European Minimum Income Network country report

Spain

Analysis and Road Map for Adequate and Accessible Minimum Income Schemes in EU Member States
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http://emin-eu.net/what-is-emin/

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1. Executive Summary

The first section (chapters 2 and 3) of this report analyses the relationship among unemployment, low social investment policies and high poverty rates. A second section (chapters 4, 5 and 6) describes the benefits and Minimum Income schemes in Spain, both in the Social Security system (State level) and the Autonomous Communities, research which is based on official documents and statistics. A third section (chapter 7) sets out the results of a survey of professionals and key informants who belong to the EAPN network throughout the country. Testimony from a discussion workshop in which 13 persons in receipt of Minimum Income participated is included. The fourth section (chapter 8) analyses the Minimum Income programmes in relation to the active inclusion approach, while the fifth section (chapter 9) puts forward the proposals based on the evidence contained in the rest of the report, plus the contributions of key players, such as certain trade unions and social action non-governmental organisations.

The economic crisis and the continued existence of a segregated labour market have had a profound impact on poverty and social exclusion. First, there is a new type of poverty associated with the loss of employment, long-term unemployment, which entails the risk of entering an aggravated and chronic situation whose solution largely depends on finding a decent job. Second, the unfavourable economic situation worsens the employment opportunities for those persons and groups who are the most vulnerable and excluded from the employment market in a greater proportion than the general population.

In the last decade, poverty has increased and diversified. Non-traditional types of poverty have appeared, such as the “working poor”, linked to the weakness of the Spanish labour markets, who have joined the already existing groups of those at risk of poverty and social exclusion.

This report shows that the system of protection for those who have no income because of their lack of occupation is complex, fractured and incoherent. The system is divided between several different resources at the state level, dependent on the Social Security, available to those who have been unemployed and no longer hold paid unemployment benefits (the best known of these is the Plan “PREPARA”). In 2013, there were 1,313,986 under this system.

Moreover, there are the Minimum Income Systems that rely on Autonomous Regions, targeted to those who lack enough income to meet their basic needs, regardless of previous economic contributions. In 2013, there were 258,408 beneficiaries in the overall 19 Autonomous Communities and Cities.
Both systems are not connected, so that people who must move from one to another tend to be without social protection during the transition period, if they get them.

Furthermore, this report shows that there are pending issues that obstruct Minimum Income schemes’ capacity to provide protection. In most Autonomous Communities, these schemes do not provide adequate income, capable of acting as a safety net for those who cannot work or obtain a decent job, above all because the maximum amount is below the minimum wage. In addition, there are thousands of people in a situation of poverty who do not satisfy the increasingly strict requirements laid down to be eligible for Minimum Income, or who do not know that they are entitled to it, and therefore fail to claim it.

At present, and despite the abovementioned resources, there are about 742,900 households without income, and nearly 1,800,000 families in which the adult members do not have a job and could, in theory, be candidates for this support, according to the data of the Labour Force Survey. The current generosity of the protection system is therefore clearly insufficient to prevent social exclusion caused by lack of income and long-term unemployment and to provide a decent standard of living to those who are entitled to it.

This report ends with a series of proposals based on considering guaranteed income as a subjective right throughout the territory. The report proposes putting in place various urgent changes which are required to improve the effectiveness and efficiency of social protection through a guaranteed Minimum Income scheme. In this regard, EAPN ES has taken into account the contributions of the Spanish Committee for UNICEF, Cáritas Española and Comisiones Obreras.

A sufficient political and social consensus regarding the scheme is required. It is necessary to depoliticise the debate and talk, as some Autonomous Communities do, of a subjective right. The conclusion reached is that the central state must be involved in designing the scheme and providing it with a sufficient budget; this system of protection acts as a shock absorber and has a stabilising effect.

**2. Introduction**

Spain is a highly decentralised country. Social inclusion policies, which include a Minimum Income scheme, vary greatly from one Autonomous Community to another. These differences in scope, extension and regulation help explain the issues of coordination and the inequalities among vulnerable groups, based on their place of residence.
The following table shows the marked regional differences with respect to the rate of unemployment and poverty. Navarra has the lowest levels of the two indicators (17.12% unemployment and 14.5% for the rate of at risk of poverty or social exclusion, or AROPE), while Andalusia has the highest (34.94% unemployment and 38.3% AROPE).

In addition, it is important to note the wide gap between Spanish nationals and immigrants with respect to the rate of unemployment, above all as regards non-EU citizens. This disadvantage reveals a problem of discrimination as regards access to the labour market throughout the country. The worst figures are for Ceuta and Extremadura (58.55% and 56.17% being the respective unemployment rates for immigrants).

In the official statistics, the risk of poverty and exclusion (AROPE) is not broken down by place of origin and by Autonomous Community. Accordingly, in the following table the data is given for the total population, by Autonomous Community.

However, it is important to point out that while the AROPE rate for the total population is 26.6%, only 23.5% of Spanish nationals are affected, compared to 38.9% of the EU population and 60.3% of the non-EU population.
Table 1. Rates of unemployment by Autonomous Communities and Cities (by origin, first quarter of 2014) and AROPE rate (2013) in percentages

<table>
<thead>
<tr>
<th>Region</th>
<th>Unemployment rate of the total population</th>
<th>Spanish population, unemployment rate</th>
<th>Total foreign population, Unemployment rate (EU and non-EU)</th>
<th>EU population Unemployment rate</th>
<th>Non-EU population Unemployment rate</th>
<th>AROPE 2013 % Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPAIN Average</td>
<td>25.93</td>
<td>24.25</td>
<td>37.72</td>
<td>32.41</td>
<td>40.77</td>
<td>27.3</td>
</tr>
<tr>
<td>Andalusia</td>
<td>34.94</td>
<td>34.72</td>
<td>37.08</td>
<td>36.32</td>
<td>37.71</td>
<td>38.3</td>
</tr>
<tr>
<td>Aragon</td>
<td>22.85</td>
<td>18.98</td>
<td>44.74</td>
<td>43.97</td>
<td>45.54</td>
<td>19.8</td>
</tr>
<tr>
<td>Asturias</td>
<td>22.75</td>
<td>21.44</td>
<td>42.68</td>
<td>33.26</td>
<td>47.33</td>
<td>21.8</td>
</tr>
<tr>
<td>Balearic Islands</td>
<td>26.70</td>
<td>24.94</td>
<td>33.04</td>
<td>20.06</td>
<td>42.49</td>
<td>27.8</td>
</tr>
<tr>
<td>Canary Islands</td>
<td>32.55</td>
<td>32.53</td>
<td>32.66</td>
<td>17.32</td>
<td>41.17</td>
<td>35.5</td>
</tr>
<tr>
<td>Cantabria</td>
<td>20.95</td>
<td>19.73</td>
<td>36.04</td>
<td>25.17</td>
<td>41.83</td>
<td>25.3</td>
</tr>
<tr>
<td>Castille and León</td>
<td>22.21</td>
<td>20.81</td>
<td>38.90</td>
<td>34.20</td>
<td>44.40</td>
<td>20.8</td>
</tr>
<tr>
<td>Castile - La Mancha</td>
<td>30.30</td>
<td>28.59</td>
<td>43.46</td>
<td>41.38</td>
<td>45.81</td>
<td>36.7</td>
</tr>
<tr>
<td>Catalonia</td>
<td>22.10</td>
<td>19.30</td>
<td>37.43</td>
<td>28.21</td>
<td>40.44</td>
<td>20.1</td>
</tr>
<tr>
<td>Valencian Autonomou Community</td>
<td>28.04</td>
<td>25.24</td>
<td>42.27</td>
<td>34.95</td>
<td>47.48</td>
<td>31.7</td>
</tr>
<tr>
<td>Extremadura</td>
<td>32.14</td>
<td>31.16</td>
<td>56.17</td>
<td>47.29</td>
<td>62.17</td>
<td>36.1</td>
</tr>
<tr>
<td>Galicia</td>
<td>23.20</td>
<td>22.65</td>
<td>34.28</td>
<td>35.21</td>
<td>33.77</td>
<td>24.3</td>
</tr>
<tr>
<td>Madrid</td>
<td>20.43</td>
<td>17.83</td>
<td>34.77</td>
<td>31.47</td>
<td>36.63</td>
<td>20.1</td>
</tr>
<tr>
<td>Murcia</td>
<td>27.71</td>
<td>26.94</td>
<td>31.34</td>
<td>29.96</td>
<td>31.55</td>
<td>31.4</td>
</tr>
<tr>
<td>Navarra</td>
<td>17.12</td>
<td>14.03</td>
<td>43.80</td>
<td>33.08</td>
<td>48.06</td>
<td>14.5</td>
</tr>
<tr>
<td>Basque Country</td>
<td>17.36</td>
<td>15.48</td>
<td>45.01</td>
<td>30.45</td>
<td>50.37</td>
<td>16.8</td>
</tr>
<tr>
<td>La Rioja</td>
<td>19.58</td>
<td>17.68</td>
<td>32.82</td>
<td>30.70</td>
<td>34.75</td>
<td>22.2</td>
</tr>
<tr>
<td>Ceuta</td>
<td>31.56</td>
<td>30.43</td>
<td>58.55</td>
<td>„</td>
<td>64.90</td>
<td>47.0</td>
</tr>
<tr>
<td>Melilla</td>
<td>24.43</td>
<td>21.55</td>
<td>41.34</td>
<td>„</td>
<td>43.11</td>
<td>31.4</td>
</tr>
</tbody>
</table>

3. UNEMPLOYMENT AND DEPRIVATION IN SPAIN

The global vulnerability of the Spanish labour market, the ongoing high unemployment rate and employment precariousness all affect both the design of policies and programmes and their impact. According to Rodríguez Cabrero, the juxtaposition of high rates of poverty, limited social influence (represented by non-governmental organisations and social economic institutions) on the authorities in question, and the implementation of overly general activation measures exacerbate the problems suffered by the most vulnerable groups and the long-term unemployed.¹

Access to the labour market does not necessarily alleviate poverty, nor does a combination of guaranteed income and employment training activities. In fact, the number of working poor has grown in recent years as a result of a fall in wages. In 2012, the working poor in Spain exceeded the EU-27 average by 3 percent.

As the following table shows, since 2008 the social protection situation has deteriorated at a faster rate than the EU-27 average. Those at risk of poverty and social exclusion (AROPE) among the child population rose from 30.6% in 2008 to 33.8% in 2012. This rate is higher in Spain than in the EU-27 (28.1% in 2012).

¹ Rodríguez Cabrero, Gregorio (2013), Assessment of the implementation of the European Commission Recommendation on active inclusion. A Study of National Policies. COUNTRY REPORT - SPAIN. European Commission and CEPS.
Table 2. Selected indicators EU_SILC, EU-27 and Spain. Comparison of figures for 2008 and 2012 *

<table>
<thead>
<tr>
<th>Selected indicators</th>
<th>2008</th>
<th>2012</th>
<th>EU 27</th>
<th>SPAIN</th>
<th>EU 27</th>
<th>SPAIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of population AROPE</td>
<td>23.7</td>
<td>24.5</td>
<td>25.9</td>
<td>28.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate of child population AROPE</td>
<td>20.8</td>
<td>30.6</td>
<td>21.2</td>
<td>33.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child poverty in households with adults in employment (work intensity above 20%)</td>
<td>16.1</td>
<td>26.1</td>
<td>16.5</td>
<td>22.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate of working poor</td>
<td>8.6</td>
<td>11.2</td>
<td>9.2</td>
<td>12.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inequality - S80 / S20 Ratio</td>
<td>5</td>
<td>5.7</td>
<td>5.1</td>
<td>6.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Persistent child poverty (more than 2 years)</td>
<td>8.7</td>
<td>11.7</td>
<td>10.4</td>
<td>13.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term unemployment (more than one year) annual average</td>
<td>2.6</td>
<td>2</td>
<td>4.6</td>
<td>11.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Eurostat * 2012: latest figures available

With regard to the goal of the Europe 2020 strategy of achieving a significant reduction in poverty by 2020, Spain is going in the wrong direction. In accordance with EUROSTAT data, the gap in social protection between the EU-28 and Spain is more than 3 percent.

Table 3. Expenditure on social protection 2008-2012

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EU-27</td>
<td>26.8</td>
<td>29.7</td>
<td>29.4</td>
<td>29.1</td>
<td>29.5</td>
</tr>
<tr>
<td>Spain</td>
<td>22.1</td>
<td>25.4</td>
<td>25.8</td>
<td>26.1</td>
<td>25.9</td>
</tr>
<tr>
<td>Spain/EU-27 (in percentage terms)</td>
<td>-4.7</td>
<td>-4.3</td>
<td>-3.6</td>
<td>-3</td>
<td>-3.6</td>
</tr>
</tbody>
</table>


When analysing the distribution of resources according to their budgetary function, in the case of Spain, unemployment protection accounts for a very high share due to the large number of recipients who have not yet found work. Also worthy of note is the low intensity
of protection, in view of the expenditure on the budget items of “family and children” and “housing and social exclusion”. There is therefore room for improvement in these areas (eg by increasing budget expenditure on these items to at least the average of the EU 28 level).

