



# **Exploratory study: filling in the knowledge gaps and identifying strengths and challenges in the effectiveness of the EU Member States' minimum income schemes**

Country Fiche - Spain

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## Summary

Since the late 1980s and 1990s, Spain has developed a complicated set of means-tested income support schemes for the working-age population. Until 2020, its two main components were a complex set of unemployment assistance programmes and a very diverse set of regional minimum income (MI) schemes. In 2020, the central government adopted its own nationwide MI scheme, the Minimum Living Income (*Ingreso Mínimo Vital*, IMV), which is expected to simplify things once it is fully developed.

This set of means-tested benefits is fragmented along several lines - some are part of the means-tested tier of social security, while others are part of social assistance. Eligibility criteria are very diverse, inconsistent and sometimes contradictory, creating confusion and coverage gaps.

That fragmentation is the result of multiple different, independent and poorly coordinated actors developing different strategies to protect different - often overlapping - groups. Unemployment assistance developed as part of the unemployment protection system (itself an autonomous component of social security) focusing on certain specific groups of unemployed people. Regional MI schemes were developed by each of the 19 autonomous governments, following different models and orientations. There was no clear assignment of responsibilities nor effective coordination mechanism across government levels and agencies.

Unemployment assistance and associated programmes are the main component of the schemes. In December 2020, some 1.2 million people received one of the unemployment assistance benefits. Yearly expenditure in 2020 was about EUR 7 560 million. The IMV was paid in December 2020 to 160 000 households, with expenditure (from May 2020) amounting to EUR 408 million. The estimate for a full-year expenditure in 2021 is around EUR 1 900 million, covering over 300 000 households. Regional MI schemes were larger than the IMV in 2020, with some 350 000 households receiving the payment during 2020, totalling EUR 1 970 million for the year. These figures are difficult to combine, as there may be more than one benefit per household.

Eligibility criteria are diverse and often inconsistent. Assessment units, income thresholds, whether assets are tested or not, as well as other conditions (nationality, residence, age) vary significantly, with benefits often targeting overlapping groups, or indeed leaving coverage gaps.

Coverage is hard to assess from the data available, which do not provide a consistent picture of who receives what. Other approaches, such as the EU-SILC data, do not adequately identify means-tested benefits.

Most benefits have amounts below the 40% of median income poverty threshold, with only some regional programmes coming closer to the 50% threshold. Nationwide programmes do not consider significant differences in the cost of living (especially housing) between regions and urban areas. Some regional programmes partly compensate for such differences, but others (in expensive metropolitan areas) do not.

All of the schemes foresee some kind of access to social and/or labour market activation programmes. Unemployment assistance is linked to the usual availability for work and training obligations, while MI schemes include obligations to participate in social integration or employment-oriented activities. While both employment and social services have developed programmes and activities in the field - mainly at regional and local level - and some coordination and integration experiences and pilots exist, there is no clear common framework for social and labour-market integration support.

The following sections, first, outline the features of the MI support in place; secondly, describe the eligibility criteria and coverage and consider the adequacy of the financial support provided and the links with other benefits; thirdly, examine the extent of integration with labour market measures to help those supported into employment;

fourthly, consider the access provided for the people concerned to social services; fifthly, summarise the governance mechanisms in place; and, finally, review the evidence on the impact on reducing poverty and assisting beneficiaries to find work.

An annex outlines the underlying situation in terms of the relative number of people at risk of poverty or social exclusion and the changes that have occurred over recent years, as well as the characteristics of the people concerned – their gender, age, employment status, education level, country of birth and the structure of the households in which they live. As such, it provides the context in which MI support is operating and indicates the groups on which support needs to be targeted.

## **1 Description of national schemes providing minimum income support**

Since the 1980s, Spain has developed a complex set of means-tested income support programmes that aim to guarantee a minimum level of income for specific groups of people. These form a 'set' rather than a 'system' because they reflect different policy processes at different levels and areas of government, and arguably do not constitute a consistent and comprehensive MI system.

The set includes benefits that are a part of the social security system (non-contributory tier) and benefits from the field of social assistance. Traditionally, social security is the responsibility of the central government, with regions responsible for social assistance. This division is compounded by the multilevel governance which may choose to delegate the management of programmes to regions. The distinction between non-contributory social security and social assistance is quite blurred. Constitutional court rulings established that the national social security system may expand into the field of means-tested income support (social assistance) with no clear limits, but did not establish the responsibilities and obligations of each level of government. Conversely, regions may set up social assistance schemes, although the limits of (regional and local) social assistance are not legally defined, except through some limitations on supplementing social security pensions and benefits.

Within the social security system, means-tested income support benefits are neatly separated into means-tested (a) pensions and pension supplements (for people out of the labour market because of their age or disability)<sup>1</sup>, (b) child benefits<sup>2</sup>, and (c) unemployment assistance benefits. A fourth type of benefit, a Minimum Living Income (*Ingreso Mínimo Vital*, IMV) was added in 2020. Management of these benefits is divided between social security agencies. Means-tested pension supplements and child benefits are managed by the National Institute of Social Security (*Instituto Nacional de Seguridad Social*, INSS). Means-tested non-contributory pensions (PNCs) are supervised by the Institute for the Elderly and Social Services (*Instituto de Mayores y Servicios Sociales*, IMSERSO), but management has been delegated to regional governments. Unemployment assistance benefits are managed by the State Public Employment Service (*Servicio Público de Empleo Estatal*, SEPE). The new IMV is managed by the INSS, although delegation to regions has been agreed in two regions, with the possibility of more being added. In social assistance, regional governments have established MI

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<sup>1</sup> The two main means-tested benefits for people out of the labour market because of their age or disability are the 'minimum pension supplement' (for contributory pensioners with low pensions and low income), and non-contributory pensions (PNC) for retired people and people with disabilities who do not qualify for a contributory pension. Both belong to the non-contributory tier of national social security, although the PNCs are managed by regional governments. Some regions have created supplements for PNCs, while others supplement them via their regional minimum income schemes (RMIs).

<sup>2</sup> Child benefits are means-tested, except for children with disabilities, which are universal. Existing means-tested child benefits are being phased out since the 2020 introduction of the IMV. The extension of the IMV as a new means-tested child benefit for households with income above the basic IMV threshold was recently approved in Parliament.

schemes and other benefits that vary widely in scope, design, development and coverage.

This country fiche describes benefits and schemes mainly targeting the working-age population, although some partially cover pensioners. The benefits described are as follows:

**1. National non-contributory (means-tested) social security benefits:**

- a) Unemployment Allowances (UA, *Subsidios por desempleo de nivel asistencial*), which includes a variety of means-tested benefits for specific groups of unemployed people, most of them time-limited;
- b) Unemployment assistance benefits for agricultural labourers, with special rules. This is partly limited to two regions;
- c) Active Integration Income (RAI, *Renta Activa de Inserción*), a means-tested activation programme targeting specific groups;
- d) IMV, a nationwide MI scheme.

**2. Regional social assistance benefits**

- a) Regional minimum income schemes (RMIs), one for every region and for the two autonomous cities, ranging from fully fledged entitlement-based MI schemes to quite limited semi-discretionary programmes. All of these schemes are means-tested, and there is no basic national regulation.

While all of these benefits are means-tested, schemes 1a, 1b and 1c are fixed-amount benefits for unemployed persons, and 1d and 2a are differential benefits that top-up existing income to a certain guaranteed minimum. The Unemployment Allowance set comprises eight allowances, which may be informally classified into four loose groups.

- Allowances for former recipients of unemployment insurance, with different means-testing requirements for those younger or older than 45.
- Allowances for the unemployed who have contributed less than the minimum year required to access unemployment insurance.
- Allowances for the unemployed that are re-entering the (Spanish) labour market after being in jail, recovering from a disability or returning from migration to a non-EEA country.
- Special extensions of unemployment assistance benefits for the very long-term unemployed or unemployed persons over 52 who would qualify for a retirement pension.

*Table 1. Recipients and expenditure of means-tested income support programmes for working-age population, 2020*

	<b>Recipients (December 2020)</b>	<b>Expenditure 2020</b>
Unemployment Allowances (UA)*	957 817	6 296 056 700
Unemployment Allowance for agricultural labourers	96 032	574 175 300
Active Integration Income (RAI)	135 965	688 438 010
Minimum Living Income (IMV)***	159 458	407 700 000
Regional Minimum Income schemes (RMIs)	369 289**	1 970 180 392

Notes:

\* Data for the Unemployment Allowance include the Agricultural Income (*Renta Agraria*)



programme.

