The Transition Trap

A field guide to the Crisis–Centralisation–Peripheral Mobilisation–Accommodation Loop — and how Europe's most plurinational democracy can build the integrative closure capacity its constitution never provided

Spain is not a failing state — it is a state that succeeded brilliantly at democratic transition and is now constrained by that success. This report diagnoses an Integrative Closure Deficit produced by the 1978 Constitution's frozen ambiguity and the fiscal-territorial trap.

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Executive Summary

The Paradox

Spain is not a failing state. It is one of the most remarkable governance achievements of the late twentieth century: a peaceful transition from dictatorship to democracy, the construction of a modern welfare state, integration into the European Union, and a radical devolution of power to seventeen autonomous communities that transformed a historically hyper-centralised state into one of the most decentralised in Europe. In the course of a single generation, Spain transformed itself from an isolated, authoritarian backwater into a prosperous, pluralist, decentralised European democracy.

And yet the system remains trapped in recurring cycles of territorial crisis, constitutional confrontation, and political fragmentation. The Catalan independence referendum of 2017 and its aftermath—the suspension of autonomy under Article 155, the judicial prosecution of independence leaders, the mass demonstrations, the pardons, the fragile accommodations—was not an aberration. It was the most recent and most dramatic iteration of a pattern that has been running since the transition itself. Spain oscillates between two incompatible poles—centralising recentralisation and centrifugal assertion—with neither pole capable of achieving full legitimacy. Madrid cannot fully centralise without breaking democratic legitimacy; the peripheries cannot fully secede without breaking economic and geopolitical viability.

The 1978 Constitution was a masterpiece of constructive ambiguity, deliberately leaving foundational questions unresolved to secure the widest possible consensus among factions that had recently been killing each other. Forty-five years later, that ambiguity has become the architecture of recurring crisis. Spain cannot settle its territorial question. It cannot settle its constitutional question. It is stable, democratic, European—but constitutionally unsettled. This is the Transition Trap.

The Core Diagnosis: The Integrative Closure Deficit

Spain does not lack democratic legitimacy, institutional capacity, or social resilience. It possesses one of the most decentralised governance structures in Europe, a vibrant civil society, and a deeply embedded cultural capacity for peaceful coexistence across difference—*convivencia*. What it lacks is the capacity to *metabolise its own pluralism into stable shared institutions*—to close the loop between recognising diversity and integrating it into a coherent multi-level governance architecture.

The 1978 Constitution gestures toward this closure. It affirms both "the indissoluble unity of the Spanish nation" and "the right to autonomy of the nationalities and regions." It creates a framework within which different territories can exercise different levels of self-government. But it never specifies what happens when these principles conflict. It provides no clear mechanism for adjudicating disputes between the centre

and the autonomous communities. It establishes no genuinely independent constitutional arbiter with the authority to resolve the territorial question definitively. The ambiguities that were necessary for the transition have become the operating system for permanent oscillation.

The Integrative Closure Deficit is not a failure of the transition. It is a consequence of the transition's success. The founders deferred the hardest questions—about territory, identity, and sovereignty—because answering them would have threatened the fragile consensus on which democratisation depended. Their choice was rational. Their success was real. But the deferral became permanent, and the permanence of the deferral is now the central governance dynamic of the Spanish state.

The Twin Deficits

Aspect	Outer (Hardware)	Inner (Operating System)
Strength	Asymmetric devolution to 17 autonomous communities; EU integration as stabilising scaffold; functional welfare state and modern infrastructure	High capacity for *convivencia*—peaceful coexistence across deep cultural, linguistic, and political differences; democratic resilience forged in the transition from dictatorship
Deficit	Incomplete multi-level architecture: ambiguous power distribution, fiscal-territorial imbalances, judicialisation of political conflicts	Integrative closure gap: difficulty metabolising pluralism into stable shared institutions; *Las Dos Españas* cleavage; *El Aplazamiento*—the culturally embedded practice of deferring hard choices
Manifestation	Permanent fiscal tension between net contributors and recipients; courts as politicised battlegrounds; five elections in eight years (2015–2023); Article 155 invoked for first time in democratic history (2017)	Oscillation between centralising and centrifugal poles; each accommodation defuses immediate crisis while deepening long-term polarisation

The Signature Pattern: The Crisis–Centralisation–Peripheral Mobilisation–EU Mediation–Accommodation Loop

Spain does not drift or lurch. It oscillates between two modes of governance—centralising assertion and centrifugal pushback—with periodic crises that trigger the oscillation and constitutional impasses that prevent its resolution.

Crisis. An economic shock (the 2008 financial collapse and eurozone debt crisis), a territorial challenge (the 2017 Catalan independence referendum), or a political fragmentation (the collapse of the two-party system after 2015) exposes the unresolved tensions in the constitutional architecture.

Centralisation. Madrid reasserts authority—Article 155 suspension of Catalan autonomy, fiscal controls on indebted regions, judicial prosecutions of independence leaders, deployment of national police. Each response is legally defensible and politically incendiary in the peripheries.

Peripheral Mobilisation. Identity-based parties in Catalonia, the Basque Country, and Galicia frame Madrid's actions as an assault on self-government. Mass demonstrations, symbolic referendums, and parliamentary declarations of sovereignty follow.

EU Mediation and Constraint. The European Union stabilises the system—structural funds modernise infrastructure, the European Central Bank absorbs fiscal risk—but also enables indefinite deferral by reducing the pressure for constitutional completion. The EU transforms existential territorial conflict into administratively manageable tension.

Accommodation. Fiscal transfers, pardons, fragile coalition governments defuse the immediate crisis without addressing the structural drivers. The equilibrium is restored temporarily, but the underlying tensions accumulate.

Renewed Crisis. The next crisis arrives from a more fragile baseline, with lower trust, deeper resentments, and less political capital available for resolution.

The Cultural Anchor: *Convivencia* + *Las Dos Españas* + *El Aplazamiento*

Spain's governance culture operates through three interlocking logics. *Convivencia*—the art of peaceful coexistence across difference—is a genuine strength but also enables indefinite postponement of resolution. *Las Dos Españas*—the persistent cleavage between secular and religious, left and right, centre and periphery—remains unreconciled after two centuries, generating the cultural energy that fuels the oscillation. *El Aplazamiento*—deferral as a sophisticated conflict-management technology—is adaptive in the short run, preserving relationships and preventing zero-sum outcomes, but structurally destabilising over decades as unresolved variety accumulates.

The Structural Mechanisms

The 1978 Constitution functions as a frozen transition—the deliberate ambiguities that enabled democratisation now prevent constitutional completion. Asymmetric devolution creates a fiscal-territorial trap: the Basque

concierto económico

provides a working model of fiscal autonomy that Catalonia demands and Madrid cannot generalise without bankrupting the state. The judiciary, thrust into the role of constitutional arbiter without adequate institutional legitimacy, becomes a politicised battleground. The EU scaffold absorbs existential risk while enabling the deferral of structural reform—a classic "Shifting the Burden" dynamic.

These primary loop drivers are amplified by additional stresses.

La España Vaciada

—the vast, depopulating interior—transforms the territorial dynamic from a binary centre-periphery struggle into a tripartite reality that any settlement must address. A tourism-heavy economic equilibrium provides just enough precarious employment to suppress systemic crisis without generating the pressure for structural upgrade. Labour market duality locks out the younger generation from the settlement their elders negotiated. Rapid secularisation has weakened traditional cohesion mechanisms faster than new civic frameworks have emerged. The monarchy—constitutionally load-bearing as the symbolic resolution of the Franco legacy—is losing legitimacy. And the climate-driven water crisis creates new territorial conflicts that the existing institutional architecture cannot resolve.

What Building Integrative Closure Capacity Would Look Like

The 1978 Constitution cannot be rewritten directly—the Consensus Machine would block any attempt. The transition architecture must therefore proceed orthogonally: building parallel, adaptive subsystems that create the de facto networked federalism the constitution gestures toward but never delivered.

The EU Conditionality Flip would require cross-boundary inter-regional projects as a condition for accessing a dedicated portion of structural funds—Catalonia, Aragón, and Valencia cooperating on green energy; the Basque Country, Navarre, and La Rioja pooling resources for industrial policy. Networked municipalism and bioregional governance would elevate the power of city-networks and watershed councils that cross autonomous community boundaries. A Parallel Labour Charter—an opt-in framework with portable benefits and flexible-but-secure contracts—would give the younger generation a stake in the economic future without dismantling the protections the older generation depends on. Institutionalised citizens' assemblies, selected by sortition, would generate legitimate public mandates on the toxic territorial financing questions that the partisan system cannot resolve. Constitutional

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—targeted, incremental amendments—would gradually clarify the distribution of powers and establish a genuinely independent constitutional arbiter. And the climate-driven water crisis would be harnessed as a forcing mechanism for functional regional cooperation through watershed councils and inter-regional compacts.

The Political Immune System: The Consensus Machine

Spain's immune system is not a barrier to change added onto a functional state. It is the state's core operating logic—the orientation of political, constitutional, and cultural institutions toward preserving the 1978 settlement's constructive ambiguity, and the treatment of any attempt to resolve that ambiguity definitively as a threat to the

convivencia

that the transition secured. The Consensus Machine is sustained by a political class adapted to permanent negotiation, peripheral nationalist parties whose electoral bases are mobilised by territorial grievance, an older workforce whose permanent contracts would be threatened by structural reform, and EU-dependent

regions whose fiscal viability depends on the continuation of structural fund flows. The constitutional ambiguity itself is the primary immune mechanism: the lack of clarity prevents resolution, and the amendment procedures are prohibitive by design.

The immune system cannot be defeated by frontal assault. It must be outflanked—by building alternative governance mechanisms that bypass the central gridlock, that frame change as continuity, and that honour the transition's achievement while arguing, persuasively, that the best way to preserve what the transition built is to complete the architecture it left unfinished.

A Concrete First Step: The Inter-Regional Compact Fund and the Citizens' Assembly on Territorial Financing

Two parallel institutional innovations target the primary loop drivers directly. An Inter-Regional Compact Fund, embedded within the EU structural funding framework, would make a dedicated portion of funds available only to consortia of three or more autonomous communities submitting genuinely integrated, cross-boundary projects—bypassing the vertical Madrid-Periphery grievance loop through fiscal incentives for horizontal cooperation. A Citizens' Assembly on Territorial Financing—a randomly selected, demographically representative body of Spanish citizens—would deliberate on the fiscal architecture of the multi-level state and produce non-binding but public, reasoned recommendations with a mandatory government response obligation, generating the legitimate public mandates that the Cortes is structurally incapable of producing.

The Honest Conclusion

Spain's trajectory under current conditions is continued oscillation, with the EU scaffold absorbing the worst shocks but also enabling the deferral that prevents resolution. The default is not collapse but permanent limbo—stable, democratic, European, but constitutionally unsettled. Transformation is possible but requires orthogonal interventions that bypass the central gridlock, not a frontal assault on the 1978 settlement. The transition succeeded brilliantly. The task now is to complete what the transition began.

The Series Boundary Condition

Spain is the case that asks:

> *What happens when a governance architecture is deliberately left incomplete—when the foundational questions of territory, identity, and sovereignty are deferred indefinitely in the name of consensus, and the deferral becomes the architecture itself?*

The answer is not collapse but oscillation: periodic crises, temporary accommodations, and a slow erosion of trust that accumulates with each cycle of the loop. Together with Israel—the other case of constitutional incompleteness driven by existential security threat rather than democratic fragility—Spain reveals that unresolved settlement architectures constitute a distinct family of governance traps, each with its own signature loop and characteristic immune response. Spain has mastered the art of transition. The question is whether it can now master the art of settlement—and complete the constitution its founders left unfinished.

Series Coherence Table (Updated)

System	Core Deficit	Signature Pattern	Cultural Anchor	Transition Feasibility
Germany	Execution	Paralysed spending	Engineering rigour	Feasible
France	Integration	Reform-explosion-retreat	Jacobin clarity	Feasible
Sweden	Feedback	Drift loop (signal suppression)	*Saklighet*	Feasible
India	Synchronisation	Leap-lag cycle	*Jugaad*	Feasible
EU	Coherence	Negotiation-dilution	Subsidiarity	Feasible
UK	Control-delivery mismatch	Centralise-fail-centralise	Muddling through	Feasible
Brazil	Accumulation	Breakthrough-Capture	*Jeitinho*	Difficult but possible
Russia	Legibility	Control–Blindness–Shock	*Ne vysovyvaysya*	Impossible under current regime
USA	Integration	Escalate-Block-Bypass-Delegitimise	Bootstrap individualism	Possible via sub-federal
Finland	Throughput Constraint	Anticipate–Consensus–Increment–Pressure	*Sisu* + Quiet Consensus	Feasible
China	Calibration	Campaign–Overshoot–Abrupt Correction	*Míng zhé bǎo shēn*	Difficult; recoverable under current regime
Japan	Continuity Trap (Paradigm Lock-in)	Pressure–Accommodate–Preserve–Defer	*Wa* + *Kaizen* + *Gaman* + *Shouganai*	Feasible with controlled creative destruction
Nigeria	Substrate Deficit (State–Society Dissociation)	Extraction–Dissociation–Adaptation–Crisis	*Oga-Madam* + "The National Cake" + *Jugaad* + Pentecostal Resilience	Generational; feasible via interface-building from below
Israel	Boundary Deficit (Contingency Lock-In)	Threat–Mobilization–Securitization–Fragmentation–Renewed Threat	*Ein Breira* + *Balagan* + Covenant	Difficult; requires constitutional settlement via

System	Core Deficit	Signature Pattern	Cultural Anchor	Transition Feasibility
			Consciousness + *Tikun Olam*	incremental boundary stabilization
Spain	**Integrative Closure Deficit (Transition Trap)**	**Crisis–Centralisation–Peripheral Mobilisation–EU Mediation–Accommodation**	***Convivencia** + ***Las Dos Españas** + ***El Aplazamiento***	**Feasible via orthogonal interventions; unlikely via direct constitutional reform**

Spain is the case that asks:

> *What happens when a governance architecture is deliberately left incomplete—when the foundational questions of territory, identity, and sovereignty are deferred indefinitely in the name of consensus, and the deferral becomes the architecture itself?*

The answer is oscillation without settlement—and the question is whether the resources for settlement can be mobilised before the accumulated costs of ambiguity overwhelm the capacity for coexistence that has sustained the country for four decades. The transition succeeded. The task now is to complete what the transition began.

The Transition Trap: Why Spain's Mastery of Democratic Transition Prevents Constitutional Completion

A field guide to the Crisis–Centralisation–Peripheral Mobilisation–Accommodation Loop — and how Europe's most plurinational democracy can build the integrative closure capacity its constitution never provided

1. The Transition Trap

1.1 Opening: The Nation That Perfected Transition

In the autumn of 2017, Spain confronted the most serious territorial crisis in its democratic history. The Catalan parliament declared independence following a referendum declared illegal by the Constitutional Court. Madrid responded by invoking Article 155 of the Constitution—a provision never before used—suspending Catalan autonomy, dissolving the regional government, and calling fresh elections. The Catalan president fled into exile. Several of his colleagues were arrested, tried, and imprisoned. Millions of Catalans took to the streets. The nation that had once been the exemplar of peaceful democratic transition suddenly found itself applying coercive measures against one of its own regions, in a sequence that felt, to many observers, disturbingly reminiscent of a past the transition had been designed to leave behind.

And yet, within three years, the imprisoned leaders had been pardoned, the dialogue between Madrid and Barcelona had been tentatively restored, and the crisis had receded from its peak—without, however, being resolved. The underlying tensions that had produced the crisis remained untouched. The constitutional architecture remained unchanged. The questions that had provoked the confrontation—What is Spain? Who decides? Can a "nationality" within the Spanish nation exercise self-determination?—remained as unanswered as they had been in 1978, when the Constitution deliberately left them open.

This is the Transition Trap. Spain is not a failing state. It is a state that succeeded brilliantly at its founding task—the peaceful transition from dictatorship to democracy—and is now constrained by that very success. The 1978 Constitution was a masterpiece of constructive ambiguity, deliberately leaving foundational questions unresolved to secure the widest possible consensus among factions that had recently been killing each other. It enabled Spaniards who had been enemies to coexist. It created the institutional framework for a modern welfare state, European integration, and one of the most radical processes of political

decentralisation anywhere in the democratic world. In the course of a single generation, Spain transformed itself from an isolated, authoritarian backwater into a prosperous, pluralist, decentralised European democracy. It was, by any standard, an extraordinary achievement.

Forty-five years later, the ambiguity that made the transition possible has become the architecture of recurring crisis. Spain cannot settle its territorial question. It cannot settle its constitutional question. It cannot settle the relationship between centre and periphery, between unity and diversity, between the legacy of Francoism and the demands of democratic memory. The system oscillates between two incompatible poles—centralising recentralisation and centrifugal assertion—with neither pole capable of achieving full legitimacy. Madrid cannot fully centralise without breaking democratic legitimacy; the peripheries cannot fully secede without breaking economic and geopolitical viability. The system cycles between partially incompatible attractors, and each cycle consumes political capital without producing resolution.

Spain is stable, democratic, European—but constitutionally unsettled. It has mastered the art of transition. It has not yet mastered the art of settlement.

1.2 The Crisis–Centralisation–Peripheral Mobilisation–EU Mediation–Accommodation Loop

Spain does not drift like Sweden, cycle like Brazil, or lurch like Russia. It oscillates between two modes—centralising assertion and centrifugal pushback—with periodic crises that trigger the oscillation and constitutional impasses that prevent its resolution. The loop has been running since the transition itself, but it has intensified significantly since the 2008 financial collapse exposed the unresolved tensions in the territorial architecture.

Crisis. An external shock destabilises the equilibrium. The 2008 global financial crisis and subsequent eurozone debt crisis exposed Spain's fiscal vulnerabilities and triggered a sovereign debt crisis that forced Madrid to impose austerity on the autonomous communities. The 2017 Catalan independence referendum—organised despite the Constitutional Court's prohibition—confronted the state with a direct challenge to its territorial integrity. The fragmentation of the two-party system after 2015 produced five elections in eight years, with coalition governments dependent on the support of peripheral nationalist parties to survive. Each crisis exposes the unresolved fault lines in the constitutional architecture and forces the system into a response.

Centralisation. Madrid reasserts authority. After the 2017 referendum, the central government invoked Article 155, suspended Catalan autonomy, dissolved the regional parliament, and called new elections. The judiciary prosecuted independence leaders, with the Supreme Court handing down sentences of nine to thirteen years for sedition and misuse of public funds. During the eurozone debt crisis, Madrid imposed fiscal controls on indebted regions, centralising budgetary authority that the autonomous communities had

previously exercised. The state deploys national police to Catalonia when tensions rise. Each centralising response is legally defensible, constitutionally grounded, and politically incendiary in the peripheries, where it is experienced as an assault on self-government.