<table>
<thead>
<tr>
<th>Table 4. Benefits per function in percentage of the total social benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PPS per capita, 2011</strong></td>
</tr>
<tr>
<td><strong>EU27 = 100</strong></td>
</tr>
<tr>
<td>Old age and survivors</td>
</tr>
<tr>
<td>EU-27 (100)</td>
</tr>
<tr>
<td>Spain (83)</td>
</tr>
<tr>
<td>Spain/EU-27 (-17)</td>
</tr>
</tbody>
</table>


4. Panorama: Description of Minimum Income Schemes in Spain

In Spain, there is no general non-contributory Minimum Income, unlike in other European countries. Instead, instruments are established for certain circumstances of need, which are not fixed, but rather depend on different factors. There is a long and varied list of benefits that depend on different levels of the public administration; some of the main ones related to the labour force are explained below. The Annex contains a detailed table of these benefits.

4.1 Social Security System

The Social Security System is the main tool for taking action against loss of income. Different benefits exist whose goal is to remedy the lack of income caused by the impossibility of working (as occurs with benefits for short-term incapacity, permanent

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2 The level of expenditure is one way of measuring the intensity of protection; of course, this also depends on the efficient use of the resources.

incapacity or near-total disability) or derived from the loss of a previous job (for which situation unemployment benefit is designed, whether of a contributory or non-contributory/assistance nature).

The benefits are handled by the Spanish Employment Agency. Entitlement is based on having contributed for a minimum period during the time prior to becoming unemployed, as well as other applicable conditions. The system covers contributory and non-contributory benefits.

4.1.1 Contributory unemployment benefit

In June 2014, the number of persons receiving unemployment benefit was 2,469,428, according to the data of the Spanish Ministry of Employment and Social Security, who state that the coverage of the system amounts to 58.8% (compared to 61.9% a year earlier).\(^4\)

To be entitled to unemployment benefit, a person must have worked and paid unemployment contributions for at least 360 days during the six years prior to the legal situation of unemployment or at the time when the obligation to contribute ceased to exist.

Two types of deductions are applied to the gross amount of the benefit: social security contributions and personal income tax withholding, where applicable (following the tax reform of 2014, those with incomes below 12,000 euros do not pay personal income tax).

During the first 180 days of the benefit, 70% of the calculation basis is received. Thereafter, 50% is received.

With respect to unemployment due to loss of a part-time job, the maximum and minimum amounts of the benefit are calculated by applying to the maximum and minimum amounts laid down the same percentage as that of the working day carried out compared to that normally worked in the business in question. This particularly affects women, who tend to be employed more on a part-time basis.

The maximum duration of the unemployment benefit is 720 days in the event that contributions have been paid for more than 2,160 days. In other words, the maximum duration is two years if the claimant has worked for the last six years.

In 2014, the minimum monthly amount of unemployment benefit depends on the family structure:

- If the claimant has no dependent children: 497 euros.
- If the claimant has at least one dependent child: 664.74 euros.

The maximum monthly amount of unemployment benefit is calculated using the same family criterion:

- If the claimant has no dependent children: 1,087.20 euros.
- If the claimant has one dependent child: 1,242.52 euros.
- If the claimant has two or more dependent children: 1,397.83 euros.

“Dependent children” means children under 26 years old or those over this age who are disabled that live at the claimant’s home and who do not have income of more than 645.30 euros per month.5

4.1.2 Non-contributory unemployment benefits

4.1.2.1 “PREPARA” PROGRAMME

The “PREPARA” Programme came into existence, for the first time, in 2011 as the “last safety net” for 6 months, for those unemployment persons who had exhausted all possible benefits and allowances. The Government has agreed to keep this programme in operation through successive extensions while the unemployment rate does not fall below 20%. The last extension approved prolonged this programme (December 15th) for 15 more months, beginning in January 2015.

What does this assistance consist of? A subsidy of 2,400 or 2,700 euros per unemployed person is granted, which is received in 6 payments of 400 or 450 euros per month, in exchange for the person in receipt of the benefit agreeing to attend training courses. The amount slightly varies according to the family composition. However, the lack of budget has resulted in such courses being replaced by brief sessions providing employment

guidance and “PREPARA” has become a social benefit for six months for those unemployed persons who no longer receive any other allowance.

Applicants under the ”PREPARA” scheme must fulfil one of the following two conditions:

1) Be a long-term unemployed person, registered as seeking employment in at least twelve of the last eighteen months.

2) Have family responsibilities.

In addition, the following requirements must be satisfied:

- Have exhausted an unemployment benefit or allowance and applied under the “PREPARA” Programme before two months have elapsed from that date.
- Not be entitled to extend the benefit or the allowance, or to benefit from any other unemployment assistance. “PREPARA” is the last possible assistance available.
- Not have previously received any similar extraordinary assistance, such as the PRODI, the previous “PREPARA” Programme, Agricultural Income Support, or Active Inclusion Income (RAI).
- Have no or very low income. The income of the claimant must not exceed 75% of the National Minimum Wage (SMI), which is 483.98 euros/month in 2014.
- Although the claimant has no income, if he/she lives with his/her parents or with children under the age of 26, or those over this age who are disabled, or minors in foster care, the income of all persons must be added together and then divided by the number of persons in the family unit. The result must not exceed 483.98 euros per month per member.
- Activation: the claimant must sign an agreement with the employment adviser from the public employment services, undertaking to participate in a Personalised Integration Itinerary (IPI). The adviser is the person who validates the training and attendance on courses and is the link between the public authority and the unemployed person.
- The requesting party must show that he/she has actively looked for work for at least 30 days since the loss of the other benefits during the period in which the request is made, in order to strengthen the monitoring of the commitment to work. This obligation remains in force throughout the programme.

4.1.2.2 ACTIVE INCLUSION INCOME

Active Inclusion Income (RAI in its Spanish initials) is special assistance for those persons with great difficulties in finding work and in a situation of economic need. It is the last of the possible benefits under the Public Employment System, when there is no longer any entitlement to any other. To receive this assistance, the claimant must come within one of the following four categories:

1) **Long-term** unemployed over 45 years old
2) Returning emigrants over 45 years old
3) Victims of gender-based or domestic violence
4) Persons who are at least 33% disabled

In all four cases, the following general requirements must be complied with:

- Be unemployed and registered as seeking employment and sign the “activity commitment”.
- Be under 65 years old.
- Not have own income in excess of €483.98 per month. The total monthly income obtained by all members of his/her family unit (the claimant, his/her spouse, and his/her children under the age of 26 or over this age where they are disabled, or foster children), simply divided by the number of persons in said family unit must not exceed €483.98 per month per member.
- Not have received RAI during the 365 calendar days prior to the date requesting admission to the programme. With the exception of victims of gender-based or domestic violence and disabled persons, who are entitled to request RAI for three successive years, the biggest group of claimants (long-term unemployed of more than 45 years old and returning emigrants) cannot claim RAI two years in a row.
- Not having been a beneficiary under three previous RAI programmes. RAI can be claimed for a maximum of three years.

This rule has very strict requirements. For example, a claimant cannot work for more than 90 days per year, or travel abroad.\(^6\)

4.1.2.3 ALLOWANCE FOR PERSONS OVER 55

Before the last legal reform of March 2013, what is now an allowance for those over 55 could be claimed from the age of 52 (and not 55). The conditions for claiming this benefit have also been tightened. These requirements are as follows:

- Be unemployed.
- Have reached 55 years old when contributory and non-contributory unemployment benefit runs out.
- Be registered as looking for work for at least one month.
- Not have rejected offers of work, or training courses, during this time.
- Sign the "activity commitment".
- Not have income in excess of 75% of the National Minimum Wage (SMI in its Spanish initials), excluding the proportional part of bonus payments.

"Income" includes that of all members of the family unit (spouse, sons and daughters of less than 26 years old, disabled children over the age of 26 or foster children). Thus, for the purpose of calculating income, that of all family members is added together and then

\(^6\) More information available at: http://www.citapreviainem.es/renta-activa-de-inscripcion/
divided by the number thereof. Those who have already been awarded this benefit do not have to comply with this new requirement.

In addition, potential claimants must satisfy one of the following conditions, most of which are shared with the case of the RAI, but with the difference in age for qualifying:

- **Have paid unemployed contributions for at least 6 years of his/her working life.**
- **Have received or exhausted the non-contributory benefit.**
- **Have exhausted unemployment benefit and not have received the allowance, due to failure to satisfy the maximum income criterion or not having family responsibilities.**
- **Having been declared fully “incapacitated” or “partially disabled” as a result of a review due to a revision of a situation of near-total, absolute or total disability for the claimant’s usual profession.**
- **Be a returning Spanish emigrant, without being entitled to unemployment benefit.**
- **Have been released from prison, without being entitled to unemployment benefit.**
- **Be unemployed and not be entitled to any non-contributory allowance, due to not having paid unemployment contributions for at least 12 months, although the claimant is required to have paid (at least) three months’ contributions.**

As regards the amount, this is 80% of the Public Income Rate of Multiple Effects (IPREM in its Spanish initials), which is 426 euros per month. If the claimant has worked on a part-time basis, he/she will receive an amount in proportion to the hours worked.

This allowance is received until the claimant reaches retirement age. This is normally 65, although if, at the age of 61, a recipient of unemployment benefit already satisfies all of the requirements to access the contributory pension under the social security system, he/she must retire. The allowance must be renewed annually, on production of the most recent income tax declaration.

As can be seen in the following table, the number of persons in receipt of these benefits, whether contributory or non-contributory, has fallen. By contrast, an increase in those receiving Agricultural Income Support and the Active Inclusion Income can be detected, as shown in the following table.
Table 5. Unemployment benefit, number of claimants

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>Variation 2012-2013 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total claimants</td>
<td>2,942,061</td>
<td>2,865,153</td>
<td>-2.61</td>
</tr>
<tr>
<td>Contributory</td>
<td>1,381,261</td>
<td>1,310,915</td>
<td>-5.09</td>
</tr>
<tr>
<td>Contributory unemployment</td>
<td>1,361,561</td>
<td>1,291,315</td>
<td>-5.16</td>
</tr>
<tr>
<td>Casual farm labourers</td>
<td>19,700</td>
<td>19,600</td>
<td>-0.51</td>
</tr>
<tr>
<td>Non-contributory</td>
<td>1,327,027</td>
<td>1,313,986</td>
<td>-0.98</td>
</tr>
<tr>
<td>“PREPARA” allowance</td>
<td>1,124,953</td>
<td>1,111,024</td>
<td>-1.24</td>
</tr>
<tr>
<td>Causal farm labourers</td>
<td>140,203</td>
<td>133,343</td>
<td>-4.89</td>
</tr>
<tr>
<td>Agricultural income support</td>
<td>60,814</td>
<td>69,511</td>
<td>14.30</td>
</tr>
<tr>
<td>Temporary programme</td>
<td>1057</td>
<td>108</td>
<td>-89.78</td>
</tr>
<tr>
<td>Active inclusion income</td>
<td>233,773</td>
<td>240,252</td>
<td>2.77</td>
</tr>
</tbody>
</table>


5. RELATIONSHIP BETWEEN UNEMPLOYMENT BENEFITS AND MINIMUM INCOME

Those persons who do not have any income, have never worked or have exhausted their unemployment benefit, both contributory and non-contributory, may take advantage of the Minimum Income schemes that operate in all of the Autonomous Communities in Spain, if they comply with their requirements.

According to the definition of the Madrid Autonomous Community, Minimum Income is an economic benefit, composed of a basic monthly allowance plus a variable supplement, depending on the number of members of the household, in order to satisfy the latter’s basic needs, when this cannot be done via work, pensions or social protection allowances.7

Unlike the situation in other countries, these support systems are not compatible among themselves. Income that the family may receive for part-time and other work that the family may have, for example child maintenance payments, is deducted from the Minimum Income (which is not the case in the PREPARA and some other state managed subsidies).  

Graph 1. The system of “Income protection” depending on the Spanish Ministry of Employment and Social Security in 2014 (National level) and Minimum Income Schemes (Regional level)

8 In Spain there are not universal child benefits.
6. Minimum income schemes run by the Autonomous Communities

Minimum Income schemes are part of the social services public system and an exclusive competence of Autonomous Communities and Cities, pursuant to the provisions of the Spanish Constitution. In other words, at present they are governed by regional legislation. This decentralisation makes more complicated not only their analysis but also the nature and viability of proposed improvements.

