate's 266 members. In his place, Sánchez appointed the Catalan Manuel Cruz and another Catalan, Meritxell Batet, the former Minister for Territorial Policy, was named President of the Congress.

While the percentage of those in Catalonia who want the region to be independent has stayed more or less the same since 2017, support for the territory as a state in a fully federal Spain has risen (see Figure 9). The country's system of autonomous regions shares some elements with federalism.



**Figure 9. Do you believe that Catalonia should be...? (%)**

	Mar 06	Apr 09	Nov 13	Mar 17	Apr 18	May 19
A region of Spain	8.1	4.4	5.4	7.0	6.0	6.0
An autonomous community (status quo)	38.2	34.9	18.6	28.5	24.0	25.8
A state in federal Spain	33.4	35.0	21.3	21.7	22.2	29.4
An independent state	13.9	20.9	48.5	37.3	40.8	35.0

Source: Centre d'Estudis d'Opinió, Catalan government.

Pro-independence activists continue to use every opportunity to push their cause, particularly abroad, including, to the outrage of many, at a tribute this month to the thousands of exiled Spaniards who had fought for the Republic during the Civil War and were deported from France to Nazi concentration camps during World War II, most of them to Mauthausen in Austria.

Gemma Domènech, the Director of Democratic Memory at the Catalan Justice Department, referred to the jailed separatist leaders as 'political prisoners' at an event at Mauthausen to mark the 74<sup>th</sup> anniversary of the liberation of the camp.

Acting Spanish Justice Minister Dolores Delgado was present but left in the middle of Domènech's speech. 'Any act of exclusion clashes head-on with the spirit that emerged from this extermination camp, where defenders of freedom died', she said afterwards.

Domènech wore a yellow ribbon –the symbol of support for those in jail– on the lapel of her jacket. This was particularly offensive in the context of the camp, where prisoners were forced to sew coloured stars on their clothes to identify the reason for their imprisonment –yellow was the colour that identified Jews–.

In a shock for the Catalan business community, pro-independence supporters gained control of the Barcelona Chamber of Commerce in the elections for its new governing body. Only 4.5% of those eligible to vote voted.

### Former ETA chief arrested in France after 17 years on the run

French and Spanish police detained Josu Ternera, the former political leader of the Basque terrorist group ETA –whose real name is José Antonio Urrutikoetxea– in the French Alps. He went on the run in 2002.

The 68-year-old is accused of taking part in a 1987 attack that killed 11 people including five children in Zaragoza. In all, ETA killed 854 people in its 50-year campaign for an independent Basque Country.

Tenera was involved in the failed negotiations with the Socialist government of José Luis Rodríguez Zapatero in 2006. He recorded the ‘final declaration’ announcing the group’s dissolution in May 2008.

### Spain continues to lead early school-leaving rate, despite big improvement

Almost one in every five people in Spain last year had completed at most a lower secondary education and were not in further education and training, the largest rate in the EU, but down from close to one in three in 2006 (see Figure 10).

**Figure 10. Early leavers from education and training (% of population aged 18-24)**

	2018	2006
<b>Spain</b>	<b>17.9</b>	<b>30.3</b>
Portugal	11.8	38.5
Italy	14.5	20.4
UK	10.7	11.3
EU-28	10.6	15.3
Germany	10.3	13.7
France	8.9	12.4

Source: Eurostat.

The rate surged during the 1998-2008 economic boom when teenagers abandoned the classroom in droves for jobs that were easily found, particularly in the real-estate sector where the number of housing starts reached 865,561 in 2006 (more than the UK, Germany and France combined).

When the massive property bubble burst and unemployment soared (to 26.7% in 2013 from a low of 8% in 2007) many more students had no option but to stay on at school.

The EU has set a target rate of 10% by 2020, which 21 of the 28 member states have reached. Portugal’s improvement has been stunning: from 44% in 2000 to 11.8%.

## The Economy

### Fiscal deficit slightly lower than reported, release from EU’s tutelage

Spain’s fiscal deficit in 2018 was 2.5% of GDP and not 2.63% as reported, according to Eurostat. The lower deficit was due to one-off extraordinary spending that it was decided did not have to be charged to last year’s accounts.