Peripheral Mobilisation. The centralising response triggers a counter-reaction. In Catalonia, mass demonstrations—over a million people in the streets of Barcelona—followed the Supreme Court's sentencing of independence leaders in 2019. The independence movement, organised through civil society organisations like Òmnium Cultural and the Catalan National Assembly, has sustained a persistent mobilisation capacity despite declining support for independence itself (from a peak of approximately 48 percent in 2017 to roughly 38–40 percent in recent polling). In the Basque Country, the pro-independence left (EH Bildu) has become the second-largest party in the regional parliament, though support for full independence remains below 25 percent. In Galicia, the nationalist Bloque Nacionalista Galego has grown steadily. Peripheral mobilisation is not uniform—different regions have different aspirations, different historical grievances, and different relationships to the central state—but the pattern is consistent across the historic nationalities.

EU Mediation and Constraint. The European Union plays a dual role in the loop. It is a stabiliser: structural funds (€140 billion in the 2014–2020 period alone) have modernised Spanish infrastructure and reduced regional disparities; the European Central Bank's purchase of Spanish sovereign debt has kept borrowing costs manageable; and the EU's legal framework constrains both Madrid's coercive options (it cannot violently suppress self-determination movements) and the peripheries' secessionist ambitions (an independent Catalonia would not automatically be an EU member, and Spain would almost certainly veto its accession). But the EU is also a deferral enabler: by absorbing the existential fiscal risk that Spain's structural deficits generate, it reduces the pressure for constitutional completion. The EU transforms existential territorial conflict into administratively manageable tension—and in doing so, it subsidises the cultural habit of *El Aplazamiento*, the deferral of hard choices.

Accommodation. The immediate crisis is defused without the underlying architecture being reformed. In 2021, the central government pardoned the nine imprisoned Catalan leaders—a gesture that reduced immediate tension while satisfying neither the independence movement (which demanded amnesty, not pardon) nor the Spanish right (which regarded the pardons as a betrayal). Fiscal transfers continue to flow from net contributor regions to net recipients, sustaining the territorial equilibrium without addressing the grievances that the fiscal architecture generates. Fragile coalition governments are formed—PSOE with Podemos (2020–2023), PSOE with Sumar (2023–present)—with parliamentary support purchased through concessions to peripheral nationalist parties, most notably the controversial 2023 amnesty law for Catalan independence activists, which the right denounced as a violation of the constitutional order.

Accumulated Tensions. The accommodation stabilises the system temporarily, but the underlying tensions accumulate. Trust between centre and periphery erodes slightly further. The political polarisation deepens. The next crisis—an economic shock, a judicial ruling on Catalan autonomy, a fiscal confrontation, a royal scandal, a water crisis driven by climate change—arrives from a more fragile baseline, with less political capital available for resolution and deeper resentments on all sides. The loop repeats.

This is not a failure of democracy. It is the predictable output of an architecture that was designed to manage ambiguity and that succeeded so thoroughly at that purpose that it never developed the capacity to resolve the ambiguity into a stable settlement.

1.3 The Integrative Closure Deficit Defined

The Transition Trap is not a classic governance failure of the kind this series has diagnosed elsewhere. It is not an execution deficit (Germany), an integration deficit (France or the United States), a feedback deficit (Sweden), a paradigm lock-in (Japan), or a substrate deficit (Nigeria). It is something more specific: an

integrative closure deficit

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Spain does not lack democratic legitimacy. It does not lack institutional capacity. It does not lack social resilience or economic dynamism. It possesses one of the most decentralised governance structures in Europe—seventeen autonomous communities with extensive powers over education, healthcare, policing, and cultural policy—a vibrant civil society, a deeply embedded cultural capacity for coexistence across difference (

convivencia

), and the demonstrated ability to negotiate complex multi-party agreements (the coalition governments since 2019 have been, by Spanish historical standards, remarkably durable).

What Spain lacks is the capacity to

metabolise its own pluralism into stable shared institutions

—to close the loop between recognising diversity and integrating it into a coherent multi-level governance architecture. Pluralism has been recognised, devolved, and constitutionally protected. What has not been achieved is the integrative closure that would transform that pluralism from a source of permanent political tension into a settled constitutional equilibrium.

The 1978 Constitution gestures toward this closure. It affirms both "the indissoluble unity of the Spanish nation" and "the right to autonomy of the nationalities and regions." It creates a framework within which different territories can exercise different levels of self-government. It even contains, implicitly, the possibility of asymmetric federalism—a differentiated distribution of powers that acknowledges the distinct identities of the historic nationalities while preserving the coherence of the whole. But the Constitution never specifies what happens when these principles conflict. It provides no clear mechanism for adjudicating disputes between the centre and the autonomous communities. It establishes no genuinely independent constitutional arbiter with the authority to resolve the territorial question definitively. The ambiguities that were necessary for the transition have become the operating system for permanent oscillation.

The Integrative Closure Deficit is not a failure of the transition. It is a consequence of the transition's success. The founders deferred the hardest questions—about territory, identity, and sovereignty—because answering them would have threatened the fragile consensus on which democratisation depended. Their choice was

rational. Their success was real. But the deferral became permanent, and the permanence of the deferral is now the central governance dynamic of the Spanish state.

1.4 The Twin Deficits

Aspect	Outer (Hardware)	Inner (Operating System)
Strength	Asymmetric devolution to 17 autonomous communities with extensive powers; EU integration as stabilising fiscal and legal scaffold; functional welfare state and modern infrastructure in core regions	High capacity for *convivencia*—peaceful coexistence across deep cultural, linguistic, and political differences; democratic resilience forged in the transition from dictatorship; pluralistic tolerance embedded in institutional practice
Deficit	Incomplete multi-level constitutional architecture: ambiguous distribution of powers between state and autonomous communities, fiscal-territorial imbalances that generate permanent grievance, judicialisation of political conflicts in the absence of a clear constitutional arbiter	Integrative closure gap: the inability to metabolise recognised pluralism into stable, legitimate shared institutions; *Las Dos Españas*—the persistent cleavage between secular and religious, left and right, centre and periphery—remains unreconciled; *El Aplazamiento*—the culturally embedded practice of deferring hard choices—converts structural tensions into accumulated pressures
Manifestation	Permanent fiscal tension between net contributor regions (Catalonia, Madrid) and net recipients; courts as politicised battlegrounds for territorial disputes; five general elections in eight years (2015–2023); Article 155 invoked for first time in democratic history (2017)	Oscillation between centralising recentralisation and centrifugal assertion; stable, democratic, European, but constitutionally unsettled; each accommodation defuses immediate crisis while deepening long-term polarisation

1.5 The Israel Comparison — Two Paths to Constitutional Incompleteness

Israel and Spain represent two variants of what this series has elsewhere diagnosed as the Boundary Deficit. Both states adopted foundational frameworks that deliberately deferred the most divisive questions—Israel through the Harari Resolution of 1950, which postponed the constitution indefinitely; Spain through the 1978 Constitution's constructive ambiguity, which left territorial and identity questions unresolved. In both cases, the founders' pragmatism succeeded at the immediate task (state survival in Israel, democratic transition in Spain) while creating a structural incapacity for long-term settlement.

But the nature of the incompleteness differs in instructive ways. Israel's constitutional deferral is driven by existential security threat and deep religious-secular divides; its immune system—the Security First Responder—is active and securitising, treating any deviation from security-first logic as an existential threat.

Spain's constitutional deferral is driven by democratic fragility and territorial pluralism; its immune system—the Consensus Machine—is passive and preserving, treating any attempt to force resolution as a threat to the *convivencia* that the transition secured. Israel runs hot; Spain runs cool. Both oscillate without settlement. Both accumulate the costs of deferral over time. The comparison reveals that constitutional incompleteness is not a single phenomenon but a family of unresolved settlement architectures, each with its own signature loop and its own characteristic immune response.

1.6 The EU Scaffold — and Why It's Weakening

The European Union has been the single most important external factor in Spain's governance evolution since 1986. EU membership provided the structural funds that modernised Spanish infrastructure, the macroeconomic framework that disciplined fiscal policy, and the supranational identity that softened the sharp edges of internal sovereignty conflicts. For Catalonia and the Basque Country, the EU offered a political arena in which regional interests could be pursued without requiring the rupture of the Spanish state. For Madrid, the EU provided a fiscal backstop that absorbed the worst shocks of the 2008 crisis. The EU scaffold transformed what might have been an existential territorial crisis into a set of administratively manageable tensions.

But the scaffold is under pressure. The EU's own coherence challenges—democratic backsliding in member states, unresolved tensions around eastward enlargement, the rise of Eurosceptic political forces, and the fiscal conservatism of northern member states—mean that the external stabiliser on which Spain has relied may be less reliable in the future than it has been in the past. Spain has been betting its territorial stability on an EU that is more integrated than it currently is. If EU integration stalls, or if the fiscal transfers that sustain Spain's regional equilibrium are reduced, the external coherence scaffold weakens precisely when internal territorial pressures—driven by climate change, demographic hollowing, and generational political realignment—are intensifying. The EU bought Spain time. It did not buy Spain a permanent solution. The bill for that deferral is coming due.

1.7 The Genuine Strengths

To diagnose the Transition Trap is not to diminish what Spain has achieved. The peaceful transition from dictatorship to democracy remains one of the most remarkable governance accomplishments of the late twentieth century. The decentralisation of power to seventeen autonomous communities transformed one of Europe's most hyper-centralised states into one of its most decentralised, bringing government closer to citizens and enabling linguistic and cultural diversity to flourish within a common democratic framework. The welfare state, built rapidly in the decades after accession to the European Community, provides universal healthcare, education, and social protection that are, by any comparative standard, successful. Spain's civil

society is vibrant, its press is free, its elections are competitive, and its constitutional court, for all the controversy surrounding its role, has provided a forum for adjudicating disputes that might otherwise have escalated into confrontation.

Moreover, there are genuine evolutionary vectors at work. The coalition governments since 2019—while fragile and dependent on complex parliamentary arithmetic—have demonstrated that Spain's fragmented party system can produce negotiated governance rather than permanent paralysis. The Basque Country's

concierto económico

provides a working model of asymmetric fiscal autonomy that could, in principle, be adapted to other territories. Catalonia's innovation clusters in biotechnology, renewable energy, and digital services represent genuine economic dynamism. Inter-regional cooperation, while underdeveloped, is not absent—experiments in joint renewable energy projects, shared cultural initiatives, and cross-boundary municipal networks suggest the latent potential for the horizontal integration that the vertical constitution cannot mandate.

These are not marginal achievements. They are the substrate on which integrative closure could build. The question is whether they can be mobilised before the accumulated costs of ambiguity overwhelm the system's capacity to manage them.

1.8 The Real Question

The standard governance reform agenda—strengthen institutions, reduce corruption, improve service delivery, deepen democracy—does not address Spain's central challenge, because Spain's institutions are already functional, its service delivery is already effective, and its democracy is already, in many respects, vibrant. The problem is not that the system fails to perform its basic functions. It is that the system's foundational operating parameters—the territorial distribution of power, the fiscal architecture of the multi-level state, the relationship between national unity and plurinational diversity—were deliberately left unresolved in 1978, and the architecture for resolving them has never been built.

The real question, then, is not "how can Spain govern better?" but "how can Spain complete the settlement its founders deferred—building the integrative closure capacity that the 1978 Constitution never provided, before the accumulated costs of ambiguity overwhelm the system's capacity to manage them?" The transition succeeded brilliantly. The task now is to complete what the transition began.

2. The Integrative Closure Deficit: Structural Mechanisms

2.1 What "Integrative Closure" Means

Every governance architecture must perform two functions that exist in productive tension. It must *differentiate*—distribute authority, recognise diversity, allow local variation, create spaces for distinct identities to express themselves institutionally. And it must *integrate*—coordinate across differences, maintain the coherence of the whole, resolve disputes between levels and regions, and sustain a shared framework within which differentiation can occur without fragmenting the polity.

Most stable democracies resolved these two functions over long periods of constitutional evolution, often through conflict. The United States fought a civil war before settling the relationship between federal authority and states' rights. The United Kingdom's devolution settlements were negotiated over decades, and the tensions they generate remain live. Germany's federal architecture was designed under Allied occupation with the explicit purpose of preventing the centralisation that had enabled Nazism. In each case, differentiation and integration eventually reached a constitutional equilibrium—contested, imperfect, but broadly stable.

Spain is the case where the two functions were deliberately held apart. The 1978 Constitution created an elaborate framework for differentiation—the autonomous communities, the asymmetric devolution of powers, the recognition of "nationalities and regions"—while leaving the integration function largely unspecified. The Constitution affirms the "indissoluble unity of the Spanish nation" but provides no institutional mechanism for maintaining that unity when it is challenged beyond the ordinary operation of law. It distributes powers to the autonomous communities but provides no clear hierarchy for resolving conflicts between central and regional authority. It establishes a Constitutional Tribunal but does not grant it the explicit, uncontested authority to adjudicate the deepest territorial questions. The architecture differentiates. It does not integrate.

Integrative closure is the capacity to close this loop—to metabolise recognised pluralism into stable, legitimate, shared institutions. It is not the suppression of diversity in the name of unity, nor the dissolution of the centre in the name of self-determination. It is the construction of a constitutional framework within which both unity and diversity can coexist without either pole periodically attempting to eliminate the other. Spain's governance architecture never developed this capacity, because developing it would have required answering the very questions the founders deliberately left open.

2.2 The 1978 Constitution as Frozen Transition

The Spanish Constitution of 1978 was drafted under extraordinary conditions. Franco was dead, but the institutions of the dictatorship remained largely intact. The political spectrum ranged from unreconstructed Francoists to Eurocommunists, from centralist nationalists to Basque and Catalan separatists, from defenders of the monarchy to advocates of a radical break with the past. The threat of military intervention—demonstrated dramatically in the 1981 coup attempt—was real and present throughout the transition period. The constitution that emerged from this process was, necessarily, a document of compromise. But it was a specific kind of compromise: a deliberate decision to defer the most divisive questions in order to secure agreement on the framework within which they could later be resolved.

The key ambiguities are well known. Article 2 affirms both "the indissoluble unity of the Spanish nation" and "the right to autonomy of the nationalities and regions that make it up"—without specifying how these principles are to be reconciled when they conflict. The constitution recognises the existence of "nationalities" within Spain, but it does not define what a nationality is, what rights attach to that status, or how the claims of a nationality relate to the sovereignty of the Spanish people as a whole. The distribution of powers between the central state and the autonomous communities is governed by Articles 148 and 149, which list the competences each level may exercise, but the lists are not exhaustive, and the Constitutional Tribunal has spent decades adjudicating disputes that the text itself does not resolve.

The constitution also contains no mechanism for its own evolution on territorial questions. It can be amended—Article 167 provides a standard procedure, Article 168 an aggravated procedure for fundamental changes—but the aggravated procedure is so demanding (two-thirds majorities in both chambers, dissolution of parliament, a new election, ratification by referendum) that it has never been successfully used. The result is a constitutional text that, in its territorial dimensions, is frozen in the political conditions of 1978. It reflects the balance of forces that existed during the transition—the need to reassure the Francoist right that national unity would be preserved, the need to accommodate the historic nationalities sufficiently to secure their participation—but it cannot adapt to the balance of forces that has emerged over four decades of democratic evolution.

The frozen constitution is not a failure of the transition. It was the transition's enabling condition. The founders understood that attempting to resolve the territorial question definitively in 1978 would have destroyed the fragile consensus on which democratisation depended. They made a calculated choice: secure the transition first, defer the settlement, and trust that future generations would complete the architecture. The calculation succeeded brilliantly at its immediate purpose. It has failed at its long-term purpose, because the mechanisms for completing the architecture were never built, and the political conditions for building them have, if anything, deteriorated over time.

2.3 Asymmetric Devolution and the Fiscal-Territorial Trap

Spain's process of devolution was deliberately asymmetric. Three "historic nationalities"—Catalonia, the Basque Country, and Galicia—had approved autonomy statutes under the Second Republic in the 1930s, before Franco's victory annulled them. The 1978 Constitution recognised this history by creating a "fast track" to autonomy (Article 151) for these territories, while other regions followed the "slow track" (Article 143). Andalusia, after a massive popular mobilisation, was also admitted to the fast track, but the asymmetry persisted. Over time, the competences of the various autonomous communities have partially converged, but the symbolic and fiscal dimensions of asymmetry remain profound.

The most consequential asymmetry is fiscal. The Basque Country and Navarre operate under the *concierto económico* (economic agreement), a quasi-confederal fiscal arrangement rooted in medieval charters (*fueros*) that were recognised in the nineteenth century and restored after Franco. Under the *concierto*, the Basque and Navarrese authorities collect their own taxes, manage their own fiscal administration, and transfer a negotiated amount—the *cupo*—to the central government to cover common services such as defence, foreign affairs, and the monarchy. The arrangement is not a fixed formula; it is periodically renegotiated, and each negotiation is a high-stakes political confrontation. But the principle is clear: the historic territories retain fiscal sovereignty and pay Madrid for the services they receive.

Catalonia, the other major historic nationality with a comparable GDP per capita and a comparable sense of national distinctiveness, operates under the common regime. Under this system, Madrid collects most taxes—income tax, VAT, corporate tax—and redistributes them to the autonomous communities according to a complex formula that accounts for population, need, and fiscal effort. Catalonia, as one of the wealthiest regions in Spain, is a net contributor to the system. It pays more in taxes than it receives in central government expenditure, and the gap—estimated at approximately €16 billion annually, though the exact figure is contested—has become the central grievance of Catalan fiscal politics.

"

España nos roba

"—Spain steals from us—is the crude but effective slogan that captures the Catalan perception. The reality is more complex: Catalonia benefits from being part of a larger market, from the redistribution that sustains poorer regions that purchase Catalan exports, and from the fiscal backstop that the Spanish state provides. But the perception of fiscal exploitation is politically potent because it resonates with a deeper narrative of national grievance—a nation that contributes disproportionately and receives disproportionately little in return, governed by a state that does not recognise its nationhood.

Madrid's position is equally entrenched. Generalising the *concierto económico* to Catalonia—or to any other net contributor region—would deprive the central state of a substantial portion of its revenue base. If Madrid, Andalusia, Valencia, and Catalonia all operated under *concierto*-type arrangements, the Spanish state as currently constituted would be fiscally unviable. The solidarity mechanisms that sustain poorer regions—

Extremadura, Castile-La Mancha, parts of Andalusia—would collapse. The central government therefore has a structural interest in maintaining the current arrangement, in which the Basque exception is tolerated as an historical anomaly but the common regime remains the norm for everyone else.

The result is permanent fiscal tension without resolution. Catalonia demands a

concierto

-type arrangement; Madrid cannot grant it without triggering a cascade of similar demands from other regions and undermining the fiscal foundations of the state. The tension is built into the architecture and cannot be resolved within it.

2.4 The Judiciary as De Facto Constitutional Arbiter

In a constitutional democracy, the judiciary serves as the neutral arbiter of disputes between levels of government and between citizens and the state. Spain's judiciary has been thrust into a role for which the constitution never adequately prepared it: serving as the primary institutional mechanism for managing the territorial conflict.

The Constitutional Tribunal and the Supreme Court have been called upon repeatedly to adjudicate the most politically charged questions in Spanish public life. The 2010 Constitutional Tribunal ruling on the reformed Catalan Statute of Autonomy, which struck down or reinterpreted fourteen articles—including provisions that described Catalonia as a "nation" and established preferential use of Catalan in public administration—was a watershed moment. The Statute had been approved by the Catalan parliament, by the Spanish Cortes, and by the Catalan people in a referendum. The Tribunal's decision to substantially rewrite it was experienced by many Catalans as a profound democratic injury—an institution of the central state overriding the expressed will of the Catalan people.