The common feature of these programmes, which have different names and conditions as regards access requirements, duration or amounts depending on the administration, is that they are aimed at persons and/or families that lack sufficient economic resources to cover their basic needs. In theory, they were created to provide temporary resources that made it possible to cover this lack of income, coupled to a social intervention process, which in many cases is linked to labour market inclusion activities.

6.1 Amounts, duration and additional benefits

To calculate the maximum amount of the Minimum Income, there are two basic references: the National Minimum Wage (SMI) and the Public Income Rate of Multiple Effects (IPREM), which amounts to €17.75 per day i.e. €532.51 per month or €6,390.13 per year. The maximum amount is €645.72, slightly above the SMI, which is €641.40. However, the average amount is €420.55 per month.

When the Minimum Income scheme is compared with the SMI and the IPREM, the maximum amount is practically the same as the SMI.

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9 The "Minimum Guaranteed Scheme" represents different transfers of the social protection system in the areas of unemployment, old age and disability, with the objective of reducing the risk of social exclusion. It covers a range of economic benefits, such as non-contributory pensions, allowances for reduced contributory pensions, allowances for disabled persons, among others.

10 In administrative terminology, sometimes reference is made to Minimum Income systems as “social wages”, to differentiate them from the RAI. See, for example, http://www.citapreviainem.es/salarios-sociales/

11 The Royal Decrees and the legislation regulate both the National Minimum Wage (SMI) and the Public Income Rate of Multiple Effects (IPREM), based on the calculations carried out by the Ministry of Economy, taking into account the national state budget. In 2014, the SMI per day was €21.51 and the SMI per month was €645.30 (Royal Decree 1046/2013 of 27/12). The IPREM per day was €17.75 and the IPREM per month was €532.51 (Law 22/2013, of 01/01/2014). The IPREM is the most-used benchmark for subsidies, grants, social housing and other benefits, and may be self-calculated online at: http://www.irpf.eu/iprem.html
Graph 2. Change in the minimum and maximum amounts of Minimum Income per household in euros per year, 2002-2013.


The following table shows the detailed information for each scheme, in all the Autonomous Communities. Although there are some similarities, heterogeneity (in duration, amounts and the availability of other services or benefits) is the most striking feature.
Table 6. Main features of the Minimum Income Schemes

<table>
<thead>
<tr>
<th>Autonomous Communities</th>
<th>Entitlement</th>
<th>Amounts and complements</th>
<th>Duration</th>
<th>Other complements of MI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andalusia</td>
<td>&quot;Ingreso Mínimo de Solidaridad&quot;</td>
<td>Basic (one recipient): € 400.09; 1st child: € 451.71; 2nd child: € 503.33; 3rd child: € 554.95; 4th child: € 606.57; 5th child: € 645.30. Maximum amount: € 645.30 (100% of Minimum Wage)</td>
<td>6 months</td>
<td></td>
</tr>
<tr>
<td>Aragon</td>
<td>&quot;Ingreso Aragonés de Inserción&quot;</td>
<td>Basic (one recipient): € 441; 1st child: € 573.30; 2nd child: € 661.50; 3rd child: € 749.70; 4th child: € 793.80; 5th child: € 837.90; 6th child: € 882.00; 7th child: € 926.10; 8th child: € 970.20. Maximum amount: € 645.30 (117% of IPREM)</td>
<td>12 months</td>
<td>1) Economic Supplement for accommodation up to 20% of the amount that corresponds to the Family Unit (X), depending on the number of members. 2) Supplement medical expenses: 10% amount of the Single Person Household, multiplied by the number of sick members in the family unit.</td>
</tr>
<tr>
<td>Asturias</td>
<td>&quot;Salario social básico&quot;</td>
<td>Basic (one recipient): € 442.96; 1st child: € 540.41; 2nd child: € 611.28; 3rd child: € 682.14; 4th child: € 713.16; More children: € 730.88 Minimum amount: € 444.30; Maximum amount: € 730.88</td>
<td>No limitation, it depends on meeting the requisites. Annual assessment.</td>
<td>1) If in the UECI (economic independent household unit) lives a person with a disability of 45%, an age below 24 or above 64, or who has been legally declared &quot;dependent&quot;, the base amount increases by 5% per coexistence unit, not per person. 2) There are limits to this amount when they live two units in the same household (1.75 times than their share, if one).</td>
</tr>
<tr>
<td>Balearic Islands</td>
<td>&quot;Renta mínima de inserción&quot;</td>
<td>Basic (one recipient): € 425.70; 1st child: € 553.41; 2nd child: € 638.55; 3rd child: € 681.12; 4th child: € 723.69; 5th child: € 723.69; 6th child: € 734.00 Minimum amount: € 107.00 Maximum amount: € 776.57</td>
<td>12 months</td>
<td></td>
</tr>
<tr>
<td>Canary Islands</td>
<td>&quot;Prestación Canaria de Inserción&quot;</td>
<td>Basic (one recipient): € 472.16; 1st child: € 472.16; 2nd child: € 534.29; 3rd child: € 583.99; 4th child: € 615.05; 5th child: € 639.90; 6th child: € 658.54 Minimum amount:</td>
<td>12 months extendable by six months, up to a maximum of 24 months</td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>------------------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td>Cantabria</td>
<td>&quot;Renta Social Básica&quot;</td>
<td>€ 426.01</td>
<td>€ 426.01</td>
<td>€ 532.51</td>
</tr>
<tr>
<td>Castilla La Mancha</td>
<td>&quot;Ingreso Mínimo Solidaridad&quot;</td>
<td>€ 372.76</td>
<td>€ 372.76</td>
<td>€ 413.76</td>
</tr>
<tr>
<td>Castilla y Leon</td>
<td>&quot;Renta Garantizada de Ciudadanía&quot;</td>
<td>€ 426.00</td>
<td>€ 532.50</td>
<td>€ 596.40</td>
</tr>
<tr>
<td>Catalonia</td>
<td>&quot;Renta Mínima de Inserció&quot;</td>
<td>€ 423.70</td>
<td>€ 478.99</td>
<td>€ 534.28</td>
</tr>
<tr>
<td>Ceuta</td>
<td>&quot;Ingreso Mínimo de Inserción Social&quot;</td>
<td>300 €</td>
<td>330 €</td>
<td>360 €</td>
</tr>
<tr>
<td>Region</td>
<td>Program Name</td>
<td>Basic (one recipient):</td>
<td>1st child</td>
<td>2nd child</td>
</tr>
<tr>
<td>-------------</td>
<td>--------------------------------------------------</td>
<td>------------------------</td>
<td>-----------</td>
<td>-----------</td>
</tr>
<tr>
<td>Extremadura</td>
<td>&quot;Renta Básica de Inserción&quot;</td>
<td>€ 399.38</td>
<td>€ 479.26</td>
<td>€ 532.51</td>
</tr>
<tr>
<td>Galicia</td>
<td>&quot;Renta de Integración Social de Galicia&quot; (RISGA)</td>
<td>€ 399.38 (75% of IPREM); 1st child: € 399.38; 2nd child: € 463.28; 3rd child: € 516.53; 4th child: € 559.13; 5th child: € 602.15; 6th child: € 644.75. Maximum amount: € 665.64. Amount for recipients with more than 4 years of permanence with the RISGA scheme: € 364.90 (monthly payment).</td>
<td>12 months</td>
<td>Other eligible benefits: 1) Complement &quot;stimulus towards the labour insertion&quot;, € 99.85. 2) Supplement &quot;insertion project costs&quot;, € 99.85. 3) People who do not receive the basic allowance, but may perceive the &quot;supplement for loss of marginal revenue&quot;, up to 199.69 euros.</td>
</tr>
<tr>
<td>Madrid</td>
<td>&quot;Renta Mínima de Inserción&quot;</td>
<td>€ 375.55 1st child € 488.22; 2nd child € 532.51. Maximum amount: € 532.51 (100% IPREM) * There is no minimum amount established but, depending on income of the family unit, the difference is paid with respect to family composition.</td>
<td>There is no time limit. Its duration is conditional on meeting requirements, with an annual evaluation.</td>
<td></td>
</tr>
<tr>
<td>Murcia</td>
<td>&quot;Renta Básica de Inserción&quot;</td>
<td>Basic (owner): € 300; 1st child: € 386; 2nd child: € 442; 3rd child: € 498; 4th child: € 544; 5th child: € 590; 6th child: € 636; 7th child: € 682.</td>
<td>12 months</td>
<td>This amount is for children. For adults, this is reduced to 50%, maintaining the amount of people in the</td>
</tr>
<tr>
<td>Country</td>
<td>Program Name</td>
<td>Minimum amount: € 70. Maximum amount: € 682.</td>
<td>household up to the maximum amount.</td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>---------------------------------------------</td>
<td>-------------------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Navarre</strong></td>
<td>“Renta de Inclusión Social”</td>
<td>Basic (one recipient): € 548.51; 1st child: € 769.68; 2nd child: € 832.82; 3rd child: € 897.96; 4th child: € 962.10; 5th child and following: € 962.10. Minimum amount: € 64.53. Maximum amount: € 962.10</td>
<td>6 months at least, renewable for similar periods up to 30 months. Until the 12th month, the above amounts are paid. From the 13th month until the 30th, the amount is reduced to the 90% of the corresponding amounts. In all extraordinary renewals, payments are 80% of these amounts. Measures to ensure that households receiving social inclusion, that do not own or rent a house, could benefit from social housing funds.</td>
<td></td>
</tr>
<tr>
<td><strong>Basque Country</strong></td>
<td>“Renta de Garantía de Ingresos: Renta Básica para la inclusión y protección social”</td>
<td>Basic (one recipient): € 662.51; 1st child: € 850.72; 2nd child: € 941.06. Maximum amount: € 941.06. For Pensioners Living Units: Basic: € 700.15; 1st child: € 875.19; 2nd child: € 945.20. The benefit (resulting from the difference between the guaranteed Minimum Income and the accountable income) takes a discount of 7%. These amounts add up to 250 € a month for additional housing allowances (other than mortgage payments).</td>
<td>24 months 1) Additional Provision of Housing. Overall Amount: 250 € / month. Amount for special cases: € 320 / month 2) Minimum income for single parent living units, equivalent to 6.4% of the annual minimum wage supplement. The provision is supplemented by € 48.18 per month.</td>
<td></td>
</tr>
<tr>
<td><strong>Rioja</strong></td>
<td>“1) Ingreso Mínimo de Inserción Income (IMI) 2) Apoyo a la Inclusión Social” (AIS)</td>
<td>1) Maximum amount: € 372.76 (70% IPREM) 2) Basic (one recipient): € 364.90. Minimum amount: € 91.23. Maximum amount: € 372.76.</td>
<td>1) Initial period up to 6 months, extendable to 2 years. 2) 24 months</td>
<td></td>
</tr>
</tbody>
</table>
6.2 Coverage

Although there has been an increase in the total Minimum Income expenditure since 2002, bearing in mind that, according to the Labour Force Survey of 2014, there are 742,900 households without any income (as shown in the following table) and 1,789,400 families in which no adult works, the current level of coverage is clearly insufficient.  

Table 7. Family households, whether or not they have income, by the number of persons in the household (thousands)

<table>
<thead>
<tr>
<th>TOTAL</th>
<th>WITH SOME INCOME</th>
<th>WITHOUT INCOME</th>
<th>ANY</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2013</td>
<td>2012</td>
<td>2013</td>
</tr>
<tr>
<td>TOTAL</td>
<td>18,090.9</td>
<td>18,212.5</td>
<td>17,416.3</td>
</tr>
<tr>
<td>One person</td>
<td>4,261.6</td>
<td>4,410.5</td>
<td>3,926.8</td>
</tr>
<tr>
<td>Two persons</td>
<td>5,463.5</td>
<td>5,545.9</td>
<td>5,315.3</td>
</tr>
<tr>
<td>Three persons</td>
<td>3,893.2</td>
<td>3,869.3</td>
<td>3,794.2</td>
</tr>
<tr>
<td>Four persons</td>
<td>3,322.6</td>
<td>3,278.0</td>
<td>3,264.6</td>
</tr>
<tr>
<td>Five persons</td>
<td>801.5</td>
<td>780.9</td>
<td>780.5</td>
</tr>
<tr>
<td>Six persons</td>
<td>236.5</td>
<td>217.1</td>
<td>227.6</td>
</tr>
<tr>
<td>Seven persons</td>
<td>68.5</td>
<td>68.6</td>
<td>65.8</td>
</tr>
<tr>
<td>Eight or more</td>
<td>43.6</td>
<td>42.4</td>
<td>41.5</td>
</tr>
</tbody>
</table>


Between 2008 and 2013, in many Autonomous Communities there was an increase in the number of Minimum Income applications, although there was a relative stagnation or reduction in the number granted by the public administrations.  

