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F O C U S

RIGHTS VIOLATION: MINIMUM INCOME

Technical Committee of the FOESSA Foundation



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Introduction

The minimum income system is intended as one of the basic supports of social protection for the maintenance of a decent standard of living for citizens. Its primary objective is to facilitate minimal well-being for vulnerable people by reducing poverty. However, the Spanish model has had three main deficit elements since its origin: a high degree of territorial inequality, a low intensity protection and limited coverage.

Until the approval of Royal Decree-Law 20/2020 establishing the Minimum Vital Income (IMV in Spanish)¹, there was no state regulatory framework for the regulation of the guaranteed minimum income. In the last four decades, it has been the 17 communities and the two autonomous cities that have developed and implemented the system, but according to very unequal criteria. Their legislation, of first, second and third generation, has been developed by processes of osmosis rather than by inter-territorial coordination or by the impulse of the different Ministries where the responsibility of this matter has fallen.

For its part, the worsening of living conditions in Spanish society, even in the midst of recovery after the Great Recession, and in particular when there have been adverse social and economic circumstances such as the 2008 crisis or the current one caused by COVID-19, further highlights the limits of the current social protection system and devices aimed at guaranteeing a minimum income to different population groups. Although the IMV is a clear advance, if it is not adequately developed at the regulatory level and if it is not properly articulated with the existing systems in the Autonomous Communities, it will be a lost opportunity for the most vulnerable households.

1. An Unequal "System" that Does not Cover the Proposed Target

The Ministry of Health, Consumer Affairs and Social Welfare publishes annually a report of the minimum income; of the year 2018 (last available) the following conclusions are drawn.

It is a system with low protective capacity and low coverage. The level of investment is very uneven and even declining in the last year. In many Autonomous Communities, RMIs (Spanish Minimum Income Allowance) are not a subjective right, but are a budget availability-dependent benefit. After years of slight but constant increase, the total amount executed in terms of RMI has decreased by **1.61 %**, going from **€1,544.4 billion** in 2017 to **€1,519.6 billion** in 2018.

¹ Royal Decree-Law 20/2020 of 29 May establishing the Minimum Vital Income (Ingreso Mínimo Vital): <https://www.boe.es/eli/es/rdl/2020/05/29/20/dof/spa/pdf>

The low intensity protection is appreciated when compared to the interprofessional minimum wage (SMI in Spanish) and the IPREM (Spanish public indicator of multiple effects income). In that same year 2018, the SMI was set at €735.40 and the IPREM was €537.84. In other words, the **€463.05** of the average amount per holder (for the first person in the household) and month of benefit represented 63 % of the SMI and 86.1 % of the IPREM.

The maximum amount per household was on average **€774.34**, which means 105.22 % of the SMI and 143.97 % of the IPREM (both are personal values). But again, the average is misleading, since this amount only exceeds the average in seven Autonomous Communities, and in three it exceeds **€900** per month per family unit (Catalonia, Navarre, and the Basque Country). Compared to the IMV, this represents **€241** less than the maximum amount guaranteed per unit of cohabitation.

For its part, the coverage of minimum incomes, that is, the number of people in poverty these benefits reach, is one of the most flagrant weaknesses of the Spanish social protection system. The average minimum income allowance implemented by the Autonomous Communities leaves more than **93 %** of people in a situation of poverty in Spain without receiving this type of benefit, according to the latest data from the Ministry of Health, Consumer Affairs and Social Welfare and the INE ECV (Living Conditions Survey of the Spanish National Statistics Institute).

In Spain, more than **2.6 million** people live below the threshold of extreme poverty (30 % of the median income according to ECV 2018, INE), while the population benefiting from minimum incomes reaches more than **679,000** people (**12.8 %** less than in 2017). In terms of coverage of the guaranteed minimum income systems, the beneficiaries of the minimum incomes barely reach **29 %** of the population below the threshold of extreme poverty. A vulnerability that affects **two out of three** people in these circumstances.

A coverage rate that ranges from **4.9 %** in Andalusia or **5.8 %** in Castile La Mancha, the regions where this coverage is less widespread, and reaches up to **274 %** of the population in extreme poverty in Navarre, **175 %** in the Basque Country or **145 %** in Asturias, the regions with the most developed coverage. Once again, the territorial differences in the development of the system are evident.

2. A Right with Enormous Social Support

According to the CIS (Spanish Centre for Sociological Research) barometer of May, the majority of people surveyed support the initiative of a State Minimum Vital Income (83.4 %). According to the results of our EINSFOESSA survey in 2018², there is also broad social support from citizens about the importance and suitability of a guaranteed minimum income system to protect the population, particularly the most vulnerable.