**\*\* Recipients of RMI are an estimate of the total number of households that received benefits during 2020.**

**\*\*\* IMV established in June 2020. Expenditure refers to June-December period. Estimated expenditure for 2021 is around EUR 1.9 million.**

*Source: SEPE statistics and Report on Regional Minimum Income schemes (MDSA2030, 2021).*

Exceptional measures were introduced in the minimum guaranteed benefits in order to address the consequences of the economic and social crisis generated by COVID-19 for the most vulnerable people and households furthest away from the labour market:

Accelerated implementation of IMV. Exceptional measures were also put in place to enable households in emergency situations that did not meet the eligibility requirements for the IMV. For example, households that did not fulfil the 'economic vulnerability' criteria for the previous fiscal year could claim the benefit based on data for the current year, while a direct conversion was performed for child benefits (PFHC) recipients for minors without disability or disability of under 33% and who meet certain requirements;

During 2020, targeted short-term measures were introduced in unemployment assistance benefits. Short-term benefits were introduced for groups ending a contract or benefit without access to other benefits, or for workers in specific sectors (cultural, bullfighting, domestic) experiencing difficulties in carrying out their usual activity and accessing unemployment protection. Also, obligations such as the renewal of subsidies every six months, or the job-seeking requirement, were interrupted or suspended. Unemployment benefits were made compatible with work in order to promote the temporary recruitment of agricultural workers;

Some regions temporarily modified their RMIs, including urgent approval of new benefits, automatic extension of existing benefits, or exemptions from commitments. Others relaxed eligibility requirements for new beneficiaries or implemented a temporary supplementary benefit (MDSA2030, 2021; Rodríguez-Cabrero et al., 2021; Rodríguez-Cabrero and Arriba, 2022).

## **1.1 Eligibility**

Eligibility criteria vary significantly between benefit types.

- Most benefits require the recipient to be either a national or a foreign resident holding a residence permit (IMV and most RMIs), or a work-and-residence permit in the case of unemployment assistance benefits. Some regional programmes only require the recipient to be a 'registered resident', a condition which is open to foreigners without a residence permit. All require a period of previous residence in the region, usually ranging from six months to three years, with exceptions for some cases (victims of gender-based violence, care leavers, etc.). IMV residence requirements are based on the entire country, allowing for internal mobility without losing benefits.
- The national IMV and most RMI schemes require the holder of the provision to be over 23 or 25 years old, but the rest of eventual members of the household can be an exception and be under this age range. Some regions have lowered the age requirement to 18. While some regions exclude those aged 65+ from their schemes and some exclude pensioners (the IMV and, implicitly, unemployment assistance benefits), others have no age limit. Unemployment assistance benefits require the recipient to be of working age, i.e. over 16.
- Previous work experience or social insurance contribution is not usually a requirement, but some unemployment assistance benefits require it explicit or implicitly (e.g. must be a former recipient of unemployment insurance) (see Table 2).

- Means-testing varies substantially between benefit types. The IMV, RMIs and the RAI consider all household members (although the exact definition of household also varies). Most unemployment assistance benefits only consider the claimant, although some require having 'family responsibilities', i.e. living with at least one relative who meets the means requirements (there may be others with higher income) (see Table 2).
- Income thresholds (which may or may not match the benefit amount) are defined in a variety of ways. Unemployment assistance benefits set the limit at 75% of the national minimum wage, the IMV uses the amount of the national PNC for one person as its base (set 'arbitrarily' every year in the budget act)<sup>3</sup>, and regional schemes use different methods, either setting it yearly in regional law, or linking it to other indicators, such as the multiple-effect public income indicator (*Indicador Público de Renta de Efectos Múltiples*, IPREM)<sup>4</sup>, or to regional indicators such as the Catalonia income-sufficiency indicator (*Indicador de Suficiència de Rendes de Catalunya*, IRSC)<sup>5</sup>.
- Assets (defined in different ways and with different limits and exceptions) are considered for the IMV and RMIs, but not for unemployment assistance. The claimant's home is not considered when assessing the asset limits, and some other exceptions may apply.
- Unemployment assistance benefits are essentially incompatible with employment (in special cases, a part-time job may be compatible with a part-time UA). In most cases, accepting a job means losing benefits. The IMV is compatible with employment, and some kind of work incentive is foreseen but has yet to be established or regulated. While some RMIs are incompatible with employment (either by requiring the recipient to be an unemployed job seeker to claim the benefit, or by explicitly declaring it incompatible, with some exceptions), other regions have advanced compatibility with work-incentive mechanisms (such as tapering), offering higher guaranteed amounts to persons in employment.

The IMV act was finally passed on 26 December 2021 and introduced several changes. The two main changes were the introduction of a child supplement and the possibility of using the current year for means-testing. The child supplement will cover children living in households with income up to three times the IMV threshold (with additional asset assessment), ranging from EUR 100/month (for children under 3) and EUR 50/month (for children 6-17). It will not be considered an independent child benefit, but part of the IMV itself, despite being available to people who do not qualify for the main IMV benefit. Means-testing is still, by default, on income received in the previous calendar year, but between April and December claimants may ask for an assessment based on (partial) current year income. The following year, that yearly income must be reassessed and benefits may have to be reimbursed if the yearly income was in fact above the IMV threshold.

The complexity and diversity of eligibility criteria is often noted as a serious problem (Fernández et al., 2015; Ayala Cañón et al., 2016b; Ayala Cañón et al., 2020). It makes the set of benefits hard to understand, creates gaps and inconsistencies<sup>6</sup>, raises serious

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<sup>3</sup> The annual Budget Act sets the amounts of the PNC (and thus that of the IMV), and of the minimum amount for each type of contributory pension. The determination of the amount is a purely political decision and is not linked to any economic or social indicator.

<sup>4</sup> Used as a reference index for many benefits, created to unlink benefit amounts and the national minimum wage. Its amount is set in the annual Budget Act.

<sup>5</sup> Reference index created by the Catalan regional government for regional and local benefits.

<sup>6</sup> The many gaps relate to inconsistent requirements. Selective targeting of unemployment assistance benefits can leave unemployed people unprotected because of small differences in age or other characteristics. Regional programmes usually require some length of residence in the region, excluding those who have recently moved to the region. The IMV is calculated on the income of the previous year, while the means-test of unemployment

doubts as to the effective targeting of some of these benefits at those in most need<sup>7</sup>, and its incompatibility (or very limited compatibility with employment) raises concerns about work incentives in some schemes<sup>8</sup> (AReF, 2019b).

Tables 2 and 3 summarise the eligibility requirements for the main benefit types.

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assistance applies month by month, and RMI use different assessment periods. Unemployment assistance benefits take RMI into account for income-testing, and vice versa.

<sup>7</sup> Unemployment assistance means-testing is sometimes individual and sometimes requires the recipient to have dependent relatives. When individual assessment is used, there may be other sources of income in the household that are not considered. At the same time, unemployed persons with little or no household income may be excluded because they do not fit into any of the specific groups targeted.

<sup>8</sup> Applies mainly to unemployment assistance benefits and to those regional programmes that are either incompatible with employment or that include all earned income from the benefit.

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Table 2. Key eligibility requirements for means-tested income support schemes.

