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AS A LOCAL POLICY:  
JUSTIFICATIONS FROM SPAIN**

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# PUBLIC INTERVENTION AGAINST DEPOPULATION AS A LOCAL POLICY: JUSTIFICATIONS FROM SPAIN

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## Abstract

Depopulation is basically tackled in Spain by the local administrations, when in fact, according to her Constitution, it should be the responsibility of the regional governments. *Political economy*, with its usual questions as to why governments have to intervene, from what level, and what failures they make when they do, provides some explanations for this paradox.

Depopulation is an effective *public good* for the community that is disappearing, which makes this a crucial issue, while it is one of a symbolic nature at a regional level and what is experienced are mainly *externalities*. When a political intervention is made, we note that local governments fall into fewer failures than regional ones when defining objectives and applying them and, furthermore, they are in competition with each other and are subjected to a more immediate public monitoring. Consequently, the local level is the most suitable geographic scale for conducting these policies.

**Key words:** rural depopulation, Political economy, local and regional policies

## Resumen

La despoblación es abordada en España fundamentalmente por las administraciones locales cuando, según su Constitución, corresponde a los gobiernos regionales. La *Política económica*, con sus tópicos sobre por qué han de intervenir los gobiernos y desde qué nivel, y en qué fallos incurren cuando lo hacen, ofrece algunas explicaciones sobre esta paradoja.

Así, la despoblación es un *bien público* efectivo para el núcleo que desaparece, lo que la convierte en una cuestión crucial, mientras que en el ámbito regional lo es de carácter simbólico y lo que se experimenta en mayor medida son *externalidades*. Al llevar a cabo la intervención política, se advierte que los gobiernos locales incurren en menos fallos que los regionales para definir sus objetivos y aplicarlos, y, por otro lado, compiten entre sí y están sometidos a un control ciudadano más inmediato. En consecuencia, el nivel local es el idóneo para protagonizar estas políticas.

**Palabras clave:** despoblación rural, Política económica, políticas locales y regionales

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## INTRODUCTION

Spain is a country with major territorial imbalances. It has two of the largest metropolitan areas in Europe (Barcelona and Madrid) and its Mediterranean coast is an axis of high urban density that is close to saturation in the use of certain resources and infrastructures (Serrano-Martínez 1993), while at the same time in its interior some of the European Union's *demographic deserts* are to be found. Of the 271 regions or NUTS II of the European Union, Spain has four out of the twenty least densely populated, occupying over half its territory; and out of the provinces or NUTS III, three of them have a density lower than 12.5 inhabitants per km<sup>2</sup>, the threshold for being considered a *low population density region* (according to article 30.b of the *Guidelines on National Regional Aid 2007-2013, 2006/C 54/08*).

The policies promoting territorial rebalancing, according to Spain's Constitution, are the responsibility of the intermediate or regional authorities (Art. 148. 1. 3º). As far as depopulation was concerned, only two autonomous governments affected by this phenomenon (Aragon and Castilla-Leon, map 1), drew up plans to combat it, and they have had little impact (Ayuda *et al.* 2003). However, at a local level, a great many town councils have implemented repopulation policies which have had some repercussion and they are seen as the hard core of strategies to be followed (Collantes *et al.* 2010).

To interpret these paradoxes we use the basic arguments of *Political economy* and *Public economics*. Up to now, in the study of depopulation, the demographic, sociological, geographical, anthropological and economic approaches linked to rural development have been at the forefront, all of them related to the substance of the problem. However, the institutional and formal aspects as to how to manage it and to how to rescale its design, the *Political economy of depopulation*, have barely been touched on by researchers, despite the fact that with regard to other initiatives on territory and the rural environment they are a common perspective (Pezzini 2001; Winter 2006; Esparcia 2006).

Within this theoretical framework, the following article will first address the question as to why public authorities need to intervene in the matter of depopulation. In other words, what *market failures* (Musgrave 1959) require political intervention, and at what geographical level they need to be corrected. Subsequently, categories regarding *government failures* (Wolf 1979, 1988) will be applied in order to understand the circumstances that lead to a greater success in local measures. Finally, bearing in mind this reasoning and the Spanish experience in this matter, a series of conclusions will be drawn.