88.1 %³ of the population of Spain believes that those who receive social benefits do so because they need them to live. **47.3 %** think that government agencies should develop guaranteed income policies for everyone, and **49.7 %** only for those who need it.

In short, they are necessary, but in the current state they are insufficient. The judgment of the vast majority among those who receive them is that the minimum incomes cover little or almost none of the basic needs (both these perspectives add up to 84 % of the answers) and

² Survey on Integration and Social Needs of the FOESSA Foundation.

³ The data in bold is detailed per Autonomous Communities in the attached tables.

more specifically, those who declare that they cover almost none of the basic needs are double those who declare that they cover the basic needs almost completely or enough.

3. Minimum Vital Income, Significant Advance or Opportunity Loss

After almost four decades of minimum income policies, the time had come to rethink them. As we have seen, and based on the data, the arguments that recommended their reform are forceful: a clear insufficiency to cover the objective that is proposed, the territorial inequality that they entail, the weak coverage or the need to be conceived as a subjective right.

Thus, the approval of Royal Decree 20/2020, of May 29, which establishes the Minimum Vital Income, represents a very important step that places Spain a little closer to the European average for social protection. According to government calculations, the IMV would reach 850,000 households (2.3 million people), thus tripling the protection of the population with scarce resources in Spain. Still in the absence of fundamental regulatory development, many questions remain as to whether the new guaranteed income system will be able to ensure the effectiveness of this new subjective right.

More than ever it is essential to be vigilant and to continue working so that the social protection system does not leave anyone behind, particularly the most vulnerable. At the moment, the Royal Decree leaves some aspects unresolved, and in this sense, it is a lost opportunity to include in the protection system. Caritas emphasizes a series of future challenges that must be considered when implementing this new protective measure to cover the needs and give real rights to the most vulnerable groups of the population.⁴ Among which we should highlight:

- People whose administrative situation is irregular
- Emancipated young people under the age of 23
- Families living in rooms sharing housing with more than two families
- The link to employment and the obligation to register as a job seeker will mean that people who, because of their circumstances (chronic illnesses), cannot be included in the labour market will not be able to access the benefit.

METHODOLOGICAL NOTE:

The published information has three main sources:

- Report on Minimum Income 2018, Ministry of Health, Consumer Affairs and Social Welfare;
- Living Conditions Survey 2018, INE;
- CIS, advance results of Study 3281, Special Barometer of May 2020.
- Foessa Foundation 2018 Integration and Social Needs Survey, which is based on a global sample of 11,655 households and 29,953 individuals, representing a margin of error of less than 1 %. The sample for the Autonomous Communities is made up of a minimum of 650 households and a minimum of 1,500 people, representing a maximum margin of error of 5.5 %.

⁴ <https://www.caritas.es/noticias/caritas-aplaude-la-aprobacion-del-ingreso-minimo-vital-un-paso-decisivo-en-la-lucha-contra-la-pobreza-severa/>

4. Annexes

Table 1. Expenditure in 2017 and 2018, and year-on-year change (%) per Autonomous Community

<i>Autonomous Community</i>	<i>Expenditure in 2017</i>	<i>Expenditure in 2018</i>	<i>Year-on-year change</i>
<i>Andalusia</i>	86,319,748.19	53,714,504.6	-37.8 %
<i>Aragon</i>	49,335,694.70	48,504,116.6	-1.7 %
<i>Asturias</i>	119,120,320.98	124,553,633.7	4.6 %
<i>Balearic Islands</i>	13,313,137.08	21,333,051.9	60.2 %
<i>Canary Islands</i>	53,058,589.33	42,616,784.6	-19.7 %
<i>Cantabria</i>	31,209,454.08	30,986,481.6	-0.7 %
<i>Castile La Mancha</i>	6,711,262.49	9,440,813.9	40.7 %
<i>Castile and León</i>	77,714,006.97	71,879,041.1	-7.5 %
<i>Catalonia</i>	184,571,389.76	240,506,407.2	30.3 %
<i>Ceuta</i>	564,623.62	441,535.1	-21.8 %
<i>Extremadura</i>	48,434,000.00	48,433,000.0	0.0 %
<i>Galicia</i>	58,809,670.96	55,319,059.7	-5.9 %
<i>Madrid</i>	168,626,480.30	152,559,867.6	-9.5 %
<i>Melilla</i>	4,064,300.53	3,306,558.2	-18.6 %
<i>Murcia</i>	14,144,691.21	16,523,433.8	16.8 %
<i>Navarre</i>	98,081,807.38	103,520,674.4	5.5 %
<i>Basque Country</i>	468,426,721.00	438,561,737.0	-6.4 %
<i>La Rioja</i>	5,030,000.00	12,590,000.0	150.3 %
<i>Valencian Community</i>	57,907,723.43	44,879,309.7	-22.5 %
<i>Total Spain</i>	1,544,443,622.01	1,519,670,010.8	-1.6 %

Source: Ministry of Health, Consumer Affairs and Social Welfare, 2018

Table 2. Minimum monthly amount per holder and maximum amount per family unit per Autonomous Community and difference with the Minimum Vital Income minimum (€461.5) and maximum (€1,015.3) amount.

