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## 44<sup>th</sup> ERSА 2004 CONGRESS

### REGIONAL DEVELOPMENT AND SOLIDARITY IN SPAIN: THE RELATIONSHIP BETWEEN THE EC AND THE INTERNAL SOLIDARITY FUNDS.

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#### ABSTRACT

This paper will analyse the importance that the Regional Solidarity Funds have acquired in the financial systems of those Autonomous Communities able to benefit from them, and the influence that these Funds have had in their development. In addition, the special role that Structural Funds have had in order to bring the Autonomous Communities' development in line with the average level of the European Member States will be referred to.

Then, the different EC tools that are connected with regional development will be described and analysed; next, the Spanish regions that have benefited from these tools since Spain joined the European Union in 1986 will be studied. The Internal Solidarity Funds and their relationship with the EC Structural Funds will also be analysed.

The effects of these mechanisms will be examined from three different points of view. First of all, the impact of these resources on the regional financial system will be considered; secondly, the coordination between the EC Structural Funds and the Internal Solidarity Funds, and the impact of this relationship will be analysed; and finally, whether or not these mechanisms are efficient enough to achieve the aim of regional unity will be determined, and their influence in different areas of production will also be observed.

**Key words:** Fiscal Federalism, Spanish Autonomous Communities, Structural Funds, Inter-regional Solidarity.

**JEL Codes:** H7, H77.

## **1. Introduction**

Regional unity is one of the key areas of both national economic policy and European Union actions; this focus became more noticeable after the Single European Act of 1986 was signed.

Within Spain, the 1978 Constitution (Article 156), establishes the principle of financial autonomy for the Autonomous Communities which relates to coordination with the State Treasury and solidarity between all Spaniards, the policy of non-interference in other Autonomous Communities' affairs, and the policy of a free market economy. In order to put these policies into effect, Article 158 establishes the possibility of fixing different financial allowances for the Autonomous Communities depending on the level of services adopted and on the condition of a minimum level of service provision on one hand; and on the other, the Article also created a Compensation Fund in order to correct the economic imbalance found in the different regions.

However, in the European Union the objective of unity is aimed at achieving commonality in the levels of regional production and employment, in such a way that the amount of per capita income that people from different European cities have becomes similar (Monasterio, 2002, pp.29). The European methods of achieving unity are focused specifically on assisting with economic growth and not on redistributing income directly. This is because the European Commission considers the latter to be the responsibility of National Integration Policies in the first instance (European Commission, 2001, pp.117).

As highlighted by Monasterio (2002, pp.29), the main regional differences, especially those which relate to productivity, are due to differences in the amount of public capital, both physical and human. For this reason, it is logical that an important part of the Cohesion Funds received by the Autonomous Communities goes towards financing public investments which will then be used to reduce this difference. This means that at present the Cohesion Funds are one of the key pillars in the financing of new investments at a regional level.

This paper, based on the premises already outlined, will analyse the role of the Cohesion Funds, both in Spain, and in the EC, in the Autonomous Communities' finances. In order to do this, firstly we will analyse the role of the Inter-regional Compensation Fund (ICF) as the main tool for creating solidarity within the Spanish autonomous financial system; then, the policy regarding EC regional development will be described; and finally, the importance of both tools in the Autonomous Communities' finances will be examined.

## **2. The Inter-regional Compensation Fund (ICF)**

This tool is “a vertical transfer fund conditional on the reduction of economic differences between regions and the achievement of well-balanced economic development“ (Ruiz Huerta and Martínez, 1992, pp.127).

As already set out in Article 158.2 of the Spanish Constitution, Article 16 of the Organic Law 8/1980, 22<sup>nd</sup> of September (Organic Law of Autonomous Communities Financing, LOFCA) establishes that “an amount of no less than 30% of public investment will be provided for each financial year, and this will be approved in the National Budget”. The ICF fund should be used to finance the costs of investments in relatively underdeveloped regions, which will help to reduce the differences in income and wealth between the residents of each region. Subsequently, the ICF put their first plan into effect when Law 7/1984 was passed on the 31<sup>st</sup> of March. This widened its scope to include 40% of current, additional real civil investment from the State, and also guarantees that “the amount granted from the ICF will not be less than the total of the new capital investments linked to the services transferred to the Communities until the transfer process for all Autonomous Communities is finished”. This law also establishes the distribution criteria for ICF funding between each of the different Autonomous Communities according to various adjustments which may be considered - redistributive: the inverse of the income per capita (70%), transfer pay (20%), the level of unemployment (5%), and the surface area (5%) of each Community; the island nature of the Balearics, the Canaries, and Ceuta and Melilla will also be taken into account in their specific cases.

