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The Basque experience of guaranteed income (the RGI/PCV/AES system)

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The decision to implement a key plan against poverty in the Basque Country was outlined at the end of the 1990s, when the first guaranteed income system was created, led by a regional government. This movement led to the consolidation of one of the few examples of minimum income in southern Europe, with an organisation comparable to the safeguards used in the more socially advanced states of the European Union.

1. The objectives of an original and stable system (although liable to changes)

A specific feature of the initiative was that several agents from the Basque Public Administrations, both in the political and the technical sectors, participated in the design. The development of actions set out in the plan were the result of an extensive idea discussion between technicians and politicians for different institutional sectors.

This discussion established an original protection system. As such, the Plan against poverty in the Basque Country was never merely a matter of transferring the French idea of *revenu minimum d'insertion* (RMI) to the Basque sector. One of the traditional approaches against poverty, which was also considered to be British, had an emphasis on universalising access to property (*housing benefits*), means-tested support to working families with low income (*family credit*) and a social fund to address special requirements (*social fund*). The discussions were also inspired by the typical principles which underpinned the most established guaranteed income programmes from Central and Northern European countries, based on prior control of resources for access to benefits, but without associated remuneration. Even the first intellectual encounters of minimum income were covered.

In addition to its originality, the system would also be characterised by a certain stability and continuity. As a result of the discussion, which focused on the evaluation and renewal phases of the Plan, particularly in light of the 1998 Law against exclusion, they determined, in accordance with the 2008 Law for guaranteed income and Law for social inclusion, what would end up being the main elements of the model still in effect. However, the content of the guaranteed income system was never immune to change, and relevant changes were made, in particular in the area related to conditionality.

From the outset, in any case, the objectives of tackling poverty remained clearly delimited in the normative design of the different actions performed, which can be seen below.

The multi-benefit coverage of basic needs to survive

The plan was established with the main objective of guaranteeing established residents of the Basque Country the minimum amount of resources to prevent income poverty. This led to the establishment of the minimum family income in 1989, the benefit which subsequently evolved into the current guaranteed income (RGI), with the purpose of covering the basic survival needs of the entire population. Then in 1990, with the name of guaranteed minimum income, this benefit was defined by the Basque Parliament in terms of subjective right to a sufficient level of income.

In the Basque approach, however, the objective of covering the basic needs does not limit the current guaranteed income (RGI) to the guaranteed income benefit. From the beginning, the Plan against poverty tried to specialise in dealing with other specific expenses associated with the coverage of these basic needs, in particular relating to remaining in housing. The process of this matter is outlined in the Emergency Social Assistance (AES).

It was never concerned with an irrelevant aspect of the procedure. In fact, the AES expense, whose main component was to cover rent, mortgages and other expenses related to housing like energy, ended up having a bigger initial impact than the minimum family income.

The relevance of this assistance for housing would differentiate this service from the other actions included in the AES. Previously studied and outlined, the supplementary housing benefit (PCV) was finally established in the 2008 Law for guaranteed income and social inclusion, limiting its service to covering expenses related to rent, however. Although AES continues covering some expenses related to covering basic needs, in particular those associated with preventing energy poverty, the assistance for these needs is currently more closely associated with RGI and PCV benefits.

Preventing decumulation processes and improving medium and long term living conditions

Although this matter has never been the object of detailed legal exposure, another of the objectives of the guaranteed income system in the Basque Country was connected to the desire to prevent the population reaching the point where insufficient resources leads to a general process of *decumulation*. This refers to a point of no return, with a lack of income, loss of savings, when you enter a phase of over-indebtedness and most likely end up in experiencing all the types of deprivation and physical unrest situations that accompany poverty, including problems of social exclusion and personal decline and neglect.

The design of these actions to tackle poverty were therefore considered as a series of measures aimed at preventing impoverishment and decumulation which affect medium and long term living conditions. There were two specific measures in particular considered to go further than merely covering basic needs.

The first consisted of facilitating access to guaranteed income benefits for people with reduced income, but with certain accumulated wealth, working with them to prevent asset impoverishment associated with insufficient income. This relates to the compatibility between the guaranteed income benefit and a level of wealth equivalent to four times the annual RGI; the exemption of the first house as property in estimating the value of the available resources, or the instalments introduced for covering mortgages in the design of the AES. Although there are some significant restrictions following the 2008 reform (the possession of another fixed asset, other than the permanent residence, denies access to RGI), these proposals have been essentially retained in the various subsequent reforms of the legislation.

