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Analysis of today
Assessment of tomorrow

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Spain's migration meltdown: a warning Europe and America cannot ignore

Spain's migration crisis was a disaster waiting to happen. The pull factor of the pro-migration policies implemented by Sánchez's government, added to all the subsidies and weak border-enforcing measures, created the backdrop for the largest one-day migrant inflow in decades.

In a recent op-ed in the New York Times, Sánchez stated, "I am the prime minister of Spain, and this is why the West needs migration." In the article he presented the Spanish socialist government model as an example for the world.

His policies, which went against the EU nations' recommendations, included mass regularisations, welfare expansion, and enormous subsidies, which he presented as a model for Europe and the United States.

The official narrative was simple. More workers mean more growth, as well as compassion and humanity. However, the real picture is completely different.

Spain is not a model of migrant integration but a statistical mirage of aggregate GDP growth hiding weak productivity, declining net real wages, poor GDP per capita and growing social discontent.

Spain may be growing in aggregate terms, but that growth is low quality, heavily dependent on low-wage immigration, tourism, public spending, and European funds.

Meanwhile, productivity stagnates, inflation is higher than the average of the euro area, housing is a real problem, and real labour-market weakness is concealed behind a statistical trick of headline indicators.

The example of Spain matters because it is the clearest current evidence of how governments can inflate GDP, expand the population, and legalise massive migrant inflows, and fail to generate stronger prosperity per person. The lesson for Europe and America is clear. A country can grow bigger while its citizens grow poorer.

Masking the structural weakness

The extraordinary regularisation scheme launched by Pedro Sánchez's government in 2026 generated an enormous pull factor. Spain expected roughly half a million applications. Instead, it received almost 1.7 million.

That is not a small policy change but the largest migrant legalisation programme in Europe, executed in a country that still suffers structural unemployment, elevated debt, social discontent, and heavy pressure on public services.

The humanitarian and compassion argument is also flawed. The Spanish government leaves immigrants as a dependent subclass relegated to ghettos, only to demand more spending and taxes to solve the security and social problems generated by their policies.

Supporters of the model argue that Spain needs migrants because it is ageing and needs labour. However, that argument is politically convenient, but economically flawed.

Spain's real effective unemployment, or labour slack, is one of the highest in the OECD, and the net contribution of immigrants to the nation's public accounts is overwhelmingly negative.

A country does not become richer merely by increasing its population or swelling the number of registered affiliations in social security.

It becomes richer when productivity rises, when output per capita improves, when investment becomes more efficient, and when employment quality strengthens. Spain is not delivering on any of those elements.

The government's favourite figure is headline affiliation. In July 2026, it boasted an average of 22.5 million social-security affiliations and an annual increase of 642,562 jobs. But that number does not measure stable, productive employment.

It measures affiliations, not people, and it includes multiple registrations for the same worker, heavily inflated rotation, subsidised categories, and forms of weak or near-non-remunerated attachment to the system.

The government is using migrant inflows and regularisation to mask the structural weakness of national employment creation

Over the previous twelve months, well over 16 million contracts were signed to generate that net increase, which means roughly 25 contracts were needed for each additional affiliation. That is not a healthy labour market. This situation is simply a mask of resilience, masking the underlying precarious nature of employment.

The July labour data is even worse than the headline suggests. Registered unemployment rose by 19,517 people to 2.3 million, the worst July reading since 2015, and seasonally adjusted unemployment also increased, by 18,249.

In a genuinely robust labour market, July should not produce both rising raw unemployment and almost identical seasonally adjusted deterioration. Yet that is exactly what happened.

The official figure also hides a much larger reality. Since 2019, the number of people registered in the public employment system but not actually employed has seen little improvement.

When including furloughed jobs (ERTE) and over 792,300 inactive “fixed-discontinuous” workers, the effective unemployment rate exceeds 3.7 million people, which is more than 12% of the workforce.

Spain’s labour market is not simply weak. It is increasingly dependent on migration to disguise the weakness. In July, the number of foreign affiliates rose by 66,046, while the number of Spanish nationals affiliated fell by 24,319. Foreign workers accounted for 65.5% of the annual increase in affiliation.

Of course, migrants contribute. Many do, but a substantial proportion do not. However, the government is using migrant inflows and regularisation to mask the structural weakness of national employment creation. And the majority of regularised migrants’ net contribution to the system is negative.

Stagnant productivity and higher inflation

This is the same problem that we can see in GDP. Spain’s economy grew by 0.7% quarter on quarter and 2.7% year on year in the second quarter of 2026, and Sánchez has presented this figure as proof of economic success.

But aggregate GDP is the easiest statistic for a government to abuse. If the population rises, if tourism booms, if spending increases, and if low-value-added sectors expand, GDP can grow while the underlying economy deteriorates.

That is precisely what Spain’s latest numbers show. Growth is extensive, not intensive. It is driven by more people and more cyclical sectors, not by stronger efficiency, higher productivity, or better capital allocation.

