

POVERTY WATCH

SPAIN

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What is Poverty for you?

*"To live like this, without having a moment of tranquillity, is to lie down and say: Tomorrow I must pay this, the other... From here, I take this ...If I do not pay it, they are going to cut the electricity, for example, or they're going to come and cut the gas It's to live like this, **all the time with this thing here** (...). If I can get some extra money, soon I don't have it anymore. I cannot save even five euros. I spend them with one hand, and I must get another five euro, with the other.*

My children do not get to see all this. We never have what they want ... Debts eat everything, money barely enters, barely reaches my hands... and it goes rapidly to pay debts. And what I have is more mental fatigue and more nervousness, because working outside and inside the house is very hard ...

My children get it wrong. They say: Why always "no"? Can you ever say "yes"? Always is "no", ever...! And this ends in conflict and discussion, and not understanding each other ...

And that's how I am now, with physical and mental exhaustion."

María, 46 years-old, Madrid

1. INTRODUCTION

EAPN Spain is a network integrated by 8,000 NGO in every Spanish Autonomous Community and City, active since 2003. These NGOs are both locally based and from national scope. EAPN Spain develops several projects oriented towards sensitization, dissemination, and lobbying in favour of eradicating poverty and making people experiencing poverty voices heard and considered in policy-making, with a regional, national and European perspective.

In the Europe 2020 Strategy framework, the Spanish government set the target of reducing between 1,400,000 and 1,500,000 the number of people at risk of poverty or social exclusion, and a proportional reduction in the case of child poverty, before the end of 2019.

With two years to go by that date, the statistical evidence shows that no progress has been made in meeting these commitments. Although modest progress is being made, overall, it has fallen back on the initial scenario. It follows that significant changes will have to be made just in order to return to the initial situation, and even more significant social investment is needed to reach the target set by the 2020 horizon.

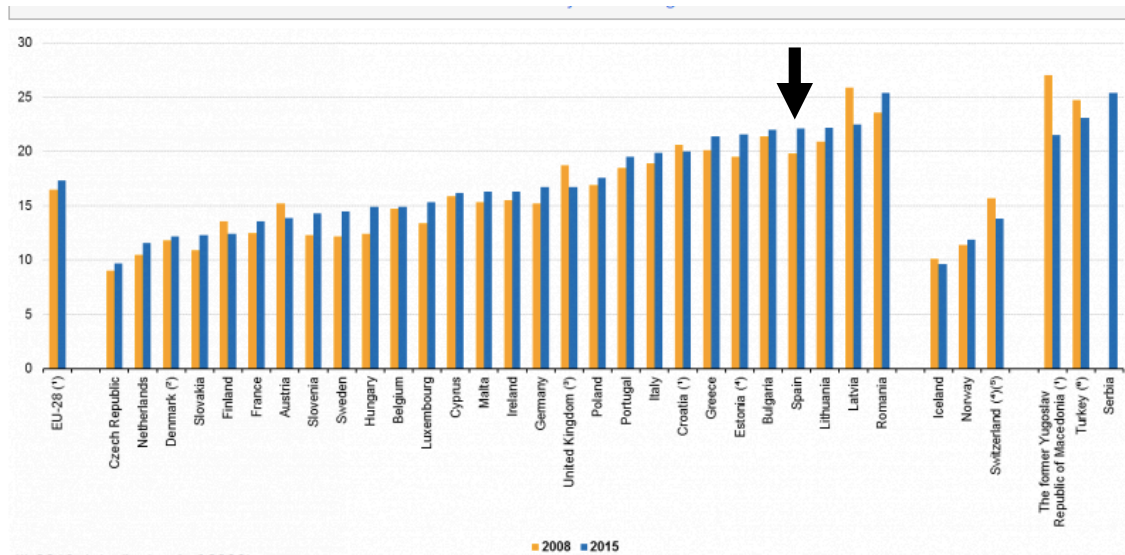
2. WHAT DO WE MEAN BY POVERTY IN THE EUROPEAN UNION?

2.1. POVERTY

People are considered at risk of monetary poverty when their equivalised disposable income (after social transfers) is below the at-risk-of-poverty threshold. This is set at 60 % of the national median equivalised disposable income after social transfers.

In 2015, 17.3 % of the EU population earned less than 60 % of their respective national median equivalised disposable income, the so-called poverty threshold. This represents a slight increase compared with 2008, when 16.5 % fell below this threshold. Most countries also experienced growth in the number of people below the monetary poverty line, regardless of whether they had low or high levels to begin with. **Increases were most pronounced in Hungary, Sweden and Spain**, with rises of between 2.3 and 2.5 percentage points. Croatia, Finland, Austria, the United Kingdom and Latvia were the exception, with monetary poverty in these countries decreasing by 0.6 to 3.4 percentage points between 2008 and 2015.

Figure 1. People at risk of poverty after social transfers by country 2008 and 2015 (EUROSTAT)



Source: EUROSTAT

2.2. SEVERE MATERIAL DEPRIVATION

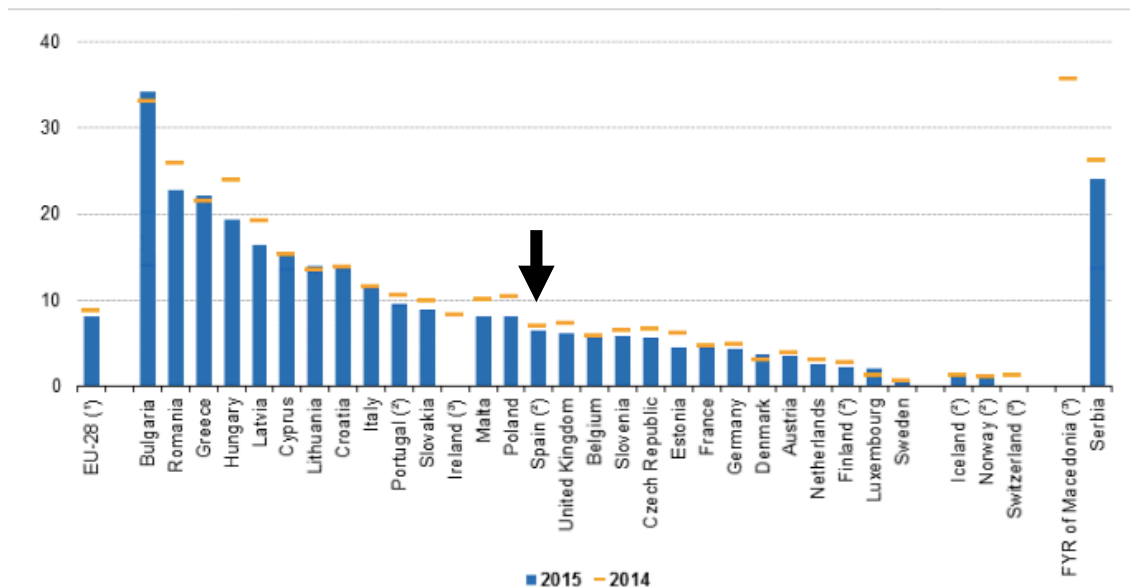
Alongside income-related measures of poverty, a broader perspective of social inclusion can be obtained by studying other measures, for example, those relating to material deprivation. An analysis of material deprivation provides a more absolute rather than a relative analysis, as used for income poverty. The definition of material deprivation is based on the inability to afford a selection of items that are considered to be necessary or desirable, namely:

- **having arrears on mortgage or rent payments, utility bills, hire purchase instalments or other loan payments;**
- **not being able to afford one week's annual holiday away from home;**
- **not being able to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day;**
- **not being able to face unexpected financial expenses;**
- **not being able to buy a telephone (including mobile phone);**
- **not being able to buy a colour television;**
- **not being able to buy a washing machine;**
- **not being able to buy a car;**
- **not being able to afford heating to keep the house warm.**

The material deprivation rate is defined as the proportion of persons who cannot afford to pay for at least three out of the nine items specified above, while those who are unable to afford four or more items are considered to be severely materially deprived.

Around one in six people in the EU was materially deprived. Spain is below the EU average.

Figure 2. Severe material deprivation rate, 2014–15 (EUROSTAT)



Source: EUROSTAT

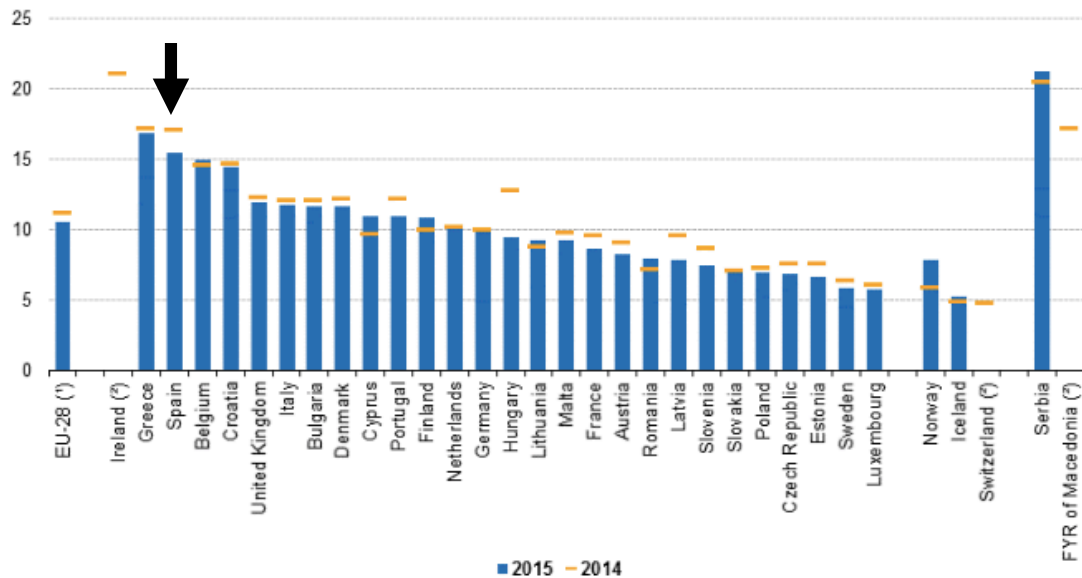
At EU level, single-person households with dependent children are classified as being the most severely materially-deprived. The same happens in Spain.

2.3. LOW WORK INTENSITY

People living in households with very low work intensity are defined as people of all ages (0–59) living in households where the members of working age worked less than 20 % of their total potential during the previous 12 months.

Following this definition, the proportion of people living in households with very low work intensity decreased in 2015 when compared with 2014 and accounted for about 10.5 % of the population. However, this rate varied between EU Member States. On the one hand, less than 7.0 % of the target population was living in households with very low work intensity in Poland, the Czech Republic, Estonia, Sweden and Luxembourg. In Iceland rates were also relatively low (5.2 %). On the other hand, **the indicator exceeded 14.0 % in Croatia, Belgium, Spain and Greece.**

Figure 3. People aged less than 60 living in households with very low work intensity, 2014–15 (EUROSTAT)



Severe material deprivation' and 'very low work intensity' are two out of the three components of the Europe 2020 Poverty and Social exclusion indicator. The third component is 'at-risk-of-poverty', and represents the monetary element of poverty and social exclusion. In 2015, there were:

51.2 million people in the EU-28 living in households that faced income poverty (but neither severe material deprivation, nor very low work intensity),

16.0 million people experiencing severe material deprivation (but neither of the other two risks),

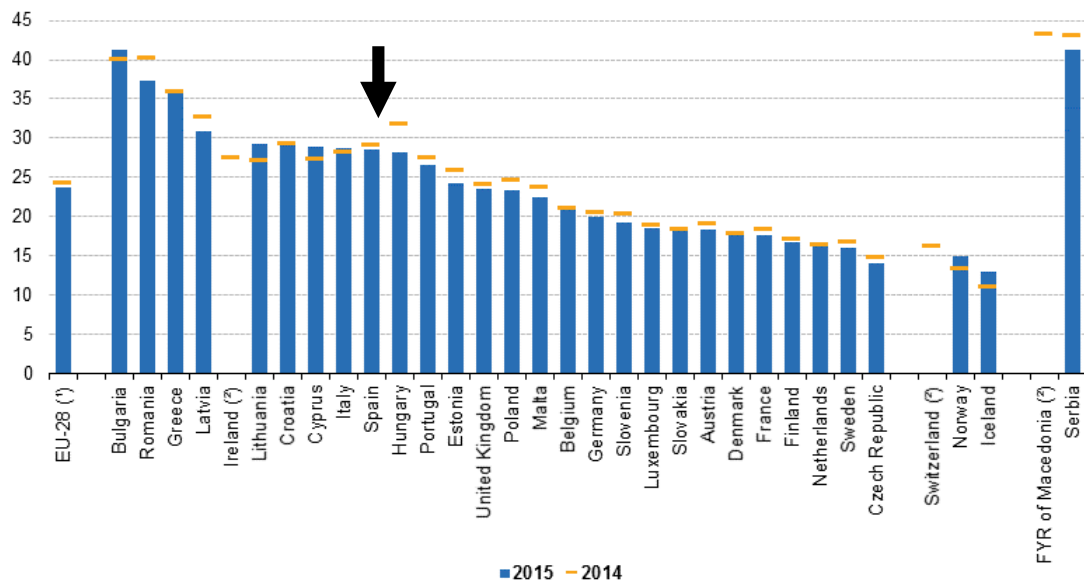
13.1 million people living in households with very low work intensity (but facing neither of the other two risks).

2.4. AT-RISK-OF-POVERTY AND/OR EXCLUSION

People are considered to be at risk of poverty or social exclusion if they face at least one of the three risks mentioned above (income poverty, low work intensity or material deprivation). 38.4 million of those at risk of poverty or social exclusion within the EU-28 faced a combination of two or even all three of these risks: 29.2 million people lived in households facing two of these risks and further 9.2 million people in households where all three risks were present. In 2015, 381.6 million

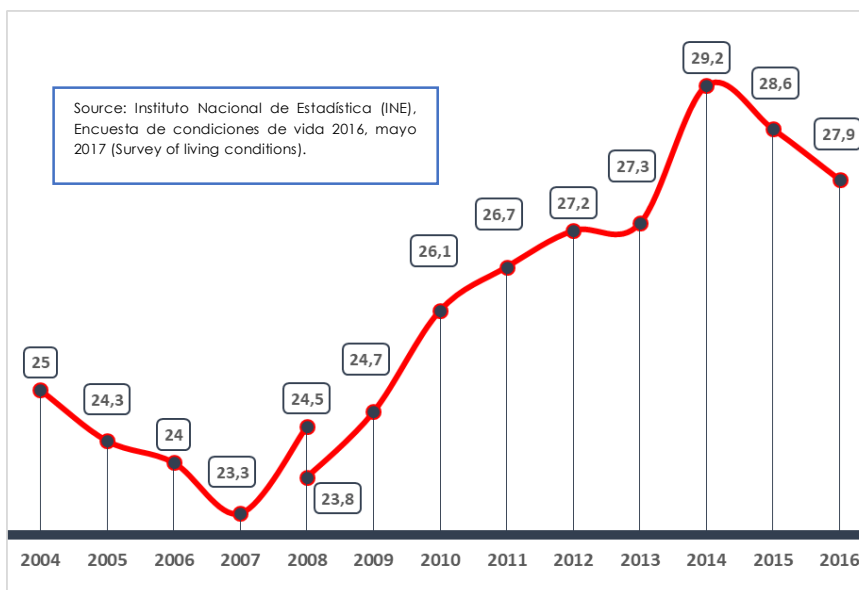
people faced none of the above-mentioned risks, which was a 1.1 % increase compared with the value in 2014.