The following table shows the differences in the intensity of protection (the rate of Minimum Income per 1,000 inhabitants) by autonomous communities. It is clear that the Basque Country and Navarre have the highest rates, although other regions may have increased the number of beneficiaries much more in recent years. Comparing 2012 with 2013, only three regions

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13 A typical case is that of the Madrid Autonomous Community, where claims rose from 3,159 in 2007 to 13,923 in 2012, while decisions went from 2,779 to 7,531 respectively. Report by EAPN Madrid (2013) Rentas Mínimas en la Comunidad de Madrid. www.comtrabajosocial.com/documentos.asp?id=1662
(Madrid, Valence and Extremadura reduced the number of recipients, and the coverage (comparing total recipients per 1,000 inhabitants). The figures clearly show the positive relation between higher coverage rates and lower relative poverty and AROPE rates, in both Navarre and the Basque Country. There is also a positive relation for Asturias between the coverage ratio and the lower relative poverty rate, although it has not reduced the AROPE significantly (probably because the big increase in the recipients’ numbers has happened between 2012 and 2013, and there are still higher levels of households in material deprivation and low-employment). Inversely, there is a strong relation between low levels of coverage (below Spain’s average of 5.48 per 1,000 inhabitants) and high levels of AROPE in the rest of Autonomous Communities (above Spain’s average of 27.3%).

Table 8. Recipients of Minimum Income by Autonomous Community, comparison between 2008 and 2013 and rate of Minimum Income by 1,000 inhabitants in 2013

<table>
<thead>
<tr>
<th>AUTONOMOUS COMMUNITY</th>
<th>RECIPIENTS 2008</th>
<th>RECIPIENTS 2012</th>
<th>RECIPIENTS 2013</th>
<th>Variation 2013-2008</th>
<th>Protection rate/coverage 2012 (per 1000 inhabs)</th>
<th>Protection rate/coverage 2013 (per 1000 inhabs)</th>
<th>% Relative Poverty 2013</th>
<th>% AROPE 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Navarre</td>
<td>3144</td>
<td>7920</td>
<td>9472</td>
<td>201</td>
<td>12.3</td>
<td>14.70</td>
<td>9.9%</td>
<td>14.5%</td>
</tr>
<tr>
<td>Basque Country</td>
<td>39715</td>
<td>69976</td>
<td>74528</td>
<td>88</td>
<td>31.9</td>
<td>34.00</td>
<td>10.5%</td>
<td>16.8%</td>
</tr>
<tr>
<td>Aragon</td>
<td>911</td>
<td>5504</td>
<td>7236</td>
<td>694</td>
<td>4.1</td>
<td>5.37</td>
<td>16.1%</td>
<td>19.8%</td>
</tr>
<tr>
<td>Catalonia</td>
<td>13703</td>
<td>23123</td>
<td>24988</td>
<td>82</td>
<td>3.1</td>
<td>3.31</td>
<td>13.9%</td>
<td>20.1%</td>
</tr>
<tr>
<td>Madrid</td>
<td>10445</td>
<td>19909</td>
<td>19780</td>
<td>89</td>
<td>3.1</td>
<td>3.05</td>
<td>13.4%</td>
<td>20.1%</td>
</tr>
<tr>
<td>Castille and León</td>
<td>2235</td>
<td>8430</td>
<td>10372</td>
<td>364</td>
<td>3.3</td>
<td>4.12</td>
<td>17.5%</td>
<td>20.8%</td>
</tr>
<tr>
<td>Asturias</td>
<td>6575</td>
<td>9393</td>
<td>12205</td>
<td>86</td>
<td>8.8</td>
<td>11.43</td>
<td>14.1%</td>
<td>21.8%</td>
</tr>
<tr>
<td>La Rioja</td>
<td>368</td>
<td>2190</td>
<td>2212</td>
<td>501</td>
<td>6.8</td>
<td>6.87</td>
<td>19.3%</td>
<td>22.2%</td>
</tr>
<tr>
<td>Galicia</td>
<td>5793</td>
<td>8571</td>
<td>11282</td>
<td>95</td>
<td>3.1</td>
<td>4.08</td>
<td>17.2%</td>
<td>24.3%</td>
</tr>
<tr>
<td>Cantabria</td>
<td>1130</td>
<td>4402</td>
<td>4671</td>
<td>313</td>
<td>7.5</td>
<td>7.89</td>
<td>17.8%</td>
<td>25.3%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>114257</td>
<td>217358</td>
<td>258408</td>
<td>126</td>
<td>4.6</td>
<td>5.48</td>
<td>20.4%</td>
<td>27.3%</td>
</tr>
<tr>
<td>Balearic Islands</td>
<td>1181</td>
<td>2182</td>
<td>2251</td>
<td>91</td>
<td>2.0</td>
<td>2.02</td>
<td>19.8%</td>
<td>27.8%</td>
</tr>
<tr>
<td>Valencian Autonomous Community</td>
<td>6609</td>
<td>12282</td>
<td>11840</td>
<td>79</td>
<td>2.4</td>
<td>2.32</td>
<td>23.6%</td>
<td>31.7%</td>
</tr>
<tr>
<td>Murcia</td>
<td>369</td>
<td>1876</td>
<td>2441</td>
<td>562</td>
<td>1.3</td>
<td>1.66</td>
<td>26.8%</td>
<td>34.1%</td>
</tr>
<tr>
<td>Canary Islands</td>
<td>1840</td>
<td>5397</td>
<td>5866</td>
<td>219</td>
<td>2.5</td>
<td>2.77</td>
<td>28.4%</td>
<td>35.5%</td>
</tr>
<tr>
<td>Extremadura</td>
<td>1105</td>
<td>1318</td>
<td>1266</td>
<td>15</td>
<td>1.2</td>
<td>1.15</td>
<td>30.9%</td>
<td>36.1%</td>
</tr>
<tr>
<td>Castille La Mancha</td>
<td>430</td>
<td>1097</td>
<td>1297</td>
<td>202</td>
<td>0.5</td>
<td>0.62</td>
<td>31.3%</td>
<td>36.7%</td>
</tr>
<tr>
<td>Andalusia</td>
<td>18392</td>
<td>33068</td>
<td>55711</td>
<td>203</td>
<td>3.9</td>
<td>6.60</td>
<td>29.1%</td>
<td>38.3%</td>
</tr>
<tr>
<td>Ceuta and Melilla (*)</td>
<td>312</td>
<td>720</td>
<td>990</td>
<td>217</td>
<td>4.3</td>
<td>5.90</td>
<td>40.8%</td>
<td>47.0%</td>
</tr>
</tbody>
</table>
The total expenditure in 2012 was €854,748,514. **It raised up to 1 billion euros (€1,040,624,000) in 2013, a 21.74% increase in just one year.** This is an important effort on behalf the regional budgets, and a step into recognizing the key role of the Minimum Income schemes in tackling poverty. However, there are important territorial differences. The following table shows the distribution of the economic expenditures and recipients of Minimum Income per Autonomous Communities in 2013. It clearly exhibits the outstanding generosity of the Basque Country, with 41.8% of the overall expenditure, even though their recipients account for 28.8% of the total. Catalonia has a similar -but softer- relation between both variables. On the contrary, it is remarkable the lack of proportion between the low expenditure level and the high proportion of recipients in Andalusia.

**Graph 3. Expenditure in Minimum Income and Recipients per Autonomous Communities in 2013, in percentages.**
Good practice: the Basque Country (Euskadi)

"Structured public policies for fighting poverty in the Basque Country were first introduced through the First Comprehensive Plan for Fighting against Poverty in the Basque Country, which was drafted following the first "Survey on Poverty and Social Inequality". The Basque Country then became the first autonomous region in Spain to establish a public income guarantee system, with a subjective (enforceable) right to a periodic subsistence benefit from very early on. Up until that time, almost all economic aid to the poor was provided by the Catholic charity Caritas and other voluntary organisations, as well as any other pre-existing social welfare or aid organisations. […]"

From that time onwards, successive laws have been enacted to further structure and restructure the fight against poverty in the Basque Country through guaranteeing income (1990, 1998, 2000, 2008 and 2011). […] The first decade of the twenty-first century saw a major improvement in benefit access levels. This evolution is linked to a growing acceptance of immigrants’ rights to access the system (including illegal immigrants), the application of employment stimulus packages, the increase in pension payments to pensioners and the substantial progress made in relation to minimum guarantees. This piece of legislation is based on the Basque Country’s exclusive devolved power in the field of ‘social aid’, although some clashes have occurred with the central Spanish government, especially when a supplement for small social security pensions was introduced as part of this policy, and it was to come out of the Basque budget. […]

Currently, benefits are set at 88 per cent above the minimum professional wage, although in 2012 they were cut by 7 per cent, a reduction that will hopefully be recovered in the future once the economic situation improves. Depending on recipients’ housing requirements, the size of their family and other circumstances, the sum in question can be as high as 200 per cent of the minimum wage. In this sense, the situation in the Basque Country is far superior to that of the majority of Spain’s other autonomous regions, and this has led to some criticism from certain sectors (employer organisations, for example), with claims that amounts are too high and act as a disincentive for people to look for work. The coverage rate for all recipients (both direct recipients and users) per 1,000 inhabitants is very high in the Basque Country (71) when in other regions it reaches figures as low as 2.89 in Extremadura or 3.17 in Murcia. In 2010, the Basque Country accounted for 42 per cent of all expenditure in Spain related to these programmes, despite the fact that it had no
more than 2.6 per cent of the population estimated to be living in poverty. Today, due to much greater cuts in other regions, the data for the Basque Country are undoubtedly even more favourable, with data for 2012 indicating public expenditure on these programmes of over €432 million.” (Fernando Fantova, 2014).14

In the case of the Basque Country, Minimum Income has been related to a certain extent of fraud in the access and the qualification on behalf certain recipients, in particular some of the foreigners, who have large families and receive the highest amounts. However, 78% of the Basque citizens is against cutting or reducing the scheme, as shown in a recent social poll (Eusko barometer).15

6.3 Eligibility conditions

- Age: the minimum age at which one may apply for Minimum Income is usually 25. This means that young people under 25 can only exceptionally receive this type of support. This even applies to minors who have been in care under social services schemes, when they reach the age of 18 and cease to be so protected.
- Family requirements: the family is required to pre-exist as such, for a period of 6 to 18 months before the application (and it can prove this with the documentation required).
- Register: applicants must be on the municipal register for a period of 12 to 24 months, although there are some Autonomous Communities that stipulate a period of 36 months.
- Portability: Minimum Income schemes are not portable. If the recipient family moves to another Autonomous Community, which unfortunately is rather frequent due to the heavy increase in evictions in recent years, the applicant must start the process afresh, and may or may not be entitled to benefit, depending on the new requirements.
- The first obstacle that must be overcome is the length of time on the municipal register, as mentioned earlier. As a result, people do not risk moving to another Autonomous Community (let alone to look for work).
- In most regions, any type of work, even that which is low intensity, is incompatible with receiving Minimum Income. This dissuades people from looking for work, particularly where there are regional unemployment rates in excess of 25% or 30%.

We are grateful for the contribution of Fernando Fantova, who has held the position of Deputy Secretary for Social Affairs in the Basque Country Government. Fantova, Fernando (2014), “Social policy against poverty in the Basque Country”, ch. 22 of in Poverty in Scotland. The independence referendum and beyond. Edited by: McKendrick, John; Mooney, Gerry, Dickie, John Dickie; Scott, Gill and Kelly, Peter (Editors), Published by Child Poverty Action Group, in association with The Open University in Scotland, Glasgow Caledonian University and the Poverty Alliance.

“Dos de cada tres vascos cree que hay fraude en las ayudas sociales”, in El País. http://ccaa.elpais.com/ccaa/2014/12/19/paisvasco/1418986984_257453.html See the complete Euskobarometer in http://ep00.epimg.net/descargables/2014/12/19/4df3ecd52bc2425b35c6ede2bf99e2a5.pdf
In general, recent changes to the legislation have made registration and residency requirements more stringent.

6.4 Socio-demographic features of recipients

- **As noted, one of the most marked trends is the increase in the number of persons receiving Minimum Income.** Between 2002 and 2013, the total number rose from 82,000 to 258,408 recipients.
- **There are slightly more women who are claimants.** Of the above-mentioned 258,408 persons, 141,528 are women (54.84%) and 116,880 are men (45.15%) in 2013.
- **In most family units, they live with children and other dependent persons.** In 2008, there were 339,499 indirect beneficiaries (family members), of whom 174,991 were women and 159,741 were men. In 2013, there were 379,165 beneficiaries: 210,945 were women and 168,220 were men.