## WHY, AND AT WHAT LEVEL, INTERVENTION AGAINST DEPOPULATION IS NECESSARY

From an economic perspective, public interventions are justified when the agents and organisations do not take appropriate decisions in terms of efficiency, equity and stability. In this respect, one may ask oneself to what extent low population density and the disappearance of small villages give rise to interventions and can be corrected.

In principle, depopulation, in itself, is hard to define as being a *market failure* in the conventional sense, sustained by a neo-classical and merely functional approach to space (Furió 1996: 7-24 and 125-134). For example, in Spain in recent decades, the fall in the number of rural nuclei has largely been the result of apparent free decisions taken by the

people who have brought it about. Furthermore, there have been no maladjustments in terms of growth and welfare; on the contrary, it could be said that it has been a phenomenon occurring alongside a more efficient allocation of factors in space and time for the country as a whole (Garrido 2002; Goerlich and Más 2004).

However, if we broaden this analysis, so that as well as what is strictly monetary we consider an integral part as being environmental, institutional, assessment aspects, and a long-term perspective of the sustainability of territory, then it has to be acknowledged that depopulation goes hand in hand with a series of serious upheavals.

### **Regional market failure**

From an overall territorial perspective, the main problem arises from the interdependences between the various agents' decisions, some of which cause social costs in goods and rights exchanged in the market, not satisfactorily reflected in their prices, and this gives rise to an excess of depopulation with regard to what would be the best option socially. These failures are called *negative externalities* or *external diseconomies*, which we can group into three broad categories: environmental, patrimonial and growth-related.

Firstly, the environment surrounding abandoned locations is deteriorating, since most of its features are of an anthropogenic nature. Residents are a key element for the balance of their respective eco-systems (Romero-Calcerrada and Perry 2004).

Furthermore, a drop in population contributes to the depreciation of the assets (housing, businesses, rural properties) located there, since it increases their peripheral and marginal nature in social and economic terms. This decay infects the whole of the community; with the expectation of a sharp, inevitable decline, people reduce their investments, fail to carry out any repairs and look for alternative locations in which to start new projects and live in the medium term. This means that individual migrations generate a distressing climate affecting everyone in the community, which accentuates the devaluation of their property in a continuous downward spiral (Seaton 2010).

Thirdly, in contrast to Marshall's justification of *economics of agglomeration* (Marshall 1920), low population levels mean reduced and precarious labour markets, problems in finding efficient suppliers and generating links with other businesses, as well as serious difficulties in the transmission of information. This means that the businesses that remain behind experience a major deterioration of their comparative advantages. Low population locations cannot achieve sufficient critical mass to enjoy basic public and private goods since they have to face inevitable *indivisibilities* of their production processes, mainly of a financial and technological nature, which are not absorbed by the low number of clients and consumers. In this respect, the repopulation policies of Canada and New Zealand are justified above all to offset the negative *externalities* affecting the labour market in territories with an ageing and low population (Derwing and Krahn 2008; Spoonley and Bedford 2008).

Alongside these imperfections at a regional level related to the *use* and *change values* of the territory and the activities therein, there is also another problem of a subjective nature which can be explained according to its *option* and *existence value*. The *option value* is the use that comes from the opportunity of visiting that location, and the *existence value* is generated from merely knowing that it is in a good state of conservation (Riera *et al.* 2005:

121-122). In regions with districts and communities threatened by depopulation, most of the inhabitants who are not directly affected value it as a seriously important matter, and they are prepared to contribute to finding a solution. For them, depopulation means cultural, ecological and social losses that adversely determine their welfare, although they do not suffer this in their daily consumption, nor are the components of their production activities affected. Thus, as Gómez-Limón *et al.* (2007: 50), say for Castilla-León, ‘it is worth considering maintaining the population in these territories as a *public good* (in that it generates social usefulness complying with the principles of non-rivalry and non-exclusion) which must be considered as a priority political objective’.