By reducing the deficit to below the EU's threshold of 3%, Spain was no longer the only EU country still under the excessive deficit procedure. Among the big four euro-area economies, Spain's deficit is the highest along with France (see Figure 11).

**Figure 11. Fiscal deficit and public debt, 2018 (% of GDP)**

	Govt. revenue	Govt. spending	Fiscal deficit	Public debt
France	53.5	56.0	-2.5	98.4
Germany	45.6	43.9	+1.7	60.9
Italy	46.4	48.6	-2.1	132.2
<b>Spain</b>	<b>38.9</b>	<b>41.3</b>	<b>-2.5</b>	<b>97.1</b>
Euro area	45.0	45.6	-0.6	85.1

Source: Eurostat.

Spain's government revenue, at 38.9% of GDP, was well below the euro-area average of 45%, reflecting lower collection of taxes due to evasion and fraud, which remain high (personal income tax and corporate rates are not among the highest), while spending was closer to the average.

Spain may be out from under supervision, but the European Commission is keeping a watchful eye on the fiscal situation. It believes Spain will not meet the commitment to reduce the deficit to below 2% of GDP this year and next.

Initially, Spain was going to cut the deficit to 1.3% this year and 0.5% in 2020. The latest figures submitted to Brussels are 2% and 1.1%, respectively. The Commission forecasts deficits of 2.3% and 2%, respectively.

### Tax crackdown nets €15 billion

The fight against tax fraud and evasion netted €15 billion last year, the second largest amount, according to the Tax Agency (see Figure 12).

**Figure 12. Revenue recovered from tax fraud and evasion, 2009-18 (€ billion)**

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
8.1	10.0	10.5	11.5	10.9	12.3	15.7	14.9	14.8	15.0

Source: Tax Agency.

The success of the tax authorities was helped by greater sharing of information among OECD countries under the common reporting standard (CRS), which revealed undeclared bank accounts abroad amounting to €457 billion. Operation Carpo targeted tax evasion in fruit and vegetable markets and Operation Dreams found massive VAT fraud in the sale of electronic products.

### High risk of job automation

A much larger share of jobs is at risk of automation in Spain (21.7%) than in the average OECD country (14%), according to a report by the Paris-based think tank.

Only Greece, Slovenia and the Slovak Republic have a higher risk among the countries for which data is available (see Figure 13).

**Figure 13. Jobs at high risk of automation (1)**

	% of jobs at high risk of automation
Slovak Republic	33.6
<b>Spain</b>	<b>21.7</b>
Germany	18.4
France	16.4
Italy	15.2
OECD average	14.0
UK	11.7
Norway	5.7

(1) This corresponds to a likelihood of automation of 70% or more. Data refer to 2012 or 2015, depending on the country.

Source: OECD.

Spain's numerous low-skilled workers (the product of the country's high early school-leaving rate), often on temporary contracts, are particularly vulnerable to automation of their jobs. They have fewer training opportunities than those in standard jobs. Only 45% of temporary employees and 32% of the self-employed participate in training in a given year, against 56% of standard employees on permanent contracts.

Spain has one of the highest rates of temporary employment (27.6%). It also has the third highest rate (19.9%) among OECD countries of unemployed youth (aged 15 to 29 years). This rate is 4 pp higher than in 2007.

### Spain scores lower than OECD average on digitalisation

Spain is not thriving particularly well in the digital world, according to the OECD's latest skills outlook scoreboard.

For example, youth, and especially older individuals, score significantly lower than the OECD average when it comes to complex and diversified use of the Internet. The use that Spanish workers make of ICT is also lower (see Figure 14).