However, the way in which the system of granting power to each Autonomous Community was developed and the fact that the latest investments were not included when the real costs of the services transferred to those Communities were calculated interfered with the ICF's aim of redistribution since it was the only tool that could finance the investment. This reason was used to justify the fact that all of the Autonomous Communities received some funding from the ICF because, as stated in the 7/1984 Law, "if they did not, the Communities would be deprived of access to the investments, which would go against the principle of solidarity, and was thus seen as an unwise course of action".

In practice, the ICF regulations created a series of problems which led to the rules being changed. One set of problems centred around the setup process since there were two functions of the fund: redistribution and supply. This caused problems for its regulatory operation, for example, despite the fact that the ICF was setup as a basic tool for achieving solidarity, since a second objective was being pursued at the same time this meant that it was not always possible to assign the correct amount of assistance to the right region. The second set of problems focused on one of the variables used for the distribution of the fund between the Communities: that of transfer pay. This variable was used on the assumption that underdeveloped areas provide fewer employment prospects, thus meaning a reduction in the population of the said areas due to the fact that people move to more developed areas to find work. However, the fact that the industrial crisis and the structural adjustments of the 1980s had a greater effect on the more developed Autonomous Communities such as the Basque Country and Cataluña meant that many people returned to where they had come from originally. The richest Communities benefited the most when the time came to receive assistance from the ICF; this in turn led to a reduction in the number of less developed regions obtaining assistance themselves.

As a response to these problems, the 29/1990 Inter-regional Compensation Fund (ICF) Law was brought into effect on the 26<sup>th</sup> of December. It introduced two key changes with respect to the previous law: firstly, not all of the Autonomous Communities were included as beneficiaries of the ICF; and secondly, the Law stated that the ICF and EC Structural Funding would work together, the aim being to establish links between all of the regional political tools that have the same objectives: development and unity.

As a result of these modifications, only the regions covered under Objective 1 of EC Fund regulations would receive ICF assistance. New criteria for the Fund have been put in place for this purpose; these will relate to both the granting and the distribution of funds. Subsequently, the Agreement drawn up by Board of Fiscal and Financial Policy on the 20<sup>th</sup> of January 1992 fixed the amount at 35% of new State investment.

A final modification to the law came about as a result of the enactment of the 22/2001 Law on the 27<sup>th</sup> of December, which regulated the Inter-regional Compensation Fund (ICF). The Autonomous Communities who benefited from the Fund did not change, but the ICF was divided into two separate funds: general, fixed at 22.5% of new state investment; and secondary funds to the value of 33.33% of the fund received by each Community. This meant that the amount of overall capital received by each of them remained the same. The objective of these changes was to make using the resources of the ICF more flexible since the secondary fund may be used to fund current expenses incurred by the set up of investments financed directly from the general fund.

### **3. Community Tools for Regional Development**

In 1957 when the Treaty of Rome was amended, the European Communities of that time were not overly concerned about regional policy; in fact, no Article referred to it. The disparities between regions appeared later; after successive expansions these differences were easily noticeable, and were especially pronounced when the total number of members reached twelve. These differences made regional matters become more important as they became more visible, which meant that the authorities started to take measures in order to solve the problem.

When the Treaty of Rome was signed, the countries involved all believed that it was necessary to do this in order to achieve greater equality between regions, but this problem was not considered important enough to need special tools and its own policy. It was thought that the Common Market would achieve the equality that was sought by itself.

Although these aims were found in the Treaty, it was not possible to reach them, and therefore the disparities between regions could not be reduced without external

assistance. The addition of three new members to the European Economic Community during the 1970s meant that the existing tools were modified, and this brought about the creation of the European Regional Development Fund (ERDF) to be used as a tool dedicated to reduce the disparities and imbalances in underdeveloped regions and industrial areas.

