



Peer Review on “Comprehensive Follow-up of Low-income Families”

Oslo (Norway) 28-29 November 2019

Peer Country Comments Paper - Spain

**Can public social services alone break the
generational transmission of poverty?**

DG Employment, Social Affairs and Inclusion



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1 Introduction

This paper has been prepared for the Peer Review on "Comprehensive Follow-up of Low-income Families" within the framework of the Mutual Learning Programme. It provides a comparative assessment of the policy example of the host country (Norway) and the situation in Spain. The author would like to acknowledge the contributions to this paper from Skye Bain, International Consultant at Fresno, the right link.

2 Situation in the peer country

2.1 Low-income families poverty and unemployment

In 2018, 26.1 % of the Spanish population was at risk of poverty and social exclusion (AROP) (Eurostat, 2019). The Spanish AROP rate has decreased by 3 percentage points in the last four years (29.1% in 2014), nevertheless, the rate is still 4.4 percentage points higher than the EU average, leaving Spain with the third highest rate in the EU (after Romania and Greece). Poverty and social exclusion is generally conditioned by high unemployment rates, which reached 17.1 % in 2014 and is currently 13.9 % (INE, 2019a). Poor employment quality influences the high percentage of working poor (16 % in 2018); by contrast severe material deprivation is 5.1 %. Poverty disproportionately affects people of immigrant origin – affecting 56.0 % of people of non-EU origin compared to 23 % of nationals – linked to immigrants having the highest unemployment rates (23.5 %) compared to nationals (13.1 %).

2.2 Child poverty and household composition

Child poverty in Spain reached 35.8 % in 2014 and is currently still 29.5 %, six percentage points above the EU average (INE, 2019a). In the case of single parents with at least one dependant this rate reaches 50 %. These figures are particularly worrying when looking at intergenerational poverty. When considering at the indicator of intergenerational persistence of poverty in the adult population (% of adults living in poor households and % of adults coming from poor households) the ratio is 1.4 compared to the 1.32 EU average (2011). This means that for adults currently living in poverty, the risk of them being poor when they were teenagers is 40 % higher than the average adult population (age between 25 and 59). This is in line with similar results of other Mediterranean countries such as Italy, Portugal and Cyprus (Eurostat, 2011).

Poverty and social exclusion of children is related to economic fragility, household composition and the risk associated with being from a migrant or Roma family. Minors living in households in precarious family situations have higher vulnerability rates than the Spanish population as a whole (INE, 2017). The AROP rate is almost twice as high for single-parent households with children compared to households of two adults with one or more children. In 2014, more than half of households with only one adult were in situations of vulnerability (53.3 %), although it decreased slightly to 47.9 % by 2017. It should be pointed out that in 2017, women were responsible for the household in 83 % of households with only one adult and children. The persistence of such high rates from 2008-2017 emphasises the seriousness of the problem of poverty and social exclusion.

3 Assessment of the policy measure

3.1 Administrative organisation and challenges

The figures presented in the previous chapter demonstrate substantial differences between Spain and Norway, regarding rates of poverty in general, household composition as well as the labour market situation. For instance, a critical issue is the

rate of unemployment: 2.7 % in Norway (2017) compared to 13.8 % in Spain (August 2019). Rates of poverty in Spain are disproportionately high compared to Norway, especially regarding low-income families, children and single parent households. While in Norway the key challenge focuses on migrants having a "disproportionately high share of one-income-households among these parents, and less full-time employment than in the general population", the share of low-income families is much higher in Spain affecting a large percentage of the general population. Nevertheless, non-EU immigrants remain a critical challenge in both countries, despite Spain having a higher percentage, with a lower rate of participation in employment; additionally, the Roma minority faces particular challenges in Spain.

The host country discussion paper stresses that comparatively "Norway is among the countries in Europe with the most generous welfare system, including benefits and public services and higher rates of labour market participation". Furthermore, "in addition to benefits in case of sickness, unemployment, disability and/or old age, there are also several types of benefits for families as child benefits, cash benefits, transitional benefits and benefits during parental leave" (NAV, 2019). The Spanish social protection system is both less robust and affluent in terms of services and benefits and less comprehensive. Besides benefits in case of sickness, unemployment, disability and old age, at national level there is a series of child support programmes, such as social security child benefits for under 18-year olds, income that is means-tested and scaled according to level of disability and family size, lump-sum child benefits for adoption or multiple birth, universal birth benefit, means-tested lump-sum child benefit for large families, single parents and disabled mothers, child tax credit and maternity credit for working mothers with children under the age of three. Additionally, at regional level, the majority of Regional Governments have developed child-related income tax credits and social benefits of different types focused on the most deprived families.