The 2017 referendum crisis intensified the judicialisation of politics. The Constitutional Tribunal declared the referendum illegal before it was held. The Supreme Court subsequently tried and convicted the organisers, handing down sentences that shocked international observers and mobilised the Catalan independence movement. The courts have also ruled consistently against Catalan sovereignty declarations, Basque autonomy expansions, and other peripheral assertions that challenge the unitary interpretation of the constitution.

From the perspective of the central state, the judiciary is performing its constitutional function: enforcing the law, protecting the constitutional order, and ensuring that no territory can unilaterally alter the terms of the settlement. From the perspective of the peripheries, the judiciary has become an instrument of central state power—a political actor dressed in judicial robes, enforcing a unitary vision of Spain that the constitution does not unambiguously endorse and that significant portions of the population do not accept.

The problem is structural, not personal. The Spanish constitution, unlike Germany's Basic Law or the United States Constitution, does not establish a genuinely federal court with the explicit authority to adjudicate centre-periphery disputes as between co-equal levels of government. The Constitutional Tribunal's composition is determined by the central political institutions—the Congress, the Senate, the Government, and the General Council of the Judiciary—with no formal role for the autonomous communities. Its members are appointed for nine-year terms and are not easily removed, but the appointment process itself is political, and the perception of the Tribunal as an instrument of the central state is widespread in the peripheries. When the only institution capable of resolving the territorial conflict is perceived by one side as an agent of the other, the conflict becomes irresolvable within the existing institutional framework.

2.5 The EU as Deferral Enabler

The European Union's role in Spain's governance evolution is complex and deeply ambivalent. On one hand, the EU has been the single most important external factor enabling Spain's modernisation and stabilisation since accession in 1986. Structural funds transformed Spanish infrastructure—high-speed rail, motorways, airports, water treatment facilities—and reduced regional disparities, albeit unevenly. The single market integrated the Spanish economy into European supply chains, attracting foreign investment and accelerating the growth of globally competitive firms. The euro, despite its costs during the sovereign debt crisis, provided monetary stability and eliminated currency risk. And the EU's institutional framework—the Committee of the Regions, the principle of subsidiarity, the recognition of regional diversity—legitimised the autonomous communities' participation in European governance, giving Catalonia, the Basque Country, and other regions a political arena in which they could pursue their interests without requiring the rupture of the Spanish state.

On the other hand, the EU has functioned as a classic "Shifting the Burden" mechanism in systems dynamics terms. The symptom—Spain's fiscal vulnerability, its territorial tensions—receives a temporary treatment from the external system, which reduces the immediate pressure for the internal system to address the underlying structural condition. The European Central Bank's purchase of Spanish sovereign debt during the eurozone crisis kept borrowing costs manageable and averted a sovereign default. EU fiscal rules imposed discipline on regional spending but did not address the underlying fiscal-territorial architecture that generates permanent grievance. The EU's legal and political framework constrains both secessionist ambitions (an independent Catalonia would not automatically be an EU member) and centralist repression (Madrid cannot use the levels of force against its own citizens that would trigger EU sanctions), creating a zone of managed tension in which neither pole can achieve its maximalist objectives.

The EU has, in effect, transformed what might have been an existential territorial crisis into a set of administratively manageable tensions. This is a genuine achievement. But it has also reduced the urgency of constitutional completion. Why would Madrid risk reopening the territorial settlement when the EU's fiscal backstop and legal framework prevent the worst outcomes? Why would Catalonia pursue a genuinely

confrontational independence strategy when the EU provides a framework within which its interests can be partially pursued without the catastrophic costs of secession? The EU scaffold enables both sides to maintain their positions without forcing either to confront the long-term implications of those positions.

The vulnerability in this arrangement is that the scaffold itself is under pressure. The EU's own coherence challenges—the rule-of-law crises in Hungary and Poland, the unresolved tensions around eastward enlargement, the rise of Eurosceptic political forces in multiple member states, and the fiscal conservatism of northern creditor countries—mean that the external stabiliser on which Spain has relied may be less reliable in the future than it has been in the past. Spain has been betting its territorial stability on an EU that is more integrated than it currently is. If EU integration stalls, or if the fiscal transfers that sustain Spain's regional equilibrium are reduced, the external coherence scaffold weakens at the very moment when internal territorial pressures are intensifying.

2.6 The Cultural Operating System: *Convivencia*, *Las Dos Españas*, and *El Aplazamiento*

Spain's governance culture operates through three interlocking logics that together explain both the remarkable resilience of the democratic order and its structural incapacity for integrative closure.

Convivencia

— The Art of Peaceful Coexistence. The Spanish capacity for *convivencia*—literally "living together"—is a genuine cultural achievement with deep historical roots. It draws on the medieval experience of Muslims, Christians, and Jews coexisting (however imperfectly and however violently interrupted) on the Iberian peninsula. It was forged anew during the transition, when political factions that had recently been killing each other negotiated a shared constitutional framework. And it is reproduced daily in the practical reality of linguistic and cultural pluralism—Catalans who speak both Catalan and Spanish, Basques who navigate between Euskera and Castilian, Galicians who maintain their distinct cultural identity within the Spanish state.

Convivencia is Spain's greatest strength as a pluralist democracy. It is the cultural capacity that enables people with profoundly different visions of what Spain is and should be to share a common civic space without constant conflict. But it also has a governance cost. *Convivencia* enables the indefinite postponement of resolution. Coexistence without closure, tolerance without integration—the cultural habit of managing difference by not forcing it to resolution. Why settle the territorial question when Spaniards of different identities can coexist perfectly well without settling it? *Convivencia* makes ambiguity liveable. It also makes ambiguity permanent.

Las Dos Españas

— The Persistent Cleavage. The phrase, coined by the poet Antonio Machado in the early twentieth century, captures a cultural fault line that runs through Spanish history. "One Spain freezes your heart; the other Spain burns it"—*una España que se hiela, otra España que se abrasa*. The division is not a single ideological axis

but a compound cleavage: secular versus religious, modernising versus traditional, liberal versus conservative, centralist versus federalist, urban versus rural, left versus right. It generated the Carlist Wars of the nineteenth century. It exploded into the Civil War of 1936–1939. It was suppressed but not resolved during the Franco dictatorship. And it re-emerged, partially tamed but structurally intact, in the democratic transition.

The constitutional settlement of 1978 was an attempt to transcend

Las Dos Españas

. The transition's architects, many of whom had experienced the Civil War or its aftermath, designed a framework that would allow both Spains to coexist within the same democratic order. The monarchy would serve as a unifying symbol above the partisan fray. The autonomous communities would accommodate territorial diversity within a common national framework. The constitution's constructive ambiguity would allow each side to believe that the settlement leaned in its direction.

The attempt succeeded in preventing a return to violence. It did not succeed in resolving the underlying cleavage.

Las Dos Españas

re-emerged in the partisan polarisation of the 1990s and 2000s, in the territorial confrontations of the 2010s, and in the emergence of a radical right (Vox) that explicitly rejects the transition's consensus. The two Spains are now embedded in the party system, the media environment, and the territorial architecture. They do not merely disagree on policy; they disagree on the nature of the state itself. And the constitutional framework provides no mechanism for resolving that disagreement, because the framers, understandably, chose ambiguity over resolution.

El Aplazamiento

— The Art of Deferral. *El Aplazamiento*—postponement, the art of kicking the can down the road—is the most specifically Spanish contribution to the cultural operating system of governance. It is not mere procrastination or avoidance. It is a sophisticated conflict-management technology, refined over centuries of managing deep cultural and territorial diversity without the institutional capacity to resolve it definitively.

El Aplazamiento enabled the transition itself. Rather than confront the crimes of the Franco regime, the political class agreed to an implicit pact of forgetting—*el pacto del olvido*—that allowed the transition to proceed without the retributive justice that might have torn the fragile democracy apart. Rather than define Spain's territorial architecture definitively, the constitution established a flexible framework that could evolve over time, trusting that evolution would produce the settlement that the founders could not. Rather than resolve the fiscal question permanently, successive governments negotiated ad hoc accommodations—transfers, pardons, coalition agreements—that defused immediate crises without addressing the structural drivers.

The problem with *El Aplazamiento* is not that it is dishonest. It is that it is accumulative. Ambiguity initially absorbs variety—the range of unresolved tensions is contained within a flexible framework that avoids zero-sum confrontation. But over decades, the unresolved variety accumulates. Each deferral adds to the stock of unresolved tensions. Each accommodation that preserves the surface equilibrium deepens the underlying structural contradictions. *El Aplazamiento* is adaptive in the short run and structurally destabilising over the long run. Spain has been deferring its hardest questions for forty-five years. The bill for those deferrals is growing, and the institutional capacity to pay it is not.

2.7 Stress Amplifier:

La España Vaciada

— The Tripartite Territorial Reality

The dominant narrative of Spain's territorial conflict frames it as a binary struggle between the centre (Madrid) and the rich, assertive peripheries (Catalonia, the Basque Country). This framing captures the most visible dimension of the conflict. It misses a third pole that is increasingly shaping Spanish politics:

La España Vaciada

—the Emptied Spain.

The Spanish interior—the autonomous communities of Castile and León, Castile-La Mancha, Extremadura, Aragón, and parts of Andalusia and Galicia—has been undergoing slow-motion demographic collapse for decades. Young people leave for Madrid, Barcelona, or the coastal cities. Villages empty. Schools close. Medical services are consolidated into ever-larger, ever-more-distant centres. The population density of Soria, in Castile and León, is lower than that of Lapland. Teruel, in Aragón, has become a symbol of the phenomenon—a province so depopulated that it generated its own political movement,

Teruel Existe

, to demand that the state address its existential crisis.

Madrid is the primary metabolic sink. The capital absorbs human capital, investment, infrastructure, and cultural attention from both the periphery and the interior. It is the fastest-growing major region in Spain, the primary destination for internal migration, and the overwhelming centre of political, economic, and media power. Its dynamism comes partly at the expense of the territories it drains.

The tripartite nature of Spain's territorial reality complicates any attempt at integrative closure. A constitutional settlement that addresses only the Madrid-Barcelona axis—that grants Catalonia greater fiscal autonomy, for example—will generate resentment in the interior, which will demand comparable treatment. A settlement that compensates the interior through increased fiscal transfers will intensify the grievances of net contributors like Catalonia. The binary framing that dominates Spanish political discourse—unity versus independence, centre versus periphery—obscures the tripartite dynamic that makes the binary irresolvable.

2.8 Stress Amplifier: Tourism-Heavy Economic Equilibrium

Spain's tourism and hospitality sector accounts for roughly 12–14 percent of GDP and is a major employer, particularly in the coastal regions and the islands. The sector is genuinely successful—Spain is one of the world's most visited countries, and its tourism infrastructure is among the most developed anywhere. But the structural reliance on tourism as a primary economic engine creates a specific governance dynamic that amplifies the Transition Trap.

Tourism provides a significant volume of low-wage, seasonal, and precarious employment. This employment acts as a systemic sedative: it absorbs enough of the labour force to prevent the levels of unemployment that would generate acute social crisis, but it does so at wages and under conditions that do not create the stable, high-productivity economic base that would generate the pressure for structural governance reform. The tourism-heavy equilibrium enables survival without upgrade.

Moreover, tourism is highly vulnerable to external shocks—the 2008 financial crisis, the COVID-19 pandemic—and its benefits are unevenly distributed. The Balearic and Canary Islands, the Costa del Sol, and Barcelona receive the bulk of tourism revenue; the interior receives relatively little. The tourism economy thus reinforces the territorial imbalances it does not cause, channelling economic activity toward already-dynamic coastal regions while the interior continues to empty.

This is not to suggest that Spain lacks other economic strengths. The automotive sector, renewable energy, pharmaceuticals, logistics, and financial services are all significant and, in some cases, world-class. But the structural weight of tourism in the Spanish economy—and the political economy of a sector that employs large numbers of voters in strategically important regions—creates a constituency for the low-productivity equilibrium that the Transition Trap perpetuates.

2.9 Stress Amplifier: Labour Market Duality as Generational Lock-Out

Spain's labour market is structurally divided between insiders and outsiders. Older workers, particularly those who entered the workforce before the 1990s labour reforms, typically hold permanent contracts (*contratos indefinidos*) with strong protections against dismissal, generous severance requirements, and the accumulated benefits of seniority. Younger workers, particularly those entering the workforce since the 2008 crisis, are disproportionately employed on temporary contracts (*contratos temporales*) with minimal job security, limited benefits, and few prospects for transition to permanent status.

This duality is not an accident of market forces. It is a product of deliberate policy choices that have protected the interests of the older, more politically powerful generation at the expense of the younger, less mobilised one. Successive labour reforms have liberalised the conditions for temporary employment while leaving permanent employment protections largely intact, creating a two-tier system in which flexibility is borne by the young and security is preserved for the old.

The generational dimension of this dualism is critical to the Transition Trap. The post-1978 settlement was negotiated by a generation that had experienced the Civil War and the dictatorship and that valued stability, consensus, and the avoidance of existential confrontation above all else. That generation is now retiring. The generation entering the workforce—the

mileuristas

of the 2000s, the precariat of the 2010s and 2020s—has no memory of Franco, no emotional investment in the transition's compromises, and no expectation that the system will deliver the stability and prosperity it delivered to its parents. The labour market dualism is the most tangible expression of a broader generational contract breach: the system protects those who built it and offers precarity to those who must inherit it.

The political consequences are already visible. Younger voters are more likely to support parties that challenge the transition consensus—Podemos and Sumar on the left, Vox on the radical right, the independence parties in the peripheries. They are less likely to vote at all. The generational lock-out does not merely suppress the pressure for reform; it channels that pressure toward antisystem political forces that threaten to destabilise the constitutional order without offering a viable alternative to it.

2.10 Stress Amplifier: Rapid Secularisation and Civic Cohesion Gap

Spain underwent one of the most rapid and comprehensive secularisations in modern European history. Under Franco, the Catholic Church was a central pillar of the regime—legitimising the dictatorship, controlling education, enforcing social conservatism, and shaping public morality through its near-monopoly on spiritual life. Within a single generation after Franco's death, Spain transformed from one of the most religiously observant societies in Europe to one of the most secular. Church attendance collapsed. The number of priests and religious vocations plummeted. Same-sex marriage was legalised in 2005, making Spain one of the first countries in the world to do so. The Church's public authority, once hegemonic, is now marginal.

This transformation was, in many respects, a liberation. It freed Spanish society from the authoritarian moralism of the Franco era and enabled the flourishing of pluralist, progressive values. But the rapidity of the change also created a civic cohesion gap. The Catholic Church had provided—alongside its authoritarian political functions—a shared symbolic framework, a network of community institutions, a calendar of collective rituals, and a moral vocabulary that transcended partisan and territorial divisions. When that framework collapsed, it was not replaced by new civic institutions of comparable reach and depth. The secular associations, the civic networks, the shared narratives that in other European societies had developed over centuries of gradual secularisation did not have time to develop in Spain.

The result is not that Spanish society has become atomised—the continued vitality of family networks, neighbourhood associations, and cultural organisations belies that characterisation. But the shared symbolic framework that once provided a degree of cohesion across Spain's deep internal divisions has weakened, and the vacuum has been partially filled by hyper-partisan political identities.

Las Dos Españas

and the territorial identities of the historic nationalities have become, for many Spaniards, the primary vehicles for meaning and belonging in a post-Catholic landscape. Politics has become the arena in which existential identity is negotiated, because the traditional arenas for that negotiation—religious, cultural, communal—have receded. This intensifies the stakes of every political confrontation, making the integrative closure that Spain requires more difficult to achieve.

2.11 Stress Amplifier: The Monarchy as Contested Symbol

The Spanish monarchy occupies a unique position in the constitutional architecture. Juan Carlos I was appointed by Franco as his successor, but he then played a decisive role in the democratic transition—most dramatically in 1981, when his televised address to the nation, in full military uniform, condemned the attempted coup and rallied the armed forces to the constitutional order. That act gave the monarchy a democratic legitimacy that no other Franco-era institution possessed. For decades, the Crown was the most trusted institution in Spain—above the political parties, above the judiciary, above the parliament.

That legitimacy has been comprehensively eroded. Juan Carlos I's personal conduct—the corruption scandals, the undisclosed wealth, the elephant-hunting trip to Botswana during the financial crisis—destroyed the moral authority he had accumulated during the transition. He abdicated in 2014 in favour of his son, Felipe VI, who has conducted himself with far greater probity. But Felipe VI's approval ratings, while significantly higher than his father's, hover around 55 percent—a level that would be concerning for any head of state but is particularly problematic for a monarch whose role is constitutionally load-bearing.

The monarchy matters to the Transition Trap because it is the symbolic resolution of the Franco question. The Crown represents the continuity of the state across regime change, the legitimacy of the transition's compromises, and the unity of the Spanish nation—all in a single institution that stands above the partisan fray. When that institution loses legitimacy, the symbolic architecture of the transition weakens with it. The monarchy becomes another contested terrain in the unresolved struggle over Spain's past and future, another front in the

Las Dos Españas

cultural war. And the question that the transition deferred—whether Spain is fundamentally a unitary nation or a union of nations, and who gets to decide—becomes even harder to resolve when the symbol meant to transcend that question has itself become contested.

2.12 Stress Amplifier: Water Rights and Climate-Driven Territorial Stress

The Tajo-Segura water transfer is arguably Spain's most bitterly contested territorial governance issue after Catalonia, and unlike the Catalan question, it is entirely climate-driven. The transfer moves water from the upper Tagus River basin in Castile-La Mancha to the Segura River basin in Murcia, Alicante, and Almería—some of the driest and most agriculturally productive regions in Europe. The transfer has been in operation since 1979 and has transformed the economy of southeastern Spain, enabling the development of intensive irrigated agriculture that supplies European markets with fruits and vegetables year-round.

The transfer also generates permanent grievance in Castile-La Mancha, which sees its water resources diverted to sustain economic activity elsewhere while its own communities depopulate. The grievance is intensified by the perception that the water is being used to subsidise an environmentally unsustainable agricultural model—irrigated crops in what is essentially a desert—while the source region receives inadequate compensation. The politics of water in Spain is a microcosm of the broader territorial dynamic: a centralised decision (the transfer was authorised by the central government), a region that perceives itself as exploited, a conflict that cuts across party lines and autonomous community boundaries, and no institutional mechanism for resolving the underlying distributional question.

Climate change will intensify this dynamic. Spain is one of the European countries most vulnerable to desertification, declining rainfall, and rising temperatures. TheTagus basin's water levels are projected to decline significantly over the coming decades. The agricultural model of the southeast, already dependent on a water transfer that is ecologically fragile, will become increasingly unsustainable. The competition over water will intensify, and the autonomous community structure—which was designed for a different set of challenges—lacks the institutional capacity to manage transboundary water conflicts. Water does not respect the constitutional map of 1978, and the constitution provides no mechanism for the cooperative governance of water resources across autonomous community boundaries.

