



Spain

Assesment of Minimum Income Schemes in Spain

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Executive Summary and key challenges

Over the last thirty years, Spain has woven a web of social service safety nets with peaks of growth and consolidation occurring in the wake of Spain's entrance into the European Union (the Europeanisation of social policies) and of the strengthening and decentralisation of the Welfare State (minimum insertion incomes).

This net, security mosaic or minimum income programmes may be regarded as almost universal, if as yet incomplete due to differing access requirements, forms of protection and rates of success in reducing poverty. The system as it stands is the outcome of applying in different measure three interrelated logics: the need for universal cover of low protective intensity; the labour-oriented logic of the social security system which selects protection in line with the degree of integration in the labour market, and the institutional logic which generates different levels of protection depending on whether Social Security, the State, or the Autonomous Regions are involved.

This system's diversity and complexity—a system which is still awaiting improvements in the co-ordination of the various elements that compose the safety net—has been evidenced by the four social inclusion plans, above all the NAPin for 2008-2010, which takes on board the philosophy of active inclusion.

It is this state of affairs—different logics of protection with different rhythms and levels of cover and protective intensity—which needs to be understood in the light of the changes which have taken place in the institutions and labour market alike. In this regard, while cover has broadened, little has been done to tailor MIS to different income yardsticks (minimum salary, poverty line, household per capita income); as a result, its contribution to the reduction of relative poverty rates is limited.

In its conclusion, this report points out the need to make progress in cover for situations of social exclusion and need. It also makes clear that wide-reaching protective cover (such as Spain's) for situations of need is not enough if unaccompanied by quality services or enhanced protective intensity with a view to surmounting the situation of relative poverty. Nor is it sufficient if unaccompanied by real opportunities to enter the labour market. The advances made to date in terms of activation programmes are still unsubstantial, the priority being given to expenditure on subsidies to companies which take on new workers.

Bearing in mind the clear progress made in cover to guarantee minimums, it would therefore be necessary to work towards a co-ordinated national policy which would bring some order to the present system and enhance its co-ordination; make cover truly across-board; improve protective intensity and measures to make different benefits compatible until the poverty line was reached; and develop activation systems which put the emphasis not only on control (unemployment subsidy) or some sort of service rendered (Autonomous Region minimum incomes) but also on the interaction between guaranteed incomes and job training and job search services.

1. Panoram of minimum income schemes in Spain

This section analyses the recent evolution of Spain's system of minimum incomes and its institutional features, as well as principal reforms and basic distinguishing features both vis-à-vis the fight against poverty and as factors of employment activation.

1.1 Recent evolution of minimum incomes system (from 1980)

Spain's system for guaranteeing incomes may be defined as a group of highly differentiated, low intensity social protection mechanisms which have evolved over the last thirty years to the point where they now enjoy near-universalisation; at the same time that have been increasingly geared towards activating employment among the unemployed and those excluded from the labour market.

The system is riven with a threefold internal tension of an ideological-labour-institutional nature. It is vital to bear this tension in mind in order to understand the system's protective efficacy and its capacity to foment social insertion:

- On the one hand, some of the Spanish system's programmes are informed by the logic of need (the fight against poverty) and others by the logic of activation (entry into the labour market); true enough, some programmes fuse both logics to greater or lesser degree, as we shall see later. As a whole, the historical trend has been to intensify protective action in the systems most closely related to working life, and to freeze or reduce it the more remote such systems are from the labour market on account either of the impossibility of entering employment in the first place (the case of those prevented from work by disability and the chronically ill) or of being disqualified by circumstance (multidimensional social exclusion).

- On the other hand, the evolution of the Spanish system has been marked by the institutional logic of the welfare state, by the tension between the pressing need for central co-ordination and the decentralising tendencies of the State of the Autonomous Regions. Thus, the central system for guaranteeing minimum incomes is composed of programmes of social security benefits (complements for minimum pensions and social security benefits for unemployment) which are generally linked to the labour market and depend on employment histories. This system is accompanied by a second social security system which fuses national and regional institutions (no-contributory pensions financed through taxation and managed by the Regions). Then there is the "last net" of social protection composed of the Autonomous Regions' minimum income system. In general terms, it may be stated that greater decentralisation means lower protective intensity and greater discretionality; in contrast, tighter links to the social security system means higher protective intensity. In the same way, activation grows in intensity as we shift away from contributory unemployment benefits to the different programmes of social security benefits.

This three-fold tension in the Spanish system of minimum guaranteed incomes between the logics of need, labour and the institutions is reflected in its recent evolution, above all since the restoration of democracy in Spain in 1978. This evolution in Spain's minimum income system can be divided into three stages:

- a) Firstly, the years between 1980 and 1989 witnessed a first **stage of growth**. Before 1980, the minimum income system boiled down to social security pensions for those above the age of 69, the sick, the those disqualified by disability from work; these were financed through

taxation and offered extremely low protective intensity. The industrial restructuring of the early 1980s together with high unemployment rates led to the creation of a system of social security protection for unemployment in 1985 (RD 625/85) for those unemployed workers who had used up the period of contributory receipt, fulfilled certain age requirements and had family responsibilities; as well as for seasonal agricultural workers in the south of Spain (Andalusia and Extremadura).

This first stage saw the implementation of two complementary policies: on the one hand, the level of social security contributions was strengthened by reforming the public pension system (Act 26/1985, regarding urgent measures to rationalise the structure and protective action of social security), while at the same time social security began to be extended into the unemployment system. Moreover, in 1982 (Act 13/1982) a non-contributory pension system was created for the disabled. This system comprised a minimum income, social benefits for family support, programmes for securing ordinary employment (2% of jobs in companies employing more than 50 workers), and the creation of protected employment (special job centres, CES). This was the first policy of positive protective activation for the disabled.

The period 1980-1989 culminated in two major advances:

Firstly, there was an across-the-board improvement in the protective intensity of social security benefits for the long-term unemployed over the age of 45 with family responsibilities, while minimum complements to contributory social security pensions were enhanced.

Secondly, there was the start-up in the Basque Country in 1989 of the first regional minimum income scheme. This initiative paved the way to the increasing participation of the Autonomous Regions in the fight against poverty and the development of social insertion plans in line with EU recommendations regarding the fight against poverty and social exclusion.

- b) The second stage in the development of the MIS (1990-2000) had three distinguishing features: the **consolidation and extension** of the mechanisms implanted in the previous decade; the growing **rationalisation** of schemes with a view to achieving greater efficacy in regard of severe poverty and favouring labour insertion; and the greater **decentralisation** of schemes and policies.

These features may be accounted for in terms of ideological, institutional and social change favouring not only the extension of minimum income schemes but also improving their organisation and efficacy in relation to social insertion. Three processes of such change need to be highlighted in particular:

- As far as ideology is concerned, the cognitive Europeanisation of social policies (Moreno and Serrano Pascual, 2007), took root in Spain, especially in the wake of EU recommendation in 1989 and 1990 regarding the extension of minimum incomes and support for the fight against social exclusion.
- As for the institutions, the consolidation of a medium-sized welfare state, with universal services and benefits in the form of pensions, health care and education, and the decentralisation of social policy-making created the opportunity for the co-ordinated implementation of pro-social inclusion policies which opened a new phase of social policy-making for at-risk groups and the excluded.

- As far as social change is concerned, the spread of social risks associated with precarious employment (34%), new forms of poverty, and the growing social awareness of exclusion in the labour market and society at large among specific groups (the disabled) overflow the traditional boundaries of social protection for the active population. Not only that, but the idea gained currency that social service protection in economic form was a necessary but not sufficient condition of the integration of vulnerable groups in society and the labour market.

As a consequence of these changes, social programmes and policies were formulated which expressed the latent tension between protection on the one hand and schemes to foster active job searching on the other. In the early part of the 1990s, ideological and practical differences over passive and active policies became entrenched; to an extent, this had a positive effect in so far as the focus shifted towards activation and employment, but it also exposed a series of negative connotations associated with income mechanisms which hampered the building of regulatory and operational bridges between guaranteeing incomes and searching for work.