The second measure that is important to mention is development of the part of AES aimed at providing the population with access to a minimum level of facilities and overcoming shortages related to basic living appliances. This all aims to guarantee adequate living conditions in the medium and long term.

Incentives for employment and welfare

A third objective which was present from the outset was to design a guaranteed income system that did not introduce completely fix limits between the beneficiaries of the system and the rest of society.

In this regard, two measures should be mentioned. The first relates to the scale system of access to benefits, open in the case of AES to groups with income up to 150% more than what was established for access to the guaranteed income benefit. The second has been in place since the introduction of an employment stimulation policy in 1998 which, in practice, establishes a double-scale system in the RGI, one for people without work income and another for people with income from work. The reason for this is to guarantee a higher income level for the working population in every case, although using a different channel that would not mean reducing the level of guaranteed protection to the population that are not in employment.

An important implication of this approach is that it manages to convey the clear fight against poverty and facilitate access to higher levels of welfare for a series of groups. In addition to the population with income from work, salary or freelance, this proposal extends to people with a modest-sized pension. Since 2008, a system of guaranteed amounts has been established which is more favourable towards pensioners.

One of the most significant changes of the 2008 RGI reform, however, was the introduction of time limits on the application of the employment bonus system. This aspect reduces the consideration of this discount system on part of the income from work when it comes to calculating the RGI amount to a limited time period, with a maximum of three years.

The discussion about conditionality

A fourth objective concerns the application of inclusion policies which should facilitate benefits, an aspect that reflected the fear the Plan's policy leaders had at the end of the 1980s of a possible chronification of the benefits. In this point, in which two clearly defined lines were compared in the initial technical discussion, one clearly open to the idea of inclusion and the other opposed to guaranteed income, the most evident changes in the dynamic history of the Basque system of guaranteed income can be seen.

Originally, the largest influence of the French RMI on the Basque Country was related to the objective of inclusion. The ideological guidelines that supported the RMI decisively contributed to the incorporation of this principle in the design of the Basque system of guaranteed income. In contrast to the RMI, while in the Basque Country accepting inclusion was not a condition for access to the guaranteed income benefit, but an associated obligation, the political principle of remuneration was imposed: voluntary inclusion in exchange for guaranteed income.

After the Law against exclusion was passed, a large part of this approach remained connected to the acknowledgement of the dual right to a guaranteed income benefit and institutional support for inclusion. This model suggests a closer alignment between those who accepted the fears of chronification were largely unfounded and those who observed that, in addition to economic support, the population at risk of poverty needed, and most of them demanded, support for inclusion.

Despite notable flexibility in processing conditionality, the right to inclusion was defined, however, as an obligatory right to use, especially after having the benefit for some time. The introduction of the PLI (Popular Legislative Initiative) in support of a minimum income, although it did not condition the flexible design defined in the development decrees of the Law against exclusion, contributed to recovering the idea of remuneration.

With its clear commitment to the principle of activation for employment, the 2008 reform led to a significant change in the process of conditionality. The model succumbed to the influence of the

change introduced in 1996 in the *Personal Responsibility and Work Opportunity Reconciliation Act* (PRWORA), led by the Clinton Administration of the USA. This fundamental change suggests an appeal to the responsibility of the beneficiaries of the guaranteed income programs in light of their activation and access to work, supported by public programmes aimed at expanding working opportunities. The PRWORA therefore enhanced the clear commitment to moving the protected working-age population towards the working world.

The crystallisation of this idea in Europe is expressed in the European Parliament Resolution of 20 October 2010, about the role of a minimum income in tackling poverty and the promotion of an integrated society in Europe (2010/2039(INI)). In this way, this document connects the minimum income to a strategy aimed at *“helping the population escape poverty and adopt an attitude towards social inclusion and access to the labour market”* and states *“that the real objective of the minimum income programs is not merely to help, but to accompany the beneficiaries on their way from situations of social exclusion to an active life”*.