Until the Structural Funds rules revision in July 1999, unity policy was designed with six basic objectives:

- ? Objective 1 – to promote the development and structural adjustment of regions whose development is lagging behind.
- ? Objective 2 – converting regions, frontier regions or part of regions such as employment areas and urban communities which are seriously affected by industrial decline.
- ? Objective 3 – to combat long-term unemployment and to facilitate the integration of young people and members of the population who have been excluded from the labour market into working life.
- ? Objective 4 – to facilitate the adaptation of both male and female workers to industrial changes, and to changes in systems of production.
- ? Objective 5a – to promote rural development by speeding up the changes in the structure of agriculture, within the framework of the Common Agricultural Policy reforms.
- ? Objective 5b – to promote rural development by facilitating the development and structural adjustment of rural areas.
- ? Objective 6 – the development and structural adjustment of regions with an extremely low population density.

As a result of the last revision, the objectives for the period 2000-2006 have been reduced to three:

- ? Objective 1 – to promote the development and structural adjustment of regions whose development is lagging behind. (Under this objective, the regions that



received Objective 1 funding during the 1994-1999 period, but lost this entitlement in 2000 will benefit from transitional assistance.)

- ? Objective 2 – This is a combination of Objective 2 and Objective 5b of the previous period 1994-1999. This objective covers the economic and social conversion of areas facing structural difficulties. There are four types of areas considered under this objective: industrial, rural, urban and areas dependent on the fishing industry. (Transitional support is also planned for those areas which are currently covered by Objective 2 and Objective 5b, but will not be eligible under the revised Objective 2 in 2000.)
- ? Objective 3 – This objective combines the former Objective 3 and Objective 4 of the 1994-1999 period; it covers all of the E.U. territory not covered by Objective 1. This objective is aimed at modernising the national policies and systems related to employment, education and training levels i.e., the measures aimed at promoting human resource management in the Member States.

In order to reach these objectives several mechanisms were designed in order to finance loans and subsidies. The most common tools are the following:

a) European Regional Development Fund (ERDF). This is a financial tool that helps guide regional policies adopted by State Members not only at state level but also at regional level as well. The Structural Funds reform of 1988 made the achievement of Objective 1 and Objective 2 the responsibility of the ERDF, with the achievement of Objective 5b as a secondary goal. After the approval of the new regulations, the ERDF is assigned to regions covered by Objective 1 and Objective 2. Investments with good prospects will be partly funded by the ERDF in order to allow permanent jobs to be created and maintained; the ERDF will also contribute to investment in infrastructure, in education and health. It will also provide funds for investment towards measures that contribute towards regional development in research and technology, in infrastructure aimed at the protection of the environment, for projects centred around regional development at EC level, and renovation of industrial sites and depressed urban areas.

Subsidies provided by this Fund complement State aid; in fact, the ERDF finances between 50 and 75% of the total cost, depending on the objective. In exceptional cases where it has been demonstrated that there is sufficient reason to do so, the amount may rise to 80 or 85%.

b) European Social Fund. With a view to improving employment opportunities for workers in Spain, this Fund was established in order to make the employment of workers easier, to increase their geographical and occupational mobility within the EC, and to facilitate their adaptation to changes in industry and production systems; to be achieved principally through vocational training and retraining. This is the only one Fund which is established by the Treaty of Rome.

The Single European Act, as it is known, introduced several Articles relating to economic and social unity. In order to achieve the objectives set out in these Articles it was necessary to seek aid from the Structural Funds; this is the reason why these funds must be strengthened in order to be more effective. It was also necessary to define their field of application and to co-ordinate with other EC financial mechanisms (Gallizioli, 1992, pp.141). This meant that a general reform of the Funds was carried out in 1988, which changed the way the European Social Fund was used (in 1993, a second set of reforms was brought in). So far, this Fund has covered Objective 3 and Objective 4, as well as activities connected with Objective 1, Objective 2, and Objective 5b. After the last reform, it has been connected with achieving Objective 3 in particular.

The activities financed by this Fund complement or contribute to actions at a national, regional, local, or any other level. European Social Fund financing can raise a maximum of 50% of the total cost.

c) European Agricultural Guidance and Guarantee Fund (Guarantee Section/Guidance Section). This is a financial tool designed to strengthen agricultural structures adopted by the Member States; it is divided into two sections: the Orientation Section and the Guidance Section. The Orientation Section finances activities dedicated to the improvement of agricultural structures, while the Guidance Section supports the different Common Market organisations.

The Guidance Section of the European Agricultural Guidance and Guarantee Fund started in the 1970s. The Single European Act entrusted it with the pursuit of Objective 5a and Objective 5b, as well as participating in several actions related to Objective 1.