According to the IMF, Spain’s GDP per capita will grow by only 1% per annum in the 2018–2026 period, which is exactly in line with the euro area average.

Productivity remains the crucial weakness. Spain needs more labour, more spending, and more population just to sustain moderate growth rates.

This is not transformation, but a bigger version of the old Spanish model based on construction, tourism, services, state support, and political marketing.

A country does not solve its structural problems by importing workers into low-productivity sectors and then claiming victory because total output rises.

The inflation data makes the picture worse. Spain's July CPI stands at 3.5%, well above the euro-area average near 2.8%. This means that Spain suffers, in 2026, the largest decline in real income of the past three years, according to the OECD.

Spain suffers higher domestic inflation, weaker real net purchasing power and declining competitiveness relative to its European peers.

In GDP per capita adjusted for purchasing power, Spain has not converged to the average of the European Union between 2018 and 2025, according to Eurostat. A growth model that combines stagnant productivity with higher inflation is not delivering prosperity, only diluting it.

The government adds population through mass regularisation and high inflows, and those workers concentrate on low-wage, low-productivity sectors

This is where migration policy and economic policy merge. The government adds population through mass regularisation and high inflows, and those workers concentrate on low-wage, low-productivity sectors. Spain is suffering more strain on housing, health care, schools, and social spending without a relevant jump in per capita prosperity, while mass immigration lowers real wages in low-productivity sectors.

Health care and education face the same arithmetic. More residents mean more users of tax-funded services, more waiting lists, more classroom pressure, and greater fiscal burdens for local and regional governments.

None of that disappears because ministers celebrate a larger labour force. That is why the Social Security debt under Sánchez has almost quadrupled to 136 billion euros. If productivity is stagnant and employment quality deteriorates, the fiscal capacity needed to sustain those services does not improve.

The same distortion can be seen in employment quality. In July alone, Spain signed 1.6 million contracts, but unemployment still rose. Of the 617,211 permanent contracts signed, only 250,540 were full-time. Just 15.7% of all contracts signed so far this year were full-time permanent contracts.

This is not the labour market revolution the government advertises. It is a statistical relabelling of precarity. The labour market reform of 2021 changed labels more effectively than realities, and the proliferation of intermittent, part-time, and short-duration "permanent" contracts prove it.

A government serious about labour quality would not brag about a system with more than 600,000 multi-job holders, more than 1.3 million employed jobseekers still registered and searching for better work, and a social-security structure increasingly padded by weak or subsidised affiliations.

Nor would it ignore the fact that the social security debt has climbed to 136 billion euros, requiring giant transfers from an already indebted and deficit-ridden state. This is not a sustainable social model. It is a politically convenient one.

A cautionary tale for Europe and America

The border crisis in Ceuta is another dangerous example. 72,000 illegal immigrants flooded a city of less than 84,000 inhabitants in hours. The pull factor of Sánchez's policies was identified as the main driver according to 22 European nations.

There are still more than 6,000 migrants in the city, creating problems of security, health, and public services. The Spanish government is blaming mafias, and some media put the blame in Morocco. However, the Spanish government praised Morocco's support and cooperation and ignored all the warnings.

Furthermore, if it was an external attack that could be foreseen, why did the government leave the border unattended for months?

Sánchez's model begins with slogans and ends with pressure on taxpayers and public services - Daniel Lacalle

Spain lost control of the border and is now minimising the scale of the inflow, redistributing the cost to regions and taxpayers, and then resuming the same policies that created the pull factor in the first place.

The state first allows a structural incentive system to form, showing weak enforcement and promising future legalisation and broad welfare access, and then acts surprised when inflows soar. Afterwards, it presents redistribution and emergency spending as solidarity rather than as the result of political negligence.

Europe should pay attention because Spain is showing the contradictions that other nations may soon face.

A migration model based on weak deterrence and repeated regularisations sends a message far beyond one country's borders. It conveys to traffickers, economic migrants, and neighbouring states that illegal entry today could lead to legal status tomorrow. That undermines border credibility for the entire European Union.

The United States should also take notice, because the same rhetorical pattern is evident. Anyone who questions the fiscal, labour-market, or housing impact of mass inflows is accused of lacking compassion.

But compassion is not a substitute for arithmetic. If mass legalisation, high taxes, and big government were the solution to the economic challenges of a nation, then France would not be in stagnation, with high debt and an unsustainable social crisis.

The socialist policy is failing in its own stated economic terms and leaves the median citizen poorer in real terms. The country may look larger on paper, but that does not mean it is becoming stronger.

That is why Spain's migration meltdown should be read not as a humanitarian success story but as a cautionary tale. A serious migration policy begins with border credibility, legal clarity, fiscal realism, and a focus on productivity.

Sánchez's model begins with slogans and ends with pressure on taxpayers and public services. Europe and America should be careful before copying it.