



POVERTY WATCH 2018

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The European Anti-Poverty Network (EAPN) in Spain is the largest Spanish network of regional and local networks, involving anti-poverty NGOs and grassroots groups as well as National NGOs, active in the fight against poverty and social exclusion. It was established in 2003.

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Introduction

In Spain, the different manifestations of poverty and social exclusion are a shortage of income, lack of decent housing, material deprivation, more difficult educational and healthcare paths due to hardships, poverty of families living in disadvantaged environments, and limited or truncated access to basic services.

The Poverty Watch 2018 describes the key characteristics of poverty and social exclusion in Spain and presents the main features of a possible Anti-Poverty Strategy, aimed at the eradication of poverty and social exclusion.

Europe 2020 headline targets

On March 3rd, 2010, the European Union presented the Commission Communication entitled "Europe 2020, a strategy for smart, sustainable and inclusive growth", with common headline targets for economic and social development. To meet these targets, Member States made specific commitments and generated reform programs to achieve them. Within these commitments, for the period 2009-2019, the Spanish government adopted the objective of "*reducing between 1,400,000 and 1,500,000 the number of people at risk of poverty and social exclusion, according to an aggregate indicator that includes people who live below the poverty line (relative poverty); people who suffer severe material deprivation, and people who live in homes with low or no employment intensity. The reduction of child poverty would be carried out in a proportion similar to the reduction of poverty in general*".¹

EUROSTAT set up the AROPE (*At Risk of Poverty and / or Exclusion*) indicator, including and combining the three abovementioned sub-indicators, as well as a standardized methodology for its annual calculation in each of the EU countries.

Since 2011, the European Network for the Fight against Poverty and Social Exclusion (EAPN-ES)² analyses the AROPE evolution in Spain and the degree of compliance with the Spanish commitments in our annual Report "*The State of Poverty*".³ Its objective is to present a vision -as complete as possible- of the incidence and intensity of poverty and social exclusion, at the national and regional levels, and to evaluate the degree of progress towards our social inclusion target, specified in the European 2020 Strategy.

A lost decade

In Spain we have lost a decade with respect to social progress. One year before the deadline set by the EU2020 Strategy, we are still far from even getting to the starting 2009 figures and today there are 12,338,187 people who are at risk of poverty and exclusion, which is 26.6% of the resident population in Spain.

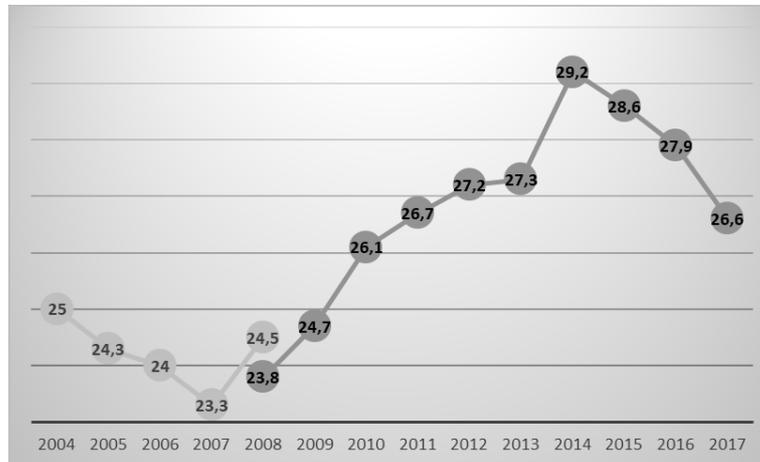
¹ Programa Nacional de Reformas de España 2011. Madrid: Ministerio de sanidad, servicios sociales e igualdad. <https://www.msssi.gob.es/ssi/familiasInfancia/inclusionSocial/inclusionSocialEspana/programasNacionales/docs/pnrEspana>

² <https://www.eapn.es/>

³ Juan Carlos Llano (2018). VIII Informe sobre el Estado de la Pobreza. Seguimiento del indicador de riesgo de pobreza y exclusión social en España. EAPN-España. Madrid: EAPN-España. Retrieved the 25th October, 2018, de <https://www.eapn.es/estadodepobreza/descargas.php>

In order to meet the target, set by Spain in Europe 2020, the number of people at risk of poverty and / or social exclusion in the next two years should be reduced by 2.3 million in the next year.