This period was inaugurated by a piece of flagship legislation, the Non-Contributory Pensions Act 26/1990 (which replaced the guaranteed income acts of 1961 and 1981), which extended and reorganised social security non contributory pensions, and introduced benefits for dependent disabled children in low-income families. For its part, the Toledo Pact of April 1995, signed by all political parties, undertook to delimit funding for contributory social security pensions (financed through employer contributions) and their minimum complements and assistance pensions in general (financed through taxes). Finally, the activation logic was extended and deepened by Decree Law 1/1992 which reinforced the contributory nature of unemployment benefit and made its receipt conditional on participation in training schemes and active job searching. In this regard, the Active Insertion Income (2000) was introduced for the unemployed workers over the age of 45; as a result of Social Dialogue, incentives were announced for transforming temporary contracts into indefinite ones; and, in general, greater impetus was given to activating the labour market.

Lastly, worth highlighting is the introduction throughout the 1990s on the part of the Autonomous Regions of minimum income insertion schemes with different access requirements and, above all, varying protective intensities and conditions for social and labour-market insertion (for more detail, see section 2.1 B). This extension of minimum incomes in the Autonomous Regions meant the entry of this middle-level of government into the field of guaranteed incomes, in addition to posing a challenge to the development of the personal social services system they came to form part of. Nevertheless, as one expert in the field (Laparra, 2004) has pointed out, development on this front has been a long and arduous path due to its uneven development and the lack of co-ordination. The development of regional inclusion schemes and the gradual recognition of the subjective right to a minimum income on the part of some Autonomous Regions (Basque Country, Catalunya, Madrid) has enabled the system's discretionality to take a turn for the better.

- c) The last stage of minimum incomes in Spain (2000-2008) has as its **general framework the Lisbon Strategy, the national reform plans, and the social inclusion plans** by means of which it was intended to square economic and technological modernisation with social and territorial cohesion, and within that, the fight against social exclusion. This new framework meant a new path towards rationalisation and improved co-ordination between social and

economic policies, and above all an opportunity to co-ordinate the different minimum income schemes and the different levels of government (national, social security, regional and local).

This stage witnessed significant progress in insertion policies for groups at risk of exclusion and the vulnerable which has still to come to fruition: the development of the insertion income and insertion companies (RD 1369/2006), employment for the disabled (RD 870/2007), extension of assistance unemployment benefits to the over-45s with no family obligations, compatibility between employment and non-contributory invalidity pensions (Act 8/2005), and the Strategic Plan for Disability (2008-2012) and for Citizenship and Integration (2007-2010) related to immigrants.

After frustrated attempts to devise a non-pacted activation model in 2002, a long and fruitful period of Social Dialogue commenced in 2002, which only came to something of a standstill when the economic and financial crisis began to bite in 2008. This dialogue enabled the more or less balanced, joint development of a relatively low intensity, social security protection package which bolstered activation and occupational and vocational training, as well as stimulating the search for work and introducing measures in support of belated retirement and fomenting the entry into the employment market of the disabled.

Moreover, the development of the Social Inclusion Plans will give a boost to the vertical and horizontal open co-ordination of policies to fight exclusion and, as part of them, employment schemes for the most vulnerable groups. More particularly, the last Inclusion Plan for 2008-2011 which is currently under way intends to go one better than the blanket activation strategies by depositing its confidence in group policies which offer a tailored response to the needs of those groups which most require help to enter the employment market (the disabled, gypsies, young adults with family responsibilities, and so on). Nevertheless, in this stage, the deficits of the previous step have not been faced, in spite of the efforts of the NAPin as it did not have multiplier effects in the rest of the social and economic policies, included those of the Autonomous Communities.

To sum up, the lengthy period of the welfare state's development in Spain (1980-2008) has meant the construction, expansion and consolidation of a group of minimum income schemes which offer broad coverage. While it is true that these schemes do not add up to an integrated and articulated system, they do provide a wide economic safety net which has been characterised throughout the period by an uneven protective intensity (the more remote the situation of need from the labour market, the lower the intensity), marked institutional differentiation, and a growing tendency to apply the principle of activation and employability to the most vulnerable groups. In this context, the European strategy of insertion and national and regional inclusion plans favour new forms of co-ordination. These, however, have not managed to reduce the inequalities between state schemes and regional ones, nor, within the latter, between the different schemes forming the last social protection net. At times, this has generated tension between different public administrations.

1.2 The Spanish system of MIS and its main features

Now that we have sketched the recent history of Spanish MIS, it is time to offer a schematic description of the system as a whole and its chief characteristics. **TABLE 1** shows all the Spanish guaranteed income system's mechanisms and provides information about the number of

beneficiaries, monthly amounts and their relation to different indicators, and total expenditure. On analysis, the following features may be derived from it:

- a) Firstly, in **institutional** terms the Spanish system intervenes in two ways: through contributory social security or through social assistance benefits managed directly (contributory pensions and unemployment benefits) or in partnership with the regions (non-contributory pensions), or directly through the regions themselves: minimum insertion income management.
- b) As for the **nature of social protection** in Spain, minimum incomes are organised into a hierarchy related to position in the employment market. As Arriba and Guinea (2008) remark, “present or past participation in employment market is the chief criterion governing the organisation of access to income protection”. Thus, for example, the “minimum complements for contributory pensions” occupy the top rung of the system. In this case, it is a matter of pensions resulting from life assurance, the value of which does not reach the minimum decided each year by the government and so is topped up with social security funds. Although in 1995 the Toledo Pact approved the clear differentiation of sources of funding, the truth is that today the minimum complement is financed above all through company contributions and not, as agreed in 1995 and 2003, through the exchequer since the goal of the top-ups is to improve pensioners’ standard of living. The high number of minimum income pensioners (2,671,352, representing 32% of contributory pensions) and their socio-economic impact means that this system enjoys a privileged position in the income guarantee system as a whole. However that might be, it should be pointed out that there are doubts as to whether these complements really form part of the minimum guarantees system given their links with the contributory system.

As for the non-contributory or social assistance security level, it comes in three forms:

- **Social benefits related to unemployment** (social security unemployment, unemployment of temporary agricultural workers, and active insertion income) which come into operation when contributory unemployment benefit has been exhausted. They are conditional on lack of wherewithal and having dependent family charges. As we shall see in more detail later, these three schemes have stepped up their demands regarding activation in the form of active job searching or occupational training.
- **Non-contributory pensions** and social benefits for dependent children with certain levels of disability. This is the block of social assistance security programmes revamped by Act 26/1990; in their time they accelerated the process of universalising guaranteed income schemes in Spain. We shall not be treating benefits for dependent children with a high level of disability since in practice they are long-term care benefits which accrue on retirement or invalidity.
- Finally, the system of guaranteed incomes is completed with the regional **minimum insertion income** schemes. These, the latest generation of minimum incomes, target those between the ages of 25 and 64 in situations of extreme poverty and with difficulties relating to social and/or employment integration. Access to this last social protection safety net is subject to stringent conditions, its protective intensity is low, and its insertion activities or programmes are extremely varied. In fact, the minimum insertion income is only in a minority of cases a right (Basque Country, Navarra and Catalunya); in the majority it is a “weak right”.

- c) As for the comparative **protective intensity** of the various programmes, the closer the relation to contributory levels, the higher is the protective intensity, coming close to minimum wage (MW) or exceeding the IPREM (Public Indicator of Multiple Effect Incomes). Thus, social security benefits for unemployment amount to 60% of the MW while social security pensions hover lower, at around 55% of MW. The social security pensions which are to be suppressed (FAS and LISMI) barely exceed 25% of MW. For its part, the protective intensity of regional minimum incomes varies between 85% and 40% of MW.

The divergence in protective intensity between contributory levels and social security levels has increased over the last few years with the constant rise in minimum complements for contributory pensions and modest growth in the values of social assistance security pensions and social assistance unemployment benefits, which have also seen how their activation dimension has been reinforced. In this connection, it will be difficult to spread the social policy of flexicurity in Spain since its protective intensity is limited despite the extent of cover. Although the contribution of social security schemes to the fall in severe poverty rates has been a significant—if incomplete—success, the same cannot be said of its contribution to the reduction of relative poverty rates or to secure forms of activation.

Consequently, and in line with the information given TABLE 1, almost all social assistance benefits were below the relative poverty threshold in 2007, with the exception of the contributory severe invalidity pension which is accompanied by a complement for a personal carer. In accordance with the 2008 Living Conditions Survey (the latest available, giving information for 2007), minimum incomes reproduce a hierarchy of poverty which offers a faithful reflection of the position of origin vis-à-vis the labour market. Thus, contributory retirement, invalidity or bereavement pensions are slightly above the poverty threshold; non contributory pensions and social security unemployment assistance benefits hover around 67% of the poverty threshold, while regional minimum incomes stand at around 50% of the poverty threshold.

