

# ICE

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## SPANISH ECONOMY PRODUCTIVITY AND COMPETITIVENESS

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**BEL, Germà; CALZADA, Joan and FAGEDA, Xavier**

**Liberalization and competition in Spain: where are we?**

**Abstract:** This article addresses competition in major Spanish industries that have undergone liberalization: energy, telecommunications, post and air carriage. Particular emphasis is placed on comparison with other European Union countries, the most relevant framework for any evaluation of relative progress in the area of competition. The results of that comparison reveal that liberalization has brought only moderate advances in terms of competition in Spain, particularly in certain of the industries studied.

**Key words:** liberalization, regulation, competition, industrial policy.

**JEL Classification:** L40, L52, O14.

**BORDONABA JUSTE, Victoria; LUCÍA PALACIOS, Laura  
and POLO REDONDO, Yolanda**

**Evaluation of intangible resources: empirical analysis of the franchise industry**

**Abstract:** The evaluation and analysis of intangible resources is a key strategic question for business management. Resource theory, in turn, is based on the study of assets able to generate a competitive advantage. Intangible assets such as organizational resources, reputation, intellectual property and capacities are particularly relevant from this standpoint. An analysis of these resources is especially important in hybrid business structures such as franchises. The present study aims to identify the intangible resources most relevant to that industry.

**Key words:** organizational resources, intangible assets, reputation, capacities, royalties, franchise industry.

**JEL Classification:** M30, M31.

**CUADRADO, Juan R. and MAROTO, Andrés**

**Productivity in Spanish services. Necessary revision of the traditional image**

**Abstract:** Spanish productivity has exhibited paradoxical behaviour in recent years. While economic growth rates have remained high, productivity rates have been very low (or even negative in some periods). One of the factors that may explain this phenomenon is, obviously, performance at the sector level. Other important considerations, in addition to labour productivity patterns in each sector, include the effect of structural change and inter-sectoral shifts in aggregate productivity. The service sector merits particular attention in this regard, for its importance in the Spanish

economy in terms of production and employment, and for the traditional belief that productivity is low in such activities. This paper describes and analyzes the peculiar productivity patterns observed in services over the last 25 years, studying possible causes of such behaviour with statistical and econometric analysis. The article adopts a critical approach to traditional theories on service productivity.

**Key words:** productivity, services, structural change, production structure, Spain.

**JEL Classification:** L80, O47.

**ESTRADA, Ángel; PONS, Álex and VALLÉS, Javier**

### **Productivity in the Spanish economy: an international perspective**

**Abstract:** In recent years, the Spanish standard of living has been converging rapidly on prosperity indicators in other European countries and the United States. This has been possible thanks almost exclusively, however, to the country's higher rate of job creation, a variable that is very likely to grow more moderately in the years to come. Economic convergence will consequently need to rely on relative increases in productivity, which is lower in Spain today than in its major trading partners. Hence the relevance of identifying the reasons underlying greater efficiency in other countries and designing economic policies to reverse the trend. The present article analyzes the labour productivity status quo in Spain and compares it to the situation in the EU-25 and the United States, along with several aspects relating to the factors that determine TFP. The conclusions address productivity levels in European countries compared to the United States and contain a summary of the measures included in the Spanish National Reform Programme, whose objective is to attain full convergence on Europe by furthering structural reform and facilitating the adoption of new technologies.

**Key words:** economic growth, productivity, structural reforms, new technologies, Lisbon Strategy, Spain.

**JEL Classification:** J24, O47.

**GÓMEZ-PUIG, Marta**

### **Fixed exchange rates and currency market intervention**

**Abstract:** This article reviews the open economy trilemma, namely to simultaneously maintain fixed exchange rates, free movement of capital and monetary independence, and discusses different exchange rate regimes at length. The analysis covers the key advantages and drawbacks to the regimes in place according to the International Monetary Fund and concludes that there is no such thing as a perfect exchange rate system, and

even the optimal system varies from one country to another. The choice, in any event, depends on each economy's specific characteristics.

**Key words:** optimal exchange system, macroeconomics of open economies.

**JEL Classification:** F31, F33.

**ORTEGA-ARGILÉS, Raquel; MORENO, Rosina and SURIÑACH CARALT, Jordi**

**The application of agency problem control mechanisms. Analysis of Spanish manufacturers**

**Abstract:** Given the importance that internal business organization and in particular the distribution of business decision-making appears to be acquiring of late, the present article aims to conduct a theoretical analysis of the main problems that may arise in business decision-making and possible solutions or mechanisms to alleviate such problems. The paper also discusses the application and evolution of these control mechanisms in a representative sample of Spanish manufacturing firms between 1990 and 2002, considering factors such as company size, industry, business maturity and geographic location.

**Key words:** owner structure, control mechanisms, agency problems.

**JEL Classification:** G32, L2, L6, M14.

**PÉREZ GARCÍA, Francisco**

**Productivity, capitalization and specialization**

**Abstract:** The present paper aims to show the important role, pursuant to the results of recent research, of investment composition patterns and productive structure in productivity and competitiveness trends. Re-steering investment toward more productive assets is requisite to improving and recovering productivity as a source of growth, and ultimately to modifying the productive structure to place greater emphasis on the activities with the highest added value. Such a change in specialization must rest on the more intensive use of certain physical assets such as machinery and, in particular, new information and communications technology (ICT)-related assets, as well as on human and technological capital. The common denominator in all such assets is that they represent a store of knowledge. By re-steering production in this manner, the economy can capitalize on its greater capacity to generate added value from the existing inventory of some of these assets.

**Key words:** economic growth, productivity, competitiveness, human capital, investment, production specialization, Spain.