Graph 1: Evolution of the AROPE Indicator 2004-2017

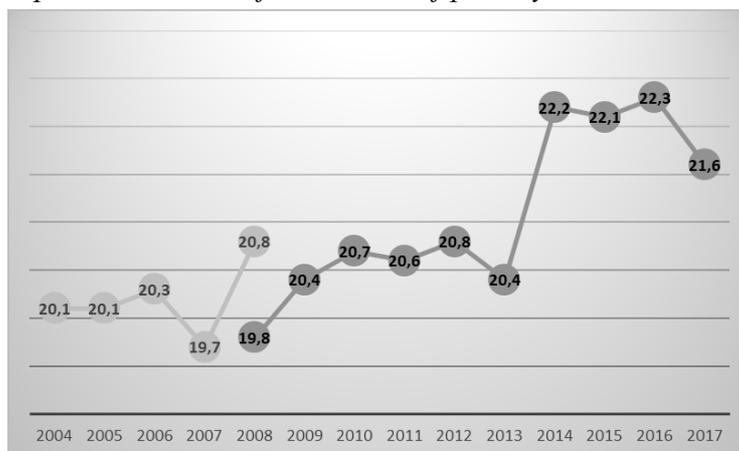


Source: Juan Carlos Llano, VIII EAPN ES Report, based on data from the 2017 Living Conditions Survey, published in 2018, by the National Institute of Statistics.

The at-risk-of-poverty rate

In Spain, the at-risk-of-poverty rate is 21.6%, which indicates that there are 10,059,000 people affected. This figure has fallen in the last three years, but it is far from returning to values prior to the start of the crisis, since 2008 the number of people at-risk-of poverty has increased by 900,000 people.

Graph 2: Evolution of the at-risk-of poverty rate 2004 -2017.



Source: Juan Carlos Llano, VIII EAPN ES Report, based on data from the 2017 Living Conditions Survey, published in 2018, by the National Institute of Statistics

The majority of the population living in poverty is composed by Spanish adults, with a medium or high level of education and, in addition, with jobs. Poverty especially affects women (22.2%), young people between 16 and 29 years old (28.5%), single-parent households (40.6%), the population of non-EU origin (52.1%), unemployed population (44.6%), and those with primary education (26.5%).

In relation to the occupation, it is particularly noteworthy that 14.1% of employed people are at-risk-of-poverty, which confirms that having a job does not guarantee escaping from poverty, as has been affirmed so many times. On the other hand, 44.6% of the unemployed and 26.5% of the inactive are at-risk-of poverty. In addition, among the retired people, the risk-of-poverty rate reaches 13.1%, with maintaining its upward trend since 2014.

It is important to highlight the negative impact that the low pensions' amounts have on the generation of poverty. Approximately 2.8 million pensions are below the poverty line, that is, they are below € 609 per month. According to the categories, they are below the poverty line:

- 21.2% of retirement pensions
- 42.3% of widowhood pensions
- 80.4% of orphan pensions.

It should also be noted that just over 1.5 million pensions are in the section immediately *above* the poverty line threshold, that is, another 15% of pensioners are about to fall into poverty.

