

Spain

Trends, Recent Developments, Active Inclusion and Minimum Resources

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1. Key Trends and Recent Policy and Legislative Developments¹

1.1 Economic context

The economic situation in Spain continues to be characterized since our last report (September 2005) by higher economic growth than the EU averages and also by higher employment growth continuing from a trend since before 2001 when the first NAP was implemented. According to the Eurostat structural indicators on the general economic background², economic growth in Spain in 2005 and 2006 (forecast) has stood at 3.4 and 3.1 respectively compared to 1.5% and 2.3% in the EU25 and 1.5% and 2.2% for EU15. This growth has been mostly fuelled by consumer spending and construction, but since 2004 also by investment in equipment.

According to the annual report for Spain on the national Reform Programme³ “Over the last decade, Spain experienced annual average real GDP growth above 3% and a sustained pace of catching-up to GDP per capita of 98% of the EU average in 2004. As a result of strong job creation, the employment rate (61.1% in 2004) has increased significantly, but remains far below the Lisbon target, especially for women, while unemployment (11% in 2004) has considerably decreased over recent months [2005]. Low productivity growth, which during the last decade has been below the EU average, coupled with persistently high inflation is damaging competitiveness.” (p.1) In addition, employment growth in 2005 continued to be higher than EU averages (3.6% compared to 0.9% in EU25% and EU15) but the share of jobs dropped from virtually half the employment created in the Union between 2002 and 2003 to only around 39% between 2003 and 2004 (459 thousand jobs out of 1,154 thousand in the EU25 and 1,194 in EU15). Employment growth for women reached 5.7% in 2005 (compared to EU25 at 1.2%, EU15 at 1.4% and Euro-zone rate at 1.2%) while the rate of employment growth for men stood at 2.2%, but also higher than EU averages (0.7% for EU25 and 0.6% for EU15 and Euro-zone).

Although the unemployment rate continued to converge to the EU averages in 2005 (9.2% in 2005 compared to 8.6% in the Euro-zone and 8.7% in EU25) and where men’s rate has reached the 7% EU15 average, women’s unemployment is higher at 12% as compared to the average for women in EU25 at 9.8%. Also, temporary work continues to affect women more heavily and also youth. According to the Employment in Europe 2005 report, fixed-term contracts in Spain reached 32.5% of total employment compared to the 13% of EU15 and EU25. Employed women in Spain with this type of contract reached 35.2%, while men reached 30%. These percentages are for 2004 and represent a slight increase from 2003 according to this source. With respect to this situation and other issues affecting the low employment rate, an important Labour Market Reform has been signed by government and social partners which is expected to address these problems more efficiently (see more detailed description of this reform below).

¹ To prepare this report we have used the search engines for news in El País and El Mundo (the two major newspapers in Spain) as well as the on-line Communication Cabinets of the relevant ministries: Ministry of Labour and Social Affairs; Ministry of Housing, Ministry of Justice, Ministry of Health and Consumer Affairs, Ministry of Education, Culture and Sports and the Spanish Parliament. The web pages of the CC.AA. were also consulted and regional newspapers. Additional sources are duly referenced.

² Source: http://epp.eurostat.ec.eu.int/portal/page?_pageid=1996_45323734&_dad=portal&_schema=PORTAL&screen=welcomer ef&open=/&product=STRIND_ECOBAC&depth=2. It is important to point out that while women’s employment growth has been double that of men for the past 5 years, the unemployment rate continues to be double, and in some regions more than double that of men. Women have a much higher incidence of temporary employment, which partly explains this situation.

³ These can be found at http://ec.europa.eu/growthandjobs/annual-report_en.htm.

The recent rise in interest rates in the euro zone have put pressure, as had been already noted in our previous reports, on a highly indebted population (the highest in the Euro-zone) and can bring one of the elements of GDP growth, consumer spending, to a slowdown. It also has implications for a possible collapse of the housing market and thus construction, although this would break the long-term historical behaviour of this market in Spain according to Bank of Spain analysis⁴, which predicts a smooth slowdown rather than a crash. Nevertheless, given the preference of the Spanish population for ownership rather than rental and given the high level of indebtedness the Bank recommends that housing should not take up more than 30% of a household's income.

Also as pointed out in our previous reports, increasing indebtedness and prices of housing are trends that could become problematic through sudden changes in economic conditions and that may be somewhat overlooked at present due to currently good economic performance. Poorer households, and young households, according to Bank of Spain analysis, are more vulnerable to sudden shocks such as unemployment and a rise in interest rates given that high proportions of these groups show indebtedness of over 40% of their income and of three times over their annual gross income⁵. In previous reports we have also pointed out that the high level of undeclared economy and the financing structure of local level governments, which receive a high proportion of their income from the taxes on property and their competences on land use, also drive the speculation in the housing market⁶.

1.2 Political and social context

One of the most important political events over the past 8 months since our last report has been the announcement by the terrorist group ETA of an indefinite cease-fire on March 22 and 23, 2006. The government is cautiously proceeding to check if the cease-fire is authentic in order to proceed with possible negotiations. From a political point of view this has somewhat reduced the political tension and has made the two main political parties (PSOE, socialists, in power and PP, conservatives, in opposition) to agree in principle over the handling of policy on terrorism immediately after the announcement of the cease fire.

Another very important phenomena is that of illegal immigration into Spain, in particular from sub-Saharan Africa that is costing hundreds of lives each year and that places Spain in a very difficult position from the point of view of managing the immigrants and single-handedly being able to combat the problem *en-route* and once they reach Spanish territory⁷. The immigration from the new and acceding and new MS is expected to continue growing after Spain has removed barriers to immigration in some cases. The Romanian and Bulgarian immigrants make up now 10% of all immigrants and

⁴ "Informe Anual 2004", Banco de España at <http://www.bde.es/informes/be/infanu/2004/inf2004.pdf>. these increases have led to the situation where the household debt ratio in Spain (debt to disposable income) surpassed the 100% level compared to the 87% Eurozone average and closer to the situation of households in the US.

⁵ In our previous report we also pointed out that in the "Survey Of Household Finances (EFF): Description, Methods, And Preliminary Results" p. 19 <http://www.bde.es/estadis/eff/eff-be1104e.pdf> the Bank also informs that there are much higher proportions of families in the lowest quintile of annual gross income with more than 40% of their income dedicated to debt payment at 30.2% compared to the average for all income strata of 7.2%. In addition, the proportion of those who are indebted **three times over their annual gross income** among the poorest families (34.2%) and young families under 35 (16.5%) is much higher than the average for all families (8.5%). The Bank highlights in its annual report for 2004 that these families are indeed exposed to a higher degree of vulnerability to sudden economic shocks such as loss of employment or increase in the interest rates in the medium term.

⁶ In this sense a recent scandal in the city of Marbella has revealed to what extent this can damage governance at the local level.

⁷ According to official data, in 2005 10,300 immigrants were rescued from the sea and by March 2006 there had been 2,300 persons rescued (<http://www.mpr.es/Centro+de+prensa/NotasdePrensa/NP20060329.htm>).

together 71% of non-EU European immigrants (55% Romanian and 16% Bulgarian)⁸. However, the largest immigrant group continues to be from Northern Africa (13% of all immigrants and 72% of all African immigrants) followed now closely by Latin America, in particular from Ecuador (also 13% of the total and 33% of all Latin American immigrants).