On the other hand, worth highlighting is the high degree of female recipients of social assistance benefits, a fact which reveals the subordinate position of female workers in the labour market, above all if they are solely responsible for dependent family charges. Thus, the percentage of female recipients of social security unemployment assistance benefits is 60%, while they account for 80% of recipients of non contributory pensions put together and 69% of the minimum insertion income.

To sum up, a first general appraisal of the institutional structure of Spain's guaranteed income system reveals the existence of a system with broad but incomplete coverage which is fragmented into three distinct blocks of benefits depending on the position in the employment market and whose low levels of protective intensity have nonetheless made significant in-roads into severe poverty rates. It should be pointed out that all recipients in these systems are guaranteed health care and occupational training when unemployed, while recipients of regional minimum incomes enjoy the support of the social services available in the relevant institutional ambit.

The activation demand is more intense in regard of social security unemployment assistance benefits, and partly so in regard of regional minimum incomes. Labour and social insertion are key elements in the philosophy of activation. As we shall see in the next section, the problem is that the efficiency of activation policies depends on three factors: continuity of the benefit

combined with a certain protective intensity in the income schemes, the qualification and degree of precariousness of the unemployed, and also the relational capital at the disposal of those in situations of vulnerability. These factors do not always coincide.

The current crisis has posed a real challenge to the social protection system. This year (2009) mechanisms for the protection of the unemployed have been strengthened in two ways: firstly, with general effect rates of cover slightly lower than those for 2007 (77.5%) have been maintained in 2009 (73.6%) while the number of unemployed has risen from 1,833,900 (8,3%) in 2007 to 4.010.700 in March 2009 (17.4%); secondly, the obligatory waiting period of one month before moving from the contributory to the social security unemployment assistance benefit has been suppressed with a view to linking both systems and avoiding the lack of social protection.

TABLE 1: MINIMUM GUARANTEED INCOME SYSTEM IN SPAIN (2007)

2007	Monthly amount (euros)	%/ minimum salary 665.57 1	% /IPREM 499.2 2	%/ poverty threshold 600.27 3	Number of beneficiaries	Public expenditure (Millions euros)
CONTRIBUTORY LEVEL (Minimums complement)						5,287.1
1. Retirement pension >65 years	4 587.27	88.2	117.6	97.8	1,311,784 (1 and 2)	
2. Retirement pension >65 years	4 547.29	82.2	109.9	91.2		
3. Severe invalidity pension	4 880.91	132.35	176.46	146.7	50,409 (3 and 4)	
4. Absolute invalidity pension	4 587.27	88.2	117.64	97.8		
5. Bereavement > 65 years	587.27	88.2	117.64	97.8	737.394 (5,6 and 7)	
6. Bereavement > 65 years	547.21	82.2	109.62	91.2		
7. Bereavement > 60 years	437.76	65.77	87.70 35.57	72.9		
8. Orphanhood	5 177.58	26.68	35.57	19.6	136,986 (8 and 9)	
9. Pensions for relatives	5 177.58	26.68	74.47	19.6		
10. SOVI	371.78	55.86		61.9		
NON CONTRIBUTORY LEVEL						
1. Social assistance						3,513.6
unemployment benefits:						
Unemployment subsidy	399.24	60.0	80.0	66.5	373,891	
Seasonal agricultural worker	399.24	60.0	80.0	66.5	175,190	
Agricultural income	399.24	60.0	80.0	66.5	26,594	
Active insertion income	399.24	60.0	80.0	66.5	65,610	
2. Social assistance pensions						2,195.3
Retirement	364.50	54.76	73.0	60.7	270,980	
Invalidity	364.50	54.76	73.0	60.7	203,401	
Old age (to be suppressed)	174.83	26.27	35.0	29.1	4,430	
Illness (to be suppressed)	174.83	26.27	35.0	29.1	19,852	
LISMI(to be suppressed)	174.83	26.27	35.0	29.1	33,149	
REGIONAL MINIMUM INCOMES						417.5
	Max. 585.62	88.0	117.3	97.5	103,071	
	Min 285.30	42.8	57.1	47.5		
	Mean 375.68	56.4	75.2	62.6		
						%/ GDP 1.08

Source: Compiled by author. Updated version of Table 4.2.1 "Amounts and numbers of beneficiaries" in 2006 for 2007 (Arriba and Guinea, 2008).

1. Minimum inter-professional wage (MW) for the over-18s.
2. IPREM: Public Indicator of Multiple Effect Incomes.
3. Poverty threshold as per Living Conditions Survey 2007.
4. With no spouse to support.
5. One beneficiary.
6. It is still too early to properly assess the basic emancipation income for young people to find their own accommodation.

2. Assessment of Minimum Income Schemes

2.1 Coverage

A) **TABLE 2** synthesises the access requirements for guaranteed income benefits in Spain in 2008. The differences between the different schemes are due to their relation to the employment market, as we explained earlier. Thus, as far as **contributory pensions** are concerned, the protection available to obtain a minimum complement is not subject to strict means testing but depends on the amount of the pension which, where necessary, is increased to the annual minimum fixed by the government; the limit is the non-receipt of income from capital and work in excess of the minimum quantity of the pension.

As far as **social assistance unemployment benefits** is concerned, the access requirements are based on being unemployed and in receipt of incomes below 75% of the minimum wage, with modulations for family responsibilities. This assistance level of social protection comprises three schemes, and where years ago it was available from the age of 45, it has now been modified to cover situations of vulnerability for those younger than 45 with or without family responsibilities; the Active Insertion Income is reserved for the unemployed aged above 45 and for disabled persons in receipt of invalidity pensions. At the same time as the social assistance benefit component of unemployment has been intensified, the requisite that the recipient (unemployed seasonal agricultural workers and active insertion income), while the period of cover has been shortened. **TABLE 2** shows only the basic features given that there are up to eight schemes in existence (their access requirements are given in **ANNEX 2**).

As regulated by Act 26/1990, **non-contributory pension** cover is based on two requirements: income lower than the value of the pension and age above 65 in the case of retirement pensions, or between 25 and 65 in the case of invalidity pensions (where the disability must be at least 65%). They are of an indefinite nature even if the invalidity pension may be suspended in order to re-enter the employment market.

Finally, the **regional minimum incomes**, the last social protection safety net, require recipients to be aged between 24 and 64 (in some cases between 18 and 25), to be in receipt of incomes lower than 75% of the minimum wage (MW) (with modulations according to the size of the family), to be on the region's electoral roll, and to be unemployed. It may be received for between 6 and 12 months, even if some schemes extend the period in accordance with personal and family circumstances. All schemes of this type demand an insertion contract with a greater or lesser degree of social or labour-market activation. Given this scheme's importance as the safety net of last resort, there follows a more detailed analysis.

B) **Regional minimum insertion incomes. The "last safety net"**

The regional minimum incomes form the last social protection safety net and were created in the framework of the regions' exclusive powers in matters of social services and social security, the Basque Country being the first region to achieve such powers in 1988. It is a group of unconnected schemes which nonetheless have some features in common. They combine guarantees for resources with activation or insertion commitment programmes. They are discretionary, of low protective intensity (**TABLE 1**), and diverge greatly in regard of the guarantee of the right, value of pension and budget (see **ANNEX 2**).

In practice, their role is secondary, residual in comparison with the other social protection schemes (Arriba and Pérez Eransus, 2007), but even so, they are of growing importance in the general system of guaranteed income; above all, as they are not a system as such but a mix or mosaic of social benefits (Ayala, 2008), they have provided the excuse for a debate in Spain about the minimum income, have served to open up pathways between the social service system and the minimum income, and, lastly, have helped to integrate it in regional plans to combat exclusion.

Indeed, the setting in motion of the National and Regional Social Inclusion Plans has offered the chance to consolidate and rationalise the systems and even, in the case of some schemes, to convert access to a minimum income into a subjective right. The NAPInclusion for 2008-10 is committed to advance in this direction.