Scheme	Nationality/residence	Age	Previous contribution	Prior recipients of unemployment benefits	Previous work experience	Other requirements
1A. Unemployment Allowance						
1. Former recipients of Unemployment Insurance (UI)						
Workers whose UI benefits have expired with family responsibilities	Nationals or work permit holders	No	Implicit	Yes	Implicit	
Workers over 45 whose UI benefits have expired		Over 45	Implicit	Yes	Implicit	
2. Unemployed with insufficient contributions						
Workers that have not contributed enough to claim UI	Nationals or work permit holders	No	3 months	No	Implicit	
		No	6 months	No	Implicit	
3. Unemployed persons re-entering the labour market						
Persons released from prison	Nationals or work permit holders	No	No	No	No (months in prison)	
Persons that have recovered from a disability		No	No	No	No	
Spanish workers returning from non-EEA countries	Nationals	No	No	No	12 months in 6 years	

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						outside the EEA
<b>4. Special extensions of Unemployment Allowance</b>						
Unemployment Allowance for persons over 52	Nationals or work permit holders	Over 52	Must qualify for retirement except for age (15 years of contribution) plus 6 years of UI contributions	See other requirements	See other requirements	One of the following: Former recipients of UI, or • Spaniards returning from non-EEA countries, or • Persons released from prison, or • Persons that have recovered from a disability, or • 3 months of UI contributions.
Extraordinary Unemployment Allowance		No	Implicit in most cases	Yes	Implicit in most cases	Not having been a recipient of the PAE programme. Having been a recipient of UA (expired)
<b>1B. Unemployment Assistance for agricultural laborers</b>						
Agrarian Unemployment Allowance and Income for labourer in Andalusia and Extremadura	Registered residents of Andalusia and Extremadura (10 yrs. for Agrarian Income)	No	35 days over the past 12 months	Yes	Implicit	
<b>1C. Active Integration Income (RAI)</b>	Nationals or work permit holders	Under 65 Over 45 for LTUs and returning migrants	Implicit in most cases	Yes, for LTU over 45 and persons with disability. Not for victims of gender-based violence or	Implicit in most cases	One of the following: • LTUs over 45 at least 12 months unemployed • Persons with disabilities over 33% at least 12 months unemployed • Migrants returning to Spain, over 45, 6 months work outside Spain • Victims of gender-based violence

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returning migrants
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Scheme	Nationality/residence	Age	Previous contribution	Prior recipients of unemployment benefits	Previous work experience	Other requirements
<b>Minimum Living Income (IMV)</b>	Nationals and legal residents for over a year	Over 23, with exceptions. 23–29 with additional requirements	No	No	No	Households must have been formed at least a year prior to claiming the IMV (3 years if 23–29)
<b>Regional Minimum Income Schemes (RMIs) (selected)</b>						
Renta de Garantía de Ingresos (Basque Country)	Nationals and foreign residents who have been living for over 3 years in the region (or less with additional requirements)	Over 23, with exceptions	No	No	No	
Renda Garantida de Ciutadania (Catalonia)	Nationals and foreign legal residents who have been living for over 2 years in the region	Over 23, with exceptions	No	No	No	Mostly incompatible with work income, except for part-time jobs for single parents, over 55 and large families.
Renta Social Básica (Cantabria)	Nationals and foreign legal residents who have been living for over a year in the region	Over 23 and under 65 with exceptions	No	No	No	

Source: Legal regulation of benefit programmes (See Legal Sources)

Table 3. Key features of means-testing for means-tested income support scheme<sup>9</sup>.

	Means-testing scope	Family responsibilities	Income threshold	Asset threshold
Unemployment Allowance				
1. Former recipients of Unemployment Insurance (UI)				
Workers whose UI benefits have expired with family responsibilities	Part of household	Yes	75% of Minimum Wage per household member	No
Workers over 45 whose UI benefits have expired	Individual	No	75% of Minimum Wage	No
2. Unemployed with insufficient contributions				
Workers that have not contributed enough to claim UI	Part of household	Yes	75% of Minimum Wage per household member	No
	Individual	No	75% of Minimum Wage	No
3. Unemployed persons re-entering the labour market				
Persons released from prison	Individual	No	75% of Minimum Wage	No
Persons that have recovered from a disability				
Spanish workers returning from non-EEA countries				
4. Special extensions of Unemployment Allowance				
Unemployment Assistance Benefit for persons over 52	Individual	No	75% of Minimum Wage	No
Extraordinary Unemployment Allowance	Part of household	Yes	75% of Minimum Wage per household member	No
Unemployment Assistance for agricultural laborers				
Agrarian Unemployment Allowance and Income for workers in Andalusia and Extremadura	Individual	No		No

<sup>9</sup> For people who have contributed for 3-6 months, family responsibilities apply in the sense that another household member needs to be included as part of the means test. For those who have contributed for 6–12 months, means-testing is on an individual basis.



<b>Active Integration Income (RAI)</b>				
Active Integration Income	Household	No	75% of Minimum Wage per household member	No
<b>Minimum Living Income (IMV)</b>	Household	No	Same as Non-contributory pension for 1 person	Yes
<b>Regional Minimum Income Schemes (RMIs) (selected)</b>				
Renta de Garantía de Ingresos (Basque Country)	Household	No	Set by regional law	Yes
Renda Garantida de Ciutadania (Catalonia)	Household	No	IRSC	Yes
Renta Social Básica (Cantabria)	Household	No	80% of IPREM	Yes

*Source: Legal regulation of benefit programmes (See Legal Sources)*

## 1.2 Coverage

Data available do not indicate the extent of coverage nor allow for a reasonable overall estimate of coverage.

Data refer to individual benefits, while a significant part of the benefits can be cumulative (e.g. recipients of unemployment assistance may be also receiving the IMV and/or a regional benefit; the IMV and regional programmes can also be combined)<sup>10</sup>. No data are publicly available on how many people receive more than one benefit.

While aggregate figures on the recipients of unemployment assistance benefits are systematically available (monthly series with the stock of recipients, etc.), data on the IMV is published only occasionally, and the data compiled on RMIs by the central government is very problematic<sup>11</sup>.

EU-SILC data do not facilitate the identification of means-tested benefits. As part of the benefits only take the individual into account in means-testing, a proportion of those benefits are paid to people on low individual incomes, but not necessarily living in poverty when measured at household level.

There are some partial and limited estimates of coverage for some of the schemes. At the time of the introduction of the IMV (June 2020), the central government published<sup>12</sup> an estimate of potential claimants of 850 000 households. By September 2021, the total number of recipients (households) was 336 000, about 40% of the estimated target population<sup>13</sup>.

No systematic evaluation of RMI coverage or take-up has been undertaken to date. Overall, the share of recipients among the population in need is much lower in poorer regions, i.e. with higher poverty rates. (Laparra Navarro, 2004; Ayala Cañón et al., 2016a; Aguilar-Hendrickson et al., 2019; AIREF, 2019b; Ayala Cañón et al., 2020)<sup>14</sup>. The Basque Country, which has the most comprehensive RMI coverage, estimates that its regional scheme reaches about 70% of those in what they define as 'real poverty'<sup>15</sup> (Órgano Estadístico Específico del Departamento de Empleo y Políticas Sociales, 2021)<sup>16</sup>. A recent evaluation of the Catalan minimum income estimated that 82.8% of

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<sup>10</sup> Information on this complex issue is lacking. Formally, a recipient of unemployment assistance may also receive the IMV or an RMI benefit, when the guaranteed amount is higher than the UA. However, means-testing is different, and the means-testing for unemployment assistance considers the RMI. There are ways of circumventing these limits, but there is no information on the numbers of people receiving more than one benefit. The IMV explicitly accepts that regional benefits may supplement it, but the same problems apply.

<sup>12</sup> <https://prensa.inclusion.gob.es/WebPrensaInclusion/noticias/laboral/detalle/3879>

<sup>13</sup> Data for the IMV are available through the Ministry's press releases and offer only an overall picture. Data were released for October and December 2020, and for March, May, September and December 2021. Some press releases present data for approved claims, and others for recipients on a specific month's payroll. When approved claims and recipients are available, the former are higher than the latter (e.g. 276 000 approved and 260 000 recipients in May 2021). This difference may be due to some claims already approved but not effective, or people having lost their benefits for a number of reasons. The latest available data (December 2021) only include approved claims, with a total of 362 017 (benefits/households). Total household members were 824 441, of which 362 017 were the claimants, 156 592 were other adults, and 305 832 were children.

<sup>14</sup> Regions with higher poverty rates have lower rates of people receiving RMIs, as do wealthier regions with medium-high poverty rates. This may be due to the weakness of RMIs in poorer regions, for example.

