

Abstract

The purpose of my thesis is to analyse the tools and consequences of the fiscal federalism in Spain. Decentralization process has started along with democratization since passing new Constitution in 1978. It has been mainly reaction to cultural, historical and political reasons of creation of Autonomous Communities. Economic crisis stroke the Spanish economy very strongly and has been a challenge for the whole financing model. Thus, the main aim of my thesis is to deal with the recent development of the financing model. Since Spain is a member of the European Union, I describe also tools of the fiscal federalism put forward by the European Union.

Spain is considered to be one of the most decentralized countries in Europe. In my thesis I want to prove that further decentralization has been confirmed by reforms responding to the economic crisis. Then, I want to show that used tools of fiscal federalism are profitable for both state and autonomous communities and positively affect economy of Spain and that they has helped to deal with economic crisis. Finally, I want to show that Spain is getting closer to federal arrangement of government.

As has been proved, decentralization is still prevailing tendency in financing model of autonomous communities. But central government has been proposing centralizing norms in other fields of administration. According to available data and information it has been shown that financing model could not have prevented the crisis and caused different impact of the crisis in different regions. Autonomous communities also do not possess enough normative power to describe the system as federal system.