

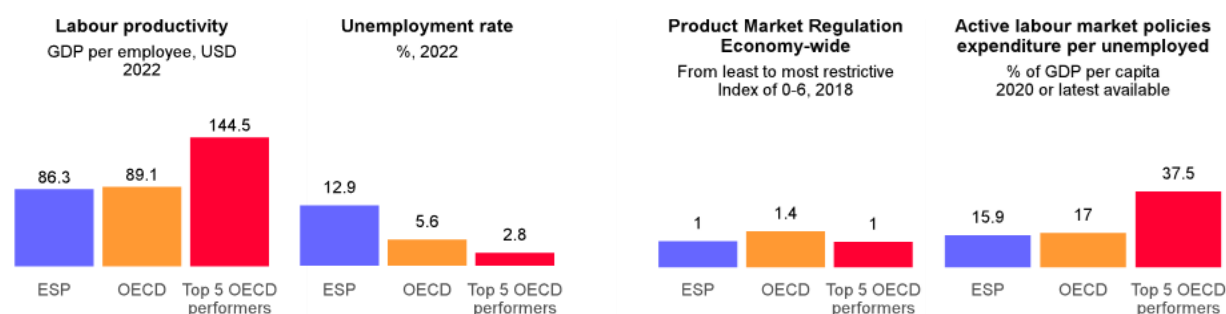


## Performance gaps

## Recommendations

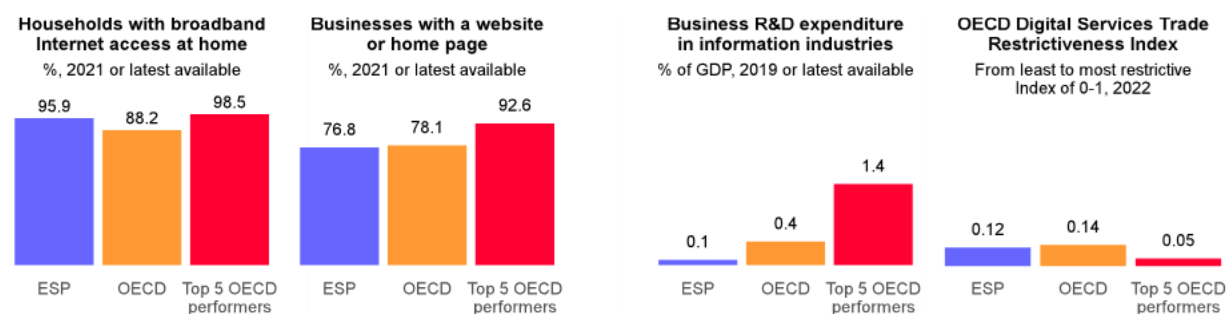
### Product and labour markets functioning

- In some sectors, such as professional services and trade, regulations are stringent and differ across regions, weighing on the expansion of burgeoning firms.
- Regulations that depend on the size of firms can hamper scaling-up.
- Labour mobility is hampered by the fact that regional reallocation implies a loss of social and housing benefits, due to prior residency requirements.
- Foster the implementation of the Market Unity Law in order to reduce regulatory differences across regions.
- Gradually eliminate the existing regulations that depend on the size of firms, as needed.
- Ensure full portability of social and housing benefits across regions, by deepening cooperation and providing temporary assistance by the region of origin or the central government.



### Digital transition

- There is room to improve the capacity of small businesses to develop R&D projects and to access new technologies.
- ICT-Training needs could be better identified, in particular by fostering the access for low-skilled and older workers.
- Support Technology Centres, which conduct R&D projects through partnerships between firms, notably SMEs, and research institutes.
- Shift a part of job training subsidies to individuals and develop ICT training programmes targeted to low-skilled and older workers.

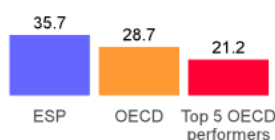


### Inclusiveness, social protection, and ageing

- The unemployment rate remains higher for women than for men.
- Social assistance programmes are not fully effective at reducing poverty, due to inefficiencies in the administrative systems, complex rules, and lack of coordination.
- Unemployment and poverty rates are particularly high among young people. Skill mismatches hamper the transition from education to the labour market.
- Support early childhood education and care. Gradually remove the tax disincentives for second earners.
- Create one-stop shops to coordinate social and unemployment services and the assistance to vulnerable people.
- Foster collaboration between education institutions and businesses in designing education degrees and in counselling students to favour a better alignment between studies and labour market needs.

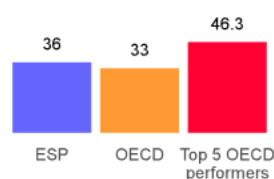
#### Mean poverty gap after taxes and transfers

Line at 60% of median disposable income  
2021 or latest available



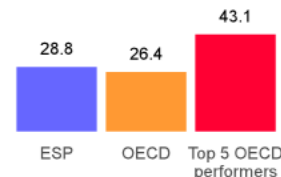
#### Strength of redistribution

Differences in Gini coefficients between market & disposable income relative to coef. on disposable income  
%, 2021 or latest available



#### Income levels provided by cash minimum-income benefits

% of median disposable income, 2022 or latest available

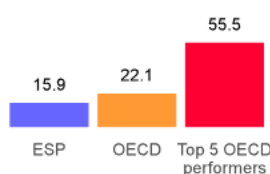


### Climate transition

- Carbon pricing can be improved, for both road and non-road emissions.
- Sizeable investment and reductions in emissions will be needed to meet the ambitious climate objectives adopted in 2021.
- Taxation of fuels should be raised to better reflect emissions of CO<sub>2</sub> and be accompanied with redistribution towards the most vulnerable.
- The already well-developed investment plans in energy saving, renovation in buildings and sustainable transport should be hastened.

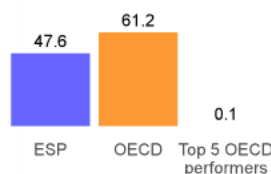
#### Share of renewables in the energy mix

%, Average over 2019-21 or latest available



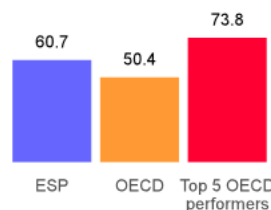
#### Share of population exposed to more than 10 µg/m<sup>3</sup> of PM<sub>2.5</sub>

%, Average over 2017-19



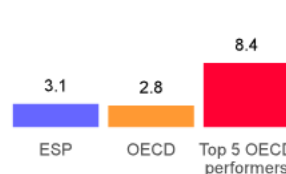
#### Carbon pricing score

%, at EUR 30 per tonne CO<sub>2</sub>, 2018



#### Environmentally-related government R&D budget

% of total government R&D 2021 or latest available

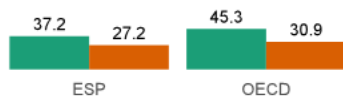


## Overall performance

#### Economy

Thousands USD per capita  
2022 or latest available

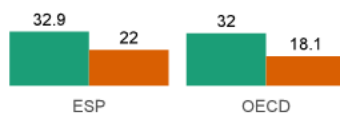
Gross Domestic Product  
Household gross adjusted disposable income



#### Inequality and poverty

2021 or latest available

Gini coefficient after taxes and transfers (index of 0-100)  
Poverty rate, line at 60% of median disposable income (%)



#### Environment and climate

1 unit of GDP, 2021

0.17 GHG emissions  
0.24 (OECD)

#### Welfare cost of premature deaths due to ambient particulate matter

% GDP equivalent, 2019





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Going for Growth

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