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Barcelona Societat

Journal on social Knowledge and analysis

Take stand

The hard struggle against poverty and social exclusion in Barcelona

In depth

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

Rethinking poverty in Barcelona with the new European indicator 'Reference Budgets'

What about an **income** guarantee **policy** for the real city?

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The subjective impact of the Barcelona scheme Fons 0-16 on the lives of children and adolescents and their families

Health Inequalities According to Poverty and Income

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Experimenting with Income Support in the Netherlands: Utrecht

The B-MINCOME project. Municipal innovation on guaranteed minimum incomes and active social policies



March 2019

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March 2019



Ajuntament
de Barcelona

Barcelona Societat

Journal on social knowledge and analysis

Issue 23 – March 2019

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Language consulting

Linguaserve I.S, S.A.

Original design

Croma Studio

Design

Jordi Salvany

23

Barcelona Societat

Journal on social knowledge and analysis



Ajuntament
de Barcelona

Photography

Istockphoto. Some images have been ceded by the authors of the articles

Print

Vanguard Gràfic SA

Edition



Social Observatory of Barcelona
Research and knowledge Department
Manager's Office for Social Rights
Barcelona City Council
Diagonal, 233 - 08013 Barcelona
Telephone: 934132669

ISSN: 1133-635

Legal license: B-21.686-1993

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Barcelona Societat is issued biannually

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Presentation

Laia Ortiz

Deputy Mayor of Social Rights.Barcelona City Council

In Barcelona we are fostering people's autonomy so that they can escape from poverty and exclusion while overcoming the logic of welfarism. Having a job is no longer a guarantee for escaping poverty. A job market where more and more people are excluded or suffer job insecurity and a housing market that forces draconian economic obstacles on households are causing a rapid growth in the number of working poor. Simultaneously, a lack of structural support condemns a significant part of the population to exclusion. This is why a guaranteed income has become a key measure, especially at a municipal level. There are no individual solutions to structural problems. How can you think about the future when your everyday needs are not covered? How can you be enterprising when you do not have the basic materials that offer a minimum amount of security?

In order to respond to these questions, Barcelona is implementing B-MINCOME, a pilot project that combines a set of innovative, pioneering policies aimed at combating poverty and exclusion in disadvantaged areas of the city. The project has a budget of €17 million, 5 of which are provided by the EU's Urban Innovative Actions programme and 12 by Barcelona City Council. The project aims to assess the efficiency and effectiveness of combining a passive policy, in the form of financial help – the Municipal Inclusion Subsidy (SMI) – with four active policies covering training and employment, the social and solidarity economy, help with renting out rooms and community participation. Since the end of 2017, the SMI has been a reality for 950 family units in ten Eix Besòs neighbourhoods, which indirectly benefits 3,761 people.

Although things are at a preliminary stage, early assessments show that, thanks to the SMI, the beneficiaries have experienced lower levels of stress and a reduction in their most immediate material worries, as well as an improvement in their general well-being. The evidence collected also indicates that the participants give priority to increasing their training, so that they do not have to depend on public benefits in the future. Receiving the SMI allows them to focus their energy on building, learning and establishing links which create a network and increase their empowerment. The implementation of the four active policies that complement this benefit is also of fundamental importance, especially because of their influence on the area and the possibility they offer for participants to

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reinforce their links to, participation in and cohesion with their neighbourhoods and the social and community networks they contain.

B-MINCOME is attracting the attention of other European cities, as it will make it possible to discover whether implementing municipal minimum incomes has positive effects on reducing poverty and exclusion and revitalising disadvantaged areas. This project was created in order to innovate and improve social policies, based on empirical evidence. In this way, the resulting knowledge helps us to progress towards a new social policy model which prioritises empowering people, providing them with more and better resources that enable them to escape from the various forms of poverty and exclusion in which they live. Barcelona is therefore becoming a leading and pioneering city in social innovation and in the fight against inequality.

In this issue of *Barcelona Societat*, the authors offer us a variety of perspectives on various aspects of income policies. Approaches that were very influential in the creation of the B-MINCOME project, but also in other measures promoted by the municipal government for transforming the way in which social services provide support for people and families in a vulnerable situation. This monograph contributes elements for discussion through theoretical reflection on and the evaluation of policies, in order to eschew the clichés and ideological apriorisms which, in the end, make it harder to improve the tools used for combating poverty and exclusion and, ultimately, making progress in the guaranteeing of rights.

Foreword

Albert Sales

“Spare change for food”, “I need help to feed my children” or “I’m hungry”, are regular signs on posters used by people who are begging on the pavement, in order to attract the attention of passers-by who are concentrating on their own, everyday problems or staring at the screens of their mobile phones. They know that anyone who is asking for charity is suspected of wasting the money they receive. And they are well aware of the mistrust with which city residents view their movements, they try to convince well-meaning people that the coppers they give them will go towards buying food, not alcohol, drugs or other vices. People who live on charity know that one of the regular excuses those passers-by have for ignoring the cup or box containing the coins is the fear that their donations will be wasted on drink. Hunger, on the other hand, is more emotive. We need to eat, there is no choice.

City residents who give them coins are not only worried about their money being wasted on alcoholic drinks. Any product that does not strictly follow the rules of austerity, anything that does not serve for survival, is considered to be an unnecessary waste of money. “They can’t be that hungry if they are eating a croissant instead of a jar of chickpeas”, or “They can’t be that poor if they have a mobile phone”. The obsession with establishing what families in a situation of poverty should spend their money on, and for verifying that they are in need, reminds me of my grandmother when she came across someone begging outside the supermarket. “Never give them money, because they’ll just spend it on drink”. Then she would buy a loaf of bread and a tin of tuna so that “the poor man” could eat.

The monetary transfer policies for impoverished households and individuals are based on the same prejudices that led my grandmother to decide that a diet based on bread and tuna was better than having cash in hand. The emergency help administered by municipal social services have to be temporary, conditioned to compliance with obligations and subject to control mechanisms which ensure that the money is used to cover “basic needs”. The Minimum Insertion Incomes (RMI) are designed to provide households without resources with modest temporary incomes, which are conditioned to compliance with employment plans where the final objective is “job placement”.

Behind the conditions, the temporary nature and the scrutiny, we find the suspicion that poverty is the result of the beneficiary's inability to manage their lives and those of their family. This suspicion justifies a contradiction which the beneficiaries of these benefits, as well as unsuccessful applicants, have to live with every day: they are expected to be self-sufficient and make an effort to overcome their dependence on the benefit, but they are denied a leading role in, and the ability to make decisions about, their own survival strategies.

I met Pere in a Barcelona soup kitchen in 2015. After working for seventeen years as a cook in various restaurants, he had been unemployed and sick for seven. "A job. I don't need a soup kitchen, I need a job", he complained, while we were having lunch together. He had received various benefits and he was fed up of doing recycling courses to get back to work. "I've reinvented myself so many times, I've run out of invention". His assigned social worker had referred him to a soup kitchen because the room he was living in didn't have a cooker and because it was a way to cut back on spending. "No one hires an old cook who's diabetic and lame... but with some money, even if it was only a little, and a cooker, they wouldn't have to serve me food every day."

Cristina made a formal complaint to her city council because they had told her in her social services centre that she couldn't receive any emergency benefit if she didn't cut back on unnecessary expenses. They had analysed her bank statements and told her that she had to cancel the internet connection in her home. Her assigned social worker told her that her children could study using the internet connection in the public library. "After explaining your problems, you have to show them what you spend your money on, because they tell you what you need and what is essential, as if you didn't spend all day counting your money down to the last cent...".

When forming part of society depends on the way you dress, your leisure activities and the electronic devices in your pockets, we demand that people suffering from poverty give up any kind of consumption beyond covering their basic physiological needs. We assume that the administration, or those people who can afford to donate money, have an ability to govern the lives of these "attended" people which they themselves cannot demonstrate. This is the logic that emerges in the debates on guaranteed income policies. Should administrations give money without any conditions? Are we not perpetuating vagrancy? How do we ensure that "the poor" spend their money on what is best for them?

The authors of this issue of *Barcelona Societat* provide theoretical approaches, empirical evidence and reflections in order to tackle these questions and preconceived ideas about economic transfers, poverty and the role of public policies in guaranteeing social rights.



Tribuna

March 2019

**Key words: poverty, social exclusion,
housing, income policies**

The hard struggle against poverty and social exclusion in Barcelona

Lluís Torrens¹

Director of Planning and Innovation. Area of Social Rights

The struggle against poverty and social exclusion should be one of the main objectives all good rulers have among their priorities. This article presents the context of poverty and social exclusion in the city of Barcelona, and what strategies have been adopted to improve the living conditions of Barcelona's population in recent years, from a municipal perspective. In that sense, it highlights the difficulties and barriers that are found when trying to carefully analyse, diagnose and evaluate the context for the actions that have been adopted, and the actions carried out to counter the lack of necessary data and registers. It details what has been done in recent years and what results have been achieved, based on implemented public policies. Lastly, it makes some recommendations that should be taken into account now and in the future, in order to eradicate poverty and social exclusion in a wealthy society like ours.

“Not getting the extra payments at Christmas and in summer is terrible. I've had them all my life, and I miss them. It's not just cutting back at the end of the month; quite often I can't make ends meet!”

(Former president of an autonomous community who earned €100,742.91 a year before tax, plus expenses)

“My aim is to earn €6 a day collecting scrap metal in the street. With €1, I pay for my share of the food that we cook in a communal pot at the settlement where I live. I give another euro to the driver who takes me to the upper part of the city every morning in his van, so I can collect scrap metal downhill, and I keep another euro for unforeseen expenses. I save

1. This article, its opinions and figures are my responsibility. However, it is the result of the exceptional work carried out in Barcelona City Council's Area of Social Rights over the last three and a half years. I would like to express my thanks for the tireless support of my manager, Ricard Fernandez, and the entire departmental team, and more specifically, the revisions of this article made by the team from the Department of Research and Knowledge, Pep Villarreal, Lluís Batlle and Tonet Font.

the other three euros, so I can send €80 or €90 a month back home to keep my family.”

(Undocumented Sub-Saharan who lives in a settlement in the district of Sant Martí in Barcelona)

Barcelona, where are you headed?

Three and a half years ago, when Deputy Mayor Laia Ortiz asked me to take part in Barcelona City Council's new Area of Social Rights team, it did not take me very long to decide. I knew it meant more work, every day, but the challenge was worth it: putting an end to poverty in Barcelona by implementing a municipal income, as promised in the manifesto of the party that won the elections. I wrote that phrase, “putting an end to poverty”, in my LinkedIn account when I added my new post, as a permanent reminder of what the City Council was doing. And clearly, it has not turned out that way.