2.13 How the Mechanisms Reinforce Each Other — and Fuel the Loop

The structural mechanisms described in this section are not a list of separate problems, each amenable to its own targeted intervention. They are an integrated system, and the system's output is the Crisis–Centralisation–Peripheral Mobilisation–EU Mediation–Accommodation Loop with Accumulated Tensions.

The frozen constitution (2.2) prevents the resolution of the territorial question. The asymmetric fiscal architecture (2.3) generates permanent grievance in both net contributor and net recipient regions. The judiciary (2.4), thrust into the role of constitutional arbiter, becomes politicised and loses legitimacy in the peripheries. The EU (2.5) provides a fiscal and legal scaffold that prevents collapse but also enables indefinite deferral of structural reform. The cultural operating system—*convivencia*, *Las Dos Españas*, *El Aplazamiento* (2.6)—makes ambiguity liveable while converting structural tensions into accumulated pressures.

These primary drivers are amplified by the stresses that the Spanish system faces. The tripartite territorial reality (2.7) means that any settlement must satisfy not two but three constituencies with incompatible interests. The tourism-heavy economic equilibrium (2.8) provides just enough employment to suppress systemic crisis without generating the pressure for structural upgrade. The labour market dualism (2.9) locks out the generation that would otherwise drive evolutionary change. The rapid secularisation (2.10) has weakened traditional cohesion mechanisms without creating new ones, intensifying the stakes of political identity conflicts. The monarchy's declining legitimacy (2.11) erodes the symbolic architecture of the transition. The climate-driven water crisis (2.12) creates new territorial conflicts that the existing institutional architecture cannot resolve.

Each mechanism feeds the others. The frozen constitution sustains the fiscal asymmetry. The fiscal asymmetry generates grievances that the judiciary must adjudicate. The judiciary's politicisation deepens peripheral alienation. The EU scaffold enables Madrid to defer reform without facing the consequences of deferral. The cultural operating system makes the entire arrangement feel normal—coexistence without closure, managed tension without resolution. And the stress amplifiers intensify every dimension of the loop: the hollowed interior demands attention that the binary centre-periphery framework cannot provide; the tourism and labour market structures suppress the pressure for change while deepening intergenerational inequity; the meaning vacuum and the monarchy's decline raise the existential stakes of every political confrontation; the water crisis introduces a dimension of territorial competition that the constitution was never designed to address.

The loop is stable in the short term. It will not produce collapse. But it accumulates costs with each iteration—eroded trust, deeper polarisation, reduced institutional legitimacy—and the costs are compounding. The question is whether the system can develop the integrative closure capacity to break the loop before the accumulated costs overwhelm the cultural and institutional resources for managing them. The transition architecture that would attempt to do so is the subject of the sections that follow.

3. What Building Integrative Closure Capacity Would Look Like

3.1 The Principle: Sub-System Evolution, Not Constitutional Assault

The 1978 Constitution cannot be rewritten directly—at least, not in the current political conditions. Any attempt to reopen the territorial settlement through the formal amendment procedures would trigger the immune response of the Consensus Machine, which has evolved over four decades precisely to prevent such a reopening. The aggravated amendment procedure under Article 168—two-thirds majorities in both chambers, dissolution of parliament, a new election, ratification by referendum—is so demanding that it has never been successfully used. The political fragmentation of the current party system makes the necessary supermajorities unimaginable, and the territorial polarisation means that any proposed reform would be attacked from both the centralist right and the separatist left as either a betrayal of national unity or a denial of self-determination.

The alternative is to build integrative closure capacity

alongside

the existing constitution—not by replacing the 1978 settlement, but by constructing the governance mechanisms that the settlement gestures toward but never delivered. This is the logic of orthogonal intervention: creating adaptive, Yellow-level subsystems beneath the frozen constitutional architecture that, over time, make the constitutional question less acute by making the functional governance of a plurinational Spain a practical reality.

The principle is to work with the grain of Spanish governance culture. The transition succeeded because it found ways to manage ambiguity productively—to transform existential conflict into administratively manageable tension, to create frameworks within which people who could not agree on ultimate questions could nonetheless coexist and cooperate. The task now is not to repudiate that achievement but to extend it—to build, within the existing framework, the specific institutional capacities for integrative closure that the framework itself lacks. The constitutional text can remain as it is for now. The governance reality beneath it can evolve.

This is not a counsel of permanent ambiguity. It is a strategy for evolutionary completion—building the settlement piece by piece, subsystem by subsystem, until the accumulated weight of functional integration makes the formal constitutional reform that eventually follows less a moment of existential rupture and more a ratification of a reality that has already emerged.

3.2 The EU Conditionality Flip: Horizontal Integration Through Fiscal Incentives

The most powerful mechanism available for triggering integrative closure is already in place: the European Union's structural and recovery funds. Spain is a major recipient of EU funding. The NextGenerationEU recovery plan alone allocated approximately €140 billion to Spain—one of the largest tranches in the Union. These funds currently flow through Madrid, which then distributes them to the autonomous communities according to processes that, however well-intentioned, inevitably become implicated in the vertical centre-periphery dynamic. Regions compete for funds; Madrid decides who gets what; peripheries that perceive themselves as net contributors resent the redistributive logic; regions that receive the funds perceive Madrid's conditions as centralist interference.

The EU Conditionality Flip would change the routing protocol of the money. Instead of funds flowing exclusively through Madrid, a dedicated portion of future EU allocations would be available only to consortia of three or more autonomous communities that submit joint, genuinely integrated projects. Catalonia, Aragón, and Valencia cooperating on a green hydrogen corridor. The Basque Country, Navarre, and La Rioja pooling resources for advanced manufacturing. Andalusia, Extremadura, and Castile-La Mancha coordinating on water management and climate adaptation. The conditionality is not punitive; it is incentive-based. Regions can continue to receive their individual allocations through existing channels. But the additional funds—the genuinely transformative investments—require horizontal cooperation.

The logic is to create the fiscal infrastructure for the networked federalism that the constitutional architecture cannot mandate directly. Political pressure from Madrid on Catalonia generates resistance; economic incentives for Catalonia, Aragón, and Valencia to cooperate generate partnership. The EU Conditionality Flip uses the existing scaffold—the structural funds that Spain already depends on—to create a parallel set of cooperative relationships that bypass the vertical centre-periphery grievance loop entirely. Over time, the horizontal networks become denser, the practical experience of inter-regional cooperation accumulates, and the political salience of the vertical territorial conflict diminishes—not because it has been resolved, but because it has been supplemented by cooperative governance structures that make daily life in a plurinational Spain more functional regardless of the constitutional status of the territories involved.

This is a Trojan Horse mechanism. It does not announce itself as a constitutional reform. It announces itself as a more efficient use of European funds. The immune system of the Consensus Machine—which is calibrated to detect threats to the constitutional settlement—will not register it as an attack. But the payload it carries is transformative: the creation, from the bottom up, of the inter-regional administrative interfaces that a genuinely federal Spain would require, without ever asking the constitutional question that would trigger the immune response.

3.3 Networked Municipalism and Bioregional Governance

Spain's territorial debate is obsessed with a nineteenth-century map. The autonomous communities are built around historical regions—Catalonia, the Basque Country, Galicia, Andalusia—whose borders reflect medieval kingdoms, early modern administrative divisions, and the identity politics of the late Franco and transition periods. These borders matter because they are the containers of political identity, the framework for fiscal distribution, and the arena for the nationalist and separatist movements that drive the territorial oscillation.

But the actual metabolic life of twenty-first-century Spain happens in cities and bioregions. Barcelona's economy is shaped more by its integration into European supply chains and global tech networks than by its location within Catalonia. The Basque Country's industrial cluster spans the French border, connecting San Sebastián and Bilbao to Bayonne and Bordeaux in ways that the autonomous community boundary does not fully capture. The hydrological systems of the Tagus and Ebro basins cross multiple autonomous communities, creating ecological interdependencies that the administrative map ignores. The depopulating interior—

La España Vaciada

—is defined not by administrative borders but by a shared condition of demographic decline, infrastructural abandonment, and economic marginalisation that affects territories across multiple autonomous communities.

Networked municipalism would elevate the legal and fiscal power of cities and bioregional compacts that cut across the existing territorial fault lines. This is not a proposal to abolish the autonomous communities, which remain the primary vehicles for democratic self-government and cultural expression. It is a proposal to supplement them with governance structures that correspond to the functional geography of the twenty-first century.

A "League of Cities" could bring together Barcelona, Valencia, Zaragoza, and Bilbao—the major urban centres of northern and eastern Spain—to coordinate on infrastructure, innovation policy, and climate adaptation, creating a networked counterpart to Madrid's metropolitan dominance. Urban-rural symbiosis compacts could pair dynamic cities with the depopulating regions that surround them—Barcelona with the agricultural interior of Lleida, Madrid with the emptying provinces of Castile and León, Valencia with the struggling interior of Teruel—creating economic and ecological partnerships that generate a political identity based on mutual dependence rather than historical grievance.

Bioregional governance compacts could address the challenges that the autonomous community structure cannot. Watershed councils for the Tagus, Ebro, Guadalquivir, and Segura river basins would bring together all the territories that share a water system—regardless of which autonomous community they belong to—to negotiate allocations, manage scarcity, and plan adaptation investments. Coastal zone management compacts would coordinate across the Mediterranean autonomous communities on tourism sustainability, marine conservation, and climate resilience. Mountain region compacts would address the specific challenges of the Pyrenees, the Sierra Nevada, and the Cordillera Cantábrica.

The constitutional framework does not need to be amended to enable any of this. Spanish law already permits inter-administrative cooperation agreements; they are simply underused because the political incentives favour vertical bargaining with Madrid over horizontal cooperation with neighbouring regions. The transition architecture's role is to change those incentives—through targeted funding, through legal frameworks that make cooperation easier, and through the demonstrated success of early adopters that attracts imitators. The EU Conditionality Flip described above would provide the fiscal driver; the networked municipalism and bioregional governance compacts are the institutional forms that the fiscal driver would call into being.

3.4 A Parallel Labour Charter for the Green and Digital Economy

Spain's labour market dualism is a major amplifier of the Transition Trap, and it cannot be reformed directly. The older workforce with permanent contracts constitutes a large, politically mobilised voting bloc that will resist any attempt to dilute its protections. The unions that represent those workers are institutionalised in the political system. The parties of the left, which might otherwise champion labour market reform, are dependent on union support. The result is a structural stalemate that has persisted through multiple governments of both the left and right.

The orthodox approach to this stalemate is to attempt incremental reforms—slightly reducing severance costs for permanent contracts, slightly increasing protections for temporary ones—each of which triggers intense political conflict, each of which is partially reversed by the next government, and none of which addresses the fundamental duality. The evolutionary approach is different: build a superior alternative alongside the legacy system and let demographic and economic attrition do the work of reform over time.

A Parallel Labour Charter—an opt-in framework designed specifically for the green economy, the digital economy, startups, and workers under thirty-five—would operate alongside the existing labour system rather than attempting to replace it directly. It would feature portable benefits that follow workers across employers rather than being tied to a single job, flexible-but-secure contracts that provide genuine protections while allowing the mobility that dynamic sectors require, simplified dismissal procedures that reduce the legal uncertainty that deters hiring, aggressive tax incentives for startups that adopt the Charter, and a digital infrastructure that makes enrolment, benefit transfer, and contract management seamless.

The Charter would be voluntary. No employer would be required to adopt it; no worker would be required to join it. But it would be designed to be sufficiently attractive—lower non-wage costs, greater flexibility, simpler administration—that the most dynamic sectors of the economy migrate toward it. Over time, as the green and digital economy grows and the legacy sectors contract, the Charter becomes the de facto labour framework for the expanding portion of the labour market. The legacy system remains in place for those who depend on it, but its demographic base gradually shrinks. The political power of the insider coalition, while still formidable, diminishes as the protégés of the new system multiply.

This is not a deregulatory assault dressed in progressive language. The Charter would provide genuine protections—portable benefits, income security between contracts, access to training, collective representation rights—that are in many respects superior to the precarious conditions that young workers currently face. It is a parallel system, not a race to the bottom. And by building it alongside the legacy framework rather than assaulting it directly, it avoids triggering the immune response of the Consensus Machine, because it does not ask anyone to give up what they already have.

3.5 Institutionalised Citizens' Assemblies with Sortition

The Spanish political system is structurally incapable of resolving the most toxic territorial questions. The partisan logic that drives

Las Dos Españas

, the electoral incentives that reward polarisation, the parliamentary arithmetic that gives small parties veto power over large reforms—these dynamics ensure that the political class cannot, on its own, produce the integrative closure that Spain requires. Every attempt at territorial reform becomes entangled in partisan warfare. Every proposal is attacked from both sides.

The Spanish public's capacity for

convivencia

is, paradoxically, much higher than its politicians'. When Spaniards of different identities are placed in a room together and asked to solve a concrete problem, they tend to operate pragmatically. The shared cultural framework of coexistence, the daily experience of navigating diversity in workplaces and neighbourhoods, the widespread fatigue with the permanent territorial conflict—these are resources for democratic deliberation that the political system systematically fails to mobilise.

Institutionalised citizens' assemblies—bodies of randomly selected citizens, demographically representative of the Spanish population, convened to deliberate on specific territorial questions—could mobilise those resources directly. The model is not new. Ireland's citizens' assemblies unlocked political gridlock on marriage equality and abortion—questions that, like the Spanish territorial question, had been frozen for decades by the political system's inability to address them directly. France's Citizens' Convention on Climate, while imperfect, demonstrated that large-scale, randomly selected deliberative bodies can produce sophisticated, actionable policy recommendations on highly complex issues. The city of Barcelona's own Decidim platform, which enables citizen participation in municipal budgeting, is a local precursor that could be scaled.

A Spanish Citizens' Assembly on Territorial Financing would bring together a representative cross-section of Spaniards—Catalans and Castilians, Basques and Andalusians, residents of the dynamic coasts and residents of the emptying interior—to deliberate on the fiscal architecture of the multi-level state. They would hear expert testimony on the

concierto económico

, the common regime, the equalisation mechanisms, the fiscal flows. They would deliberate in facilitated small groups, with access to modelling tools that project the long-term consequences of different fiscal configurations. They would produce non-binding but public, reasoned recommendations, with a mandatory government response obligation.

The Assembly would not resolve the territorial question. It would do something more subtle and more important: it would demonstrate that the territorial question

can

be deliberated on productively outside the partisan arena, that Spaniards of deeply different identities can reason together about the architecture of the state they share, and that the public is capable of a sophistication that its political leadership cannot deliver. The Assembly's recommendations would not be binding, but they would carry a democratic legitimacy—derived not from partisan mandate but from the authenticity of citizen deliberation—that would make them difficult to ignore. A government that dismissed a recommendation supported by a representative cross-section of its own citizens, arrived at through informed deliberation, would bear a burden of explanation that the current system never imposes.

Over time, a series of such assemblies—on territorial financing, on water rights, on historical memory, on the monarchy—would create a parallel democratic institution, operating alongside the Cortes, generating the legitimate public mandates that the elected branch is structurally incapable of producing. They would not replace representative democracy. They would supplement it with a channel for public deliberation that bypasses the partisan pathologies that frustrate territorial settlement.

3.6 Constitutional Kaizen: Targeted Updates, Not Full Rewrite

The constitutional architecture cannot remain frozen indefinitely. At some point—perhaps after the EU Conditionality Flip has created a functional reality of networked federalism, perhaps after the citizens' assemblies have demonstrated that territorial questions can be deliberated on productively, perhaps after the Parallel Labour Charter has begun to shift the generational balance of political power—the formal constitutional settlement will need to catch up with the governance reality that has emerged beneath it.

When that moment arrives, the approach should be constitutional *kaizen*—continuous, incremental improvement—rather than a single, comprehensive constitutional moment. The Japanese concept of *kaizen*, originally developed in manufacturing contexts and applied in earlier reports in this series to governance reform, captures the Spanish need precisely: continuous, piece-by-piece refinement of the existing architecture rather than a grand redesign that would trigger all immune responses simultaneously.

A targeted amendment clarifying the distribution of powers between the central state and the autonomous communities—specifying which competences are exclusive, which are shared, and how conflicts are to be resolved—would address the ambiguity at the heart of the settlement. A reform of the Constitutional Tribunal

that gives the autonomous communities a formal role in the appointment of its members—transforming it from a perceived instrument of central state power into a genuinely federal arbiter—would address the judicialisation crisis. A generalisation of elements of the Basque

concierto económico

to other net contributor regions, combined with a strengthened equalisation mechanism that protects poorer regions, would address the fiscal-territorial trap without triggering the cascade of demands that Madrid fears. A formal recognition—symbolic but constitutionally meaningful—of Spain's plurinational character, perhaps through a preamble or a declaration, would address the identity dimension without requiring the dissolution of national unity.

Each of these amendments is significant; none of them, individually, is existentially threatening to either the centralist or the separatist pole. Each builds on the previous one, accumulating legitimacy and creating the political conditions for the next. The

kaizen

approach does not require a single constitutional moment of transformative consensus. It requires a sustained process of targeted improvement, in which each step is modest enough to be achievable and significant enough to move the architecture toward completion.

3.7 Water as a Forcing Mechanism for Functional Regional Cooperation

The climate-driven water crisis is the single most powerful forcing mechanism for the horizontal integration that Spain requires. Water does not respect the 1978 constitutional map. The rivers of Spain—the Tagus, the Ebro, the Duero, the Guadalquivir, the Segura—cross autonomous community boundaries with indifference. The aquifers that sustain agriculture are shared across administrative lines. The desalination plants that will become increasingly necessary as rainfall declines serve populations that span multiple administrative regions. The water crisis creates an ecological and economic imperative for cooperation that the political system, left to itself, would never generate.

The transition architecture should create the institutional forms that this imperative demands. Watershed councils—governance bodies for each major river basin, with representation from all the autonomous communities and municipalities within the basin, with decision-making authority over allocation, conservation, and investment—would provide the functional equivalent of the cooperative federalism that the constitution does not mandate. Inter-regional water compacts—legally binding agreements between autonomous communities on water sharing, drought management, and infrastructure investment—would create the horizontal negotiation frameworks that the vertical centre-periphery dynamic currently prevents. Water futures markets—carefully regulated, with environmental safeguards and protections for vulnerable communities—would enable the price signals that drive conservation and allocate water to its most productive uses, reducing the political intensity of allocation decisions by making them partially economic rather than entirely political.

Water is a forcing mechanism for integrative closure because it creates a shared existential interest that transcends the territorial conflict. Catalonia and Aragón disagree on many things, but they share the Ebro basin. Castile-La Mancha and Murcia are on opposite sides of the territorial debate, but they are connected by the Tagus-Segura transfer. The communities of the southeast face a common climate trajectory that no amount of constitutional ambiguity can alter. The governance architecture should use these shared interests to build the cooperative interfaces that the constitution cannot mandate, and in doing so, create the functional reality of networked federalism that eventually makes the constitutional question less existentially charged. The water crisis is a threat. It is also an opportunity—a forcing mechanism for the integrative closure that Spain has deferred for forty-five years.