In Objective 1 regions, the Guidance Section, with the exception of compensatory allowances, aid for early retirement, agri-environmental measures and measures for the development of forests, finances the actions. The exceptions are financed by the Guarantee Section, as are measures for areas not covered by Objective 1.

In the same way as other Funds mentioned, the European Agricultural Guidance and Guarantee Fund cannot fully finance actions by itself; the main State authorities or another economic and social partner must also contribute, in accordance with the principles of complementarity and additionality established in Article 4 of No. 2052/88 EEC Council Regulation (OJ 1988, No. L 374)

d) Financial Instrument for Fisheries Guidance (FIFG). EEC Council Regulation No. 2083/93 (20<sup>th</sup> July) had to adjust this Fund due to the fact that fishing activities and the areas dependent on these activities were included under Objective 5a. This Fund is similar to other financial tools that were not included in the Structural Funds.

According to Article 1, the tasks of this Fund are: to aim to contribute to achieving a sustainable balance between resources and their use, to strengthen the competitiveness of structures and the development of the economically viable enterprises in the sector, and to improve market supply, and the value added to fisheries and fishing products. The countries that benefit the most from this Fund are Spain, Italy, France, and Portugal; together they take up 69% of its annual budget (European Commission, 1997, pp.90).

e) Cohesion Fund. The signing of the Treaty on European Union in 1992 showed that economic and social unity needed to be improved. In order to achieve this aim, previous Funds would be used and a new Fund would be created. This objective is set out in Article 3 of the Treaty and Article 129 C approved it. This Fund will benefit the

four least-favoured countries of the EC; Spain is included in this group and receives 52% of its budget.

EC Council Regulation No. 1164/94 (16<sup>th</sup> May) established this Fund. The second Article establishes that “this Fund shall provide financial assistance to those projects that contribute to the achievement of the objectives laid down in the Treaty on the European Union, within the areas of the environment, and trans-European transport infrastructure networks between Member States who have a per capital Gross National Product (GNP), which is measured in purchasing power parities, of less than 90% of the EC average and who have a programme in place that will lead to the fulfilment of the Conditions of Economic Convergence referred to in Article 104 of the Treaty”.

Spain is one of the countries that benefits the most from this Structural Aid; between 1989 and 1999 the European Union granted Spain more than 10 billion pesetas, it is also covered under all of the objectives. These programmes affect three regional categories:

- a) The least developed regions, which are included under Objective 1. They cover 75% of the national territory. The Spanish regions covered by Objective 1 are: Andalucía, Asturias, Canarias, Castilla-La Mancha, Castilla-León, Valencia, Extremadura, Galicia and Murcia, and the cities of Ceuta and Melilla. The Funds are used for direct investments in production, the improvement of basic structures, research and technological development, services to small and medium sized firms, cultural and health structures, basic vocational training, employment opportunities, and rural development.  
Cantabria is still included in the areas eligible for Objective 1 transitional assistance.
- b) Areas affected by industrial decline that are included under Objective 2. The Autonomous Communities included in this group are: the Basque Country, La Rioja, Navarra, Aragón, Cataluña, Madrid and the Balearics.
- c) Objective 3 is not applied on a regional basis, and, as already stated, it covers all the territory not covered by Objective 1.

d) The Cohesion Fund has another important goal: it finances specific projects throughout the whole of Spain under two categories: the environment, and trans-European networks.

In any case, once the importance of the funds being received is realised, the influence of structural actions carried out in the Spanish economy should be reduced: the annual average has not exceeded 0.7% of the Spanish Gross National Product

Out of the funding received by Spain under Regional Objectives No. 1 and No. 2, 60% comes from EDRF and 23% comes from ESF. These two resources have led the financial planning of the Autonomous Communities who receive these funds since two sources are needed for each investment, and they have been of great importance in two main areas: investment in infrastructure and the renewal of the materials of production in industrial zones in decline, and in the financing of training policies and effective employment policies.

#### **4. The importance of solidarity funds in Autonomous Community finance.**

In the previous section the Spanish and European solidarity tools were analysed; now it is necessary to comment on their importance within the framework of the Autonomous Communities' finances.