From the point of view of exclusion, a high proportion of the sub-Saharan immigrants (mostly men, but increasingly women with children or unaccompanied minors) who make it into Spain have been able to find until now low-qualified jobs in construction and agriculture. However, now many are finding strong competition from women in the new and acceding Member States (MS) who are replacing sub-Saharan men in the south of Spain, for example, in the area of greenhouse agriculture. Another example is that of construction, where competition by men from Latin America, non-EU Europeans and new and acceding MS is also very strong. This means that an increasing number of sub-Saharan men are finding themselves homeless, or living in shanty towns near employment sources and receiving help from NGOs as well as from the Civil Guard who try to take basic aid to them and help them in legalising their situation, but without an employment contract this is extremely difficult, and in some cases, because of their legal situation, repatriation is not possible either so that policing is not being effective as there are not enough internment or housing facilities.⁹ The most recent wave of immigrants to the Canary Islands¹⁰ has sparked criticism to the central government from the regional authorities on the insufficiency of means to combat the problem at the origin and to address the problem once immigrants arrive. The response by government has been that a number of measures have been put into place including signing of re-patriation agreements with origin countries, increasing aid to those countries and other measures.

Another issue that we highlighted in our previous two reports that concern social inclusion policies is the open process to reform the so-called Autonomic Statutes (Estatutos Autonómicos, EE.AA.) that deal with the development of the competencies each CC.AA. have, as well as with their funding. So far, the CC.AA. of Valencia, Catalonia, Andalusia, Canary Islands, Basque Country and Galicia have either finalised or are at various stages of the reforms¹¹. There has also been some tension over these reforms (especially in the case of Catalonia) given the high degree of decentralisation and the higher levels that some of these reforms propose to achieve. It is not clear at the moment whether these reforms will improve the position of local level governments or reinforce their competencies in the area of social services. As we have stated before, these reforms are closely related to the equal access and rights by all Spanish citizens to, as well as to the provision and the financing of, most of the public services that make up a high percentage of the measures in the past, the closing version, the 2005-2006 updated version of the NAP, and the future national reports on strategies for social protection and social inclusion.

⁸ These figures are from the National Statistical Institute (INE) based on the municipal registry (Padrón Municipal) available at <http://www.ine.es/inebase/cgi/um?M=%2Ft20%2Fe245&O=inebase&N=&L=>

⁹ One of the issues that arose during the recent attack to the borders in Ceuta and Melilla was the fact that the Moroccan government was leaving the returned immigrants by Spain in the middle of the desert without any aid. There was a strong lobbying from NGOs that pressured the government into either releasing the immigrants so that they could be legalised and find work and remain in Spain or to ensure that the Moroccan government would provide humane treatment and would themselves re-patriate the immigrants. However, the route through the Canary Islands is also becoming more sophisticated and the good weather at the moment is allowing hundreds of immigrants to be arriving every day. The Canary Islands do not have adequate internment facilities, so a high percentage are sent to the mainland for their situation on a case-by-case basis to be resolved. The Red-Cross has received a large grant to deal with the basic aid to arriving immigrants. We have not found studies or reports that address these issues but rather journalistic investigation on which we make these claims. We will be making a deeper search into University and other institutional research for our second semester report.

¹⁰ At the closing of this report over 1000 immigrants have reached the coasts of the Canary Islands in three days (May 12 to 14).

¹¹ A good source of information on the state of these reforms and opinion articles can be found at <http://www.aelpa.org/reformas/index.htm>.

In this context, we refer again to the high level of decentralisation in Spain which hampers a number of issues affecting the implementation of the NAP objectives and measures, in particular those that must have a strong consensus among all the Spanish regional governments (Autonomous Communities, CC.AA:) which have most of the competencies that pertain to addressing social exclusion (in the second chapter of this report we remind the reader what the situation is in Spain with regard to this point from the point of view of delivery of services). Please refer to our previous reports, in particular with respect to NAP objectives around health, education and minimum income schemes among others.

It is very important to point out that since the cease-fire in March the importance of concern given by the Spanish population to terrorism (used to be second) has dropped to the third place (29.5%) according to the Centro de Investigaciones Sociológicas (CIS, a government think tank) barometer¹² in April, the first concern continues to be unemployment (55.6%) and second place is now taken by immigration (34.5%). It is also important to note that this same barometer has found that the population feels that the political situation has improved reflected by those who answered that the political situation is very bad from 34% in March to 24% in April, but the majority answering that the situation is unlikely to change (around 46%).

1.3 Key trends in Social Inclusion

Since our last report there are a number of areas where some development or changes continue to affect or are affected by issues concerning social inclusion. This is not an assessment of implementation but rather a brief overview of some important issues:

- Immigration
- Reforms to the EE.AA.
- The new Law on Dependency
- Increases in the lowest pensions as well as changes in their regulation
- Increases in the minimum salary
- The labour market reforms, which have been carried out with a high degree of consensus by the social partners and based on scientific reports that were commissioned by the Ministry of Labour and Social Affairs
- Improvements to coordination and mainstreaming among all stakeholders
- Health
- Education

We will divide these into policy and legislative developments below as appropriate.

1.4 Policy developments

1.4.1 Immigration

The regularisation of illegal working immigrants in 2004 and 2005 has allowed employers to legalise the situation for foreign workers, increased the social security figures, increased the social protection for this group in general and reduced undeclared work. However, the flow of illegal immigrants continues to grow as we have already described above. On the other hand Spain has agreed to lift the temporary restrictions on the free mobility of workers for the new MS and might also be considering measures for the accession countries regardless of whether they obtain entry in 2007 only for qualified workers.

¹² For the full results please go to http://www.cis.es/cis/opencms/-Archivos/Marginales/2620_2639/2635/e263500.html.

With respect to health, the universal coverage by the Spanish system guarantees that illegal immigrants have access to health resources and this can be seen as one of the most positive aspects, although this is not included in the NAP under Objective 1.2, in other words immigrants as a group are covered but there are some problems, for example, in the area of family planning. From the point of view of public health this is an important element that is not always found in other EU MS. In this sense, in addition to the EU agreements on this issue, Spain has a number of agreements with other countries in order to ensure health assistance. The central government disburses an additional amount to CC.AA. to cover the expenditure. In addition to this, the additional expense of legal immigrant workers has also recently been addressed to cover the contingencies arising from illness and accidents of those workers not covered by professional health mutual associations (mutuas de accidentes de trabajo y enfermedad profesional) but by the national health system. Spain has developed these measures in line with the Common Basic Principles approved by the Council of the European Union¹³ and the Commission Communication on a Common Agenda for Integration¹⁴. It is important to point out that Spain gives full health coverage to immigrants with a legal situation in the country and that those in an irregular situation are not denied emergency care.

With respect to education, and also in line with the development of the EU documents cited above the government has finalised a number of agreements with CC.AA. that include financing of programmes for immigrant children in schools. The CC.AA. of Madrid, Catalonia, Valencia, Andalusia, Castilla-La Mancha and Galicia. These grants also include resources for reception and integration of immigrant population.