<sup>15</sup> Since the 1980s, the Basque Government has maintained a permanent line of research on poverty based on its own methodology, which is different from that used by Eurostat or the Organisation for Economic Co-operation and Development (OECD). It uses a 'subjective poverty line' approach, derived from the Leyden SPL method, and separately assesses the inability to cover ordinary monthly expenses and to cover expenses related to accumulation needs (e.g. maintaining the home, basic amenities and appliances, unexpected expenses). The real poverty index refers to people living in households that combine maintenance and accumulation poverty with some deprivation indicators (see Annex 1 of *Órgano Estadístico Específico del Departamento de Empleo y Políticas Sociales*, 2021).

<sup>16</sup> More than 70% of the group without access to the Basque MI comprises families with children, typically headed by foreigners. Another significant group is people of working age who live alone. These groups in a

eligible households were in severe poverty, but only 38.1% of households in severe poverty would be eligible for the benefit (Ivàlua, 2021).

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situation of real poverty and without access to the RMI have income of their own, both from work and benefits, and have high rates of activity and employment (Órgano Estadístico Específico del Departamento de Empleo y Políticas Sociales, 2021).

### 1.3 Adequacy

Amounts for most means-tested income support benefits are generally considered inadequate to lift people out of poverty (Fernández et al., 2015; Ayala Cañón et al., 2016a; Ayala Cañón et al., 2016b; Sanzo González, 2019; Ayala Cañón et al., 2020). Table 4 shows the monthly amounts for a single person and for a couple with two children in 2021. Table 5 shows the amounts for 2020 as a percentage of the 40%, 50% and 60% of the equivalised median income poverty thresholds<sup>17</sup>.

Table 4. Monthly amounts of means-tested income support benefits in 2020

	Single person (EUR/month)	Couple with 2 children (EUR/month)
<b>1A. Unemployment Allowance (UA)</b>		
<i>1. Former recipients of Unemployment Insurance (UI)</i>		
Workers whose UI benefits have expired with family responsibilities	451.92	—
Workers over 45 whose UI benefits have expired	451.92	—
<i>2. Unemployed with insufficient contributions</i>		
Workers that have not contributed enough to claim UI	451.92	—
	451.92	—
<i>3. Unemployed persons re-entering the labour market</i>		
Persons released from prison	451.92	—
Persons that have recovered from a disability		
Spanish workers returning from non-EEA countries		
<i>4. Special extensions of Unemployment Allowance</i>		
Unemployment Allowance for persons over 52	451.92	—
Extraordinary Unemployment Allowance	451.92	—
<b>1B. Unemployment Assistance for agricultural laborers</b>		
Agrarian Unemployment Allowance and Income for workers in Andalusia and Extremadura	451.92	—
<b>1C. Active Integration Income (RAI)</b>		
Active Integration Income	451.92	—
<b>1D. Minimum Living Income (IMV)</b>	<b>469.93</b>	<b>892.87</b>
<b>2A. Regional Minimum Income Schemes (selected) (RMIs)</b>		

<sup>17</sup> EU-SILC income data in the 2020 survey correspond to 2019.

<i>Renta de Garantía de Ingresos</i> (Basque Country)	706.22 (higher if working or pensioner)	1,003.14
<i>Renda Garantida de Ciutadania</i> (Catalonia)	664	1,196
<i>Renta Social Básica</i> (Cantabria)	451.92	683.53

Source: Legal regulation of benefit programmes.

Table 5. Benefit amounts as a percentage of selected poverty thresholds

	Percentage of 40% threshold		Percentage of 50% threshold		Percentage of 60% threshold	
	1 person	Couple + 2 childre n	1 person	Couple + 2 childre n	1 person	Couple + 2 childre n
Amounts and reference 2020						
Unemployment assistance benefits (including RAI)	80.4	38.3	64.3	30.7	53.7	25.5
Minimum Living Income (IMV)	86.3	78.1	69.0	62.5	57.6	52.0
<i>Renta Social Básica</i> (Cantabria)	80.4	58.0	64.3	30.7	53.7	38.6
<i>Renda Garantida de Ciutadania</i> (Catalonia)	124.1	106.5	99.3	85.2	82.8	71.0
<i>Renta de Garantía de Ingresos</i> (Basque Country)	129.7	87.7	103.7	70.2	86.5	58.5

Source: Legal regulation of benefit programmes.

Amounts for all unemployment assistance benefits and the RAI are below the 40% threshold (usually associated with severe poverty) for one person, and, as they are flat-rate benefits that do not change with household size, are even further below for a couple with children. Some RMIs and the IMV have similar amounts for a single person, and additional amounts for larger households, but still stay beneath the 40% threshold. A few regional schemes have amounts closer to the 50% threshold (the European Social Charter standard for social assistance adequacy). The IMV and RMIs benefits can be combined with other income (including unemployment benefits), the amount received is the gap with the basic/maximum guaranteed amount, depending on the structure of your household.

Cost of living and price differences between regions and urban areas affect adequacy. With the exception of RMIs, all national benefits provide the same amount for the entire country. Cost of living differences have been estimated to be as high as 30% between regions, and between urban areas (Forte de Campos et al., 2021; Janský and Kolcunová, 2017). This significantly reduces the adequacy of benefits in the more expensive metropolitan areas. RMIs in some cases partially compensate this difference (Basque Country, Catalonia) but others do not (e.g. Madrid).

The benefit amounts (which may or may not coincide with the income thresholds, see Section 1.1.) are indexed in various ways. The unemployment assistance benefit amount is set as 80% of the monthly IPREM (see footnote 3). The IMV is based on the annual amount of the PNC, while the RMI schemes use different methods, such as annual setting in regional law, or linking to an index such as the IPREM or the IRSC (see footnote 4).

Both the national IMV and part of the RMIs last for as long as the requirements are met. Compliance with IMV requirements is revised yearly (as it is based on yearly income), while open-ended regional benefits are revised as soon as circumstances change, or at least every one-two years. Changes in personal or economic circumstances could entail a change in the amount of the benefit received. Table 5 shows the duration for each type.

*Table 6. Duration of means-tested income support benefits*

Duration	
<b>1A. Unemployment Allowances (UA)</b>	
<i>1. Former recipients of Unemployment Insurance (UI)</i>	
Workers whose UI benefits have expired with family responsibilities	6 months, May be extended to 18/24/30 months
Workers over 45 whose UI benefits have expired	6 months
<i>2. Unemployed with insufficient contributions</i>	
Workers that have not contributed enough to claim UI	3–21 months 6 months
<i>3. Unemployed persons re-entering the labour market</i>	
Persons released from prison	6 months, may be extended to 18
Persons that have recovered from a disability	6 months, may be extended to 18
Spanish workers returning from non-EEA countries	6 months, may be extended to 18
<i>4. Special extensions of Unemployment Allowances</i>	
Unemployment Allowance Benefit for persons over 52	Until retirement
Extraordinary Unemployment Allowance Benefit (SED)	6 months, no extensions. Only claimable once.
<b>1B. Unemployment Assistance for agricultural labourer</b>	
Agrarian Unemployment Allowance and Income for workers in Andalusia and Extremadura	Duration varies according to age and other circumstances.
<b>1C. Active Integration Income (RAI)</b>	11 months. Only claimable 3 times, 1 year between perception periods.
<b>1D. Minimum Living Income (IMV)</b>	As long as eligibility conditions are met (revised yearly)
<b>2A. Regional minimum income schemes RMIs (selected)</b>	
<i>Renta de Garantía de Ingresos</i> (Basque Country)	As long as requirements are met (2 years initially)

<i>Renda Garantida de Ciutadania</i> (Catalonia)	As long as requirements are met (2 years initially)
<i>Renta Social Básica</i> (Cantabria)	As long as requirements are met
Source: Legal regulation of benefit programmes.	

The limited contribution of the minimum benefit to the reduction of poverty has been long established by research on its effectiveness. The lack of adequacy of the maximum amounts (distance from the poverty thresholds), their lack of adaptation to household structures, in case of unemployment provisions (size and composition), as well as the limited duration of the most widespread benefits (unemployment assistance) indicate their limited potential to lift benefit recipients out of poverty. On the other hand, the evidence suggests that minimum benefits have an important - albeit uneven - effect on the intensity of poverty (poverty gap). The impact on poverty intensity is lower for young people and children, single-parent households, large families, non-EU immigrants and the employed population. In addition to the inadequacy of the amounts, these inequalities can be attributed to the eligibility requirements for benefits (e.g. residence or census registration) or to the design of the benefits themselves (e.g. the weakness of family benefits, the lack of instruments to supplement low labour income) (Fernández et al., 2015; Ayala Cañón et al., 2016a; Ayala Cañón et al., 2016b; Sanzo González, 2019; Ayala Cañón et al., 2020). Where RMI schemes are larger (mainly in the Basque Country and Navarre, and to a lesser extent in other regions), their impact on the incidence and intensity of poverty is higher, despite having the same structure of unequal protection (*Órgano Estadístico Específico del Departamento de Empleo y Políticas Sociales*, 2021; de la Rica and Gorjón, 2019).