### **Local market failure**

If we analyse depopulation at a municipal level, we come across another type of problem. For a village with few inhabitants, its survival becomes a *pure public good*, since it affects the whole community and each one of its individuals. When its population falls to a critical threshold, deaths, births, the arrival and departure of residents, while being actions carried out by autonomous individuals, become matters that particularly concern the rest of the population. Because they redefine the social dimension that everyone harbours.

Thus circumstances related to depopulation or repopulation exemplify the characteristics of *public goods*: there is no escaping the destiny of the place where one resides, and all the inhabitants make joint use of a set of services, rights and opportunities related to its habitability without detriment to what the others do. In other words, the principles of exclusion and rivalry do not apply. The viability of the village becomes an option which all can benefit from, regardless of their contribution, and this gives incentive for cooperation but it also gives rise to free-riding among those who are aware that although they do not collaborate, they are going to reap the benefit.

Therefore, the type of failure experienced at a local level is much more decisive and complex in its consequences than that which presents itself at an aggregate level for a region. Regions may harbour very low-density areas and villages that have been almost completely abandoned, but also towns and district municipal capitals that are unlikely to disappear, which forestalls total depopulation, and by reorganising themselves, a sufficient number of functions associated with the former population structure can survive.

Thus, at a regional level, the additional social marginal cost that is generated by depopulation, in terms of externality, may be offset by fiscal instruments, the supply of certain services and a realignment of powers that take advantage of *economies of scale* and better coordination. These are measures that would not presuppose the maintaining at all costs of the population in each and every habitable place. Thus, if depopulation is conceived of as an *externality*, it can be addressed with a wide range of policies that allow for different options. It is a problem that, at a regional or provincial level, can be assimilated without calling for radical correction policies.

However, at a local scale, as this is a question of *public goods*, the dilemma is extreme – exist or disappear. There are no intermediate options, and the objective to be met, demographic regeneration when the population pyramid has aged, is masculinised and has few resources, calls for urgent and effective measures. Thus, municipal governments’ efforts with regard to the survival of their villages are usually going to be much more resolute than

those of higher authorities who face a different type of failure that is easier to solve. This means that while the design of these local policies, as against the meticulous programmes of the regional governments, is more elementary, with very little technical base and low budget, the intensity with which they are implemented, given the problem they face, will be, as has effectively occurred, much higher (Collantes *et al.* 2010).

The conclusion to be drawn is that a proper diagnosis of the type of problem or *market failure* that is being addressed is decisive for designing an efficient policy, and this will change depending on the territorial level. It is necessary to define the division of powers, the objectives and instruments precisely, and to establish mechanisms of coordination and cooperation.

This leads us to a complementary area, beyond the initial planning, and that is effective management. In our case, theories regarding *non-market* or *government failures* provide a conceptual scheme as a basis for study.

## **FAILURES IN POLICIES AGAINST DEPOPULATION**

Governments are not perfect, so their actions have to be assessed and their costs contrasted with the *market failures* they are trying to rectify, since their superiority is not always obvious.

In the question of depopulation, examining policies in Spain is unusual insofar as measuring their impact is concerned, since regional strategies in this respect have barely been developed, and no consistent causal relationships can be deduced. However, what is feasible, and what this section addresses, is analysing the causes of the ineffectiveness of regional policies in this matter and, in contrast, the greater effectiveness of local measures. And here, once again, *Political economy* provides an appropriate theoretical framework.

Wolf (1979: 116-132), defines four types of *non-market failures* (Appendix I: table 1): the first type, *redundant and rising costs* that policies usually generate when being implemented; secondly, the diverting of overall goals to the private objectives of members of the administration (*internalities*); thirdly, the unforeseen secondary effects (*externalities*) deriving from an intervention, which may cause shortfalls and inequity; and finally, the *inequalities* that are generated, principally in terms of power and privileges. These categories are usually applied to public interventions that are fully or mostly implemented. However, this has not been the case with programmes approved by the governments of Aragón and Castilla-León with regard to depopulation, which have not been fully implemented.

Wolf (1988: 39-58), also theorised about the circumstances surrounding both the supply and demand of policies and which bring about *government failures*, mostly seen in the stages prior to their implementation. For our analysis these notions are highly suitable, since they enable us to understand the reasons for an excessive demand for policies in all electoral markets, both regional and local, and they also show the unequal abilities of politicians and bureaucracies to provide them effectively, depending on whether they are regional or local administrations.