In both cases these policy developments could be considered as a good practice with possible lessons to be shared among other EU MS.

1.4.2 Reforms to the EE.AA.

The impact on Social Services and social inclusion policies of the reforms to the EE.AA. cannot yet be fully analysed, as it is widely commented that the final agreement for Catalonia will influence all the others, including the one that has already passed through parliament (Valencia)¹⁵.

Given this situation it is too early to make an assessment of what the final situation will be with respect to new or enhanced competencies in the area of Social Services and social inclusion policies. In the assessment report some of these aspects might be ready to be analysed in more depth.

1.4.3 Increases in pensions and minimum salaries

In line with the announced objectives that we have detailed in previous reports, the government continues to increase the lowest contributive and non-contributive pensions, under the approved budget for 2006 these pensions are set to increase between 5% and 6.5% plus any deviation from the 2% inflation target for 2005 (2%). The aim is to raise these minimum pensions by 26% under the present administration.

The process to make to very low pensions under the new law that was introduced in June 2005 (Ley 9/2005) that allows the beneficiaries of an extinguished benefit SOVI (Seguro obligatorio de Vejez e

¹³ http://ec.europa.eu/justice_home/funding/doc/council_conclusions_common_basic_principles.pdf

¹⁴ http://eur-lex.europa.eu/LexUriServ/site/en/com/2005/com2005_0389en01.pdf

¹⁵ The EE.AA. in Valencia includes a clause that will automatically reform the document if competencies by other EE.AA. improve upon the ones that have already been agreed to.

Invalidez or Obligatory benefit for old age and disability) to also receive widows' pensions continued to be open until November of 2005, but it was announced that there would be great flexibility for those presenting an application to receive both pensions given the very old age of most beneficiaries and the fact that they might not be aware of the changes. The great majority of the recipients of this pension are elderly women.

The minimum salary was also increased by 5.4% (to 540.90 Euro) and will continue to rise to 600 euro by 2008 and will be closer to the 60% of the average salary recommended by the European Social Charter.

1.4.4 Improvements to coordination and mainstreaming

Since our last report, the web-page of the Ministry of Labour and Social Affairs (MTAS) has improved the information on social inclusion by dedicating a web page to this issue (<http://sociales.mtas.es/inicioas/inclusion.htm>). There is now a single place where all the information on the NAP can be followed increasing transparency to the implementation process. However, there are some parts of the information that remain to be updated including links to the other Ministries and CC.AA. where information on the measures can be found and information on the activities of the different organs created for the implementation and monitoring of the NAP.

With regard to mainstreaming, in our on-going monitoring of the implementation of the NAP we have found that the Health and Education ministries include the measures in the NAP in their latest actions and that the Institute for Youth (INJUVE) also refers to the measures that are within its competency.

These developments give the NAP and the social inclusion process in general more visibility and work towards mainstreaming of the process and measures.

1.4.5 Health

The Quality Health Plan¹⁶ (Plan de Calidad para el Sistema Nacional de Salud) has been approved and will cover a number of measures included in the NAP and that will be dealt with in more detail in the assessment.

In addition the Observatory for Health and the Observatory for Women's Health have also been established and work has begun in executing its mandates, although the web-pages for these are not yet available.

1.4.6 Education

The law on education (LOE) was passed and some of the measures foreseen in the law are beginning to be developed. In particular, the re-enforcements to reduce school failure by each of the CC.AA. For this purpose a Plan for re-enforcement, orientation and support (PROA) has been launched¹⁷ since 2004 which explicitly recognises the situations of social exclusion that can lead to poor school performance. This plan has three programme strands: accompaniment programme in primary and also in secondary schools and re-enforcement and support in secondary schools. There are a number of activities planned that are to be further developed by the participating schools and that include activities

¹⁶ <http://www.msc.es/organizacion/sns/planCalidadSNS/home.htm>

¹⁷ <http://www.mec.es/educa/jsp/plantilla.jsp?area=proa&id=111>

with the students, with their families and in their immediate social environment. In this last one there are specific activities for prevention of absenteeism. The programme is co-financed at 50% by the Ministry of Education, Culture and Science and the CC.AA. of the participating school. The first phase of the Plan was experimental and thus information on it only became available recently.

In our previous report we also made emphasis on the situation of violence, which is affecting the everyday life in secondary schools in particular. The Ministry of Education, also under the framework of the new law, has put into place a Plan for the Improvement and Promotion of School Concord (23 March, 2006). Among the measures is included legal assistance to teachers who have been subject to violence by their students. Although this measure seems extreme, it reflects the degree to which the problem has taken hold of certain schools. Bullying among school children also continues to be a problem and the Plan aims to introduce conflict resolution activities so that the children can learn to solve their differences in a peaceful manner.

1.5 Legislative developments

1.5.1 *The new Law on Dependency (approved by the Council of Ministers on 22 April, 2006).*

In previous reports we have been informing of the preparation of this new Law which will create a national system to give support to persons that need assistance in the every-day activities and that is envisaged to benefit 1.5 million citizens by 2015, date set for the system to be completely implemented.

The main beneficiaries of the law are dependent persons over 65 and disabled persons, but also children from 0 to 3 years of age have been included. The right to receive private or public care is recognised as a universal right.

The financing of the system will be shared by the central government and by the CC.AA. The State Council and the Economic and Social Council were consulted and the changes that these organs suggested were incorporated into the text sent to the Parliament.

The present situation of a lack of services for the beneficiaries is taken into account and the law envisages a cash benefit for family members who are personally taking care of the dependents. However, the law aims to develop services for dependants such as tele-assistance, day centres and residences hoping to phase out the cash benefit.

From the point of view of social inclusion the law has two elements that prevent a situation of poverty and/or social exclusion of both the dependant and the carer. In the first place the carer is recognised as such and will be integrated into the Social Security system and will receive a benefit. On the other hand, the rules for the dependant are based on ability to pay, so that those who can pay should do so, thus leaving resources for those who might need financial assistance.

1.5.2 *Labour market reform (9 May, 2006)*

This is an important reform that has been signed after a negotiating process of almost two years. It is also important to point out that a group of experts and expert reports have been taken into account by all the stakeholders during the negotiations. We would like to remind the reader that this approach was identified as a best practice and was object of one of the first peer reviews¹⁸.

¹⁸ For more information see <http://www.mutual-learning-employment.net/peerreviews/1999/10/25>.

The main features of this reform are aimed at reducing fixed-term employment by phasing out the present incentives to hiring under this type of contract before making workers indefinite. It also makes the Active Insertion Benefit (Renta Activa de Inserción, RAI) a subjective right, converting it into a contributive benefit. The law has reduced severance costs, and other costs to enterprises in situation of bankruptcy, strengthened inspection. It also improves measures for hard to place groups: widens the incentives to converting fixed-term contracts into indefinite contracts to men between 16 and 30 years of age, creates a new incentive for women returning to work after 5 years of absence and the subsidies for converting contracts will remain throughout 2006 but will be phased out in 2007.

Furthermore, the law now prohibits that the same firm hire a worker several times on fixed-term contracts and limits this to only 24 months within a period of 30 months. Also there is better regulation of temporary work firms who are now limited in possible abuses to workers.