Severe material deprivation

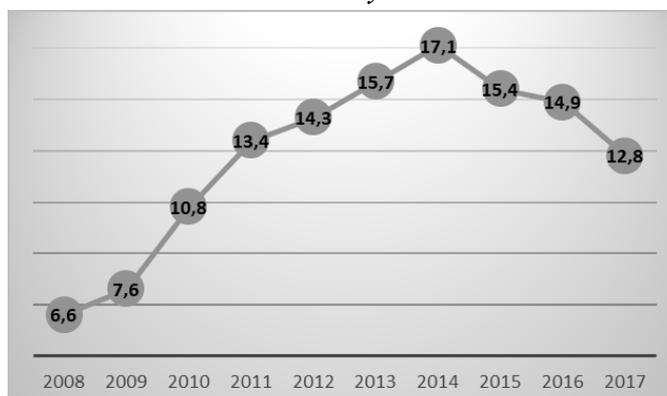
About 5.1% of the Spanish population is suffering severe material deprivation, which is just over 2.3 million people. This figure has also been reduced since 2015, but it is still very high. Some 53.3% of people have difficulties to make ends meet, of which 28.2% have some difficulty, 15.6% have difficulty and 9.5% have a lot of difficulty.

Persons living in a household with a very low work intensity

About 12.8% of people under 60 live in homes with low work intensity. This figure represents a significant reduction of 2.1 percentage points with respect to that registered the previous year and consolidates the phase of descent initiated in 2014.

The reduction of the AROPE indicator is related to this significant decline in the employment intensity indicator.

Graph 3: Evolution of the indicator of persons living in a household with a very low work intensity 2008 -2017



Source: Juan Carlos Llano, VIII EAPN ES Report, based on data from the 2017 Living Conditions Survey, published in 2018, by the National Institute of Statistics

Around 791,726 people suffer the three factors of inequality: unemployment, poverty and material deprivation and therefore are in the worst possible economic and social situation.

There are fewer people at risk of poverty, but those who are still poor have worsened their living conditions, because the poverty gap reaches 32.4%. In addition, severe poverty affects 6.9% of the population, that is 3.2 million people.

The "economic recovery" does not reach women equally

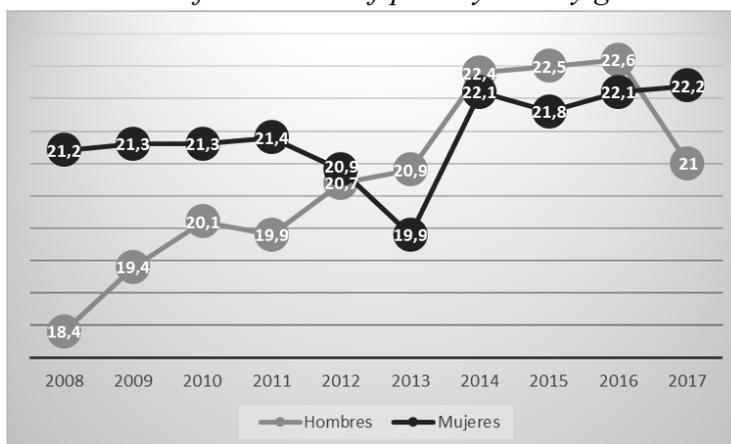
The labour market is marked by gender discrimination. In the first place, the activity rate of women is 22% lower than that of men. Second, 24% of employed women have part-time contracts. Third, there is a pronounced gender wage gap: according to the type of working time, in 2016 it was 10.8 in full-time work and 14.5 in part-time work.

Among the female population, the AROPE rate is 27.1%, that is higher than the male rate. This situation is motivated by the fact that women were starting from a worse starting point to face the crisis (precarious and temporary jobs, low wages, part-time, etc.) and, although men were strongly affected by the decomposition of the labour market, now the recovery and the improvement are more noticeable among men. Proof of this is that in 2017 there are 6.4 million women and 5.9 million men at risk of poverty and / or social exclusion; that is, there are half a million more women affected.

Likewise, the AROPE gender gap is also present among the population over 65 years of age, which experienced a strong growth in the last year: among men, the AROPE rate is 5.5%, while it reaches 19.4% among women, more than triple. The reason for this gap lies in the different amounts of the pensions received by men and women.

Considering the at-risk-of-poverty risk rate, it is observed that it increases among women for the second consecutive year, reaching 22.2%, that is, 2.27 million women. This figure is the highest since 2008 and for the first time since 2012 exceeds the male poverty rate.