The first significant extension of the American orientation to Europe can be seen in the *New Deal* programmes led by the United Kingdom when Tony Blair's New Labour came to power in 1997. The acknowledgement of the activation principle by the social democratic left wing also subsequently inspired the reforms led by Gerhard Schröder in Germany (*Hartz I to IV* in the Agenda 2010 of German labour market reform). The adoption of this approach has become a concern for activation, the increase in willingness to work, improvement in employment and intermediation search mechanisms, and the design of adapted training and hiring programmes.

One of the consequences is parallel strengthening of the obligations associated with access to the guaranteed income programmes, in particular in terms of obligatory participation in the inclusion meetings, availability for work and accepting the employment offers received. A strengthening which normally accompanies a bigger focus on the processes of control and sanctions. In fact, and for the first time since it was implemented, in 2008 the Basque RGI introduced measures which anticipated a delay (of one year) in the possibility of requesting the benefit in the event of termination for reasons associated with non-compliance with the obligations.

The activation line represents a change of importance with regards to the model of income support. Although both models insist on the close connection between the guaranteed income benefit and participation in the individualised inclusion processes, the inclusion strategy is outlined in the RMI model from an integral perspective, more social than strictly labour, in contrast to the labour insistence of the activation policy. In addition, insisting on the sanctioning modalities in the event of non-compliance with the action for labour inclusion, a strict application of the activation principle may ultimately be incompatible with the more detailed dual right model which the 2008 reform tried to maintain.

In its original formulation in the Basque Country, the desire to limit the excess related to remuneration in any case implied an express ban of all forms of labour remuneration. In accordance with the bond commitment to labour inclusion, implicit in the activation idea, the 2011 reform would, however, lead to incorporating a version of this principle in the Basque legislation. Although the precept has never been applied, this reform anticipates the obligation of being *'available to perform work for the good of the community'*.

The new direction of the guaranteed income policies towards activation has meant redirecting the management of inclusion towards the labour market in many cases, with a new leadership role for the employment services. This is what currently characterises the Basque guaranteed income system, with the transfer of management to Lanbide, the employment service in the Basque Country. Although this may lead to other services being involved in the application of the inclusion projects, the employment services will become the main players in its development.

2. Positive results in the fight against poverty

It is often stated that the Basque guaranteed income system has failed. An objective analysis of the data provides a more detailed, realistic perception.

A comparatively favourable dynamic of preventing poverty

Considering the poverty dynamic in the Basque Country, it is important to highlight that, despite the employment crisis after 2008, the impact of the risk of income poverty remains similar to that observed in the best years of Basque economic growth and is clearly different from the 1986-1996 period (7.1% in 2016 compared to 5.7% in 2008, and some way from the 13.3% in 1996, in accordance with the EPDS (Survey on Poverty and Social Inequalities) indicator).

In a Spanish and European context, the Basque situation is clearly favourable. The highest level of serious poverty in Spain (40% on median) was reached in 2015, with a rate of 11.2% which was almost double the 6.2% estimated for countries using the Euro. It barely reached 4.9% in the Basque Country in 2016. Maintaining comparatively low rates of income poverty in the European context, and not too far from the rates between 2004-2008, is the first thing to highlight.

Regarding accumulation poverty, which takes into account medium and long term living conditions (quality of housing, with adequate facilities and standard appliances; maintaining sufficient wealth; ability to access different-use consumer goods like a car, etc.), not even the recent crisis has been able to disrupt the continued progress since 1986. This progress is shown in the practically continuous decrease in indicators of this form of poverty, the most serious and structural, from 14.3% in 1986 to 1.6% in 2016, at similar levels to the lowest of 1.4% in 2012.

Considering the situations associated with the risk of income poverty and/or the medium and long term living conditions together, the rate of real poverty shows an increase between the low of 4.2% in 2008 and 5.7% in 2016. However, the difference is not much higher and the 2016 figure remains much lower than the 8.7% in 1996 and 16.1% in 1986, two years after previous periods of economic and social crisis, and therefore comparable. In terms of perceived poverty, the dynamic is even more favourable. In 2016, 3% of the population lived in homes which were considered poor or very poor, only 1% higher than the 2.1% in 2008.