2. Active inclusion and minimum resources

2.1 The Spanish decentralisation model and minimum resources

The Spanish social protection system has undergone important advances during the last decade and in more recent years. Due to recent reforms and the positive outcomes in employment, it has improved its feasibility in the short term. However, the system still faces important challenges such as the further development of the Active Insertion Benefit (Renta Activa de Inserción, RAI), homogeneity of minimum income benefit schemes (across all CC.AA. which have various titles and which are outside the mainstream social security system and are generically known as Rentas Mínimas de Inserción, RMI), removing barriers to employment of other centrally managed benefits, the improvement of services for dependants (which is now addressed by the new Law on Dependency that we have described above), and childcare¹⁹.

It is also important to highlight here that very recently the Accord for Improving and Development of the Social Protection System, 9 April, 2001, has been implemented. This accord establishes the separation of Social Security financing sources, the financing of minimum pensions has been charged to the general budget; establishes the Reserve Fund with an amount of 4,808 million Euro over three years; significantly improves the lowest paid pensions –widows, orphans and minimum income-; and the right to early retirement for workers is extended. All of these measures strengthen and consolidate the public pension system, which is in fact one of the main tools of social policy²⁰. In our previous report and in the first section of this report we have described how these pensions have been increased and how some have been consolidated and reformed.

We have also pointed out in previous reports the fact that a large proportion of social spending, because of the very high unemployment rates that Spain has been faced with, must be taken into account. Spain continues to have one of the lowest levels of social expenditure as a percentage of GDP of the Union at 20.21% compared to 28% in the EU15 and to 27.9% in the Eurozone in 2002. It is important to point out that this figure for Spain is lower than it was in 1994 when it stood at 22.8%²¹ (note that the average has

¹⁹ “Memoria sobre la situación socioeconómica y laboral de España en 2001” (Consejo Económico y Social)

²⁰ Public system pensions and social benefits amount to 35% of the general budget and 87% of the social expenditure chapter in 2003, for example.

²¹ “European Social Statistics, Social Protection, Expenditure and Receipts”, Eurostat, 2005, p. 14. If only social benefits are considered (excluding administration costs and other expenditure) the figure for Spain drops to 19.7% in 2002 compared to 26.9 for EU15 although these figures remain provisional (p. 74).

also dropped slightly for EU15 from 28.4% in 1994). One of the explanations is that unemployment dropped dramatically and that the other social expenditures functions did not rise as quickly. According to more recent data for 2003 shows a figure of 21.23% and in 2004 this indicator has dropped slightly to 20.78% but it is a provisional figure²².

In previous reports we have also made an extensive explanation of the Spanish decentralised model and the implications this has on the delivery of social services and in particular on the fact that there are marked differences in the access and the availability of some benefits and services such as the RMI across the Autonomous Communities (CC.AA.) of Spain. Here it suffices to say that with regard to the RMI, the CC.AA. have been moving towards a model where this benefit is considered a right of citizens that are undergoing hardship situations, but there are still wide variations as to legal status of the benefit, the amounts of these benefits, the rules and the services, such as insertion into the labour market, that are not fully coordinated or not coordinated at all with the public employment services (Autonomous or Central).

From the administrative point of view RMI have always been in the realm of the competencies of the CC.AA. and have been developed to various extents, while the labour market policy have been devolved in the past 10 years to the CC.AA. (except for the north African cities of Ceuta and Melilla, and the Basque Country in the case of employment policies).

RMI are managed through Social Services in each of the CC.AA., and in most cases labour market insertion programmes are carried out through collaboration with NGOs specialising in different hard to place groups. In most cases beneficiaries sign an agreement obliging them to participate in a number of social and employment insertion activities. It is important to keep in mind that the amounts are calculated only to cover basic minimum needs such as food (more on actual amounts below). Other benefits offered by CC.AA. can also include other emergency funds to cover housing rent, subsidies to transport or child care in case these are needed to support beneficiaries in finding or keeping jobs but also under other circumstances.²³ The main weakness of these schemes, again, is that they are not coordinated with the public employment services in the CC.AA. This makes monitoring particularly difficult, as there is no link between the moment the person leaves the programme to make sure that she or he become part of the mainstream labour market²⁴. Although there are some NGOs that actually carry out this monitoring, the information is not always sent back to the national or autonomous public employment services.

On the other hand, the RAI is financially managed by the national public employment service (known as INEM), which continues to be in charge of the management of all unemployment benefits derived from the Social Security system, but not of labour market policy except in the Basque Country, Ceuta and Melilla. The active inclusion activities, as with the RMI in the CC.AA., are carried out by the collaborating NGOs that have a certification as such.

In order to understand the extent to which these various benefits (national and autonomic) support labour market inclusion, in the following sections we describe and analyse the minimum resource “system” that includes the resources managed nationally and those managed by the CC.AA.

²² “Anuario de Estadísticas Laborales y de Asuntos Sociales 2003” (Statistical labour and social affairs yearbook) on-line version at <http://www.mtas.es/estadisticas/ANUARIO2003/CPS/index.htm>. The figure for 2005 is expected soon

²³ In this sense we have also pointed out in our previous report that in fact it is not clear whether the ESSPROS accounting reflects the expenditure on RMI and other support managed by the CC.AA.

²⁴ There are also differences between urban and rural labour markets that have not been sufficiently investigated with regard to socially excluded groups.

2.1.1. Non-contributive unemployment benefit, other benefits and active labour market policies

The benefits received by individuals who have not worked or have not had sufficient contribution periods into the Social Security system have the right to a number of the so-called non-contributive benefits. From the poverty and social exclusion point of view and the need to support persons from economic inactivity into employment we feel that there are a number of issues which might be worthwhile considering from the point of view of the incentive or disincentive effects that these might have on transitions into employment and the effectiveness of some of the policies for social exclusion situations.

Comparing the number of persons receiving non-contributive to contributive unemployment benefits, Table 1 shows the most recent publicly available figures²⁵ and gives detailed information on the age and sex of beneficiaries of various unemployment benefits in 2003 and 2004. The Spanish system considers unemployment benefits for those who lost their jobs (either their contract has expired or their firms have applied for reduction of employment and other legally established situations) and have the “normal” unemployment benefit rights (contributive) and those who, for various reasons (including having exhausted their contributive benefits or under other circumstances that include some of the groups that are considered as socially excluded in the NAP), can apply to non-contributive or subsidy benefits if they are registered at the public employment service offices. The RAI beneficiaries are also identified as socially excluded groups, but they differ from those who can claim non-contributive unemployment benefits (more on this in the next section).

The first thing to note is the strong gender component. While 58% of all benefits accrued to men are contributive benefits, women only reach 47% of these types of benefits. This is a reflection of the stronger position of men in the labour market with lower temporary contracts. Similarly, up until 2003 most of those receiving contributive unemployment benefits were men, but the trend has changed and over 50% of those receiving the benefit by 2004 are women, which reflects the higher unemployment rates that affect women. The unemployment subsidies or non-contributive benefits and RAI have mainly women as the beneficiaries (over 50% in all cases and in the case of the RAI the figure rises to 73% by 2004), reflecting their higher inactivity or weaker relation to the labour market overall throughout the life-cycle, in particular for the older age groups but also very high for prime age women in comparison to EU levels.