#### **1.4 Links with other benefits**

Most means-tested income support benefits are neither directly linked to other benefits, nor formally incompatible. The Basque RGI has a housing supplement to the Basque RGI (a flat rate amount of EUR 250 per month towards rent, unchanged since 2010). The IMV regulation foresees the creation of a similar housing supplement.

Both the IMV and RMIs adjust their amounts for household composition, which may be seen as having an “embedded” child benefit.

The social security means-tested child benefit (*Prestación Familiar por Hijo a Cargo*, PFHC) for low-income families with underage children, which could be cumulated with all other benefits, is being phased out since 2020<sup>18</sup>. PFHCs also cover children (including adults living with their parents) with disabilities over 33 percent on a universal, non-means-tested basis. The means-tested PFHC was a low benefit, with an amount in 2019 of EUR 341 per year for households with annual income below a threshold ranging from EUR 12,913 (for families with one child) to EUR 20,661 (families with five children). For very low income families, the benefit amount was EUR 588 per year. A new means-tested ‘child support supplement’, with higher amounts and higher income thresholds, has recently been approved as part of the new IMV regulation.

<sup>18</sup> Since June 2020, only previous recipients of the PFHC may keep it as long as they meet the requirements and they don't claim the IMV (in its “ordinary” MI form or —since January 2022— in the new “child support supplement” form). PFHCs remain as universal, non-means-tested benefits for children (both underage and adults living with their parents) with disabilities over 33 percent.

## **2 Links with labour market activation**

Availability and compatibility for work:

- All unemployment assistance benefits require the recipient to be unemployed and registered as a jobseeker. They are incompatible with any kind of job (under very strict requirements, unemployment allowances are compatible with part-time employment) and there is no provision for their tapering when entering employment;
- The IMV requires all working-age members of the household to register as jobseekers unless they are already working with income below the threshold, or fall into one of the exemption categories (full-time students under 28, officially recognised family long-term carers, pensioners, persons with a disability over 65%). There is no tapering of the benefit when entering employment, although the introduction of employment incentive mechanisms is foreseen;
- All regional schemes require some form of availability for work among those household members capable of working, primarily through registration as jobseekers and/or their availability to participate in employment. Regional programmes have very diverse approaches - some require the recipient to be unemployed (receiving the benefit is incompatible with working), others supplement earned income, still others increase the amount of the benefits to encourage recipients to accept jobs (as a form of tapering, or as a supplement to incentivise work for all people in work).

Activation conditions and obligations<sup>19</sup>:

- Unemployment assistance recipients must sign an activation agreement and participate in training and activation programmes;
- Recipients of the IMV are obliged to participate in the inclusion strategies foreseen in the regulation, but the activities and the form of that obligation are not detailed. Both active labour market policies (ALMPs) and social integration policy are a responsibility of regional governments, with local authorities often running additional programmes (see Section 4)<sup>20</sup>. The Ministry for Inclusion, Social Security and Migration (responsible for the IMV) only supports some pilot and experimental programmes, however. The details of how IMV recipients should be offered and participate in activation programmes are not regulated;
- RMIs include different forms of obligation to participate in social and/or labour market integration activities. In most schemes, such obligation takes the form of an integration agreement, managed through local social services, and often including access to employment services (no data available). Local experiences vary in their forms of cooperation and integration of employment and social services<sup>21</sup>, and there is no common framework.

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<sup>19</sup> No information available on the specific forms and types of support (counselling, career guidance, training, sheltered employment) or numbers of recipients. Information on effective compliance with the regulations is similarly lacking.

<sup>20</sup> To date, the only measure is the direct allocation of subsidies for 16 social inclusion itineraries pilot projects, with nine regions, two city councils and five third-sector entities (to be developed before June 2023). After evaluation (all are randomised control trials), those with the best results will be disseminated (deadline: March 2024) (RD 938/2021).

<sup>21</sup> Little comprehensive information on a set of programmes of varying scope. Some are developed at regional level, such as the ERSISI project in Navarra (to test a model of coordinated care between social services and employment in Navarra, <https://ersisi.navarra.es/es/inicio>) or the PACT project (to generate integrated social support processes in Castilla y León, <https://serviciossociales.jcyl.es/web/es/servicios-sociales-innovacion/proyecto-pact-active-casebased.html>). Others are carried out at local level (Labora Programme of the Barcelona City Council, promoting employment and helping people in vulnerable situations to enter the labour market, <https://ajuntament.barcelona.cat/serveissocials/es/labora/presentacion>). Many are based on



Participation in labour market integration activities:

- Data on effective participation are very scarce. Existing assessments of ALMPs offer some data for all of the registered unemployed, but not specifically for recipients of benefits or unemployment assistance benefits specifically (García Pérez, 2017; AIREF, 2019a);
- No information available for the IMV.
- All MI schemes include sanctions in case of failure to fulfil the activation obligations:
- In the case of unemployment benefits, sanctions can range from a temporary loss (1-6 months) to termination;
- Non-compliance with activation-related obligations is an infringement in most RMIs, although some regions exempt part of the benefit from this obligation. The sanctioning regime ranges from a warning, a fine or a temporary suspension, to the termination of benefit and prevention from returning for a defined period.

### **3 Links to social services and integrated provision of targeted social services**

Unemployment assistance benefits (1a, 1b and 1c) have no formal link to social services. Recipients refer to the national SEPE for all administrative issues in respect of the benefit itself, and to regional PES for activation, where they must sign an activation agreement in order to claim the benefit.

The IMV (1d) does not explicitly foresee a connection to social services, but does require social services assessments for some exceptional cases, such the certification of specific requirements for which documentation does not exist or is difficult to obtain, or for people who are homeless or live temporarily in certain residential social care services. IMV recipients are expected to participate in social and labour market integration activities, which may include social services programmes, but this has yet to be regulated (see Section 2).

Most RMIs are run by regional and local social services (except in Catalonia and the Basque Country), and claimants have a direct relationship with social services. All link the benefit to some form of activation pact (i.e. some form of integration agreement or action plan identifying different needs, actions and/or timelines), albeit with different degrees of recipient obligation and participation in its design.

A very fragmented and diverse set of social integration and activation programmes have been run by regions, local authorities, and third-sector organisations, as well as local experiences of cooperation between social and employment services. Some specific projects and programmes have been evaluated, but their findings are not always publicly available. No general evaluation is available, nor are there data on participation in such activities.

### **4 Governance mechanisms**

Means-tested income support schemes are run by the authorities at several levels (national, regional and local), in some cases with several agencies involved at the same level.

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collaborative networks between different areas of public administration, third-sector social action organisations, and private enterprise.

- Unemployment assistance benefits (including the RAI) are run by the SEPE, which is supervised by the Ministry for Labour and Social Economy;
- The IMV is run by the INSS, which is supervised by the Ministry for Inclusion, Social Security and Migration.
- RMIs are run by each of the 19 regional governments, in most cases by their social service departments, although in at least two regions (Catalonia and the Basque Country) they are run by their regional PES.

ALMPs are primarily the responsibility of regional governments, although the central government establishes a general framework, and many local authorities have their own supplementary activities. Central and regional governments have a formal coordination forum for ALMPs - the Sectoral Conference on Employment and Labour Affairs is an instrument for collaboration, coordination, and cooperation between the Ministry of Labour and Social Economy and the Autonomous Communities in matters of employment policy, especially AMLP. It serves as a channel for exchanging information, developing joint plans and programmes (e.g. the Spanish Employment Activation Strategy (EEAE) and the Annual Plans for Employment (PAPE)) and agreeing criteria for the distribution of funds for AMLPs. Nevertheless, there is room for improvement in overcoming the fragmentation between the actors involved in AMLPs (local administration, trade unions, business organisations, and third-sector organisations) and the disconnection between active and passive policies, (AIREF, 2019; ONPEGE, 2021).