The process for poverty control also detects the evolution of hidden poverty (the form of poverty that characterises people who wish to be independent but cannot because they find themselves in a position of poverty). In 2016, 4.1% of 18 to 44 year olds suffered from this form of hidden poverty. Although this figure is higher than the minimum of 2.7% in 2008, it remains some distance from the 8.1% in 2000 and 8.9% in 2004.

In the Spanish context, the positive impact of the guaranteed income system in the Basque Country is especially significant when the indicators that measure the uncertainty in the area associated with long term economic security are analysed. Taking as a reference the indicator relating to people in homes who lack the resources to deal with an extraordinary expense, the proportion of people affected in 2016 is 17.8% in the Basque Country compared to 33.6% in Madrid and 37.2% in Catalonia.

In this indicator, probably the most relevant to measure the real change of the action to the initially outlined objectives, the Basque Country is not only performing favourably in Spain. In the European Union, 17.8% in 2016 is lower than the 20.7% which was observed in Sweden. It is also lower than non-EU states such as Norway (18.1%) and Switzerland (21%).

The RGI/PCV/AES system is consolidated during the crisis as the main social protection mechanism in the Basque Country.

These positive results cannot be understood without the continued policy of support for the population at risk of poverty which has been in place in the Basque Country since 1989. In 2016,

the RGI/PCV/AES system reached 69.3% of homes at risk of real poverty, a proportion that is quite higher in reality as part of the unassisted population was in the processing phase of the benefits.

Within the assisted population, the system contributed to removing poverty from 53.1% of this group. Of the section that remains in poverty, the distance regarding the risk of income poverty threshold was reduced from 74.2% to 16.1%, because the benefits of the Basque system facilitated 69.2% of the total available income for this part of the population.

However, the most significant aspect of the RGI/PCV/AES benefits is that, in their role as the care system safety net, subsidiary and complementary of the general protection system in Spain, they have reached the position that they have today. In fact, and regarding the poor population, this regional care procedure provides more than the entire contributions from the State Government and the Social Security. Therefore, 38.3% of the final income of the group in real poverty processed in 2016 came from the RGI/PCV/AES systems compared to barely 18.6% from pensions, benefits and subsidies for unemployment and other contributions from the State and Social Security. The main way to prevent poverty in the Basque Country is, therefore, associated with the Basque system of guaranteed income.

It is important to continue in this way because the protection reached has been achieved in very difficult times. Some of these are common in other areas of the country, like the increase in the amount of homes (27.4% increase between 2000 and 2016 in the Basque Country) and job losses. In 2016, the number of unemployed in the Basque Country was still 2.64 times higher than in 2008 (140,100 people compared to 38,500). In that period, 8.4% of the employed population lost their jobs, 25.2% in industrial employment and 42.8% in the construction industry. The number of the active population older than 25 rose by 3.9%, however.

Added to this is a recent factor which substantially differentiates the Basque Country from most other regions in Spain. It concerns its role as a refuge during the recent crisis for certain types of people, especially those from other countries. The Continuous Register Statistics from the Spanish National Statistics Institute (INE) shows that in the Basque Country, the population born outside Spain rose by 44.7% between 2008 and 2018, much higher than the 5.4% average in Spain, and including the next closest levels in Navarre and Asturias (20%) or Catalonia (14.4%), other areas that were similarly receiving migrants in that period.

The impact of this migration on the increase in poverty is noticeable. In the Basque Country, the 45.8% increase in people in a real poverty situation between 2008 and 2016 corresponds to foreign immigration, a large part (60.4%) arriving in the Basque Country as of 2005. This is an important matter for the Basque Country because after three years of residence, the RGI assists any person, whether or not they have a residence permit (after six months for AES). In the European guarantee systems, however, assistance for people without legal residence is an exception.

Good results associated, both socially and economically, in contrast with the Spanish dynamic during the crisis

The application of this guaranteed income policy has not led to a worse general social and economic situation. With regards to the labour market, for example, the Basque Country is the only region in Spain that has been able to substantially reduce the impact of unemployment from previous crises. As such, in the Basque Country, the average unemployment rate between 1992-1997 was 21.6% and was then reduced to 13.3% between 2009 and 2013. This contrasts with a reproduction of unemployment levels higher than 20% in the whole of Spain, with 21.8% between 1992-1997 and reaching 22% between 2009-2013 (from 18.2% to 19.7% in those periods in Catalonia).