But, beyond the obvious failure, have we made any progress which would allow us to think that, in the not too distant future, there will be no poverty in Barcelona?

We will start by explaining what we knew and what we did not know about the city's situation in the spring of 2015.

Four years ago

First of all, we needed to know the magnitude of the tragedy. We knew that there were a lot of evictions every week, increasingly due to non-payment of rent rather than mortgages, a thousand people sleeping rough² and hundreds, if not thousands, of squats, while according to the latest official census data, there were a lot of empty flats, over 80,000 of them³. We also knew that poverty caused basic privation for thousands of families, and, for example, we ascertained that food banks were handing out record amounts of food, and we knew that the number of city residents attended by our basic social services for economic reasons was growing year after year.

In the field of statistics, we had the latest Metropolitan Survey on Living Conditions, produced in 2011⁴, and some serious estimates made by the promotional committee of the Popular Legislative Initiative (ILP) for the Guaranteed Citizen's Income (RGC) Act. These calculations told us that in order to provide minimum cover for the basic needs for

2. Arrels Foundation (pub.) (2015), Annual Report, Arrels Foundation. Available at: <https://www.arrelsfundacio.org/es/memoria-arrels-2015/>

3. National Institute of Statistics (2011), Population and Housing Census. Available at: https://www.ine.es/censos2011_datos/cen11_datos_inicio.htm

4. IERMB (2011), Survey on the Catalan Population's Living Conditions and Habits.

households in a situation of poverty in Barcelona, around €250 million a year was needed for around 250,000 people, or 15% of the population⁵.

We also knew from the City Council's own estimates that the distribution of wealth among Barcelona neighbourhoods was extremely uneven and that this had got worse during the crisis. Indeed, since 2008, the difference in average income between the wealthiest and poorest neighbourhoods had doubled. In terms of income, travelling from one end of Metro Line 3, from Zona Universitària to Trinitat Nova, was the same as travelling from neighbourhoods with average Barcelona incomes, like Poblenou or Sants, to Bangalore, in India⁶.

And we knew that the levels of social protection being guaranteed by the public administrations mainly responsible for that matter (the Spanish and Catalan governments) were absolutely insufficient.

Although, according to the Active Population Survey, unemployment had gone down from 160,000, at its peak in 2012, to 116,000 people, of which 100,000 were registered at unemployment offices, over 40,000 of them had been looking for work for over a year. And we knew that these long-term unemployed people were mostly over the age of 45 (more than 30,000)⁷. Furthermore, only 50% of the unemployed population were covered by benefits, 20% fewer than 5 years earlier⁸. And the Minimum Insertion Income (RMI), the forerunner of the current Guaranteed Citizen's Income, only reached the absurdly small number of 2,654⁹ families in the city.

Therefore, a crisis that was initially cyclical had become structural, revealing the serious shortcomings of the country's social protection system, especially in the wealthy city of Barcelona. Obviously, the budget cuts introduced by the Spanish¹⁰ and Catalan governments made the situation worse for the most vulnerable people. Furthermore,

5. Guaranteed Citizen's Income Promotional Committee. Available at: <http://www.rendagarantidaciudadana.net/index.php/es/comunicadoss> (We have not been able to verify this, because we cannot find it.)

6. Territorial breakdown of disposable family income per capita in Barcelona. <http://ajuntament.barcelona.cat/barcelonaeconomia/ca/renda-familiar/renda-familiar/distribucio-territorial-de-la-renda-familiar-disponible-capita>

7. Evolution of registered unemployment in Barcelona http://www.bcn.cat/estadistica/catala/dades/ttreball/mov_lab/atur/evolucio/bcn/bcnsexex.htm

8. Source: Barcelona City Council statistics with data from Social Security and the Generalitat of Catalonia.

9. Own production, based on data from the database on people receiving the Generalitat of Catalonia's RMI.

10. The expenditure that suffered the most cuts includes housing support policies, which were already well below the European average.

poverty and vulnerability were not only visible in monetary terms, but became manifest in all of their multi-dimensional consequences: debt with no possibility of recovery, housing becoming inaccessible, energy poverty, privation in terms of food and other material goods and services, psychological and health problems, early school leaving, unemployment, and so on. A vicious circle that only led to poverty becoming a chronic problem, along with a growing territorial polarisation, with some neighbourhoods clearly losing out.

Even the municipal administration during the last term of office, which focused on getting out of the crisis by creating a smart city, reacted in its latter stages to the clear social degradation occurring in the city, which neither the economic recovery that put wind in its sails nor the Generalitat's collapsed finances helped to redress. The Trias government therefore ended its term of office with as many as four active social programmes, which the incoming government would then reinforce and expand: the 100 x 1000 Programme, for building social housing; the Làbora Programme, a pioneering programme in active employment policies that applied innovative practices, creating personalised work-placement pathways; the relief fund for low-income families with dependent minors aged 0 to 16 and the first social clauses favouring the subcontracting of vulnerable people in public contracts. The three latter programmes were promoted by the Area for Quality of Life, the predecessor of a large part of the current Area of Social Rights.

In order to break away from the negative trend, it was necessary to reinforce these programmes and create new, stronger ones. But above all, we needed to know the scale of the problem.

The power of data

Given that the last Survey on Living Conditions with representative data, the metropolitan one, dated back to 2011¹¹, one of our first objectives was to get a detailed picture of what was happening in the city, a thorough survey that went beyond the above-mentioned indicators (users of municipal social services, food banks, number of evictions, etc.).

We managed to promote and achieve that the Survey of Living Conditions (ECV) would expand its sample to Catalonia, so that the Metropolitan Area and the city of Barcelona would reach 1,600 and 800 observations, from 2016 onwards. This made the five-year metropolitan survey unnecessary, although it was decided to carry out a Metropolitan Urban Cohesion Survey to include data that the ECV did not consider.

However, although it was representative of the city area in principle, and also included much improved methodology compared to earlier INE surveys – it cross-referenced

11. <https://iermb.uab.cat/es/encuestas/cohesion-social-urbana/>

declared-income data with tax data from the Spanish Tax Authority (AEAT) – it had two major shortcomings:

Firstly, the sample probably did not include the scale of extreme poverty, of those individuals and households that did not even wish to be surveyed, which are often dysfunctional in practice, experiencing serious housing problems, debt, illegal status and so on. As a clue, we had an indicator that is not often cited: the extreme mobility seen in Barcelona's register of residents, which showed that over the last decade, at least 20% of registered city residents changed address every year, due to natural movements, external migrations and changes of residence. And this mobility rose to over 40% in neighbourhoods with a high proportion of vulnerable people, such as El Raval or El Gòtic¹².

Secondly, we had a few disaggregated indicators (unemployment, educational level, licensed vehicles, etc.) which allowed us to indirectly estimate the territorial inequality in terms of income and poverty, but we lacked real, geographical income data.

In order to further understand the reality of poverty in the city, we turned to data from municipal registers (not very well informed about this kind of data), other official sources with representative samples for Barcelona (such as the Social Security's Ongoing Sample of Working Lives) or at a higher level (such as the Survey on Family Budgets), and we initiated a couple of surveys which we hope will be repeated in the future, every four or five years: the Survey on Living Conditions of Social Security Users¹³ (over 6,600 families, with 12,000 individuals surveyed, and the Socio-Demographic Survey of 4,500 households and 10,400 individuals¹⁴.

Furthermore, for the first time, AEAT sources were used, including a study of all Barcelona incomes (not a sample, but rather all the available tax information), breaking down the information about households into age groups and territorial areas (large neighbourhoods), and a sample of 39,000 representative taxpaying households in the city's large neighbourhoods, more detailed than other, similar sources, such as the annual sample of income tax payers carried out by the Institute of Fiscal Studies¹⁵, as this made it possible to observe the lower incomes more accurately and reconstruct the main socio-demographic characteristics of the surveyed households (composition by age and gender).

12. Own production based on data from the city of Barcelona register of residents.

13. <https://ajuntament.barcelona.cat/ca/informacio-administrativa/registre-enquestes-i-estudis-opinio>

14. Idem.

15. IRPF 2015. IEF-AEAT (declartants and not declartants)

The study of incomes using AEAT data is now in its third edition (albeit with a three-year time lag) and it is hoped to continue producing it every year.

The tax data from the Social Security and the surveys was processed with the help of researchers from the Area of Social Rights, various city universities (UB, UPF and UAB) and recognised experts in the field.

The 2016-2017 Barcelona Health Survey also included poverty and material privation indicators for the first time. Meanwhile, it was also decided to carry out a census of empty flats in the city, visiting each and every city flat that had no registered occupants or recorded zero water consumption or below minimum living standards. This is an immense task that, in all probability, will be completed by the time this article is published.

We have also developed a programme for the massive automated downloading of tax data (income, assets), state social-protection benefits (unemployment, pensions), using interoperable telematic tools permitted by the Catalan Open Government (AOC) Consortium, gaining access to the databases of other administrations. This data, together with the data from our administrative registers (financial help, dependency, disability, etc.) has enabled us to construct¹⁶ the first social-data database, or social big data, for social services users: hundreds of thousands of data entries concerning vulnerable people and households, which form the most valuable source of information created to date for implementing social policies (such as social pricing and social intervention on intensive users of the combined use of public resources) and evaluating the costs and effects. Obviously, the access to, storage and treatment of this sensitive data has been carried out while respecting the various personal data-protection regulations.

Furthermore, for the first time, in order to estimate poverty thresholds beyond official indicators, we have used the various studies being carried out in the city of Barcelona and its metropolitan area on what the living wage¹⁷¹⁸ for the city should be; and secondly, we have used a report commissioned from the Pompeu Fabra University, based on the Family Budget Survey on the minimum household spending below which vulnerability becomes a

16. In this task, the teams from the Department of Information Systems Management and the Municipal Institute of Information Technology have been of vital importance.

17. KSNET (2016), "Introduction of a guaranteed-income system in Barcelona.

18. Daleph (2017), Calculating the Benchmark Salary for the Barcelona Metropolitan Area. Final Report.

major factor¹⁹, and, what proved more significant in the long term, the European Improve project²⁰ on benchmark budgets, which calculated the cost of the basic shopping basket for products and services in the city of Barcelona for 2014, in which the Ramon Llull University took part²¹. Studies that use an absolute rather than a relative poverty threshold as a benchmark methodology (i.e. a percentage of the population's average income) make it possible to contrast them with official poverty figures based on surveys of living conditions, which suffer from very high instability: e.g. the threshold for risk of poverty descended with the worsening of family income conditions. This caused surprising results, such as the risk-of-poverty rate among senior citizens in Catalonia having fallen from 19.9 to 12.4% during the worst phase of the crisis, from 2009 to 2013.