Graph 4: Evolution of the at-risk-of-poverty rate by gender 2008-2017



Note: Hombres – Men; Mujeres – Women.

Source: Juan Carlos Llano, VIII EAPN ES Report, based on data from the 2017 Living Conditions Survey, published in 2018, by the National Institute of Statistics

Severe material deprivation among women is 5.3%, a figure that is four tenths above that of men (4.9%). Likewise, 13.2% of women live in households with low intensity of work, a figure that is eight tenths higher than the male rate.

Having children increases the risk of poverty and social exclusion

Having children increases the risk of poverty: all households with children are more affected by poverty, than those who do not have them.

40.6% of people living in single-parent households, the vast majority of them headed by women (more than 88%), are at risk of poverty,

There at-risk-of-poverty rate is also a 24.1% for families composed of two adults with children in charge.

For all types of households, severe material deprivation still maintains levels well above those before the crisis. A remarkable 12% of people living in single-parent homes are in severe material deprivation.

Child poverty in Spain, the third highest in the European Union

Within the European Union, Spain (with 28.3%) ranks third, with the worst child poverty rate, after Romania and Bulgaria (with 31.5% and 29.1%, respectively). This situation speaks of the poverty of the families in which these children live, but also of the lack of specific protection resources to tackle social vulnerability in childhood. Around 31.3% of boys and girls are in AROPE, 10.8% live in severe poverty, 9.8% are in homes with low intensity of work and 6.5% suffer severe material deprivation.

In addition, 11.6% of impoverished children are part of a single-parent family and 23.5% belong to a large family.

An Anti-Poverty Strategy

The current macroeconomic and fiscal orientations are generating more inequality between the richest segment and the poorest segment of the population. The income difference between the 20% of the richest population and the poorest 20% is 6.6 times, higher than the European average (5.2) and has grown during the economic crisis. On the road to recovery, women are lagging behind men. One third of children and youth are living in situations of poverty and exclusion that jeopardize their future, as we have seen previously.

With the previous experiences of "strategies" and "plans" that are mere additions of existing resources, without additional approaches or resources, a new Anti-Poverty Strategy must have the resources and the strength to ensure respect, guarantee and protection of the human rights of today's impoverished people and families.

The first premise to fight against poverty is "to prevent poverty generation" and, instead, to reduce the inequalities that prevent the existence of a social cohesive society.

The second premise is a firm political will, which ideally should be reflected in a State Pact between parties, in order to have continuity over time.

The third premise is that Spain complies with its international commitments, specifically with the European Social Charter, the European Charter of Fundamental Rights, the

European Pillar of Social Rights and the 2030 Agenda of the United Nations. These texts are a framework, a compass or a guide for the Anti-Poverty Strategy.

This Anti-Poverty Strategy should mainstream a strong gender-equality focus, in order to put the accent on the elimination of gender gaps which lead to more women being in poverty, material deprivation and precarious jobs.

Anti-discrimination is also a key guideline. Regardless of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation, every person must have the right to equal treatment and opportunities in relation to employment, social protection, education, housing, and good quality services.

Other key aspects of this new Strategy should be:

- Orientation to “social investment”;
- Provision of adequate and sufficient resources;
- Application of an innovative and transformative approach, based on objective data, that upwards the existing resources and protection systems to establish synergies;
- Quality management of the process and outcomes.

In general terms, the Strategy will be devoted:

- To combat inequalities and difficulties of working people;
- To guarantee sufficient and adequate income;
- To expand and strengthening the protection of children;
- To re-universalize and update healthcare;
- To improve education;
- To significantly expand social housing, prioritizing people in vulnerable conditions, through integration and synergy between policies.

Inclusive Employment, Wages, Working Conditions and Social Protection

Within the Anti-Poverty Strategy, workers must be guaranteed fair and equitable treatment, as well as good working conditions, with salaries that allow a dignified life and that place them, at least, on the average of the UE retribution per-hour.