Social integration policies (social services) are the responsibility of regional and local authorities, with a significant role for third-sector organizations (Aguilar-Hendrickson, 2014). Formal coordination mechanisms are much weaker than those for ALMPs. Among the challenges identified by the 'National strategy for preventing and fighting poverty and social exclusion 2019-2023'<sup>22</sup> is cooperation between actors from different regional levels, and mutual reinforcement between regions (*challenge 4.2*). Existing mechanisms are oriented towards knowledge-sharing, dialogue and training (e.g. the Social Inclusion Network)<sup>23</sup>. There is no coordination mechanism where policies are agreed between the different government levels. Coordination between social and employment services is also limited, except for some pilot programmes.

## **5 Impact of MI schemes**

It is difficult to offer a global assessment of the complex set of schemes described here. The few overall assessments available suggest that while pensions and unemployment benefits (including insurance and assistance benefits) have a significant impact on poverty reduction, RMIs have a much smaller impact, largely due to their limited size and coverage (Ayala Cañón et al., 2016b). The impact of the IMV is still to be assessed.

However, in regions where RMIs are larger and more inclusive (mainly in the Basque Country and Navarre and to a lesser extent in other regions), their impact is significant (*Órgano Estadístico Específico del Departamento de Empleo y Políticas Sociales*, 2021). As most benefits have amounts below the severe poverty line, they reduce the poverty gap rather than the poverty rate (Noguera and Quintana, 2021; Berjón and Gorjón, 2021).

Unemployment assistance is linked to the condition of being unemployed and thus has a strong impact in containing poverty in times of crisis rather than in periods of growth. This sets Spain apart from other southern European countries (Aguilar-Hendrickson and Arriba González de Durana, 2020). The fact that the minimum

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<sup>22</sup> <https://www.mdsocialesa2030.gob.es/derechos-sociales/inclusion/inclusion-social-espana.htm>

<sup>23</sup> Includes several central and regional government agencies, representatives of local authorities and third-sector organisations (<http://redinclusion-social.es>).

guaranteed protection is highly reliant on unemployment assistance benefits means, however, that in-work poverty is not adequately protected and may create disincentives to work (AIReF, 2019b).

Social security is the responsibility of the central government, and regions are responsible for social assistance. Traditionally (until the 1980s), 'social security' referred to insurance-based non-means-tested benefits and services, while 'social assistance' meant means-tested benefits and services. However, since the late 1970s, especially in the 1980s and 1990s, and more recently with the IMV, the central social security system has set up a non-contributory means-tested tier, which may substitute for social assistance benefits. The Constitutional Court has ruled that nothing prevents the central government from expanding into the field of social assistance (under the cover of non-contributory social security), but it is not obliged to do so. Conversely, regions may set up social assistance schemes (although there is no clear definition of obligations), which may eventually be crowded out by new national social security schemes. By contrast, regional programmes that are comprehensive and include work incentives (such as the Basque Country) have shown good results in terms of labour market integration (De La Rica and Gorjón, 2019).

Fragmentation is a key feature of the Spanish set of means-tested income support benefits. Schemes do not fit together properly, creating gaps and showing serious inconsistencies<sup>24</sup>. Information is hard to aggregate at both micro and macro level, complicating proper evaluation. Multilevel governance and coordination mechanisms are very weak.

Detailed knowledge of the workings, outcomes and impacts of means-tested income support schemes remains limited. This is consistent with a long period of RMIs that had little relevance in the national debate or the political agenda (Laparra Navarro, 2004). Quality statistical data are only available for some regions, and while some programmes have been occasionally analysed and assessed, others have been completely neglected.

Since 2015, however, MI support has entered the national political agenda (Noguera, 2019; Aguilar-Hendrickson and Arriba González de Durana, 2020), with reforms undertaken at national and regional levels. The central government entered the policy field with some deeper evaluation projects (Ayala Cañón 2016a, 2016b; AIReF, 2019b) around 2015, and agreed to create a national MI in 2019.

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<sup>24</sup> See footnote 8.

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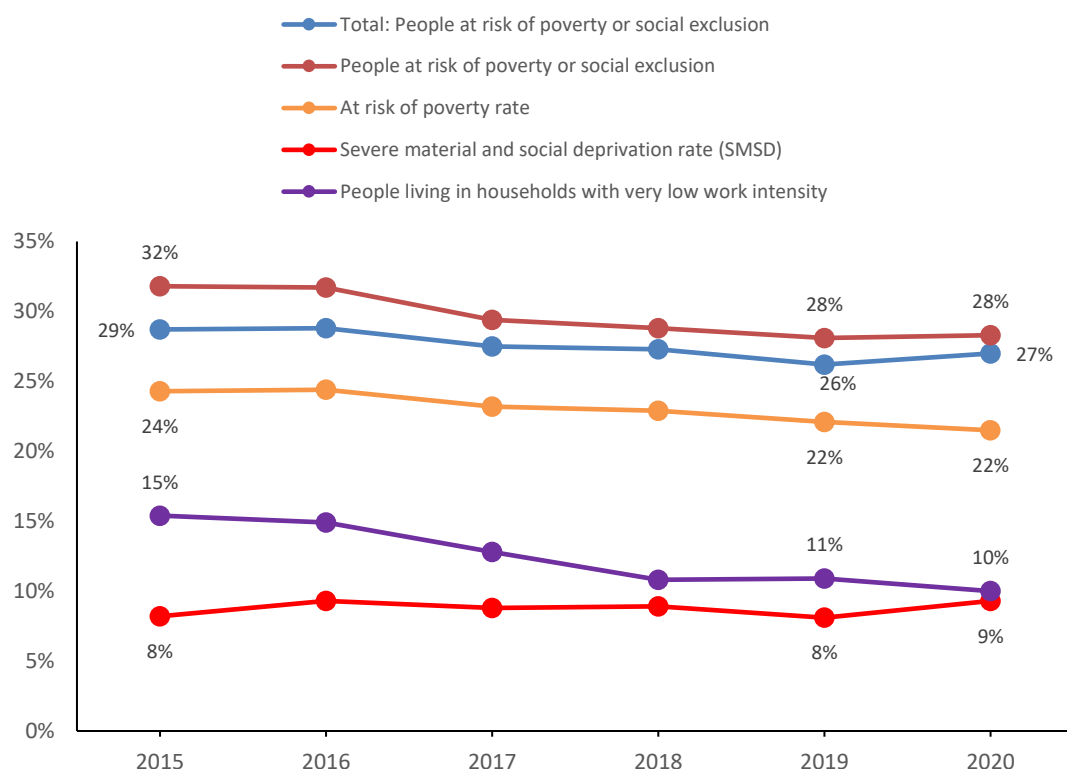
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## 7 Annex

Figure 1. AROPE indicator and components, Spain, 2015-2020 (%)