They are strategies combining social protection and integration in society and the labour market; their tendency is to converge with EU recommendation in regard of social exclusion. On the other hand, the activation tendency which the schemes display is a reality (Arriba and Guinea, 2008) even if differences between schemes are still vast. Thus there are schemes (Basque Country, Madrid and Navarra) where a double right to protection exists, namely, to an economic benefit and employment insertion (even with protected employment and insertion companies); in other schemes, the activation is the “payment” due or service rendered in exchange for the income. However that may be, although financed by the public sector, the activation is usually managed to a great extent by NGOs in the form of insertion projects and companies.

- C) An **overall assessment of the Spanish income guarantee system** leads to the conclusion that Spain boasts a broad network of protective mechanisms with some holes in it (some of the homeless, those without official papers, first-time job seekers) and low protective intensity. The mechanisms particularly target women (who amount to around 70% of beneficiaries) and, generally speaking, exist side by side; that is to say, it is difficult, if not impossible, to make one compatible with another in order to achieve incomes above the poverty threshold. There is barely any relationship between the schemes, except for a few positive exceptions, namely, the possibility of passing from a non-contributory invalidity pension to employment, or the compatibility between social assistance unemployment benefit and part-time work. The need to co-ordinate the schemes and for there to exist flexible transit between minimum benefits and employment is a challenge that has yet to be faced—and admittedly a complex one in institutional terms—if the current “aggregate” of social assistance programmes is to be transformed into a coherent “system”.

TABLE 2: ACCESS REQUIREMENTS FOR INCOME GUARANTEE BENEFITS

SYSTEM	AGE	INCOME	FAMILY AND PERSONAL SITUATION	JOB-RELATED REQUIREMENTS	DURATION	COMPATIBILITY WITH OTHER BENEFITS
Contributory pension minimum complements	All ages	Fall short of minimum pensions as decreed annually by government (around 90% MW)	Modulation according to marital status, age and pension type	None	Indefinite except in case of orphanhood pensions	Health service, long-term care benefits and social services
Unemployment benefits						
Social security subsidy (1)	Over-45s with special regime for over-52s	Income below 75% MW	Have family responsibilities, but not in all cases	Be unemployed and have used up contributory benefit. Always available for suitable employment and assistance in form of training schemes	6 months, renewable to 18, 30 (over 45s) and to retirement age (over 52s).	Health service, occupational training grants, partial retirement pensions, work in the community or social collaboration, part-time work (with reduction in benefit).
Seasonal agricultural workers subsidy	Over-16s in Andalusia and Extremadura, with special regime for over-52s.	Income below 75% MW	Have family responsibilities, but not in all cases	Be unemployed and have contributed at least 35 days in last 12 months. Activity commitment	Variable: between 180 and 360 days according to age and income. Over-52s to retirement age.	Health service, occupational training grants, partial retirement pensions, work in the community or social collaboration, part-time work (with reduction in benefit).
Active insertion income	Over-45s	Income below 75% MW		Registered unemployed in last 12 months or unemployed with more than 33% disability, returned emigrant, victim of gender violence, recipient of non-contributory invalidity pension who requests suspension of pension in order to receive insertion income. Activity commitment	Max. 11 months	Health service, occupational training grants, partial retirement pensions, work in the community or social collaboration, part-time work (with reduction in benefit).

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SYSTEM	AGE	INCOME	FAMILY AND PERSONAL SITUATION	JOB-RELATED REQUIREMENTS	DURATION	COMPATIBILITY WITH OTHER BENEFITS
Social assistance pensions						
Retirement	65 years	Income below value of pension			Indefinite	Health service and social services
Invalidity	Between 18 and 65	Income below value of pension	Chronic illness above 65%		Indefinite. Pension may be suspended in order to receive insertion income and return to work	Health service, social services and help for carers
Regional minimum insertion income (2)	Between 25 and 64. In some cases 18.	Below 75% of MW, modulated according to size of family	On electoral roll for between 6 and 12 months previous to award of benefit. Beneficiary: 1 person or family unit	Unemployed with insertion contract or activity commitment	Between 6 and 12 months	Health service, social services and emergency assistance
Integral protection for gender and domestic violence RD 1452/2005 (3)	Women of all ages	Below 75% of MW		Unemployed and agreement to insertion itinerary	Between 6 and 12 months	Health service, social services and emergency assistance

(1) There are 8 types of social security unemployment subsidy. This table shows common characteristics. For more detail see ANNEX 1

(2) ANNEX 2 gives details for each region's system. This table shows the general outline of the scheme.

(3) This is Spain's latest development in social security benefits.

2.2 Adequacy

This section offers an overall assessment of minimum benefits with special reference to the regional minimum incomes.

Minimum benefit adequacy can be assessed in many ways. **TABLE 1** selects for the purpose of comparison the MW and the relative poverty threshold. On analysis, it is clearly seen how for 2007 MIS adequacy was uneven. Thus, the minimum complements were above the poverty line (invalidity) or close to it (retirement pensions); this is due to rises in minimum pensions over the last four years. In contrast, social assistance unemployment benefits and non-contributory pensions hovered between 61 and 66% of the poverty threshold, as did regional minimum income; and this presents quite a challenge in terms of improving benefits and achieving the goal of a sufficient income in line with EU recommendations.

MIS adequacy can also be measured by comparing minimum benefits with available per capita family income. Thus an earlier comparison (Rodríguez Cabrero, 2004) conducted between 1985 and 2000 has been updated to 2007 (**TABLE 3**). This table shows a general decline in minimum benefits against available per capita family income, which in a way is an accurate measurement of the relationship between benefits and overall average income levels. Invalidity and bereavement pensions amount to 60% of that indicator, while non-contributory pensions, unemployment subsidies and minimum incomes make up between 33 and 37%.

Thus, it may be concluded that on the whole the spread of minimum income schemes has not been accompanied by adequate protective intensity in relation to the MW, the income threshold and the available per capita family income. As a result, the contribution of these systems to reducing severe poverty rates has been a success; but the same cannot be said with respect to relative poverty rates or to approaching levels of available per capita income. The availability of transfers in kind—health services, training and social services—is not considered in this section but doubtless makes a significant contribution to the welfare of minimum benefit groups since these services are generally available free of charge, although their efficacy is related to income status and social exclusion.

As for the adequacy of the regional minimum incomes, the reforms of the post-2000 period (Lisbon strategy) indicate that the number of homes benefiting has risen sharply from 63,000 to 103,000; this means jumping from 0.50% of homes at the beginning of the present decade to 0.64% in 2007. This percentage is comparable across all regions except in the Basque Country where the 4.45% of homes are beneficiaries, followed by Asturias (1.56%) and Navarra (1.02%). Similarly, expenditure has risen sharply from 25 million euros in 2000 to 417 million euros in 2007, albeit the amount spent in the Basque Country is equivalent to 45% of the total for regional minimum income expenditure. If, as Arriba and Guinea (2008) point out, the percentage of homes in a situation of severe poverty is around 3 or 4% (under 30% of median income), it is clear that the rate of coverage is still insufficient, except in the Basque Country. Finally, the low protective intensity of this indicator should be stressed, similar to that of non-contributory pensions and somewhat distant from that of contributory unemployment benefits (naturally we refer to the basic amounts since the family complements lend great diversity to the minimum income schemes).

TABLE 3: SOCIAL BENEFITS AS % OF GROSS AVAILABLE PER CAPITA FAMILY INCOME

	1985	1990	1995	2000	2007
Minimum complement:					
Total invalidity	76.8	74.2	67.2	62.1	60.3
Bereavement 65 +	55.4	58.2	57.2	52.7	60.3
Non-contributory pension (1)	30.5	34.9	41.6	36.4	37.4
Unemployment subsidy	63.3	50.8	44.8	38.2	35.1
Regional minimum income	-	-	36.7	34.2	33.1

(1) In 1985 and 1990, social security pensions. Since 1995, non-contributory pensions.

Source: compiled by author.

2.3 Effectiveness

MIS effectiveness may be measured by its capacity to reduce poverty and generate incentives to employment.