Figure 4. At-risk-of poverty or social exclusion rate, 2014-15 (EUROSTAT)



3. WHAT IS HAPPENING TO POVERTY AND EXCLUSION IN SPAIN?

Figure 5. AROPE rate in Spain, 2004-2016

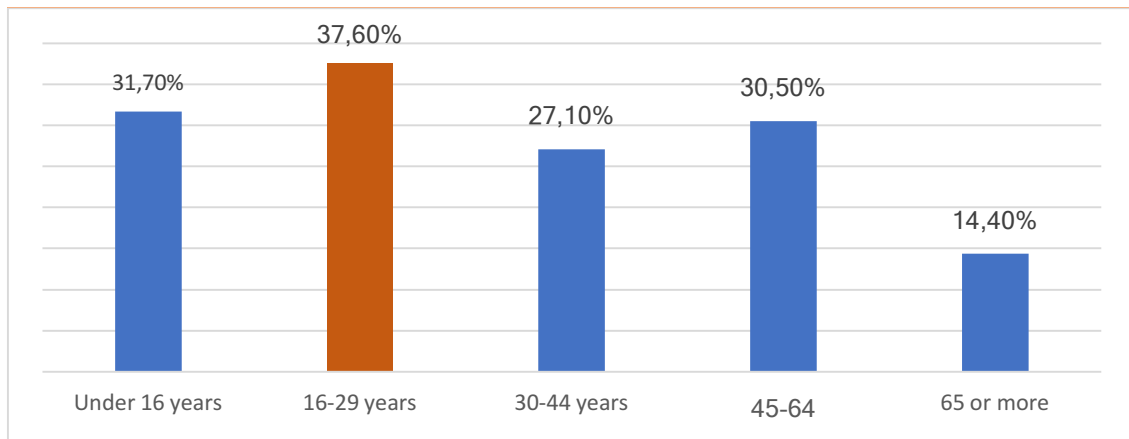


In the past year, the AROPE indicator has decreased by 0.7 percentage points (345,000 persons less), up to 27.9% of the population, affecting 12,989,405 people. It is the second year that there is a

reduction, although modest, of the indicator.¹

The risk of poverty and exclusion is similar among men (28%) and women (27, 9%). The most notable differences are among age groups. Those over 65 years have the lowest AROPE rate, with 14.4% (13.7% in 2015). The rate of adults between 30 and 64 in AROPE went down to 27.10% (28.5% in 2015). Young adults (16-29 years of age) have the highest rate, with 37.6% (36.4% in 2015). Children under 16 have the second highest rate, with 31.7% (33.4% in 2015).

Figure 6. AROPE rate in Spain, by age, 2016



Source: Instituto Nacional de Estadística (INE), Encuesta de condiciones de vida 2016, mayo 2017 (Survey of living conditions).

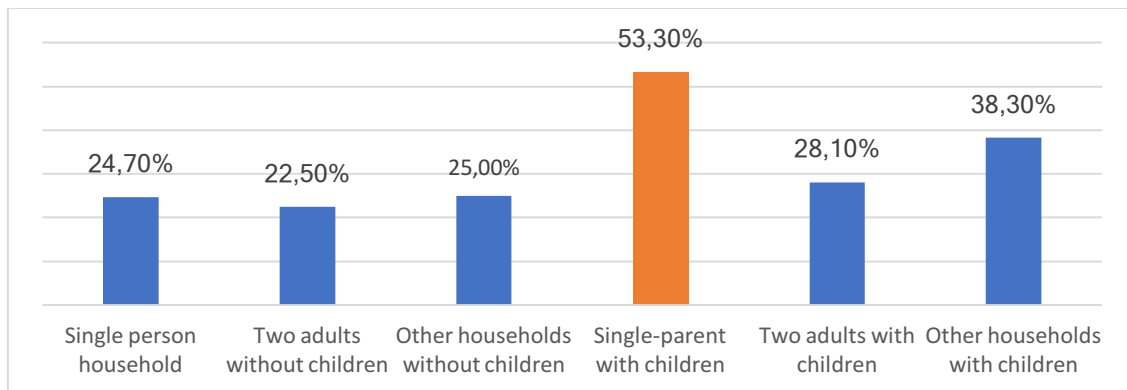
People living in households with children have AROPE rates up to 30 percentage points higher than those living in households made up only of adults.

In Spain, there are 1,541,7000 households with a mother and her children, in front of 355,700 with a father and his descendants, according to the National Institute of Statistics (INE). That is: 81.3% of single-parent households are really "single-mother". In the case of mothers, 38.5% are widows, 36.4% are separated or divorced, 13% are single and 12% are married. In two out of three of these households the parent lives with only one child.

50.1% OF SINGLE-PARENT HOUSEHOLDS WITH 1 OR MORE CHILDREN / DEPENDENTS ARE IN AROPE, A FIGURE THAT DROPS TO 28.5% IN HOUSEHOLDS WITH TWO ADULTS AND CHILDREN IN CHARGE.

¹ The AROPE indicator, and two of its sub-indicators "Relative Poverty" and "Low Work Intensity", correspond to the year 2015. "Severe Material Deprivation" corresponds to 2016. It betters the 2015 situation due to the change in social policies, after the regional elections and due to some changes of the State administration, like the Social Bonus, which alleviated the situation of people in energy poverty. Therefore, the AROPE rate reflects the situation of Spain *in the past two years*.

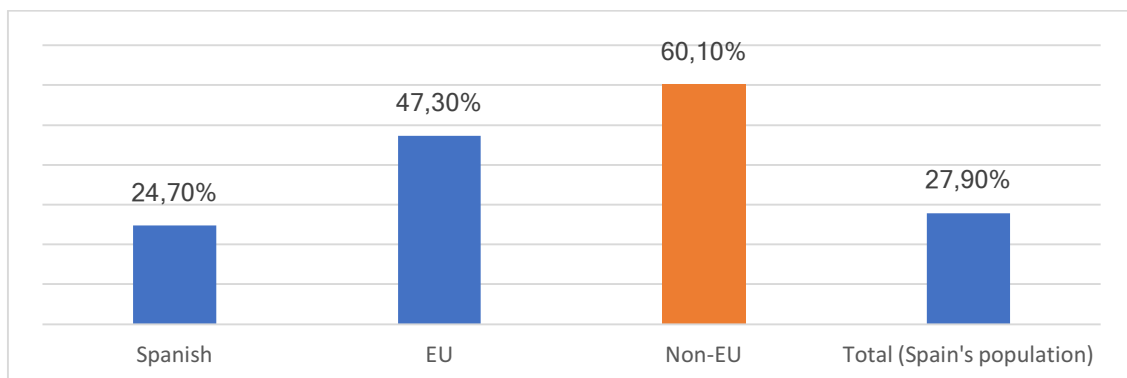
Figure 7. AROPE rate in Spain by Household, 2016



Source: Instituto Nacional de Estadística (INE), Encuesta de condiciones de vida 2016, mayo 2017 (Survey of living conditions).

Non-EU population's AROPE rate is still the highest, although it dropped from 63.9% to 60.10% between 2015 and 2016. The EU residents have the second highest rate, which peaked from 40.2% to 47.30% in the last year. The Spanish population got a rate of 25.5% in 2015 and of 24.70% in 2016. Despite these figures, it is important to remark that foreign population in Spain does not exceed 12% of the total, so that although the rates of AROPE are high in these groups, this fact has a reduced overall weight.

Figure 8. AROPE rate in Spain, by Origin, 2016

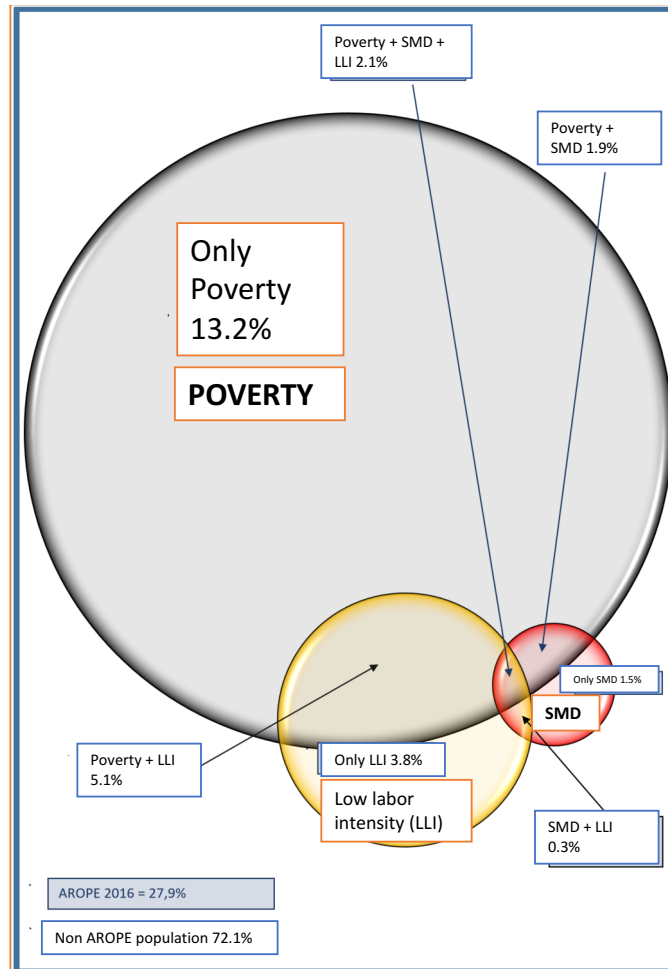


Source: Instituto Nacional de Estadística (INE), Encuesta de condiciones de vida 2016, mayo 2017 (Survey of living conditions).

The following diagram shows intersections representing the groups that share two or three AROPE components, and those suffering a single factor.

A 2.1% of the population is suffering the three factors that make up the AROPE (2.2% in 2015): Low-employment or unemployment, poverty and severe material deprivation (SMD). It is 1,025,736 people in the worst possible economic and social situation.

Figure 9. AROPE sub-indicators in Spain, 2016



Source: Instituto Nacional de Estadística (INE), Encuesta de condiciones de vida 2016, mayo 2017 (Survey of living conditions). This Figure was elaborated by Juan Carlos Llano (2017), 7º Informe EL ESTADO DE LA POBREZA. La recuperación asimétrica. Seguimiento del indicador de riesgo de pobreza y exclusión social en España, 2008-2016. Madrid, EAPN-ESPAÑA

Poverty is the most important component in the AROPE indicator. As shown in the diagram, living under the poverty line has consequences in terms of material deprivation and dissatisfaction of needs that are considered basic (PMS). Another important fact is that there is a direct correlation between being poor and living in a home in unemployment. This leads to argue that, apart from solving the issue of lack of employment (BITH), it will be necessary to fully address the difficulties of material deprivation and insufficient income, by economic and social complementary policies

3.1. POVERTY

Despite the macroeconomic recovery, poverty affects 22.3% of the population, which is equivalent to 10,382,000 people. That is, this indicator is not being "sensitive" to the economic improvement. Since 2008, the number of people at-

risk-of-poverty has increased by more than 1,242,000. This trend makes it almost impossible to achieve the poverty reduction target set under the Europe 2020 strategy.

Poverty has increased for all the Spanish population and particularly for women, for people over 65 years old, for single-parent households, for foreigners from the European Union, for those who are in unemployment, for those with only primary education.

SEX

- Men have somewhat higher rates of relative poverty since 2009, reaching 22.6% in 2016 (22.1% in the case of women).

AGE

- The group of young adults between 16 and 29 is the most affected, with 29.6%. The second group is formed by children under 16, which reaches 28.8%.

ORIGIN

- 52.1% of the non-EU population and 40.3% of the EU residents are the two groups with the highest rates.

EDUCATIONAL ATTAINMENT

- Poverty reaches 29.2% of those with the first cycle of secondary education and 26% of those with primary education.

ECONOMIC ACTIVITY

- 48.5% (44.8% in 2015) of the unemployed and 25.7% (21% in 2015) of the "inactive" are the groups most affected by poverty.

RETIRED AND PENSIONERS

- Some 4,716,000 pensions, half of the total, are below the poverty line (below € 684 per month per a single person household): 40% of retirement pensions, 70% of widow's pensions and almost 90% of orphanhood pensions.

TYPE OF HOUSEHOLD

- 42.2% of single-parent families are in relative poverty. So is 30.6% of other households with dependent children.

The rate of in-work poverty (not exceeding the poverty line, despite having a job) has slightly reduced, from 14.8% in 2015 to 14.1% in 2016.

3.1.1. SEVERE POVERTY

Approximately 6.4% of the population, more than 2.9 million people, live in severe poverty (living in households whose total income per unit of consumption is less than 4,104 € to year (342€ per month)).

The recent trend is slightly positive because it has been reduced by 1.2 percentage points in the last year, albeit with a territorial variation ranging from 2.3% in Cantabria to 13.6% in the Canary Islands. In this last year, the poverty rates have been reduced in Galicia, Cantabria, Basque Country, Madrid, Castile and Leon, Castilla-La Mancha, Catalonia, Valencia, Balears, Andalusia, Murcia and Ceuta, and they have increased in the rest: Asturias, La Rioja, Aragón, Extremadura, Navarra, Canarias and Melilla.

3.2. SEVERE MATERIAL DEPRIVATION

The severe material deprivation rate has dropped to 5.8% (6.4% in 2015), affecting 2,600,000 people.

SEX

- The severe material deprivation rate is 6.2% for women, and 5.3% for men (the average is 5.8%).

AGE

- The group of children under 16 no longer has the highest rate, with 6.8% (was 9.9% in 2015). Now, the group most affected is young adults, between 16 and 29 years, which remains with 8.4%.

ORIGIN

- 20% of the non-EU population and 12% of the EU residents are the two groups with the highest rates.

HOUSEHOLD

- 12.2% (13% in 2015) of single-parent families suffer severe material deprivation, more than twice as many households with children and two adults (5.3%) and four times more than households with two adults without children 3.7%).

Single-parent households are in the worst situations of material deprivation in almost all observed items. Some examples:

- 55.6% cannot afford to go on holiday at least one week a year.
- 16.6% cannot afford to maintain the housing with a suitable temperature.
- 61% cannot handle unforeseen expenses.
- 17.4% had delays in paying expenses related to the home (mortgage or rent, gas bills, community ...) in the last 12 months.