4. The Political Immune System: The Consensus Machine

4.1 The Consensus Machine Defined

Every governance architecture develops an immune system—a set of institutions, incentives, and cultural norms that protect the existing order from challenge. In Germany, the immune system is bureaucratic inertia. In France, it is the spectacle of centralised authority that absorbs dissent without processing it. In Japan, it is the Stability Bias that makes continuity feel like virtue and disruption feel like threat. In Israel, it is the Security First Responder that treats any deviation from security-first logic as an existential danger. In Nigeria, it is the Extraction Coalition that converts public office into private patrimony.

Spain's immune system is the Consensus Machine: the comprehensive orientation of political, constitutional, and cultural institutions toward the preservation of the 1978 settlement's constructive ambiguity, and the treatment of any attempt to resolve that ambiguity definitively as a threat to the

convivencia

that the transition secured. The Consensus Machine is not a barrier to change added onto a functional state. It is the state's core operating logic—the set of mechanisms, both formal and informal, that ensure that the foundational questions deferred in 1978 remain deferred indefinitely.

The Consensus Machine is not a conspiracy. It is the predictable output of a society that experienced civil war, forty years of dictatorship, and a negotiated transition, and that resolved never to return to the conditions that produced those traumas. The Spanish political class, across the spectrum, is composed not of cynics who manipulate the system but of people who have internalised the transition's implicit bargain: that stability depends on not forcing resolutions that might fracture the polity. The older generation, which lived through the transition or its immediate aftermath, carries the memory of what happens when Spaniards try to settle their differences definitively. The younger generation, while less emotionally invested in that memory, has inherited the institutional architecture it produced.

The Consensus Machine operates not by suppressing dissent—Spain has a vibrant, often ferociously adversarial public sphere—but by ensuring that dissent never accumulates into the kind of concentrated, transformative pressure that would force a reopening of the constitutional settlement. It is a machine for dissipating political energy, for converting existential challenges into manageable tensions, and for ensuring that the oscillation between centralising and centrifugal poles continues without either pole achieving a decisive victory.

4.2 Who Benefits—Named Honestly

The Consensus Machine is sustained by specific actors who have concrete, material, and ideological interests in the continuation of the current architecture. Any transition architecture that does not name these actors and account for their resistance will be neutralised by them.

The Political Class. Spain's party system, particularly since the fragmentation of the two-party duopoly after 2015, has adapted to permanent negotiation. Coalition governments are now the norm rather than the exception, and with them has emerged a political class whose skills are calibrated to the management of ambiguity: negotiating ad hoc agreements, brokering compromises between incompatible positions, and extracting concessions in exchange for parliamentary support. This political class does not benefit from constitutional settlement. Settlement would reduce the number of issues that require constant negotiation. It would diminish the leverage of the small parties whose support is essential for coalition formation. It would replace the permanent bargaining that sustains political careers with a stable institutional framework that would make those careers less necessary. The political class is not conspiring to prevent settlement. It is rationally responding to an incentive structure that rewards the perpetuation of the conditions that make its skills valuable.

The Peripheral Nationalist Parties. The Catalan and Basque nationalist parties—both the governing moderates and the opposition separatists—have a complex relationship to the Consensus Machine. On one hand, they are its most visible challengers, periodically pushing against the constitutional constraints that limit their aspirations. On the other hand, they are also among its primary beneficiaries. The permanent territorial tension sustains their electoral bases. The grievances generated by the fiscal architecture, the judicialisation of politics, and Madrid's periodic centralising reflexes provide the emotional fuel for nationalist mobilisation. A constitutional settlement that genuinely addressed the territorial question would force these parties to either declare victory—and thus risk losing the mobilising power of grievance—or acknowledge that the settlement falls short of their maximalist aspirations, alienating their more radical supporters. The oscillation serves the periphery's political class almost as well as it serves Madrid's.

The Older Workforce. Spain's labour market dualism, described in Section 2.9, creates a large constituency of older workers with permanent contracts and strong protections whose interests are served by the continuation of the current labour architecture. Any meaningful reform of the labour market—whether through a frontal assault on insider protections or through the construction of a parallel labour charter that would, over time, diminish the relative weight of the legacy system—threatens the security of those who depend on it. This constituency votes at high rates, is concentrated in the regions that are electorally decisive, and is mobilised by unions that are institutionalised in the political system. It does not need to conspire to block reform; its electoral weight alone ensures that any government proposing significant labour market change faces a formidable political barrier.

The Tourism and Service Sectors. The tourism-heavy economic equilibrium described in Section 2.8 sustains a large low-wage, precarious workforce that is politically quiescent. It employs significant numbers of voters in strategically important coastal regions and the islands. It generates tax revenue that, however volatile, sustains public services. The sector does not actively resist structural reform—it has no need to, because reform that would increase productivity and raise wages would also, in the short term, disrupt the low-cost labour model that sustains the current equilibrium. The tourism sector is not an active defender of the Consensus Machine; it is a passive beneficiary of the conditions that the Consensus Machine perpetuates.

The EU-Dependent Regions. The autonomous communities that are net recipients of fiscal transfers—Extremadura, Castile-La Mancha, parts of Andalusia—have a material stake in the continuation of the current fiscal architecture. Any reform that generalises the Basque *concierto económico* to other net contributor regions, or that strengthens the fiscal autonomy of the wealthy peripheries, would threaten the flow of resources on which these regions depend. They are not defenders of the constitutional status quo out of ideological commitment to Spanish unity. They are defenders of a fiscal arrangement that, however imperfect, sustains their economies. They would resist reforms that diminish their fiscal security—and their votes in the Cortes, combined with those of other net recipient regions, constitute a powerful blocking coalition against any significant fiscal restructuring.

These actors are not a unified coalition. They compete with each other for resources, votes, and influence. But they share a common structural interest: the continuation of an architecture in which the foundational questions remain unresolved, the territorial tensions remain managed rather than settled, and the costs of resolution are borne by someone else. They are the human infrastructure of the Consensus Machine.

4.3 Constitutional Ambiguity as Immune Mechanism

The Consensus Machine's primary institutional defence is the very ambiguity that the 1978 Constitution embodies. The constitution does not merely fail to resolve the territorial question; it is designed—in its key provisions, its amendment procedures, and its institutional architecture—to make resolution structurally difficult to achieve.

The constitutional text provides no clear hierarchy for resolving centre-periphery disputes. When the central government and an autonomous community disagree on the scope of regional powers, there is no constitutional arbiter whose authority both sides accept as definitive. The Constitutional Tribunal is widely perceived in the peripheries as an instrument of central state power—its members are appointed through a process that gives the autonomous communities no formal role, and its jurisprudence has consistently favoured a unitary interpretation of the constitution. The result is that constitutional disputes do not end with a judicial ruling; they intensify, because the losing side does not accept the legitimacy of the institution that ruled against it.

The amendment procedures are designed to prevent change. Article 168, which governs the most fundamental amendments, requires two-thirds majorities in both chambers, dissolution of parliament, a new general election, ratification by the new parliament, and a national referendum. This procedure is not merely demanding; it is effectively prohibitive in a fragmented party system where no single party commands a majority and where the territorial question would mobilise intense opposition from both centralist and separatist camps. The constitution is frozen not because anyone actively blocks reform but because the reform procedure itself requires a level of consensus that the current political configuration cannot generate.

The institutional architecture compounds the difficulty. The Senate, which in a genuinely federal system would serve as the chamber of territorial representation, is constitutionally weak. Its members are elected largely through the same provincial constituencies as the Congress of Deputies; the autonomous communities have only a limited role in appointing senators, and the Senate's legislative powers are subordinate to the lower chamber. The institution that might, in a reformed architecture, provide the forum for negotiating centre-periphery relations and building the territorial consensus for constitutional amendment has been systematically underpowered. The result is that there is no institutional space in which the territorial question can be deliberated upon productively by representatives of the territories themselves.

The constitutional ambiguity is thus self-reinforcing. The ambiguity generates conflicts. The conflicts cannot be resolved within the existing institutional framework, because the framework provides no legitimate arbiter and no feasible amendment path. The irresolvability of the conflicts reinforces the political fragmentation that makes amendment impossible. The fragmentation deepens the ambiguity that generates the conflicts. The Consensus Machine is not merely protected by the constitution; it is embedded in the constitution's architecture.

4.4 The Narrative Strategy

The Consensus Machine cannot be defeated by frontal assault. Any transition architecture that presents itself as an attack on the 1978 settlement—as a repudiation of the transition's compromises, as a radical break with the constitutional order, as a victory for one side in

Las Dos Españas

—will activate the immune response and be neutralised before it begins. The immune system is too deeply embedded in institutions, incentives, and culture to be overcome by argument alone. It must be outflanked—not by denying the legitimacy of the transition, but by reframing the relationship between the transition and its own completion.

The master narrative is that the transition succeeded—and now it must be completed. The founders of 1978 deferred the hardest questions because survival was at stake. The fascist right remained powerful. The military posed a credible threat to democratic institutions. The Basque Country and Catalonia were only beginning to recover their self-government after decades of suppression. The fragile consensus that enabled

the constitution's adoption would have shattered if the territorial question had been forced to a definitive resolution. The founders' choice was rational. Their success was real. Spain is a democracy today because they made the choices they made.

But the conditions that justified deferral no longer obtain. The military is under civilian control—the 1981 coup attempt failed, and no serious observer believes another is imminent. The radical right remains a significant political force but operates within democratic institutions rather than threatening them from outside. The historic nationalities have exercised self-government for four decades, developing the administrative capacity, the political experience, and the democratic legitimacy that make a renegotiated territorial settlement possible on terms far more favourable to them than would have been imaginable in 1978. And the European Union provides an external framework that stabilises the worst outcomes and creates the conditions for managed, incremental evolution rather than existential rupture.

The argument, then, is not that the 1978 settlement must be abandoned. It is that the 1978 settlement must be completed. The founders wrote the constitution that enabled the transition. They trusted that future generations would write the constitution that completes the settlement. That generation is now. The task is not to repudiate the founders' pragmatism but to extend it—to do what they could not do, under conditions far more favourable than those they faced, and to build the integrative closure architecture that they deliberately deferred.

Subsidiary narratives target specific constituencies. For the political class: constitutional completion would not end politics but transform it—from permanent negotiation over existential questions to normal democratic deliberation over policy within a stable framework. For the peripheral nationalists: the current oscillation generates grievance but does not deliver results. A negotiated settlement that provides genuine fiscal autonomy, constitutional recognition, and the security of European integration is a better outcome than permanent mobilisation without resolution. For the older workforce: the parallel labour charter is not a threat to your security; it is an alternative for the next generation that does not require dismantling the protections you depend on. For the EU-dependent regions: the fiscal reforms would not eliminate solidarity; they would make it sustainable, protecting the transfers you rely on from the political volatility that the current architecture generates.

The narrative strategy does not attack the Consensus Machine. It honours it—acknowledging the fear of civil conflict, the commitment to coexistence, the genuine achievement of the transition—while arguing that the best way to preserve what the transition achieved is to complete the architecture it left unfinished. The immune system cannot be defeated by argument. It must be reassured that change is not rupture, that completion is not destruction, and that the

convivencia

Spaniards have sustained for four decades can survive the resolution of the questions they have deferred for just as long. The founders deferred because they had to. The current generation can complete because the founders succeeded. That is the narrative. Whether it is true enough to mobilise the political will for completion is the question on which Spain's constitutional future depends.

5. Working with the Grain: Transition Architecture for Spain

5.1 The Principle: Build Orthogonal Subsystems That Bypass the Central Gridlock

The Consensus Machine is designed to prevent exactly the kind of frontal constitutional reform that the Integrative Closure Deficit would seem to demand. Any attempt to reopen the territorial settlement through the formal amendment procedures will trigger the immune response. The aggravated procedure under Article 168 is prohibitive by design. The political fragmentation of the party system ensures that the necessary supermajorities cannot be assembled. And the territorial polarisation guarantees that any proposed reform will be attacked from both the centralist right and the separatist left, however carefully it is crafted.

The transition architecture must therefore proceed orthogonally—not by assaulting the central gridlock directly, but by building new governance mechanisms alongside it that make the gridlock progressively less relevant. The strategy is not to win the constitutional argument. It is to make the constitutional argument less existentially charged by creating, beneath the frozen constitutional text, the functional reality of a multi-level polity that works.

This is not a counsel of permanent ambiguity. It is a strategy for evolutionary completion. The transition succeeded by transforming existential conflict into administratively manageable tension. The next phase must transform administratively manageable tension into institutionally sustainable integration. The constitutional text may remain as it is, for now. The governance reality beneath it can evolve through the accumulation of inter-regional compacts, municipal networks, citizens' assemblies, parallel labour frameworks, and bioregional governance bodies. Over time, as these subsystems thicken and interconnect, they create a de facto networked federalism that makes the de jure constitutional question less pressing. The formal amendment, when it eventually comes, ratifies a reality that has already emerged rather than imposing a settlement that the political system cannot produce.

The principle is to work with the grain of Spanish governance culture. The transition succeeded because it was pragmatic, incremental, and respectful of the deep cultural aversion to existential confrontation that the Civil War and the dictatorship had instilled. The same logic applies now. Spaniards are not, by and large, demanding a grand constitutional convention. They are demanding that the territorial tensions stop consuming political energy that should be directed elsewhere—toward employment, housing, climate adaptation, and the other challenges that affect daily life. The transition architecture should deliver the functional integration that makes those tensions recede, without ever asking citizens to vote on the metaphysical question of what Spain ultimately is. The metaphysical question can wait. The functional integration cannot.

5.2 Trojan Horse Mechanisms: Carrying Transformation in Familiar Packaging

The Consensus Machine is calibrated to detect and neutralise threats to the constitutional settlement. The art of transition design in Spain is therefore the construction of Trojan Horse mechanisms—institutional innovations that carry transformative payloads in familiar packaging, bypassing the immune system by presenting change as continuity, efficiency, or the fulfilment of commitments already made.

The EU Conditionality Flip as Fiscal Trojan Horse. The mechanism described in Section 3.2—requiring cross-boundary inter-regional cooperation as a condition for accessing a dedicated portion of EU structural funds—does not announce itself as a constitutional reform. It announces itself as a more efficient use of European resources, a technical adjustment to the allocation criteria that would improve project quality, reduce duplication, and maximise the return on EU investment. The language is technocratic, not political. The framing is administrative modernisation, not territorial restructuring. But the payload is transformative: the creation, from the bottom up, of the horizontal inter-regional administrative interfaces that a genuinely multi-level Spain requires, without ever asking permission from the constitutional court or assembling a parliamentary supermajority.

The Trojan Horse works because it leverages an external actor—the European Union—whose authority in Spanish governance is broadly accepted across the political spectrum. The EU is not a party to

Las Dos Españas

. Its structural funds are a taken-for-granted feature of the Spanish fiscal landscape. Attaching conditionality to those funds does not require reopening the constitutional settlement; it requires negotiating the terms of the next Multi-Annual Financial Framework, a process in which Spain is one actor among twenty-seven. The political costs of the reform are borne partly by the EU institutions that impose the conditionality, shielding the Spanish government from the full force of domestic backlash. And the benefits—additional funding for inter-regional projects that would not otherwise receive support—create a constituency for compliance that counterbalances the resistance.

The Parallel Labour Charter as Generational Trojan Horse. The Charter described in Section 3.4 does not attack the existing labour protections that the older workforce defends. It creates an alternative framework for the young, the dynamic, and the precariat—a voluntary opt-in that no one is required to join. The framing is not deregulation but modernisation: giving Spain's most innovative sectors the flexibility they need to compete globally while providing workers with the portable benefits and income security that the legacy system cannot deliver. The Charter is presented as a supplement to the existing labour architecture, not a replacement for it.

The Trojan Horse works because it builds a new constituency before it threatens an old one. Over time, as the green and digital economy grows and the Charter's protégés multiply, the political balance shifts. The older workforce with permanent contracts remains protected; it simply becomes a smaller share of the electorate. The unions retain their institutional role; they simply represent a gradually declining portion of the labour

force. The Charter does not win a political battle against the insider coalition. It makes the battle unnecessary by building a parallel system that attracts the energy and talent of the emerging economy, leaving the legacy system to demographic attrition rather than political assault.

The Citizens' Assembly as Democratic Trojan Horse. The Assembly described in Section 3.5 does not claim the authority to make binding decisions. It is explicitly advisory—a body that deliberates, recommends, and publishes its reasoning, but leaves the formal power of decision with the elected institutions. The framing is democratic enrichment, not democratic replacement: giving citizens a voice on the questions that the partisan system cannot resolve, supplementing representative democracy with a channel for informed public deliberation, and generating the legitimate public mandates that the Cortes, trapped in permanent negotiation, cannot produce.

The Trojan Horse works because it does not threaten the formal authority of the political class while subtly transforming the conditions under which that authority is exercised. A recommendation from a representative cross-section of Spanish citizens, arrived at through months of informed deliberation, carries a democratic weight that a partisan manifesto cannot match. A government that ignores such a recommendation bears a political cost that the current system never imposes. Over time, as the Assembly demonstrates that Spaniards of deeply different identities can reason together about the architecture of the state they share, the political class's monopoly on territorial discourse erodes—not because it has been defeated, but because it has been supplemented by a more legitimate alternative.

The Water Compacts as Ecological Trojan Horse. The watershed councils and inter-regional water compacts described in Section 3.7 do not present themselves as territorial governance reforms. They present themselves as responses to an ecological emergency—the practical necessity of managing shared water resources under conditions of intensifying scarcity. The framing is environmental management, not constitutional restructuring. But the payload is the creation of cooperative governance interfaces across the autonomous community boundaries that the constitutional map draws and the territorial conflict reinforces.

The Trojan Horse works because water is indifferent to the identities that divide Spaniards. The Tagus River does not care whether it flows through Castile-La Mancha or Extremadura. The aquifers of the southeast do not distinguish between the autonomous communities that draw on them. The climate trajectory that threatens the entire Mediterranean coast does not recognise the border between Catalonia and Valencia. The ecological imperative creates a shared interest that transcends the territorial conflict, and the institutional forms that address that imperative—watershed councils, inter-regional compacts, water futures markets—create the horizontal cooperation that the constitution cannot mandate.

5.3 Safe-to-Fail Pilots: The Democratic Laboratory Approach

Spain's territorial tensions are so deeply entrenched that no comprehensive solution can be designed in advance and implemented from above. The transition must proceed through experimentation—safe-to-fail pilots that test integrative closure mechanisms in limited domains, generating evidence, building

constituencies, and learning from failure without threatening the entire architecture.

Inter-Regional Compact Pilots. The EU Conditionality Flip would initially apply to a limited portion of structural funds—perhaps ten to fifteen percent of the total allocation—creating a dedicated window for which consortia of three or more autonomous communities could apply with joint projects. The pilot phase would test whether the fiscal incentive is sufficient to overcome the political barriers to horizontal cooperation, which types of projects generate the most productive collaboration, and how the administrative interfaces between autonomous communities can be structured to minimise friction.