**Graph 4. Minimum income recipients and dependent family members, 2002-2013 (total number)**


- **Family composition:** one-parent families are predominant in certain regions, although there are diverse types of households, including families with three or more adults living with children ("Other" in the graph).
Graph 5. Type of family composition of recipients and relatives by gender, in 2013


- **Main age group:** between 35 and 44 years old.
- **Level of studies:** most beneficiaries have only completed primary education.
- **Origin:** immigrants predominant in certain regions, but they account for 24.04% of the total number of beneficiaries, while the remaining 75.96% are Spanish nationals.
<table>
<thead>
<tr>
<th>Autonomous Community</th>
<th>Immigrant recipients (nos.)</th>
<th>Immigrants %</th>
<th>Spanish %</th>
<th>Total no. of recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPAIN</td>
<td>52,253</td>
<td>24.04</td>
<td>75.96</td>
<td>217,358</td>
</tr>
<tr>
<td>Andalusia</td>
<td>No info.</td>
<td>No info.</td>
<td>No info.</td>
<td>33,068</td>
</tr>
<tr>
<td>Aragon</td>
<td>2,525</td>
<td>45.88</td>
<td>54.12</td>
<td>5,504</td>
</tr>
<tr>
<td>Asturias</td>
<td>968</td>
<td>10.31</td>
<td>89.69</td>
<td>9,393</td>
</tr>
<tr>
<td>Balearic Islands</td>
<td>1,150</td>
<td>52.70</td>
<td>47.30</td>
<td>2,182</td>
</tr>
<tr>
<td>Canary Islands</td>
<td>No info.</td>
<td>No info.</td>
<td>No info.</td>
<td>5,397</td>
</tr>
<tr>
<td>Cantabria</td>
<td>192</td>
<td>4.36</td>
<td>95.64</td>
<td>4,402</td>
</tr>
<tr>
<td>Castille and Leon</td>
<td>1,013</td>
<td>12.02</td>
<td>87.98</td>
<td>8,430</td>
</tr>
<tr>
<td>Castille - La Mancha</td>
<td>359</td>
<td>32.73</td>
<td>67.27</td>
<td>1,097</td>
</tr>
<tr>
<td>Catalonia</td>
<td>9,205</td>
<td>39.81</td>
<td>60.19</td>
<td>23,123</td>
</tr>
<tr>
<td>Valencian A.R.</td>
<td>3,828</td>
<td>31.17</td>
<td>68.83</td>
<td>12,282</td>
</tr>
<tr>
<td>Extremadura</td>
<td>No info.</td>
<td>No info.</td>
<td>No info.</td>
<td>1,318</td>
</tr>
<tr>
<td>Galicia</td>
<td>1,198</td>
<td>13.98</td>
<td>86.02</td>
<td>8,571</td>
</tr>
<tr>
<td>Madrid</td>
<td>5,637</td>
<td>28.31</td>
<td>71.69</td>
<td>19,909</td>
</tr>
<tr>
<td>Murcia</td>
<td>463</td>
<td>24.68</td>
<td>75.32</td>
<td>1,876</td>
</tr>
<tr>
<td>Navarre</td>
<td>4,336</td>
<td>54.75</td>
<td>45.25</td>
<td>7,920</td>
</tr>
<tr>
<td>Basque Country</td>
<td>21,118</td>
<td>30.18</td>
<td>69.82</td>
<td>69,976</td>
</tr>
<tr>
<td>La Rioja</td>
<td>No info.</td>
<td>No info.</td>
<td>No info.</td>
<td>2,190</td>
</tr>
<tr>
<td>Ceuta</td>
<td>36</td>
<td>18.37</td>
<td>81.63</td>
<td>196</td>
</tr>
<tr>
<td>Melilla</td>
<td>225</td>
<td>42.94</td>
<td>57.06</td>
<td>524</td>
</tr>
</tbody>
</table>


- **Type of housing:** 58% of those who provided information live in family housing. There is an 11% living in very precarious conditions or in homelessness.
### Table 10. Distribution by types of housing and gender, in 2013 (number of beneficiaries)

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family housing</td>
<td>78,801</td>
<td>51,94</td>
<td>132,576</td>
</tr>
<tr>
<td>Collective housing (shelter, supervised flats)</td>
<td>780</td>
<td>1,487</td>
<td>2,493</td>
</tr>
<tr>
<td>Pensions, hostals</td>
<td>1,721</td>
<td>2,701</td>
<td>4,422</td>
</tr>
<tr>
<td>Infrahousing (caravan, shanty town hut, settlement)</td>
<td>1,174</td>
<td>918</td>
<td>2,092</td>
</tr>
<tr>
<td>Homeless</td>
<td>2,387</td>
<td>2,998</td>
<td>5,385</td>
</tr>
<tr>
<td>Other</td>
<td>7,229</td>
<td>4,236</td>
<td>11,465</td>
</tr>
<tr>
<td>No information</td>
<td>45,264</td>
<td>24,23</td>
<td>69,553</td>
</tr>
<tr>
<td>TOTAL</td>
<td>137,356</td>
<td>88,51</td>
<td>227,951</td>
</tr>
</tbody>
</table>


**Testimony of Patricia G., Minimum Income recipient, from the Madrid Autonomous Community**

“I was living in the street. I had lost touch with my family. But ultimately they were the ones who put me in contact with the association called *Realidades*. I had to wait two months to get my identity card renewed, which I did not have, and after 5 months they gave me...”
the Minimum Income. At that moment, I felt very independent! But… it was €375 for everything! I paid €200 for a room and I had nothing left to live on. Fortunately, Realidades helped me to find cheaper accommodation...And I have been doing courses, to retrain. I’m writing a blog and I’m feeling great.

But not everyone is so lucky. There are those who have been waiting for more than a year. There are people who don’t know how to use Internet, they have no fixed home, they cannot receive the letters that are sent to them with the procedures, they have no money to take photocopies of documents, not a penny for transport, to go and deal with bureaucratic formalities, or they live in the street...It’s a vicious circle which is difficult to break. It’s complicated being homeless, it’s very hard to recover”.

6.5 Special situations

In the last decade, there have been some advances in the specific situation of young people who have been in the care of public authorities.

- Although there is a range of support measures for access to jobs or training, there is no Minimum Income benefit in cash, or if there is they have a very limited in scope, in the cases of Aragon, Cantabria, Ceuta, The Valencian Autonomous Community, Extremadura, Melilla and La Rioja.

- In Andalusia, Asturias, Castille Leon, Madrid, The Balearic Islands and The Canary Islands, young people who have been in the care of the Autonomous Community can channel their claims through the general Minimum Income schemes, despite being below the requisite age of 25.

- In the case of Castille La Mancha, the economic benefits considered in the "Personal Independence Programme" are only granted when the young person is pursuing a labour market insertion programme, whether this means studying or actively looking for work. These funds may vary from 100 euros to 410 euros per month, depending on each person’s circumstances. A similar case is that of Galicia, which offers the Independence Assistance Programme, an individual plan aimed at young people aged 16 or more; they are granted financial aid to guarantee their independence, which may be extended beyond the age of 18. In the case of Murcia, the system is similar, while also being subject to the attainment of certain objectives.

- In Catalonia, an unemployment allowance is available to young people formerly in care, governed by Law 13/2006 on Social and Economic Benefits. Young people who have been attended to by social services for more than 3 years are entitled to receive an allowance, until they are 21, which equates to the “income adjustment scheme” established in Catalonia (€663.98 per month in 2013). Moreover, there is a specific reserve for cases of deinstitutionalisation. Exceptional aid of €240 per month for up to 6 months is available, for
young people formerly in care who are not entitled to receive an allowance. A third type of benefit, called “Economic Support for young people formerly in care”, supports personal projects based on formal education (sponsored by "La Caixa" foundation). Beneficiaries receive the sum of €519.12 per month.

- In Navarre, the financial support for deinstitutionalisation for those over the age of 18 lasts for one year, being granted in two six-month periods. Young people must comply with the “agreed goals” and the possibility of a short extension exists. The support that they receive is about €748 per month and this is reduced by what they earn themselves, since the idea is for this allowance to be a type of “bridging” support, with an expiry date, to encourage emancipation. Exceptionally, young people between the ages of 18 and 25 who have been in the care system may claim and benefit from the support of social services concerning social inclusion.

- In the Basque Country, the support measures depend on each province. Financial assistance is channelled through the social protection system in Alava, but in the case of Bizkaia, there is a specific plan for young people who have been protected by its social services system in the 18 month period before they reach 18 years old. Gipuzkoa, as detailed in a Decree of 1999, has a more sophisticated system of protection, which takes into account whether the young person is still living at home or on his/her own. The amount of the benefit ranges from €543 to €700.16

7. PROBLEMS AND OBSTACLES WITH THE REGIONAL MINIMUM INCOME SCHEMES: THE PERSPECTIVE OF THE KEY INFORMANTS

In order to obtain first-hand information from professionals and key informants belonging to the EAPN network throughout the country, an online questionnaire was designed that allowed detailed regional information about the day-to-day practice of Minimum Income schemes to be obtained. This questionnaire was answered by representatives from the 17 Spanish regions (Autonomous Communities) and 2 autonomous cities (Ceuta and Melilla).

The data show that 50% of the Minimum Income schemes have been created in the last 14 years and the rest prior to 2000.

16 The 2013 Report by FEPA (Federación de Organizaciones con Proyectos y Pisos Asistidos) analysed the situation of the specific vulnerability of emancipated young people who have been under the guardianship of the public authorities throughout the country. Http://www.fepa18.org/wp-content/uploads/2014/04/LA-EMANCIPACION-EN-ESPA%C3%91A-DIC13.pdf
Graph 6. Since when has a Minimum Income scheme existed in your Autonomous Community?

![Pie chart showing the percentage of EAPN networks participating in Minimum Income schemes]

Source: Questionnaire of EAPN ES Networks (hereinafter, Questionnaire)

As the following diagram shows, 50% of the EAPN networks are participating in a governance process at a regional level. Only 31% have never participated in any activity in this regard.

Graph 7. Is your network participating in any working group or round table on Minimum Income with the regional authorities?

![Pie chart showing participation status]

Source: Questionnaire
At present 44% of EAPN networks have their own working group on Minimum Income; 17% had one, but do not have one at present; 11% plan to set one up this year, and 28% said that they will not form a group on this subject. However, all of those who responded said that their knowledge of the matter was good (3.26 out of 5), and that they have been following this type of information for various years (3.47 out of 5).

7.1. Territorial heterogeneity

The conditions regarding access, requirements, amount, duration, and so on vary from one Autonomous Community to another. This makes it difficult, in practice, to abide by the constitutional principle of "equal rights for all Spanish citizens".

Due to the lack of inter-regional coordination, beneficiaries who have to move from one region to another, for example, for medical attention or other reasons, lose their benefits, and must start the application procedure from scratch (if they satisfy the new requirements, as explained earlier).

As regards their opinion on the Minimum Income in their Autonomous Community, most of those surveyed (80% or more) agree that they do not provide a decent standard of living. They also confirmed that not everybody who needs this income has access to it. One of the obstacles mentioned is that the procedure requires a large amount of documentation to be submitted and that the administrative authority does not process applications quickly enough. Some mentioned a general delay of 10-12 months in responding to applications.

- 55.5% say that requests are refused by the public authority without any grounds or explanation being given.
- 72% agree that the public authority withdraws the Minimum Income from those recipients who do any type of work.
- 80% agree that MI does not allow a decent standard of living.
- 83% said that MI applicants must submit a large amount of documentation.
- 89% agree that MI is not granted to everyone who needs it
- 95% say that MI applications are not processed quickly by the public authority.

7.2 Coverage

The traditional system of unemployment protection (insurance and allowances) has shown itself to be insufficient to deal with long-term mass employment. Allowances are aimed at specific vulnerable groups rather than at combating poverty and/or mass exclusion. In
addition, governments insist that long-term unemployment is to blame for the financial exhaustion of social protection funds.

About 50% of those officially registered as unemployed live in a situation of vulnerability. The marked reduction of social protection through successive modifications that have restricted access to unemployment benefit and non-contributory allowances (described in this report) have left 13.5 million people in a critical situation.

Since their creation, the constant increase in financial resources assigned to Minimum Income schemes by Autonomous Communities and Cities **conceals a loss of extension and intensity** (in relation to the number of families in need and the average amounts granted), above all since 2011. In the medium and long term, excessive bureaucracy makes it difficult to access these benefits. Not only are those who are entitled to Minimum Income expelled from the system, but in addition a gap is established between these persons and the social services system, thus obstructing present and future access to other benefits, aid and rights.