**Figure 14. Skills outlook scoreboard, Spain compared with other OECD countries (%)**

	Bottom performer	Average	<b>Spain</b>	Top performer
Low performing students	Mexico 33.7	13	<b>10.3</b>	Estonia 4.7
Youth with low cognitive and digital skills	Turkey 11	2.3	<b>3.5</b>	Lithuania 0.2
Older people with low cognitive and digital skills	Turkey 60.3	17.1	<b>34.6</b>	Norway 4.3
Individuals making a complex and diversified use of Internet	Italy 36.6	58.3	<b>55.5</b>	Norway 80.1
ICT intensity at work	Turkey 0.03	0.51	<b>0.39</b>	Netherlands 0.72
Workers needing training to escape high risk of automation	Turkey 18.4	10.9	<b>9.6</b>	Norway 4.6
Teachers needing ICT training	Japan 80	58.3	<b>64.7</b>	UK 32.6
Enrolment in initial education	Switzerland 51.3	87.2	<b>96</b>	Canada 100
Adults in training	Turkey 20.6	42	<b>47.7</b>	NZ 55.5

Note: how to read the data? Low performing students: percentage of students scoring strictly below Level 2 in PISA (reading, mathematics, science), 2015. Youth with low cognitive and digital skills: percentage of 16-29 scoring below Level 1 (inclusive) in literacy and numeracy and having no computer experience or having failed ICT core, 2012, 2015. Older people with low cognitive and digital skills: percentage of 55-65 scoring below Level 1 (inclusive) in literacy and numeracy and having no computer experience or having failed ICT core, 2012, 2015. Individuals making a complex and diversified use of Internet: share of individuals making a diversified and complex use of Internet, 2016. ICT intensity at work: median intensity of ICT use across all workers (0-1). Workers needing training to escape high risk of automation: percentage of employment in occupations at high risk of automation requiring medium (up to 1 year) or important (up to three years) training needs to transition to occupations at low or medium risk of automation (upper bound). Teachers needing ICT training: percentage of teachers reporting needing further training in ICT for teaching. Enrolment in initial education: enrolment rates at the age three (early childhood education and pre-primary education) and at age five-15. Adults in training: percentage of adults participating in non-formal and informal learning over the past 12 months (PIAAC).

Source: "Skills outlook 2019: thriving in a digital world".

### France overtakes Spain to take top spot in European producers of industrial vehicles

Spain's 20-year run as Europe's top producer of industrial vehicles ended last year, when France overtook it.

Vehicles made in France rose 7.4% to 506,000 and those in Spain fell 0.3% to 496,671 (see Figure 15).

**Figure 15. Top five European producers of industrial vehicles, 2018**

	2018	2017
1. France	506,000	471,000
<b>2. Spain</b>	<b>496,671</b>	<b>495,217</b>
3. Italy	324,875	332,112
4. Poland	202,141	169,773
5. UK	64,050	59,795

Source: Anfac and OICA.

At the global level, Spain was ranked ninth (see Figure 16).

**Figure 16. Top 10 world producers of industrial vehicles, 2018**

Country	Units
1. US	8,190,254
2. Mexico	2,332,331
3. China	1,995,776
4. Canada	1,344,033
5. Thailand	1,290,679
6. Japan	843,071
7. India	663,193
8. France	506,000
9. Spain	496,671
10. Iran	491,000

Source: Anfac and OICA.

### Per capita income gap between richest and poorest regions widens

The average per capita income in Madrid, the richest region, last year was €16,742 higher than that of Extremadura, the poorest, as against a difference of €13,885 in 2017 (see Figure 17).

**Figure 17. Per capita GDP of Spain's 17 regions, 2018 and 2007**

	€, 2018	€, 2007
Madrid	34,916	29,965
Basque Country	34,079	30,599
Navarra	31,809	29,483
Catalonia	30,769	27,445
Aragón	28,640	25,361
La Rioja	26,833	24,717
Balearics	26,854	25,238
Spain	25,854	23,396
Castilla y León	24,397	22,589
Cantabria	23,817	23,377
Galicia	23,294	19,800
Asturias	23,087	21,200
Valencia	22,659	21,239
Murcia	21,134	19,574
Canary Islands	21,031	21,004
Castilla La Mancha	20,645	18,564
Andalusia	19,132	18,298
Extremadura	18,174	16,080

Source: INE.

Spain recovered its pre-crisis (2007) GDP level in the second quarter of 2017, but four regions –Asturias, La Rioja, Cantabria and Valencia– have yet to achieve this.