

## Evolution of the distribution of the deficit targets among subsectors of the administration

Since 2011, the European Commission has on several occasions extended the deficit targets authorised for Spain. This has caused the Spanish government to also revise the initial distribution of the deficit targets assigned to Spanish Public Administrations. This revision has always been made in favour of the Central Administration while the remaining administrations have been forced to make a far higher effort to adjust.

**W**hen calculating the manner in which the deficit targets are distributed among the Public Administrations, two stages may be observed:

### A. Targets assigned until 2011

### B. Targets assigned as from 2012

#### **A. DISTRIBUTION OF THE TARGETS ASSIGNED UNTIL 2011**

Until 2011 the deficit targets assigned covered up to the period 2010-2014. Table 1 shows the targets for each year, distributed among the levels of

government. The data of the Central Administration include Social Security. The forecasted fiscal consolidation approved in 2011 set out a path in which in 2013 a public deficit of -3% would be reached. In 2014 it would fall to -2.1% of GDP.

Table 2 shows the percentage distribution of these deficit targets. The Autonomous Communities can be seen to mean an average for the period of 40.3% of the deficit for the public administrations as a whole, in keeping with the distribution of public expenditure in which the Autonomous Communities account for a third of the total.

TABLE 1

Distribution of deficit targets among public administrations assigned until 2011					
% GDP	2010	2011	2012	2013	2014
<b>Total Public Administrations</b>	<b>-9.8</b>	<b>-6.0</b>	<b>-4.4</b>	<b>-3.0</b>	<b>-2.1</b>
Central Administration	-6.0	-1.9	-2.8	-1.7	-1.1
Autonomous Communities	-3.2	-3.3	-1.3	-1.1	-1.0
Local Corporations	-0.7	-0.8	-0.3	-0.2	0.0

TABLE 2

Distribution of deficit targets among public administrations assigned until 2011					
% DISTRIBUTION	2010	2011	2012	2013	2014
<b>Total Public Administrations</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Central Administration	61.2	31.7	63.6	56.7	52.4
Autonomous Communities	32.7	55.0	29.5	36.7	47.6
Local Corporations	7.1	13.3	6.8	6.7	0.0



Source: ACN

### B. OBJECTIVES ASSIGNED AS FROM 2012

The Spanish Government elected in 2011 made substantial modifications to the targets above, and to its distribution by levels of government. This produced a change in the trend of distributing the targets, to the detriment of the Autonomous Communities by assigning them a relatively lower deficit.

Table 3 shows the objectives for the years 2012-2018 distributed among the different levels of administration. We can see that the AC are required to

shift from an objective of 1.5% in 2012 to 0.7% in 2015, a reduction of 53%. On the other hand, the Central Administration objective falls by a mere 23%. It can be seen that the Autonomous Communities must reach a budget balance by 2018.

If we analyse the distribution percentage we see a successive loss of weight of the deficit of the Autonomous Communities and an increase in the relative weight of the deficit of the Central Administration. This deficit distribution therefore shows a greater demand for adjustment on the part of the Autonomous Communities than the Central Administration (Table 4). ■

TABLE 3

Distribution of deficit targets among public administrations assigned as from 2012							
%GPD	2012	2013	2014	2015	2016	2017	2018
<b>Total Public Administrations</b>	<b>-6.3</b>	<b>-6.5</b>	<b>-5.5</b>	<b>-4.2</b>	<b>-2.8</b>	<b>-1.4</b>	<b>-0.3</b>
Central Administration	-4.5	-5.2	-4.5	-3.5	-2.5	-1.3	-0.3
Autonomous Communities	-1.5	-1.3	-1.0	-0.7	-0.3	-0.1	0.0
Local Corporations	-0.3	0.0	0.0	0.0	0.0	0.0	0.0

TABLE 4

Distribution of deficit targets among public administrations assigned as from 2012							
%DISTRIBUTION	2012	2013	2014	2015	2016	2017	2018
<b>Total Public Administrations</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Central Administration	71.4	80.0	81.8	83.3	89.3	92.9	100.0
Autonomous Communities	23.8	20.0	18.2	16.7	10.7	7.1	0.0
Local Corporations	4.8	0.0	0.0	0.0	0.0	0.0	0.0

1. The 2016-2018 targets correspond to the Update of the Stability Program of the Kingdom of Spain presented on 30 April 2015.