

COUNTRY PROFILE



Spain

GLOBAL RANK: 22nd of 104



Spain ranks 22nd overall. Spain ranks 28th in Economic Competitiveness and significantly higher (18th) in Comparative Liveability, based on a number of high scores including income, political life, leisure and health.

● BACKGROUND

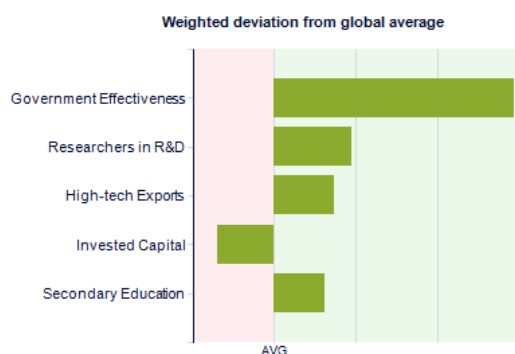
Spain's current economic problems should be viewed in the context of the broad gains made since joining the EU in 1986. Economic reforms, and strong performance by Spain's tourism and industrial manufacturing sectors, drove Spanish incomes to levels similar to the 'big four' Western European economies. However, unemployment stood at 8.7% in 2007, and 20% of Spaniards live below the poverty line. 2008 also saw further economic pain from the collapse of a property bubble. Spain has an estimated 4.5 million foreign residents, ranging from wealthy European retirees to African and South American immigrants in low-wage agricultural jobs.

FAST FACTS

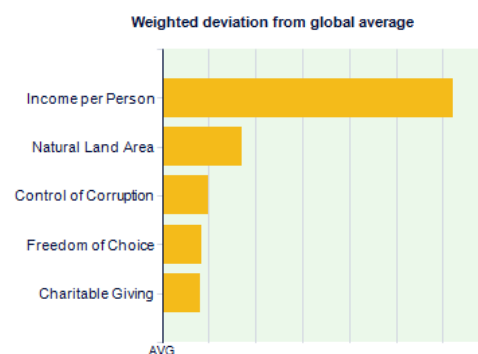
Population:	40.5 million (2008 est.)	FDI (net inflow):	3.57% (2006 est.)
Life Today	7.1 (2007 est.)	Exports	17.32% (2006 est.)
GDP (PPP)	\$1.35 trillion (2007 est.)	Imports	26.47% (2006 est.)
GDP (Growth)	3.8% (2007 est.)	Unemployment:	8.3% (2007 est.)
GDP (per Capita)	\$30,100 (2007 est.)	Life Expectancy	79.92 years (2008 est.)
Political System:	Parliamentary Monarchy		
Foreign Aid:	No data		

● KEY SCORE DRIVERS

ECONOMIC COMPETITIVENESS



COMPARATIVE LIVEABILITY



Spain has outperformed most other EU member states since the mid-1990s, recording annual growth rates in excess of 3%. Per capita incomes have caught up with European averages and now exceed those in neighbouring Portugal and Italy. Leading the factors driving the improvements in Economic Competitiveness is the amount of capital investment. However, some investment was poorly directed, and a bubble appears to have developed and now burst in the housing sector. The Spanish property market has doubled in real terms since the 1990s, yet house prices have been slowing since mid-2007.

Spain has effective government and good quality of regulation which supports the development of free markets. Coupled to a booming

A constitutional monarchy, Spain scores better than the EU-27 new member states on political life, although it lags behind the Scandinavian countries. Life has improved for the Spanish over the last four years, due in part to average annual GDP growth of 4% and higher job creation rates than anywhere else in the eurozone. Female representation in parliament is among the highest in Europe outside Scandinavia, and levels of political and civil liberties are high.

These positive elements contribute to one of the most important indicators across all levels of income: freedom of choice. 85%⁹ of Spaniards report being happy with their ability to decide what to do with their lives, a result which is perhaps aided by ample hours of leisure time.

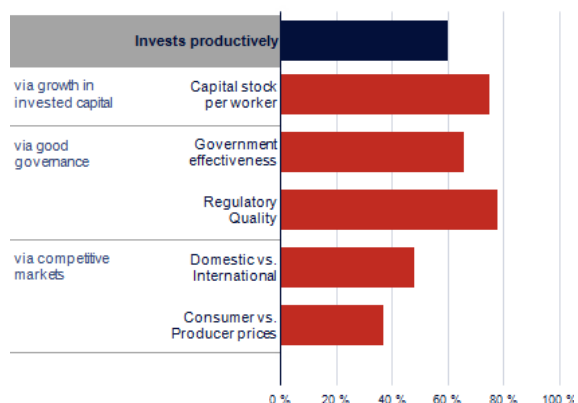
construction industry, this has brought about substantial reductions in the employment rate.

Mass education levels are poor for a European nation, as the average worker has just over 2 years of secondary education. Despite this, innovation is still prevalent, as shown by the relatively high number of researchers working in Spain. However, whether this can be sustained in the context of a lack of widespread educational achievement remains to be seen.