3.3. LOW WORK INTENSITY (LWI)

14.9% of the population aged 0-59 (5,265,263 people) live in households with very low employment (LWI). It was 17.1% in 2014 and 15.4% in 2015.

The intensity of work per household is defined as the ratio between the number of months actually worked by all household members and the total number of months that, in theory, a maximum of all working-age people in the household could work. The indicator covers people aged 0-59 living in households with an employment intensity of less than 0.2.

SEX

- The incidence is similar for men (14.9%) and women (14.8%).

AGE

- The most affected age group is the 45-64 age group (20.1%), followed by the 16-29 age group (17.6%).

3.3.1. LOW QUALITY, PRECARIOUS JOBS, IN-WORK POVERTY

According to a European Parliament Report (2017): "The financial crisis and its aftermath has been one driver affecting risk of precariousness in Europe. As employers and employees find themselves operating in a more competitive and uncertain context post-crisis, new hirings have increasingly taken place based on temporary and marginal part-time contracts. Jobseekers have accepted these contracts, as the alternative would be continued unemployment. This rise in atypical contracting has meant that job insecurity has increased significantly in some countries, such as Portugal, **Spain**, Ireland, Latvia and Greece, involuntary temporary work has increased significantly in Ireland, but also in Latvia and involuntary part-time working has increased significantly in Italy, Lithuania, **Spain**, Ireland, Latvia and Greece. Eurofound also finds that the financial crisis has had a significant negative effect on working conditions in Europe. Further, lower levels of funds have been available for enforcement services in Member States, with the result that abuses of employment relations, such as non-compliance with labour legislation or collective agreements, may be going undetected.

Labour market regulation is also a key factor affecting risk of precariousness. Labour markets that afford protection to workers in the areas of working conditions, protection against discrimination and dismissal, access to social rights and to collective rights are likely to have a lower overall risk of precariousness than those which do not. However, there is a risk towards an increasingly dualised labour market (e.g. in **Spain** and France) where high levels of employment

protection for 'insiders' are accompanied by high and rising levels of fixed-term contracts for new hirings."²

According to the Labor Force Survey (EPA) for the first quarter of 2017, Spain has 4,255,000 unemployed persons and an unemployment rate of 18.75%. Long-term unemployment remains a problem: 44% of the unemployed have been out of a job for more than a year.

THE NUMBER OF HOUSEHOLDS WITH ALL THEIR MEMBERS UNEMPLOYED REACHES 1,394,700; ONLY 55% RECEIVE BENEFITS. HOUSEHOLDS WITHOUT INCOME ARE 648,300.

The activity rate is the lowest since 2006, with 18,348,300 people employed and a decline in the active population: the activity rate is at 58.78% (1.42 percentage points below the rate of the first quarter of 2011, which was 60.2%). Among men, it is the lowest (64.62%) since the beginning of the historical series. It is especially noteworthy among young people aged 16 to 24, who have gone from a rate of 44.4% in 2011 to another ten points lower, 35.5%. As we explained before, there are 1,118,400 NI-NI (NEETS) - young people between 16 and 29 years old - who neither study nor work.

The activity rate is also very low among the lowest educational levels: Illiterates (11.5%), incomplete primary studies (12.5%) and primary education (25.6%). There is a greater activity from the first stage of secondary education (60.5%); Second stage of secondary education (60.7%); Second stage of vocationally oriented secondary education (76.6%); and higher education (80.5%).

Among employed persons, **the temporary employment rate reaches 25.75% of the employed population.** This circumstance negatively affects the ability to have sufficient income in households, over time.

Working poor rates in Spain are among the highest in Europe, partly due to the increase in precarious forms of employment. The main social policies pertain to unemployment and non-contributory pensions for elderly and disabled people, while transfers directed at households with economically active members have less importance. Social dialogue is predominantly successful in topics such as retirement, unemployment and dependency; however, it focuses less on in-work poverty. Labour reforms of 2011 and 2012, plus other regulations, helped employers to lay off their workers easily and at very low costs. High and sustained unemployment rates add up to a lowering of labour conditions and wages. Youth and women were the most hired under these circumstances. During the

² Directorate General for Internal Policies (2016), Precarious Employment in Europe: Patterns, Trends and Policy Strategies. IP/A/EMPL/2014-14 PE 587.285. Available at [http://www.europarl.europa.eu/RegData/etudes/STUD/2016/587285/IPOL_STU\(2016\)587285_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2016/587285/IPOL_STU(2016)587285_EN.pdf)

last 5 years, the Spanish government promoted an internal devaluation in order to boost exports, based on very low wages and extreme flexibility in hiring.

The European Commission Report on Spain of 2017 diagnosed:

“The widespread use of temporary contracts may impact negatively on the social situation and hinder productivity growth. Spain has one of the highest shares of employees on temporary contracts in total employment in the EU. Many of these contracts are of very short duration. The widespread use of temporary contracts may harm productivity growth, including through lower on-the-job training opportunities. Too often, temporary jobs fail to be a stepping stone into stable careers and might be associated with poorer working conditions and higher poverty risks. The recent labour market reforms seem to have a mildly positive effect in reducing segmentation between permanent and temporary contracts, but some aspects of the labour law may still create an incentive to hire on temporary contracts.”³

POVERTY AND PRECARIOUSNESS ARE INCREASINGLY CONCENTRATED IN TRADITIONALLY AT-RISK GROUPS, AFFECTED BY GROWING DIFFICULTIES, AND WITH GREATER SEVERITY IN HOUSEHOLDS WHERE ALL THEIR ADULT MEMBERS ARE UNEMPLOYED, OR OCCUPIED IN UNSTABLE, PRECARIOUS WORK.

IT IS INCREASINGLY EVIDENT THAT THE TYPE OF EMPLOYMENT GENERATED IN THE LAST TWO YEARS EITHER DOES NOT REACH THESE GROUPS, OR REACHES THEM IN CONDITIONS THAT MAINTAIN OR CONSOLIDATE THEM IN POVERTY AND EXCLUSION.

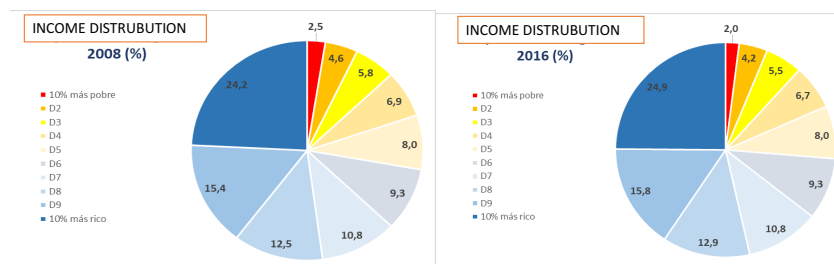
3.4. INEQUALITY

Regarding the income ratio S80 / S20, in Spain the total income received by the 20% of the population with higher incomes is 6.6 times higher than that received by the 20% with lower incomes. THIS FIGURE OF 6.6 IS ONLY SURPASSED BY ROMANIA AND MACEDONIA IN THE EU: THE REMAINING MEMBER STATES HAVE LOWER LEVELS OF INEQUALITY.

The richest 10% of the population gets about the same total income of half the population.

³ European Commission (2017), COMMISSION STAFF WORKING DOCUMENT
Country Report Spain 2017
Including an In-Depth Review on the prevention and correction of macroeconomic imbalances
<https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-report-spain-en.pdf>

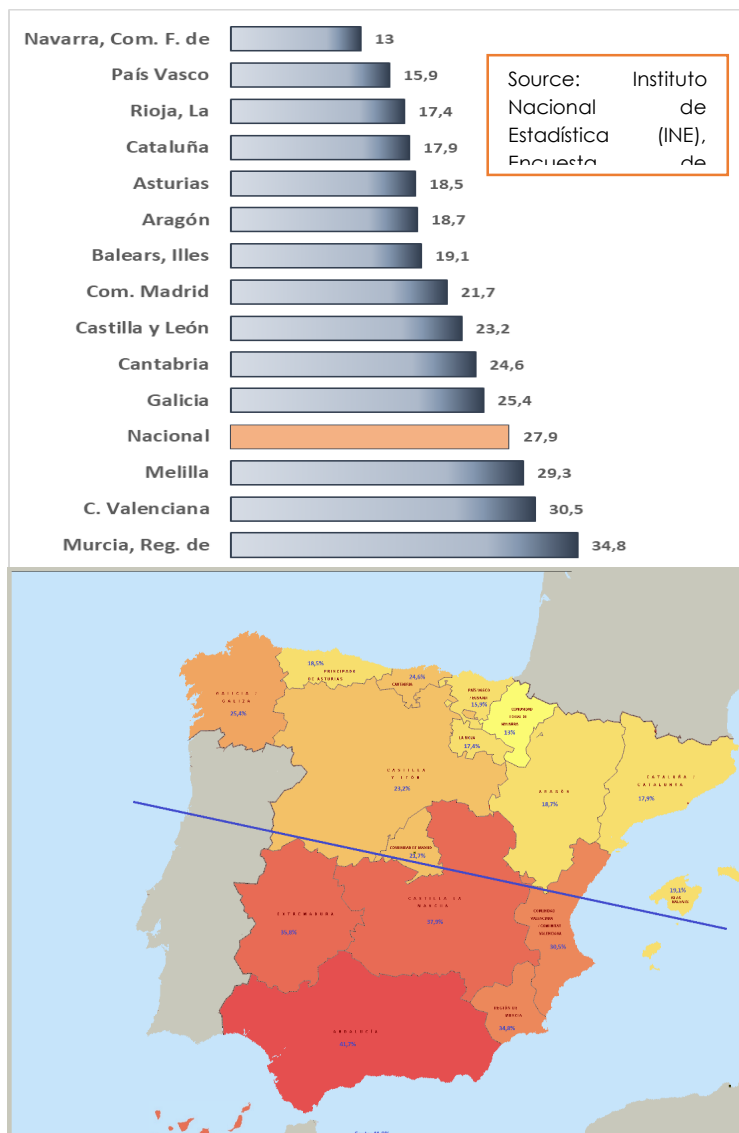
Figure 10. Income distribution in Spain, in 2008 and 2016



Source: Juan Carlos Llano (2017), Loc. Cit., based on INE.

Considering the Gini Index, there is a slight decline since 2014, but the indicator is still very high: 34.5. This places Spain nearly four points above the European average, only surpassed in this measure of inequality by Serbia, Lithuania, Romania, Bulgaria, Latvia and Estonia.

3.5. TERRITORIAL ANALYSIS



The Autonomous Communities of Navarra, Basque Country, La Rioja and Catalonia have AROPE rates significantly lower than that recorded for the country average. On the other hand, the Canaries, Ceuta, Andalusia and Castilla-La Mancha obtain the highest rates. Between the two groups, the risk of poverty and / or exclusion rates for the other ten regions are distributed homogeneously along the scale.

According to the AROPE, the map of Spain is divided as shown in the following map.

AROPE developments in the last year shows that the small decline

recorded in the last year (0.7 percentage points) is not distributed equally throughout the Spanish geography. AROPE rate was reduced in the following Autonomous Communities: Balearic Islands, Asturias, La Rioja, Murcia, Basque Country, Catalonia, Valencia, Andalusia, Galicia and Castilla y León and the Autonomous City of Melilla. AROPE rates remained in Navarre and the Autonomous City of Ceuta. By contrast, AROPE increased in Extremadura, Castilla La Mancha, Aragon, Madrid, Canary Islands and Cantabria.

3.5.1. INEQUALITY AT TERRITORIAL LEVEL

The average Spanish income was €10,708 yearly in 2016, a figure which is not at all representative of the national reality, with differences of up to € 6,000 between some Autonomous Communities. The highest amounts belong to the Basque Country and Navarre, €14,345 and €13,408 respectively. Middle incomes are in Catalonia, Madrid, Baleares and Asturias, with figures between €12,000 and €13,000. On the other hand, the lowest are registered in Murcia and Andalusia, with average incomes around €2,400 below the national average, and Castilla-La Mancha, Canaries and Extremadura, with average incomes almost €2,000 lower.

Highest levels of inequality (S80 / S20) correspond to the regions of Andalusia, Catalonia, Murcia and the Canary Islands, with coefficients between 5.94 and 8.12. In contrast, the communities of Asturias, Cantabria and La Rioja have the lowest values. Regarding its evolution between 2008 and 2016, the Autonomous Communities of Asturias, Cantabria, La Rioja and Valencia have reduced their inequality and the largest increases correspond to Catalonia, Murcia and the Canary Islands.

4. WHAT NEEDS DO THE PEOPLE IN POVERTY HAVE?

The people in monetary poverty face worse living conditions with insufficient needs satisfaction. In 2016, the Survey of Living Conditions included a specific battery of questions on these topics:

- **Income:** 37.7% of people in poverty live in households which make ends meet with great difficulty; this figure is almost four times higher than that recorded among the non-poor (27.6% do it with difficulty, 22.4% with some difficulty, 9.9% with some ease and 2.4%, with ease or much ease).
- **Care:** 18.3% of the population living in poverty cannot replace their damaged clothes with new ones.
- **Sociability:** 25% cannot meet their friends or family to eat or have a drink at least once a month.
- **Digitization:** 20% do not have a home computer and 17.5% do not have a home or mobile internet connection.
- **Mobility:** 16.6% do not have a car.

- **Nutrition: 8.2% cannot afford a meal of meat, chicken or fish at least every other day.**
- **Support network: 6% have no possibility to ask for help, if needed, to relatives, friends or neighbors.**

For all these items, the percentage of people who are not in poverty and cannot satisfy these needs is less than 5%.

In relation to housing, people in poverty have a lower percentage of home ownership and, paradoxically, **most of them must pay housing rents at market prices**, in percentages higher than the rest of the population.

They live in worse environments: Problems of outdoor noises, lack of light, leaks and rotting on walls and floors and contamination and / or dirt in the environment affect poor population, in percentages ranging from 13% to 27%. 70% of poor households cannot afford to replace old or damaged furniture.

With respect to the state of mind of the people in poverty (percentage that are "always" and "almost always" ...) and comparison with the rest of the population, the following values are appreciated:

- **Especially tense: 25% (rest, 19.4%)**
- **Feeling so low in morale that nothing could encourage him/her: 14.4% (rest, 9%).**
- **Being discouraged and depressed: 15.4% (rest, 9.3%).**
- **Being happy: 56.6% (rest, 64.8%)**
- **Being calm: 48.7% (rest, 56.6%).**

The set of factors makes people in poverty have a lower degree of satisfaction "with their life" (from 0 to 10): 6,22 (rest, 7,04) and, particularly, a much lower degree of satisfaction "with the economic situation in your home" (from 0 to 10): 4.44 (rest, 6.07).