- In relation to **the MIS's capacity to reduce poverty**, the wealth of recently available, important information about Spain (work carried out for 6th Foessa Report, 2008) may be summarised as follows:

Firstly, the impact of minimum incomes on the fight against poverty and in favour of active inclusion should be understood in the context of the evolution of inequality in Spain over the last decade. Spain's proximity to average EU income levels has been achieved, as Ayala et al. (2008) point out, even though inequality levels for recent years are similar to those for the early 1990s. The high rates of growth in employment have not meant improvements in income distribution, as may be seen from primary incomes (wages above all) and the limits applied to public intervention between 1995 and 2005 in relation to social expenditure and tax cuts. It should be remembered that the universalisation of the welfare state in Spain took place between 1996 and 2005 when growth in public spending was subject to relative restraint. As a result, severe poverty rates sank firm roots (between 3 and 4 % of households) and the relative poverty rate remained stationary (around 19%). As Ayala points out, "the reluctance of poverty rates to fall is due to weaknesses in the system of social benefits aimed directly at combating insufficient incomes". These weaknesses are due, as mentioned above, to differences in coverage and protective intensity. In this regard, worthy of note is the low protective intensity for members of the active population when unemployed (social assistance unemployment benefits, minimum incomes) in comparison with that for those who are inactive. In relation to members of the active population in gainful employment, attention should be given to the instability of temporary contracts, lower incomes and temporary limits to access and rights to minimum social benefits. Job precariousness affects around 27% of the occupied population and is one of the factors which hinders protective action in combination with job flexibility. On top of all that, there are the inter-regional disparities in the minimum income system.

This general background enables us to understand better the limited capacity of the Spanish system to reduce poverty. This point is backed up by a brace of sources, the Living Conditions Survey 2004-2006 and the Foessa Survey 2008. According to the former, social benefits reduce severe poverty markedly (87%) but moderate poverty much less so (47%). Various factors are involved in impeding the efficacy of such benefits: their diversity, their greater protection for the non-active or pensioners, and their inability to keep up with the pace of growth in such indicators as average income or available per capita income. Although it is not a question of bringing uniformity to the patchwork of mechanisms given that they target different goals, it does seem reasonable and feasible to assimilate benefits in order to reduce the disparities in protective intensity and to introduce a degree of order or interconnection between them.

In its analysis, the Foessa Survey 2008 (Arriba and Guinea) (based on household incomes) backs up the foregoing conclusions. The minimum income benefits cited in the report show how 27.6% of recipient households are poor (more than 70% of all poor households) and how this rate increases in the case of non-contributory pensions (31%) or minimum insertion income systems (33%). But even though we are dealing here with households where benefits are one of the chief sources of income, rates of relative poverty have not fallen over the last 20 years but still stand at around 19%.

This implies not only the need for improvement but also to make compatible various benefits or one benefit with other sources of income. In Spain, any such compatibility is limited since, for example, the social security unemployment benefit together with any income from part-time employment may never amount to more than the means test threshold.

- As for **incentivating work**, a variety of situations exist which may be summarised as follows. In general, the further removed one is from contributory protection, the greater the pressure on one to actively seek work; the older one is, the lesser the pressure and the greater the social protection available to carry one over until retirement. Between the ages of 45 and 52, activation is only a relative obligation; for the under-45s it is a far more stringent requirement.

As for the regional minimum incomes, different research comes to a twofold conclusion: on the one hand, orientation and training programmes seem to have some success but on the other, activation mechanisms are of little effect among those who are most poorly qualified and most dependent on basic income (Pérez Eransus, 2005). Indeed, a considerable part of recipients of minimum income manifest several social disabilities (illiteracy or no school qualification) which represent structural impediments to their access to employment and make of protected employment the only viable option.

3. Links between MI Schemes and Active Inclusion Strategy and Services

3.1 Active inclusion strategy

The link between the fight against poverty and active policies of employment and access to public services (education, health, social services) is part of the Lisbon Strategy. As far as Spain is concerned, the active inclusion strategy is not only linked to activation (job seeking and occupational training) but also to integration in a broader sense (this is the case of the regional minimum insertion incomes). This is because some of those in situations of exclusion, or at serious risk of so being, cannot be targeted directly by employment activation do qualify for having their social or living conditions improved (agricultural workers above 60 years old), their multifaceted social shortcomings reduced, and for individual support to help rebuild basic social skills (such persons constitute a significant number of the recipients of regional minimum income).

Meanwhile, the NAPinclusion for 2008-2010 includes among its strategic goals the encouragement of active social inclusion. This is what lies behind the Extraordinary Plan for Orientation, Vocational Training and Employment Insertion, vocational training for employment for persons with specific training needs (RD 395/2007), and the global action strategy for employing the disabled, to cite just three insertion policies. Along the same lines, the NAPInclusion undertakes to create the Social Inclusion Network as part of the benchmark National Strategic Framework for ESF in favour of active inclusion.

With a view to identifying the links between guaranteed minimum incomes and the active inclusion strategy, we shall first make an overall assessment of those links in the Spanish case and then consider two particular instances of activation which received special attention in the NAPinclusion 2008-2010, the disabled and the Roma community. In a way, these two groups are diametrically opposed cases of activation since the former have a long history of social mobilisation and institutional influence, while the latter is virtually the last excluded group to have commenced mobilisation (Laparra and Pérez Eransus, 2008).

A) General assessment of links between MI schemes and active inclusion strategy

A major change in Spanish labour market policy since the implementation of the Lisbon Strategy 2000 has been the gradual strengthening of active policies to the detriment of so-called passive policies. Although the distinction between both types of policy is riddled with subjective judgements and as a matter there is some continuity and graduation between them, it is nonetheless true that over the last ten years activity has been intense in the framing of active policies by means of the creation of the active insertion income, the strengthening of the activation principle in social assistance unemployment benefits, the expansion of occupational and ongoing training for the unemployed and the employed, the improvement of public employment services, and the incentives to business to take on certain categories of workers (for example, the disabled).

Furthermore, the Europeanisation of these active policies is distinguished by a high degree of decentralisation and, therefore, the growing role of the regions. The Employment Act 56/2003 and the creation in 2005 of SISDE (Public Employment Service Information System) are two

instruments designed to achieve the integral co-ordination of information policies and job seeking among the different public administrations.

From a comparative assessment of active employment policies (García Serrano, 2007), the following landmarks may be discerned:

- Compared with other EU countries, Spain has made a budgetary effort in mid-range active policies, although in terms of intensity (that is to say, in relation to the unemployment rate) that effort is, along with Italy's, the lowest. Its active policies as a whole mean expenditure of around 0.87 GDP and 36% of total expenditure on labour market policies.
- There is a definite hierarchy of active policies, such that subsidies to companies creating jobs amount to more than half of active policy expenditure, with occupational training for the unemployed (0.12%) and employed (0.10%), measures for unemployed youngsters (0.06%), employment services (0.09%) and the disabled (0.03%) follow a long way behind in terms of GDP. Even if the data are some years old (2002), expenditure on training for the unemployed and public employment services is the lowest among the leading EU-15 countries.
- Finally, as pointed out in the analysis of social security schemes, the activation strategy has been in the ascendancy in recent years and become not so much a positive general means of activation as an "intensification of orientation activities, job search support, monitoring the unemployed and even devising personalised insertion itineraries, and advancing further in the incentive schemes aimed at kick-starting the unemployed's return to work"..

B) Two specific cases of the links between activation and minimum incomes: the disabled and itinerant Roma community sellers.

In order to clarify the above, nothing better than to analyse specific cases of activation in order to discover the operative links between minimum incomes and employment. We shall take two eminent groups of the vulnerable, as indicated in the fifth NAPin 2008-2010. Their respective social positions and capacities to mobilise and influence the public at large are highly divergent or, to put it another way, the disabled person's movement has been relatively successful whereas the gypsy community has had few successes and less influence.

- Employment situation and occupation of the disabled

The diagnosis of the recently passed Global Action Strategy for Employment for the Disabled 2008-2012 (MTIN, 2008) identifies five components in this group's situation vis-à-vis access to the labour market: low rate of activity, insufficient job creation in the ordinary labour market, poor accomplishment of the 2% quota of jobs reserved for the disabled in companies with more than 50 workers, the boom in special employment centres, and insufficient job quality.

Activity among the severely disabled is low (36%) compared with that of the moderately disabled (54%) or of the able-bodied population as a whole (69%). Inactivity is a structural feature of the severely disabled, affecting almost 64%, 1,102,551 persons, of a

population of 1,727,472. The severely disabled practically double the unemployment rate of the population as a whole, which only aggravates the problems facing a group with a high inactivity rate (see **TABLE 4**).