While the Norwegian welfare system has demonstrated some shortfalls when protecting low-income families, the Spanish system continues to present many weaknesses. According to the latest active labour population survey (EPA) (INE, 2019b: 2019 T3). 1 010 000 households have all their active members in unemployment and 270 000 of them are single-person households. Furthermore, more than half a million households do not have an income (INE, 2019b: 2019 T3). In fact, the high poverty rates have become chronic during the last four decades; while they reduced from 1978 to 2000, they increased during the recent economic crisis due to fiscal adjustments, despite some recent improvements (INE annual series of data on the EU-SILC). Critical concerns are related to the social protection system's limited effect on reducing household and child poverty (Ayala, L. and Cantó, O., 2014), the nature of the Spanish labour market with its low labour intensity (Rodríguez Cabrero, G., 2014) and the consequences of the recent economic and financial crisis (Oxfam Intermón, 2019).

The host country discussion paper presents the Social Services Act that regulates social assistance in Norway as the "last resort of financial support and it can be given when no other types of income support are available, including lack of entitlement to subsistence allowance from the National Insurance Scheme". Though Spain is not a federal state, the political and administrative system is highly decentralised. The Spanish Regions (Comunidades Autonomas) have full competences in social services, with their own independent legislation and provision systems. Implementation of social services is shared between the regions and municipalities (community services are provided by municipalities and specialised services by the regions). Each region has its respective minimum income system with drastically differing situations of service provision, coverage and budget. For instance, the monthly allocation per beneficiary ranks between EUR 644 in the Basque Country and EUR 300 in Ceuta; the level of coverage per thousand inhabitants ranks between 56.06 % in Navarra and 4.13 % in Castilla la Mancha. Asturias, which is the relevant practice presented in this

report, is among the top regions in Spain in terms of minimum income coverage (44.24 %) and the average in terms of monthly allocation (EUR 443) (The Spanish Ministry of Health, Consumers and Social Wellbeing, 2019).

The HOLF model has been piloted by the Norwegian Labour and Welfare Administration which manage the local Welfare and Labour Offices (NAT offices); this means that labour and social services are provided by the same body and in the same office as a one-stop-shop when addressing low-income families. In Spain, a critical concern is the lack of integration between the social services and employment services when addressing vulnerable people; social services are responsible for allocating minimum income (except in the Basque country). There are some experiences attempting to improve the coordination, such as that of the Region of Asturias presented in this report.

3.2 Policy measures and programmes

Intergenerational transmission of poverty in Spain is a major matter of concern as recently demonstrated in the VIII FOESSA report (Arriba González de Durana, A., et al., 2019). Overcoming this trend requires structural interventions in different dimensions: fiscal; labour market; intensive allocation of benefits; family and child support. Similar to Norway, there is an increasing consensus among the Spanish actors on the need to invest in children and families, from the perspective of progressive universalism, which is investing in all but more intensively in these families at risk of exclusion, which represent a high percentage in Spain. In recent years, Spain has received several country-specific recommendations from the Council for effective policies ensuring that employment and social services have the capacity to provide effective support, to improve support for families, to address coverage gaps in national unemployment assistance and regional minimum income schemes, to reduce early school leaving and to improve educational outcomes (Council, 2019).

Social services in Spain have been enhancing their interventions and support to families and children at risk of exclusion by increasing their resources and developing new programmes, especially as a consequence of the economic crisis. Innovative common trends in the regions are related to the challenges addressed by the HOLF model, despite the response and approaches being different. For instance, while the HOLF model focuses on making the system more efficient by introducing a new professional role (family coordinator), working method and tools, most of the Spanish experiences have opted for implementing new projects and improving coordination among the different systems:

- In **education and social inclusion of children** the primary aim is to increase the level of early childhood education and care to increase the level of school attendance, especially of immigrant and Roma children - and to reduce early dropouts. To this end, some social services are implementing support programmes in close cooperation with schools and civil society organisations and with the engagement of the families. Recently, unaccompanied minors from third countries have become a new challenge to address.
- In **access to housing** new programmes have been undertaken to solve problems related to eviction by providing emergency solutions. Rehousing programmes have been a priority for social services, especially for immigrants and Roma in cooperation with housing departments.
- In **healthcare** the Spanish system is considered to be inclusive of vulnerable families. Nevertheless, during the economic crisis, some restrictions were applied to immigrants without residence permits. Mediation programmes for families with different cultural backgrounds have demonstrated positive results.
- **Family income** has been addressed mainly by improving and increasing minimum income systems. Expenditure has passed from EUR 766 million to

EUR 1.52 billion between 2010 and 2018, and at the same time economic emergency support has increased (The Spanish Ministry of Health, Consumers and Social Wellbeing, 2019).