4.1. GENDER INEQUALITY AND POVERTY

There is evidence that women have been more affected by poverty and social exclusion, reflected for example in the AROPE rate of households composed of a woman with 1 or more children (single-parent families), but also because they have the highest pensions low, in particular those of widowhood. The gender pay gap, the lower female employment rate, the lower participation and social mobility, the greater inactivity due to family responsibilities are other realities behind the female face of poverty.

The European Institute for Gender Equality of the EU, through its Gender Equality Index, points out that European women, on average, with an indicator of 54, are 46 points away from achieving equality with men. Sweden and Denmark, with 74.3 and 73.6 respectively, are the closest. Since 2005, Spain has made progress

in the field of gender equality in most of the dimensions of the gender equality index, and the score has ultimately surpassed the EU-28 average. However, with a global score of 53.6 out of 100, the country continues to face many challenges, also in the dimensions that have recently found the most significant progress, such as "time" and "power".

EIGE notes that the "work" domain (score: 69 in Europe and 59.6 in Spain) reveals that women are still less likely to participate in the labor market than men. The overall employment rate of Spanish women (55%) is well below the target of Europe 2020, which accounts for an active adult population (20-64 years) of 75%. However, the traditional employment rate accounts for the number of people with a job, and masks the tendency of women to work part-time. When the number of hours worked is taken into account, the full-time equivalent employment rate of women falls to 35% in Spain.

The area corresponding to "money" (score of 68.9 for Europe and 59.7 for Spain) confirms that women are economically disadvantaged. In Spain, although the level of income has risen and progress has been made in alleviating the gender gap, women continue to face greater difficulties in accessing financial resources. They earn, on average, 19% less than men, and have a lower income, including pensions. There has been a deterioration in the sub-dimension of the "economic situation", as the inequalities between the richest and the poorest have increased, as does the risk of poverty.

As regards the scope of "knowledge" (score of 48.9 for Europe and 53.4 for Spain), the low score indicates that gender segregation in knowledge management is still high. Although it is lower in Spain than in the European average, it has fallen since 2005, as a result of the persistent segregation in the choice of fields of study by women and men, as well as the stagnation in the participation of adults 15 to 64 years of age) in lifelong learning activities, in the field of formal and informal education and training.

The scope of "time" (score of 38.8 in Europe and 33.5 in Spain) shows that women are more responsible for reproductive activities than men, in a determinant way. Since 2005, men spend more time caring for children and grandchildren, as well as cooking and doing housework. However, women continue to take on much more responsibility in caring for their family (85% women, compared to only 36% of men, performed domestic activities for at least one hour a day).

The inequality in the allocation of time for the provision of care at home usually affects the time spent in social activities. The time spent by both women and men in leisure, cultural and sports activities has declined drastically, although women continue to spend less time than men on such activities. During the economic crisis, there has been a decline in social spending that has recently stabilized, but the 2008 levels have not yet recovered. The reproductive work of

families and, especially, of women have offset the cuts in social spending, or the privatization of previously free services, particularly in the area of care.

These circumstances have led to a reversal of traditional gender roles. Those responsible, most of them women, were forced to leave or reduce their paid work to carry them out. For example, in Spain, family leave exceedances increased from 3,332 per year in 2005 to 9,369 in 2015. In 2005, the percentage of women who requested leave was 84.42 per cent, and ten years later it remained almost the same, with 84.58%.⁴

The double tension of maintaining and / or obtaining a job in the market, plus having responsibilities not shared within households (together with the reduction of the role of the State as a provider of social services) has accentuated gender inequality. Unequal family responsibilities, the rising rate of single-parent households, and fiscal consolidation policies that have reduced access to care services not only create disadvantages in the labor market for women, but would also explain the demographic trend to having a low birth rate of 1.58.

Finally, the domain of "power" (score 38 in Europe and 47.8 in Spain) identifies very low levels of equality in decision making, particularly in the economic area. Long working hours and physical presence in the workplace, coupled with traditional masculine leadership styles and a lack of transparency in recruitment and promotion practices, give men an advantage and reinforce gender inequalities.⁵

4.2. WHAT IS HAPPENING WITH NEETS?

After increasing by 5.5 percentage points between 2008 and 2013, the percentage of NEETS peaked in 2013 (22.5%) and has since declined by 3.1 pp. until 2015 (19.4%).⁶ This reduction has been much higher among young people with lower secondary education (-2.1 p.p.) than among those with a higher secondary education (Baccalaureate or Vocational Training) (-0.5 p.p.) or tertiary level (-0.4 p.p.). The decline has been more pronounced among young males (-3.6 p.p.) than among young females (-2.4 p.p.). And more among 20-24 year olds (-4.1 p.p.) than among 15-19 years old (-1.3 p.p.) or 24-29 (-2.7 p.p.). Spain is the fifth EU-28 country with the highest NEET rate, only after Bulgaria, Romania, Greece, Italy and Croatia.

⁴ Ministerio de Empleo y Seguridad Social. Excedencia por cuidado de familiares <http://www.empleo.gob.es/es/estadisticas/contenidos/anuario.htm>

⁵ <http://eige.europa.eu/sites/default/files/documents/MH0113513ENC.PDF>

⁶ The term to refer to NEETs (Not in Employment, Education or Training) is Ni-Ni. This term has acquired certain pejorative connotation, as it blames the youth for their situation, for having left the studies ("when they gained more than their parents, working in the construction") or for their alleged passivity. In fact, most of these people reject this "Ni-Ni" term.

Already in 2009 unemployment among the youngest NEET group (15-19 years) began to decline in absolute terms (number of people), albeit irregularly. Then, given the impossibility of accessing a job, many returned to education or training. Unemployment in the other two age groups (20-24 and 25-29) took longer to be reduced, starting the fall at the end of 2013, shortly before adult unemployment and with slightly more intensity. The decline has been more pronounced among young males (-3.6 p.p.) than among young females (-2.4 p.p.). And more among 20-24 year olds (-4.1 p.p.) than among 15-19 year olds (-1.3 p.p.) or 24-29 (-2.7 p.p.). Spain is the fifth EU-28 country with the highest NEET rate, only after Bulgaria, Romania, Greece, Italy and Croatia.

Unemployment among the youngest NEET group (15-19 years old) began to decline in absolute terms (number of people), albeit irregularly, already in 2009, when, due to the impossibility of accessing a job, many returned to education or training. Unemployment in the other two age groups (20-24 and 25-29) took longer to decline, starting the fall at the end of 2013, slightly earlier than adult unemployment and with slightly more intensity. This reduction has concentrated on the less qualified young people, and reflects again the decline in labor market participation to get into education or training. It would also reflect the effect of young people who have emigrated to other countries seeking employment and who are disappearing from the active population. Because of all this, today half (49%) of the unemployed youth in Spain just counts with secondary education level.

By the end of 2016, the unemployment rate of the youngest cohort (15-19) was the highest in the EU28 with 54.7%; and those of the older age groups were the second highest, only after Greece, with 39.3% among 20-24 year olds and 23.9% among 25-29 year olds, according to Eurostat.

This reduction in youth unemployment is not due to the increase in employment for young people, but to the reduction of the working population and the young population. In fact, while unemployment among 16-29 year olds has declined by 382,000 in 2013-2016, youth employment has only increased by 21,000. This apparent inconsistency is explained by many young people, especially the least qualified, who leave the labor market. On the contrary, it is the most qualified youth who are having some access to jobs, albeit in a very small amount. In general, the employment growth experienced by the Spanish economy since 2014 is not benefiting the youth.

On the other hand, the working conditions of young employees have deteriorated substantially with an increasing proportion of temporary contracts and a decrease in wages. According to Bentolila et al. (2016), by 2014 the economic conditions for new hires, which mainly affect young people, had dropped to the level of the early 1990s. In addition, there are large regional

disparities in the recent reduction in youth unemployment, as well as in the slight creation of youth employment since 2014.⁷

4.3. WHAT ARE THE CHILDREN'S NEEDS?

Despite the economic recovery in Spain, the strong representation of the children among the people who are most suffering the impact of the crisis is cause for constant concern. The risks of social exclusion arising from the impoverishment of families are not only important because of the effects of deprivation on personal development, but also because they are the channel for the intergenerational transmission of poverty and for the increase of inequality.

The crisis has meant "a before and after" in the lives of many boys and girls in Spain. In 2016, the Spanish Red Cross carried out an investigation to study the situation of children in conditions of vulnerability assisted by the institution. They are about 100,000 throughout the country. For the research, 5,195 children between 8 and 14 years old were interviewed. **Most of children associate the economic crisis with unemployment (the percentage of households in which no adult has a job is well over a third), "not having enough money to live well," and poverty.**

Children live in a deficient context in terms of food and housing inadequacy. They have fewer belongings and school equipment than children who are not in poverty. They suffer from deficiencies in cultural, sports and leisure facilities in the neighborhoods. These economic and family circumstances condition a weak academic development. They also experience situations of discrimination, harassment or violence, either as victims or as actors, based on origin, poverty or sexual identity.⁸

Only 43.7% of children under 3 years of age attend child care centres, of which more than half (54.6%) pay these services in full, while for 22.2% they are free. 22.5% of families have difficulty or much difficulty in caring for their children under the age of 12 and 22.5% admit that they can do so with some difficulty. In total, the accumulated share is 45%. In addition, 21% indicate that they would like to use such care services, and 7 out of 10 indicate that they cannot afford it or there are not enough available places.

⁷ Elvira González Gago (2017), El acceso de la juventud en situación de exclusión a los Programas de Empleo Juvenil. Madrid, EAPN ES. This analysis is based on EUROSTAT data.

⁸ Cruz Roja Española, Boletín sobre Vulnerabilidad Social Nº 13, La situación de la Infancia. Lo que dicen las niñas y los niños. Septiembre, 2016. <http://www.cruzroja.es/principal/documents/449219/1697460/RESUMEN+EJECUTIVO+vs+final.pdf/6c48e9c0-5e82-40e0-9f26-6040a270c73b>

The situation of children is particularly serious, as there is an alarming number of children under the age of 18 who are at risk of poverty and social exclusion. Particularly extreme is the case of single-parent households with children, with an AROPE rate of 53%, 4 points above the European average. Households with children are the poorest.



At home I am fine, but my parents don't work and now... my sister was born.

En mi casa estoy bien pero mis padres no trabajan y se ha nacido mi hermano

Problemas de hambre

Hunger issues

4.4. QUOTES FROM PEOPLE EXPERIENCING POVERTY



These quotes belong to people experiencing poverty who attended the 3rd Congress of Participation on Fundamental Rights, held in Bilbao, in September 2017.

IMARA, from Zaragoza, Aragón

"I do not lose my dignity because I am in poverty. Work dignifies, we all want it, because we want to be useful and valued. But we are not excluded by our own will. Living in need, involuntarily, does not mean that a person is not worthy. The only road to overcome this gap is social inclusion."

GUILLERMO, from Murcia, Region of Murcia

"The people that are in the street... the police constantly demand us documentation, they overwhelm us. But if I took a briefcase with 300 million euros, they would not stop me, nor tell me anything at all."

PAQUI, Ciudad Real, Castilla La Mancha

"What needs to be done to make the EU understand and act against inequality?"

Kiko, Palma de Mallorca, Balearic Islands

"When are the 'junk contracts', the too-low salaries, the unaffordable housing going to be eliminated?"

When will decent pensions, adequate assistance (including sufficient Minimum Income), and decent work going to be implemented?"

PILAR, Bilbao, Basque Country

"Caring is the most important thing in the world. I got it when I was little. But then, they did not love me anymore. I needed help... You have to lose the fear of 'undressing' in front of a psychologist. I am privileged because they have helped me, but I do not need the Minimum Income: now that I am well, I want a job! It hurts me that they do not give it to me. Maybe the Minimum Income could be needed more by someone poorer than me. I can work. They have to put themselves on the poor's side."

5. SOCIAL PROTECTION

Fiscal consolidation measures implemented since 2010 have had a significantly negative impact on welfare programs. Among the policies most affected are those most closely associated with a philosophy of social investment (ie, family policies or labour market activation programs), which were sacrificed to respond to more immediate needs, as unemployment benefits and food assistance.

The Spanish welfare system has traditionally performed very weakly in the fight against poverty and social exclusion. The increase in child poverty rates experienced in recent years seems particularly worrying due to the possible occurrence of "scarification" processes that may hamper the educational and vocational future of children.

For budgetary reasons due to fiscal consolidation, programs aimed at achieving educational success in childhood and facilitating the reconciliation of parents' professional and family life (by facilitating the early schooling of children aged 0 to 3) have been cut. Cash transfers to families also fell within this restrictive approach.

Law 39/2006, of 14 December, on the Promotion of Personal Autonomy and Care for Dependents, intended to facilitate the reconciliation of work and family life in order to recognize the professional role of female workers caring for dependents, but it was not implemented due to budgetary reasons. The fiscal consolidation policies implemented in recent years have also slowed progress in implementing a parental leave, which would have meant a step towards gender equality.

There is an important disconnection between active and passive employment policies. Coordination between social and employment services is limited and the compatibility between social assistance and employment is problematic as well. The evolution of unemployment benefits and the protection of minimum incomes have been driven by high unemployment and rising levels of poverty in a general context of fiscal consolidation. Resources have been allocated to the most urgent needs, reducing the focus on prevention, activation and investment programs.⁹

Social services were insufficient to deal with the social impact of the crisis and its subsequent consequences. Despite concentrating their scarce resources on the most urgent situations, they did not prevent the deterioration of the living conditions of large segments of the population. In fact, they delegated part of the response to social demand in Third Sector organizations, while spending by local governments declined significantly. Social organizations, in turn, saw

⁹ RODRIGUEZ CABRERO, Gregorio et al, **ESPN Thematic Report on Social Investment Spain 2015**, EUROPEAN COMMISSION, Directorate-General for Employment, Social Affairs and Inclusion, p. 6.

increased social demand, while the available resources for care -which were increasingly dedicated to emergency social assistance- fell.

As a strategy to address some of the social problems generated during the crisis and the consolidation policies pursued during the crisis, the government launched the National Action Plan for Social Inclusion 2013-2016 (NAPIN). It brought together the main measures and policies that were intended to be implemented in Spain to meet the European objective of poverty reduction and the promotion of social inclusion under the Europe 2020 strategy. From a theoretical point of view, the NAPIN is based on the approach of Active Inclusion adopted by Commission Recommendation 2008/867 / EC of 3 October 2008. This approach is based on three pillars, which outline the three strategic objectives of the NAPIN: inclusive labour markets; adequate income support; and access to quality training services, such as social services, employment, education and training, health and housing. To these objectives is added the reduction of child poverty, as a cross-cutting objective. These objectives are combined and implemented in an integrated manner throughout many of the actions of the NAPIN, giving it a multidisciplinary character. That is why it was essential that part of these actions was oriented to coordinate policies between different administrations, including all relevant actors, such as the Third Sector of Social Action and companies. However, the NAPIN was not binding on all public administrations. These applied or not according to their own criteria and are not always explicit, despite the fact that most of the social issues or problems addressed by the NAPIN have a national scope.¹⁰

Numerous actions aimed at the labour insertion of groups with special difficulties were carried out. The heading for employment opportunities for these groups had a budget allocation in the Annual Employment Policy Plans (PAPE) of 2013 and 2014 of 234.5 million euros. In all administrations, funds to promote the employment of the most vulnerable have been progressively increased during the implementation of the NAPIN, especially in the second year, reaching 1,326,362,289 euros in 2013, 1,430,420,428 euros in 2014 and 1,453,310,777 euros in 2015.