Unfortunately, the data for the estimated cost of housing for the Improve project were not sufficiently convincing (it was estimated data for 2014 and things got significantly worse from that year onwards), and we were already aware, from the data for declared housing expenditure from the Survey of Living Conditions, that access to housing was the cornerstone that defined the real vulnerability of most low-income households, i.e. not being able to cover their basic needs, including housing, with their current incomes²².

Therefore, it was decided to use an eclectic strategy – combining various sources and methodological focuses – to discover the city's real poverty situation, based on the joint use of various approaches, with the aim of essentially answering the question of how many households were unable to make ends meet.

We were also helped by the expansion of the ECV sample for Barcelona in 2016 and 2017²³, much more representative for the city and its metropolitan area than the previous surveys. This allowed us to compare results between the city of Barcelona, the rest of the metropolitan area and the rest of Catalonia. And the results could not be clearer.

Lastly, we also designed the European project B-Mincome, in the first edition of the European Commission's Innovative Urban Action programme. The programme made it possible to discover first hand, and with exhaustive monitoring, the real poverty situation of

19. M. Cervini et al. (2016), Economic Thresholds that generate Material Privation in the City of Barcelona. (Internal report pending publication.)

20. <http://improve-research.eu/>

21. T.Penne et al., (2016), "Can reference budgets be used as a poverty line? ImPRovE working papers". Discussion Paper 16/05.

http://www.centrumvoorsociaalbeleid.be/ImPRovE/Working%20Papers/ImPRovE%20WVP%201605_2.pdf [Viewed: 27 September 2018]

22. According to the results based on data from the 2016 Survey of Living Conditions.

23. Metropolitan Statistics on Living Conditions. <https://iermb.uab.cat/es/encuestas/cohesion-social-urbana/>

1,000 families from the ten Eix Besòs neighbourhoods²⁴, in the north of the city, in terms of money, privation, well-being and how they experience their situation of vulnerability, as well as how social-protection policies that ensure monetary income for two years and their combination with active socio-employment policies affected their situation. A pioneering experience integrating policies and evaluating their effects in a controlled environment using scientific methodologies.

What we know now

The massive downloading of data from our own interoperable registers and those of other public bodies, the anonymised taxation microdata from official registers, the data from thousands of interviewed people, either in our own or other surveys or interviews from social security files, quantitative and qualitative academic studies, assessments of Area of Social Rights programmes and projects, etc., allow us to have more information than ever on the situation of poverty and vulnerability in the city, with enough territorial details to show the enormous inequalities existing among the various neighbourhoods, all in the city's 60 inhabited square kilometres. Combining data from the Improve project²⁵ and the most recent Survey of Living Conditions²⁶, from 2016, there were 41,000 households in Barcelona that could not make ends meet, excluding the cost of housing. Without being one of those perfect subgroups, 37,000 households met the income criteria for receiving the Guaranteed Citizen's Income, and 103,000 households would be under the estimated risk-of-poverty threshold for Barcelona (60% of the average income, €933 for an adult).

This last figure coincides with the 100,000 households which, if you also add expenditure on housing, cannot make ends meet, according to the ECV estimated incomes and the threshold data calculated for the Improve project. These households make up 14% of all city households. Of these, a third are households with minors and another 14% are households with people over the age of 65 (only 7% of the households with only one person over the age of 65 are poor, a low percentage because only 13% of these people live in mortgaged flats or in market-price rented flats). By contrast, 72,000 households allocate more than 50% of their income to paying for their housing. The ECV data with Improve thresholds enable us to estimate that, in order to cover the basic needs of the families that cannot make ends meet on their incomes, it would cost €208 million a year (less than the estimates made in 2014 by the ILP for the Guaranteed Citizens Income), but €529 millions more, or a total of €73717 million, if covering the cost of housing is included.

24. The ten neighbourhoods are in the districts of Nou Barris (Ciutat Meridiana, Les Roquetes, Torre Baró, Trinitat Nova and Vallbona), Sant Andreu (Baró de Viver, Bon Pastor and Trinitat Vella) and Sant Martí (La Verneda i La Pau and El Besòs i el Maresme).

25. The European project that calculates the cost of basic needs, excluding housing, for each type of household, based on €527 for an adult and counting the cost of basic utilities.

26. 2017, with income data from 2016.

This data is significant: 72% of the monetary problem involved in poverty in Barcelona is caused by the cost of housing. And this figure is 8% higher than for Catalonia as a whole and 18% higher than for Spain²⁷.

The problem of housing

These poverty figures are appalling, and even though things may seem to have improved in recent years (due to unemployment having gone down continuously since 2012, from 158,000 to 83,000 people, while employment has risen from 660,000 to 732,000 people²⁸), there has been no improvement in the economic situation of a large number of city residents, because these figures were accompanied by three negative factors:

- a) The stagnation of unemployment among people over the age of 45 with a low educational level. This is a group of over 18,000 people who have been unemployed for over two years, which means they no longer receive contributive unemployment benefits and, at best, they receive the state benefit or the Guaranteed Citizen's Income.
- b) The inherent insecurity of many jobs, with 21% of them being temporary and 12% part-time, as well as a real reduction in wages due to the crisis. This loss is especially significant among younger people, with reductions of over 20% during the 2010-2016 period, and up to 10% for the 25-39 age group²⁹.
- c) The rise in the cost of access to housing. Although the crisis brought a reduction in rental prices, the price rises from 2015 to 2017, almost reaching 10% a year, have meant that we are currently at maximum historical prices, although this growth has decelerated over the last year. At the worst moment of the last housing-price bubble in 2008, which was unsustainable at that time, the average price of new rental contracts cost a little under 33% of the average city wage. The latest available data for 2018 shows that this has risen to 38%. For the 25-39 age group, the average economic cost of paying for housing has risen from 40 to 50%³⁰.

27. Own production.

28. Data according to the Active Population Survey from the fourth quarter of the current year.
<http://www.bcn.cat/estadistica/catala/dades/ttreball/epa/epa/patu/evatsx.htm>

29. Own production based on data from Barcelona City Council statistics and the Ongoing Sample of Working Lives.

30. Source: Own production with data from the Barcelona City Council Statistics website, data from the Social Security's Ongoing Sample of Working Lives and Incasòl statistics concerning rental-contract deposits.

The situation was already especially serious for all the tenants with contracts signed under the Urban Letting Act, given that in June 2013, the minimum legal period for rental contracts was reduced from five to three years, and renewing a contract signed before the change now involves paying an average of 35% more in rent, with wages that are frozen or even lower than in 2013³¹.

This has clear repercussions on the vulnerability of families that live in rented accommodation. Thus, 71% of poor families are tenants, while according to the Survey on Living Conditions, they only represent 34% of Barcelona households³². A third of tenant families cannot make ends meet (with their incomes they cannot cover their basic needs and pay their rent). Obviously, on their incomes, they cannot save or get a mortgage for buying a flat (the selling price for used housing rose by 56% during the 2013-2018 period)³³.

The lack of a social housing stock in the city (only 1.5% of flats are social housing³⁴), combined with low incomes in a large number of households makes the situation even more serious. If the low-income households were guaranteed access to specially protected rental social housing (at a price of €6.4/m², €448 a month for a 70 m² flat), the number of households that cannot make ends meet would decrease from 100,000 to 77,000 and an additional €301 million would still be needed to cover rental housing at protected prices (in addition to another €208 million needed to cover all the other basic needs). This is a significant reduction of over 22,000 households and €227 million, but it would only eliminate a small part of the problem.

As an example of how access to affordable housing does not solve everything, 33% of Barcelona's 7,300 social rental housing flats were subsidised by municipal social services in 2018 because tenant families were unable to pay an average rent of €200 a month³⁵.

With the surveys on living conditions and socio-demographic conditions, each percentage increase in rental prices puts between 500 and 1,000 city households in an objective situation of absolute poverty.

31. Source: Incasòl statistics on rental-contract deposits.

32. Source: Survey on Living Conditions, 2017.

33. Source: Catalan Government housing-market statistics.

34. Source: Own production with data from the Barcelona Metropolitan Housing Observatory.

35. Source: Barcelona Municipal Institute of Housing and Renovation (IMHAB).

This combination of low incomes and increasing difficulties in getting access to affordable housing puts tens of thousands of city families in a situation of extreme vulnerability and should force them to seek cheaper rental prices in nearby municipalities. But this is also difficult:

Firstly, a comparison of ECV data for Barcelona and the rest of the Barcelona Metropolitan Area reveals a paradox: although the average income in Barcelona is higher than for the rest of the Metropolitan Area, this is also true for the average cost of rental housing, and the remainder (the income an average household has left after subtracting the rent) continues to be higher than in the rest of the area. But if we focus on the 25% percentile of homes by income, and we subtract the average cost of housing, the remainder is higher in the Metropolitan Area than in the city of Barcelona. The explanation behind this process is that the city attracts new professionals from the technology sector, research and other new-economy sectors (e.g. professionals that work on an international level and take advantage of the fact that Barcelona airport has one of the best European-connection networks and increasingly good intercontinental connections) who, with their salaries, apply upward pressure on housing prices. This hike in prices has spread throughout the city and also affects tenants who are still working in the traditional economy, which is more insecure and has low wages. But Barcelona is also a big city with an attraction as a land of opportunity for illegal migrants, who either have no income or low incomes (as shown by the figures we have from AEAT for people who have registered in the city most recently) and who are willing to move into overcrowded flats or rooms. Therefore the combination of expats and low-income immigrants (in addition to university students from abroad or outside the Barcelona Metropolitan Area and legal and illegal tourist flats) puts pressure on available housing and prices, so that the people with the lowest incomes are unable to afford access to housing. We could interpret this situation as a new slant on a well known saying, and rewrite it: “Barcelona és bona només per als qui la bossa sona” [Barcelona is only good for people with heavy purses].

However, although this could encourage gentrification in the city (the expulsion of the lowest-income households), in reality, it is a trap for the most vulnerable households. While it could be more advantageous to move outside Barcelona (even if they keep their jobs in the city, they have to consider increased transport costs and other everyday expenses, as well as the possible loss of support from their social circles), their incomes are so low that they would still not make ends meet if they moved to a metropolitan municipality. Incasòl data regarding the deposits on new rental contracts shows that Badia del Vallès is the only municipality in the whole metropolitan area where the average rental price for specially protected rental housing is below €6.4 per square metre³⁶. Therefore,

36. And it should be noted that all the housing in that municipality is public housing.

vulnerable households do not have enough income to get access to social-housing flats (which do not exist), nor can they move to relatively close municipalities because it would be hard for them to find housing within their means.