## Characteristics of the depopulation policies demand

There are various circumstances leading to a high demand for public intervention in this matter. Firstly, the public is increasingly aware of this topic, it sees it as a serious problem and it seeks solutions. The extreme demographic situation of a large part of the Castilla-León and Aragón environment is familiar to all their inhabitants. According to Opinion Surveys in Aragón, depopulation is habitually regarded as one of the main problems and concerns at a regional level, as against those of a more general nature such as unemployment, immigration, terrorism and drugs. For the citizens of Castilla-León, according to a survey conducted by Gómez-Limón *et al.* (2007), this topic is fourth in importance, with the same ranking as 'economic problems' and below 'unemployment' and 'housing'. Specifically, most of the inhabitants suffer the inherent limitations of living in a *demographic desert*, since if they do not live in one of the many small municipalities with an aged population pyramid it is almost inevitable that a fair number of them live near those places, and they have a functional relationship with them and form a complementary, low-density population system. For example in Aragón, in 2008, 13 of its 33 districts, occupying 43% of the territory, had a density lower than 10 inhabitants per km<sup>2</sup>, which is termed a *demographic desert*. If the threshold is raised to 20 inhabitants per km<sup>2</sup>, then the number of districts is 23, accounting for three quarters of the area of the region (Pinilla *et al.* 2008).

But even those who live in the urban environment are aware of this situation. It is reasonably likely that many urban inhabitants originally came from these rural localities, maintain personal links and are concerned about their demographic and social crises. Furthermore, depopulation is the object of analysis by researchers and public bodies, and press release of their reports and studies are published in the media. At an informal level, but one which plays a big part in their dissemination, various examples of high-profile situations concerning the closing and re-opening of schools, the arrival and departure of immigrants of all types in small villages, local investment to make life more attractive in the rural environment, all make up the structure of a wide selection of surveys, reports and news.

Thus, this is a familiar topic, and any type of political measure that tends to remedy this situation will be taken into account at election time. The median voter in affected regions has a marked awareness of these affairs and rational politicians will naturally try to attend to their demands in their pursuit of power by maximising their votes (Downs 1957).

The democratic organisation, the second of the demand characteristics mentioned by Wolf (1988: 46-47), also contributes to fuelling public intervention. The electoral rules in Spain grant disproportionate representation to less-populated districts. Thus, in view of the intensity of voter preferences in this matter, the elected politicians will have a greater tendency to legislate in this respect. Furthermore, given the predominant role of the affiliates in choosing the party candidates and programmes, Robertson (1976: 39-44), affiliates who are militant as a result of opting for public posts that are disproportionately available in small municipalities, there is a favourable bias towards this issue within the political associations of the regions in the Spanish interior.

The estimate of benefits and costs associated with the policies is another argument that gives rise to a growing desire for public intervention. On the one hand, there is certain rational ignorance combined with *fiscal illusion*, similar to that experienced by the majority of the

public with regard to public expenditure (Oates 1977), and by not paying immediately for these investments they fail to anticipate future taxes.

But there is also an additional circumstance to take into consideration. There is a widespread opinion among voters and politicians that these types of action are an essential part of the cohesion policies that need to be implemented by the Spanish as well as the European Community governments in favour of poor regions, which Aragón and Castilla-León feel they are part of, in view of their demographic evolution (Sáez 2009). This conviction and the expectation that sooner or later this political debt will appear as a favourable budget line item contributes to there being an excessive demand for measures, since it is taken for granted that it will not involve higher financial charges.

The final element that determines the excessive demand for policies is related to the high time discount of public administrators and voters in favour of the present. This leads to requests for a large number of interventions, however ineffective they may seem, without acknowledging that they generate medium and long term costs. However, this argument has a mixed influence. On the one hand, it helps to contain demand because measures concerning aspects such as the birth rate, migration and rural development, among others, are effective some time after their implementation. And when politicians re-examine their potential benefits, they consider them to be fairly worthless, as there is a great risk that any achievements in this respect during their term of office will not be attributed to them.