Part of this effort is articulated through strategies and plans aimed at groups such as young people, older workers, disabled people or the Roma population. In this line, the Youth Entrepreneurship and Employment Strategy 2013-2016 is implemented; it has benefited 350,000 people until November 2014.

Other examples:

- **The "Youth 2020" Strategy.**
- **The 2014-2016 Action Plan of the Spanish Disability Strategy, with a budget of 3,093 million**

¹⁰ In November 2017, the Spanish Government will launch the assessment of the NAPIN.

- **The Operational Plan of the current National Strategy for the Social Inclusion of the Roma Population 2012-2020.**

The Comprehensive Family Support Plan (PIAF) 2015-2017 is the main instrument for coordinating actions aimed at supporting the family and includes measures to improve the tax treatment of families in Income Revenue (IRPF). In the same sense, two other measures, more related to support for families, have been adopted: (1) The recognition of a supplementary maternity pension for women who have had biological or adopted children and who are beneficiaries of contributory pensions of retirement, widowhood or permanent disability. There are about 140,000 beneficiaries. (2) The extension of the paternity benefit from 13 days to four weeks (extendable for 2 more days for each child, from the second).

The National Reform Program 2017 notes that social support programs for the family and children have "strengthened" within the framework of the fight against child poverty, transferring 48 million euros to the Autonomous Communities. It is estimated that these funds have reached about 96,000 families and a total of 260,000 people users (an accounting that is not available to be verified).

These measures are not enough. Social investment remains low, fragmented and heterogeneous, according to the different regions. By 2014, there were 742,200 households with no income, which in 2016 were about 648,300, according to the Active Population Survey, which accounted for just over 4% of all households, which could be considered as being in serious social exclusion. As explained, the rate of risk of poverty and exclusion increased significantly in that period and is currently maintained at 27.9%. Therefore, these measures were not sufficient, nor did they extend homogeneously in our country.

5.1. MINIMUM INCOME

The Spanish Minimum Income System represents about 1% of GDP.¹¹ The crisis introduced a freeze on the already inadequate amounts for nearly all minimum income programmes. Although such amounts have some impact on severe poverty they are unable to reduce relative poverty. There are three major milestones in their evolution: unemployment benefits were introduced in the 80's, non-contributory pensions and minimum income in the 90's and in 2008 spending increased but it remains slightly below pre-crisis levels.

¹¹ The Basque Country, Andalusia, Madrid and Catalonia account for 59% of the total number of units benefiting from minimum incomes. 64% of total spending is concentrated in these communities. The recipient average profile is as follows: Prevalence of women (60%), Spanish (65%), age in the central sections of 25-55 years (77%), primary or lower educational attainment (67%) and unemployed (%).

The main objective of Income Guarantee Systems is serving as a final financial safety net in the fight against poverty. The Spanish system suffers from important shortcomings due to low payable amounts and to problems covering vulnerable populations. Those factors caused poverty in Spain to increase more than in most EU countries during the crisis. The main reason for the above is that spending and scope (coverage rates) came to a halt. In fact, cash benefits -as a whole- result in nearly a 50% reduction in poverty. Nevertheless, the role of the MI System in that reduction is very limited.

In general, the Spanish MI System is a fragmented model with regional inequalities. It also lacks homogeneous criteria. The regulations governing the varied types of aid are not consistent. Benefits' ability to provide protection is varied across the different modalities as are the criteria and requirements in the conditionality related to employment. The way the systems have been built up over time has brought about problems in the articulation of the different benefits and between the administrations in charge of their management. Child benefits provide wide, but weak coverage for nearly one million families, but the annually payable amount is very low.

In Spain, the spending allocated to unemployment is over-represented compared to the rest of categories of social spending. Because of continued unemployment (2008-2013) and structural job rotation many recipients have moved from contributory benefits to social assistance schemes. The System has become overburdened. In 2010, the number of people on assistance benefits exceeded that of recipients within the contributory modality.

The MI system in Spain resembles fragmented patchwork. It provides low-intensity protection and has small capacity in terms of reduction of relative poverty. As for the regional minimum insertion income schemes established by Autonomous Communities, there is a wide diversity of regulation criteria and a great deal of discretion.

Benefits fail to be adequate. Considering how payable amounts compare with minimum wage, GDP per capita or poverty thresholds, the overall bottom line is that there is a serious lack of effectiveness due to how low the amounts are.

Generally, there is little coordination between income guarantee schemes, employment services and social services. Except for some Autonomous Communities (Basque Country and Navarre among them), most of the regions do not have a common database and cannot provide a fully integrated inclusion pathway for beneficiaries, through a joint work done by the Social Services and the Employment Services. This issue has been recently addressed by a EC Conference in October 2016.¹² Furthermore, public expenditures do not go

¹² Conferencia "Fortaleciendo la coordinación entre los servicios de empleo y los servicios sociales en España: experiencias y nuevas oportunidades", Employment, Social Affairs & Inclusion, Brussels, 27-28/10/16 Conference conclusions available at

for more than 10% of the total employment budget, for those who are farthest from the labour market ("protected employment").¹³

5.2. HEALTH CARE

Royal Decree-Law 16/2012, of April 20, "Urgent measures to guarantee the sustainability of the National Health System and improve the quality and safety of its benefits", meant the elimination of the right to access to health for the persons not registered in the Social Security Regime, thus putting an end to free and universal health care for all inhabitants of Spain. Therefore, the application of this Royal Decree-Law meant unequal access to a basic and legally recognized human right.

Lack of access to health care particularly affects certain population groups. Firstly, it is presented with maximum intensity in groups that are excluded from the labor market, either for health reasons or because they do not find employment. Thus, the percentage of people with inaccessibility to health care reaches 4.7% of the people incapacitated to work (more than double the population average) and 3.3% of people in unemployment. On the other hand, people born outside Spain have suffered these restrictions to a much greater extent than the rest (2.9% and 1.9%, respectively).

The Committee on the Elimination of Racial Discrimination, in its Observations and Recommendations to Spain, in May 2016, is quite clear in this respect: "The Committee is concerned that Decree Law 16/2012 has restricted access to universal health care for the irregular migrants. The Committee notes that this regressive measure has a negative impact on the right to health of the persons concerned ... the Committee recommends that the State reinstates universal access to health care in order to guarantee the right to health. health without discrimination ". The Network of Complaint and Resistance to the Royal Decree-Law (RDL) 16/2012 (REDER), a platform that gathers 38 organizations, has collected in four months of field work a total of 338 cases of violation of the right to health, a health exclusion that discriminates in a very particular way to migrants in an irregular administrative situation. In total, since the beginning of this platform, a total of 2,500 cases have been collected.¹⁴

According to the Center of Social Research (CIS)'s Health Barometer, 19.8% of the population indicates that the health system works quite well, but the majority (79.3%) say otherwise; these are divided between those who believe that some changes are necessary (46.3%), that fundamental changes are needed (28.0%)

ec.europa.eu/social/BlobServlet?docId=16749&langId=es

¹³ EAPN ES, EMIN Spain Report, 2017, available at <https://emin-eu.net/publication-on-this/emin-publications/spain-minimum-income-update-2017>

¹⁴ CEAR (2016), **Informe sobre discriminación de personas migrantes y refugiadas en España**, página 14. <https://www.cear.es/wp-content/uploads/2017/02/Informe-discriminación.pdf>

or that it has to be completely redone (5.0%). A problem added to the negative impact generated by the Health Reform of 2012 and the incomplete and insufficient application of the Personal Autonomy Law are the different policies applied by the Autonomous Communities. Only 37.7% indicate that public health services provide the same services to all people, regardless of whether they reside (in any Autonomous Community), 39.4% think negatively (22.9% do not know or do not answer).

Adequate and sustainable social protection includes access to health care, social protection benefits and high-quality services, including care for children, for people with chronic and dependent diseases (long-term care), which are essential to ensure a dignified life and protection against the risks of life. This should enable citizens, particularly women, to participate more fully in employment and, more generally, in society. For this reason, universal health and protection in situations of dependence are key to ensuring equality within Spain, so that all people have coverage and a life with dignity.

In most rural populations, health care is marked by the dispersion and distance of the centers of reference, making this another factor that characterizes "rural poverty". This is particularly serious for people with severe chronic illness, disability and dependency, who have to face major architectural and communication barriers. The remoteness of the centers is not resolved due to the lack of adapted and affordable public or private transport. As the NGOs that work with people in these conditions point out, "there is no support for the development of an independent life". The consequences are greater inattention, isolation, and increased risk of exclusion.

The National Reform Program 2017-2018 mentions health care in relation to the reform of the autonomous financing system, saying that it must guarantee a minimum level of services in all the territories, the definition of a common portfolio in the fundamental areas (health, education and social services) and ensure stable and sufficient funding, regardless of the economic situation. The aim is to ensure that all citizens have access to the same level and quality of basic public services, regardless of their place of residence. It would be a step towards reducing inequality in health services.¹⁵

5.3. HOUSING

Spain has one of the lowest living expenses in the EU. In recent years, this has been reduced, leaving no access to sectors with greater social exclusion (homeless and other types of homelessness), families in AROPE situation (especially single parents and large families), recently emancipated youth, low-

¹⁵ Programa Nacional de Reformas 2017-2018, página 67.

income disability, low employability groups, and non-contributory benefit recipients, among others.

One of the key milestones of this period has been the adoption of the National Comprehensive Strategy for the Homeless 2015-2020 in November 2015. According to the Ministry of Health, Social Affairs and Equality, in Spain the number of homeless people would be around 30,250-36,300. There has been an increase in homelessness during the crisis. There are two age groups: young persons, and those over the 45 years old. The proportion of homeless women, especially among young people, is also increasing. There is less presence of European citizens among the contingent of homeless foreigners and increase of non-European. In this period, there has been an increase in unemployment due to families bankruptcy, evictions and unemployment, and a greater chronification of the traditional situations of homelessness (linked to mental health problems, alcoholism, drugs).

6. WHAT ARE THE KEY CHALLENGES AND PRIORITIES?

Because of complex realities many people may find themselves walking on a thin line... Social vulnerability is the border between what can be considered the integration zone, characterized by stable and solid pillars in work and family contexts, and the exclusion zone, which implies unemployment and/or family isolation. It is an area of great instability; once a person gets there, she/he could more easily lean towards exclusion, than return to social inclusion.

In Spain, almost three out of 10 people are in AROPE, particularly those who have children, as we stated before. However, the concept of "social vulnerability" is increasingly important, since anyone may can drop in this zone, affecting, not only the low-income groups, but also the middle classes, as the crisis had shown.

The data provided by INE in Spain give us a few brushstrokes of the framework of this situation, but studies such as the Spanish Red Cross on Social Vulnerability and the FOESSA reports really allow us to know **the multidimensionality of the problems that affect these millions of people in Spain.**

These multiple dimensions are: income poverty, severe material deprivation, long-term unemployment, lack of protection of single-parent and large families, intergenerational transmission of disadvantages and lack of investment in childhood, demographic aging, widespread discrimination, depopulation and impoverishment of rural areas, loss of self-esteem of long-term unemployed, chronic unemployment among young people, "medicalization" of social problems, among other issues. As cross-cutting factors, gender inequality in all areas, discrimination by different factors (gender, ethnicity, age, physical condition) and environmental deterioration. These are themes common to the

vast majority of Member States and would require solidarity and effective solutions, with economies of scale, which perfectly fit within the European spirit.

These are some of the traits of social vulnerability shared by millions of people in the EU, who are totally or partially excluded from access to their rights. As a Commission report on the implementation of the Charter of Fundamental Rights points out in May 2017: "People suffering the consequences of multiple crises do not trust their children to be better off than themselves. They question whether institutions are still able to protect them from lack of equal opportunity, financial turmoil and terrorism. In this context, nationalism, populism and intolerance find fertile ground to thrive and defend exclusion and isolationism as the only way to overcome current challenges."¹⁶

6.1. WHAT DO PEOPLE IN POVERTY THINK?

In Bilbao, in September 2017, 330 people in poverty gathered at the 3rd Congress of Participation on Fundamental Rights, to discuss their problems and to make proposals to address them and better the society. The following are the most accepted conclusions made by the working groups.

Dignity

1. SUBJECTIVE RIGHTS. The Fundamental Rights should become *subjective rights*, to make them enforceable, and not linked to the availability of budgets. For example, in the case of guaranteed income, access to housing and universal health.
2. EQUALITY IN ACCESS. People must be able to access rights homogeneously, anywhere in the territory.
3. IMPROVE ACCESS MANAGEMENT: Expand resources to meet needs. The public administration should be better trained in dealing with people; there must be less bureaucracy and more transparent and simplified procedures.
4. EMPOWER people so that they know their rights and respect their dignity.
5. SENSITIZE society about its role in improving the situation of people in social exclusion. Promote an effective fight against hate crimes, intolerance and aporophobia.

¹⁶ COMUNICACIÓN DE LA COMISIÓN AL PARLAMENTO EUROPEO, AL CONSEJO, AL COMITÉ ECONÓMICO Y SOCIAL EUROPEO Y AL COMITÉ DE LAS REGIONES Informe de 2016 sobre la aplicación de la Carta de los Derechos Fundamentales de la Unión Europea {SWD(2017) 162 final}, <https://ec.europa.eu/transparency/regdoc/rep/1/2017/ES/COM-2017-239-F1-ES-MAIN-PART-1.PDF>

Freedom

1. IMPLEMENT measures to make education truly public, free and of quality (free of charge in educational material, scholarships, free of charge for kids from 0 to 3 years).
2. HOMOGENIZE and REDUCE educational differences between autonomous communities (more support to the educational centres of each Autonomous Community)
3. GUARANTEE equal access to training (spaces to support diversity, involve parents in training more intensely, support people in difficulty, for example adults who are unemployed and can return to training).
4. SENSITIZE society in general, and employers who have the capacity to hire people (prejudices, stereotypes, etc.).
5. NON-DISCRIMINATION: Citizenship for all, no matter who you are, and where you come from.
6. BASIC NEEDS SATISFACTION. There is no freedom if there is no housing, economic security ...