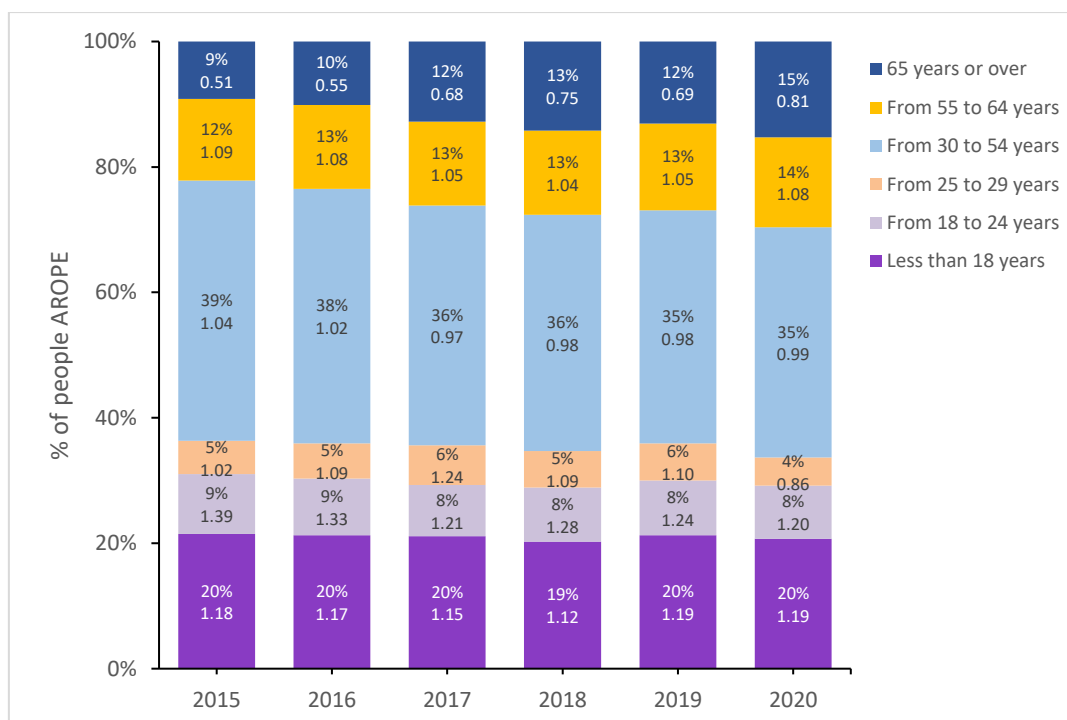
*Note: The line for "Total: People at risk of poverty or social exclusion" indicates the trend for overall population, while the other lines show the figures for individuals aged 0-64.*

*Source: Eurostat EU-SILC indicators [ilc\_peps01n], [ilc\_li02], [ilc\_mdspd11] and [ilc\_lvhl11n]. Data downloaded on 14/02/2022.*

- In 2020, the share of total population at risk of poverty or social exclusion (AROPE) in Spain stood at 27%, while that of those aged 0-64 was higher at just over 28%, reflecting the smaller risk among those aged 65 and over. Over the period 2015-2020, the share for those aged 0-64 declined by 4 percentage points, while that of those aged 65 and over increased markedly (by 7 percentage points).
- Most of the people at risk of poverty or social exclusion, 21.5 % of those aged 0-64, had household disposable income of below 60% of the median in 2020 (i.e. they were at risk of poverty), the proportion declining by half as much as the AROPE rate over the preceding 5 years.
- Just over a third of those aged 0-64 at risk of poverty or social exclusion lived in households with very low work intensity, 10% of the age group, the proportion falling by 5 percentage points over the 2015-2020 period.
- A third of those at risk of poverty and social exclusion were affected by severe material and social deprivation in 2020, just over 9% of those aged 0-64, the proportion increasing slightly between 2015 and 2020.



**Figure 2.** Division of people aged 0-64 and at risk of poverty or social exclusion by age group, Spain, 2015-2020 (%)

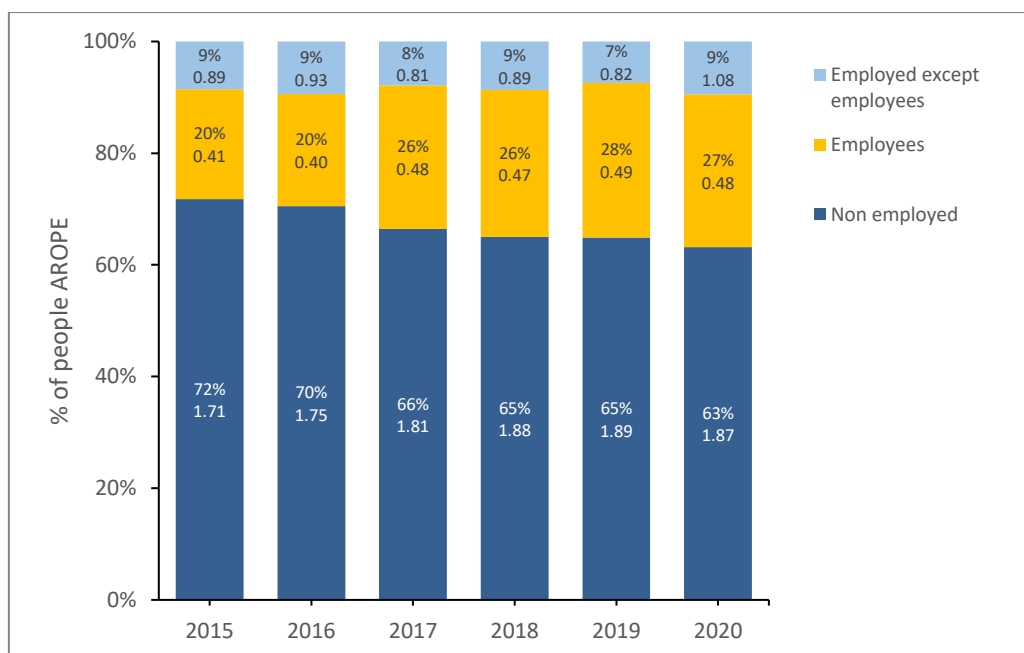


*Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.*

*Source: Eurostat EU-SILC indicators [ilc\_peps01n], own calculation. Data downloaded on 14/02/2022.*

- More women than men aged 0-64 were at risk of poverty or social exclusion in 2020 (52% of the total). Since there are slightly fewer women in the population of this age, this implies that women are significantly more likely to be at risk than men. This has, moreover, been an increase in the likelihood from 2016 on when there was little difference between men and women.
- As implied by Figure 1, older people of 65 and over are less likely to be at risk of poverty or social exclusion than those younger, though the likelihood tended to increase over the period 2015-2020, adding to the growth in the number of people of this age. Nevertheless, by 2020, they made up only 15% of the total at risk.
- By contrast, people aged 55-64, nearing or already in retirement, are more likely to be at risk than others, these making up 14% of the total at risk in 2020, i.e. only slightly less than those of 65 and over.
- Children under 18 too are more likely to be at risk of poverty or social exclusion than average, making up 20% of the total at risk in 2020.
- The same is the case for young people aged 18-24, who have a similar likelihood as children, though they made up only 8% of the total at risk in 2020.

**Figure 3.** *Division of people aged 18-64 at risk of poverty or social exclusion by most frequent economic activity status, Spain, 2015-2020 (%)*

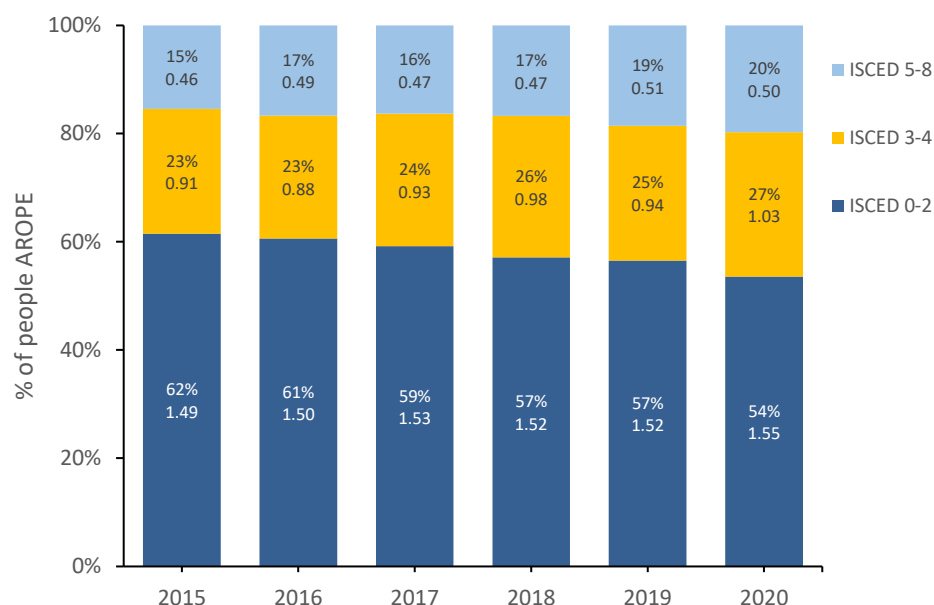


*Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.*

*Source: Eurostat EU-SILC indicators [ilc\_peps02n] and [ilc\_lvhl02], own calculation. Data downloaded on 14/02/2022.*

- People of working age (18-64) not in work are far more likely to be at risk of poverty or social exclusion than those in employment. The likelihood increased over the period 2015-2020 but was more than offset by a decline in the numbers out of work, reducing the share of the total at risk to 63% by 2020.
- Among those in employment, the self-employed together with family workers are much more likely to be at risk than employees, though their relatively number means they made up only 9% of the total at risk in 2020.