As stated in the Constitution, as already mentioned, the ICF came into being within the framework of the development of the Autonomous Communities' financial systems. However, since the date of Spain's inception into the European Economic Community, it is no longer possible to just refer to this one tool; instead, it is necessary to keep in mind that in Europe there are also tools with similar aims. Although the State is the only entity responsible at an international level for making sure that the Treaties are adhered to, this does not mean that it is the only one with the power to implement EC guidelines, thus removing the Autonomous Communities' powers. On the contrary: the fulfilment of EC policy in Spain stands out due to the system of power distribution itself for each Member State.

Under this system, as the regions in which the funds were to be invested, the Autonomous Communities were therefore able to receive part of the EC Funding for Spain as a whole, as well as being able to contribute to decisions regarding the management of the said Funds. If it is added that changes in the Inter-regional Compensation Fund's regulations meant that there was a close link between this Fund and one of the EC Funds (the EDRF) the Autonomous Communities' interest in directly tapping into EC Funds and participating in some way in the whole of the decision making process related to these funds at EC level can be understood.

The three tables set out in the appendix show the total financial costing of the Autonomous Communities since 1987 – the first year EC funds were received by Spain – until 1998 – the last year for which official figures are available. The tables are divided according to the different periods in the history of the system of autonomous finance; these are the last three periods of five years before the current autonomous finance model was approved (1987-1991<sup>1</sup>, 1992-1997, and 1997-2001). In all of these tables the first column shows the global sum for the five-year period which was received by each Autonomous Community from the ICF, and what it represents in relation to their total income; the second column shows the sum, also global, for the five-year period of all the funds from the European Community; lastly, the third column shows the total amount of funding for each Autonomous Community during the five-year period.

As can be observed in the first table, during this five-year period all of the Autonomous Communities received funding from the ICF, as stipulated by the 1984 Law. Nevertheless, during this period, especially in 1988, the fund started to behave in a way that went against its objectives; an increase in resources was observed in Communities such as Cataluña, accompanied by a rapid decrease in other Communities such as Extremadura. Although this is balanced out to some extent in table 1 since it shows the global amount over the five-year period, the fact still remains that the amount Cataluña received from the Fund was greater than the amount Extremadura or Castilla-La Mancha received. The cause of this difference is the transfer pay variable since the industrial crisis affected the more developed

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<sup>1</sup> Also known as the definitive period, although it only received its name from this.

Autonomous Communities to a greater extent, and this meant that people returned to the region from where they originally came. When the time came to receive assistance from the ICF the effect described above benefited the richer Communities, with the natural reduction in the amount received by the others (Castells, pp. 264 y ss). This was the key reason for the changes mentioned previously.

Moving on to EC Funds, during this period they were still a relatively important part of autonomous finances, and can be found in each case just below the ICF. In any case, it is possible to see that for some Autonomous Communities EC Funds are nearly equal with this internal Fund. For example, this is the case in La Rioja, Aragón and Navarra. In any case, the importance of European Community Funds should not be underestimated, in relation to their weight in terms of quantity of funding and because the operations carried out in Spain have been extremely positive. For example, in the 1991 Annual Report on Regional Policy, drawn up by the Treasury (pp.291 and 298) it is considered to be significant that 99% of the CSF (Community Support Framework) planned for the 1989-1993 period was achieved, and in addition, in 1991 Spain benefited from more agreements than those estimated for due to the efficient way it was carried out. This allowed Spain to receive aid that was originally intended for other Member States, nevertheless, the said states did not apply for assistance in time or in the correct manner.

However, the importance of these Funds, especially the EDRF, has been increasing; this effect can be seen to a greater extent after the 1988 reforms. At the same time, there has also been an increase in the amount received from this Fund by the Autonomous Communities.

On analysing Table 2, the way in which the situation has changed in relation to the previous period can be appreciated. This effect is not only attributable to the increase in EC funds, but also to the fact that the ICF reforms placed a limit on the number of Communities who would benefit, i.e. only those who come under Objective 1 at an EC level. It is possible to see, therefore, how not all of the Communities received money from this Fund, while they all did receive some kind of EC aid. In this way, on balance, the importance of EEC Funds is clearly greater than that of the ICF. Nevertheless, in some Autonomous Communities, especially a selection of those in

receipt of ICF Funds, EC Funds are more important; this is the case in Asturias (3.98% compared to 12.9%), Castilla-La Mancha (4.31% compared to 28.19%), and Castilla y León (4.3% compared to 31.94%).