<i>Autonomous Community</i>	<i>Minimum amount (euros) per holder/month</i>	<i>Difference with minimum IMV amount of €461.5</i>	<i>Maximum amount (euros)/family unit</i>	<i>Difference with maximum IMV amount of €1,015.3</i>
<i>Andalusia</i>	419.52	-41.98	779.87	-235.43
<i>Aragon</i>	491.00	+29.5	736.00	-279.30
<i>Asturias</i>	442.96	-18.54	730.88	-284.42
<i>Balearic Islands</i>	431.53	-29.97	776.58	-238.72
<i>Canary Islands</i>	478.77	+17.27	667.75	-347.55
<i>Cantabria</i>	430.27	-31.23	672.30	-343.00
<i>Castile La Mancha</i>	446.45	-15.05	729.77	-285.53
<i>Castile and León</i>	430.27	-31.23	699.19	-316.11
<i>Catalonia</i>	604.00	+142.5	1,122.00	106.70
<i>Ceuta</i>	300.00	-161.5	420.00	-595.30
<i>Extremadura</i>	430.27	-31.23	726.08	-289.22
<i>Galicia</i>	403.38	-58.12	726.08	-289.22
<i>Madrid</i>	400.00	-61.5	735.90	-279.40
<i>Melilla</i>	458.64	-2.86	764.40	-250.90
<i>Murcia</i>	430.27	-31.23	806.76	-208.54
<i>Navarre</i>	610.80	+149.3	1,221.60	206.30
<i>Basque Country</i>	644.49	+182.99	915.47	-99.83
<i>La Rioja</i>	430.27	-31.23	672.30	-343.00
<i>Valencian Community</i>	515.13	+53.63	809.44	-205.86
<i>Average amount</i>	463.05	+1.55	774.34	-240.96

Source: Ministry of Health, Consumer Affairs and Social Welfare, 2018

Table 3. Holders and population benefiting from the compensation in 2017 and 2018, and year-on-year change per Autonomous Community

<i>Autonomous Community</i>	<i>Holders 2017</i>	<i>Total beneficiary population 2017</i>	<i>Holders 2018</i>	<i>Total beneficiary population 2018</i>	<i>Year-on- year change 2018-2017 beneficiary population</i>
<i>Andalusia</i>	29,337	102,680	17,883	40,870	-60.2%
<i>Aragon</i>	10,466	25,183	9,894	23,428	-7.0%
<i>Asturias</i>	22,219	68,357	22,305	45,511	-33.4%
<i>Balearic Islands</i>	7,551	13,154	9,714	24,824	88.7%
<i>Canary Islands</i>	13,525	25,369	11,592	20,792	-18.0%
<i>Cantabria</i>	6,366	14,147	5,365	11,286	-20.2%
<i>Castile La Mancha</i>	3,152	11,146	3,544	8,371	-24.9%
<i>Castile and León</i>	15,502	36,643	14,536	33,497	-8.6%
<i>Catalonia</i>	26,311	67,985	28,572	99,682	46.6%
<i>Ceuta</i>	263	967	266	951	-1.7%
<i>Extremadura</i>	6,316	16,853	5,982	21,099	25.2%
<i>Galicia</i>	14,468	30,512	14,238	29,694	-2.7%
<i>Madrid</i>	35,483	117,420	33,000	106,746	-9.1%
<i>Melilla</i>	994	3,855	784	3,001	-22.2%
<i>Murcia</i>	5,421	13,649	58,756	67,389	393.7%
<i>Navarre</i>	15,918	35,514	16,078	36,303	2.2%
<i>Basque Country</i>	76,188	142,029	72,341	120,606	-15.1%
<i>La Rioja</i>	2,424	2,424	2,941	2,941	21.3%
<i>Valencian Community</i>	21,387	51,312	18,411	35,089	-31.6%
<i>Total Spain</i>	313,291	779,199	293,302	679,180	-12.8%

Source: Ministry of Health, Consumer Affairs and Social Welfare, 2018

Table 4. Benefit coverage rate among the population in extreme poverty per Autonomous Community