However, this disincentive may be more than offset by an opposite dynamic. Aware as they are of this drawback, politicians have chosen to present other measures with a more immediate impact, that are easy to advertise, and which without being strictly demographic or territorial, or with any connection with rural development, do suggest a certain correspondence with recent immigration improvement figures, and which can be attributed to their cause. In other words, there has been somewhat of a mushrooming of measures which have been called demographic and favouring regeneration of villages in decline which cannot in substance, lacking as they do any clear or coordinated guidelines, be strictly described as such.

Thus, the time discount in favour of policies with short term impact has a direct effect against the demand for interventions favouring a demographic impetus in the rural environment, which are of a structural nature. On the other hand, its ambiguous reinterpretation generates a *substitution effect* that brings about the rise of other policies that may be described as population-related, although actually they are not, and this leads in the final instance to the regulations on depopulation, broadly speaking, being more heavy, improvised and thus with *transaction costs* higher than they should be.

In short, the political demand for public interventions against depopulation is stimulated by all the factors identified by Wolf (1988: 39-50), as decisive aspects of the inefficiency of what is known as the *non-market*. Therefore, an excessive electoral demand is generated, one that is easy to make capital of in votes although difficult to manage effectively. This is because voters' requests are not usually the result of rigorous assessments but, as we have seen, of issues deriving from the difficulty in processing the information regarding this matter, the electoral estimate, the belief that the measures will be financed by others, and reckless calculation of the budgetary costs involved. These are aspirations shared by citizens of urban as well as rural environments, causing the suppliers of measures, both bureaucrats

and politicians at a regional and local level to act accordingly, trying to meet an unmet demand.

### **Determining factors of the supply of measures against depopulation**

Running parallel with these demand factors, supply also experiences a wide range of shortfalls which may be grouped around two main issues, depending on the categories in the theory of *government failures* (Wolf 1988: 51-55). Firstly, there is the lack of clarity in their content, since products and services provided by the public sector tend to be intangible, linked to basic rights and with relevant qualitative and contextual components that make it hard to specify how to produce them and the measure of their quality and quantity. Secondly, there are questions linked to imperfections inherent to the public organisations that offer them, such as monopolistic production in most cases and the absence of accountability for its management that would enable it to be assessed and liability to be enforced.

These two dimensions intervene distinctly depending on the level of government proposing the policies. The inefficiencies committed by regional administrations are different to those committed by local governments, the latter having less bureaucracy, and thus they are more in touch with what is being administered.

As far as the first block of questions, the content of policies against depopulation, is concerned, the setting of objectives and suitable ways of meeting them is a highly complicated matter for any government, since it is one that is subject to endless discussions, both academic and political. Hence vagueness tends to rule in debates on the matter. And while this enables a policy to be defined in the short term, it becomes a factor that decisively works against its applicability. It is not easy to construct measures that for their ambiguity generate high *transaction costs* and management problems in the public administration itself.

However, at a local level these differences are cushioned, since discussion about planning cannot be prolonged because of the small time scale allowed for by the demographic structure. Furthermore, the small number of those involved in a village with few inhabitants and their greater trust and social capital speeds up negotiations.

This does not mean that, at a local level, a firm decision can be made as to when to intervene and what demographic goals are to be met. The notions of the risk of disappearance and demographic sufficiency allow for different interpretations because the authorities promoting the measures react according to the characteristics of each particular territory. Where local supply has the upper hand is the fact that there are more favourable conditions for a higher degree of consensus at the start, and this precludes having to suffer internal delays, leading to better efficiency. But the subjectivity regarding what is understood by depopulation and the references for measuring policies to combat it are still latent.

As far as the application of the policies is concerned, Wolf (1988: 57), states that ‘the technology of non-market products is often unknown or, when it is known, it is surrounded by a marked uncertainty’. This is the case with depopulation. We know that decision on where to live or how many children to have depends on economic, political and ideological questions, and their combination is subject to a large number of uncertainties. In fact, the demographic regeneration of the rural environment between the end of the last century and now is mostly the result of spontaneous international immigration into Spain, counterurbanization and

*automobility* (Oliva 2006; Camarero 2009: 136-165) , rather than the application of any planned development and immigration policies (Sánchez-Alonso 2011).