TABLE 4: EMPLOYMENT SITUATION OF THE DISABLED COMPARED WITH POPULATION (16-64 YEARS OLD) AS A WHOLE

	Severe disability	%	Moderate disability	%	Population with no disability	%
Working	515,758	29.9	1,364,315	47.6	15,179,956	62.1
Unemployed	104,932	6.0	189,450	6.6	1,633,245	6.7
Inactive	1,102,551	64.0	1,310,938	45.8	7,639,411	31.2
TOTAL	1,723,242	100.0	2,864,703	100.0	24,452,612	100.0

Source: Compiled by author from "Living Conditions Survey" for 2005 (2006).

If one were to exclude the severely disabled between the ages of 55 and 64 (438,642 persons), the group would comprise 663,909 people between the ages of 16 and 55 who are inactive but have some chance of being employed. As far as the moderately disabled are concerned, those who are employable and below the age of 55 number 673,610. True enough, there are problems having to do not so much with disability as education, a key factor in employability. Indeed, there is a noticeable deficit in completed studies among the group of greater disability which greatly hampers their employability. Equally striking is the relative preponderance of the inactive with no kind of qualifications both among the severely (11.3%) and the moderately (8.9%) disabled in comparison with the inactive population without disabilities (2.6%). 17% of the severely disabled between the ages of 16 and 25 have no studies at all, while 30% have only benefited from primary education.

As for the field of activity of the companies they work for, the severely disabled in employment do not work in posts very different from other groups of workers, even though some branches of production (social services, transport and communications, personal and domestic services, and the civil service) bulk large.

Finally, it should be emphasised that employment among the most disabled is relatively stable since temporary contracts affect only 23% of salaried workers, compared with 31% of the moderately disabled or those with no disability. Employment support policies for the disabled may be behind this difference, although some research suggests that such policies have had no effect on the likelihood of such persons finding employment with indefinite contracts (Malo and Muñoz-Bullón, 2006).

What is the relationship between employment and social benefits as far as the disabled are concerned?

The rate of social protection coverage, all kinds of benefits included, among the Spanish population between the ages of 16 and 64, is 17%. This percentage rises among the disabled with the result that, if the rate of coverage among non disability population is 13.4%, it stands at 29% for the moderately disabled and 46.5% for the severely disabled (see **TABLE 5**).

Among the severely disabled, invalidity benefits account for almost 40% of all benefits; if these are added to illness benefits, they together amount to 64% of benefits. Passing from the severely disabled to the moderately disabled, and from them to the able-bodied, invalidity benefits drop to 25.5% and 4.7% respectively.

TABLE 5: SOCIAL BENEFIT COVERAGE ACCORDING TO DEGREES OF DISABILITY (Thousands of benefits and percentage).

	Severe disability	%	Moderate disability	%	Population with no disability	%
Unemployment	97,506	12.2	200,172	24.0	1,615,538	49.3
Retirement	94,335	11.7	162,305	19.5	504,395	15.4
Survival	84,637	10.5	108,900	13.0	293,806	9.0
Study grants	17,365	2.1	39,205	4.7	576,660	17.6
Illness	192,995	24.0	110,751	13.3	131,335	4.0
Invalidity	317,159	39.5	212,735	25.5	154,124	4.7
Total	803,997	100.0	834,068	100.0	3,275,858	100.0
% coverage/ group population	46.5		29.1		13.4	

Source: Compiled by author from "Living Conditions Survey" for 2005 (2006).

An analysis of the severely disabled throws up a peculiar distribution of social benefits since, for example, among those who are active there are recipients of unemployment benefits (18.8%) but also for invalidity (10.7%). This group seems, then, to conciliate working with receipt of an invalidity pension. Also, among the unemployed there is a preponderance of invalidity benefits (37% of the total benefits received by this group). In fact, these benefits added to those for unemployment account for almost 75% of all benefits received by unemployed people with severe disability (TABLE 6).

TABLE 6: SOCIAL BENEFIT COVERAGE IN RELATION TO ACTIVITY AND EMPLOYMENT AMONG THE SEVERELY DISABLED

	WORKING	%	UNEMPLOYED	%	INACTIVE	%	TOTAL	% type of benefit/total benefits
Unemployment	18,779	18.8	15,987	37.2	62,740	9.5	97,506	12.1
Retirement	675	0.7			93,660	14.2	94,335	11.8
Survival	9,313	9.3	8,551	20.0	66,773	10.1	84,637	10.5
Study grants	3,407	3.4			13,958	2.1	17,365	2.1
Illness	57,213	57.1	2,543	5.8	130,868	20.0	192,995	24.0
Invalidity	10,726	10.7	15,924	37.0	290,509	44.1	317,159	39.5
TOTAL	100,113	100.0	43,005	100.0	658,508	100.0	801,626 (1)	100.0
% benefit coverage / group activity	19.4		41.0		59.7		46.5	

Source: compiled by author from "Living Conditions Survey" for 2005 (2006).

(1) There is no information about the activity of 2,371 recipients of illness benefit.

In this regard, from the point of view of activation a pertinent matter is that of conciliating employment with receipt of invalidity pensions. This has been possible since the enactment of Act 8/2005 (as long as the pensions are non-contributory). In any case, it is possible that these pensions may act as disincentives to work depending on how demeaning the job is or the added

value it provides. This is an area which is beginning to be an object of research (Malo, Cueto and Rodríguez, 2007; Rodríguez Cabrero, García Serrano and Toharia, 2008).

From the same point of view, there is a group of 480,000 inactive persons, whether severely or moderately disabled, who receive invalidity pensions but are potentially employable if certain conditions are met such as the support of active policies, appropriate ways of making the transition to the employment market, and the combination of gainful employment with the receipt of social benefits. For this group, the insertion process has only just begun and it is likely that the development of the Strategy 2008-2012 will encourage such insertion if it is able to promote flexible transitions and supported employment.

- Employment and incomes in the Roma community, with especial reference to itinerant sellers

Recent studies (Fundación Secretario Gitano, 2006; Laparra, 2007; Rodríguez Cabrero, 2008) have tackled the employment situation and incomes in Spain's Roma community. Taking both matters together, a series of observations need to be made:

- As far as **employment** is concerned, the Roma community is extremely able at finding employment in the interstices of the ordinary labour market, halfway between the formal and the submerged economies. Their activity and employment rates are higher than those for the population as a whole, but their levels of under-employment, temporality and unemployment are also higher (FSG, 2005) (**TABLE 7**). Most of the working population works in the service sector (76%), and within that, itinerant vending occupies pride of place.

TABLE 7: ACTIVITY, OCCUPATION AND UNEMPLOYMENT RATES OF ROMA COMMUNITY AND POPULATION AS A WHOLE (PERSONS ABOVE THE AGE OF 16). EDIS-2004 AND EPA-2004 (%)

	EDIS-2004			EPA-2004 General Population		
	Male	Female	Total	Male	Female	Total
Activity rate	80.1	57,8	68,8	68,2	45,8	56,7
Occupation rate	68,8	46,6	57,6	62,9	39,1	50,7
Unemployment rate	14,0	19,4	16,3	7,8	14,6	10,6

Source: FSG/EDIS, 2005; Rodríguez Cabrero, García Serrano and Marbán, 2008.

Within the occupied population, in 2005 itinerant sellers represented 42% of the total (around 115,000 people) followed by other services (25.6%), construction (11%), distribution and repairs (9.5%), agriculture (6.4%) and industry (5.2%). In the itinerant sales sector, which represents this community's chief source of income, the level of education is very low (illiterates 10%, reading and writing only 23%, primary school incomplete 46.5%); this profile is somewhat worse than for the rest of the working Roma community where the percentage for illiteracy is 5.5% and for those who can only read or write is 14%.

Thus, a look at the distribution for all Roma in employment reveals that almost half (47%) are salaried workers, 23% are self-employed, while another 26.5% help with the family (there is also a very small percentage of co-operativists and employers). The equivalent distribution for the general population reveals how the preponderance of salaried workers is much higher (82.1%), while there are far fewer self-employed workers (10.7%) and helpers with the family (1.4%). This means that there is a much lower rate of salaried workers in the Roma

community than in the general population, while the converse is true for those who work for themselves (especially the self-employed and family helpers) (see **TABLE 8**).