<i>Autonomous Community</i>	<i>Population 2017</i>	<i>Rate extreme poverty population</i>	<i>Population in extreme poverty</i>	<i>Population coverage</i>
<i>Andalusia</i>	8,384,408	9.9 %	830,056	12 %
<i>Aragon</i>	1,308,728	2.2 %	28,792	87 %
<i>Asturias</i>	1,028,244	4.6 %	47,299	145 %
<i>Balearic Islands</i>	1,128,908	0.9 %	10,160	129 %
<i>Canary Islands</i>	2,127,685	9.2 %	195,747	13 %
<i>Cantabria</i>	580,229	6.0 %	34,814	41 %
<i>Castile La Mancha</i>	2,026,807	7.1 %	143,903	8 %
<i>Castile and León</i>	2,409,164	2.6 %	62,638	58 %
<i>Catalonia</i>	7,600,065	3.2 %	243,202	28 %
<i>Ceuta</i>	85,144	12.8 %	10,898	9 %
<i>Extremadura</i>	1,072,863	6.0 %	64,372	26 %
<i>Galicia</i>	2,701,743	4.8 %	129,684	24 %
<i>Madrid</i>	6,578,079	5.3 %	348,638	34 %
<i>Melilla</i>	86,384	6.8 %	5,874	66 %
<i>Murcia</i>	1,478,509	7.1 %	104,974	13 %
<i>Navarre</i>	647,554	2.0 %	12,951	274 %
<i>Basque Country</i>	2,199,088	3.7 %	81,366	175 %
<i>La Rioja</i>	315,675	6.1 %	19,256	13 %
<i>Valencian Community</i>	4,963,703	5.8 %	287,895	18 %
<i>Total Spain</i>	46,722,980	5.7 %	2,663,210	29 %

Source: Living Conditions Survey, INE, 2018

Table 5. The public administration should guarantee the right to a minimum income per Autonomous Community (% population)

<i>Autonomous Community</i>	<i>Yes, to the entire population</i>	<i>Yes, only if necessary</i>	<i>No</i>	<i>Total</i>
<i>Andalusia</i>	41.8 %	57.3 %	0.8 %	100.0 %
<i>Aragon</i>	46.0 %	51.4 %	2.6 %	100.0 %
<i>Asturias</i>	40.9 %	57.3 %	1.7 %	100.0 %
<i>Balearic Islands</i>	41.6 %	54.0 %	4.4 %	100.0 %
<i>Canary Islands</i>	51.2 %	44.4 %	4.4 %	100.0 %
<i>Cantabria</i>	42.0 %	56.1 %	1.8 %	100.0 %
<i>Castile La Mancha</i>	25.5 %	66.4 %	8.1 %	100.0 %
<i>Castile and León</i>	38.7 %	59.1 %	2.2 %	100.0 %
<i>Catalonia</i>	54.2 %	43.9 %	1.9 %	100.0 %
<i>Extremadura</i>	55.1 %	44.0 %	0.9 %	100.0 %
<i>Galicia</i>	59.8 %	38.6 %	1.5 %	100.0 %
<i>Madrid</i>	44.3 %	54.9 %	0.8 %	100.0 %
<i>Murcia</i>	59.5 %	31.5 %	9.0 %	100.0 %
<i>Navarre</i>	33.8 %	66.0 %	0.2 %	100.0 %
<i>Basque Country</i>	26.7 %	64.5 %	8.8 %	100.0 %
<i>La Rioja</i>	36.5 %	62.9 %	0.6 %	100.0 %
<i>Valencian Community</i>	55.1 %	40.7 %	4.2 %	100.0 %
<i>Total Spain</i>	47.3 %	49.7 %	3.0 %	100.0 %

Source: EINSFOESSA 2018

Table 6. Degree of agreement with... (quite or totally in agreement) per Autonomous Community:

<i>Autonomous Community</i>	<i>People who receive social benefits need them to live</i>	<i>There is fraud in social benefits, but it is much less than in other areas, such as paying taxes</i>
<i>Andalusia</i>	92.8 %	79.6 %
<i>Aragon</i>	81.4 %	70.4 %
<i>Asturias</i>	82.3 %	86.1 %
<i>Balearic Islands</i>	87.6 %	85.9 %
<i>Canary Islands</i>	85.3 %	70.3 %
<i>Cantabria</i>	91.9 %	82.6 %
<i>Castile La Mancha</i>	89.1 %	84.5 %
<i>Castile and León</i>	83.7 %	75.4 %
<i>Catalonia</i>	88.2 %	81.7 %
<i>Extremadura</i>	90.7 %	83.2 %
<i>Galicia</i>	80.8 %	90.4 %
<i>Madrid</i>	84.1 %	84.8 %
<i>Murcia</i>	85.8 %	93.8 %
<i>Navarre</i>	80.2 %	63.4 %
<i>Basque Country</i>	88.0 %	69.6 %
<i>La Rioja</i>	83.5 %	70.6 %
<i>Valencian Community</i>	95.8 %	86.5 %
<i>Total Spain</i>	88.1 %	81.6 %

Source: EINSFOESSA 2018