In principle, regional governments have more appropriate instruments than local bodies to address rural development and territorial rebalancing economic policies leading to the repopulation of the most vulnerable areas (Serrano-Sanz 1988). But this initial capacity is limited by two serious difficulties at the time of implementation.

Firstly, no region in Spain is so homogenous nor so underpopulated that it does not include relatively dynamic areas that have avoided the general decline (Map 2). Thus, if a repopulation programme common to the whole territory is proposed, in the first instance it will be of more benefit to the less outlying and more densely-populated areas. With the same grants and subsidies they will be able to attract more business investment and more population from not only outside the territory but also resources linked to the human capital and labour force of the self-same territorial district (European Commission 2007, 11-12). Thus a regional development plan can accentuate the internal imbalances unless it includes measures that recognize the heterogeneity of its territories.

However, if a significant discrimination in favour of the more fragile areas is proposed, the government promoting the measures will incur a high electoral cost, because the voters are to be found in urban areas and those with greater density. Therefore, the territorialisation of these measures, while desirable from a technical point of view, may be unadvisable in political terms. In short, implementing a population policy for the region as a whole is highly complicated, and subject to many contradictions.

Secondly, the effectiveness of demographic policies is highly influenced by the fact that there is a context that is prone to receiving new residents, a climate of acceptance, and this depends not on strictly political elements but, basically, issues related to values, to social relationships (Carter *et al.* 2008, Hugo 2008; Wulff and Dharmalingam 2008). This is a basic element built on trust between fellow-inhabitants and which society has to provide from the particular location where the arrival of new inhabitants is proposed. But values and customs are fairly unmalleable in the short term via conventional policies, which are the ones that a regional government might administer on its own.

However, despite the fact that the political powers of small village councils are limited and of a technical nature compared to those of the regions, they are seen as playing a leading role when prompting this social capital. According to local development theories, a location's institutions are decisive for taking a lead in processes of change and for generating a climate of understanding between the various players which will stimulate cooperation and business initiatives (Becattini 2002; Vázquez 2007). The close relationship between a council and its citizens enables it to streamline its relationships and, in terms of its efficiency, level of participation and transparency, help to generate more social capital. Consequently, although the regional government can define the general framework of action, it must facilitate the initiative in its management to the administration and society in the location wherein such action is implemented.

The other set of variables determining the quality of the policies supplied refers to the characteristics of the public sector as an organisation that acts as a monopoly and insofar as

there is little transparency in its administration, so that it is hard to assess it and call for accountability.

In principle, the fact that territorial planning policies are decentralised in Spain, at an intermediate level of government this should help to increase their efficiency. Citizens would 'vote with their feet' (Tiebout 1956) and reward with their residency the best offer from among the Autonomous Communities. However, only two regional governments out of the seventeen have proposed legislation in this matter and, in both cases, implementation has been low-key, confirming that it is not very competitive in nature. One may deduce from this, on the one hand, that there has been little political initiative to try and solve a widespread and serious problem, since nearly all the regions experience it in some part of their territory, and on the other hand, that there had been limited capacity for administration, since implementation of measures has been minimal and, at all events, uncoordinated.

Conversely, at a local level, with 8,114 municipalities in Spain, of which 46% have fewer than 500 inhabitants (Instituto Nacional de Estadística 2010), competition is inevitable. In spite of their limited administrative capacity to propose conventional demographic policies, as depopulation is a multidimensional phenomenon, it offers other measures of a transversal nature that can influence it, without suffering political conflicts. In fact, by using lesser powers and focussing more on ways of implementation and administration than on legislative capacity, local bodies have become major players in strategies for attracting population. Thus families interested in emigrating seek information on how town councils, districts or local authorities facilitate access to housing, integration into the labour market, and how they complement welfare services (education, health, support).

This means that although there is no horizontal competition between autonomous community governments, it does exist among town and district councils as well as among the networks that they belong to, and this contributes to greater efficiency. In this respect, errors arising from a monopolistic supply of measures play a less relevant role at a local scale, given their activism.