The Basque Country, Navarre, and La Rioja are natural early adopters. They share the upper Ebro basin, complementary industrial structures, and a history of cross-boundary economic interaction. A pilot compact among these three communities on advanced manufacturing and renewable energy would demonstrate the viability of the model without provoking the territorial polarisation that a Catalan-centred pilot might trigger. Catalonia, Aragón, and Valencia could form a second pilot on green hydrogen and Mediterranean logistics, building on existing economic complementarities. Andalusia, Extremadura, and Castile-La Mancha could form a third on water management and climate-adapted agriculture. Each pilot would be different—different regions, different sectors, different governance challenges—and together they would generate a portfolio of models that other regions could adapt.

The pilots would be safe to fail. If a compact collapses amid political recrimination, the damage is contained. The regions involved lose access to a portion of additional funding; they do not lose their baseline allocations. The lessons learned—about what makes inter-regional cooperation viable and what makes it fragile—inform the design of the next iteration. The EU, as the external funder, provides both the incentive for cooperation and the buffer against failure.

Municipal Network Pilots. The League of Cities and urban-rural symbiosis compacts described in Section 3.3 would begin as voluntary associations of willing municipalities, with no requirement that all cities or all regions participate. Barcelona, Valencia, Zaragoza, and Bilbao—the major urban centres of the north and east—could form an initial network focused on shared challenges: affordable housing, public transport integration, climate adaptation, and innovation policy. The network would not need formal constitutional authorisation; it would operate through existing municipal cooperation frameworks, strengthened by dedicated funding and technical support.

The urban-rural symbiosis compacts would pair a dynamic city with the depopulating territory that surrounds it. Barcelona and Lleida—a partnership between the Catalan capital and the agricultural interior that supplies its food. Madrid and the emptying provinces of Castile and León—a partnership that addresses the metropolitan region's dependence on the water, energy, and ecosystem services that the interior provides. Valencia and Teruel—the coastal dynamo and the emblematic province of

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. Each pilot would test a specific model of mutual dependence: how to structure fiscal transfers from the city to the rural partner, how to share infrastructure investments, how to create the remote work and digital connectivity that enable population retention in the interior.

These pilots would not resolve the territorial question. They would demonstrate that the territorial question can be managed more productively than the current oscillation allows—that cities and their surrounding regions, regardless of which autonomous community they belong to, can build cooperative relationships that benefit both. The political identity that emerges from these partnerships is not national (Spanish versus Catalan versus Basque); it is functional and ecological. The city depends on the countryside. The countryside depends on the city. This is not a constitutional argument. It is a material reality, and the governance architecture should reflect it.

Citizens' Assembly Pilots. The national Citizens' Assembly on Territorial Financing described in Section 3.5 could be preceded by smaller-scale pilots at the municipal or autonomous community level, testing the deliberative methodology before scaling it to the most toxic national question. Barcelona's existing Decidim platform, which enables citizen participation in municipal budgeting, provides a local infrastructure that could be extended to deliberative assemblies on territorial questions. The Basque Country, with its strong tradition of civic institutions and its relatively less polarised territorial politics, could host a pilot assembly on fiscal autonomy—how the *concierto económico* might be adapted for the twenty-first century, what responsibilities should accompany greater fiscal sovereignty, and how solidarity with poorer regions should be structured.

These pilots would generate evidence about what works: how to recruit representative samples of citizens, how to structure expert testimony so that it informs rather than manipulates, how to facilitate deliberation across deep identity divides, and how to ensure that recommendations are sufficiently specific to be actionable without being so prescriptive that they trigger political rejection. The lessons would inform the design of the national assembly, reducing the risk that it becomes either a polarised failure that discredits the methodology or a vague exercise that produces recommendations too general to constrain political choices.

5.4 Scaling by Attraction: The Spanish Way

Spain's territorial transformation, when it comes, will not be driven by central mandate. The constitutional architecture prevents central mandates on territorial questions from being issued, and the political fragmentation ensures that any such mandate would be contested, resisted, and ultimately neutralised. It will be driven by the diffusion of proven innovations from successful pilots, through horizontal learning, competitive emulation, and the mobility of talent and capital that characterise a modern European economy.

Scaling by attraction means that the role of the central state is not to compel but to enable, fund, protect, and celebrate—and then to get out of the way. An inter-regional compact that demonstrably accelerates the energy transition, creates employment, and attracts private investment becomes a model that other regions seek to emulate. A municipal network that delivers tangible improvements in public services, housing

affordability, and climate resilience becomes a template that other cities demand. A citizens' assembly that produces recommendations that command broad public legitimacy and that are partially implemented by responsive governments becomes a precedent that civil society organisations in other territories invoke.

The competitive dynamic is culturally congruent. Spanish regions already compete—for tourism revenue, for foreign investment, for EU funds, for cultural prestige. The inter-regional compact pilots and municipal networks channel that competition toward cooperative governance. The region that successfully manages its water resources through a watershed council attracts the agricultural investment that depends on water security. The city that builds a functional symbiosis with its rural hinterland attracts the young families seeking quality of life that the congested metropolis cannot provide. The autonomous community that experiments with deliberative democracy strengthens its democratic legitimacy and attracts the civic engagement that sustains long-term institutional health. Success is visible. Visibility generates demand. Demand generates political pressure on the centre to accommodate what is manifestly working.

The central state's role in this architecture is essential but circumscribed. It negotiates the EU Conditionality Flip within the Council of the European Union, securing the fiscal framework that the pilots require. It provides the legal infrastructure for inter-regional compacts, municipal networks, and watershed councils—the statutory frameworks that give these bodies the authority to act and the legal personality to enter into binding agreements. It protects the pilots from the immune response of the Consensus Machine—the legal challenges, the political attacks, the bureaucratic obstruction—by ensuring that they operate within a clear statutory mandate. And it gets out of the way—resisting the temptation to standardise, to mandate, to convert the emergent diversity of local experimentation into a uniform national programme before the evidence of what works has been generated.

This is not the Spanish governance tradition. The Spanish governance tradition, from the Catholic Monarchs through the Bourbons to Franco, has been centralist. Madrid decides; the territories comply. Decentralisation was the great achievement of the transition, but it was an incomplete achievement—a devolution of administrative authority without the corresponding devolution of the fiscal and political capacities that make devolution functional. The transition architecture described here completes the logic of decentralisation that the 1978 settlement began but never finished. It does not centralise; it does not dissolve. It networks.

The timeline is generational. The Consensus Machine will not be dismantled in one administration, or two, or three. The frozen constitution will not thaw in a single constitutional moment. The integrative closure that Spain requires will accumulate—compact by compact, network by network, assembly by assembly—over decades. But the process can begin now, with the pilots that are already feasible, with the funds that are already available, and with the political will that already exists in the regions and municipalities that are tired of waiting for Madrid to resolve the territorial question and have decided to start resolving it themselves.

The founders deferred the settlement because survival was at stake. Survival is no longer at stake. The task now is to complete what they began—not by forcing a resolution that the political system cannot produce, but by building the reality of a functional, multi-level Spain beneath the frozen constitution, and trusting that

the constitution will eventually catch up with the country it governs.

6. A Concrete First Step: The Inter-Regional Compact Fund and the Citizens' Assembly on Territorial Financing

6.1 The Logic of the First Step

The Integrative Closure Deficit is a systemic condition, not a single policy failure. There is no one reform that can complete Spain's constitutional architecture, no single legislative act that will resolve the territorial question, settle the fiscal architecture, and integrate the plurinational reality of the Spanish state into a stable constitutional equilibrium. But there are interventions that can alter the institutional metabolism—that can change the incentives that drive the oscillation, create new pathways for the horizontal cooperation that the vertical constitution cannot mandate, and generate the democratic legitimacy that the partisan system cannot produce. These interventions, once established, create the conditions for the deeper transformations that must follow.

The first step is therefore not the most ambitious intervention this report has described. It is the most catalytic: the intervention that targets the primary loop drivers most directly, that is institutionally feasible within the current architecture, and that, once established, generates the information, the constituencies, and the political logic that make further integrative closure possible.

Two parallel institutional innovations meet these criteria. An Inter-Regional Compact Fund, embedded within the EU structural funding framework, would change the routing protocol of fiscal resources—bypassing the vertical Madrid-Periphery grievance loop and creating a direct incentive for the horizontal cooperation that the constitution gestures toward but never delivers. A Citizens' Assembly on Territorial Financing would create a parallel democratic pathway for generating legitimate public mandates on the most toxic and intractable dimension of the territorial question—the fiscal architecture of the multi-level state. Together, they target the two master mechanisms of the Integrative Closure Deficit: the vertical centre-periphery dynamic that prevents horizontal integration, and the partisan polarisation that prevents the political system from deliberating productively on the questions that must be resolved.

6.2 The Inter-Regional Compact Fund: Horizontal Integration Through Fiscal Incentives

The Inter-Regional Compact Fund would be a dedicated financing facility, jointly funded by the European Union and the Spanish state, available exclusively to consortia of three or more autonomous communities that submit genuinely integrated, cross-boundary projects. The fund would operate alongside the existing structural fund allocation mechanisms, not replace them. Autonomous communities would continue to receive their individual allocations through the established channels. The Compact Fund would be an additional resource—a premium for cooperation, not a penalty for autonomy.

The fund's eligibility criteria would be straightforward: participating communities must submit a joint project that addresses a shared challenge or opportunity, that involves genuine administrative and fiscal integration rather than parallel submission of separate proposals, and that demonstrates clear value added from cross-boundary cooperation. Eligible domains would include energy transition infrastructure, water management, transport connectivity, innovation clusters, climate adaptation, and rural-urban symbiosis—areas in which the functional geography of economic and ecological systems crosses autonomous community boundaries regardless of the constitutional map.

The fund would bypass Madrid's gatekeeping role. Applications would be submitted directly to a joint EU-Spain administrative body, with participation from the autonomous communities in the governance of the fund. Approval criteria would be transparent and technical—based on project quality, demonstrated cooperation, and potential impact—rather than political negotiation. The fund would thus create a direct fiscal relationship between cooperating regions and the European and Spanish administrations that is not mediated by the central government's discretionary allocation.

The incentive structure is carefully calibrated. The fund is sufficiently attractive—offering access to resources beyond baseline allocations—that autonomous communities have a positive reason to cooperate. It is sufficiently demanding—requiring genuine integration across three or more communities—that cooperation is substantive rather than cosmetic. It is voluntary: no community is required to participate, and no community is penalised for non-participation. The incentive is positive, not coercive. The framing is efficiency and additionality, not constitutional reform.

The fund would initially be modest in scale—perhaps five to ten percent of the total EU structural funds allocated to Spain over a programming period—to test the mechanism without threatening the baseline fiscal expectations of the autonomous communities. If successful, the proportion could be increased in subsequent programming periods. The modesty of the initial scale reduces the political stakes: participating communities gain additional resources without risking their existing allocations; non-participating communities do not lose what they already receive. The political barriers to establishing the fund are thus significantly lower than the barriers to reforming the fiscal architecture as a whole.

The Compact Fund is a Trojan Horse mechanism. It announces itself as an administrative innovation—a more efficient use of European structural funds, a technical adjustment to allocation criteria, a response to the EU's own increasing emphasis on cross-border and inter-regional cooperation. But the payload it carries is the creation, from the bottom up, of the horizontal cooperative interfaces that a genuinely multi-level Spain requires. Each consortium that forms to access the fund creates an administrative relationship between autonomous communities that did not previously exist. Each joint project builds practical experience in cross-boundary governance. Each successful cooperation generates a constituency—regional officials who have learned to work together, businesses that benefit from integrated infrastructure, citizens who experience the tangible benefits of inter-regional collaboration. Over time, the density of horizontal relationships

increases, the practical capacity for networked federalism grows, and the political salience of the vertical territorial conflict diminishes—not because it has been resolved, but because it has been supplemented by a web of cooperative governance that makes the resolution less existentially urgent.

6.3 The Citizens' Assembly on Territorial Financing: Democratic Legitimacy for the Hardest Question

The fiscal architecture of the Spanish state is the most toxic dimension of the territorial question. The *concierto económico*, the common regime, the equalisation mechanisms, the net flows between regions—these are the issues on which the political system is most incapable of productive deliberation. Any proposal to reform the fiscal architecture is immediately attacked from both sides: by the net contributor regions as insufficiently generous to their fiscal effort, by the net recipient regions as an assault on solidarity, by the historic nationalities as a denial of their fiscal sovereignty, by the centralists as a threat to the unity of the state. The partisan dynamics of *Las Dos Españas*, amplified by the coalition fragmentation that gives small parties veto power over large reforms, ensure that the fiscal question cannot be resolved through ordinary parliamentary processes.

The Citizens' Assembly on Territorial Financing would bypass this gridlock—not by replacing the constitutional authority of the Cortes, but by creating a parallel democratic pathway for generating legitimate public mandates that the Cortes is structurally incapable of producing.

The Assembly would be composed of a randomly selected, demographically representative sample of Spanish citizens—perhaps two hundred people, stratified by age, gender, geography, educational background, and, critically, by autonomous community of residence and national identity. Catalans and Castilians, Basques and Andalusians, Galicians and Valencians, residents of the dynamic coasts and residents of the emptying interior would sit together in the same room, deliberate together, and reason together about the fiscal architecture of the state they share.

The Assembly would be professionally facilitated, with access to expert testimony from economists, constitutional scholars, fiscal policy specialists, and representatives of the major stakeholder perspectives—the central government, the autonomous communities, the municipalities, the trade unions, the business associations. The testimony would be balanced and transparent, with all assumptions and models made public. The facilitation would be designed to encourage genuine deliberation across identity divides—not the partisan point-scoring of parliamentary debate, but the structured, respectful engagement with evidence and with opposing perspectives that characterises the best deliberative practice.

The Assembly would be charged with a specific, actionable mandate: to consider the principles that should govern the fiscal architecture of the multi-level Spanish state, to evaluate the existing arrangements against those principles, and to issue public, reasoned recommendations for reform. The mandate would be broad enough to allow genuine deliberation and specific enough to produce actionable conclusions. The Assembly

would not be asked to design a comprehensive fiscal reform—that is beyond the capacity of any single deliberative body. It would be asked to establish the principles, the priorities, and the trade-offs that any reform must address.

The Assembly's recommendations would be non-binding. They would not override the constitutional authority of the Cortes to legislate on fiscal matters. But they would carry a democratic legitimacy that derives not from partisan mandate but from the authenticity of citizen deliberation. A representative cross-section of the citizens of Spain, having spent months engaging with the evidence and with each other, having reasoned across the deepest identity divides in the country, and having arrived at a considered public judgment—that judgment would be difficult for any government to ignore. The government would be required to respond publicly and in detail to the Assembly's recommendations, explaining which it accepts, which it rejects, and why.

The Assembly would thus create a new political fact: a legitimate public mandate on the fiscal question that is not produced by the partisan system. Even if the Cortes declined to implement the Assembly's recommendations immediately, the recommendations would become a reference point for future political debate. The question would shift from "what fiscal architecture should Spain have?"—a question on which the political system produces only polarisation—to "why has the Cortes not implemented the recommendations of a representative assembly of Spanish citizens?"—a question that the political system would find harder to evade.

The Assembly would also serve a democratic function beyond its specific recommendations. It would demonstrate that citizens of Spain of deeply different identities

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reason together about the architecture of the state they share. It would produce a public record of respectful, evidence-based deliberation on questions that the political class treats as irresolvable. And it would create a precedent—a model for how the territorial question can be addressed through deliberative democracy rather than partisan confrontation—that could be applied to other dimensions of the Integrative Closure Deficit in the future.

6.4 Selection Criteria: Why These Two?

The Inter-Regional Compact Fund and the Citizens' Assembly on Territorial Financing are not selected at random from the menu of interventions described in previous sections. They are selected because they meet the criteria that a first step must meet to be catalytic.

First, they target the primary loop drivers directly. The Compact Fund addresses the vertical centre-periphery dynamic that prevents horizontal cooperation. The Citizens' Assembly addresses the partisan polarisation that prevents the political system from deliberating productively on the fiscal question. Both operate upstream of

the specific policy disputes that occupy daily political life. Both change the incentive structures and the democratic conditions within which all subsequent decisions are made, rather than attempting to make the decisions themselves.

Second, they are institutionally feasible within the current architecture. The Compact Fund requires an adjustment to EU structural fund allocation criteria—a negotiation within the Council of the European Union in which Spain is one actor among twenty-seven, not a unilateral Spanish constitutional reform. The Citizens' Assembly does not require constitutional amendment; it can be established by ordinary legislation, as its recommendations are non-binding. Both can be championed by reformist elements across the political spectrum—the Compact Fund by those who seek more efficient use of European resources, the Assembly by those who seek a way out of the permanent paralysis that the partisan confrontation imposes.

Third, they generate feedback that enables further integrative closure. The Compact Fund produces a stream of successful inter-regional cooperation projects—evidence that horizontal governance works, constituencies for its expansion, and templates for its replication. The Citizens' Assembly produces a legitimate public mandate on the fiscal question—a mandate that creates political space for leaders who wish to act and political pressure on those who wish to maintain the status quo. Together, they create the informational, institutional, and political conditions for the deeper transformations that the report has described: the networked federalism, the parallel labour charter, the bioregional governance compacts, the constitutional

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6.5 How to Measure Success

The first step will be resisted, diluted, and potentially neutralised by the Consensus Machine. Measuring its success therefore requires metrics that capture not only whether the institutions are formally established but whether they are functioning as designed—whether they are actually changing the system's metabolism rather than being absorbed by it.

For the Inter-Regional Compact Fund, the relevant metrics include: the volume of funds allocated through the Compact Fund as a proportion of total structural fund flows; the number and diversity of autonomous communities participating in compacts; the number of cross-boundary projects funded, their total investment volume, and their sectoral distribution; the quality and durability of the administrative interfaces created through compact governance (measured through surveys of participating regional officials and through the survival rate of compacts beyond their initial funding period); and the rate at which regions that initially did not participate subsequently seek to join existing compacts or form new ones. The process metric is as important as the outcome metric. If the Compact Fund finances projects that are technically cross-boundary but administratively siloed—each region implementing its own component without genuine integration—the mechanism has failed to change the underlying dynamic and must be redesigned.

For the Citizens' Assembly on Territorial Financing, the relevant metrics include: the completion of the Assembly's mandate on schedule, with high participant satisfaction and public credibility; the quality, specificity, and public accessibility of the Assembly's recommendations; the rate at which the government and the Cortes engage substantively with the recommendations in formal responses and legislative initiatives; the incorporation of the Assembly's principles into subsequent fiscal reform proposals; and the evolution of public discourse around territorial financing—measured through media content analysis, public opinion surveys, and the language used in parliamentary debates. The Assembly cannot compel action. It can only make informed public judgment visible and thereby make the evasion of that judgment politically costly. Success is measured by whether the evasion becomes more costly over time—whether politicians who ignore the Assembly's recommendations face an electoral penalty that currently does not exist.

The ultimate metric is whether the first step enables the second. Does the Compact Fund create a web of inter-regional cooperation that generates demand for the institutionalisation of horizontal governance—for the formal recognition of compacts, for the fiscal autonomy to sustain them, for the constitutional

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that would provide them with a stable legal foundation? Does the Citizens' Assembly's mandate create political space for fiscal reform that has been absent for decades, and does it establish a precedent for deliberative democracy that civil society organisations in other domains invoke? If the answer is yes, the first step has succeeded, and the ground is prepared for the networked federalism, the parallel labour charter, the bioregional governance, and the incremental constitutional completion that constitute the transition architecture's fuller ambition. If the answer is no—if the Compact Fund is captured by the vertical centre-periphery dynamic and the Assembly's recommendations are published and ignored—then the Integrative Closure Deficit has claimed another reform, and the oscillation continues.