In the same comparatively favourable line, the Basque Country is the only region that had a fertility rate (ICF, number of children per woman) in 2017 which was higher than in 2008. Therefore, while

the Basque Country went from an ICF of 1.30 in 2008 to 1.34 in 2017, Spain fell from 1.44 to 1.31 (from 1.53 to 1.38 in Catalonia).

It is important to remember, in this context, the point of departure and arrival associated with the period of application of the Basque system guaranteed income. At the start of 1988, when it was decided to launch the Plan against poverty, the unemployment rate in the Basque Country was 21.7%, only exceeded by Andalusia, Extremadura and the Canary Islands. Its ICF was 1.10, only higher than Asturias (1.06), and was 0.34 below the Spanish level. At the critical point of the crisis, in the first quarter of 2013, the 17.1% unemployment rate in the Basque Country was the lowest in Spain, almost ten points lower than the Spanish rate (26.9%), and its ICF improved in contrast to the worsening Spanish figure.

3. The current challenges

Since passing the Law against exclusion in 1998, there has been a stark increase in access levels to the benefit. The cohabitation units for beneficiaries of RGI in the Basque Country increased from 1.8% in 1998 to 4.2% in 2008. The crisis took this percentage to 6.6% in 2010 and 7.5% in 2014. This evolution is connected to the migrant population's access to the system, the application of the employment stimulation system, the extension of protection to pensioner groups and the substantial advances in the guaranteed amount from the first decade of this century.

The increase in the expense is even more significant. The RGI expense went from 42.2 million in 1998 to 197.3 million in 2008, and 388.1 million in 2014. This evolution, at the critical moment of the financial crisis of the Public Administrations in Spain, brought the introduction of some cutbacks to the system, especially in terms of increasing the municipal registration period (from one to three years) and reducing the guaranteed amount (7% in the RGI and a limit of €250 in the PCV). These cutbacks, however, should not give nuances to the reality of basic continuity in an open, generous programme with the national and foreign population, which managed to deal with the economic crisis in some conditions in which the general Social Security system failed.

As a subsidiary and supplement to social care, the Basque guaranteed income system deserves a positive assessment. But, as reflected by the prevailing poverty rates, even higher than in 2008, it is important to consider the challenges that still exist in the effort to eradicate poverty from the Basque Country.

In addition to aspects relating to the minimum age for access to the benefit, the municipal registration times or access to the claims of potential beneficiaries that seem to waive their rights, the main problems that make tackling poverty difficult are connected to some specific aspects.

The first is related to the introduction of limits to the amount of the guaranteed income benefit after the reform tied to the approval of the PLI for a minimum income. Although it facilitated more protection to single people, the model of amounts applied from the year 2000 established assistance limits to homes of three or more members which went against the original proposal that took into account benefit increases in every case as the size of the cohabitation units increased. Any family unit with three or more members currently receives €915.47, regardless of the size or composition of the unit.

Currently, this approach obstructs the correct protection of homes with fewer members. Affecting the family units with children, the established limits result in a comparatively less positive effect of the system in preventing child poverty, with a bigger impact on real poverty in homes with minors (10.2% compared to 5.7% in homes with minors). In contrast to the European systems, with much lower protection amounts for single people, in the Basque Country the application of the model is characterised by relatively generous amounts for homes without minors but much less suited to the needs of families with children.

The second problem must be seen with the dynamic of the housing costs. The increasing cost of access to housing directly led to difficulties in reducing poverty in the Basque Country during the period of highest economic growth, between 1996-2008. This phenomenon was to a large extent connected to the bubble that affected mortgages and property renting until the end of the previous decade and which, despite reducing the price of access to housing as the crisis continued, kept having a specific social impact (potentially increasing as the prices of housing recovered).

In poor groups, the possibility of reducing the impact of poverty is lowered in the case of elevated housing costs. The adjustment of amounts, supplemented by large restrictions in access to benefits, has accompanied some significant modifications in the AES policy, with a significant reduction in support at the same time as an increase in resources, regardless of the cost of access to housing. The exclusive orientation of the PCV to help in renting has also had a limiting effect on the protection capacity of the system.