The same phenomenon can be observed even more clearly in the figures for 1997 and 1998. An example of this is the Autonomous Community of Extremadura for whom the ICF represents 5.12% of its total finances, while the funds from the European Community make up almost half of the budget – 44.19%.

A possible explanation for this increase may be the fact that Spain received assistance from the Compensation Fund. This tool, of which Spain receives 52%, has been used in the EC since 1993 and was originally intended to be used to finance State owned projects; however, beginning in 1995, as a result of the Council on Fiscal and Financial Policy for the Autonomous Communities' Agreement of 21<sup>st</sup> September 1994, a part of Spain's share of the Fund has been split between the different Autonomous Communities since 1995.

In short, there is no doubt regarding the importance of the Solidarity Funds, especially those issued from the EC. For some Autonomous Communities a quarter or more of their finances comes from this type of assistance (if we add together the Inter-regional Compensation Fund and the European Funds).



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**Appendix.**

**Table 1: Solidarity Funds' role in Autonomous Community Finance for the period 1987-1991. (thousands of pesetas)**

<b>Autonomous Community</b>	<b>ICF</b>	<b>%</b>	<b>EEC Funds</b>	<b>%</b>	<b>Total Resources</b>	<b>%</b>
PAIS VASCO	26.885.190,0	2,05%	17.993.562,4	1,37%	1.308.731.544,1	100,00%
CATALUÑA	45.813.725,0	1,36%	31.018.934,7	0,92%	3.359.490.821,1	100,00%
GALICIA	71.240.517,0	5,99%	29.238.032,4	2,46%	1.189.943.910,4	100,00%
ANDALUCIA	168.195.195,0	4,23%	67.332.320,1	1,69%	3.976.768.798,7	100,00%
ASTURIAS	10.255.192,0	5,63%	14.265.218,6	7,83%	182.278.869,7	100,00%
CANTABRIA	3.355.361,0	2,72%	2.858.798,7	2,32%	123.372.608,0	100,00%
LA RIOJA	1.262.569,0	2,26%	1.257.113,5	2,25%	55.853.240,0	100,00%
MURCIA	13.999.113,0	8,08%	7.891.558,5	4,56%	173.225.319,6	100,00%
VALENCIA	35.102.425,0	1,89%	20.578.896,9	1,11%	1.860.266.584,6	100,00%
ARAGON	7.995.042,0	4,08%	7.574.533,6	3,87%	195.765.120,0	100,00%
CASTILLA LA MANCHA	40.819.268,0	9,08%	21.519.882,5	4,79%	449.410.988,0	100,00%
CANARIAS	36.068.258,0	5,89%	22.881.463,0	3,74%	612.216.381,8	100,00%
NAVARRA	2.049.204,0	0,47%	2.047.339,2	0,47%	436.491.317,0	100,00%
EXTREMADURA	38.185.560,0	16,70%	28.477.175,6	12,45%	228.658.039,3	100,00%
BALEARES	3.009.968,0	2,95%	1.587.772,0	1,56%	101.989.810,9	100,00%
MADRID	23.218.541,0	3,41%	8.797.853,4	1,29%	680.311.922,7	100,00%
CASTILLA LEON	39.689.772,0	9,09%	27.962.059,6	6,40%	436.840.835,9	100,00%
<b>TOTAL</b>	<b>567.144.900,0</b>	<b>3,69%</b>	<b>313.282.514,7</b>	<b>2,04%</b>	<b>15.371.616.111,8</b>	<b>100,00%</b>