²⁵ Anuario de Estadísticas Laborales y de Asuntos Sociales 2003” (Statistical labour and social affairs yearbook) on-line version at <http://www.mtas.es/estadisticas/ANUARIO2003/CPS/index.htm>. The figure for 2004 is expected soon

SPAIN

TABLE 1. UNEMPLOYMENT BENEFITS

Beneficiaries by type of benefit
by sex and age.

	Annual average											
	ASOLUTE VALUES											
	Total		CONTRIBUTIVE		Total		ASSISTANCE		Subsidy for temporary agricultural workers		RAI	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
AM BOS SEXOS												
Total	1.206.686	1.262.391	630.443	663.154	559.919	559.984	357.886	362.733	202.033	197.251	16.325	39.253
16 to 19	9.029	7.762	4.382	3.748	4.508	3.923	3.100	3.545	1.408	378	140	90
20 to 24	87.954	83.830	59.359	57.992	28.211	25.321	16.999	16.946	11.212	8.375	384	518
25 to 29	167.264	166.829	119.060	122.216	47.838	43.857	30.496	28.686	17.342	15.171	366	757
30 to 34	179.236	182.442	115.325	121.856	63.520	59.719	41.024	39.222	22.495	20.497	392	866
35 to 39	153.181	157.694	86.985	92.358	65.787	64.399	40.444	39.687	25.343	24.712	409	937
40 to 44	118.809	125.558	64.866	70.069	53.561	54.649	30.541	31.197	23.020	23.453	382	840
45 to 49	95.264	106.530	48.431	52.595	41.553	42.906	23.041	23.578	18.512	19.328	5.280	11.029
50 to 54	114.759	123.177	42.671	47.631	68.060	65.383	42.874	40.687	25.186	24.695	4.029	10.164
55 to 59	182.339	191.188	47.054	48.046	132.209	134.985	99.343	101.044	32.866	33.942	3.077	8.156
60 and over	98.849	117.380	42.310	46.642	54.672	64.842	30.024	38.141	24.649	26.701	1.867	5.896
MEN												
Total	607.547	623.687	344.048	360.449	258.817	252.950	175.100	172.904	83.717	80.046	4.682	10.288
16 to 19	5.213	4.545	2.869	2.478	2.273	2.029	1.460	1.813	813	216	71	38
20 to 24	44.328	42.304	33.448	32.882	10.727	9.269	5.710	5.591	5.017	3.679	154	153
25 to 29	71.378	71.350	55.975	57.933	15.285	13.221	8.326	7.299	6.959	5.921	119	196
30 to 34	71.702	72.383	51.653	54.788	19.932	17.396	11.131	9.642	8.801	7.754	116	199
35 to 39	67.606	68.193	43.762	46.112	23.731	21.883	13.466	12.267	10.265	9.617	114	198
40 to 44	58.070	60.279	35.398	37.991	22.561	22.102	12.878	12.484	9.683	9.618	112	186
45 to 49	48.784	52.147	27.279	29.072	20.009	20.052	12.017	11.855	7.992	8.196	1.496	3.023
50 to 54	62.000	64.062	26.159	28.859	34.646	32.340	24.166	21.997	10.480	10.343	1.195	2.863
55 to 59	114.928	114.462	34.304	34.158	79.863	78.419	65.962	64.286	13.900	14.133	762	1.885
60 and over	63.536	73.961	33.201	36.176	29.791	36.239	19.985	25.671	9.806	10.568	544	1.546
WOMEN												
Total	599.139	638.704	286.395	302.704	301.101	307.035	182.786	189.830	118.316	117.205	11.643	28.965
16 to 19	3.816	3.217	1.512	1.270	2.235	1.895	1.640	1.733	595	162	69	53
20 to 24	43.626	41.526	25.911	25.110	17.484	16.051	11.289	11.356	6.196	4.696	230	364
25 to 29	95.886	95.479	63.086	64.282	32.553	30.636	22.170	21.387	10.383	9.250	247	560
30 to 34	107.534	110.059	63.671	67.068	43.588	42.323	29.894	29.581	13.694	12.743	276	667
35 to 39	85.575	89.501	43.224	46.245	42.056	42.516	26.978	27.420	15.078	15.096	295	739
40 to 44	60.739	65.280	29.468	32.078	31.001	32.548	17.664	18.713	13.337	13.835	270	654
45 to 49	46.480	54.383	21.152	23.523	21.544	22.854	11.025	11.723	10.519	11.131	3.785	8.006
50 to 54	52.759	59.115	16.512	18.772	33.414	33.043	18.708	18.691	14.705	14.352	2.834	7.300
55 to 59	67.411	76.726	12.750	13.888	52.346	56.566	33.380	36.758	18.966	19.808	2.315	6.271
60 and over	35.313	43.419	9.109	10.466	24.881	28.602	10.039	12.470	14.842	16.132	1.323	4.350

Source: Ministry of Labour and Social Affairs, MTAS. Auario Estadístico, <http://w w .mtas.es/estadisticas/ANUARIO2004>

The second main feature is the age composition of the different employment benefits. While nearly half (47%) of contributive unemployment benefit recipients were 34 years of age or under (concentrated in the 25 to 29 age group), a mere 6% of RAI recipients in 2004 were in this age range. While in the non-contributive benefits, excluding the RAI beneficiaries, the largest proportion of beneficiaries concentrate in the 30 to 39 age-group (from 35% to 38%) and in the 50 to 59 age group (30 to 40%). The RAI beneficiaries are concentrated in the 45-59 age-group (almost 75%). This is mainly explained by the fact that the original RAI was aimed mainly at those over 45 years of age. However, there are also some important differences by sex and age.

While almost 70% of women receiving contributory unemployment benefits are 39 or younger, only around 55% percent of men receiving the same benefit are of this age group. On the other hand, the non-contributive unemployment benefits, almost 52% of men and 46% of women are over 45 years of age. While the percentage of men and women receiving the RAI in this same age group make up 75.5% and 74.5% respectively.

Turning now to the flow aspects of the benefits (where beneficiaries come from and when and how they leave the system), it is also interesting to note that there are very strong differences by sex. The information available gives some information by age, but not as detailed as Table 1 above. Thus, in 2004 33.8% of women receiving non-contributive benefits (including the RAI) was due to the finalisation of the contributive unemployment period compared to 21.5% of men where in 87% of the cases women are under 46 years of age and in the case of men 64%. For those over 52 years of age (we remind here that this is one of the criteria for RAI but also for non-contributive benefits), women make up close to 30% while men reach 57%. The third most important cause is that the period of contribution was not sufficient to access the contributive unemployment benefit. In this case the proportion of women is 27.6% and that of men 13.2%. There are other much smaller causes or situations where workers or other beneficiaries come into the system, but that also represent groups with special difficulties to enter or maintain employment such as: fixed continuous workers²⁶ (*fijos discontinuos*) where 3.4% are women and 1.4% are men; returned emigrants, 1.7 women and 1.4 men; ex-prisoners, 0.4% women and 2.6% men; and others 3.3.% women and 2.4% men.