Solidarity

1. FLEXIBLE REQUIREMENTS. People have the right to register at any location. Minimum enrolment periods must be reduced to qualify for a needed benefit. The current requirements limit geographic mobility for job search.
2. ELIMINATE THE BUREAUCRACY. Create a single window preserving the right to privacy, improve efficiency and reduce response times. A commitment is required for a more personalized treatment and more agile resolutions.
3. IMPROVE MINIMUM INCOME. Minimum income must be adapted to the needs of families and individuals to enable them to live independently. They must be a constitutional right. To do this, they must be compatible with annual employment income, part-time and temporary jobs, and have more flexible requirements in order to grant to equity for access. Penalties and suspensions of the benefits should be informed in a written document, and they must include a period for allegations, before dragging the preceptor to a situation of greater poverty.
4. MORE PROGRESSIVE TAX REDISTRIBUTION. A more equitable distribution of taxes must be done, considering people's interests. A social perspective must be added to the economy.

5. DIGNITY IN EMPLOYMENT. Jobs must be worthy, both regarding wages and working conditions. There must be more labour inspections to control abuses. Discrimination should not be tolerated by any reason (race, age, or gender). For example, the C.V must go without a photo, so that employers cannot select the person by the appearance. All contracts must have access to unemployment benefits. This aspect must be extended to domestic workers, who currently have no unemployment subsidy or right to sickness leave. Quotas must be created in companies so that people in poverty can access employment.

Equality

1. ANTI-DISCRIMINATION. Protection transverse protection against discrimination by race, sex and religion, being very firm before all that is hate.
2. GENDER. Importance of education in equality. Importance of families, community and the Media. It is important to share the care, through paternity leaves, and changes of male and female roles in the family.
3. EMPLOYMENT. To favour access of persons with disabilities, in a migratory situation ... all persons at risk of social exclusion. Protect employment and non-discrimination. Same work, same salary.
4. HOUSING. Policies that favour the acquisition of housing, landl protection and more social housing.

Citizenship

1. RIGHTS. The rights of freedom and justice are needed, as well as a recognition of all citizens to exercise participation. Public institutions must ensure this, eliminating all barriers and facilitating dialogue.
2. GOOD ADMINISTRATION. We must have the right to good administration. We must organize ourselves denouncing our situations and proposing proposals for social transformation.
3. SOCIAL JUSTICE. Fulfilment of the Fundamental Rights of the people, as a guarantee of full social justice.
4. ELIMINATE BARRIERS. Eliminate the administrative violence called "bureaucracy", so that it stops being a barrier to access our rights.
5. EMPOWER. Inform and train us, to be able to use our rights.

Justice

1. ADMINISTRATION OF JUSTICE - ORGANIZATION. Interpret / adapt the Criminal and Civil Code to the current context. Permanent training of judges and magistrates in social issues. Increase the economic and human resources of the administration of justice, reorganize and streamline procedures.
2. ADMINISTRATION OF JUSTICE - ATTENTION TO CITIZENSHIP. Transform judicial language into language that *any citizen can understand*. Implement a Service for Citizenship, to grant access to rights, including the free assistance in Court. Establish norms for special care with the most vulnerable people, with more social mediators, and for the prevention of institutional maltreatment.
3. GENERAL POPULATION: Promote a "culture of justice", educating people about their rights, procedures and ways to demand justice, in order to overcome the fear of accessing Rights.
4. CIVIL SOCIETY. Provide a larger budget to the NGOs that support the people, so that they have more legal counselling.
5. CIVIL SOCIETY. Get together to defend our rights at the judicial level (eg, Preferential bank issues, the Mortgage Affected Platform, etc.). We must put pressure on all public authorities. Mobilize the people around us, starting with our environment, so that the citizenship is manifested, with the support of the Third Sector.



6.2. WHAT DO NEETS PROPOSE?

EAPN ES summoned 150 young people in a research about their experience with Access to Jobs and Youth Guarantee.¹⁷ These are their main proposals:

1. Awareness raising, training and / or retraining of public officers involved in socio-labour counselling processes for youth is key. They need to be aware of the measures and employment and training policies, of economic aid and benefits, with a cross-cutting approach to gender, diversity and interculturality, etc.
2. The creation of a "Young Parliament" as a space for participation. A space that includes proposals by self-organized youth groups, with the aim of having a real impact on youth policies, when they are debated in Parliament (at local, regional or state level).
3. The "relay contract" could be approached as an opportunity to break the existing intergenerational gap, and to allow young people with no experience to join employment through qualified and experienced people.
4. Job offers and training should be more responsive to the demands of young people.
5. The integral measures of protection and labour insertion should focus on youth at risk of social exclusion. For example, the Youth Guarantee System should ensure that this population group is considered for accessing this program: easy-to-read information, friendly access, resources, accompaniment during the process, economic aid, individual pathways, adaptation of the profile to the offer, etc.
6. More involvement of companies in policies that deal with youth unemployment, by making them more participants, for example in the National System of Youth Guarantee. Also, the subsidized companies must carry a commitment of durability of the contract, once the subsidy finishes.
7. Positive references and success stories that break stereotypes serve as inspirational motors. They should come not only from the testimony of the youth population, but also from the employers. It is necessary to restore confidence in youth, and to re-believe those who make decisions that affect them directly, for example, politicians.

¹⁷ More information at http://participacionsocial.org/erasmus_plus/index.php and "JUVENTUD, INCLUSIÓN, CRECIMIENTO Y EMPLEO – RETOS DE FUTURO", Project funded by Ministry of Foreign Affairs (MAEC).

8. To disseminate information, it is necessary to use the channels that young people use, as well as their codes. For a 20-year-old it is difficult to search such specific information on his/her own initiative.

9. Access to quantitative and qualitative data is essential in order to know the number of vulnerable young people who are registered in the job search. It is necessary to improve its collection, systematization and treatment.

10. In centres where young people are tutored by public administrations, it is proposed that, before leaving, they are informed of the Youth Guarantee, and that they can leave with their documentation, in order to access work.

11. Design actions that facilitate access to youth at risk of exclusion, and who live in areas where there are not enough resources dedicated to that effect.

12. Regulation, evaluation and accompaniment in labor practices can prevent them from respecting the rights of young people to enter employment and training.



7. WHAT IS THE ROLE OF EU AND NATIONAL GOVERNMENTS?

7.1. EU COUNTRY-SPECIFIC RECOMMENDATIONS

The Recommendations provide policy guidance tailored to each EU country on how to boost jobs and growth, while maintaining sound public finances. Having assessed the EU governments plans, the Commission presents each country with a set of Country-Specific Recommendations (CSRs), along with an overarching Communication. The Recommendations focus on what can

realistically be achieved over the next 12-18 months. The Recommendations adapt priorities identified at EU level (in the Commission's [Annual Growth Survey](#)) to the national level. They do the same for the Eurozone. The recommendations are discussed among the governments in the Council, endorsed by EU leaders at a summit in June and formally adopted by the national finance ministers in July.

In 2017, **the CSRs for Spain** highlight that the country is in an incomplete economic recovery, with the persistence of important uncorrected problems, some of which may affect the stability of the Eurozone.

It criticizes the employment policies that are not giving the expected results, thus maintaining a high rate of unemployment and temporary employment, of the highest in the EU.

In relation to social policies, the territorial disparity and the disconnection between administrative levels in the needs coverage stand out. Income guarantee systems remain highly fragmented and heterogeneous, offering discontinuous and unequal protection to vulnerable individuals and groups. Family benefits are poorly targeted and economic barriers persist to access early childhood education from 0 to 3 years. Long-term care has improved only in some Autonomous Communities. Educational outcomes remain weak, with very high rates of early school leaving and repetition in some Autonomous Communities.

Based on this analysis, the Council makes three recommendations. **The second groups social issues and refers to greater coordination between social, employment and employers' services, greater impetus for indefinite recruitment, addressing regional disparities and fragmentation of income guarantee systems, improving family support and educational outcomes.**

Although EAPN ES recognizes the importance of this diagnosis, it misses a reference to the high rates of population at risk of poverty and exclusion, especially children and single-parent households, as well as the growth of inequality. Unemployment, the reduction of wages, the increase of the fiscal pressure, the temporality of the contracting and the involuntary part-time employment are factors associated to this social deterioration by means of the lower income. In this regard, EAPN ES regrets the lack of reference to poverty in employment and gender inequality in the labour market and in the pension system.

With regard to the revision of public expenditure proposed in Recommendation 1, EAPN ES recalls that this adjustment should not be made at the expense of social spending, which has not yet recovered to the 2008 level, and that Spain continues to have social policies and protection of the weakest childhood and family in the Eurozone.

7.2. NATIONAL REFORM PROGRAMME 2017

The Spanish Government annually presents to the Commission the National Reform Programmes (NRP). These programmes detail the specific policies that the country will implement to boost jobs and growth and prevent/correct imbalances, and their concrete plans to comply with the EU's country-specific recommendations and general fiscal rules. The following are the key aspects concerning poverty and social welfare covered by the Spanish NRP in 2017, as well as EAPN ES observations.

7.2.1. FISCAL CONSOLIDATION

The Spanish National Reform Program informs that, in 2017, fiscal consolidation will continue along the path established in the framework of the Excessive Deficit Procedure by the Council's Warning Decision of August 2016. There is a flexibility margin allowed by European regulations, to make compatible fiscal consolidation with economic growth.

The deficit target for 2017 has been set at 3.1% of GDP, very close to the 3% reference value. The objective is for Spain to withdraw from the Excessive Deficit Procedure in 2018. Delayed compliance with the deficit target in 2016 allows the government to face with certainty the fulfilment of this path. In addition, coupled with the reduction of the deficit, a responsible fiscal strategy also requires a progressive reduction of levels of public debt.

Reaching the 3.1% target in 2017 requires a fiscal adjustment of 1.2 points of GDP, which is “demanding but feasible”. On the one hand, the growth of the Spanish economy will help to achieve the objective and, on the other, in 2016 measures were adopted with impact in 2017, that will help to fulfil the same.

Among the measures adopted to achieve an adjustment of public expenditure, the non-financial expenditure ceiling for 2017, **which amounts to 118,337 million euros**, is lower than 5,057 million euros compared to the previous year, 4% in relative terms. (chapter AG2, Fiscal Consolidation)

This budget adjustment was implemented in a preventive manner, since fiscal year 2016. This is because the government does not have a parliamentary majority and, therefore, has not been able to approve the State Budget until June 2017.

The 2017 NRP continues with the reformist agenda of recent years to consolidate growth and, above all, job creation. Both objectives have made significant progress since 2014. The Government's efforts are focused on keeping the Spanish economy balanced, maintaining its ability to compete abroad and creating employment, all in a sustainable way in the medium and long term.

Concerning the question “do policies proposed support or undermine poverty and inequality reduction and social investment”, the answer is complex.

Positive:

- A sustained growth and job creation will bring more opportunities of employment and income. People who are currently unemployed might be able to find jobs, although not all of them.
- If growth rates keep on, public income will raise and there will be no need for increasing taxes or carrying on more budgetary cuts.
- The slight recovery of public expenditures (regarding the crisis level), together with a wise use of the Structural Funds, if well targeted, may assist more vulnerable groups, set up family support resources, and invest in long-term facilities, such as social housing.

Negative:

- Those who eventually get employed might not have quality jobs, as most of the recently created are precarious, (involuntarily) part-time, temporary or seasonal. Not only “jobs” are needed to lift people out of poverty, but jobs which may provide decent, adequate income, with stability along time. These trends will also impact poverty rates; we will probably observe an increase of in-work poverty in the future years.
- Some vulnerable groups will continue to have no access to this economic recovery, as a recent FOESSA-Caritas survey reported: only 9% are currently being benefitted from the “trickling down” of the economic growth.¹⁸
- The budgetary cuts due to the deficit target will not allow to recover social expenditures to the pre-crisis level (2008), unless economic growth and antifraud campaigns bring more public revenue to the State.

7.2.2. SOCIAL INVESTMENT

The National Reform Program 2017 does not significantly increase social investment, does not reject austerity cuts and does not promote greater equality through tax policies. As mentioned, employment increase is the magic bullet for reducing inequality, and it is a sustained ideology throughout the document. However, quality job creation is not a priority during this phase (the priority is to get more people employed).

In 2016, public spending in Spain, in relation to GDP, was 5 percentage points lower than the Eurozone average. The NRP and the new budget do not change this situation. This ratio is likely to be reduced again in 2017, with the expected

¹⁸ FOESSA, **Análisis y perspectivas 2017. Desprotección Social y Estrategias Familiares**. Datos de la *La Encuesta sobre la Resiliencia de los Hogares en España de la Fundación FOESSA* (ENREFOESSA 2017).

consolidation of the budget cuts. The leftist parties proposed, instead, that public spending be increased to reduce the "social deficit" (PODEMOS and other parties in a coalition)¹⁹.

One of the problems in Spain is the high level of economy submerged, around 25% of GDP, and consequently, tax fraud. Royal Decree 596/2016 and a future Act that will be presented in 2017 contain measures to prevent and combat tax fraud, mainly in VAT, through the reinforcement and modernization of the control and management of this tax. The NRP mentions that this reinforcement will allow to increase public revenues. However, there is no proposal of a fiscal reform which will redistribute the burden more fairly among citizens.

At the Annex, the Trade Unions proposed three pillars to bring in more social protection: (i) establish a Minimum Guaranteed Income; (ii) carry out a tax reform with progressive and redistributive criteria; and (iii) correcting levels of aid to families, especially low-income families (page 87).

The NRP mentions **health care** in relation to the reform of the autonomous financing system, which must ensure a minimum level of services in all the territories, defining a common portfolio in the fundamental areas (health, education and social services) and securing stable and sufficient financing, regardless of the economic situation. The aim is to ensure that all citizens can access the same level and quality of basic public services, regardless of their place of residence (page 67). Therefore, this is important, since it will reduce the inequality in healthcare services and quality that the population currently is facing, because of their place of residence.

7.2.3. POVERTY

In the NRP 2017 there is a specific section on poverty, referred to the follow-up of EU2020 headline targets.

Throughout the document, **poverty is regarded in relation to employment and to the economic recovery**. The document explains that economic recovery and job creation at unprecedented rates in Spain (CSR 2.1.1) are contributing to the progressive reduction of inequality as shown by the evolution of different indicators of inequality in the distribution of income. Thus, the Gini index declined for the second consecutive year, passing from 34.7 in 2014 to 34.5 according to the 2016 Living Conditions Survey. The S80 / S20 indicator also declined from a value of 6.9 in 2015 to 6.6 in 2016.

¹⁹ More info: http://www.eldiario.es/politica/presupuestos-alternativos-Unidos-Podemos-millones_0_637286605.html#pge

Nevertheless, current EU2020 indicators are far than good. The document claims that this is due to a delay regarding the “recovery”, as they refer to data from 2015: “They are not a true picture of the situation since they do not reflect the full effect of the strong employment creation of the last three years: more than one million and a half jobs created since the first quarter of 2014, the worst moment of the crisis, to the present” (page 35).

However, Spain has not yet regained 2007 per capita GDP level -measured at constant prices-, we have 2.3 million jobs less than before the crisis, 27,9% of the population live at risk of poverty or social exclusion, and have high level of inequality (despite Gini index has decreased in Spain up to 34.5, it is higher than the Eurozone's, which is 30, and is one of the highest).