As far as the low degree of transparency in their administration, the lack of incentives for politicians and bureaucrats to remedy this is plain to see. Furthermore, the effort the citizens have to make to assess their performance is greater the bigger their community is. Thus the close contact between inhabitants and administrators in small towns and villages makes their administration more visible and reduces discretion. Conversely, regional policies, much more complex than local ones and administered by different areas of government, makes their assessment more costly.

In short, the difficulty in specifying the goals of these policies and how to set them up have been extremely powerful limitations which have complicated their implementation by the regional governments and have contributed to their stagnation. Although they have also played a restrictive role with regard to local bodies, the seriousness of the demographic problem in the villages most under threat of disappearance made it urgent for them to react and try to avoid, or at least detain, their crisis. Furthermore, although the political powers to act permitted by a decentralised State such as Spain have been under-used at the regional level, with failure to offer distinct strategies or promote a more transparent administration, greater initiative in local administrations has contributed to there being rivalry among the

various town councils, districts and rural development networks in a bid to attract population via more effective public measures.

Overall consideration of the characteristics of the supply and demand of these policies as well as from the more conventional perspective of *market failures* enable us to draw a series of conclusions regarding the effectivity of the various governments.

## CONCLUSIONS

Institutional aspects play a crucial role in the effectivity of measures against depopulation. In Spain, the unequal degree of effectiveness between regional and local governments can fundamentally be explained as being the result of the design and management of policies rather than of their content.

Specifically, the regional governments, which have constitutionally been granted powers to act in this area, have tried to define them as being theirs exclusively and they have ignored the essentially local nature of the problem. They have failed to take into account that, although they might be low-density regions and contain areas that may be defined as *demographic deserts*, what are no longer inhabited are specific nuclei of population. The main, basic, although not exclusive, unit of analysis and administration is the population nucleus. Failure to see it this way in the demographic plans approved by the regions has become a serious impediment that has given rise to their stagnation in the initial stages of their implementation, and they have had very little force.

*Public Economics* enables the defects that have limited their effectiveness to be systematised. In principle, the nature of the *local public goods* of the minimum population to maintain the supply of a set of public and private services, as well as levels of competitiveness that make a community feasible, calls for cooperative action from all the integral parties, which are not only the political authorities but also the citizens and social collectives. In other words, acknowledging the local scale as being the most suitable also serves to make it explicit that as well as the political-economic aspect, the dimension concerning values and social capital, in which civil society is the leading player is essential.

Furthermore, the conditions under which the town councils operate, with an electorate that is more aware of the causes and consequences of depopulation, extremely serious in personal terms, as well as of the scope and cost of the measures proposed, leads to a more efficient performance from them. In addition, recent years have seen growing competition between town councils and the various municipal and district networks offering repopulation policies, which has substantially improved their content, increased transparency in administration and broadened their approach, from more conventional questions linked to economic and administrative conditions to other circumstances relating to social capital, integration and support.

Conversely, regional governments have not been able to offer an appropriated definition of their strategies and thus run them smoothly. The resolution of externalities to justify their action does not always call for them to intervene. In the cases when they are forced to do so, repopulation policies cannot be generalised as being the only solution to offset the consequences arising from the democratic decline of the rural environment. Other types of

intervention could remedy its environmental, patrimonial and economic effects without the need for undertaking to maintain all the nuclei under threat of disappearance populated, which for a region could be an unreasonable objective.

However, the autonomous community governments are subject to a demand for political intervention in this extremely delicate matter because of the symbolic dimension of de population as an intangible *public good*. This is a demand that is excessive bearing in mind the regions' capacity for response. This is because regional governments operate within a highly heterogeneous context, they confront major uncertainties and ambiguities to adapt the content of the most appropriate measures among disparate territories and nuclei, they have to mobilise bureaucracies that are out of touch with the reality, in which they have to intervene and argue with territorial-related pressure groups, and this is why regional public interventions suffer delays and are less effective than local ones.

With this outlook of badly-designed and under-developed regional policies, and highly efficient local interventions, driven by the urgency of the problem, but under-funded and with shortfalls in coordination, there is a need for a redefinition of political strategies against depopulation in Spain that will have an impact on its governance.