As to the type of activity last engaged in by those receiving the benefits, the following table gives information by sex on the different types of unemployment benefits, There are three main activities where beneficiaries come from in the case of both contributive and non-contributive benefits from: manufacturing, construction and services to firms. In the latter two this can be explained by the high level of fixed-term or temporary employment, while in the former it is a mixture of the continued trend in lower employment opportunities in this sector combined with changes in the organisation of production which also make use of temporary employment. It is important to note that in the case of the RAI this information might either not be available as some of those receiving this benefit do not come directly from an employment situation and in the case they have some labour market experience it is not reflected in these figures.

²⁶ These type of contracts are used very extensively in Spain in regions with high tourism that are also affected by high seasonality. It is a type of labour hoarding in that the workers almost always return to the same business and where the workers affected can claim benefits while they await their next contracted period.

Table 2. Beneficiaries by sex and type of benefit and economic activity last held			
	Contributive	Non-contributive (1)	RAI
MEN			
Agriculture	2,6	3,1	0,0
Mining	0,4	0,7	0,0
Manufacturing	17,1	18,2	0,0
Utilities	0,7	1,9	0,0
Construction	21,3	19,4	0,1
Commerce and repairs	8,7	8,2	0,1
Catering	5,5	4,8	0,0
Transport, telecommunications, etc.	4,1	5,3	0,0
Financial intermediation	0,7	0,9	0,0
Services to firms and real estate	31,1	14,2	0,1
Public defense and administration and social security	2,8	7,3	0,1
Education	0,7	0,4	0,0
Health, veterinary and social services	0,6	0,5	0,0
Other services	2,7	2,6	0,0
No information	0,8	12,5	99,4
WOMEN			
Agriculture	1,1	1,7	0,0
Mining	0,2	0,3	0,0
Manufacturing	14,2	15,8	0,0
Utilities	0,2	0,4	0,0
Construction	2,8	3,1	0,0
Commerce and repairs	16,3	15,7	0,0
Catering	9,9	11,8	0,0
Transport, telecommunications, etc.	1,9	2,5	0,0
Financial intermediation	0,7	0,7	0,0
Services to firms and real estate	37,4	21,8	0,0
Public defense and administration and social security	4,2	9,1	0,1
Education	2,7	1,3	0,0
Health, veterinary and social services	3,5	2,5	0,0
Other services	4,8	4,3	0,0
No information	0,0	9,0	99,7
(1) Includes Agrarian Rent but not the subsidy for temporary agricultural workers.			
Source: Ministry of Labour and Social Affairs, MTAS. Anuario Estadístico, Table PRD12 http://www.mtas.es/estadisticas/ANUARIO2004/PRD/index.htm			

With respect to the success in inserting the beneficiaries into the labour market, the flow data on the RAI shows that it is not a very successful programme compared to the rates of the other benefits. While 60% of those receiving contributive benefits managed to find jobs again, only 21% of those in the RAI were able to do so. Those receiving the non-contributive unemployment benefit also have a better figure than those receiving the RAI, but also very much below the contributive group at 36%. Although we have not analysed in depth the situation of agricultural workers, their insertion rate is also similar to those receiving the RAI at 22%²⁷.

Finally, it is also important to take into account the regional distribution of the RAI and other beneficiaries. In Table 2, the figures for 2004 are found. The higher proportion in Andalusia can be explained by the fact that it is the CC.AA. with the highest proportion of the population (20%) and also due to the lower average income of this region. However, this figure remains extremely high, using the same elements to explain the distribution in the other CC.AA. The second is Extremadura which also has a very low GDP per capita.

²⁷ Table PRD10 <http://www.mtas.es/estadisticas/ANUARIO2004/PRD/index.htm>.

Table 3. Distribution of beneficiaries by CC.AA., 2004

CC.AA.	Percentage in the total number of beneficiaries
Andalusia	40,4
Aragon	0,9
Asturias	2,1
Balearic Islands	0,3
Canary Islands	8,2
Cantabria	1,4
Castilla-La Mancha	3,0
Castilla y León	5,8
Catalonia	4,0
Valencia	6,9
Extremadura	6,8
Galicia	11,3
Madrid	4,9
Murcia	1,7
Navarre	0,3
Basque Country	1,2
La Rioja	0,2
Ceuta	0,2
Melilla	0,4

Turning now to the average amount of benefits, the following table gives the monthly average based on yearly figures of the different benefits by age and sex.²⁸ The contributive benefits are for both sexes and all ages higher than the non-contributive and RAI benefits. This is to be expected as the subsidies have the aim to support basic subsistence while the unemployed person looks for a job. Under no circumstance do these benefits exceed the amount of official full-time minimum salaries and thus have a positive income effect (i.e. the income replacement rate is well under 100%).

As to the differences by sex, as expected and reflecting this situation of the labour market, women have lower contributive and non-contributive benefits (as the latter are also partly influenced by the levels of previous contributions). However, in the case of the RAI, although it is practically the same for both sexes at any age, women receiving benefits show slightly higher (less than 5 euro difference) levels of benefits than men in the 25-44 age group and could be mainly due to the presence of children in the household, but, again, the differences are really very small to offer any plausible explanation.

²⁸ Based on Table PRD12 <http://www.mtas.es/estadisticas/ANUARIO2004/PRD/index.htm>

Table 4. Average monthly amounts by beneficiary by age and sex, 2004				
	CONTRIBUTIVE		NON-CONTRIBUTIVE (1)	RAI
	GROSS	NET		
MEN				
Total	788,54	726,09	375,61	357,72
16 to 19	694,33	649,43	418,90	362,30
20 to 24	724,76	683,29	392,33	363,13
25 to 29	742,02	697,32	382,49	356,54
30 to 34	766,27	713,87	380,62	353,35
35 to 39	788,18	729,09	381,06	357,06
40 to 44	810,95	744,23	381,52	354,87
45 to 49	813,57	744,36	391,62	357,26
50 to 54	839,35	758,15	381,42	357,86
55 to 59	846,05	761,58	366,89	358,47
60 and over	823,14	738,21	369,06	357,95
WOMEN				
Total	640,07	597,11	355,10	357,31
16 to 19	586,69	537,04	389,53	355,71
20 to 24	601,31	566,02	364,39	362,02
25 to 29	627,99	591,92	354,53	357,83
30 to 34	644,38	603,47	351,25	359,92
35 to 39	660,87	615,58	348,40	357,58
40 to 44	655,04	608,98	350,86	358,65
45 to 49	642,42	595,59	356,23	355,96
50 to 54	652,02	598,45	361,31	357,44
55 to 59	633,38	579,12	356,62	357,81
60 and over	630,46	576,89	358,25	357,77
(1) Includes Agrarian Rent but not the subsidy for temporary agricultural workers.				
Source: Ministry of Labour and Social Affairs, MTAS. Anuario Estadístico, Table PRD12 http://www.mtas.es/estadisticas/ANUARIO2004/PRD/index.htm				

Also, it is important to note that there are small differences between the non-contributive unemployment benefit or subsidy and the RAI. We remind here that in the case of the former the means testing is at household level while in the case of the subsidy it is individually based. The small differences and having analysed the rules for obtaining the benefits lead to the conclusion that the households and individuals receiving these benefits have no other rents and that other family members are also unemployed.