An adequate minimum wage must be guaranteed, in order to allow the needs of the worker and his/her family to be met. All workers must have access to adequate social protection and continuous training.

Precarious jobs are a source of poverty and social exclusion and, in many cases, they proliferate in the services sector, especially affecting women. The abusive use of atypical

contracts should be prohibited, and trial periods should be strictly controlled. Therefore, we believe that contracts have to be indefinite, so that people can plan their lives as adults and make decisions that involve medium and long-term responsibilities, such as forming a family.

All people should be able to exercise their right to receive personalized and timely assistance in order to improve their prospects of employment or self-employment, as well as social protection and training during work transitions. Young people, currently harmed by unemployment, should have to be able to complete vocational training, well-paid practices or have a good quality job offer in the four months after becoming unemployed or completing their studies.

Unemployed people should have the right to receive personalized, continuous and adequate help. Those in long-term unemployment should have access to high-quality employment services, in order to rejoin the labour market.

Gender Equality and Conciliation

The Anti-Poverty Strategy should clearly incorporate gender equality measures. The reconciliation between work and personal / family life has to work throughout Spain and should be extended to all sectors of activity and must not be a privilege. Mothers, fathers and people with care responsibilities must have the right to have adequate permits, flexible working conditions and assistance services (such as early childhood education or dependency care). Women and men should have equal access to special permits to fulfill their care responsibilities and should be able to use them in a balanced way.

On the other hand, the gender wage gap, the glass ceiling, the employment discrimination suffered by women in their reproductive age and the generalized discrimination faced by other working women should be radically monitored and eliminated; compliance with these measures should be pursued through a Gender Equality Commission, as in other member states.

Guaranteed Minimum Income

It is not acceptable that more than 617,200 households survive without income of any kind, according to the Active Population Survey.⁴ The Poverty Strategy should address this problem as a priority. Those people who have exhausted their unemployment benefit, who cannot or are not able to work, or who lack sufficient resources should immediately have a minimum income to ensure a dignified life throughout all the stages of life, as well as access to training goods and services. That is, the right to a minimum income should be legally considered a “subjective right”. The minimum income should be processed automatically once the situation of need has been tested, without the long list of requirements as those currently existing: the obligatory and continuous contribution with documentation (although it is already in the authorities’ hands) on behalf of the applicant or the recipient; the requisite of having a fixed address and / or proof of residence (which implies that homeless people are not eligible); the compulsory minimum time of residence in the territory where the person is applying for the minimum income; the age limits or determined family composition; etcetera. If the crucial objective is to assist the person who is in need and who has the right to such income, the current requirements imposed by the different levels of the administrations -once the need situation has been proven- are excessive.

In turn, the Strategy should monitor that the recipients have the right to jointly elaborate their social and / or work insertion itinerary with the social and employment services, according to their circumstances and possibilities.

Children, free of poverty

As we said before, Spain has a child poverty and exclusion rate that places the country among the most backward in the European Union. An Anti-Poverty Strategy must start from the basis that children have the right to enjoy affordable and good quality education and assistance. However, the most important element is their right to protection against poverty. Children in vulnerable situations should be provided with specific measures to promote equal opportunities, immediately after their situation of need has been verified. To that end, the Anti-Poverty Strategy must include a child benefit measure, which will be given to the parent, parents or responsible caregivers. This benefit must go directly to ensure an adequate life for children, so the responsible people must also have a support service for this purpose.

⁴ INE, Encuesta de Población Activa, Tercer Trimestre 2018.

Households with children, free of poverty

Households with children are the poorest and most at-risk-of social exclusion of all the households in Spain. Single-parent families, headed by women for the most part, have the worst possible social situation. The Anti-Poverty Strategy must consider that a parent and a dependent child (and not two children, as is currently the case) can be recipients of social assistance. These resources to support families in vulnerable situations should increase drastically, as well as access to social housing or at a price below the market, in order to eliminate this enormous inequality that affects about 900,000 single-parent households with children.

