The Commitment to Development Index (CDI) ranks 21 of the world’s richest countries based on their dedication to policies that benefit poor nations. Looking beyond standard comparisons of foreign aid flows, the CDI measures national effort in seven policy areas that are important to developing countries: aid, trade, investment, migration, environment, security and technology. This report reviews Spain’s performance on the 2007 CDI.

Spain’s 2007 CDI Performance

- Overall rank 2007: 15
- Overall score 2007: 4.9
- Change since 2003: +1.1

(using 2007 methodology)

Spain ranks 15th overall in 2007. Spain gives only a small share of its income in foreign aid and has one of the worst environmental records in the CDI from the perspective of poor countries. Spain’s highest CDI rank comes in the migration component, thanks to large number of immigrants from developing countries entering the country. Spain also ranks high in the technology component thanks to government policies that support innovation at home and diffusion of technological advances abroad.
Aid

Aid quality is just as important as aid quantity, so the CDI measures gross aid as a share of GDP adjusted for various quality factors: it subtracts debt service, penalizes “tied” aid that makes recipients spend aid only on donor goods and services, rewards aid to poor but relatively uncorrupt recipients, and penalizes overloading poor governments with many small projects.

- Score: 2.9
- Rank: 14

Weaknesses
- Low net aid volume as a share of the economy (0.23%; rank: 14)
- Small amount of private charitable giving attributable to tax policy (rank as a share of GDP: 14)
- Large share of tied or partially tied aid (33%; rank: 17)
- Selectivity: large share of aid to less poor and relatively undemocratic governments (rank: 19)
- Contributes to project proliferation; small average project size (rank: 15)

Trade

International trade has been a force for economic development for centuries. The CDI measures trade barriers in rich countries against exports from developing countries.

- Score: 5.5
- Rank: 7

Weaknesses
- High tariffs on agricultural products (40.4% of the value of imports; rank: 17)
- High agricultural subsidies (equivalent to 12.4% tariff; rank: 9)

Investment

Rich-country investment in poorer countries can transfer technologies, upgrade management and create jobs. The CDI includes a checklist of policies that support healthy investment in developing countries.

- Score: 7.1
- Rank: 7

Strengths
- Provides insurance against political risk for both domestic and foreign firms
- Employs tax-sparing arrangements and foreign tax credits to prevent double taxation of corporate profits earned abroad
- Provides support for design of securities regulations and institutions in developing countries

Weaknesses
- Does not provide support for outflows of portfolio investment
- Does not actively participate in the Extractive Industries Transparency Initiative (EITI)
- Political risk insurance also given to inefficient, import-substituting projects

Migration

The movement of people from poor to rich countries provides unskilled immigrants with jobs, income and knowledge. This increases the flow of money sent home by migrants abroad and the transfer of skills when the migrants return.

- Score: 7.1
- Rank: 3

Strengths
- Large increase during the 1990s in the number of unskilled immigrants from developing countries living in Spain (rank by share of population: 7)
- Large number of immigrants from developing countries entering Spain (rank by share of population: 1)
- Tuition for foreign students the same as for nationals

Weaknesses
- Bears small share of the burden of refugees during humanitarian crises (rank: 19)
Environment
Rich countries use a disproportionate amount of scarce resources and poor countries are most vulnerable to global warming and ecological deterioration, so the CDI measures the impact of policies on the global climate, fisheries, and biodiversity.

- Score: 3.3
- Rank: 20

Strengths
- Low greenhouse gas emissions rate per capita (9.7 tons of carbon dioxide equivalent; rank: 9)

Weaknesses
- Only a small decrease in greenhouse gas emissions rate in 1995–2005 (average annual growth rate/GDP, 0.5%; rank: 20)
- Large number of endangered species imports (rank: 20)
- High fishing subsidies ($7.50 per person; rank: 19)
- Low gas taxes ($0.67 per liter; rank: 15)

Technology
Rich countries contribute to development through the creation and dissemination of new technologies. The CDI captures this by measuring government support for R&D and penalizing strong intellectual property rights regimes that limit the dissemination of new technologies to poor countries.

- Score: 6.0
- Rank: 5

Strengths
- High government expenditure on R&D (rank by share of GDP: 5)
- High tax subsidy rate to businesses for R&D (rank: 1)

Weaknesses
- High share of government R&D expenditure on defense (19.6%; rank: 17)
- Offers patent-like proprietary rights to developers of data compilations, including those assembled from data in the public domain

Security
Since security is a prerequisite for development, the CDI rewards contributions to internationally sanctioned peacekeeping operations and forcible humanitarian interventions, rewards military protection of global sea lanes, and penalizes arms exports to poor and undemocratic governments.

- Score: 2.7
- Rank: 19

Strengths
- Few arms exports to poor and undemocratic governments (rank by share of GDP: 10)

Weaknesses
- Small financial and personnel contributions to internationally sanctioned peacekeeping and humanitarian interventions over last decade (rank by share of GDP: 20)
- No protection of global sea lanes

Background Papers and Contributors
This table ranks the 21 countries in the CDI, showing their scores in seven policy areas. A country's overall score is the average of its seven policy scores. The final column shows the change in each country's overall score since the CDI began in 2003, using 2007 methodology.

The CGD website (www.cgdev.org/cdi) has reports on each of the 21 countries in the CDI, as well as graphs, maps, spreadsheets and background papers.

The Commitment to Development Index is designed by the Center for Global Development, an independent think tank that works to reduce global poverty and inequality by encouraging policy change in the United States and other rich countries through rigorous research and active engagement with the policy community.

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