As a final comment, we note that in the case of the non-contributive benefits younger men (from 16 to 29 years of age) the levels show much higher average values (there is difference of 50 euro between the youngest and oldest beneficiaries). This result can be due mainly to a higher number of children in the case of the younger families for which supplements are given. In the case of younger women these benefits are also somewhat higher, but not as marked as in the case of men. More information would be needed in any case in order to explain these differences.

2.1.2 The RAI²⁹

The RAI (Renta activa de inserción, or active minimum income) programme managed by the National Public Employment Service (INEM) since 2000 has widened the scope for other groups (which initially included disabled persons, returned emigrants, persons over 45 and families with low incomes (tested) among others) and now also includes women victims of domestic violence³⁰. Other special measures for this group are envisaged such as a special benefit to aid these victims in moving away to a new locality and away from their aggressors (a lump sum of three months' worth of benefit (1.125 euros). As we have mentioned above, the Labour Market Reform will now make this benefit a right for all workers and will contribute to the Social Security System and no longer be determined by the Budget Bill as a non-contributive benefit.

The programme has also recently increased the number of maximum months of benefit duration from 10 to 11 and has introduced the possibility of receiving a supplement equal to 25% of the benefit established to those who find a job but that need special support to make the transition from unemployment to work for a maximum of 180 days.

The programme services have included the following:

- Individualised tutoring
- Definition of the employment insertion itinerary
- Professional interview by the tutor in order to define the beneficiary's professional profile
- Personal plan for employment insertion. Planned schedule of activities to carry out.
- Management of the job offers
- Inclusion in employment and/or training schemes
- Inclusion in voluntary work

These activities have taken on board labour market insertion methodologies that have been developed by NGOs usually dealing with beneficiaries receiving RMI benefits or other participants sent to the NGOs from Social Services. It is important to note that these methodologies vary widely in scope and depth depending on the NGO itself and that one of the weakest points is monitoring the persons once they stop receiving the benefits (RAI or RMI). In our interviews with Social Services and some of the main NGOs who implement these programmes it has been pointed out that some of the beneficiaries return shortly after and for others there is no monitoring by either the NGO or the public employment service as to their permanence or failure to remain in the mainstream labour market. Another difficulty in the case of the RMI is that if the family or person moves to another CC.AA. and sometimes even within the same CC.AA. to another municipality, the monitoring of the person becomes very difficult or inexistent. A single card and electronic system for recording all the services, an idea which has been mentioned on other occasions in our reports, would be very helpful and would diminish inefficiencies. We have also mentioned in previous reports the fact that there is now a project underway to make an inter-phase between the unemployment benefit database and the social security database which would also be very useful.

As we have already pointed out, only in some cases do some NGOs carry out further monitoring and send their observations to the public employment services. In this case the opportunity is lost to measure the real longer-term impact of the programmes and can be inefficient if the beneficiary turns to

²⁹ The information for this section has been obtained from the following official web-site <http://www.inem.es/ciudadano/desempleo/RAI.html>.

³⁰ This was the result of the new Law on Protection for Victims of Gender Based Violence.

another or the same NGO to re-start the process in case the job was fixed-term or the beneficiary left for other reasons. In any case most NGOs gather a wealth of information on beneficiaries through a number of tools developed by their methodologies. These methodologies include registering by electronic means very rich information on the itinerary: what activities have been carried out, the results the trainings, the job interviews and outcomes, other situations affecting the person, etc. These could be used for research and deepening the knowledge on the best ways to manage successful labour market insertion itineraries for persons receiving minimum incomes.

In the following Box the main requirements for applicants to the RAI are shown. It is important to point out that, given the high proportion of women who are the beneficiaries, it might be inadequate to submit the approval into the programme based on household means-testing. As pointed out by various studies, these procedures have a high employment disincentive effect on women. Individualizing the benefits would have much more efficient effects. On further analysis, the fact that the means testing includes women who have children to their care and limiting the entry based on the other member's of the household might be limiting the chances of women who are already under a lot of pressure to make ends meet and who will not have made sufficient contributions to the mainstream social security system becoming dependent later on in life on non-contributive benefits. It is important to note that important changes are expected as the Labour Market Reform begins to be implemented and that it would be important to take differences between women and men into account. However, as we have pointed out above, in terms of the rules and the benefit obtained there are not many differences between non-contributive and RAI recipients from the point of view of other rents and incidence of unemployment in the household.

RAI: Beneficiaries, access requirements.

Unemployed under 65 years of age that meet the following requirements at the time of application to the programme:

- To have reached 45 years of age.
- To be registered in the public employment service for 12 continuous months. If the applicant has worked for more than 90 days in the previous 365 days to the date of application may not apply.
- The applicant cannot have the right to unemployment benefits or subsidies nor to the Agricultural Benefit (for agricultural temporary workers).
- To have no other sources of income, whatever the nature, higher than 75% of the monthly official minimum salary (Salario Mínimo Interprofesional) excluding the proportional part of the two extraordinary annual payments³¹.

In this latter case, and under the same terms, if the applicant has a partner or has children under 26 to their care, or older than 26 who are disabled, or children under foster care will be subject to means testing. In this case the income of all the household members divided by the total number of household members cannot exceed 75% of the monthly official minimum salary excluding the proportional part of the two extraordinary annual payments. RMI will be included in this income or any other income from CC.AA. as well as any other benefits deriving from the Social Security System.

The beneficiary will not be accepted in the programme if she or she have already received the RAI in the previous year except for the case of disability or gender violence victims. If the beneficiary has already been three times in the RAI programme, he or she will no longer be accepted.

³¹ Under the current Labour Law all employees have the right to receive two extra payments per year equal to their regular monthly salary which are disbursed during summer holidays and at the end of the natural year.

Unemployed persons who are less than 65 years old may also apply under the following requirements:

- 33% disability or invalidity to work in the same percentage and that also cover the aforementioned requirements except the age limit of 45.
- Returning emigrant in the past 12 months prior to application to the programme and have had a stay of at least 6 months abroad and is registered in the public employment service as looking for work and that also cover the aforementioned requirements except for the one requirement having been registered for 12 continuous months.
- Victims of gender violence certified by the competent administration and cover the aforementioned requirements except the age and having been registered for 12 continuous months.

There is no admission into the programme for workers who:

- Are imprisoned, preventively or sentenced, except for the case in which the situation is compatible with work outside the prison and covers all requirements.
- Are receiving pensions or benefits from Social Security which are incompatible with employment.

Are beneficiaries of the social aid for gender violence victims that cannot participate in employment programmes foreseen in Art. 27 of the Law on Protection of Victims of Gender Violence (1/2004 of 28 December) if such aid has been received within the 6 or 12 months prior to application to enter the programme or if the amount of the aid has been equivalent to 6 or 12 months of the non-contributive unemployment benefit (or unemployment subsidy).

Source: <http://www.inem.es/ciudadano/desempleo/RAI.html>, our own translation.