A critical challenge in Spain is how to better integrate employment and social support for low-income families. While in Norway these services are provided by the same institution, in Spain they usually work in parallel. It is a crucial challenge to better combine protection (income) and support (in accessing employment); a key discussion is how these two elements should interconnect and be conditional upon each other. While Spanish experiences have opted for case managers as key figures, the HOLF project has introduced family coordinators. The example of Asturias, described in the annex, has made substantial progress in improving the system of coordination, giving preference to training and employment access services to beneficiaries of minimum income and providing more adapted activation measures. Other Spanish Regions are advancing in the same direction as is the case of Navarra, with the pilot project "ERSISI Servicios para la Inclusión" providing integrated measures, integrating the system of information and implementing segmentation tools.

Both Spain and Norway share a targeted approach. Similar to the HOLF model which basically focuses on providing targeted support to immigrants, there are many experiences in Spain with immigrants and other target groups with high rates of exclusion. In fact, social services in Spain have a tradition of combining mainstream measures with target projects for specific groups. The role of the non-profit sector is prominent in this approach, when providing services to target groups in close cooperation with the public administration, as well as when engaging the communities.

4 Assessment of success factors and transferability

4.1 Lessons for Spain

The HOLF model aims at providing comprehensive and coordinated welfare services by introducing tools and methods for coordinating and case-based counselling, and by creating a new role of family coordinators; all this to better promote children's and parent's health, housing, education and employment. According to the host country discussion paper, there were no substantial effects on employment or income, however it achieved some improvements in creating trust with beneficiaries and increasing visibility. Nevertheless, some lessons can be learned for the Spanish model:

Systematic planning and intervention: the HOLF model includes the essential elements of a systematic project of intervention, many of which are not often present in Spanish social services. Usually new interventions are conceived in the short-term with a lack of adequate piloting processes, insufficient time and economic resources and poor or inexistent evaluations. Interventions are driven by the need for urgent responses rather than for systematic planning processes. All this results in programmes and policies driven by the need for pragmatic solutions, urgency and political or corporative group's influence, lacking evidence-based approaches.

Reforms oriented to efficiency instead of additional structures: the HOLF model is a good example of piloting experiences driven improve efficiency of existing resources. In other words, the main objective is how existing bodies (NAV offices), are more inclusive and can better achieve their mission and improve implementation when addressing families at risk of exclusion. Spanish social services are usually driven by an incremental logic, creating additional structures and programmes. Frequently, when a given institution is not responsive or unable to provide adequate answers for the most excluded, the classical response is to create new institutions, programmes or projects; all this results in increasing administrative burdens both for the institutions and clients, complexity and expenditures.

Integrated employment and social services: In Norway, employment and social services are integrated in the same institution. In Spain, employment services and social services work in parallel, the territorial areas of interventions are not coincident, tools, professionals and working styles do not share the same objectives and culture. While in the past decade there have been several initiatives to improve coordination (e.g. Asturias), reorganise competences (e.g. Basque Country), develop a one-stop-shop system (e.g. Navarra), the results have been limited. While the potential answer to the Spanish case would not necessarily entail merging employment and social services institutions, the Norwegian approach can provide lessons for better coordination.

4.2 Suitability

The key elements inspiring the HOLF model are also relevant in Spain: early identification; follow-up and targeted interventions for families at risk of exclusion; preventing the transmission of poverty from one generation to another; coordination between systems; adapted responses to beneficiaries; focusing on individual cases etc. Nevertheless, as is described in this paper and the host country discussion paper, the generational transmission of poverty is conditioned by structural problems related to employment, insufficient resources, poor education, inadequate health care, and discrimination in the case of immigrants and ethnic minorities. This is aggravated in the Spanish case as has been described in this paper. The HOLF model remains insufficient to address these structural problems and social services in Spain have limited capacity to address them. The challenge for the social services is to improve accessibility and personalised support but there is the need for the other pillars of the welfare system (employment, income, education and healthcare) to be more responsive.

5 Questions

- Could we have more clarification on the division of competences in employment and social services between the national and local levels?
- How is coordination and cooperation between NAV offices and the other welfare departments (i.e. education, health, and other social protection areas) guaranteed for the cases addressed in the HOLF project?
- What is the role of civil society organisations, community organisations, and self-representative organisations for migrants in the HOLF model?
- How are conditionalities (if existing) established in the labour and welfare services? In other words, is it compulsory to participate in programmes and services? Are economic benefits conditioned to participation?