The impossibility of, or rational resistance to, moving away is shown by overcrowded flats, the renting of substandard housing, illegal squats and, in the end, homelessness and the growing waiting lists for getting into shelters or other emergency accommodation, even though there has been a notable increase in resources in recent years.

Furthermore, job insecurity means that people with temporary job contracts find it very difficult to get rental contracts and still less a mortgage, wherever the flat may be.

In short, we have to accept that the problem of housing is an essential part of combating poverty, but we also have to admit that, even if we quadrupled the current stock of social housing to 40,000 flats (even at specially-protected prices), we would still have a group of tens of thousands of families that need monetary resources and access to practically free housing in order to subsist.

Lack of money

Having defined the problem, and especially its monetary and housing aspects, does that mean we are on the way to solving it? In 2017, there was a lot of expectancy surrounding the implementation of the new Guaranteed Citizen's Income (RGC)³⁷, which was conceived as a subjective right that was not subject to budgetary restrictions. The reality of its implementation in Catalonia, and especially in Barcelona, has been very disappointing, as it was based on a very low number of households that were receiving the Minimum Insertion Income (RMI). In April 2017, when the RMI was still in force, 2,675 households, or 0.4% of the population, were receiving it, compared to an average of 1.1% for Catalonia.

By January 2019, there were 29,094 households³⁸ receiving the RGC in Catalonia, around 3,000 more than when it was launched in September 2017. There is no data available for the city of Barcelona, but if we apply the same growth rate to Barcelona, the result is fewer than 3,000 households. Using data from the 2017 Survey of Living Conditions, there

37.

http://treballiaferssocials.gencat.cat/ca/ambits_tematics/pobresa_i_inclusio_social/renda_garantida_ciudadania/rendagara_ntida_/

38. Main data on implementing the RGC – data from 15 September 2018 to 11 January 2019. Catalan Ministry of Employment, Social Affairs and Families. Generalitat of Catalonia.

http://treballiaferssocials.gencat.cat/web/.content/03ambits_tematics/06pobresa_i_inclusio_social/RendaGara_ntidaCiudadania/nou/destacats_laterals/Principals_dades_implementacio_RGC.pdf

should be 38,000 families that meet the income requirements for receiving it³⁹. Using data from Barcelona City Council's social services registers, 51,000 families met the income and unemployment requirements to receive the RGC. According to our estimates, the Generalitat was spending around €24 million a year to pay the RGC⁴⁰ to Barcelona households, while the estimated needs could be as high as €400 million⁴¹. And the difference between 38,000 and 51,000 (a third) is probably due to the fact that the official surveys do not properly capture the proportion of the population with insufficient resources and underestimate the total number (they are people who are reticent about being interviewed, have greater mobility or experience complicated situations).

The data is compelling: if we compare Barcelona with Bilbao, the capital of a region where the autonomous government provides the highest cover for people at risk of poverty in all of Spain, its spending on its guaranteed income and other emergency aid transferred to city councils was €286 per Bilbao resident in 2017⁴², while in Barcelona the autonomous government spending was €11 per Barcelona resident, or 27 times lower! Even though the two cities have similar income levels.

In short, the country's main tool in the struggle against monetary poverty, for those people who do not get a pension or unemployment benefit, has so far fallen far short of the real needs revealed in statistics or official registers. It must be said that, using Generalitat data, only 13.4% of the applications received from the introduction of the RGC Act to January 2019 were given a positive assessment.

Regarding the most unprotected segment, i.e. families with children, it must be added that, using registry data for families using municipal social services, 8,200 families receive the low-income family social security (INSS) benefit (the subsidy is €291 a year per minor), while another 9,200 should receive it but do not. A subsidy that is absurdly small and which fails to cover even half of its potential beneficiaries.

39. According to the Guaranteed Citizen's Income Act, any person may benefit who, during the six months prior to their application, have an income of less than 91% of the Catalan Adequate Income Indicator. For 2018, the income threshold was set at €604 a month, in twelve payments.

40. Own production, with data from 2017 scaled to 2019.

41. A figure that is lower than the one estimated using the Improve criteria and the cost of housing in order to cover basic needs, as the RGC does not distinguish between households in terms of their type of housing tenure.

42. Own estimation using data from Basque Government budgets.

Consequences

The consequences of poverty are well known, but the inequality they produce in a reduced area such as Barcelona and among its residents is surprising.

Seventy per cent of the people using municipal social services centres go there to receive help for economic problems. Seventy per cent of the users interviewed for the 2016 Survey of Living Conditions for social services users presented severe material privation (four or more of the nine privations enquired about in living conditions surveys), more than ten times the average for the population of Catalonia. By district, and according to the Socio-demographic Survey⁴³, 17% of Nou Barris residents suffered severe material privation, compared with 1% of Sarrià - Sant Gervasi residents. Within these privations, 54% of people using social services could not maintain their dwelling at an adequate temperature, a figure that is eight times higher than the average for the population of Catalonia.

Sixty-six per cent of surveyed social security users affirmed they were in a poor or fair state of health, compared with 19% for the general population of Barcelona. According to the Socio-demographic Survey, 25% of Nou Barris residents affirmed that they were not in a good state of health, which is double the figure for the residents of Sarrià - Sant Gervasi. The difference in life expectancy in the five neighbourhoods with the highest expectancy (mostly among the wealthiest) and the lowest expectancy (mostly among the poorest) is 7 years, and this rises to 9.5 years⁴⁴ if we only compare the highest and lowest neighbourhoods. Poverty should receive the same treatment as a disease epidemic, given its impact on people's health.

And the consequences for education? Twenty-two per cent of students in the district of Ciutat Vella and 20% in Nou Barris do not pass basic primary skills tests, compared to 6% in Les Corts and Sarrià - Sant Gervasi. Thirty-five per cent of students in Ciutat Vella and 20% in Nou Barris do not pass secondary school tests compared to 5% in Les Corts and Sarrià - Sant Gervasi. Thirty-six per cent of Nou Barris residents understand English, compared to 74% in Sarrià - Sant Gervasi. The difference between the neighbourhood with the highest levels of university qualifications (wealthy) and the one with the lowest number is 12 times lower. Unemployment among university graduates is 4%⁴⁵, while among people with secondary-school education it is 18%. Academic failure and early

43. Barcelona Socio-demographic Survey. Presentation of Results (PDF).

http://ajuntament.barcelona.cat/premsa/wp-content/uploads/2018/04/r17045_ESDB__Resum_Prensa.pdf

44. Life expectancy quinquennial (2006-2016) Statistics Department. Barcelona City Council. Barcelona Public Health Agency. <http://www.bcn.cat/estadistica/catala/dades/tvida/salutpublica/t39.htm>

45. Own production, using data from the Active Population Survey and registered unemployment.

school leavers are high-level indicators of future job insecurity, unemployment and poverty.

Electoral abstention in the parliamentary elections of 21 December 2017 was 22% higher in the five neighbourhoods with the highest abstention (poor neighbourhoods) than in the five with the lowest abstention (wealthy neighbourhoods). Participation in public affairs, and therefore the ability to influence them, is lower among vulnerable groups.

During these years, we have produced various maps of territorial inequalities featuring various factors (income, unemployment, economic aid, school results, educational levels, health, etc.) and the distribution of those inequalities is practically identical in all of them. The indicators are in red or green in the same neighbourhoods. In short, the worst results are concentrated in the Eix Besòs neighbourhoods in the north of the city, especially in the northern neighbourhoods of Nou Barris, those of Ciutat Vella and above all those of El Raval, along with the neighbourhoods of La Marina which crosses Passeig de la Zona Franca.

The validity of using statistics and official registers to measure poverty

I do not want to end this section without mentioning whether these figures for poverty, as we have measured them through the battery of available surveys and registers, are correct. As stated above, the data from general population surveys may have a bias and conceal the most extreme cases of poverty.

But we also find that identifying poverty is not the same as measuring who is experiencing poverty. Traditional measurements do not take into account savings and accumulated assets (the Bank of Spain's Household Finances Survey carried out every four years in order to measure household assets, liabilities and incomes is only representative for Spain), or the resources arising from family transfers and irregular or undeclared income which are not recorded by administrative registers or surveys (if they existed they would reduce the figures for real poverty). However, the specific needs which generate a growing monetary need in order to make ends meet are not measured. These include over-indebtedness, temporary or chronic illness, dependence, the need to transfer money to relatives (either locally or to other countries or regions of origin) or patterns of excessive consumption in comparison to income (due to social, neighbourhood or family pressure, or to maintain a level of spending related to a prior status quo, while current income is no longer adequate). And they clearly do not measure other types of intangible poverty, such as poverty over time.

In a social protection model for poor families based on conditioned and limited incomes, this question is crucial, given that the further you stray from the official systems for

measuring poverty towards the reality of people's lives, the more difficult it is to get it right: there are more false positives (people who receive a benefit without experiencing poverty) and false negatives (people who are really poor but do not meet the official requirements for aid or do not receive benefits because they have not requested them even though they deserve them). And this is the easiest path towards demagoguery, as who does not know of, or heard about or read about cases of supposedly poor people who receive benefits without deserving them, or who spend the money they receive on things that are not considered as basic necessities, while other really needy people are not helped at all? The same happens with the lack of coordination between the benefit systems of the various administrations and those of private organisations, which may lead to certain families getting accused of being “benefit professionals” because they know about the lack of coordination between the two systems.