The honesty of the framework requires acknowledging that this outcome is possible, even likely, without sustained political leadership and mobilised public demand. The Consensus Machine has successfully neutralised or absorbed every major reform initiative that has threatened the foundational ambiguities of the 1978 settlement for four decades. The Compact Fund and the Citizens' Assembly are designed to be more resistant to neutralisation than previous reforms—they operate through external incentives and democratic legitimacy rather than through the blocked channels of the central political institutions—but they are not immune. The first step is not a guarantee. It is a wager—on the capacity of fiscal incentives and deliberative democracy to outflank the Consensus Machine, and on the existence of sufficient integrative energy within the Spanish system to seize the opening that the first step creates. The transition succeeded because enough Catalans, Castilians, Basques, Galicians Andalusians, and others were willing to risk peace. The completion will succeed if enough people across Spain are willing to risk resolution.

7. Coda: The Limits of Constructive Ambiguity

7.1 The Wealth That Matters

Spain is rich in the things that make pluralist democracies endure. The capacity for

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—the daily practice of peaceful coexistence across differences of language, identity, and political aspiration that would fracture less resilient societies. The institutional memory of a successful transition—the knowledge, embedded in political culture and constitutional practice, that even the deepest antagonisms can be negotiated, that even the most entrenched conflicts can be managed, and that the worst outcomes can be averted through pragmatism, patience, and the deliberate avoidance of existential confrontation. The European integration that has provided an external framework for modernisation, stabilisation, and the softening of sovereignty conflicts that might otherwise have hardened beyond resolution. The democratic legitimacy that has survived economic crisis, territorial confrontation, political fragmentation, and generational change—weathered, eroded in places, but fundamentally intact.

These are not small assets. They are the hardest things to build and the easiest to destroy. They are the reason Spain has not collapsed, despite the centrifugal pressures that would have torn apart a less resilient polity. The transition generation—those who lived through the Civil War, the dictatorship, and the construction of democracy—built an architecture designed to prevent the worst from happening. It succeeded. Spain is a democracy today because they built it.

But the wealth that matters for Spain's next phase is not only the capacity to prevent collapse. It is the capacity to achieve completion—to transform the constructive ambiguity that enabled transition into the institutionalised pluralism that sustains settlement. The transition succeeded brilliantly at its founding purpose. The task now is to succeed at the purpose that the transition deferred: building a constitutional framework within which the plurinational reality of the Spanish state can be not merely managed but integrated, not merely tolerated but institutionally expressed.

Spain has mastered the art of preventing the worst. It has not yet mastered the art of building the best—the stable, legitimate, multi-level governance architecture that the 1978 Constitution gestures toward but never delivered. The Integrative Closure Deficit is not a failure of the past. It is an incompleteness that the past bequeathed to the present. The question is whether the present can complete what the past left unfinished.

7.2 The Shift

The shift this report describes is not a shift in policy. It is a shift in the relationship between the Spanish state and its own constitutional foundations—from a posture of permanent deferral to a posture of evolutionary completion.

The transition of the 1970s was an act of existential prudence. The founders deferred the hardest questions—territory, identity, sovereignty, the legacy of the dictatorship—because answering them would have threatened the fragile consensus on which democratisation depended. Their choice was rational. Their success was real. But the conditions that justified deferral no longer obtain. The military no longer threatens the constitutional order. The European Union provides an external framework that stabilises the worst outcomes. The historic nationalities have exercised self-government for four decades, developing the administrative capacity, the political maturity, and the democratic legitimacy that make a renegotiated territorial settlement a realistic prospect rather than an existential gamble.

The shift is from deferral to completion—not all at once, not in a single constitutional moment, but incrementally, compact by compact, network by network, assembly by assembly. The Inter-Regional Compact Fund that builds horizontal governance from the bottom up. The municipal networks that create urban-rural symbiosis across the boundaries of the autonomous communities. The Citizens' Assembly that demonstrates that citizens of deeply different identities can reason together about the fiscal architecture of the state they share. The watershed councils that manage shared water resources through cooperative governance rather than centralised allocation. The parallel labour charter that gives the next generation a stake in the economic future without dismantling the protections the older generation depends on. Each of these is modest. The accumulation of them over time is transformative.

This is not a repudiation of the transition. It is the transition's fulfilment. The founders wrote the constitution that enabled democracy. They trusted that future generations would write the constitution that completes the democracy. They deferred the settlement because survival was at stake. Survival is no longer at stake. The task now is to finish what they began—not by forcing a resolution that the political system cannot produce, but by building the reality of a functional, multi-level Spain beneath the frozen constitutional text, and trusting that the text will eventually catch up with the country it governs.

7.3 The Global Significance

Spain is not merely a case study in this series. It is the clearest demonstration of a dynamic that extends far beyond the Iberian Peninsula: that constructive ambiguity—adaptive and even necessary during transitions—ossifies over time into a governance trap once the original conditions that justified it have faded.

Every country that has deferred foundational constitutional questions faces the same underlying dynamic. South Africa's transition from apartheid deferred the economic settlement—the redistribution of land, the restructuring of an economy built on racial exploitation—and the deferral now fuels the corruption, inequality, and institutional decay that threaten the democratic achievement. Bosnia's Dayton Constitution froze the ethnic divisions of the 1990s war into a permanent political architecture, preventing the integrative closure that would allow the state to function without international supervision. Lebanon's confessional power-sharing system, designed to manage religious diversity, has become a machine for permanent paralysis, with each sect defending its constitutional prerogatives while the state collapses around them.

Northern Ireland's Good Friday Agreement deferred the ultimate constitutional question—whether the province belongs to the United Kingdom or Ireland—and the ambiguity, while preventing a return to violence, has not produced a stable political equilibrium.

In each case, the same pattern recurs: a settlement designed to manage existential conflict, adaptive in its time, that lacks the institutional capacity to evolve into a settlement designed for sustainable governance. The ambiguity that enables the transition becomes the architecture of the trap. The founders' pragmatism becomes the heirs' prison.

Spain is the most successful of these cases—the transition that worked, the democracy that consolidated, the plurinational state that held. And yet it too is trapped. If Spain, with its deep cultural capacity for coexistence, its European integration, its democratic maturity, and its four decades of experience with territorial self-government, cannot complete the settlement its founders deferred, then the implication is that no society that has deferred foundational questions can complete them—that ambiguity is not a transitional stage but a permanent condition, and that the costs of that permanence must simply be borne indefinitely.

But if Spain can complete the settlement—if it can build the integrative closure capacity that the 1978 Constitution never provided, through the orthogonal interventions and evolutionary mechanisms this report has described—then it offers a template for other societies frozen in their own transitions. The Spanish demonstration would be powerful precisely because Spain is not a failed state, not a fragile democracy, not a society on the brink. It is a successful, stable, European democracy that has nonetheless been unable to settle its own foundations. If Spain can complete its architecture, it proves that ambiguity need not be permanent—that the transition can eventually give way to the settlement, and that the settlement can be built without the existential rupture that the transition was designed to prevent.

7.4 The Positive Vectors

The diagnostic framework of this series, applied honestly, must acknowledge what is working—not as a palliative to balance the critique, but because the positive evolutionary vectors are the raw material from which the transition architecture must be constructed.

The coalition governments since 2019 represent a genuine institutional innovation in Spanish political practice. For most of the democratic period, Spain was governed by single-party majorities or stable minority governments. Coalition governance was widely regarded as inherently unstable, a recipe for the kind of permanent crisis that characterised the Italian First Republic. The PSOE-Podemos government (2020–2023) and the current PSOE-Sumar coalition have demonstrated that multi-party government, while undoubtedly more complex than single-party rule, is viable in Spain. They have passed budgets, implemented policy, and survived for periods that, by the standards of the 2015–2019 electoral chaos, represent a significant stabilisation. The coalition era has also forced cross-party negotiation on a scale that the majoritarian era never required, building the political skills and institutional habits that a genuinely multi-level, multi-party democracy needs.

The Basque Country's *concierto económico* continues to function as a demonstration that asymmetric fiscal autonomy is compatible with the cohesion of the Spanish state. The Basque model is not without its tensions—the periodic renegotiations of the *cupo* are intensely political—but it has survived for over a century in its modern form and has provided the fiscal foundation for one of Spain's most economically successful regions. The model's existence refutes the claim that fiscal asymmetry necessarily leads to the unravelling of the state. It is a working precedent that other historic nationalities can invoke, and that the central government, however reluctant to generalise it, cannot dismiss as impossible.

Catalonia's innovation clusters—in biotechnology, renewable energy, digital services, and advanced manufacturing—represent genuine economic dynamism that is integrated into European and global networks. Barcelona remains one of Europe's most dynamic cities, a magnet for talent and investment that benefits from its location within both Catalonia and Spain, within both the Spanish market and the European single market. The Catalan economy's continued strength, despite the political turbulence of the past decade, demonstrates that the territorial conflict and economic vitality can coexist—and that the economic case for cooperation across territorial boundaries is robust regardless of the constitutional status of the territories involved.

Inter-regional cooperation, while underdeveloped, is not absent. The renewable energy sector has generated cross-boundary partnerships—wind energy clusters spanning Galicia and Castile and León, solar energy cooperation between Andalusia and Extremadura—that demonstrate the economic logic of horizontal integration. The COVID-19 pandemic forced unprecedented coordination between autonomous communities on public health measures. The water crisis has generated informal cooperation between regions that share river basins, even in the absence of formal institutional frameworks. These are not transformative in themselves, but they are the seeds from which the networked federalism this report envisions could grow.

And the Spanish public, despite everything, remains committed to democratic governance, to European integration, and to the peaceful resolution of political conflicts. The mass demonstrations of the past decade—whether for Catalan independence, against the judicial sentences on independence leaders, or in defence of the constitutional order—have been overwhelmingly peaceful. The tolerance for political violence is close to zero. The memory of the Civil War, while fading, remains a powerful cultural restraint on the escalation of political conflict beyond the boundaries of democratic contestation. This is a profound democratic resource. The transition succeeded because enough people were willing to risk peace. The completion will succeed if enough are willing to risk resolution.

7.5 The Honest Conclusion

This report has described a deficit and proposed a transition architecture. It must now offer an honest conclusion about the prospects for completion.

Spain's trajectory, under current conditions, is toward continued oscillation between centralising and centrifugal poles, with the European Union's external scaffold absorbing the worst shocks but also enabling the indefinite deferral of structural reform. The Consensus Machine will resist any reform that threatens the foundational ambiguities of the 1978 settlement. The constitutional amendment procedures are prohibitive by design. The political fragmentation ensures that the supermajorities required for formal constitutional reform cannot be assembled. The territorial polarisation guarantees that any proposal for reform will be attacked from both sides. The default outcome is not collapse but permanent limbo—stable, democratic, European, but constitutionally unsettled, with the accumulated costs of deferral rising with each cycle of the oscillation.

But default outcomes are not inevitable outcomes. The Spanish governance tradition contains within itself the resources for its own completion. The

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that enables coexistence across deep differences. The institutional memory of a successful transition that demonstrates that even the most entrenched conflicts can be managed. The European integration that provides an external framework for managed evolution. The democratic legitimacy that has survived crisis after crisis. The growing impatience of a younger generation that is less invested in the transition's compromises and more willing to demand the settlement that the transition deferred.

The transition architecture this report proposes is not a guarantee of success. It is a framework for increasing the probability that the integrative energy of Spanish society can be channelled into the construction of durable, legitimate, multi-level institutions, rather than being dissipated in the endless management of tensions that should have been resolved decades ago. It is a wager on the capacity of fiscal incentives, networked governance, and deliberative democracy to outflank the Consensus Machine—and on the existence of sufficient political will within the Spanish system to seize the opening that these mechanisms create.

The wager may fail. The Consensus Machine may neutralise every reform. The Inter-Regional Compact Fund may be captured by the vertical centre-periphery dynamic it is designed to bypass. The Citizens' Assembly may produce recommendations that are published and ignored. The frozen constitution may remain frozen for another generation, and the oscillation may continue, and the costs of deferral may accumulate until they overwhelm the capacity of the system to manage them.

But the wager is worth making, because the alternative is not stability—it is the slow, dignified consumption of the future by the present, the permanent postponement of the settlement that the transition was supposed to enable, the quiet suffering of citizens who deserve a state that is not merely a machine for managing conflict but a home for building a shared future. The framework can specify what needs to change, and how. It cannot specify when or whether the political will to change will emerge. It can only make the case that change is possible, that the resources for it exist, and that the cost of deferring it rises with each cycle of the Crisis–Centralisation–Peripheral Mobilisation–Accommodation loop.

7.6 A Final Word

The Spain of 1978 was a country emerging from forty years of dictatorship, facing the unresolved traumas of civil war, with a military that posed a credible threat to democratic institutions, and with Basque and Catalan nationalism demanding recognition that the centralist state had always denied. The founders of the Constitution looked at those conditions and made a calculated choice: secure the transition first, defer the settlement. They wrote a constitution designed to manage ambiguity—to create a framework within which those who disagreed on the most fundamental questions could nonetheless coexist, govern themselves, and build a shared democratic future. They succeeded. Spain is a democracy today because they succeeded.

The Spain of today faces different conditions. The transition has been secure for four decades. The military is under civilian control. The historic nationalities have demonstrated their capacity for self-government. The European Union provides an external framework that stabilises the worst outcomes and creates the conditions for managed, incremental evolution. The founders' choice was right for their time. It is no longer right for ours.

The task now is not to repudiate the founders' achievement but to complete it—to build the integrative closure architecture that they deliberately deferred, under conditions far more favourable than those they faced. The 1978 Constitution was a bridge from dictatorship to democracy. It was never intended to be the destination. The destination is a stable, legitimate, multi-level governance architecture within which the plurinational reality of the Spanish state is not merely managed but expressed, not merely tolerated but institutionally integrated. The bridge has held. It is time to complete the crossing—not by dismantling the bridge, but by building the institutions on the far shore that the bridge was always meant to reach.

The founders deferred the hardest questions because survival was at stake. Survival is no longer at stake. The task now is to answer the questions they left open—to complete the settlement they began.

Convivencia

enabled the transition. Integrative closure must now enable the completion. The resources exist. The capacity exists. What remains is the will to acknowledge that the ambiguity that saved Spain is the ambiguity that now constrains it—and that the completion must begin before the accumulated costs of deferral overwhelm the capacity for coexistence that has sustained the country for four decades. Spain mastered the art of transition. The question now is whether it can master the art of settlement.

Appendix A: Value Systems and Policy Mindsets — A Guide for the Spanish Context

A Note on This Appendix

The main body of this report avoids specialised terminology from developmental psychology or cultural theory. It speaks the language of governance architecture, the Integrative Closure Deficit, and the Crisis–Centralisation–Peripheral Mobilisation–Accommodation Loop. This appendix offers a complementary lens for readers who wish to understand the deeper value-system dynamics at play in Spanish governance. It is optional, but it makes the report's underlying logic fully transparent.

A.1 The Basic Insight

Different institutions and political cultures tend to operate from different centres of gravity in how they think about governance, resources, and change. These are not personality types or party affiliations, though they correlate loosely with both. They are underlying value systems—ways of constructing what feels real, legitimate, and important.

Each value system represents a coherent response to particular life conditions. None is "better" in any absolute sense. Each has characteristic strengths that emerge under certain conditions and characteristic blind spots that emerge under others. The challenge of governance in a complex society is to integrate the legitimate concerns of multiple value systems without being captured by any single one.

The framework used here draws on Spiral Dynamics integral theory. What follows is a simplified map of the systems most relevant to contemporary Spanish governance.

A.2 The Value Systems in the Spanish Arena

Order and Stability (sometimes called "Blue") — the Constitutional and Institutional State. In the Spanish context, this mindset expresses itself through the 1978 Constitution itself—a document designed to establish predictable rules, institutional hierarchy, and the legal framework for democratic life after the arbitrariness of dictatorship. The constitutional order, the monarchy, the judiciary, and the civil service are expressions of a Blue value system that prioritises stability, procedural integrity, and the rule of law. Strengths: the constitutional settlement provided the framework for peaceful democratisation and has commanded broad legitimacy for over four decades. Blind spots: the frozen character of the constitutional text, the deliberate ambiguity that prevents the resolution of foundational questions, and the Consensus Machine that treats any significant constitutional reform as a threat to the stability that the transition secured. The Integrative Closure Deficit is, in Spiral Dynamics terms, the failure to evolve the Blue constitutional architecture from a transitional compromise into a permanent, multi-level settlement.

Achievement and Efficiency (sometimes called "Orange") — the Modernising and European Spain. Spain's transformation from an isolated, agrarian backwater under Franco into a modern, globally integrated economy is one of the most dramatic examples of Orange-driven modernisation in Europe. EU membership, infrastructure investment, the growth of globally competitive firms in sectors from banking to renewable energy to high-speed rail, and the emergence of dynamic urban economies in Madrid, Barcelona, and Bilbao are expressions of a mindset that values innovation, competitiveness, and measurable outcomes. Strengths: economic dynamism, global orientation, and a pragmatic capacity to absorb European funds and modernise institutions. Blind spots: the tourism-heavy economic equilibrium that provides just enough low-wage employment to suppress systemic crisis without generating the pressure for structural upgrade, and the Innovation–Governance Split—the same society that builds world-class infrastructure and globally competitive firms cannot translate that capacity into constitutional completion.

Inclusion and Care (sometimes called "Green") — the Welfare State, Territorial Pluralism, and Progressive Values. Spain's universal healthcare system, its rapid adoption of progressive social policies (same-sex marriage legalised in 2005, comprehensive gender equality legislation), its recognition of linguistic and cultural diversity through the autonomous communities, and its vibrant civil society are expressions of a Green value system that prioritises inclusion, rights, and the protection of the vulnerable. Strengths: deep commitment to social solidarity, a cultural capacity for *convivencia* across difference, and the institutional expression of pluralism through territorial autonomy. Blind spots: the tendency for Green pluralism to fragment—each autonomous community, each identity group, each progressive cause pursues its own recognition without the integrative mechanisms that would connect them into a coherent whole. The "pluralisation without integration capacity" dynamic described in the report is, in Spiral Dynamics terms, the absence of sufficient Yellow-level mechanisms to connect the Green diversity that the transition unleashed.

Integrative and Systemic (sometimes called "Yellow") — the Missing Translation Layer. This mindset prioritises functional fit, systemic awareness, and the capacity to integrate multiple perspectives without being captured by any of them. In Spain, it is present in pockets—the systems thinking of certain policy planners, the integrative vision of some inter-regional cooperation experiments, the holistic approach of the municipalities and civil society organisations that work across territorial boundaries—but it is not yet institutionalised at the constitutional level. The transition architecture proposed in this report—the EU Conditionality Flip, networked municipalism, bioregional governance, citizens' assemblies—is designed to embed Yellow mechanisms within the existing Blue-Orange-Green configuration, creating the integrative capacity that the 1978 settlement never provided.