**All of the informants agree that the growing number of requirements means that many families are excluded from the system.** As a result, those persons who are in the most precarious situations in terms of registration, documentation and household stability are unable to apply for help. According to 88% of the informants, irregular immigrants and homeless people were the two groups whose access to Minimum Income was most obstructed. In third place, they mentioned persons living in squats. Further details are contained in the following diagram:
Most of the groups face rejection of up to 24% of their applications, while irregular immigrants and, secondly, victims of gender-based violence, have a higher rate or rejection, according to our key informants, whose data is based on day-to-day observations.

### 7.3 Adequacy

As regards the obstacles that prevent Minimum Income from providing an adequate level of protection for a decent standard of living, **80% said that the main barrier was the insufficient amount. The second obstacle refers to the excessive requirements and procedures and the third to the lack of a global focus (or a made-to-measure programme, in relation to the approach to active inclusion).** Some agree that the scope of the Minimum Income scheme is restrictive and excludes a significant number of families.

A workshop was run with thirteen Minimum Income recipients from different Autonomous Communities. They were asked about the income that they received, which ranged from...
€270 in Melilla to €616 in the Basque Country. They were then asked to estimate the amount that their family would need for a decent standard of living in their Autonomous Community, excluding the payment of accommodation. The answers varied markedly, from €500 in Melilla to €1,000 in The Balearic Islands.

**7.4 Uprating**

As regards the mechanisms that are taken into account in order to uprate the Minimum Income amount over time to ensure that it does not lose its purchasing power, more than half of those surveyed (58%) said that regional legislation does not clarify the mechanism, and others said that the Minimum Income was uprated according to the minimum wage (IPREM). 20% said that the updating of the Minimum Income was in relation to the annual Consumer Price Index. Finally, 20% answered that: "It depends on the political will of the government".

When asked what would be the best way of maintaining purchasing power, most of them referred to the Consumer Price Index (IPC) and to keeping a reference to minimum wages.

**7.5 Non take-up. Persons who comply with the requirements, but do not claim Minimum Income**

We asked the key informants for an estimate of the number of persons that need to and can claim Minimum Income, and do not do so (i.e. non-take-up). According to their estimates, the number of vulnerable persons excluded from the Minimum Income scheme would be approximately 964,400 persons in the whole of Spain.

The reasons put forward for not claiming Minimum Income are set out in the following table. The three most common reasons were "lack of awareness of his/her right" (67%); "Ignorance of the application procedure" and "the instability of accommodation or exclusion" (both 61%). As well as these possible explanations, others said that parents in general, and foreigners who have given birth to children in Spain (children who may acquire Spanish nationality) in particular, do not claim because they are worried that their children may be taken away from them by social services.
Graph 9. Reasons why those who are entitled to/comply with the requirements do not apply for Minimum Income

Source: Questionnaire

7.6 Impact on employability

Regarding the impact on employability, 61% of those who answered the EMIN Questionnaire declared that the Minimum Income did not discourage access to employment in their Autonomous Communities. Other explanations were also put forward, in the cases of the Basque Country and Navarre: that the Minimum Income could be higher than the wage expected for the social conditions and the qualifications of the person who receives it, particularly given the current conditions in the job market. Most coincided that if there was work which paid the Minimum Income (with a formal contract
and social security) available in their regions, people would try to access them and they
would not have to request the Minimum Income.\textsuperscript{17}

This is a paradoxical example of how Minimum Income, while being below an
adequate level, works in a context of extremely high unemployment and how the
focus of Active Inclusion is not truly viable, unless the number of jobs available
increases significantly.

\textbf{Testimony of Guillermo Fernández, researcher for Caritas Española/FOESSA}

We must eradicate ideas that become part of the popular conception of Minimum
Income recipients. We must make people understand that:

a) Immigrants do not claim Minimum Income that much;

b) Most people would rather have a bad job than claim Minimum Income;

c) The idea that the richest Autonomous Communities help more than the poorest ones is
not true either with respect to the level of cover: the effort is different and does not depend
only on the level of income, but on the political will.

\section*{8. Active Inclusion}

The National Social Inclusion Action Plan (PNAIN in its Spanish initials) 2013-2016 contains
the social policies implemented by Autonomous Communities and Cities and the state,
through the competences of the ministries. It is strongly slanted towards the
implementation of an active inclusion strategy.\textsuperscript{18} It was set in motion in December 2013,
with a budget of €136,600m for 4 years. Although this figure may appear exceptional,
what it really represents is the global cost of social policies in Spain. The innovation is
based on the fact that it is now a structured framework, with clear objectives and goals,
although there are no specific indicators to measure progress. \textbf{The second pillar of the
PNAIN is the structuring of a better guaranteed Minimum Income scheme, which
includes the Minimum Income for the most vulnerable groups. The Plan refers to
the reorganisation of the system, in order to increase its extension and
effectiveness.} This includes the extension of the "PREPARA" Programme (as explained

\textsuperscript{17} The assessment of the impact of the policies of active integration and Minimum Income schemes is still very
limited, partly due to their highly decentralised nature. Fragmented information, the lack of assessment tools,
and the administrative and institutional conditions limit this assessment.

\textsuperscript{18} https://www.msssi.gob.es/destacados/docs/PNAIN_2013_2016_EN.pdf
above, €426 per family, a non-contributory benefit, after unemployment benefit is exhausted), until the unemployment rate falls below 20% of the work force.

The PNAIn has been included in the National Reform Programme 2014. The recommendations of the Council considered this to be the main instrument for combating poverty. In the following quote, the Council mentions the need to simplify the Minimum Income system, in particular taking into account access thereto:

"The National Social Inclusion Action Plan 2013-2016 offers an adequate legislative framework for those who are struggling to enter the employment market, for the fight against child poverty and the improvement in the efficiency of family support services. Moreover, social assistance and benefits have limited the redistributive effects through different risk groups, which suggests that they have been incorrectly focused. In addition, the limited coordination between the employment and social services (in particular, at the regional and local level) and the administrative tasks involving access to Minimum Income makes it difficult for there to be a smooth transition between social assistance and reintegration into the employment market".19

As shown in Chapter 4, there are economic benefits that supplement the Minimum Income schemes in 9 (out of a total of 19) Autonomous Communities and Cities. These other cash benefits are used to cover basic emergency needs, within the regional social services framework. They are, in general, one-off fixed amounts, destined to provide financial support to families “who have to face unforeseen situations”, or those persons who need them to meet specific expenditure on a regular or extraordinary basis, provided that they are used to cover basic needs. (See the table “Main features of the Minimum Income Schemes”).20


Table 11. Activation and Social Inclusion Measures, complementary to Minimum Income Schemes, in the Autonomous Communities

<table>
<thead>
<tr>
<th>Autonomous Communities</th>
<th>Entitlement</th>
<th>Social Activation measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andalusia</td>
<td>&quot;Ingreso Mínimo de Solidaridad&quot;</td>
<td>1. Actions and measures: career paths, educational, access to housing. 2. Commitment to social, labor, personal and family Insertion.</td>
</tr>
<tr>
<td>Aragon</td>
<td>&quot;Ingreso Aragonés de Inserción&quot;</td>
<td>1. Individualized Plan for Integration. 2. Actions for Insertion. 3. Integration Projects.</td>
</tr>
<tr>
<td>Asturias</td>
<td>&quot;Salario social básico&quot;</td>
<td>1. Individualized Plan for Integration. 2. Perform actions for job placement. 3. Participate in projects of labor insertion.</td>
</tr>
<tr>
<td>Balearic Islands</td>
<td>&quot;Renta mínima de inserción&quot;</td>
<td>Participate in planning and integration programs, according to the circumstances: 1. Insertion Plan or Social and Occupational Rehabilitation. 2. Programme for the Social and Labour Insertion.</td>
</tr>
<tr>
<td>Canary Islands</td>
<td>&quot;Prestación Canaria de Inserción&quot;</td>
<td>Specific programs of integration activities.</td>
</tr>
<tr>
<td>Castilla y Leon</td>
<td>&quot;Ingreso Garantizada de Ciudadanía&quot;</td>
<td>Individualized Insertion Project.</td>
</tr>
<tr>
<td>Castilla La Mancha</td>
<td>&quot;Ingreso Mínimo Solidaridad&quot;</td>
<td>1. Individualized Insertion Plan. 2. Integration Agreements.</td>
</tr>
<tr>
<td>Castilla y Leon</td>
<td>&quot;Ingreso Garantizada de Ciudadanía&quot;</td>
<td>Individualized Insertion Project.</td>
</tr>
<tr>
<td>Catalonia</td>
<td>&quot;Renta Mínima de Inserció&quot;</td>
<td>1. Individualized Plan for social and labor integration and reintegration (PIR). 2. Performances and benefits include urgency and compensation; support for social integration; adult training activities; support for employment; economic benefit and other measures.</td>
</tr>
<tr>
<td>Ceuta</td>
<td>&quot;Ingreso Mínimo de Inserción Social&quot;</td>
<td>Individualized Insertion Project.</td>
</tr>
<tr>
<td>Extremadura</td>
<td>&quot;Renta Básica de Inserción&quot;</td>
<td>1. Cash benefits for personal, social and labor insertion. 2. Individualized Insertion Project.</td>
</tr>
<tr>
<td>Región</td>
<td>Programa Social</td>
<td>Descripción</td>
</tr>
<tr>
<td>-------------</td>
<td>-----------------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Galicia</td>
<td>&quot;Renta de Integración Social de Galicia&quot; (RISGA)</td>
<td>Project Integration: 1. Actions that seek personal and family rehabilitation. 2. Actions that seek integration into the social environment. 3. Actions for work motivation, career guidance and job training. 4. Activities of collective and social interest in public or private entities. 5. Activities aimed at self-employment or social economy. 6. Actions to take up work with a formal contract. Resources and measures related to RISGA: 1. Instruments linked to RISGA's social and labor itineraries. 2. Plan for social inclusion within a team of socio-labor inclusion. Measures of labor incorporation of the RISGA's beneficiaries: 1. Coordination between the social services and employment systems. 2. Labor insertion enterprises. 3. Measures to support access to employment for people at risk of exclusion. 4. Recognition of socially inclusive businesses.</td>
</tr>
<tr>
<td>Madrid</td>
<td>&quot;Renta Mínima de Inserción&quot;</td>
<td>Insertion measures: 1. Individualized Program Insertion: Customized Support for labor and social inclusion, collaboration with employment services. 2. Integration Projects: activities oriented to personal and social development of people in situations of exclusion, developed in cooperation with social initiative entities (Third Sector).</td>
</tr>
<tr>
<td>Melilla</td>
<td>1) &quot;Ingreso Melillense de Integración&quot; (IMI). 2) &quot;Prestación Básica Familiar&quot; (PBF)</td>
<td>1. Actions to support Social Integration. 2. Social Integration Itineraries. 3. Intervention Plan for Social Integration.</td>
</tr>
<tr>
<td>Murcia</td>
<td>&quot;Renta Básica de Inserción&quot;</td>
<td>Job placement (Activation) Commitment: actions for social and economic autonomy; considerations (working hours) of services or community work. Measures for Insertion: individualized insertion projects, social integration programs, plans for Social Inclusion, etc.</td>
</tr>
<tr>
<td>Navarra</td>
<td>&quot;Renta de Inclusión Social&quot;</td>
<td>Incorporation Agreement: itinerary social or labor integration. Agreement for social or socio Incorporation. Measures of social inclusion. Processes and work integration programs.</td>
</tr>
<tr>
<td>Basque Country</td>
<td>&quot;Renta de Garantía de Ingresos: Renta Básica para la inclusión y protección social&quot;</td>
<td>Instruments oriented to social and labor inclusion: a) Active Inclusion Agreement b) Specific intervention measures.</td>
</tr>
<tr>
<td>Rioja</td>
<td>1. &quot;Ingreso Mínimo de Inserción&quot; (IMI) 2. &quot;Ayudas de Inclusión Social&quot; (AIS)</td>
<td>Individualized Integration Project: Training activities aimed at social and professional integration. Social Integration Project for the Coexistence Unit: integration strategies through individualized itineraries for each member of the family unit.</td>
</tr>
</tbody>
</table>
Although in theory all Autonomous Communities include different ways of activation or labor insertion, 78% of EAPN’s informants said that there was no active inclusion strategy in their region. Another 22% stated that there was an active strategy, but that it was only applied partially. In general, these ambitious plans and projects depend on budgetary resources, and on the actual numbers of recipients. **The link with a true Social Inclusion approach is missing in most cases.**

Moreover, the recent changes in the legislation on local administration\(^{21}\) are going to reduce the proximity and availability of social and employment services, and would severely complicate the integrated work in personalized itineraries, at the local level, as have been insistently criticized by thousands of municipalities, the political opposition and other actors.\(^{22}\)

### The case of Catalonia

The Catalan programme separates the beneficiaries of Minimum Income into two groups: those that are more “employable” and those that “have to resolve personal problems” before the public authority considers that they can enter the labour market. This two-pronged approach is what makes the case of Catalonia interesting, since it offers a flexible response to individual situations.