The two factors outlined explain that the combination of the RGI and PCV does not always manage to prevent the risk of income poverty for all its beneficiaries, especially in the case of family units with children.

Instead, other traditional limitations have tended to be reduced with significant improvements, for example, regarding the RGI processing time for applicants. In this case, there is a clear reduction in the time period between requesting and being granted the benefit.

The need to replace the system (without affecting the logic)

When it comes to dealing with poverty situations, it is important to remember that the Basque guaranteed income system is not aimed at becoming the central protection element. Its role is to act as a last resort care system to deal with the limits of the general policies (Social Security, unemployment, housing, etc.).

From this perspective, there are two relevant matters. Firstly, the approval of the subjective right to housing, introduced in the Law 3/2015 on housing, means termination of the PCV. However, the function of the PCV is maintained as, in the absence of housing or accommodation, the guaranteed right may be exercised through a similar benefit, the current economic housing benefit (PEV). This deals with the same limits as the PCV, both in amount (€250) and in its association with covering rental requirements. Establishing incompatibilities with AES suggests a potential limitation of the system in being able to deal with the housing needs, which is only manageable through the care system when the deficiencies have created an objective situation of indebtedness.

In the future, the approach at the centre of the housing policy will be checked to see if it will be successful or if an alternative solution needs to be proposed, which may place the matter in the guaranteed income programmes again. The references in such a case would be the German model (Hartz) or the British model (Universal Credit), characterised by the consideration of a complement of housing support which is directly associated with the set amount of the general guaranteed income benefit. This line of complement connected to a sole benefit would be an alternative to the multi-benefit model RGI/PCV or RGI/PEV that the Basque Country has used until now.

The second matter must be viewed with the outcome of the Spanish debate about the general model of social protection. A discussion which is currently connected to both the matter of possibly creating a guaranteed income benefit associated with Social Security, including its compatibility with regional social care, and the possible introduction of minimum income mechanisms.

The outcome of this discussion will be decisive for the future of the RGI and its associated benefits. But it is important to bear in mind that this discussion is not concerned with the last resort logic of a

care benefits system (like those in the RGI and AES) and that, in its subsidiary and supplementary conception, it should remain in existence in any case.

Nevertheless, the direction, more or less universalist, of the social policy will be shaped by the conclusions that are reached through reflection. Such reflection will depend in particular on the application of the universality proposals and on the individual approach that characterise the minimum income and which could also direct the application of the minimum income programmes. In this line, the control of resources could be minimised, the connection of the access to the benefit and actions for inclusion could be eliminated and the programmes could be designed in a way that they are managed from a more individualised protection approach.

Matters to reform and review

Regardless of the way in which the aforementioned discussions, which affect the general social protection model, are resolved, the application of the Basque guaranteed income model will face a series of necessary changes or reforms.

The first aspect that must be considered is the need to update and stabilise a system which, as is the case for the Basque Country, was submitted during the crisis under a lot of pressure (financial, political, medical, popular, etc.). This requires a general update to meet the expressed social demands which are not limited to just one sector of the population and which, initially, may be contradictory. In the proposed reform, it remains fundamental to minimise the existing contradictions between those who could demand more restrictions to access the system and those who look for qualitative advances in the extension of the protection.

The second matter is connected to the need to adapt the regulations to the management of the benefits, which must be performed from Lanbide, a management model so the relevant regulations are not considered. Beyond some adjustments, the relevant legislation remains formulated in terms of the initial model, based on management from the social services.

The new management should be as simple as possible for the Public Administration, and at the same time beneficial to the population. This requires simplifying the procedures of access and renewal of the benefits, advancing interoperability and limiting the consequences of inadequate management in terms of payments or incorrect perceptions.

A third aspect which must be considered is the appropriateness of revising some measures introduced in previous reforms that hinder better assistance to the population. As has already been mentioned, this would solve some of the main problems that arose from the regulation reforms after 1998. In particular, this means:

- Improving a system of rigid limits on amounts which have been very damaging for families with children.
- Eliminating the time limits on employment incentives. It is ideal to promote the processes of inclusion in the active life of society, whether in the narrow field of the social life or in the labour market, and it would be preferable to put the positive incentives ahead of the negative ones. Insistence on better welfare associated with work, or with participation in group projects, is an alternative to the introduction of labour or social obligations, which may lead to sanctions if not dealt with. One of these approaches is incompatible with the introduction of time limits on employment bonuses.