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Annex 1 Summary table

The main points covered by the paper are summarised below.

Situation in the peer country

- In 2018 26.1 % of the Spanish population was at risk of poverty and social exclusion (AROPE). While this rate has decreased by 3 percentage points in the last four years, the rate is the third highest in Europe and 4.4 percentage points higher than the EU average.
- Poverty and social exclusion is conditioned by high unemployment rates (currently 13.9 %), poor employment quality (16 % working poors). Poverty disproportionately affects people of immigrant origin (56.0 %), who also have the highest unemployment rates (23.5 %).
- Child poverty in Spain is high (29.5 %) - six percentage points above the EU average. With worrying figures in terms of single parents (50 %) and rates of intergenerational poverty (1.4 compared to the 1.32 EU average (2011)).

Assessment of the policy measure

- While the poverty, household composition and labour market situations differ, employment of non-EU immigrants remains a critical challenge in both countries.
- The Spanish social protection system is less robust and affluent in terms of services and benefits as well as being less comprehensive. Most of administrative competences are with the Spanish Regional Governments.
- While in Norway employment and social services are provided by the same institution (one-stop-shop), in Spain they work in parallel despite some attempts to improve coordination.
- In both countries a critical challenge is making the key areas of welfare and social protection (education, employment, housing) more inclusive to vulnerable people.

Assessment of success factors and transferability

- **Systematic planning and intervention:** the HOLF model includes the essential elements of a systematic project of intervention.
- **Reforms oriented to efficiency instead of additional structures:** the model aims to improve efficiency of existing resources instead of adding new structures.
- **Integrated employment and social services:** In Norway these are integrated in the same institution; in Spain they work in parallel.
- In both cases social services demonstrate limited capacity to address the key structural problems underlying the generational transmission of poverty.

Questions

- Could we have more clarification on the division of competences in employment and social services between the national local levels?
- How is coordination and cooperation between NAV offices and the other welfare departments (i.e. education, health, and other social protection areas) guaranteed for the cases addressed in the HOLF project?
- What is the role of civil society organizations, community organizations, and self-representative organisations for migrants in the HOLF model?
- How are conditionalities (if existing) established in the labour and welfare services? In other words, is it compulsory to participate in programmes and services? Are economic benefits conditioned to participation?

Annex 2 Example of relevant practice

Name of the practice:	Collaboration agreement between the Department of Social Services and Rights and the Public Employment Service of the Region of Asturias for the labour and social incorporation of the beneficiaries of the minimum income (salario básico social).
Year of implementation:	2017-2019
Coordinating authority:	Joint: The Department of Social Services and Rights and the Public Employment Service of the Region of Asturias (SEPEPA)
Objectives:	To promote a coordinated system of actions and measures for the social integration and employment of beneficiaries of minimum income, susceptible of being attended jointly by both services, and to foster the exchange of data and to prioritise interventions from the perspective of training and access to employment.
Main activities:	1) Design and implementation of coordinated procedures for continuous care, which will improve the employability of beneficiaries. 2) Drawing up protocols for action, derivation, implementation and follow-up between the different employment and social services mechanisms at regional and local levels. 3) Development of specific training for professionals who perform the tasks involved. 4) Carrying out a pilot in two representative municipalities. 5) Development of personalised itineraries, including a Personal Employment Agreement, with accompaniment and individual follow-up. 6) Establishment of a stable system of mutual access and exchange of data between the services.
Results so far:	<p>A pilot experience was carried out in two municipalities: Grado and Oviedo with successful collaboration, with agreements reached and information exchanged. In Grado 52.77 % of the number of training of public employment places open were filled by minimum income beneficiaries in 2017 and 28.57 % in 2018. In Oviedo improvements in the elaboration of the bases of the local employment plans were introduced.</p> <p>Establishment of coordinated on-call procedures: 1) a minimum reserve of 15 % of the Local Employment Plans has been agreed for minimum income beneficiaries for the first time. 2) procedure for preferential review of minimum income records for beneficiaries participating in local employment programmes or schemes.</p> <p>Segmentation of beneficiaries establishing priority criteria attention. By January 2019, 2 303 Personalized Social Incorporation Programmes has been organised (of which 59.8 % were female minimum income beneficiaries).</p> <p>Law on the Guarantee of Vital Rights and Benefits – revising and updating the Minimum Income law: establishing exemptions; allowing flexible annual review; adding a number of supplements; and making the personalised social and labour integration programme more flexible.</p> <p>Different training processes were developed.</p>