Riba, Ballart and Blasco (2011) discuss whether inclusion policies have had a positive effect on beneficiaries of Minimum Income in Catalonia.\(^{23}\) Their research confirms that beneficiaries with the highest level of employability have more chance of finding work, in a favourable economic context. The results suggest that personal problems act as barriers. The authors also examine the extent to which the public administration’s management is responsible for this state of

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\(^{22}\) In September 2014, the Constitutional Court agreed to hear the appeal of 3,000 municipalities against the local administration reform Act. [http://www.rtve.es/noticias/20140911/constitucional-admite-tramite-recusacion-3000-ayuntamientos-contra-reforma-local/1009580.shtml](http://www.rtve.es/noticias/20140911/constitucional-admite-tramite-recusacion-3000-ayuntamientos-contra-reforma-local/1009580.shtml). There are also several testimonies on this opposition, at the National and Regional Parliaments. For example, see [http://www.eldiario.es/canariasahora/sociedad/trabajadores-sociales-ley-Reforma-Local_0_277873053.html](http://www.eldiario.es/canariasahora/sociedad/trabajadores-sociales-ley-Reforma-Local_0_277873053.html).

affairs. For this, they compare the work of the administrative units that monitor the characteristics of their clients.

The analysis has shown that the critical factors for the public administration to achieve a successful labour insertion of those who receive Minimum Income are as follows: a) the length of time that they have been in the programme, and, b) the possibility of acquiring real work experience, during their time in the programme. The time limit for successfully leaving the programme is about three years. The most numerous and heterogeneous group had problems in leaving the programme in up to 77% of the cases.

The research confirms the prior studies about how personal difficulties make it difficult to obtain employment and identifies the following features as important barriers: the lack of housing, social isolation, prostitution, mental health problems and physical difficulties. Although immigrants in general cannot be considered to be “difficult cases” in Spain, differences were apparent according to their place of origin: those from the Maghreb and Latin America were least likely to leave the programme successfully and find a job.
9. A PROPOSAL FOR A NEW GUARANTEED MINIMUM INCOME SCHEME

The diagram below sets out five key questions, which must be answered, in order to define a framework for future actions regarding a new Minimum Income scheme.

Graph 10. Political questions regarding a future guaranteed Minimum Income scheme – Scenario 2020

1) DEGREE OF STABILISATION. What should be the degree of stabilisation to be reached by the system in terms of the number of unemployed and AROPE?

2) STRUCTURAL OR TEMPORARY NATURE. Is the intention to tackle this crisis and other similar ones or establish a permanent system?

3) SOLIDARITY. What should be the degree of solidarity between public authorities (State and A.Communities) involved by the system?

4) RESPONSIBILITY. Which level of the public administration would be mainly responsible for running it and for its results?

5) BUDGET COMMITMENT. What is the level of social investment that the government is prepared to make?

These five questions will be replied to below. This brief report shows the need to reform the whole guaranteed Minimum Income scheme, restructuring all of its parts into a strong system. A major overhaul of the Minimum Income scheme would only be possible with the direct participation of central government, as is noted in the PNAIn, and with the political will of the governments of the Autonomous Communities, since they would have to readjust their legislation to reflect this goal.

Given the dysfunctions that have been shown to exist in this report, it is reasonable to argue that central state coordination of the reform of the whole system is required, as
already exists in the case of the pension and tax system, referred to the identification number of each Spanish citizen or legal resident. These are some of the main proposals.

- **Citizens must have the same rights regardless of their place of residence.** The guaranteed Minimum Income scheme must ensure that this constitutional principle is observed throughout the country.

- **When establishing protection policies, three objective indicators must be borne in mind:** the level of unemployment, the amount of people at risk of poverty and exclusion (AROPE), and “the protection rate” (according to the population). The Autonomous Communities must agree with this "protection rate". For example, if, in a given Autonomous Community, the unemployment rate and that of AROPE is 20%, the cover of the Minimum Income guarantee scheme would be set at 200 recipients per 1000 inhabitants.

- **This process requires a significant increase in the current budget, due to the large number of persons that cannot apply for resources, do not know how to do this or whose requests are rejected,** as shown in this Report. Caritas Española has estimated the increased public budget required in order to extend this system of protection, whether by extending the programmes existing at present or by creating a new scheme. Based on an initial scenario, with a maximum reference value of 85% of the minimum wage (€6,582.06 per year), the total amount necessary to provide a Minimum Income to 700,000 families would be €4.607m per year. The second scenario, with a maximum reference value of 75% of the minimum wage (€5,807.70 per year), would amount to €4 billion per year. The Basque example shows that political priorities, and not just the availability of funds, may be a key factor in reorganising the allocation of the budget in order to extend social protection.

- **The new system involves genuine territorial cohesion and improved coordination between central, regional and local administrations.** An example would be the application of the status of “portability” – i.e. the possibility of transferring and maintaining the Minimum Income if a family moves from one Autonomous Community to another.

- **It also involves the organisation (homogenisation in certain aspects) of access criteria, amounts and levels of protection, with greater attention being paid to the real needs of families.**

- **Another general change must be the replacement of the concept of “activation”, i.e. the obligatory search for employment, with that of the “promotion” of employment.** This means developing greater coordination in the employment market, and access to decent jobs for all vulnerable groups.

- **This increase in the level of protection must be used to combat effectively child poverty.** There is an urgent need to reduce child poverty, which currently affects 2.5 million children, the second highest figure in the EU-28. This could be partly achieved by introducing child benefits on a broad scale. The Spanish Committee of UNICEF has pointed out that the situation in Spain is anomalous for three reasons. First, the lack of universal benefit for each

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24 CARITAS ESPAÑOLA (2013), *La fragilidad de la renta mínima de inserción*. This fragility has increased during the crisis. www.caritas.es/publicaciones_download.aspx?id=4610&Diocesis
dependent child (which exists in most of Europe), second, the very low levels of income
required to be eligible for the benefits and third, the very low amount of the existing
conditional benefit (the lowest after Greece). To remedy this situation, UNICEF has suggested
three alternative scenarios.

a. Policy # 1. An increase in the amounts, from the current figure of €291 to €1,200 per
year for non-disabled children (€100 per month) and from €1,000 to €2,000 per year,
for those who are disabled.

b. Policy # 2. An increase of 50% in the limit of income to be eligible for the benefit,
while keeping the amount unchanged (€291 per year). This would mean raising the
income limit from €11,376 per year to €17,065 for families with dependent children;
in the case of large families, it would rise from €17,122 to €25,684 per year.

c. Policy # 3. Creation of a new universal policy that would transfer €1,200 (€100 per
month) to all families with dependent children between the ages of 0 and 17. This
monthly amount is similar to the average amount of this benefit in Europe (and would
probably raise many large families above the poverty threshold).²⁵

As regards the Minimum Income schemes designed and managed by Autonomous
Communities and Cities, we propose that they review those schemes currently in
existence in order to adapt them to the general framework described above.

Coinciding with the report of the Comisiones Obreras trade union, these reforms should
lead to the homogenisation of the common requirements laid down for access to the
Minimum Income scheme:

a. Age: over 18.

b. Residence: at least one year’s continuous residence in the Autonomous
Community in question.

c. Registration: be registered with the local municipality. With respect to
Spanish citizens who have been in a foreign country for work reasons and
have returned to Spain, the residence and registration requirement would
be six months. Taking into account the results of this report, we consider
that, in the case of homeless persons and others in a similar position,
exceptions to this registration requirement would be established.

d. Income situation: the applicant must show evidence of his/her income and
other cash benefits.

As regards the amounts: according to Comisiones Obreras, the income benchmark for an
applicant who lives alone is the amount of the non-contributory pension (€5,108.60 per
year in 2013). If there was a second person in the family unit, the figure would be 1.23
times the amount of the non-contributory pension (€6,283.58 per year, in 2013). Where

²⁵ UNICEF Spanish Committee (2014), Políticas públicas para reducir la pobreza infantil en España - Resumen ejecutivo.
there are three members in the family, the higher amount would be increased to the IPREM (Public Income Rate of Multiple Effects) (€7,455.14 in 2013); and if there are four or more persons living together, it would be 1.23 of the IPREM (€ 9,169.82 in 2013). For the purpose of proving income, other economic benefits should not be taken into account; for example, benefits for dependent persons or allowances for dependent children.26

As can be seen, these figures do not coincide with the calculation carried out by Caritas, although both are viable economic alternatives, which have already been submitted to the Spanish government.

Pursuant to our analysis, this approach is better than the current fairly unsystematic situation, but it still fails to tackle a key issue: the differences in the cost of living between regions, when calculating the amounts. Thus, we consider that the economic proposals should be adjusted based on the results of a benchmark budgets methodology in each of the regions.27 Moreover, the updating of Minimum Income amounts should be done by law, in order to avoid decisions that are not sufficiently transparent.

According to the key informants, the requirements and procedures when applying for benefits are an important obstacle as regards access thereto. These must be clearly simplified in the legislation by introducing a one-stop shop system. It is also proposed that a specific civil servant be responsible and a reference point for a given individual who applies for or is granted benefits, so that he/she can act as a coordinator and link between the different parts of regional and central administration. This proposed simplification, plus the introduction of a quality control system, will allow a significant reduction or elimination of arbitrariness in the grant and handling of benefits. In any event, governments should always explain in a written document the reasons for any rejection of a Minimum Income request, in order to be responsible for their decision. The Transparency Act, of January 2014, may reflect this change in the administration’s approach.

26 COMISIONES OBRERAS (2014), Propuesta de un sistema de rentas mínimas garantizadas en España.

In relation to the lack of a global focus (or a made-to-measure programme, as a component of an active inclusion policy), the social services that work with social NGOs at the local level should have a key role, in coordination with the aforementioned “one-stop shop”.

As regards the compatibility of Minimum Income schemes with access to a job, we propose that any part-time or temporary job may be compatible up to 50% of the annual amount granted under the scheme. The issue of incompatibility may arise when the beneficiary receives remuneration for a full-time job that pays above the minimum wage and the AROPE indicator, corresponding to the composition of its family, with a contract of less than one year.

Effective intervention is required, including good job retraining, in order to improve the possibilities of finding decent work, whether on an employed or self-employed basis. Thus,
through training and retraining, it is possible to tackle the problem of Minimum Income being “more attractive” than the wages that the recipients thereof would expect to be paid.

The case of Catalonia shows that the critical factors for public administrations to achieve a successful performance in terms of the labour insertion of unemployed persons who receive Minimum Income benefits are as follows: a) the time spent on the programme and b) the possibility of acquiring real work experience during his/her time in the programme. The time limit for being able to leave the programme successfully was fixed as three years. **Thus, at the end of this three-year period, the results of the public policies applied should be evaluated and, based on the conclusions reached, refocused.**

The groups with the greatest difficulties in applying for benefits and facing the highest level of rejection (immigrants, victims of gender-based violence and homeless persons) need specific advice and assistance on how to submit a correct and complete application, for which they should be able to rely on the help of NGOs. However, **the new legislation should be more flexible in order to cater for specific situations.** This could be mean, for example, the application of alternative ways of showing that applicants have lived in the region for the requisite time period, with respect to homeless persons (or those in any type of temporary accommodation) as noted above, or producing the police file, in cases of gender-based violence.
Graph 12. Political responses to a future guaranteed Minimum Income scheme – Scenario 2020

1) DEGREE OF STABILISATION. The degree of stabilisation to be achieved by the system in terms of the unemployment rate would be 15% and the AROPE rate would be 15% at the regional level.

2) STRUCTURAL OR TEMPORARY NATURE. In this phase a permanent system would be established. This could be revised in 2020.

3) SOLIDARITY. The budget should be managed bearing in mind the rates of AROPE, unemployment and a “protection relationship” (rate of cover per 1,000 inhabitants). The amounts should be adjusted taking into account “benchmark budgets” or the cost of living at the regional level.

4) RESPONSIBILITY. The central administration would have to coordinate the system, with help from the regional authorities, but it would be principally responsible for its management and results.