Make the current system of suspensions and terminations more flexible, especially regarding the consequences in terms of temporary issuing of benefits. This is a matter which should be approached so as not to be detrimental to the more unprotected groups, in particular in the case of the minor population.

- Eliminating some limits in considering assets, for example, regarding non-liquid assets or ownership of property.

At the same time, and bearing in mind the real social dynamics, it is important to adapt some regulations to the new social reality. As such, it is important to guarantee access to benefits to people with an independent life project or to make required municipal registration times more flexible, especially regarding families with minors as well as people with a previous connection to the Basque Country who return.

Moreover, it is important to bear in mind different living arrangements, combining the simplicity of processing a cohabitation unit with the need to consider unusual types of residence together, based on need. This approach should combine both the coverage of requirements and equality in processing equivalent situations effectively.

The fourth matter is the convenience of thinking of RGI in terms of its relation with the other benefits systems (AES, PCV/PEV, etc.) and the inclusion policies, facilitating access to training and employment. Therefore, bearing in mind the validity of the dual right concept, it is essential to advance the operative application of the right to the social and labour inclusion principle. Instead, it is important to waive remuneration actions which, like the so-called jobs for the community or social utility, have a labour implication and which, therefore, should be accompanied by a working contract.

This aspect connects the discussion about the role of the social services and the employment services in developing the inclusion policy. The transfer of the RGI management to Lanbide has led to a noticeable advance in two aspects: on the one hand, the connection of the inclusion policies to the management of the actions aimed at hiring, an aspect where significant improvements can be seen; and on the other hand, the delimitation of a professionalised administrative organisation for benefits.

However, the employment services remain ill-prepared to deal with the combination of the intermediation and employment access processes with the social inclusion of the beneficiaries of the RGI. This is due in part to the pressure that has arisen from unemployment for the staff in charge of its management, with a demand for increased assistance in a context of severe difficulties in offering training and labour bases to potential beneficiaries.

But, in many aspects, the problems that have been detected in the management period through the social services are kept updated, which includes a certain vagueness regarding the professional leadership in applying the individual inclusion policies for beneficiaries of the RGI. Therefore, from an organisational perspective, it remains unknown what role needs to be assigned to Lanbide in the inclusion processes, the coordination processes with the social services for social inclusion or the existing limits in the ability to find training or labour bases for the whole population that needs it, in competition as well as with groups which, in a still relevant unemployment context, have a higher average level of training.

The diverse situations of the beneficiaries of the guaranteed income programmes (with people employed for low salaries, unemployed for short, long or very long periods, ill or disabled, etc.) require very different inclusion paths to be implemented, some in the long or very long term.

The fifth and final matter is connected to the need to consolidate a functional integration between the guaranteed income system and the new reality of globalisation and the massive migratory movements, bearing in mind that the RGI system constitutes an extended general protection framework compared to the existing systems in almost all the neighbouring countries.

Taking the different implemented reforms into consideration would undoubtedly improve the positive impact of the Basque guaranteed income system. It would enable advances in conciliating

three supplementary objectives: combating poverty; doing it in an economically efficient way, limiting the necessary social cost to achieve the desired objectives; and raising the level of participation in the productive system of the working-age population.

In any case, it is impossible not to mention one final point to evaluate the Basque experience of guaranteed income. The main feature of the Basque institutions has been to recognise the limits of a discourse which, in the whole of Spain, magnified the impact of state social protection and the economic advances of the country towards welfare and the economic convergence with Europe; and, from this diagnostic, acting in an alternative manner to establish a guaranteed income safety net for social and economic stability in a country that was shaken by industrial restructuring in the 1980s. Thanks to this, the Basque Country has moved closer than other regions, or the State as a whole, to consolidating an adequate system for preventing poverty.

The mere existence of that system, with a significant level of expense already consolidated and integrated in the public policies, enables the Basque Country to deal with the social and economic challenges of the future with more optimism.