AROPE and Inequality indicators were also high -although in a lesser extent- before 2008. Poverty and inequality were stark even when unemployment rate was half the current one. Moreover, the current employment level, fostered by the de-regulation of the labour market and the internal devaluation, has not recovered the pre-crisis level, and the jobs that are being created are part-time, precarious and temporary.

The **National Strategy for Prevention and Fight against Poverty and Social Exclusion** will be launched. There was a National Inclusion Plan that ended in 2016, with little success; evaluation is pending. This future Strategy is born with the same purpose of “coordinating” what is currently being delivered, but not as a powerful tool to combat poverty, as demanded by stakeholders, and EAPN, in particular. There is a proposal of a mapping of social resources through a new “Social Card”. EAPN and other actors are worried that this may imply a “Poverty card”, with the key purpose of controlling fraud among the beneficiaries of resources, and with less will to streamline and approach resources to the people who need them.

Actions aimed at alleviating the food deprivation of families in economic poverty are carried out through the programs of the **European Fund for the Most Disadvantaged** (FEAD) 2014-2020 (CSR 2.3.12), which includes food aid and other accompanying measures for social inclusion. In this context, a Royal Decree was approved in December 2016, which has for the first time put in place a direct subsidy to food distribution organizations.

The **Social Bonus** has been implemented by Royal Decree 7/2016, of December 23rd. This Bonus establishes discounts which are applied to vulnerable electric energy consumers, who meet social characteristics and have a per capita purchasing power. It also introduces additional measures of protection:

- **The electricity supply or the consumers in situations of special vulnerability that are being attended by the Social Services cannot be suspended.**
- **The electricity marketers will co-finance part of the costs that the competent administrations are already carrying out to serve these consumers.**

- **The deadline for suspending energy delivery to certain groups of vulnerable consumers in the event of non-payment is extended from 2 to 4 months.**

Youth Strategy 2020 and Action Plan 2017-2020. The NRP says that attention will be given to the most disadvantaged sections of the population and young people. A training income of 400 euros during 6 months for NEETS was recently announced, within the framework of the Youth Guarantee.

Regarding education, the government intends to provide a strong political impetus to educational reform by reaching a **State, Social and Political Pact for Education**.

7.2.4. EMPLOYMENT

The issue of temporary and precarious jobs is not addressed by the NRP, although some other aspects of the Commission's diagnosis and recommendations were taken aboard. The governmental star measure referred by the NRP is the (extended) "Spanish Activation Strategy for Employment 2014-2016", which provided with two fundamental instruments to achieve the integration of the unemployed into the labour market and to advance in the coordination and homogenization of public employment services:

- **The Annual Employment Policy Plans, which are drawn up from the services and programs proposed by the Autonomous Communities and the State Public Employment Service, whose function is to specify the Activation Strategy for Employment.**
- **The creation of a Common Services Portfolio of the National Employment System (CSR 2.2.7), which determines the minimum contents and requirements that all public employment services must provide on an ongoing basis, offering individualized counselling to the unemployed.**

The services and programs of the 2016 Annual Employment Policy Plan (CSR 2.2.2) carried out by the Public Employment Services should be geared to the achievement of five strategic objectives:

- **Increase the employability of young people by developing the Youth Guarantee.**
- **Favour the employability of groups especially affected by unemployment.**
- **Improve the quality of vocational training for employment.**
- **Strengthen the linkage of active and passive employment policies.**
- **Promote entrepreneurship to help activate and recover employment.**

The mid-term review of the 2014-2020 multiannual financial framework has led to an increase in financial resources for Spain, which should primarily be used in the field of youth employment. In this context, an additional impetus has been given

to the National Youth Guarantee System (CSR 2.2.3) with measures that favour the access and registration of young people to it and improve its management and effectiveness.

The Joint Action Program for the Improvement of Care for Long-term Unemployed Persons (CSR 2.2.4) was approved, which seeks to provide care and counselling to these unemployed, improving their employability and labour integration.

The Employment Activation Program has been extended and the unemployment rate required for the PREPARA program to be automatically extended (CSR 2.2.5) has been lowered from 20% to 18%. Both programs target the long-term unemployed who receive an economic benefit subject to participation in active employment policies.

Within the framework of the Vocational Training System for Employment, the 2016 call was approved for the granting of subsidies for the execution of training plans aimed primarily at employed workers. In order to achieve greater efficiency in the training model, the management of supply training is carried out under competitive concurrency (CSR 2.2.6).

In addition, the Single Employment Portal continues to operate, facilitating the intermediation and job search with the help of information and communication technologies. On the other hand, there has been continued progress in public-private collaboration between the Public Employment Service and Private Collaboration Agencies on labour intermediation (CSR 2.2.7).

The NRP notes that, in the Conference of Presidents of Autonomous Communities held in 2017, agreements were reached on the employment field, particularly in relation to coordination between the different levels of administration and the coordinated renewal of the Strategy of Activation for Employment, to increase the effectiveness and efficiency of active employment policies. In addition, it was agreed to promote dual vocational training to adapt the supply and demand of employment and improve the accessibility to the labour market of the most vulnerable groups. These measures are integrated in the 2017 NRP.

Regarding green jobs, the NRP refers to the "Plan for combating climate change and promoting energy efficiency". The second part of this Plan, which contains "green public procurement", is being prepared. The plan seeks the implementation of environmentally friendly practices in public procurement. Quantitative targets are set for certain products and services which will take into account environmental aspects (including maintenance and minor works, transport, energy, cleaning, etc.) (page 60).

Negative developments are related to changes introduced through the labour reform, the impact of globalization, the competition generated by the relocation of enterprises and the transformations driven by the digitalization of the economy are factors that are dismantling and individualising the productive economy. The

government and employers pretend that unemployed workers "become entrepreneurs" – false self-employed- as an employers' strategy to skip their share of the Social Security contributions. This orientation promotes the change of labour management within the companies, creating chains of subcontracting without limit, and channels the risks and costs to individuals. There are many new realities in the labour market, which are called in different ways: collaborators, freelances, false self-employed, outsourced workers. These add to regimes with traditionally precarious conditions, such as agricultural day labourers, fisheries labourers and domestic service.

More negative developments: Private Collaboration Agencies are helping companies to externalize labour relations with the employees. Trade Unions have lost strength and negotiation capacity during the crisis and the 2011 and 2012 Labour Reforms.

Some new "flexible" forms of labour are almost completely feminized, thus reinforcing gender inequality in labour rights. A clear example is the case of the "kellys", women who clean hotel rooms, do not receive fixed wages but "productivity" earnings, which leave them in poorly paid and unsecure jobs. There is also the domestic service regime, also feminized, which compels workers to pay their own Social Security contributions, but does not provide them with maternity and sickness leaves, nor unemployment benefits.²⁰

At the NRP Annex, the Trade Unions propose some measures to improve the quality of jobs:

- **Reduce temporality by limiting the use of temporary contracting based on justified causes, reinforcing the equality between temporary and indefinite workers, limiting the chain of contracts, and eliminating the indefinite contract of support to the entrepreneurs.**
- **Review the regulation of contracts for training and learning and change the regime of the part-time contract.**
- **Provide the Public Employment Services (SPE) with the investment, human resources and tools needed, and strengthen their leadership in the control of the integration processes.**
- **Establish a crash plan for long-term unemployed people (PLD) with personalized attention, redirecting bonuses and subsidies to the PLD collective, and a combination of economic aid, active policies and professional itineraries to guarantee their social protection.**
- **Carry out specific actions for people over 55 years of age who are not employed: (i) rescuing people affected by discouragement from a lack of public services; (ii) use the remainder of the budget heading of the Accompanying Program for Employment for people over 55 who are unemployed and without benefits.**
- **Domestic work: to conclude the creation of a tripartite group of experts to study the possibility of establishing a system for the protection of**

²⁰ Sistema Especial para Empleados de Hogar. http://www.seg-social.es/Internet_1/Trabajadores/CotizacionRecaudaci10777/Regimenes/RegimenGeneralde la S10957/REA/REH/index.htm

unemployment and to review the formulas for terminating the contract for objective reasons.

- **Wages and collective bargaining.** Wage policy should be directed towards three objectives: to strengthen economic growth, to help change the productive model, and to reduce levels of inequality and poverty. To do this, it is necessary to: (i) increase the inter-professional minimum wage, (ii) increase the wages agreed in the agreement above inflation, (iii) exercise greater control over agreements to derogate from the agreements, (iv) recover the purchasing power of public employees, (v) prioritize the permanent and full-time employment of women, (vi) and strengthen collective bargaining through a series of additional measures.
- **Protection of unemployment:** reform the system of protection of unemployment so that it is more inclusive and extensive; Recover the allowance for those over 52; And increase the coverage of people aged 55 or over so that they retain their pension rights. (pages 86-87)

7.2.5. EDUCATION

The NRP includes the proposal to Reform of the Organic Law 2/2006, of May 3, of Education, of Organic Law 8/2013, of December 9, for the improvement of educational quality (LOMCE).

In order to reform this Law, the constitution of a Parliamentary Subcommittee is envisaged in the Congress of Deputies, which is working on a consensual agreement. The Conference of Presidents (January 2017) decided to hold a monographic debate on education in the General Commission of the Autonomous Communities of the Senate.

The NRP expects the early dropout rate to drop from 18.98% in 2016 to 15% in 2020.

The "InFórmate: Learn throughout the life" portal has been launched, offering information on the formal and non-formal training throughout the national territory, aimed at adults who left the education system without the required minimum qualification, as well as resources for learning.

Educational laws have become one of the centres of political debate in Spain. The NRP refers to Organic Law 8/2013, of December 9, for the Improvement of Educational Quality (LOMCE), approved by the same political party that is currently in government, was implemented in 2015 and 2017.

The NRP refers to Royal Decree 293/2016 of 15 July establishing the family income and equity thresholds, and the amounts of scholarships and study aids for the 2016-2017 academic year. Scholarships and study grants are convened annually. In 2016, the cost of the state system of scholarships and study grants was 1,453 million euros. According to the NRP, these scholarships promote the elimination of socio-economic obstacles to continue to study those who have

the skills and the interest to do so. Students are encouraged to obtain satisfactory academic results.

The NRP also includes a "Plan for the reduction of early school leaving", which aims to give coherence to the set of measures of the Autonomous Communities developed throughout the national territory, with the shared intention to reducing the rates of early school leaving. A follow-up report is being prepared on the main measures developed throughout the country.

The NRP also analyses the EU2020 goal of increasing the percentage of people between 30 and 34 years old to 44% of the population in that age group. Progress since the start of the Strategy is 40.2% in 2016. The percentage remains above the European target of 40% and the European average (39%), although it has not yet exceeded the target for Spain, of 44%. The government proposes the implementation of the university reform initiated in 2014 and 2015, through several Royal Decrees, with the objective of reaching that target. The main aspects of the reform are:

- **To improve the system of professional practices by university students;**
- **To improve the system of selection and promotion of university teaching staff;**
- **To improve the system of creation, recognition, authorization and accreditation of universities;**
- **To adapt the duration of university degrees to converge with most European countries offering degrees between 180 and 240 ECTS credits.**

The NRP indicates that, in 2016, the regulatory reform of university education initiated in 2014 and 2015 has been continued, it facilitates that universities can form varied training offerings adapted to the economic and social demands of training. It also promotes the collaboration between universities and companies so that students engage in practices that complement their learning and enable them to acquire competencies that prepare them for the exercise of professional activities, facilitate their employability and promote their entrepreneurial capacity. It improves the quality of teaching and research, favouring higher productivity and employability of graduates.

Other objectives are to improve the internationalization and specialization of the Spanish university, through the advance towards a university model that favours the specialization and the international positioning of the universities. Secondly, to facilitate the mobility of teachers between university centres.

7.2.6. STRUCTURAL FUNDS

According to the NRP, under the Structural Funds 2014-2020, the contribution of the European Social Fund (ESF) and the Youth Employment Initiative (EJI), amounting to 8,533 million euros, is concentrated on certain investment priorities, which are fully consistent with the reforms envisaged in this area, including:

- (i) sustainable integration in the labour market of young people (27.3% of the funds envisaged);
- (ii) access to employment by the unemployed and inactive, including the long-term unemployed and those away from the labour market (18%);
- (iii) active inclusion, particularly to promote equal opportunities and active participation, and to improve employability (15.8%).

In order to implement concrete actions in this regard, two national operational programs have been approved:

The Operational Program for Employment, Training and Education has an allocation of 2,115 million euros from the ESF for the entire programming period 2014-2020. As an example of actions that can be co-financed with these funds, more than 515 million euros are planned to be distributed between 2016 and 2018 (in 2016, 129 million) under the **Joint Action Program for Long-term Unemployed Persons**, to improve effectiveness in the employment policies and the functioning of public employment services. It is also planned to allocate 32 million euros for the creation of 50 co-working spaces to support entrepreneurs; 13.7 million euros to the training program for SMEs aimed at improving the Spanish production fabric; Or 4.5 million euros to the transnational Entrepreneurship Program in collaboration with 17 training centres in the EU aimed at Spanish start-ups and entrepreneurs.

The **Youth Employment Operational Program** has an allocation of € 2.4 billion from the ESF and the IEJ for the entire 2014-2020 programming period to help young people find a job. As an example of action that can be co-financed with these funds, it is planned to allocate 39.6 million euros to continue promoting training and aid to youth recruitment in matters related to the digital agenda and tourism, through 230 courses that will benefit 4,500 young people. The program "Profesionales Digitales Empleo Joven", endowed with 20 million euros, will also improve the qualification in digital competitions and the labour insertion of young people, according to the government.

With regard EU2020's environmental targets, the **Operational Program for Sustainable Growth** is aimed at helping Spain to use resources more efficiently and is relevant to the energy, urban development, water or transport sectors. This program has EUR 5,520.8 million from the ERDF for the 2014-2020 programming period. Some of the funding priorities of this program, especially consistent with this axis, are the following:

- **Supporting the transition to a low carbon economy through: energy efficiency of enterprises, housing and public infrastructure; Production, distribution and**

use of renewable energies; Support for multimodal sustainable urban mobility; As well as research and innovation in low carbon technologies (38% of the funds envisaged).

- **Improvement of water quality.** Specifically, an estimated investment of € 1.1 billion is foreseen during the 2014-2020 programming period, with a European co-financing of almost € 700 million, in the CRECE Plan to move towards improving water quality (sanitation and purification). This objective, as well as the prioritization of actions, has also been included in the Regional Programs in this area.
- **Sustainable and integrated urban development.** According to the provisions of this operational program, the urban axis is provided with 1,012.7 million euros of ERDF aid. With these funds, actions can be financed to respond to an integrated strategy defined in urban areas, such as the promotion of clean urban transport.