The group of itinerant sellers is entirely unqualified, while the immense majority works part time (65%) given that markets are open in the morning or afternoon. The stall-holder usually relies on informal family help, normally females who help or stand in for the male and who in many cases receive regional minimum insertion income in order to top up their incomes. In 2008, itinerant sellers worked in almost five markets a week (a third worked in six or seven) and had a declared net income of 1,176 euros a month (Rodríguez Cabrero et al., 2008).

TABLE 8: PROFESSIONAL STATUS OF ROMA COMMUNITY MEMBERS EMPLOYED IN ITINERANT SELLING AND OTHER SECTORS (2004)

	Itinerant sellers	Other occupation	Total
Employer		1,0	0,6
Self-employed	42,7	9,1	23,0
Co-operativist	5,5	0,8	2,8
Family helper	50,4	9,5	26,5
Public sector salaried worker	0,3	12,2	7,3
Private sector salaried worker	1,1	67,5	39,9
TOTAL	100	100	100

Source: Fundación Secretariado Gitano-EDIS

Itinerant sellers are incorporated into the social security in one of two ways: as self-employed workers or as co-operativists. The second way was adopted years ago to facilitate the entry into the formal economy of itinerant sellers from the Roma community; their reluctance to taking out life assurance and a certain opacity in the management of contributions on the part of some co-operatives led to this regime's integration in the self-employed workers' regime in the case of those who worked three or more markets. A rationalisation scheme set in motion in January 2009 together with the much-needed modernisation of the sector and improved educational levels could consolidate the principal source of activity and income of this group.

For their part, unemployed of Roma community are major recipients of regional minimum income, accounting for almost 70% of all beneficiaries; this source of income is second in importance to income from itinerant selling. However, the capacity of schemes of access to employment from the minimum insertion income system is very limited in so far as this group's school drop-out rate and high illiteracy rates represent genuine social handicaps. To put it another way, the link between receipt of minimum income and activation is very weak despite the training activities carried out in the context of the ESF.

- Secondly, as far as **income** is concerned, although the information is not completely reliable since part of the activity and employment is in the submerged economy (scrap collecting, informal agricultural work), some observations may yet be made. The chief source of income is itinerant sales in markets (topped up with other secondary jobs). Minimum income plays an important part in Roma family housekeeping. Another source of income is temporary or stable work, while another are the now declining traditional activities. This group's low proportion of salaried workers situates them in the interstices of the labour market. As a consequence, the income level is low, the poverty rate very high (in 1998 half the population suffered from severe poverty, below 25% of the poverty threshold), and the resort to minimum benefits is a major source of income. To be more

precise, the Roma community composes the absolute majority group among all beneficiaries of regional minimum insertion income and is also a major recipient of non-contributory retirement pensions given the insufficient contributory life assurance of a sizeable part of the Roma working population.

In this context, the obvious question is whether the insertion income system is a route to employability for the active gypsy population. As we said before, the answer is no, and not only because of this community's peculiar cultural characteristics, including a certain cultural resistance to joining the labour market as salaried workers, and the social stereotypes that discriminate against them, but also because of structural characteristics such as low educational levels and difficulties of adapting to the ordinary labour market. In this regard, the minimum incomes fulfil their social function in reducing rates of severe poverty, but, according to the available information, only very relatively do they contribute to training and employment insertion.

C) By way of conclusion

Spain's activation strategy has been on the political agenda since 2000. New labour reforms and employment incentives have introduced the idea and practice of activation. As far as its practical application is concerned, the strategy has been developed unevenly in so far as the contributory or social assistance security unemployed undertake a model of activation which is related to attendance at training courses and a commitment to activity that is smaller than that demanded by weaker protective systems (agricultural subsidy) or new ones (minimum insertion income). The greater expenditure on activation is focused on subsidies to companies for recruitment and general training.

On the other hand, the distinct capacity to mobilise and win representation of vulnerable groups is a factor that should not be overlooked. Thus, there is a clear contrast between the high capacity to activate of the disabled persons movement and that of the Roma community, and this implies completely different strategies and results. The breaking down of institutional and ideological barriers achieved by disabled organisations is unparalleled in the Roma community which, in addition to the barriers of traditional discrimination, has low rates of formal education and is therefore severely restricted when it comes to entering the ordinary labour market. A part of the new employment being created in this group stems from the involvement of Roma community organisations in the development of training and employment projects funded by the public administrations.

In general, we may agree with scholars in the field (Pérez Eransus, 2005; Aguilar, Laparra and Pérez, 2002; Arriba and Pérez Eransus, 2007) that the "generalist" nature of the activation activities has been responsible for their limited efficacy. For their part, the minimum income activation programmes have also had a negligible impact on the labour market, while there are no activities designed specifically for the groups at greatest risk. That is why it has been said that "in Spain one observes scant participation from the excluded population in training programmes aimed at the population in general. The reasons for this seem to have less to do with the presence of discriminatory processes than in the poor adaptation of these activities to the particular needs and features of the population experiencing difficulties".

3.2 Access to quality services

In general terms, the Spanish welfare state guarantees access to basic public services. To be more precise, universal access to the health service, education and social services on the part of the various at risk groups has been a relative guarantee since the early 1990s. The same may be said of occupational training services in the case of the unemployed or groups excluded from the labour market.

But this overall verdict needs qualification in general terms and on the level of the different public services under consideration here (education, health, social services).

A general assessment of access, coverage and efficiency or quality of services should take into account various points which restrict protective action and quality in the fight against social exclusion.

- a) Firstly, the universalisation of services and of minimum social benefits has, since the mid-1990s, been compatible with social spending restraint and the outsourcing to the private sector of service provision; all of this has led to different ways of access, levels of coverage, and differing protective intensities and quality across groups and territories. The growing weight of the for profit economy in the housing sector, employment services, and of the third sector and the family in the social services constitute a complex institutional framework in which public action as a whole gets embroiled in institutional set-ups, each with its own logic.
- b) Then, the decentralisation of the Spanish state has meant an increase in the supply of services and the management of activation services, in guaranteed income, and personal social services that, together with broadening coverage, has also led to fragmentation and defective co-ordination which in turn affect inter-territorial equity. The state is not always able to respond effectively to this state of affairs, as is evident in the personal social services system.

The **efficacy of social policies against social exclusion** depends on three factors: the quantity and quality of employment, sufficient incomes, and the quality of the public services which answer basic needs. In Spain, the diagnosis of these three factors in regard of excluded groups is uneven. A synthesised assessment of social policy efficacy would be as follows: a) the quantity of jobs created has been rising (8.5 million between 1994 and 2008), but their quality has been affected by high rates of temporality (27% of all contracts) and high unemployment rates (from a minimum of 8.1% in 2007 to 17.4% at the end of March 2009); b) as far as the sufficiency of personal and household incomes are concerned, we have already seen how the broad coverage of minimum benefits has neither closed the gap with average income across the population nor reduced the rate of relative poverty (though severe poverty rates have fallen significantly); c) the contribution of the public services to the fight against exclusion is uneven in that the broad coverage of education and health (almost universal) and the increasing coverage of personal social services has helped reduce poverty but not social inequality to the same extent. It is our hypothesis that the efficacy of public welfare services depends not only on the supply but also on the response they give to a differentiated public demand, the satisfaction of which is conditioned by factors such as social class (occupation, education, income, abode). The way of access and its take-up are therefore conditioned by social supply and demand. In this regard, the recent Foessa Report 2008 on social inclusion offers a detailed panorama of welfare service efficacy, even if there are significant lacunas in the information which disable assessment.

When assessing the NAPInclusion for Spain 2008-2010 in our second 2008 report, we brought out the importance of **exclusion in education** as measured by 2006 rates for illiteracy and lack of studies (11.8%) and school abandonment (27.7%). With respect to the latter, some of those involved continued to repeat at school but with low end results (López de la Nieta, 2008; Calero, 2006). The recently reinforced social guarantee programme aims to respond to a failure which is in many cases connected with high poverty rates and an accumulation of shortcomings. This measure and others like it mentioned in the NAPInclusión aim to reduce the high rates of school failure and to improve academic performance; their efficacy will have to be measured in 2011.

As for the **health system**, social exclusion occurs on account of social and institutional factors. The former play a key role in the efficacy of the system; so too do the latter since, for example, 5% of those below the poverty threshold (60% of mean income) (Guinea and Moreno, 2008; Navarro, 2005) claim not to be covered by the public health system, despite its universalisation. The NAPInclusion for 2008-2010 mentions, among other measures, social and health service co-ordination (in connection with mental health, dependent persons); in legal terms Cohesion and Quality Act 16/2003 should offer a response on this head, but in practice it is a task which falls unevenly to the Autonomous Regions and the town halls.