**Source: Spanish Treasury: *Reports on Autonomous Community Finance for the years 1987, 1988, 1990 and 1991.***

**Table 2: Solidarity Funds' role in Autonomous Community Finance for the period 1992-1996. (thousands of pesetas)**

Autonomous Community	ICF	%	EEC Funds	%	Total Resources	%
PAIS VASCO	0,0	0,00%	63.358.316,0	2,01%	3.155.610.260,0	100,00%
CATALUÑA	0,0	0,00%	142.618.580,0	1,89%	7.546.087.279,1	100,00%
GALICIA	117.126.300,0	3,38%	189.498.118,0	5,46%	3.469.143.528,2	100,00%
ANDALUCIA	253.827.300,0	3,03%	243.684.812,0	2,91%	8.383.071.751,6	100,00%
ASTURIAS	18.798.200,0	3,98%	60.881.476,0	12,90%	471.969.467,4	100,00%
CANTABRIA	5.085.500,0	2,47%	7.832.563,0	3,80%	205.862.283,1	100,00%
LA RIOJA	0,0	0,00%	12.158.356,0	9,20%	132.205.825,4	100,00%
MURCIA	19.842.600,0	5,26%	28.617.095,0	7,59%	377.105.152,7	100,00%
VALENCIA	34.095.700,0	0,75%	125.112.470,0	2,74%	4.564.667.875,9	100,00%
ARAGON	0,0	0,00%	138.859.396,0	25,15%	552.110.997,7	100,00%
CASTILLA LA MANCHA	52.661.800,0	4,31%	344.610.796,0	28,19%	1.222.582.144,9	100,00%
CANARIAS	30.180.100,0	1,73%	125.514.568,0	7,19%	1.745.209.632,7	100,00%
NAVARRA	0,0	0,00%	25.345.214,0	2,62%	966.559.623,0	100,00%
EXTREMADURA	54.647.300,0	9,02%	119.341.227,0	19,69%	606.101.221,6	100,00%
BALEARES	0,0	0,00%	9.429.565,0	3,41%	276.474.129,7	100,00%
MADRID	0,0	0,00%	26.525.963,0	1,84%	1.440.820.354,9	100,00%
CASTILLA LEON	57.959.700,0	4,30%	430.505.191,0	31,94%	1.347.824.767,3	100,00%
CEUTA	0,0	0,00%	1.684.969,0	45,68%	3.688.729,0	100,00%
MELILLA	0,0	0,00%	1.012.669,0	32,60%	3.105.954,8	100,00%
TOTAL	644.224.500,0	1,77%	2.096.591.344,0	5,75%	36.470.200.979,0	100,00%

**Source: Spanish Treasury: Reports on Autonomous Community Finance for the years 1992-1996.**

**Table 3: Solidarity Funds' role in Autonomous Community Finance for the period 1992-1996. (thousands of pesetas)**

Autonomous Community	ICF	%	EEC Funds	%	Total Resources	%
PAIS VASCO	0,0	0,00%	55.536.003,0	3,80%	1.460.995.189,0	100,00%
CATALUÑA	0,0	0,00%	161.517.893,0	4,22%	3.825.288.952,2	100,00%
GALICIA	48.825.646,0	2,87%	107.538.375,0	6,31%	1.703.892.076,6	100,00%
ANDALUCIA	108.583.612,0	2,42%	606.139.249,0	13,50%	4.490.010.469,5	100,00%
ASTURIAS	8.933.694,0	3,60%	34.689.564,0	13,98%	248.108.425,9	100,00%
CANTABRIA	2.507.318,0	1,67%	23.993.420,0	15,97%	150.224.738,6	100,00%
LA RIOJA	0,0	0,00%	11.630.343,0	17,09%	68.033.612,3	100,00%
MURCIA	8.848.088,0	4,08%	32.973.254,0	15,19%	217.031.934,5	100,00%
VALENCIA	15.687.399,0	0,70%	95.052.354,0	4,21%	2.256.868.532,8	100,00%
ARAGON	0,0	0,00%	144.368.570,0	38,54%	374.592.737,0	100,00%
CASTILLA LA MANCHA	19.657.276,0	2,95%	254.001.076,0	38,13%	666.213.195,1	100,00%
CANARIAS	12.107.812,0	1,26%	84.157.808,0	8,73%	964.239.473,4	100,00%
NAVARRA	0,0	0,00%	41.408.312,0	7,83%	529.175.515,0	100,00%
EXTREMADURA	20.379.114,0	5,12%	175.904.941,0	44,19%	398.026.167,2	100,00%
BALEARES	0,0	0,00%	10.572.218,0	5,42%	194.949.934,6	100,00%
MADRID	0,0	0,00%	33.299.904,0	3,66%	910.180.197,3	100,00%
CASTILLA LEON	23.959.841,0	3,05%	276.963.815,0	35,29%	784.929.219,0	100,00%
CEUTA	0,0	0,00%	1.141.308,0	17,43%	6.546.965,9	100,00%
MELILLA	0,0	0,00%	693.482,0	11,91%	5.824.410,0	100,00%
TOTAL	269.489.800,0	1,40%	2.151.581.889,0	11,17%	19.255.131.745,9	100,00%

**Source: Spanish Treasury: *Reports on Autonomous Community Finance for the years 1997 and 1998.***