5) BUDGET COMMITMENT. Approximately €6 billion per annum, to cover families with no income (extreme poverty)

9.1 Foreseen results

Through these changes, the aim would be to improve a range of quality aspects, based on four criteria: effectiveness, efficiency, multiplier effects and transparency.
Table 12. Foreseen results of the Proposal

<table>
<thead>
<tr>
<th>EFFECTIVENESS</th>
<th>EFFICIENCY</th>
<th>MULTIPLIER EFFECTS</th>
<th>TRANSPARENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Greater social cohesion, given the significant reduction of adult and child poverty.</td>
<td>• Rationalisation of the resources available.</td>
<td>• In the short and medium term, stabilisation and growth of consumption</td>
<td>• Transparency and accountability.</td>
</tr>
<tr>
<td>• Increase in the rate of employment (compatibility with active inclusion).</td>
<td>• Homogenisation of criteria regarding eligibility, maintenance and renewal.</td>
<td>• Increase in tax collected.</td>
<td>• Quality control through external audit.</td>
</tr>
<tr>
<td>• Increase in level of qualification.</td>
<td>• Making more flexible, adjusting and simplifying the process in line with the conditions of vulnerable and poor groups.</td>
<td>• In the medium to long term, prevention of serious and chronic social problems.</td>
<td>• Participation of TSSA social entities and recipients in the process.</td>
</tr>
<tr>
<td>• Greater territorial cohesion.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NGOs must work more to increase the knowledge persons in a situation of poverty and social exclusion as regards how Minimum Income schemes work, since such people are still unaware of their rights, which makes it difficult for them to obtain access thereto. In addition, ONGs must put pressure on public administrations to improve and adjust the system so that it best suits the nature of those affected by poverty, while these changes are taking place.

KEY IDEAS

- Citizens must have the same rights regardless of where they live. A Minimum Income guarantee scheme must ensure that this constitutional principle is observed throughout the country.
- The whole guaranteed Minimum Income system must be revised, with all of the schemes of which it is composed being reorganised, based on state-wide coordination.
- When establishing protection policies, three objective indicators must be taken into account: the unemployment rate, the amount of the population at risk of poverty and exclusion (AROPE), and “the protection rate” (according to the population). The amounts must be in line with the cost of living, measured on the basis of benchmark family budgets in each Autonomous Community.
- This process requires a significant increase in the current budget, due to the large number of persons who are ineligible for benefits, do not know how to apply or whose applications are rejected. As a basis for calculation, according to the estimate of Caritas, which uses as a benchmark 85% of the minimum wage (€6,582.06 per year), the total amount necessary to provide Minimum Income to 700,000 families, would be €4,607 million per year. Disability pensions and child
maintenance allowances should not be subtracted from the amount, as is currently done.

- This increase in the level of protection should be used to combat effectively child poverty. Following the proposal of UNICEF Spain, the benefit paid per child should be increased (from the current figure of €291 to €1200 per year for children with no disability; and from €1,000 to €2,000 per year for those who are disabled).
- **However, it is not just a question of budget size.** The new system would mean genuine territorial cohesion and greater coordination between central, regional and local administration. An example of this would be the application of the status of “portability” between both systems and among Autonomous Communities.
- It would also involve the structuring and homogenisation of access criteria, the amounts and levels of protection, with attention more in line with the real needs of the families. A priority in this regard would be to reduce the age limit from 25 to 18. Municipal registration should be a *flexible* criterion to include homeless persons and victims of gender-based or domestic violence.
- With respect to access, this must be clearly simplified in legislation by adopting the “one-stop shop” system. It is also proposed that a specific civil servant be appointed as the person responsible and a reference point for a given person who applies or is granted benefits and that the whole process be monitored through external quality control of the services.
- Another fundamental change must be the replacement of the concept of “activation”, in the sense of obligatory job searches, with that of the “promotion” of employment, through retraining and continuous training.
- Coinciding with the active inclusion policy, we propose that any part-time or temporary work be compatible if the income received represents up to 50% of the annual amount received under the protection scheme by the claimant in question.
10. ANNEX: INFORMATION PROVIDED BY THE SPANISH GOVERNMENT TO THE MUTUAL INFORMATION SYSTEM ON SOCIAL PROTECTION (MISSOC) ON GUARANTEED MINIMUM INCOME IN 2014.

Source: http://www.missoc.org/MISSOC/INFORMATIONBASE/COMPARATIVETABLES/MISSOCDATABASE/comparativeTableSearch.jsp.

<table>
<thead>
<tr>
<th>MINIMUM GUARANTEED RESOURCES centrally managed by the Social Security</th>
<th>ENTITLED PERSONS/BENEFICIARIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-contributory old age pension: legal residents over 65.</td>
<td>Non-contributory old age pension: legal residents over 65.</td>
</tr>
<tr>
<td>Non-contributory invalidity pension: disabled legal residents</td>
<td>Non-contributory invalidity pension: disabled legal residents</td>
</tr>
<tr>
<td>Unemployment assistance: unemployed legal residents</td>
<td>Unemployment assistance: unemployed legal residents</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CONDITIONS FOR CLAIMING</th>
<th>CONDITIONS AS REGARDS NATIONALITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-contributory old age pension, Non-contributory invalidity pension, Unemployment assistance: no nationality requirement.</td>
<td>Minimum for Spanish persons residing abroad and returnees: Spanish nationality.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CONDITIONS AS REGARDS RESIDENCE</th>
<th>CONDITIONS AS REGARDS AGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-contributory old age pension: legally resident in Spain and have been so far at least 10 years between the age of 16 and 65 (two of which immediately prior to the date of pension application).</td>
<td>Non-contributory old age pension: over 65 years old.</td>
</tr>
<tr>
<td>Non-contributory old age pension: legally resident in Spain and have been so far at least 5 years (two of which immediately prior to the date of pension application).</td>
<td>Non-contributory invalidity pension: between 18 and 65 years old.</td>
</tr>
<tr>
<td>Unemployment assistance: legally resident in Spain.</td>
<td>Unemployment assistance:</td>
</tr>
<tr>
<td>Minimum for Spanish persons residing abroad and returnees:</td>
<td></td>
</tr>
<tr>
<td>* Spanish persons residing abroad: legally resident in countries where the social protection systems are unsettled or are not established.</td>
<td></td>
</tr>
<tr>
<td>* Returnees: Spanish persons, born in Spain, who have resided in countries where the social protection systems are unsettled and persons of Spanish origin who have resided in Spain for 8 years before the claim and held Spanish nationality during this period.</td>
<td></td>
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</tbody>
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| CONDITIONS AS REGARDS RIGHTS IN REM (REAL PROPERTY) | Non-contributory old age pension, non-contributory invalidity pension and minimum for returnees: total income derived from real property. If it does not generate income it will be valued according to the rules of income tax, except habitual housing. Unemployment assistance:

* Allowance: not having income from any source exceeding 75% of the minimum wage (Salario Mínimo Interprofesional) in force. In those cases where having family responsibilities is required, the monthly income of the family unit divided by the number of the family members must not exceed 75% of the minimum wage in effect.
* Minimum for Spanish persons residing abroad: not own real property worth more than the annual amount of the calculation basis for the country of residence except habitual housing.
* Active Inclusion Income: not having income from any source exceeding 75% of the minimum wage, either on an individual basis or, where appropriate, on the basis of the whole family unit. |

| CONDITIONS AS REGARDS PERSONAL PROPERTY (MOVABLE ASSETS) | Non-contributory old age pension, Non-contributory invalidity pension and minimum for returnees: total income derived from moveable assets. If they do not generate income they will be valued according to the rules of income tax. Unemployment assistance: see “Rights in rem (real property)”
Minimum for Spanish persons residing abroad: not own moveable assets worth more than the annual amount of the calculation basis for the country of residence. |
| CONDITIONS AS REGARDS INCOME AND (OTHER) BENEFITS | Non-contributory old age pension, Non-contributory invalidity pension and Minimum for returnees: income from work, both in cash and in kind, deriving from employed or self-employed activities. Benefits provided by any social protection scheme funded from either public or private resources. Unemployment assistance: see “Rights in rem (real property)” Minimum for Spanish persons residing abroad: no income worth more than the annual amount of the calculation basis for the country of residence. |
| EXEMPTION OF RESOURCES | Habitual housing. Minimum for returnees: the amount of unemployment assistance. |
| REQUIREMENTS FOR JOB SEARCH, VOCATIONAL TRAINING, AND BEHAVIOUR MODIFICATION | Non-contributory invalidity pension: the measures aimed at promoting the employment are unrelated to whether or not the beneficiary is receiving the economic benefit of the system. Other benefits: not applicable. |
| OTHER CONDITIONS | Non-contributory invalidity pension: disability or chronic disease of at least 65%. |
| CASH BENEFITS. DETERMINING FACTORS. LEVEL AND SUFFICIENCY OF ACTUAL RESOURCES | To lack sufficient means or income. Non-contributory old age pension and non-contributory invalidity pension: The person is considered as lacking sufficient means or income when the total annual estimate of those is less than the total annual estimate of the benefit (€5,122.60). |
| DETERMINING FACTORS. DOMESTIC UNIT FOR CALCULATION OF BENEFITS | A domestic unit (= economic unit) exists in all cases in which the beneficiary lives with other persons, whether they are beneficiaries or not, linked to them by marriage or blood relationship up to the second degree. |
Non-contributory old age pension, Non-contributory invalidity pension and Minimum for returnees: The resource accumulation limit will be increased depending on the number of persons living together in the same economic unit. The resource accumulation limit for economic units is equivalent to the total amount of the annual pension plus the result of multiplying 70% of that amount by the number of people living together, minus one.

When the people living together in the same economic unit with the applicant are his or her first-degree descendants or ascendants, the resource accumulation limit will be two and a half times the amount that results from performing the above-mentioned calculation.

Unemployment assistance: see below “Amounts”.

Minimum for Spanish persons residing abroad: The resource accumulation limit will be increased depending on the number of persons living together in the same economic unit. The resource accumulation limit for economic units is equivalent to the annual amount of the calculation basis set for each country plus the result of multiplying 70% of that amount by the number of people living together, minus one.
Non-contributory old age pension and non-contributory invalidity pension:
If there is more than one beneficiary in the economic unit, the amount for each beneficiary is the result of dividing by the number of beneficiaries, the sum of the pension plus 70% of the pension multiplied by the number of beneficiaries minus 1.

The beneficiary’s annual income or revenues must not exceed the yearly amount of the non-contributory pension by 35%. Otherwise, the non-contributory pension will be reduced by an amount equivalent to the income or revenues that exceed such percentage. Nevertheless, the pension amount may not be under 25% of the established sum (€1,280.65 per year).

For the non-contributory invalidity pension, if the disability degree is ≥ 75% and assistance from other persons to perform the most essential functions of life is needed, the pension amount is supplemented by 50% of its value.

Unemployment assistance:

* Allowance: 80% of the Public Income Rate of Multiple Effects (Indicador Público de Renta de Efectos Múltiples, IPREM). For long-term unemployed over 45 years of age who have exhausted a contributory benefit for 720 days, there is a special 6-month allowance varying from 80% to 133% of the IPREM according to the number of dependent family members.

* Active Inclusion Income: 80% of the IPREM in force. The IPREM amounts to €17.75 per day or €532.51 per month or €6,390.13 per year.

Minimum for Spanish persons residing abroad and returnees:

* Spanish persons residing abroad: annually determined by the Emigration General Office (Dirección General de Emigración).

* Returnees: the same as for non-contributory old-age pensions with 12 payments.

CASH BENEFITS. DURATION AND TIME LIMITS
NO SPECIFIC LIMITS

CASH BENEFITS. INDEXATION
Pensions are adjusted annually in the General Budget Act taking into account the rise in the national average wage, the Consumer Price Index, the general trend of the economy and the economic possibilities of the system.
### Housing and Heating Allowances

Housing allowances amounting to €525 per year aimed at easing the cost of the rent when the beneficiary fulfils, among others, the following conditions:

* to be entitled to a non-contributory old-age or invalidity pension,
* to lack home ownership,
* not to be a relative on the third degree of the owner.

No heating allowances.

### Assessment of Claims

The benefit is recognised by the Autonomous Communities (Comunidades Autónomas) that have the functions of IMSERSO transferred to them. Beneficiaries of non-contributory old-age and invalidity pensions are obliged to report within 30 days the changes in their situation which may affect the pension entitlement or amount. Beneficiaries must submit a statement of the last year income of the domestic unit in the first quarter of each year. These data can be checked with the Tax Administration.

### Recovery of Benefits

As a general rule recovery of benefits is compulsory in cases of error, fraud and failure to inform of a change of circumstances. Benefits can only be recovered from the beneficiary.

### Special Rights in Health Care

Same health care benefits and social services as for other pensioners.

### Taxation and Social Contributions 1 - Taxation of Cash Benefits

Benefits are subject to taxation.

### 2- Limit of Income for Tax Relief or Tax Reduction

General taxation rules. No special relief for benefits.

### 3- Social Security Contributions from Benefits

No contributions