**Figure 4.** *Division of people aged 18-64 at risk of poverty or social exclusion by education level, Spain, 2015-2020 (%)*

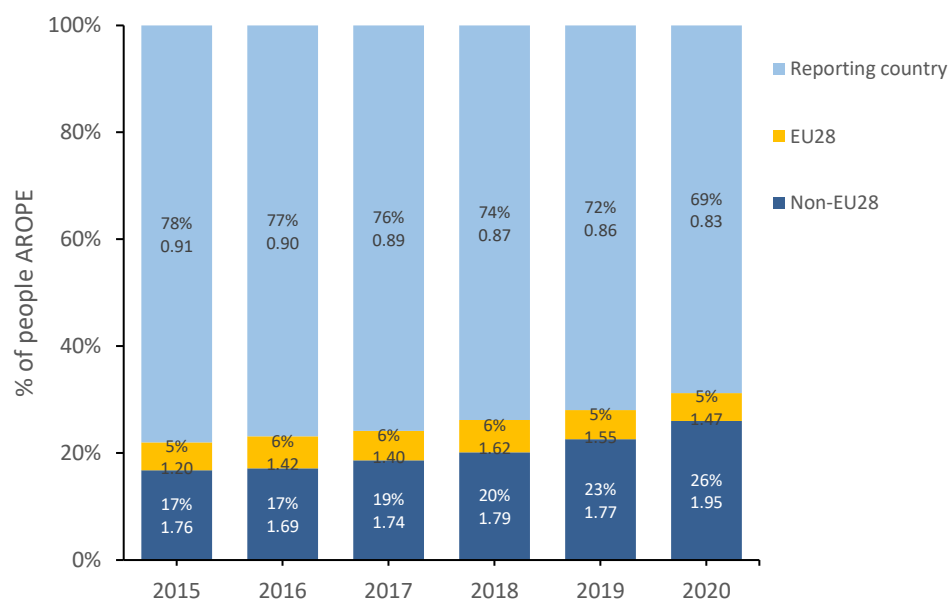


*Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.*

*Source: Eurostat EU-SILC indicators [ilc\_peps04n] and [ilc\_lvps04], own calculation. Data downloaded on 14/02/2022.*

- People aged 18-64 with only basic schooling (ISCED 0-2) are much more likely to be at risk of poverty or social exclusion than those with higher education levels, these making up over half (54%) of the total at risk in 2020.
- People in this age group with tertiary education (ISCED 5-8) are least likely to be a risk of poverty or social exclusion, but they still made up 20% of the total at risk in 2020.

**Figure 5.** *Division of people aged 18-64 at risk of poverty or social exclusion by country of birth, Spain, 2015-2020 (%)*

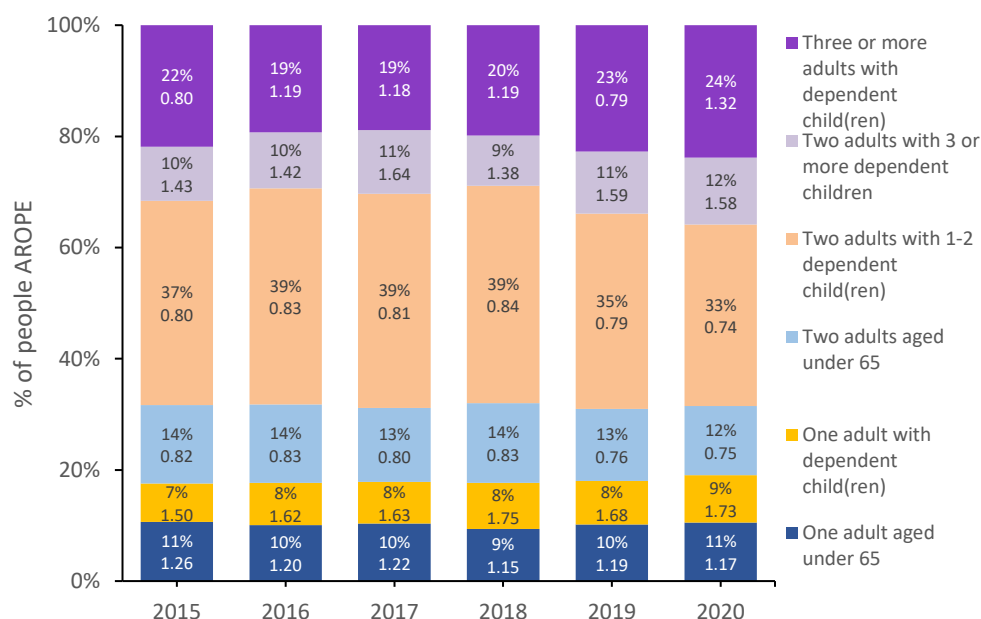


*Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.*

*Source: Eurostat EU-SILC indicators [ilc\_peps06n] (Data downloaded on 14/02/2022) and EU-SILC microdata, own calculation.*

- People age 18-64 born outside the EU are considerably more likely to be at risk of poverty or social exclusion than those born in Spain, these making up over a quarter (26%) of the total at risk in 2020.
- Those born in another EU country are also more likely to be at risk than Spanish born, but their small numbers mean that they made up only 5% of the total at risk in 2020.

**Figure 6. Division of people at risk of poverty or social exclusion by household type, Spain, 2015-2020 (%)**



*Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.*

*Note that the chart does not include all household types. In particular, it excludes those aged under 65 living in a household with three or more adults without children, who are difficult to distinguish in the published data.*

*Source: Eurostat EU-SILC indicators [ilc\_peps03n] and [ilc\_lvps02], own calculation. Data downloaded on 14/02/2022.*

- People aged under 65 living alone are significantly more likely to be at risk of poverty or social exclusion than others. This is far more so for those living alone with children. The two groups together, however, made up only 20% of the total at risk in 2020.
- Couples with 1-2 children have much the same likelihood of being at risk of poverty or social exclusion than couples aged under 65 without children, in both cases, much less than other household types, though the two together made up 45% of the total at risk in 2020.
- By contrast, couples with 3 or more children are far more likely to be at risk than average, though because of their relatively small numbers, they made up only 12% of the total at risk in 2020.
- Households with 3 or more adults and with children were also significantly more likely to be at risk than average in 2020 and made up almost a quarter of the total at risk.

Table 7. *At risk of poverty rate before and after social transfers, excluding old age benefits, for those aged 0-64, Spain, 2015-2020*

	<b>Before social transfers, excl. old-age benefits (%)</b>	<b>After social transfers (%)</b>	<b>Effect of social transfers on arop rate (%-point change)</b>
2015	33.3	24.3	-9.0
2016	32.4	24.4	-8.0
2017	30.7	23.2	-7.5
2018	30.0	22.9	-7.1
2019	29.1	22.1	-7.0
2020	28.8	21.5	-7.3

Source: Eurostat EU-SILC indicators [ilc\_li02] and [ilc\_li10]. Data downloaded on 14/02/2022.

- Social transfers had the effect of reducing the at-risk-of-poverty (arop) rate by just 7 percentage points in 2020, cutting the number at risk by only a quarter. This was much the same as in the preceding 5 years.

Table 8. *At risk of poverty rate and persistent at risk of poverty rate for those aged 18-64, Spain, 2015-2020*

	<b>At risk of poverty rate (%)</b>	<b>Persistent at risk of poverty rate (%)</b>	<b>Persistent rate as % of annual rate</b>
2015	22.5	14.1	62.7
2016	22.7	16.2	71.4
2017	21.7	15.0	69.1
2018	19.8	13.0	65.7
2019	18.9	13.0	68.8
2020	18.5	12.8	69.2

Source: Eurostat EU-SILC indicators [ilc\_li02] and [ilc\_li21]. Data downloaded on 14/02/2022.

- Almost 70% of people of working age (18-64) at risk of poverty in 2020 were at persistent risk, i.e. they were consistently at risk for a number of years rather than being at risk for only one year, or temporarily. The proportion was over 65% in each of the preceding 4 years and 63% in 2015.

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