On the other hand, one of the priorities of the **European Agricultural Fund for Rural Development (EAFRD)** is "to promote resource efficiency and promote the transition to a low carbon economy capable of adapting to climate change in the agricultural, Food and forestry". This priority (which includes measures such as investments related to the environment and climate, forestry measures, agri-environmental aid, organic farming, etc.) is included in all rural development programs in Spain. In particular, the following have been approved:

- **17 Regional rural development programs, with a total allocation of 8,059 million euros from EAFRD for the entire programming period 2014-2020 and which are also co-financed by the State General Administration and the Autonomous Communities.**
- **A national rural development program, which has EUR 238 million from EAFRD for the entire programming period 2014-2020, and includes the European Innovation Association (AEI) for productive and sustainable agriculture, which has a financial allocation of 25 Million from the EAFRD.**

As the *EAPN Barometer on Structural Funds (2016)* reminded, at least 20% of ESF funding is planned to combat poverty and social exclusion but the focus of ESF funding is strongly linked to labour market integration (in many countries). It is therefore desirable that the outlook for a future cohesion policy be broader and focused on tackling poverty and integrated social inclusion based on active inclusion and out of poverty and towards participation in society. This should be open to all target groups that face poverty and are excluded from the labour market, such as the homeless and dependent persons, with additions, etc., as well as those who need support to ensure access to services / Social protection

and participation in society (for example, families, including single parents, immigrants, ethnic minorities, etc.).

EAPN Spain's Working Group on Structural Funds assessed the current situation and draw the following conclusions:

- **The Autonomous Communities complied with all the requirements set by the Commission for the implementation of the Ops.**
- **The ESF Monitoring Committees, in charge of monitoring the Program, were constituted on the dates set by the Regulation.**
- **The Committees have been endowed with the prescriptive Internal Regulation, which "aims to establish its rules of operation".**
- **The composition of the Committees corresponds to that established by the European Commission since they involve people who represent entities from different social fields: members of the three Administrations: European, national and autonomous, as well as social agents and civil society and Third Sector representatives (disability sector, and social exclusion).**
- **The Committee has developed a Communication Plan and an Evaluation Plan.**
- **In most Committees, there is a document to select operations "Criteria for Selection of Operations" (Projects) that regulates the types of actions to be carried out under OP, eligibility of expenditure, selection criteria and requirements to Meet the potential promoters of the projects.**

However, EAPN Spain points out that, once all the formal aspects have been fulfilled and after the Constitution of the ESF Monitoring Committees and the 2017 meeting, there are a series of concerning issues:

- **The delay of and the lack of information of the ESF Operations.**
- **Lack of coordination with other programs and departments.**
- **The red-tape affecting the Youth Guarantee Plan that, despite good political intentions, makes it difficult for vulnerable young people to reach.**
- **The shortage of civil servants dedicated to the management of Structural Funds which makes it difficult to carry out the measures provided for in the OPs.**
- **Lack of global vision.**

7.2.7. SYNTHESIS: NATIONAL REFORM PROGRAM 2017

What's positive

- **New plans: The National Strategy for Prevention and Fight against Poverty and Social Exclusion will be launched, with the participation of EAPN and NGOs. Other existing strategies are the Comprehensive Plan to Family Support and a National Comprehensive Strategy for the Homeless. There is a proposal of a mapping of social resources through a new "Social Card". Youth Strategy 2020 and Action Plan 2017-2020.**

- The new Housing Plan 2018-2021, supported by Structural Funds, will promote the rehabilitation of buildings, and the regeneration and renovation of urban and rural areas, with special attention to energy efficiency. Particular attention will be given to the most disadvantaged sections of the population and young people.
- The Social Bonus has been implemented by Royal Decree 7/2016, of December 23rd. This Bonus establishes discounts which are applied to vulnerable electric energy consumers, who meet social characteristics and have a per capita purchasing power
- Education: The government intends to provide a strong political impetus to educational reform by reaching a State, Social and Political Pact for Education.

What's negative

- Insistence on employment as the magic bullet: The government insists that “the most effective way to combat poverty, inequality and social exclusion is job creation and job placement”. However, new jobs are 92% precarious or temporary. The share of in-work poverty is very high. Long-term unemployment, particularly of young people, is over 40%.
- New plans are weak for 2 reasons: because they collide with regional competences (subsidiarity) and because they do not have resources allocated: There is no budget and little room for new social policies which may lead to a strong impact in reducing poverty. A weak approach to social investment, in general.
- Social Card: Despite the idea could be useful for mainstreaming social resources and facilitating access to them, there is a chance that it may become a social control tool, and introduce further stigmatization of the card holders.

What's missing?

- Political commitment to reducing poverty and social exclusion, as a strong priority, is clearly still to be seen. The NRP's key targets are getting more people into the labour market, and to comply with the macroeconomic adjustment policies. Social Investment is weak, or not present.
- Policies towards tackling discrimination and gender inequality are missing.
- Beyond the political discourse, the abovementioned plans and measures do not bring important fresh funds, except when they are related to the Structural Funds.
- The almost overall transference of competences to the Autonomous Communities in social services, social protection, including education and healthcare, waters the importance of any new plans or strategies formulated at the State level.

8. WHAT IS EAPN DOING?

Country Specific Recommendation for Spain: EAPN ES studied the document and prepared a report for the social NGOs.

Country-report Spain: EAPN ES analysed the Country Report 2017 and produced a document with the assessment, which reached the social NGOs. There were several media impacts.

Spanish National Reform Program: The Economic Office of the President of the Government has requested contributions from civil society, receiving proposals from the business organization CEOE (Spanish Confederation of Business Organizations), trade unions UGT (General Workers' Union) and CCOO (Trade Union Confederation of Workers' Commissions), The Platform of the Third Sector, CERMI (Spanish Committee of Representatives of Persons with Disabilities) and the Autonomous Communities.

The Economic Office of the Presidency asked for inputs to the Platform of the Third Sector (PTS). There was a face-to-face meeting with two consultants writing with the NRP, and representatives of CERMI (disability), EAPN ES (anti-poverty) and Caritas Spain (poverty).

EAPN ES oversaw the preliminary document, which was reviewed by the rest of PTS' members. Their comments were introduced to the document, and then it was delivered to the government. The deadline was extremely short, less than one week. This impeded the chance of further participation, for example with people experiencing poverty. However, the recommendations produced during the last Meeting of People Experiencing Poverty, in Valencia, in 2016, were mainstreamed to the document.

Strategy against Poverty. The NRP mentioned that the government would launch this Strategy. At the Working Group on Social Inclusion, Employment and Rural (Grupo de Inclusión Social, Empleo y Rural), of the State Council of Social Action Non-Governmental Organizations, **EAPN ES is working in the Diagnosis and Proposals for such Strategy.**

8.1. STATE COUNCIL OF SOCIAL ACTION NON-GOVERNMENTAL ORGANIZATIONS

The Council is an advisory body, attached to the General State Administration through the Ministry of Health, Social Services and Equality. It is a meeting space, which promotes dialogue and participation of the associative movement in the elaboration of social policies.

The Royal Decree 235/2005 of 4 March establishes the Council's nature, aims, composition and functioning. As an advisory body, the Council makes proposals regarding the design and implementation of public social action policies. The following functions are entrusted:

- **Knowledge of normative projects and state social action plans, and the presentation of proposals and preparation of reports and studies.**
- **Implementation of the call for proposals of projects charged to the IRPF tax allocation.**
- **Evaluation, diagnosis and proposal of measures on the social policies and of the situation of the social excluded groups, in coordination with the Sectorial councils of state scope.**
- **Creation and maintenance of communication channels with the General State Administration, and between the organizations themselves, that allow a continuous flow of information and collaboration.**
- **Cooperation and coordination with other bodies of participation of the Spanish Public Administrations, the European Commission and other countries.**

The Plenary is composed of the president, three vice-presidents, one representing the social organizations, one secretary and 36 members, 10 representing the Administration and 26 representing the entities.

- **President: Minister of Health, Social Services and Equality**
- **First Vice-President: Secretary of State for Social Services and Equality**
- **Second Vice-Chairperson: General Director of Family and Child Services**
- **Third Vice-President: President of the Spanish Red Cross.**
- **Members representing the General State Administration**
- **Members representing NGOs: currently presided by the EAPN-ES**

9. KEY RECOMMENDATIONS

The foregoing analysis has shown that poverty should not be considered exclusively in relation to employment and economic growth, although both indicators are currently improving. The effects they have on the progressive reduction of inequality are modest. Analysing the official statistics, it is observed that Spain has not yet recovered the GDP per capita level of 2007 (measured at constant prices), that we have 2.3 million jobs less than before the crisis, 27.9% of the population lives at risk of poverty or social exclusion and the level of inequality remains very high. In addition, although the Gini index has fallen to 34.5, it is higher than the Eurozone, whose average is 30.

AROPE and inequality indicators are also high - albeit to a lesser extent - than before 2008. In that year, the poverty level was also high, although the unemployment rate was half the current one. On the other hand, the current level of employment, driven by deregulation of the labour market and internal devaluation, has not regained the pre-crisis level. The jobs created are mostly part-time, temporary and precarious, with very low wages or subject to

productivity; that is, they are insufficient to guarantee a decent standard of living.

The level of public social investment is weak. The proposed social plans are mostly "soft law", that is, "strategies" or "plans" that include actions or measures that are already being developed by different ministries and other departments, with the addition of few additional funds, and without objective measurement of the impact achieved through them.

Stronger and more powerful policies are needed to combat and eradicate poverty, social exclusion, gender inequality and discrimination, in order to optimize levels of well-being. As social competences move to the Autonomous Communities, these policies will have to become legislation that gives citizens their social rights to reduce the huge inequalities between citizens and territories.

RECOMMENDATIONS

1. A Comprehensive Plan to Combat Poverty should be put in place, with three perspectives:

1.1. Protection and promotion of those fundamental aspects whose possible deterioration has a greater incidence in triggering processes of social exclusion (employment, housing, minimum incomes ...).

1.2. Protection of those particularly vulnerable groups (Single-parent households with children, unemployed adults and those without income or income, households with no income, households with large families, households with widowed and low-income households, households that cannot provide the basic needs of children and grandchildren, households with people with disabilities, with great unmet needs, support for their autonomy, homeless people, migrants and refugees).

1.3. Objective (ex ante) evaluation of the potential (regressive) impact of policies that are implemented at all levels (social screening), in order to avoid negative consequences on people with fewer resources and opportunities.

Poverty and social exclusion are multidimensional and complex phenomena. Risk factors interact, generating synergistic dynamics that enhance and activate processes, creating spirals of upward or downward social mobility. Based on this conception, we understand that a plan to combat poverty, in the current context, must contemplate three fundamental human rights, support in the exercise and enjoyment of all others that entails human dignity for all people: Income Guarantee, Housing Guarantee and Active Social Support.

2. INCOME GUARANTEE.

2.1. Increase in the number of persons receiving minimum income through the Autonomous Communities and Social Security, compared to 2016, making the income system compatible with part-time or temporary employment, in a complementary way, thus facilitating labour market reinsertion. The goal should be to increase 230,000 new recipients of minimum incomes, up to at least 550,000 in total.

2.2. Increase of 20% in the amounts of non-contributory, welfare, disability, sickness and disability benefits, to combat the poverty of these groups.

2.3. Increase of 20% of widows' pensions, to combat the poverty of these women, prioritising those with family burdens, with a disability of 65% or more; and other specific situations. Estimated: 2,400,000 beneficiaries.

2.4. 20% increase in orphans and permanent disabled pensions, to tackle disadvantages and poverty of these groups. Estimated: 1,280,000 beneficiaries.

2.5. Child benefits extension up to a 1,200 Euro per child (0-17) per year. This monthly amount is like what would be the average of these benefits in Europe (and would lift many families from the poverty line). This amount would be contributed to the salaries or benefits of the father, mother or guardian. In the case of persons affiliated to the Autonomous Workers' Regime (self-employed), it could be deducted from VAT and / or Social Security contributions. Estimated: 3,000,000 children and young people from 0 to 17 inclusive.

2.6. Bring the Minimum Wage closer to the Average Salary, and not to the Poverty Threshold.

2.7. Establish systems of bonus to employment, when the person has a job, but it does not ensure a decent life. Establish a tax credit system for the precarious middle classes, to complete a decent income.

3.HOUSING GUARANTEE. Spain has one of the lowest public spending on social housing in the EU. In recent years, this has been reduced even more. The plan we propose would be aimed at guaranteeing housing for the sectors in most social exclusion (homeless), families in AROPE (especially single parents), young people, people with disabilities and low income, low employability groups and non-contributory benefit recipients, among others. The current housing stock should be increased up to 15,000 homes.

3.1. We also propose an "individual second chance law", for cases of people and families who have lost their home and, moreover, have been left with a debt that they cannot pay. This figure exists in most European countries, in addition to the United States, and would mean a financial respite for thousands of households.

3.2. This Plan should serve to combat energy poverty, which particularly affects the poorer sectors. Specifically, the Government should ensure that no

handicapped person with disabilities is deprived of their access to basic subsistence goods, such as electricity and gas, as they constitute a particularly vulnerable group.

4. SOCIAL ACCOMPANIMENT. Social accompaniment is a privileged tool to deal with problems and fragilities derived from situations of vulnerability and social exclusion already existing, as well as a prevention measure to avoid chronification of severely excluded people. In general terms, we believe that it is imperative to allocate more resources to allow personalized attention and follow-up after the actions received, especially for the most vulnerable groups, with the aim of reducing future abandonment and inactivity. In addition, the development of psychosocial intervention programs (especially those aimed at families with minors in situations or at risk of social disruption) and the implementation of preventive coordination protocols for the detection and management of risk situations may have a very positive impact on the fight against poverty and child exclusion.

Key guidelines are:

- Improvement of Social Services and Long-term care for dependent persons
- Fighting school failure and early school leaving
- Strategy for citizenship and integration of people of foreign origin, and their descendants
- Strategy against Gender Violence

This issue is urgent and a priority. The percentage of people at risk of poverty or social exclusion has declined slightly, but it is very high, up to 28.6%, well above that of 2008 and the EU average. The situation is worse in many vulnerable groups, non-EU citizens, youth, children and persons with disabilities. Three million people live in extreme poverty. These circumstances affect almost 1 in 3 children. This is not only socially serious, since the absence of more than a quarter of the population in the internal market also negatively affects both economic activity and public income.

The EU2020 target was to have 1,400,000 fewer people in AROPE's situation in 2020. Currently, the trend goes in the opposite direction: there are 2,890,000 more than at the beginning of the Strategy. And there are only 3 years to complete the period.

We insist on the Comprehensive Plan to fight against Poverty, which should be addressed primarily to the 700,000 families with no income, and those in "very high poverty" and "extreme poverty" (50% and 40% of the median income, according to The Survey of Living Conditions, INE).

We highlight two consequences of this increase in spending: (1) the Plan would also allow the local economies to be invigorated or expanded; and (2) a percentage of expenditure would return indirectly and directly.



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