In order to tackle this problem, we can only note some factors which indicate that the statistical estimates for the number of poor individuals and households in the city are higher than the number who are really experiencing it. But always based on calculations of absolute poverty (people and households who cannot pay for their basic needs and the real cost of housing on their incomes) and not the official indicators for relative poverty based on surveys of living conditions:

a) With the AEAT⁴⁶ sample, we estimated that up to 22,000 city households did not have any official income or earned less than €1,000 a year in 2015. AEAT had no available data for 7,000 of those households. That is the equivalent of 3.5% of all the households in the city. Some of them may be foreign households who have incomes abroad which they do not declare here (or for the tax on non-resident income, which is not included in the AEAT data) although they are registered city residents. This would mean that they are not poor. However, we might also suspect that some of them are households that are over-indebted or behind with payments to private creditors (mainly financial organisations) and public administrations (business people and freelancers behind with Social Security payments) with embargoed assets and incomes, where the ineffectiveness of the Second Chance Act (which does not allow the cancellation of debts with administrations, for example) forces them to leave the system and work exclusively in an irregular manner or through intermediate persons or companies.

b) The Bank of Spain's Household Finances Survey is the only official survey that allows the cross-referencing of income and wealth data. There is no disaggregated data available for Barcelona, but for Spain as a whole, the data from the latest edition in 2014 states that 30% of the households in the first two income deciles (which mostly

46. Sample of 39,000 Barcelona households facilitated by the Spanish Tax Authority.

contain the households that are in a situation of vulnerability) have net available assets (financial or fixed assets, not counting either their primary residence or debts) above €60,000.

c) Before it started, the B-Mincome project⁴⁷ detected around 4,000 households in dwellings with users of municipal social security services who had incomes below the threshold set for the programme (for families living in rented accommodation it was a similar threshold to the one for risk-of-poverty in Catalonia), which were subsequently invited to take part in the project. In all 2,400 applications to take part were received, of which only 1,600 met the requirements for entering the draw that was used to designate the 1,000 families that would enter the programme. Since the draw, only 881 families have received the municipal inclusion subsidy for some months, 70 are taking part in the pilot programme without getting any money because their income is above the set threshold, and 400 are members of the control group. Although the economic situation in the city has improved in the two years since the project began (at the end of 2017) along with the data used for preselecting the families (using official 2016 income data), it seems clear that there is an obvious discrepancy between the tax registers and the reality of households below the previously estimated thresholds.

d) The main financial aid offered by Barcelona City Council, the children's fund for households with minors between the ages of 0 and 16, is provided under two main conditions: the households must have an income below the Catalan Adequate Income Index (IRSC) and they must be active users of municipal social services. The AEAT data provides an estimate of the households that could ask for this benefit, according to their income and their territorial distribution. But the probability of a poor household in a poor neighbourhood requesting the benefit is up to 20 times higher than for a similarly poor household in a wealthy neighbourhood (in the poorest neighbourhoods a number equivalent to 100% of estimated poor households request the benefit, while only 5% do so in the richest ones).

e) Similarly, the Socio-demographic Survey estimates the number of poor households and their territorial distribution. The number of households that cannot make ends meet, and at the same time, state that they suffer severe privations, is 35% higher in the poor Nou Barris households than in the poor households of Pedralbes and Sarrià - Sant Gervasi.

47 <http://ajuntament.barcelona.cat/bmincome/ca>

f) According to data from the municipal energy assessment points, which started to be deployed in the city in 2015, only 50% of the service's users (basically to request that their electric supply not be cut off because of non-payment) were people who were already using municipal social services. And the number of active users of social services who could not make ends meet and approached municipal services to request financial support is higher than the estimates of poverty according to official statistics.

In short, the estimates of real poverty in the city present significant bias and are heavily influenced by the area. In the wealthier neighbourhoods, the chances are that the family network and existing financial resources prevent many poverty situations. In the poorest neighbourhoods, the informal economy and other unregistered incomes clearly complement situations of nearly non-existent income, according to registered data, and reduce the demand for financial support. Natural experiments, such as the applications for taking part in the B-Mincome project, the high refusal rate due to being above the maximum income threshold for receiving the Guaranteed Citizen's Income, or that applications to the Children's Fund reach just over 56% of the potential beneficiary households, lead to the conclusion that the estimated figures for vulnerable households or the intensity of their poverty could be significantly higher than the reality. On the other hand, however, we are aware that the statistics do not include the whole lower range of households on very low incomes and that there is a certain degree of shameful or invisible poverty in middle-class or even upper-class neighbourhoods, with families or individuals who do not wish to admit to social services that they are poor.

What has been done and what has been achieved

While we admit that we have not put an end to poverty, basically because the necessary financial resources were not provided, the City Council has made notable efforts to ease poverty in recent years.

Earlier, we mentioned the difference in spending on guaranteed incomes between the Catalan and Basque governments: €286 per resident in Bilbao compared to €11 in Barcelona. But while Bilbao City Council spent €4 of its budget per resident (€1.3 million) in 2017 on emergency aid, Barcelona City Council spent €71 per resident (€115 million, concentrated in general benefits, food and housing). And in spite of this tremendous municipal effort, those resources were clearly insufficient to close the overall gap of 3.5 times less aid than in Bilbao (€289 compared to €86)⁴⁸. While a greater amount of resources was employed in Bilbao, it did not eliminate poverty in 2016, 7.7% of the

48. Own production based on Bilbao and Barcelona City Council budgets for 2017 and INE population data for 2017.

population was living in a situation of real poverty, according to the Basque Survey on Poverty and Social Inequality⁴⁹.

The City Council spends over €50 million a year⁵⁰ on combating child poverty (including social pricing for nursery schools and other specific services, but not counting either spending on housing for families or subsidies to organisations for children's programmes). This is less than half the estimated amount, calculated using AEAT data, that would be needed to cover the relatively extreme poverty of families with minors (€121 million).

The figure for 2017 is slightly higher than for 2016, while it will be similar for 2018, although the definitive figures have yet to be finalised. Barcelona was one of the large cities in Spain that spent most on social spending per inhabitant in both 2016 and 2017.

It is still too early to assess whether the efforts made have had an effective impact on reducing poverty. Many other independent variables help or hinder achieving the objective, including reduced unemployment, the expulsion of poor residents from the municipality (gentrification) due to rising housing prices, the large increase in the arrival of refugees and unaccompanied minors and emigration to other countries. The available official data on income and poverty has a time lag of two years (data for 2015 and 2016 is currently available) and this makes short-term action-effect interpretations more difficult.

However, there are some indirect indicators for measuring the impact:

- a) The number of people going to food banks from 2014 to 2017 has significantly decreased (-36% of beneficiaries), and by a higher proportion than in the rest of the Province of Barcelona (-10%), Catalonia (-13%) and Spain (-8%)⁵¹.
- b) The indirectly estimated income inequality between the wealthiest and poorest neighbourhoods, which had been increasing since 2008, showed a downward trend from 2015 to 2017⁵².
- c) The city's Gini Index for the 2011-2016/2017 period has gone down, while it rose for the Metropolitan Area.

49. http://www.euskadi.eus/contenidos/documentacion/informe_epds_2016_2/es_epds2012/adjuntos/Informe%20EPDS%202016_es.pdf

50. Source: Own estimates based on Area of Social Rights budgets

51. Source: Food Bank Foundation, Federation of Food Banks and own estimates.

52. Source: Family Income Index Technical Programming Office at Barcelona City Council

d) The price increases in rental housing were lower⁵³ in 2018, although they continue to set record levels.

e) By contrast, using data from the Institute of Social Services, visits to municipal social services centres have not decreased (15% more people attended in 2013-2017, without counting dependent car) and there has been a slight increase in the number of people going to soup kitchens (around 5% from 2014 to 2017).

f) The number of evictions in 2018 was slightly lower than in 2017 (-3.4%). The demand for emergency housing grew in order to provide support for evictions (74% more households attended by the furniture warehouse and 3.5 times more households attended by the Residential Exclusion Unit), according to data from the Manager's Office for Housing. The waiting list for getting into shelters has multiplied (with many of the applicants having arrived less than three months previously) and the number of unaccompanied minors attended grew 8 times from 2014 to 2018. The number of people living rough grew by around 160 (from 2015 to 2018), in spite of an increase in public and private emergency housing solutions that provided more than 800 additional places.

In short, a bitter-sweet balance where, in spite of budgetary efforts and a reversal in the upward trend of inequalities and some poverty indicators, the overall situation of vulnerability in the city is still strongly conditioned by the problem of emergency housing.

How can we tackle this situation? Last year, Barcelona City Council agreed on a long term strategy with a wide political and social consensus from the city's social stakeholders: the 2017-2027 Barcelona Strategy for Inclusion and Reducing Social Inequalities⁵⁴, an ambitious plan for improving inclusion, measured with final and intermediate achievement indicators that have made it possible to assess the progress made. In order to complement the Strategy's challenges, the first objective is to establish a real theory of change that prioritises the social interventions and resources needed to achieve those goals. And of course, this theory of change must include a recognition of the importance of reinforcing the social capital that makes it possible to increase the community's degree of freedom and resilience regarding the impact of poverty.

53. Source: IERMB with data from the Metropolitan Survey and the ECV.

http://habitatge.gencat.cat/ca/dades/estadistiques_publicacions/indicadors_estadistiques/estadistiques_de_construccio_i_mercat_immobiliari/mercat_de_lloguer/lloguers-barcelona-per-districtes-i-barris/

54. <http://www.bcn.cat/barcelonainclusiva/ca/estrategiainclusio.html>

So, what now?

We want this section to serve as a reflection on the situation of poverty in our city and how we can significantly reduce it.

The big problem is access to housing

We have already seen that, statistically speaking, a hundred thousand households cannot make ends meet. We have also seen that this figure could be lower because some households have support networks, assets or income that is unaccounted for in registers or poverty statistics. Some of them may also be individuals or households that have recently arrived in the city seeking opportunities. Taking everything into account, we could infer that there are over 50,000 households in the city that are suffering from poverty. And this figure includes a time bomb that could further increase it in coming years: the progressive finalisation of 40,000 old rental contracts that are still unaffected by the Urban Letting Act, along with the progressive retirement of elderly individuals who already rent flats at market prices, where increasingly lower pensions and the subsequent loss of purchasing power is combined with increasing rental prices and energy costs.

The city has a powerful plan⁵⁵ to double its stock of social housing, help low-income households with their rent and renovate thousands of flats. There is also an underexploited potential for generating more housing by providing incentives so that housing that currently has other uses (offices and other businesses or activities) move to unoccupied ground-floor establishments, or by building temporary solutions on building sites for facilities where there is currently no money available for their construction, or definitive solutions for mixed facility-housing uses, completing buildings that have not yet used all of their assigned building surface area, “redensifying” the city where more and more people either live alone or as a couple in large flats, etc. There are very few empty flats in Barcelona (less than 1.5% of the housing stock, according to the census carried out), but there are strategies for getting more out of existing housing.

But the official statistics⁵⁶ are also conclusive: three quarters of poor households cannot even pay the cheapest available social rents, and an indeterminate number of young people cannot leave home under minimally suitable conditions. Therefore, the problem is mainly concentrated on non-existent or insufficient income for getting access to housing, whether it be social or not.

Furthermore, when social integration policies call for the social mixing of tenants in new rental social housing buildings (not just vulnerable families) so as not to create community

55. <https://habitatge.barcelona/ca/estrategia/pla-dret-habitatge>

56. Own production, based on the 2016 and 2017 Surveys on Living Conditions.

problems or ghettos that degrade neighbourhood conditions or replicate some magnified examples of the problems found in the Parisian *banlieues*, the following two issues are ignored: awarding flats excludes the lowest-income households and does not provide any alternative solutions, and the unregulated, spontaneous solution to this problem is the concentration of a large number of squats in certain neighbourhoods, with situations of overcrowding or substandard housing, which also exists in the city a short distance away from what it theoretically wishes to protect.