A.3 The Integrative Closure Deficit as a Value-System Configuration Problem

The Spanish governance system is dominated by an unstable configuration of Blue, Orange, and Green that has never achieved the Yellow integration required for constitutional settlement. Blue constitutional order remains frozen in the compromises of 1978, preventing the evolution that changed conditions demand. Orange modernisation has transformed the economy and society but is disconnected from the governance

architecture that would sustain it over the long term. Green pluralism has recognised and empowered diversity but lacks the integrative mechanisms that would convert that diversity into a stable, shared institutional framework. And the Yellow capacity that could connect these systems—the deliberative infrastructure, the horizontal governance mechanisms, the constitutional

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—is present only in fragments.

The Integrative Closure Deficit is, in Spiral Dynamics terms, the absence of a sufficiently developed Yellow translation layer that would allow the competing value systems of Spanish society—the centralist Blue, the modernising Orange, the pluralist Green—to coexist within a coherent constitutional framework rather than oscillating between incompatible poles. Building that layer is the central governance challenge Spain faces. The transition architecture described in this report is a framework for doing so—not by replacing any of the existing value systems, but by constructing the integrative mechanisms that allow them to negotiate rather than confront.

Appendix B: International Analogues and Precedents

The proposals in this report are not without precedent. The following examples illustrate existing implementations of integrative closure mechanisms across multiple countries, with particular attention to plurinational democracies and post-conflict constitutional settlements.

B.1 Germany: Cooperative Federalism and the Bundesrat

Germany's federal architecture, designed under Allied occupation after the Second World War with the explicit purpose of preventing the centralisation that had enabled Nazism, provides the most developed model of cooperative federalism in Europe. The Bundesrat—the upper house composed of delegates from the *Länder* governments—gives the regions a direct institutional role in national legislation. The fiscal equalisation system (*Länderfinanzausgleich*) redistributes resources between richer and poorer *Länder* through a transparent, formula-based mechanism. Crucially, the German Basic Law establishes a Federal Constitutional Court with the explicit authority to adjudicate disputes between the federation and the *Länder*—a genuinely independent arbiter that Spain's Constitutional Tribunal, for all its formal powers, has never become in the eyes of the peripheries. For Spain, the German model demonstrates that asymmetric federalism—different *Länder* have different fiscal capacities and different political weights—can coexist with a stable constitutional settlement when the institutional mechanisms for cooperation and adjudication are robust.

B.2 Belgium: Consociationalism and Plurinational Accommodation

Belgium's transformation from a unitary state into a federal, plurinational monarchy provides the closest European parallel to Spain's territorial evolution. Belgium's constitutional architecture accommodates deep linguistic and cultural division—Dutch-speaking Flanders, French-speaking Wallonia, and the bilingual Brussels region—through a complex system of overlapping communities and regions, each with its own parliament and government. The Belgian model is not without its dysfunctions—government formation routinely takes over a year, and the state has functioned without a federal government for extended periods—but it demonstrates that a plurinational constitutional settlement is possible without the dissolution of the state. For Spain, Belgium provides both inspiration and caution: inspiration that constitutional recognition of distinct national identities can be compatible with a shared state framework, and caution that consociational architecture, if not accompanied by sufficient integrative mechanisms, can generate its own forms of paralysis.

B.3 Canada: Asymmetric Federalism and the Québécois Question

Canada's experience with Quebec separatism—two referendums (1980 and 1995), the second of which came within a percentage point of victory—provides the closest international analogue to Spain's Catalan question. The Canadian response has combined constitutional recognition of Quebec's distinct status (the 2006 motion recognising the Québécois as a nation within a united Canada), asymmetric federal arrangements (Quebec has powers over immigration and cultural policy that other provinces do not), and a Supreme Court reference decision (1998) that established the constitutional framework for secession: unilateral independence is illegal, but a clear referendum majority would oblige the federal government to negotiate in good faith. For Spain, the Canadian model demonstrates that the territorial question can be managed constitutionally without either surrendering to separatism or suppressing it through force—that a clear, legally grounded framework for negotiation creates the conditions for democratic resolution even when the ultimate outcome remains contested.

B.4 Ireland: Citizens' Assemblies and Constitutional Deliberation

Ireland's citizens' assemblies—on marriage equality, abortion, and climate change—are the world's most successful examples of deliberative democracy unlocking constitutional questions that the political system had been incapable of resolving. The assemblies brought together randomly selected citizens, provided them with expert information and professional facilitation, and produced recommendations that commanded broad public legitimacy and were adopted through referendum. For Spain, the Irish experience provides a template for how a Citizens' Assembly on Territorial Financing could generate the legitimate public mandates that the Cortes, trapped in the partisan dynamics of

Las Dos Españas

, is structurally incapable of producing.

B.5 South Africa: Constitutional Transition and Historical Memory

South Africa's transition from apartheid to democracy, and the constitutional settlement that accompanied it, offers lessons in how deeply divided societies can negotiate constitutional frameworks while addressing unresolved historical trauma. The Truth and Reconciliation Commission (TRC), chaired by Archbishop Desmond Tutu, provided a model for how a society can confront past crimes without the retributive justice that might tear the fragile democratic settlement apart. For Spain, the South African experience provides a template for how the

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—the implicit agreement to forget the crimes of the Franco era in exchange for peaceful transition—might eventually be replaced by a more honest reckoning that does not threaten the democratic order.

Appendix C: The Governance as Engineering Connection

C.1 The Architectural Foundation

This report draws on a deeper body of work: the Governance as Engineering series, a set of formal analyses that model governance institutions as feedback control systems using standard mathematics from control theory, information theory, and cybernetics. The series is technical; this appendix summarises its core findings in non-technical language and shows how they underpin the Integrative Closure Deficit diagnosis.

C.2 The Six Papers in Brief

Paper I — Governance Stability Simulator demonstrates that centralised governance systems operating on aggregated signals destroy spatial information. Spain's territorial architecture, in its current form, exhibits exactly this dynamic: the vertical flow of fiscal and political authority through Madrid aggregates the diverse realities of the autonomous communities into a single national framework, destroying the spatial information—the specific grievances, the distinct identities, the local knowledge—that a genuinely multi-level system would process at the appropriate scale. The horizontal governance mechanisms proposed in this report—inter-regional compacts, networked municipalism, bioregional governance—are designed to restore the distributed information processing that the current architecture suppresses.

Paper II — Fractality as Stability demonstrates that no single-scale controller can stabilise a system facing simultaneous fast, medium, and slow disturbances. Spain faces disturbances across all three bands: fast political crises (the 2017 Catalan referendum, the 2023 amnesty law confrontation), medium economic and social pressures (the tourism-heavy equilibrium, the labour market dualism, the generational lock-out), and slow secular trends (the demographic hollowing of the interior, the climate-driven water crisis, the declining legitimacy of the monarchy). The current architecture is calibrated primarily for fast political crisis management—Article 155, judicial interventions, coalition negotiations—while the medium and slow disturbances that are steadily intensifying the territorial pressures go largely unaddressed. The transition architecture is designed to create the multi-scale response capacity that the fractality principle requires.

Paper III — The Observability-Democracy Connection demonstrates that citizen preferences cannot be reliably transmitted through deep representation chains. Spain's representation chain is particularly attenuated by the territorial dimension: a Catalan citizen's preferences must pass through autonomous community politics, national party structures, parliamentary coalition negotiations, and the judicial filter of the Constitutional Tribunal before reaching the policy layer. The citizens' assemblies, municipal networks, and inter-regional compacts proposed in this report are designed to shorten the observation chain, connecting citizen preferences to governance decisions through channels that bypass the attenuated, multi-layer representation architecture.

Paper IV — Requisite Variety and the Commons demonstrates that governance systems with low-dimensional observation cannot stabilise high-variety resource systems. Spain's governance system has low observational variety with respect to its territorial reality: it processes territorial dynamics primarily through the single dimension of centre-periphery conflict, missing the tripartite reality of *La España Vaciada*, the cross-boundary ecological interdependencies of water systems, and the functional economic geographies that the constitutional map obscures. The networked municipalism and bioregional governance compacts are designed to increase the observational variety of the governance system, making visible the dimensions of territorial reality that the current architecture cannot register.

Paper V — The Coordination Failure Tax demonstrates that the four failure modes do not add—they multiply. Spain exhibits a specific interaction between the spatial blindness generated by the vertical centre-periphery architecture (Paper I), the frequency gap generated by a system calibrated for fast political crises rather than slow structural pressures (Paper II), and the low observational variety generated by a constitutional framework that cannot register the full dimensionality of the territorial reality (Paper IV). The "tax" in Spain is the compounding cost of permanent ambiguity—each cycle of the oscillation erodes trust, deepens polarisation, and consumes political capital, making the integrative closure that would resolve the underlying tensions progressively more difficult to achieve.

Paper VI — The Variety Gap extends Ashby's Law of Requisite Variety to the architecture of institutional value, demonstrating that low-dimensional value architectures systematically exclude the disturbance dimensions that eventually destabilise them. Spain's constitutional value architecture is effectively one-dimensional—optimising for stability and consensus—and the excluded dimensions (territorial justice, plurinational recognition, fiscal fairness, generational equity) are the ones that periodically destabilise the system through the Crisis–Centralisation–Peripheral Mobilisation–Accommodation Loop. The transition architecture is, in essence, an attempt to increase the dimensionality of the Spanish value architecture—to build the institutional capacity to recognise and respond to the multiple, irreducible dimensions of the plurinational reality that the 1978 settlement acknowledged in principle but never operationalised in practice.

C.3 The Integrative Closure Deficit and the Limits of Constructive Ambiguity

The Governance as Engineering series identifies the structural requirements for first-order governance—observability, controllability, requisite variety, and feedback integrity. Spain satisfies these requirements within the existing constitutional framework: the system can perceive threats, respond to them, and maintain stability. What it cannot do is evolve the framework itself. The Integrative Closure Deficit is a second-order governance challenge: not a failure of the architecture to perform its basic functions, but a limitation on the architecture's capacity to complete itself—to transform the ambiguity that enabled transition into the institutionalised pluralism that sustains settlement.

In control-theoretic terms, the system has high *gain* with respect to crisis management—it responds accurately and forcefully to territorial challenges. It has adequate *observability* within the existing constitutional frame. What it lacks is *adaptive capacity* with respect to the constitutional frame itself—the

ability to reconfigure its own foundational parameters as the conditions that justified those parameters change. The frozen amendment procedures, the prohibitive consensus requirements, and the Consensus Machine's immune response are the mechanisms that suppress this adaptive capacity. The orthogonal interventions proposed in this report are designed to build that capacity from the bottom up—creating, through parallel subsystems, the adaptive governance that the constitutional architecture cannot provide directly.

The Spain report thus extends the Governance as Engineering framework to the specific challenge of constitutional evolution under conditions of frozen ambiguity. It demonstrates that the transition from ambiguity to integration requires not merely better institutions within the existing framework, but institutions capable of questioning and revising the framework itself—a meta-governance capacity that the 1978 settlement, for all its achievements, never developed.

Appendix D: Anticipated Objections

D.1 "Spain is already one of the most decentralised states in Europe. What more integration does it need?"

Spain is indeed highly decentralised—seventeen autonomous communities with extensive powers over education, healthcare, policing, and cultural policy. But decentralisation is not the same as integrative closure. The current architecture devolves administrative authority while retaining fiscal and political control at the centre, and it provides no stable mechanism for resolving the disputes that inevitably arise between levels of government. The result is permanent negotiation rather than settled federalism—a system in which the autonomous communities have enough power to generate grievances but not enough to resolve them, and the centre has enough authority to impose temporary solutions but not enough legitimacy to make them durable. The report does not argue for more decentralisation. It argues for a different kind of multi-level architecture—one in which the distribution of powers is clear, the fiscal framework is legitimate, and the mechanisms for adjudicating disputes are accepted by all parties.

D.2 "The 1978 Constitution has served Spain well. Why risk reopening it?"

The 1978 Constitution served Spain brilliantly at its founding purpose—the peaceful transition from dictatorship to democracy. It is precisely because the constitution has been so successful that its limitations are now visible. The constructive ambiguity that enabled the transition now prevents the settlement. The frozen amendment procedures that protected the constitution from assault by its enemies now prevent its evolution by its friends. The report does not argue for reopening the constitution in a single, comprehensive constitutional moment—that would trigger the exact immune response that the Consensus Machine is designed to produce. It argues for evolutionary completion: building the integrative closure mechanisms beneath the existing text, and allowing the text to catch up with the governance reality that emerges over time.

D.3 "The Catalan independence movement has lost momentum. Why address a problem that is receding?"

Support for Catalan independence has indeed declined from its 2017 peak, and the current Catalan government is led by the Socialist Party rather than the pro-independence parties. But the underlying structural dynamics that generated the 2017 crisis remain in place. The fiscal-territorial tensions have not been resolved. The judicialisation of politics has not been addressed. The constitutional framework that made the 2017 confrontation possible has not been reformed. The current calm is a cyclical ebb in the oscillation, not a structural resolution. The next crisis—triggered by an economic shock, a judicial ruling, or a political

miscalculation—will emerge from the same structural conditions that produced the last one. Addressing the Integrative Closure Deficit during a period of relative calm is precisely the right strategy: reform is easier when the immediate crisis has receded than when it is at its peak.

D.4 "The EU will never agree to an Inter-Regional Compact Fund that bypasses member state governments."

The EU already operates numerous programmes that fund cross-border and inter-regional cooperation directly, without routing through national capitals—INTERREG, the European Grouping of Territorial Cooperation, and various pilot initiatives under the Cohesion Policy. The Compact Fund proposed in this report is an extension of an existing EU practice, not a radical departure from it. Member states would retain control over the design of the fund and the allocation criteria; what would change is the routing of a portion of funds—from exclusive distribution through Madrid to direct access by cooperating consortia of autonomous communities. The EU has a structural interest in the success of this model: Spain's territorial instability is a risk to the European project, and mechanisms that stabilise the Spanish territorial architecture strengthen the Union as a whole.

D.5 "Citizens' assemblies are a cosmetic exercise. They cannot resolve deep political conflicts."

The Irish experience suggests otherwise. Citizens' assemblies on marriage equality and abortion—questions that had been politically frozen for decades, that involved deep moral and religious divisions, and that the political system was incapable of resolving—produced recommendations that unlocked legislative action and commanded broad public legitimacy. The assembly model does not guarantee success; its effectiveness depends on careful design, balanced expert testimony, professional facilitation, and a genuine commitment from the political class to engage with its recommendations. But the evidence from multiple countries suggests that randomly selected citizens, given adequate time, information, and support, are capable of nuanced deliberation on questions that partisan politics cannot resolve. In the Spanish context, a Citizens' Assembly on Territorial Financing would not "resolve" the fiscal question. It would demonstrate that the question can be deliberated on productively by a representative cross-section of Spaniards—a demonstration that the current political system is incapable of making. That alone would shift the terms of debate.

D.6 "This analysis is interesting, but it will never be implemented. The Consensus Machine is too strong."

The Consensus Machine is strong. The constitutional amendment procedures are prohibitive. The political fragmentation ensures that the supermajorities required for formal reform cannot be assembled. The territorial polarisation guarantees that any proposal will be attacked from both sides. The honest assessment

this report offers is that the default outcome is continued oscillation, with the EU scaffold absorbing the worst shocks but also enabling the indefinite deferral of structural reform.

But default outcomes are not inevitable outcomes. The Spanish system contains within itself the resources for its own completion—the

convivencia

that enables coexistence across deep differences, the institutional memory of a successful transition, the European integration that provides an external framework for managed evolution, and the growing impatience of a younger generation that is less invested in the transition's compromises. The transition architecture this report proposes is not a prediction that Spain will complete its settlement. It is a specification of what completion would require, and a framework for the first steps that could be taken by those who wish to begin. The wager may fail. But it is a wager worth making, because the alternative is the permanent postponement of the settlement that the transition was supposed to enable.

Appendix E: About the Author and Method

The Author

This report was written from a position of comparative engagement with governance systems across multiple continents, but not from within Spain's institutional core. The author is not Spanish, does not live in Spain, and does not claim the authority of lived experience within Spanish governance. The perspective offered here draws on a sustained engagement with complexity science, developmental psychology (Spiral Dynamics), governance theory, and control-theoretic approaches to institutional design—pursued with the conviction that the most valuable diagnoses sometimes come from outside the system being diagnosed, where questions can be asked that insiders have learned not to hear.

The distance from institutional power is both a limitation and a resource. It limits access to the granular, day-to-day texture of Spanish policy-making—the unwritten norms, the informal power structures, the lived reality that no formal framework can capture. But it also enables a freedom of diagnosis that proximity to power often discourages. The report does not claim insider knowledge. It claims a coherent lens—one that may prove useful to those who do hold institutional positions and are searching for frameworks that make sense of what they are experiencing.

The author has also contributed directly to governance design through the Global Governance Frameworks, the Governance as Engineering working paper series, and the Country Reports for Systemic Change—all of which are referenced in this document and available in full on the author's website. The report is offered in the spirit of collaborative sense-making, not definitive pronouncement. Feedback, criticism, and dialogue are welcomed.

A Note on Method

This report was developed through a structured, multi-model synthesis process. Several large language models were engaged in parallel, each prompted to analyze Spain's governance architecture from their respective analytical angles. Their contributions were compared, challenged for contradictions, and integrated by the author into the final argument. The AI served as a research partner and a perspective engine; the editorial judgment and the intellectual responsibility are entirely human.

This method is an experiment in cognitive amplification: using AI to facilitate analysis and to deliberately juxtapose multiple strategic intelligences, surfacing patterns and tensions that might otherwise remain invisible. The report is richer for that polyphony. It is also, like any work of synthesis, provisional. It makes no claim to finality. It claims only that the lens it offers merits testing against reality—and that the testing, in the end, is what matters most.

The Country Reports Series

This report is the fourteenth in a series of Country Reports for Systemic Change. The first examined Germany through the lens of an execution deficit. The second examined France through the lens of an integration deficit. The third examined Sweden through the lens of a feedback deficit. The fourth examined India through the lens of a synchronisation deficit. The fifth examined the European Union through the lens of a coherence deficit. The sixth examined the United Kingdom through the lens of a control-delivery deficit. The seventh examined Brazil through the lens of an accumulation deficit. The eighth examined Russia through the lens of a power-vertical deficit. The ninth examined the United States through the lens of an integration deficit. The tenth examined Finland through the lens of a throughput constraint. The eleventh examined Japan through the lens of a continuity trap. The twelfth examined Nigeria through the lens of a substrate deficit. The thirteenth examined Israel through the lens of a boundary deficit.

Together, the fourteen reports form a global diagnostic framework spanning the full spectrum of adaptive capacity challenges—from first-order deficits of execution and integration to second-order constraints of velocity and paradigm lock-in, to the foundational challenge of substrate construction, to the distinctive challenge of constitutional incompleteness that Israel and Spain represent in different forms. The series does not claim to be complete. It claims to be a foundation on which further analysis, deeper testing, and better design can be built. Spain, the democracy that mastered transition but cannot yet complete its own constitution, is the case that asks the most hopeful question the series has yet posed: not how to prevent collapse, but how to finish what was brilliantly begun.