The distribution of powers to act in cooperative terms between the regional and local governments, so that the general and coordination aspects lie with the higher level, but with the applied content attending to the public interest as near as possible, that is, in the town councils, is one conclusion that may be drawn from all of this.

It is also clear that the local community must have a say in what is to be implemented. The political and the economic aspects are incomplete arguments in questions of repopulation and local development unless they are combined with the values of the most important element – the community.

Appendix I:

Table 1: Non market failures

Non market conditions  <i>NON MARKET FAILURES</i>	Demand conditions				Supply conditions			
	Increased public awareness of market shortcomings	Political organisation and enfranchisement	High time-discount of political actors	Decoupling between those who receive the benefits, and those who pay the costs	Difficulty in measuring and defining output	Monopolistic production	Unknown technology	Lack of evaluation mechanism
<b>Redundant and rising costs</b>	X	X	X	X	X	X	X	X
<b>Inernalities and private goals</b>				X	X	X		X
<b>Derived externalities</b>	X	X					X	X
<b>Distributional inequity</b>		X	X			X		X

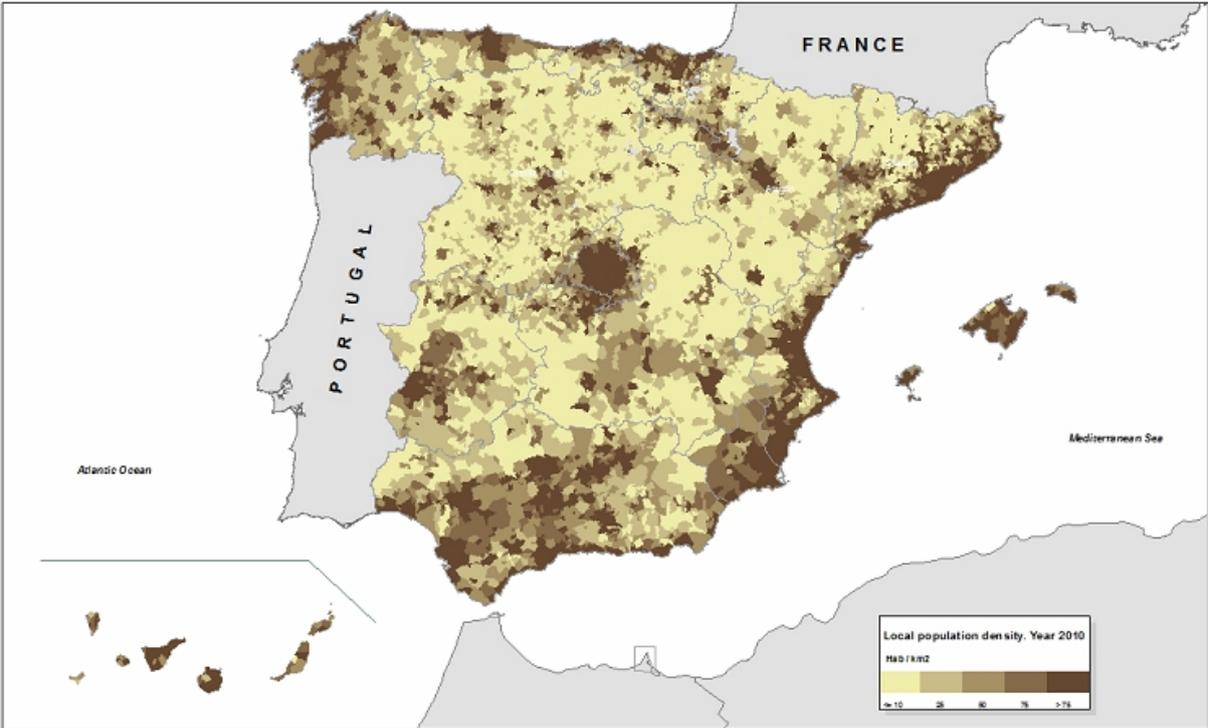
Wolf (1988, 87)

**Appendix II:**

**Map 1: Spanish regions-“Autonomous Communities”, (NUTS II)**



**Map 2: Local population density in Spain**



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