Lists of desperation

Access to social housing has a second distinctive feature – apart from the fact that without an income you cannot get it – which is that it is assigned in a draw. This can be pure (the same probabilities), scaled (more probabilities – greater chances in the draw – if some additional risk-of-vulnerability conditions are met) or contingent (with quotas for certain groups). This happens in assigning compulsory education schools (which guarantees universal immediate access to one of them in any event) and nursery schools (which are not obligatory and do not have places for everyone, although the care for children aged 0 to 3 is a right that should be universal) but not in the vast majority of other welfare-state benefits: medical emergencies, surgical operations or visits to specialist doctors and social services, access to homes for the elderly and care services for dependants all have waiting lists. Even access to emergency-housing solutions (shelters, inclusive flats, etc.) is controlled by lists and the scaling of family situations. Some waiting lists are for a matter of minutes, hours or days, while others take months or even years, but everyone who is on them knows when they will be attended to, or at least they should know. Except in housing, where there is no certain knowledge about when you will get it. It depends on your luck in the draw.

As I understand it, we need to completely rethink our access to social housing model, so that it is not allocation by draw (with greater or less probability) or the availability of income. Instead, the criteria should be the length of time someone is in a situation of vulnerability in the city, their age (prioritising senior citizens and families with minors) and the social and health situation of the individual or family. Homelessness or the lack of decent housing is a social problem, but it is also a health problem and, as such, resources should be prioritised for it. There is also a question of fairness and giving people hope that, at some moment in time, their problem will be solved in a real way. And analogously, we could think about access to employment: why not think of a plan so that long-term unemployed people get guaranteed access to a job according to a system of vulnerability criteria, such as how long they have been unemployed?

We have had enough of conditioned incomes

There is plenty of evidence that the models of conditioned or limited income, such as the Guaranteed Citizen's Income or unemployment benefits and subsidies are not efficient ways of ending poverty. The stigmatisation of families that declare they are poor, the bureaucracy that represents a particularly difficult barrier for individuals with a low educational level or knowledge of the language, the persecution carried out by zealous civil servants or even neighbours in terms of whether a family that may potentially benefit from the income is really poor, the war of the second last versus the last, exemplified by supermarket cashiers who check the contents of shopping bags and whether the benefits can be spent or not, the non-take-up of many benefits, the doubly and paradoxically critical view on immigrants who, supposedly, while receiving benefits also take the hardest jobs that we do not want to do, the poverty traps which mean that entire families are tied to subsidies and unemployment because it does not make any sense to take a temporary or poorly paid job (if they accept it they have to give up the RGC for a time and they will end up with less money than before they took the job), and the aim, never expressed in public, of not going over the budget assigned by the responsible administration, are individual or combined situations which have made the current income model obsolete and inoperable in terms of ending poverty, especially in its most chronic form. In order to solve this problem, it is necessary to move on to universal benefit models, like the ones used for health or education.

The savings in administrative, social and healthcare costs, in improved self-esteem for the population (scientific studies prove that poverty affects cognitive capacity and multiplies the possibilities of developing mental illnesses), in the empowerment of women, young people and entrepreneurs, would all compensate for the additional economic costs involved in funding a universal basic income. It is possible to finance this with a new fiscal policy where the richest people transfer a reasonable part of their income to the poorest people. Furthermore, a basic income would guarantee a stable flow of income that is essential for access to the housing market or for loans to finance studies or other important needs, which unemployed people or those in insecure jobs are excluded from.

The implementation of a basic income, or at least the progressive reduction of the present conditioned and limited incomes, must be accompanied by a programme to rationalise all the other benefits, subsidies, discounts and social pricing connected to income or vulnerability. We need to avoid the poverty traps associated with the accumulation of these benefits, which can mean that these households are not interested in increasing their employment income for strategic reasons, because they would then place themselves above the maximum income threshold that allows them access to the benefits, thereby subjecting them to marginal tax rates on the newly obtained income close to, or even more

than 100%, in addition to the time wasted in bureaucratic procedures, often with uncertain outcomes.

The solution must be at least at a metropolitan level

A more efficient basic or guaranteed income in Barcelona than the current one and which could (possibly) put an end to material poverty, must take into account various additional aspects:

It should be a metropolitan income where the transfer of income from rich to poor is also mirrored by a redistribution of income among the various rich and poor metropolitan neighbourhoods, in the same way as between men (losers in the redistribution) and women (winners). We cannot treat the municipality of Barcelona as an independent island, even though it is, in itself, a microcosm of inequalities. In addition to Barcelona residents, 400,000 people work in paid employment in Barcelona. They have a job, and therefore generate much more activity, wealth and income than most of the dormitory cities surrounding them. By contrast, this economic centralisation puts pressure on the housing market and expels the most vulnerable classes (if they are able to move) or forces them to live in insecure or overcrowded situations. Decentralising economic activity and improving intra-metropolitan public transport (so that it would be less radial to Barcelona than at present) would also be a policy for combating poverty.

While financing a basic income requires the comprehensive fiscal reform of the major state taxes, it would be perfectly possible to finance a guaranteed metropolitan income with an increase in the resources that are already generated in the area. A surcharge on house rates (IBI) and other municipal and metropolitan taxes on property or environmental impact could generate the estimated €600 million needed to provide minimum cover for the needs of really poor families, provided that this is combined with a less restrictive application of the RGC, which until now has even been denied to homeless people.

The basic income, or a substitute for the RGC that eliminates the poverty trap, should take into account the idiosyncrasies of housing in the city and the metropolitan area, and therefore separate the cover into two parts: one should cover basic needs excluding housing (and could be universal and the same for everyone, only varying by age and/or the size of the household, in order to account for any existing scaled economies), while the other should cover housing needs, which would be the minimum value between what the household is currently paying for their flat and an objective cost which would depend on the size of the household and housing prices in the municipality or neighbourhood where the household lives. This is basically the model we implemented with B-Mincome, and in practice, it supposes that the basic needs of a family that owns its flat are lower than the official risk-of-poverty thresholds (they need fewer resources to make ends meet), while

the basic needs of a family that rents its flat are above them (they need a complementary benefit for housing).

In this guaranteed-income model, the responsibility for financing it could be distributed among the various administrative levels in the following way:

- a) The Spanish government would have to implement a minimum living income (the first part with equal amounts) that would partly substitute the existing unemployment benefits and pensions.
- b) The Catalan government would pay a universal RGC because of the difference in the cost of living compared to other regions in Spain (it has been calculated as 8% higher than the Spanish average)⁵⁷, its funding shared by the central government (which collects more taxes due to this price differential) and the Catalan government.
- c) The Metropolitan Area or the Metropolitan Region would pay a complementary amount dependent on the type of housing tenure and its cost, based on the differential between the Metropolitan Area and the rest of Catalonia.
- d) Barcelona would have to cover the differential in housing prices between the city and the metropolitan area⁵⁸. It would be necessary to set a benchmark rental price using an objective system which, in line with international studies, established a price for living in a dwelling with decent conditions in a medium-low price area of the city.

The Barcelona-Metropolitan funding would come from additional taxation income raised from this area's higher fiscal capacity for generating more tax income from property, economic activity and environmental impact. Barcelona's capital status generates additional wealth which must be redistributed to the less fortunate population segments in the municipality itself and in neighbouring ones.

In this model, which could be simplified or compacted into two of the four above-mentioned administrations, those administrations would have a double responsibility: firstly, to guarantee the financing of the incomes and benefits for specific subjective housing, and secondly, a sufficient stock of social housing would have to be created at the objective

57. Source: Generalitat of Catalonia.

http://economia.gencat.cat/web/.content/70_economia_catalana/arxius/colleccions/monografies/M_17_2015.pdf

58. Using 2016 ECV data, this can be estimated as 27% higher, and double the figure for the rest of Catalonia, excluding the Barcelona Metropolitan Area.

price set by the benefits. The housing benefits and the new housing stock should also constitute an indirect control system for excessive price hikes in the free market.

One alternative would be not to give housing benefits and for the administrations that own the social housing stock to charge lower rental prices to those who cannot pay. That would not help to develop a private stock of social housing. A second alternative would be to include a universal benefit for housing in the basic income. This alternative would be more expensive, because it would give excessive cover to those who have already paid for their dwelling, although it is more equitable and eliminates bureaucratic costs and having to control possible fraud.

The pull and push effect ⁵⁹

Barcelona is the large Spanish city that spends most on social policies. In spite of this, Barcelona is not the large Spanish city where residents receive most support against poverty. People might be tempted to think that this expenditure is a bottomless pit, because the more we spend on the poorest people, the more we attract (the pull effect), as if all the poor people of the world see Barcelona as the magic gateway to the prosperity of rich European societies. We might also think that Barcelona cannot be an inexhaustible source of wealth that its immigrants can transfer endlessly to the third world, as, in reality, we are a drop in the ocean of African, Asian and Latin American poverty.

Barcelona, as the sixth largest metropolitan area in the European Union, is naturally a source of attraction for immigrants, although the ratio of residents born abroad is below average for large European cities, and in particular, way below Paris and London. The absolute scale of immigration in the city is ridiculous compared to what is found in the entire developed world. Furthermore, just by considering the estimated population ageing, we will need a constant flow of thousands of immigrants a year to maintain the current active population and tackle the challenge posed by this demographic change, in terms of maintaining economic activity and the growing care needs of senior citizens. For example, in 2018, there were the same number of registered residents in Barcelona as there were in 2008, and by contrast there were 34,000 fewer people between the ages of 20 and 64⁶⁰. What will be needed is strong structures for receiving and integrating people, and adequate laws that are favourable and adapted to the social, employment and cultural reality of our city, and that vulnerable native residents have a social support system that is

59. The push-pull concept refers to the pull effect, which would be the call or attraction of some areas for people from other areas, and the push effect, which would be to encourage or force people out of the population within an area.

60. Own production based on data from the 2008 and 2018 population censuses.

good enough to prevent them thinking they are competing with immigrants for public resources.

We must continue to increase the availability of data, in terms of quantity, quality and temporal proximity

Lastly, in spite of our efforts to better understand the reality of poverty in the city, there are still major shortcomings that must be corrected in the coming years.