Elderly People, free of poverty

The contributory and non-contributory pensions with low amounts perceived by the elderly are causing the poverty growth within this population group, which is increasingly numerous and more over-aged (with a growing percentage of people over 80). The gender gap in pensions is around the European average, 39%, which means that older women have higher rates of poverty and material deprivation than men. Older people can be in a vulnerable situation because of their health status and their higher rate of disability, so they need adapted resources, in order to develop a full life, like the rest of the population. For this reason, the Anti-Poverty Strategy must consider the revaluation of pensions that are below the poverty line, to place them above it, and to increase the quality assistance resources for the elderly and dependents, including the attention to endemic problems, such as loneliness.

Inclusive Education

With regard to education, Spain must comply with the reduction of the percentage of young people who leave school prematurely, after finishing compulsory education, reaching at least the EU average, which is 11%. The problems of low educational attainment are directly related to the situation of poverty or social vulnerability of children and youth, both at their homes and their social environments; this fact should provoke an increase in educational investment, with an equal opportunity perspective, fighting discrimination and paying attention to diversity, so that education really becomes a vehicle for social cohesion.

Inclusive Healthcare

With regard to healthcare, Spain should fully return to universal healthcare coverage. The universality of the public health system is a guarantee of equality in access to the right to health. The lack of healthcare for people who cannot meet the requirements, the establishment of a percentage in the co-payment of medicines based on income and the fact that pensioners cover a part of the medicines' costs for the first time have stopped many people from following the indicated medical treatments, putting their lives at risk. Mental health and oral health are large areas that have not been considered within an holistic perspective of healthcare, mainly for budgetary reasons, but they should be rapidly integrated into an updated health portfolio. The Anti-Poverty Strategy must guarantee the necessary resources to prevent people from becoming ill or not being cured simply because they are poor.

People with Disabilities, free of poverty

With respect to persons with disabilities or in situations of dependency, the necessary resources should be available to comply with the public obligations established by the Dependency Law. The waiting lists must be reduced and the differences between the Autonomous Communities must be eliminated. The universalization of access to care established by Law should be achieved, without any type of restriction or exclusion.

Inclusive Housing

Housing has an exaggerated weight in the economy of families with lower incomes, consuming around 40% of their monthly income; this expense reinforces the shortcomings derived from insufficient income. No Strategy against Poverty in Spain can do without developing the right to decent and adequate housing. It is necessary to increase the number of housing for social rent, the energy efficiency of housing in deprived neighbourhoods, and to eliminate energy poverty. It is also a priority to avoid excessive indebtedness and evictions without an alternative housing solution. The Strategy must eradicate homelessness, with adapted and immediate responses, for which sufficient funds should be available, as well as true coordination between the different administrations. All people should have the right to access essential high-quality supplies and services, such as water, sanitation, energy, transportation and digital communications.

Continuous Quality Improvement

A distinctive element of this Anti-Poverty Strategy should be its commitment to the continuous improvement of quality in terms of social impact. Social NGOs and people living in diverse situations of poverty and exclusion must participate in the control and monitoring mechanisms of the Strategy. Besides, existing income transfer resources should be reviewed, because they are currently characterized by a strong dispersion between administrative levels and -together with the access complexity- are factors that reduce their effectiveness. The average European rate of poverty reduction after transfers (33.7%) is higher than that of Spain (31.2%), which means that it is also necessary to improve the impact achieved by each Euro invested to reach -at least- that average.⁵

In other words, it is necessary to increase social investment, but also to improve its effectiveness, for which we propose to deepen the integration of policies and radically improve synergies at the different levels of the public administrations, placing a priority on the person and the family.



⁵ EUROSTAT (2016), **Impact of social transfers in the EU28 and Euro area**. Este es un indicador de seguimiento del Pilar Europeo de Derechos Sociales. Ver https://ec.europa.eu/commission/sites/beta-political/files/social-scoreboard-2018-country-reports_en.pdf