**JEL Classification:** D24, J24, O47.

**PINTOR BOROBIA, Jesús M.; LERA LÓPEZ, Fernando; GARCÍA ORTEGA, Justo and FAJARDO FAULÍN, Javier**

**Wind energy and employment: the Navarran paradigm**

**Abstract:** The paper analyzes the experience of one of the regions that pioneered wind energy, the Autonomous Community of Navarre, where a competitive industry with a substantial impact on highly skilled employment was generated on the back of a specific energy policy. The findings prove that environmental concerns are compatible with regional economic growth and job creation, making Navarre a model to be copied in other European regions. Nonetheless, in light of the labour market shortcomings identified in the prognosis, the authors suggest that traditional support measures should be reinforced with policies to improve wind energy training among the related segments of the workforce.

**Key words:** renewable energies, wind energy, economics of energy, energy policy, employment, training.

**JEL Classification:** L21, Q21, Q42, Q48.

**RAYMOND BARA, José Luis and ROIG SABATÉ, José Luis**

**Human capital in the Spanish economy**

**Abstract:** The growth theory axiom whereby human capital is one of the determining factors of productivity is difficult to corroborate empirically due to the difficulties involved in a true measure of this variable. Certain elements of human capital such as education and experience can, in fact, be observed and measured, while others, non-observable and therefore more difficult to measure, are individual-specific, subjecting any possible aggregation to error. The present paper aims to bridge the gaps between the different measures of human capital for application to the situation prevailing in Spain and establish comparisons with several other European Union countries. The study also addresses an analysis of human capital trends between 1995 and 2002 based on Salary Structure Survey data. Finally, certain conclusions are discussed with respect to educational efforts attempting to adjust the supply structure to the economy's needs, a basic feature of any policy geared to intensifying long-term productivity growth.

**Key words:** economic growth, productivity, human capital, education, Spain, 1995-2002.

**JEL Classification:** J24, O47.

**SAN SEGUNDO GÓMEZ DE CADIÑANOS, M.<sup>a</sup> Jesús**

**Education policy in the early twenty first century**

**Abstract:** The education policy to be implemented in Spain in the early twenty first century should form a part of the strategies followed the world over to enhance knowledge and

skills across the entire population, but particularly among the younger generations. The present paper reviews the lessons to be learnt from international surveys such as PISA, which serve as a guide on how to attain quality education for the population at large. Emphasis is placed on the need for more individualized education that improves all pupils' knowledge and skills. The importance of programmes designed to support and reinforce learning, provide teacher training and incentives and grant scholarships and similar aid are instrumental to any educational reform that pursues the quality and equity recommended today by international organizations.

**Key words:** education, education policy, public spending, knowledge society, Lisbon Agenda, Spain, EU.

**JEL Classification:** I21, I28, O15.

**SANAÚ VILLARROYA, Jaime; BARCENILLA VISÚS, Sara and LÓPEZ PUEYO, Carmen**

**Total factor productivity and technological capital: a comparative analysis**

**Abstract:** This paper introduces a standardized calculation of total factor productivity for ten manufacturing industry groupings in four European countries, the United States and Canada, and estimates their contribution to industrial production growth in the period 1979-2001. It also estimates the effect of domestic and foreign R&D investment on the residual factor, with particular attention to the effects of international trade and information and communications technologies. One of the more prominent features of the model, in addition to the calculation of industry-wise TFP rates that allow for multi-lateral comparisons, is the use of time series processing techniques for applying co-integration methodology to data panels.

**Key words:** economic growth, productivity, technological capital, ITC, international trade, co-integration, data panel.

**JEL Classification:** O30, O40, O50.

**VALLÉS GIMÉNEZ, Jaime and ZÁRATE MARCO, Anabel**

**Reflections on the debate around the economic impact of regulation and institutional processes for its reform**

**Abstract:** This paper addresses regulation with the intention of furthering the debate around the most suitable strategies for regulatory reform. A classical issue in state economics, regulation has traditionally received less attention than public revenues or spending. Structural reforms generate indisputable gains from the standpoints of both efficiency and transparency in redistributive processes. The paper makes three

contributions. Firstly, it systematizes the different reports and literature on the subject. Second, it applies economic reasoning to such reports. And finally, it evaluates the situation in Spain in this regard in comparison with the chief OECD countries.

**Key words:** regulation, structural reforms, bibliographical review, international comparison.

**JEL Classification:** D78, H11, L51.

### YBAÑEZ RUBIO, Ignacio

#### Review of the Lisbon Strategy in the EU. «Common actions for growth and employment»

**Abstract:** In the Spring 2006 European Council, the Heads of State and Government of the European Union evaluated the 25 Member States' first National Reform Programmes in conjunction with the Lisbon Community Programme, which together establish the growth and employment priorities for the period 2005-2008 at the national and Community levels. The result was the decision to infuse fresh impetus into the process known in the European Union as the Lisbon Strategy. Consequently, an evaluation of this strategy, whose central objective since its launch in 2000 has been to make Europe the «most dynamic and competitive knowledge economy in the world» by 2010, is in order. The background, i.e., the elements defining the original strategy adopted in 2000, as well as the procedure established for the revision undertaken in 2005, must be addressed in any attempt to understand this process. Such an analysis can be used to characterize the strategy and venture an initial evaluation to determine whether it is the appropriate framework for re-launching growth and raising employment levels by improving productivity across the European Union as a whole.

**Key words:** economic growth, knowledge economy, structural reform, competitiveness, information and communication technologies, Lisbon Strategy, EU.

**JEL Classification:** O30, O40.