- a) We lack information on the poverty situation in extreme-poverty population segments, where people do not even approach public social services and perhaps only go to other private institutions.
- b) We lack more information on the invisible poverty of impoverished middle classes or senior citizens who live alone.
- c) We do not have comprehensive information on households in terms of combined incomes, wealth, savings and debts. To start with, we would need to increase the sample size for the Family Finances Survey so that it is much more representative at a city level, make a similar one and exploit existing administrative and taxation registers as much as possible.
- d) The surveys on income and administrative and taxation registers do not capture all the incomes or the situations of over-indebtedness correctly. And clearly, they are even less efficient at capturing assets in other countries.
- e) There is no efficient data sharing among the various public-sector levels. In particular, the Generalitat has not implemented the comprehensive information system for social services and benefits with local administrations, as set out in the Social Services Act. Furthermore, there is no data sharing between the public sector and non-governmental organisations that interact with poor people. Perhaps the universal social card that the central government is starting to deploy could be an opportunity.
- f) It is necessary to establish a systematic three-year assessment programme for all expenditure programmes. The implementation of new programmes should involve a prior pilot programme with one treatment group and a control group, which would make it possible to evaluate the impact of the measures in a rigorous way.

Some of these shortcomings are critical when conditioned-income protection systems are applied which have a high degree of rejection, as they accentuate the problems of false negatives and positives still further. However, this problem will never be solved, as some families and individuals will always employ strategic behaviour (concealing income and

assets, false changes of address and emancipations, etc.) in order to obtain social advantages and it will be impossible to distinguish them from real situations of necessity. For example, there is currently no data or official report that can indicate if a young person has left home to become independent because the family environment is unbearable or because they want to enjoy the “free” minimum income benefits provided by the administration. What we do know, however, is that this young person should have the right to leave home.

And meanwhile

We would be lying if we stated that local administrations have become the state's last (unintentional) bastion for the poverty protection system. Behind us there are still third-sector organisations, the Church... and litter bins, rubbish containers and a benign climate that for most of the year makes it possible for people to sleep outside in any secluded corner.

Could we do more without a major injection of resources, like the one we are asking for (although it is feasible to do so, it frightens political decision-makers and a part of society that believes they already pay enough taxes, which are then spent badly)?

a) We could manage the right to the city better, where access to public and private resources depends on the length of people's residence and circumstances of vulnerability. Right now, we only have three red lines covered: no children sleep on the street, nor may they stop going to school, nobody dies of hunger and everyone is attended by the health service. Could we increase the number of red lines? We could establish transparent access systems, publicly debated and agreed if necessary, and what priority minimum levels for decent living conditions must be ensured before any other expenditure or public investment. We could also provide a lesson and reverse the rights and obligations equation: people have the right to have guaranteed material conditions for living and the administration has the obligation to identify situations of vulnerability and provide tools for escaping them.

b) Poverty has visible faces (single mothers and their children, immigrants, refugees without resources, etc.) and invisible faces (senior citizens with low pensions, impoverished middle classes, business people or freelancers with economic problems, young people who cannot leave home, or have gone back, etc.). We have advanced tools to identify vulnerable households, and the obligation to approach them individually in a proactive but sensitive way, in order to empower them and allow them to exercise their rights better, to break away from their social isolation and generate more opportunities for improving their situation, for improving their economic education so that they can manage the few resources they have. Poverty can also be

combated by reducing excessive costs in areas other than housing: energy and water at reasonable, self-generated costs, progressive social prices, affordable public transport, fostering the collaborative and circular economy, etc.

c) We need to work on a small scale in a multi-dimensional way, which would allow us to identify the problems and seek solutions by using the assets of each community, as well as being aware of the shortcomings that a large city like Barcelona can satisfy. We hope that the “social superblocks” model of dividing up the city into small areas containing 6 to 8,000 inhabitants, which has just been launched with a new way of caring for dependent persons, will progressively extend its functions to the city’s global economy for care and the socio-economic ecosystem, forming veritable living labs for testing social innovations in controlled environments. And where anyone can make a contribution without being seen as a problem but rather as part of the solution.

d) We have new tools, such as the citizen's currency, social clauses in public procurement and benchmark city salaries for achieving more responsible behaviour in businesses and reducing the number of workers in poverty. Similarly, the large organisations involved in employment and goods and services contracts in the city, and the employers and trade associations that represent the productive sector, also have to be part of the shared strategy for improving work and social inclusion for the most vulnerable people, expanding the Låbora model to include new, innovative models that can be co-created.

e) We can improve community action so that the struggle against poverty benefits everyone, so that the invested resources flow from top to bottom and from bottom to everyone, and that the benefits in terms of well-being reach the most vulnerable people. This will help to combat the demagoguery of wasting resources on poverty and better distributing the enormous wealth that this city generates.

f) Barcelona has a powerful association network and over the years, it has established many shared projects and visions with them. This network is a fundamental factor for multiplying the impact of public actions, and this Barcelona model for co-design, co-production and governance in public-private collaboration must be reinforced in the fight against poverty. Analysing the strong and weak points of territorial implementation and acting in consequence, sharing information systems for vulnerable users, creating synergies and avoiding inefficient duplication in the actions of the various stakeholders are all great opportunities that we must know how to exploit together.

g) It is necessary to opt for reducing educational and class-culture differentials, where the aim of passing compulsory secondary education (ESO) must be replaced by the aim of completing university studies or intermediate and advanced vocational training courses. It is necessary to break away from the prognosis that drastically reduces people's chances of achieving this, depending on where they live or what type of household they were born into. We know that the family's socio-economic situation is a determining factor and that there will never be true equal opportunities without less inequality in people's starting positions, but we also know that we have to employ all the available public and community tools to reduce this differential.

In both the initial stages of education and lifelong learning to adapt to increasingly accelerated changes in the social, economic and technological environment, the prognosis has a lot to do with the resources invested in people's knowledge and skills, as well as with the positive forms of social capital (such as useful relationships and connections for finding a job and making progress in a career), and also with the expectations and confidence of students, their friends and families, as well as their teachers, concerning their own possibilities or who they have to educate and support. Furthermore, there will not be any equality of results if there is no readjustment of expectations or increased confidence.

h) And we have to reinforce links to the research community (universities, research centres, assessment institutions and experts) which must be able to see the city as a source of knowledge and rigorous experimentation that allows them to develop new intervention tools and improve existing ones.

Epilogue. Breaking down frontiers

In the modern world, some frontiers are physical and well known, such as the separation between the first and third worlds. There are many poor people behind them, in Melilla, Lesbos, the Gaza Strip, Calais and El Paso. Globalisation – which allows the free movement of goods, services and capital, but not people – the plundering of natural resources, corruption and dictatorships all generate a growing accumulation of people behind these frontiers, on one side.

Other frontiers are not so visible, because they are not marked on the map by a line, but we know where they are and they prove to be just as, or even more effective, as containment walls or with the permanent threat of death for those that cross them: the Sahara, the Mediterranean Sea, the mountains of Kurdistan and so on.

The third group of frontiers are here at home, and they are much more intangible and dispersed. We can see them in the queues for getting into shelters, in the sharing out of food, at closing times in supermarkets and restaurants, in the vestibules of public-transport stations. There are some we cannot see because they are in the dark, the containers in the street or in houses, or what looks like a house. In reality, these frontiers are a warning for adventurous navigators who leave the established social routes, they are an incentive for not failing, for behaving yourself, for making an effort. They are also a deterrent, a punishment for those who have not done well enough and have wandered off the path. We could call them the internal frontiers or buffers of capitalist societies: that segment that is not too big to rebel nor too small to become a cautionary tale, but powerful enough to make you do everything you can to not face the same fate. Other buffers include waiting lists, endless procedures with no data, with administrative silences due to the hidden aim of not employing more resources, in case that generates more demand. It is all of this that turns a supposed citizen's right into a brake, so that no frontiers are crossed.

And lastly, there is the fourth frontier. This is also invisible, but we should notice it more than any other. It is the interior frontier, which keeps us away from the suffering of others, out of fear of getting infected and ending up like them; the thing that makes us believe that people like them deserve it and are not doing enough to change; the thing that convinces us that people stop working or looking for a job if they have a guaranteed income and so on. Even though we ourselves would never do this, and would continue to make the effort. The thing that reduces our circle of empathy to our close family and makes us more egoistic and conservative, and does not let us see that vulnerability could also reach us and that we would need help from others. And that the fact that everyone has a right to a free and decent existence is not a personal sacrifice, but rather an investment in oneself.

“When aid is universal, people tell their neighbours they can apply and they give each other mutual support in the process. When the aid is conditional, the administration postboxes are full of claims from poor people denouncing their neighbours for fraud”

(Pablo Yanes, social research coordinator at CEPAL-Mexico, president of Ingreso Ciudadano Universal in Mexico)



In depth



March 2019

**Key words: poverty, minimum
income, social and employment
inclusion**

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 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.

March 2019

Key words: Reference Budgets;
relative poverty; standard of living;
needs; childhood; Barcelona

Rethinking poverty in Barcelona with the new European indicator, 'Reference Budgets'⁶¹.

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In this article we present Reference Budgets, which are baskets of goods and services that represent the minimum resources necessary for people to reach an adequate social participation, which means that people would have the essentials to develop their various pertinent social positions and roles. The indicator has been constructed for different types of families in densely populated areas of Catalonia, taking Barcelona as a reference city. Different sources of information have been used, based on a common theoretical and methodological framework recently proposed for six European cities to configure the content of the baskets: official guides, expert consultations, survey data and focus group discussions. Apart from housing, healthy eating is the basket that carries the most weight in relation to the total budget. This indicator provides information to contextualise the at-risk-of-poverty threshold, and can also be used to guide social inclusion policies.

Introduction

Given the challenge set by the Europe 2020 Strategy for reducing the number of people at risk of poverty and social exclusion, it seems that the figures remain quite stable. The at-risk-of-poverty threshold (AROP) is one of the components for observing the number of people in a situation of poverty or exclusion. It indicates the number of people living in a household with an equivalized net disposable household income below 60% of the median equivalized net disposable income in a specific territory. In 2015, the AROP threshold in the Barcelona Metropolitan Area was of €11,199 per year for a single person household and of €23,518 per year for households of two adults and two children, which positions around 18% of the population below this threshold. This figure is close to the average for

61. This article is the result of research developed under the framework of the project 'Poverty Reduction in Europe: Social Policy and Innovation' (ImPRovE), led by the Herman Deleeck Centre for Social Policy (CSB) of the University of Antwerp (UA), Belgium, funded by the European Union Seventh Framework Programme (FP7/2012-2016) (Reference No. 290613). See: <http://improve-research.eu>.

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the European Union which, from 2010 to the present, has been around 17% (SIMBA, 2018a and b; Eurostat, 2018).