An analysis of the differences in the beneficiaries who can claim non-contributive unemployment benefits and those who can claim RAI shows that there are some similarities in the amounts or limits set by means testing and other requirements but also some important differences. Others who are also considered as persons experiencing social exclusion in the NAP are actually excluded from this benefit. Although **all** of the unemployment benefits described include signing an agreement by the beneficiary that binds her or him to actively participate in a series of employability and training activities or voluntary work, the difference lies in the closer monitoring of beneficiaries receiving the RAI. The other beneficiaries of unemployment subsidy (non-contributive benefit) who do not receive an individualised insertion service through the public employment service at the outset, although some of them can also be considered as persons with special difficulties, are ex-convicts, disabled persons over 45 with family responsibilities or over 52 regardless of their situation, ex-convicts, returned emigrants, workers who have not have covered the minimum contribution period, etc. There is also an individual means testing in the non-contributive unemployment benefit, as opposed to the household means testing of the RAI.

2.1.3 The RMI

Minimum income benefits were created at the regional level in Spain. The first Autonomous Community implementing it was the Basque Country and the rest of the Autonomous Communities quickly followed during the 1990s. Although they are co-financed by the central government, the management, regulation and design are left entirely at the hands of the regional governments and these in turn can delegate on local governments. The level, requirements, obligations, rights and other relevant characteristics differ widely among the CC.AA. One of the most important differences among the legal frameworks for these schemes is that in some CC.AA. the benefit has been instrumented as a right when a person falls under a certain income level, whereas in other CC.AA., it is not a right and the process to obtain the benefit is more arduous. There are also very different approaches in “policing” the

benefit to prevent fraud, that sometimes hurts families who in reality continue to need support in spite of carrying out paid work, but of a very unstable or informal nature. The analysis of the data from these schemes could be very helpful in pinpointing the multiple needs of excluded or at risk populations and it can also help to formulate better targets.

To date we have not been able to find research or a single data bank on the different RMI. In our monitoring exercise we have searched for information on the RMI in each of the CC.AA. through the Internet, by written communication and by phone to the Social Service authorities in each one. It has been extremely difficult to gather all the updated information on these benefits and the associated services. The 2005-2006 NAP gives a global figure on recipients and disbursement to recipients and only one of the earliest previous editions gives a table with data by CC.AA.. Making a simple calculation, each of the beneficiaries, on average, would have received 283 euro per month (a little over 96 thousand beneficiaries and almost 300 million euros of expenditure reported). From this average that we have calculated, the range is very ample, going from 64 Euro to close to 900 if the RMI takes into account, for example, family composition. In any case we would like to highlight that in Navarra and the Basque Country (the first to implement the RMI) and to a lesser extent Madrid, the system has developed more fully to differentiate between a number of different grants linked to RMI in a holistic way whereas in other CC.AA. this approach is not so fully developed. These other grants are transport, study (for children), etc.)

We also note that in our revision of the local and regional level social inclusion plans (see our previous reports) these beneficiaries are not always included nor is the data gathered on them analysed as a basis for programmes and projects.

Finally it is also important to point out that the different CC.AA., or at municipal level, there are calls for proposals from NGOs for programmes aimed at specific groups within those receiving the RMI.

2.1.4 Other non-contributive benefits³²

Very quickly in this section we wish to inform on the other non-contributive benefits that could in principle also have some activation included for the working age population. There are contributive and non-contributive benefits such as disability and survival benefits that have marked differences by age and sex. Many of these benefits are incompatible with employment. If the view was taken to allow, at least for a limited and reasonable period, the combination of work and receipt of these pensions, the effect on employment could be enhanced and possible informal employment (undeclared work) activities avoided. Women are the majority of main beneficiaries of these various benefits and pensions except in the case of contributive disability pensions which, as in the case of unemployment benefits, reflect the labour market situation with less women active and with lower wages on average. Thus, in 2004 women receiving, for example, non-contributive disability benefits made up almost 60% of total beneficiaries, while the contributory disability benefit women made up a little less than 30%.

As to the amounts of the benefits, these vary depending on whether the benefit comes from the contributive or non-contributive system. The contributive benefit for disability amounts are similar to unemployment benefit in that they are higher than the minimum salary and in particular for the older beneficiaries. In 2004 on average, for example, the average amount was 665 euro per month for a contributory permanent disability beneficiary. Non-contributive disability benefits, however, are lower than, for example, the RAI in 2004, on average. For a person on non-contributory disability the amount is, on average, 346 euro per month³³.

³² The data for this section was taken from <http://www.mtas.es/estadisticas/ANUARIO2004/PNC/index.htm>

³³ These figures are from Table

2.1.5 Conclusions

The RAI and RMI show some differences in approach and depth of involvement with the final beneficiaries. In the first place, the RAI is within the social security system, giving it much more stability and clearer rules in the whole of the Spanish territory than in the case of the RMI which varies both in legal status and amounts disbursed to recipients depending on the CC.AA.. However not all persons who have been identified in the NAP inclusion have access to the RAI. In the case of the RMI, also depending on the CC.AA., there is a close monitoring of the beneficiaries which only in some cases includes monitoring into the labour market and documenting the transitions into and out of jobs. In the case of the RAI the same approach is taken except for the monitoring more permanently once the person has obtained a job. The NGOs collaborating in both types of schemes have a wealth of methodological approaches and information that could be mainstreamed without reducing the individual attention that many of the groups require.

The different minimum income benefits and pensions are not all included in the wider active labour market policy in Spain. Making them compatible with employment could make the difference for many to return to the labour market or to enter for the first time, particularly in the case of disability benefits or carers for disabled children. It would be recommendable to closely look at rules and requirements of the benefits to take into account the high number of women that are the main beneficiaries in order to make adjustments to the realities of their circumstance including their age.

Means testing in the case of the RAI can have strong disincentives for women in particular. The programme has a low labour market insertion rate and in this context the rules should be revised to make them more labour market friendly. The recent reform has included the RAI as one of the improvements to supporting the employability and return to the labour market but must also have changes to its rules which are sensitive to gender differences.

The methodologies of insertion into the labour market for socially excluded persons have two main related weaknesses: the full monitoring of persons going through the programmes once they are placed in a job and the lack of coordination between social services and the public employment services. The participating NGOs have made very important improvements to these methodologies and some of them have already included the monitoring, so that larger efforts could be made to mainstream these experiences. As noted in our previous report, there is already a plan to unify the databases which could make this a reality and also improve the knowledge on the obstacles and formulate new policy on this issue.

The recognition of the carer of a dependant person in the Social Security system and the contributions to be made into the system will also allow carers to return to the labour market once their caring responsibilities end under the new Law on Dependency, which should avoid, excusing the expression, dependency on benefits.

ANNEX 1 Summary table of minimum incomes and activation

	Management of the benefit	Active labour market policy associated with the benefit	Other administrations or institutions involved in monitoring beneficiaries	Average amount in Euro (2004)
Non-contributive unemployment benefits	Central level	Beneficiary signs agreement to participate in training, voluntary activities and to take up jobs		Men 375.61 Women 355.10
Other non-contributive benefits	Central level	Many times benefits are not compatible with employment		346 (disability)
RAI	Central level	Beneficiary signs agreement to participate in training, voluntary activities and to take up jobs	NGOs	Men 357.72 Women 357.31
RMI	CC.AA.	Differs between CC.AA. in some cases the access requirements limit take-up and rules do not take into account some of the specificities and difficulties of socially excluded persons	Municipalities, NGOs	284**
<p>*Disability benefit **Average calculated from information provided in the 2005-2006 NAP. This amount varies depending on the CC.AA. and rules associated to the benefit.</p>				