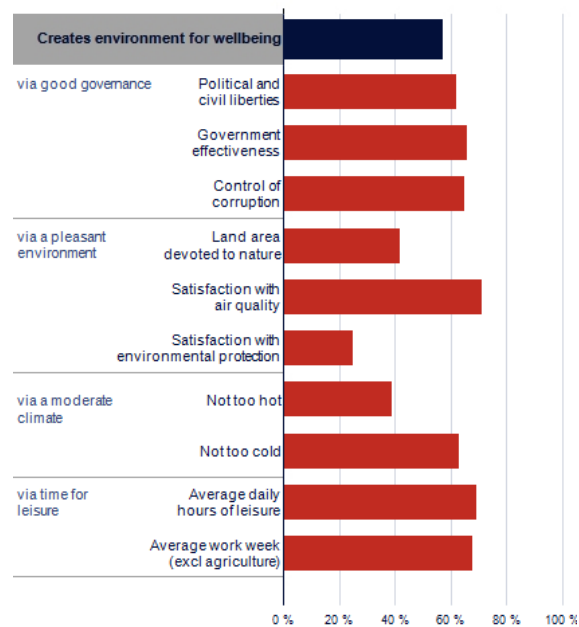
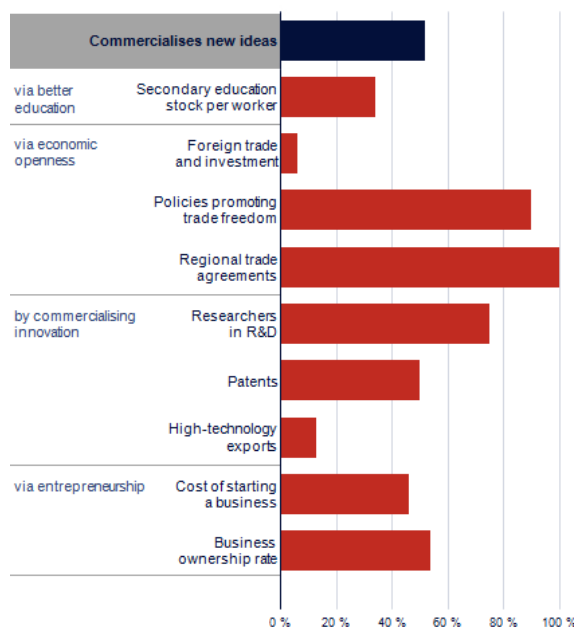
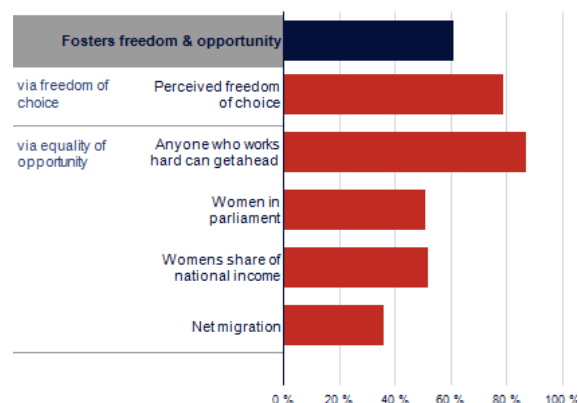
Also key to the prosperity of Spain are its high per capita income levels, which help influence the high health adjusted life expectancy of 72.6 years. According to the Gallup World Poll, 86%⁹ of people report satisfaction with their health.

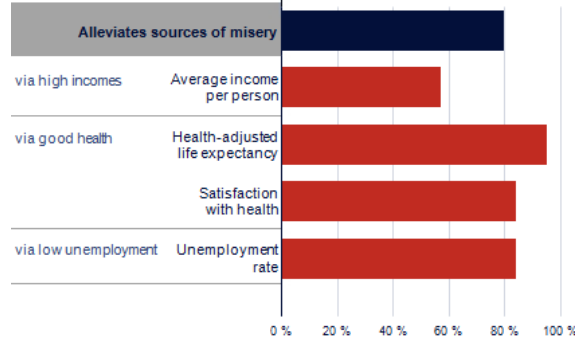
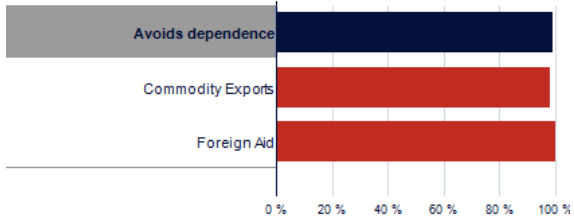
The nexus of family life remains strong in Spain, which joins its neighbours Portugal and Italy in posting positive scores on marriage. Key to Spain's prosperity is the amount of people who report that they have someone to rely on -- 96% according to Gallup. However, government effectiveness is rated less impressively, and ongoing autonomy disputes in regions such as Catalonia and the Basque Country add to this sense of political inefficacy. Spain's lacklustre environmental record, which rivals Greece as the worst in Europe, further detracts from Comparative Liveability. Many natural areas on the Spanish coast have been casualties of the recent construction boom.

ECONOMIC COMPETITIVENESS: SCORECARD

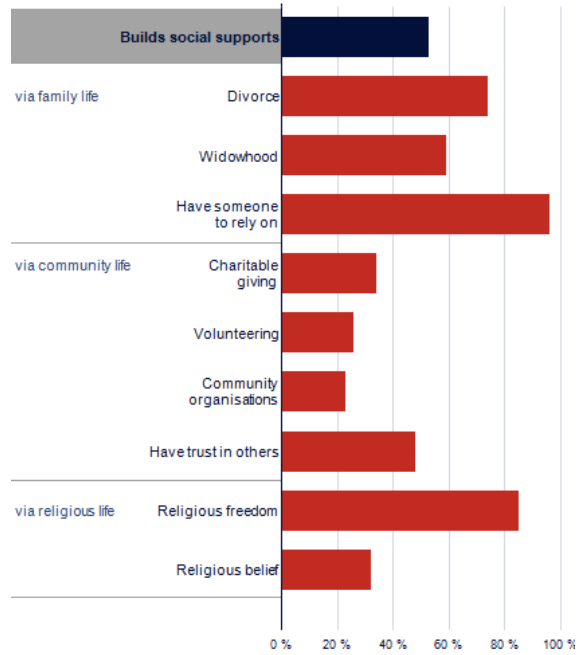


COMPARATIVE LIVEABILITY: SCORECARD





All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.