Finally, the role of the **personal social services** is crucial to the fight against exclusion because they compose the system which is closest to people in situations of poverty and vulnerability. This system has evolved greatly over the last 25 years. Now under the exclusive powers of the Autonomous Regions, the services it provides, on a part-public, part-private basis, are at the municipal level. If the sector employed 125,000 workers in 1996, last year (2008) it gave work to 360,000 (80% in the private, non-profit making sector). The diversity of legislation and programmes in existence mean the system is highly fragmented, with extremely low national co-ordination, unequal supply, and a system of social rights dominated by discretionality, although there is a clear trend in recent reforms to regional social service legislation towards recognising subjective rights in some benefits.

An overall summary of this system (Casado y Fantova, 2007; Casado, 2008) throws into relief some of the impediments to the achievement of efficacy in the fight against social exclusion. Firstly, the group of social service laws has a markedly universalist tenor but the rights they establish are “weak” and undermined by discretionality and rationing. The recent Social Protection for Dependency Act 39/2006 has established guarantees for subjective rights in relation to various dependency situations; in April 2009 there were 629,000 beneficiaries who need long-term care benefits. For its part, the capacity of the social service system to answer to certain demands (mental health) and to reach certain groups or exclusion situations (among others, severe poverty, prostitution, the homeless, children in marginal homes) which are catered for by publicly financed social action NGOs. Also to be highlighted is the uneven offer of services across groups and regions. The start-up of the dependency act has thrown into relief the imbalances in the supply of services. Lastly, the efficacy of the services is affected by variations in access requirements regarding duration of residence, selection scales and rules, differing assessments of family support, and different complementary payments for similar situations. All of this means that, despite its extraordinary growth and professionalisation, the system as a whole is characterised by an uneven supply of services, low levels of co-ordination with education, employment and health services, and institutional obstacles to global responses to situations of accumulated needs or acute social exclusion.

4. Conclusions

- a) This review of the coverage and efficacy of the Spanish minimum incomes system allows the following two main conclusions to be drawn:
- An **overall assessment of the Spanish income guarantee system** leads to the conclusion that Spain boasts a broad network of protective mechanisms with some holes in it and low protective intensity. The mechanisms particularly target women (who amount to around 70% of beneficiaries) and, generally speaking, exist side by side; that is to say, it is difficult, if not impossible, to make one compatible with another in order to achieve incomes above the poverty threshold. There is barely any relationship between the schemes, except for a few positive exceptions, namely, the possibility of passing from a non-contributory invalidity pension to employment, or the compatibility between social assistance unemployment benefit and part-time work. The need to co-ordinate the schemes and for there to exist flexible transit between minimum benefits and employment is a challenge that has yet to be faced—and admittedly a complex one in institutional terms—if the current “aggregate” of social assistance programmes is to be transformed into a coherent “system”.
 - The “generalist” nature of the activation activities has been responsible for their limited efficacy. For their part, the minimum income activation programmes have also had a negligible impact on the labour market, while there are no activities designed specifically for the groups at greatest risk. The reasons for this seem to have less to do with the presence of discriminatory processes than in the poor adaptation of these activities to the particular needs and features of the population experiencing difficulties. However the growing links between MIS and activation in Spanish labour integration schemes has opened the door to future developments in the fight against exclusion.
- b) In view of this analysis, our recommendations are for public policies which encourage the expansion, organisation and enhanced connection with activation policies and schemes with respect to the MIS, and which enhance service efficacy and bring them closer to groups in situations of risk or exclusion.
- As far as the **MIS are concerned**, progress should be made in three directions:
 - Expansion given that, despite the growth of the guaranteed income system in the 1990s, situations of non-protection persist either for want of an efficient information system or poor forward planning (in relation to, for instance, young first-time workers or exceptional situations). The creation by the Parliament of a Commission for the study of a ‘basic universal income last April 28 might constitute an opportunity to close the current system of social protection and to overcome the also present- day fragmentation.
 - Organisation and co-ordination. This report has everywhere reiterated the idea that, while the current patchwork of minimum benefits need not be made uniform since it responds to different social situations, it should be possible to attain a degree of convergence in regard of protective intensity with the result that the benefits gradually come to reach the thresholds of relative poverty. It is also necessary revamp social service unemployment benefits in order to foster flexicurity.

- Selective and feasible activation. Finally, the trend towards easing the transition from benefits to employment should be ongoing, though that does not mean that the former should be kept distant from the poverty threshold. This is the only way the unemployed or the disabled will be stimulated to switch from protection to employment. For their part, activation schemes need to be realist and adapted to the different groups at risk of exclusion. The lack of connection between minimum income and access to employment in the Autonomous Regions needs to be improved through co-ordination between the regions and public employment services.

- As far as the **efficacy of the services** is concerned, we have shown that the problem is not one of coverage but efficacy, except for the social services which need to grow more. While it is true that there are some lacunas in health and social services, the challenge facing the three services (health, education, social services) is to adapt to at-risk groups in order to improve equality and efficacy, enhance inter-service co-ordination in cases of social intervention, and reduce territorial imbalances in service supply and access requirements, imbalances which represent real obstacles to access and impair efficacy.

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ANNEX 1

MINIMUM INCOME OF AUTONOMOUS COMMUNITIES IN 2007

REGION	BENEFICIARIES	MINIMUM BENEFIT (1 person)	MINIMUM FAMILY BENEFIT (1)
Andalucía	18.838	353,77	570,6
Aragón	901	366,0	570,6
Asturias	6399	396,67	654,5
Baleares	1006	364,47	728,0
Canarias	2434	342,79	410,45
Cantabria	1850	399,36	624,0
Castilla-La Mancha	397	349,44	541,64
Castilla y León	2147	374,40	499,2
Cataluña	12.605	385,0	731,5
Ceuta			
Comunidad Valenciana	2470	364,5	428,5
Extremadura	473	374,4	534,16
Galicia	5723	374,4	546,1
Madrid	8681	340,0	499,2
Melilla	263	285,30	570,6
Murcia	286	300,0	636,0
Navarra	2269	456,48	741,78
Pais Vasco	36.004	585,62	832,13
Rioja	325	349,44	570,6
MEDIA	103.071	375,68	593,86

(1) Total number of beneficiaries in 2007 196.685

Source: "Informe rentas mínimas de inserción 2007". Ministerio de Trabajo y Asuntos Sociales 82008)

ANNEX 2

CONTRIBUTORY AND ASSISTANCE UNEMPLOYMENT REQUIREMENTS AND BENEFITS

+360 of contributions to Social Security	Age	Contributory Benefit time duration	Social asistense duración	Active Insertion Income
	Less 45 years without family charges	Between 120- 720 days		
	Less 45 years with family charges	Between 120- 720 days	Between 18 and 24 months	
	Higher than 45 years	Between 120- 720 days	Between 24 and 30 months	11 months
	Higher than 52 years	Between 120- 720 days	From 24 months until retirement	
Contributions between 180 and 359 days				
	Less 45 years without family charges		6 months	
	Less 45 years with family charges		21 months	
	Higher than 45 years without family charges		6 months	11 months
	Higher than 45 years with family charges		21 months	11 months

Source: INEM

ANNEX 3

SOCIAL PROTECTION AND SOCIAL INCLUSION IN WORKING PEOPLE WITH DISABILITY AND ROMA COMMUNITY ITINERANT SELLERS

	Working people with disability	Roma community: itinerant sellers
Social Benefits	Invalidity non contributory pensions	Regional Minimum Income
Activation requirement	Requirement in Active insertion income programme Activation promotion by legislation and NGO (CERMI)	Requirement in regional programmes Promotion by ONG
Plans for labour insertion	Estrategia Global de Acción para el empleo de personas con discapacidad 2008-2012	Plan for Roma People NAPinclusion
Institutional Actors	ESF Governments NGO Social Dialogue	ESF Government State Council for Roma Community
Sinergy between income and activation	Compatibility between invalidity assistance pension and employment from 2005 (Law 8/2005)	Low efficacy
NAPinclusion 2008-2010 targets	To increase employment rate in working people with severe disability	Integration of Roma itinerant sellers in self-employed Social Security Regime in 2009

Source: Own design