Some authors are critical about the economic approach to the phenomenon of poverty, which is based on establishing an arbitrary point in the distribution of income. First, they point out that this measure, more than reflecting poverty, indicates inequality in a given context. Second, the income receives the direct influence of economic growth or decline, so that the at-risk-of-poverty threshold is an abstract and unhelpful indicator for the design of social policies that support children and their families (Borgeraas and Brusdal, 2008).

In 1975, the Council of the European Union defined people in the situation of poverty in the following way: 'individuals or families whose resources are so small as to exclude them from the minimum acceptable way of life of the Member State in which they live' (Art.Nº1.2). Therefore, what resources does our society require to achieve this acceptable way of life?

We define Reference Budgets, hereafter RBs, as baskets of goods and services that represent a fixed standard of living for different types of families (Bradshaw, 1993). Since February 2013, the European Commission has promoted the development of this indicator in a comparable way, as an instrument to improve the measurement of poverty and the design of social protection in the different Member States (Goedemé, Storms, Stockman et al., 2015a).

In this article, we present RBs that illustrate the minimum resources necessary for people to achieve an adequate social participation in Barcelona, which is defined as the ability of people to fulfill the various social positions they should be able to play as members of society. In the European context, some of these positions could be, for example, being a 'mother' or a 'father', 'citizen', 'student', among others, according to the approach from the *Charter of Fundamental Rights of the European Union* (2000) (Goedemé, Storms, Penne et al., 2015b).

The principal characteristics of this indicator are summarised below: (a) it reflects the minimum acceptable standard of living in a society and at a specific moment in time, often using the opinions of reference groups in that society; (b) it can be updated annually using the consumer price index or in accordance with the changes society is undergoing in relation to this standard of living at a specific moment in time; (c) moreover, the RBs take into account the goods and services in the public sphere and transfers in species. It therefore allows us to estimate the economic effort families must make to achieve a certain standard of living and, finally, (d) to rate the variation of needs according to the type of household and evaluate, in particular, the investment represented by children within

households (Borgeraas and Dahl, 2010; Decancq, Goedemé, Van den Bosch et al., 2013; Goedemé and Rottiers, 2011; Storms, Goedemé and Van den Bosch, 2011).

In this way, it presents a new social indicator that provides a holistic understanding from a normative perspective of the needs of families and children, which will be contrasted with empirical evidence based on the consensus with city residents through discussion groups. This approach shows certain potential to contextualise the traditional at-risk-of-poverty threshold and, especially, if it is developed transversally in the different countries using a common theoretical and methodological framework. It also provides information to guide policies aiming to guarantee the rights and social inclusion of families with children.

1. Reference Budgets in Europe from a common theoretical and methodological framework

Over the course of the 20th century, RBs have been created in different ways and in different countries, both in Europe and in other continents (Fisher, 2007; Goedemé *et al.*, 2015b). In the case of Spain, RBs are a relatively new field of study, as we find just one reference to their creation in 2009 for the city of Madrid by the Asociación de Usuarios de Bancos, Cajas y Seguros (Association of Banks, Funds and Insurance) (Warnaar and Luten, 2009). In 2012, the ImPRovE project set the challenge of constructing RBs using a common theoretical and methodological framework for highly urbanised areas corresponding to six large European cities: Antwerp, Athens, Barcelona, Budapest, Helsinki and Milan. This research has constituted the first step in exploring whether it is possible to create this indicator in a comparable way so that it can be a new tool for contextualising poverty and guiding social policies in Europe (Goedemé, Penne, Hufkens et al., 2018). At the same time, it also constitutes an opportunity to promote this perspective in our territory.

1.1. How have we constructed the basket of goods and services?

Firstly, the standard of living referred by the RBs respond to the minimum resources necessary to be able to carry out the development of social positions and roles.

Secondly, to put this acceptable standard of living into operation, Doyal and Gough's (1994) theory of human needs was adapted to the European context. These authors identify two universal 'basic needs' which are prerequisites in all cultures: physical health and autonomy. From here, the concept of 'intermediate needs' is developed, which must satisfy these universal principals. The ImPRovE project has defined the following intermediate needs, which will be transferred to the basket of goods and services: (1) Healthy food, (2) Suitable clothing, (3) Rest and leisure, (4) Personal and health care, (5) Maintenance of significant social relations, (6) Safety in childhood, (7) Mobility and (8) Adequate housing (Storms et al., 2013).

Thirdly, the type of population referred to by the RBs will be standardised: in this case, adults and children in a good state of health, well informed and with sufficient competence and autonomy to be able to develop their daily lives. Therefore, with the assumption of this premise, the RBs obtained will not be generalisable for the population as a whole. This is an element to consider when it comes to interpreting the results. Thus, the RBs are constructed for the four well-described family types: (1) single man/woman of an active age; (2) couple composed of a man and woman of active age without children; (3) woman of active age with responsibility for a child aged 10 and a (4) couple composed of a man and a woman of active age with two children (a boy aged 10 and a girl aged 14).

Finally, the geographical field of reference for which the RBs are created is standardised: highly urbanised areas with a wide network of public transport corresponding to the six large European cities mentioned above. In order to guarantee the comparability of the RBs in the different cities, standardised procedures have been followed, so that the differences between the content of the RBs in each territory can only be due to variations in the institutional sphere, climatological or geographical conditions, the cultural values of each context, and the availability, quality or price of the different goods and services that make up the RBs (Goedemé et al., 2015a).

The intermediate needs described above are associated with functions that are specified in a list of goods and services, which are assigned a useful life and a price. The first phase, within the framework of the ImPRovE project to build the goods and services baskets, began from a 'common base' supported by international guides and prior research on RBs in Belgium. Each country carried out adaptations for each basket depending on their institutional, cultural or social context, and specific climate or geographical conditions, to build their own RBs. Based on regulations, guidelines, experts and other documents and statistics in each field, the baskets of goods and services were adapted for our context. Then the acceptability of these baskets was verified in three discussion groups with adults, as well as the patterns of consumption. Finally, a price was assigned to each of the products and services included for Barcelona as a reference city. Therefore, a reference budget was obtained for each basket. This process included a review by the coordinating team concerning the steps followed and the results obtained (see details in Cussó, Carrillo and Riera, 2018).

In the second phase, in order to consolidate the indicator in our context, new discussion groups were set up with children and adults in densely populated areas of Catalonia. The views of children have been little explored in RB research. In our case, the arguments collected in groups with adolescents have been very rich and essential for understanding their needs. In total, between the discussion groups of the first and second phases, there

have been 73 participants (44 adults and 29 adolescents)⁶⁴ with different socio-economic profiles distributed among the 10 discussion groups in which a main social consensus was reached about the minimum resources necessary to achieve an acceptable standard of living in these areas (see details in Cussó's thesis, 2017).

Table 1 shows the different sources of information consulted. This process was registered in harmonised Excel documents for each one of the baskets, except for the real costs of adequate housing for households owned and rented in densely populated areas of Catalonia. This information was calculated by the project coordinating team using the *European Union Statistics on Income and Living Conditions* (EU-SILC 2012), so that it could be comparable across all six cities. It includes the estimation of the real cost of adequate housing for homes owned and rented in densely populated areas of Catalonia and of their energy services (water, electricity, gas or other fuels) updated using the consumer price index of 2014 (see method used in: Goedemé et al., 2015a).

Table 1. Sources of information to adapt baskets of goods and services to the local context.

Baskets of Goods and Services	Official guides	Number of experts	Literature	Statistics	Discussion groups
Healthy food	•	2	•		•
Suitable clothing	•	5	•	•	•
Rest and Leisure		2	•	•	•
Personal and Health care		1		•	•
Significant social relations	•			•	•
Safety in childhood	•	5	•	•	•
Mobility				•	•

Source: Original.

2. What are the minimum resources necessary for an adequate social participation?

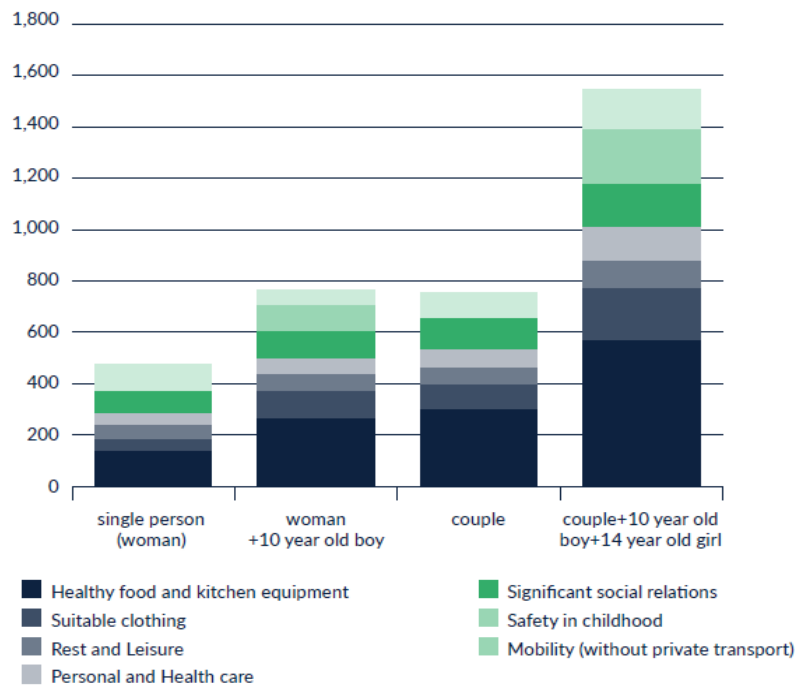
Before presenting the results, we should note that the RBs do not reflect the actual consumption of households, rather, the objective is to establish an acceptable standard of living below which it is not possible to fulfil the social positions agreed on in our society.

Graph 1 illustrates the minimum reference budget for the different baskets of goods and services we have included in the study for the four types of family. The reference budget is between €422.10 and €1,549.40 per month depending on the type of home. Moreover, in

64. In order to hold these groups, all of the participants were informed and their consent obtained. In the case of minors, their parents or legal guardians also gave their consent. In all cases, the confidentiality of the information obtained and the anonymity of the participants of the discussion groups has been guaranteed. These elements have been fundamental both to guarantee the ethical principles of all of the research and to ensure its scientific rigour.

Graph 2 we have added the estimated real costs of adequate housing depending on the ownership. In this case, the total budget is €560.40 per month for a single person and up to €1,785.80 per month for a household with two adults and two children that is owned⁶⁵. However, this budget is higher for rented homes⁶⁶ and is between €979.60 and €2,216.60 per month for the same types of family, respectively.

Graph 1. Reference budget for four family types. €/month. Barcelona, reference city, 2014.

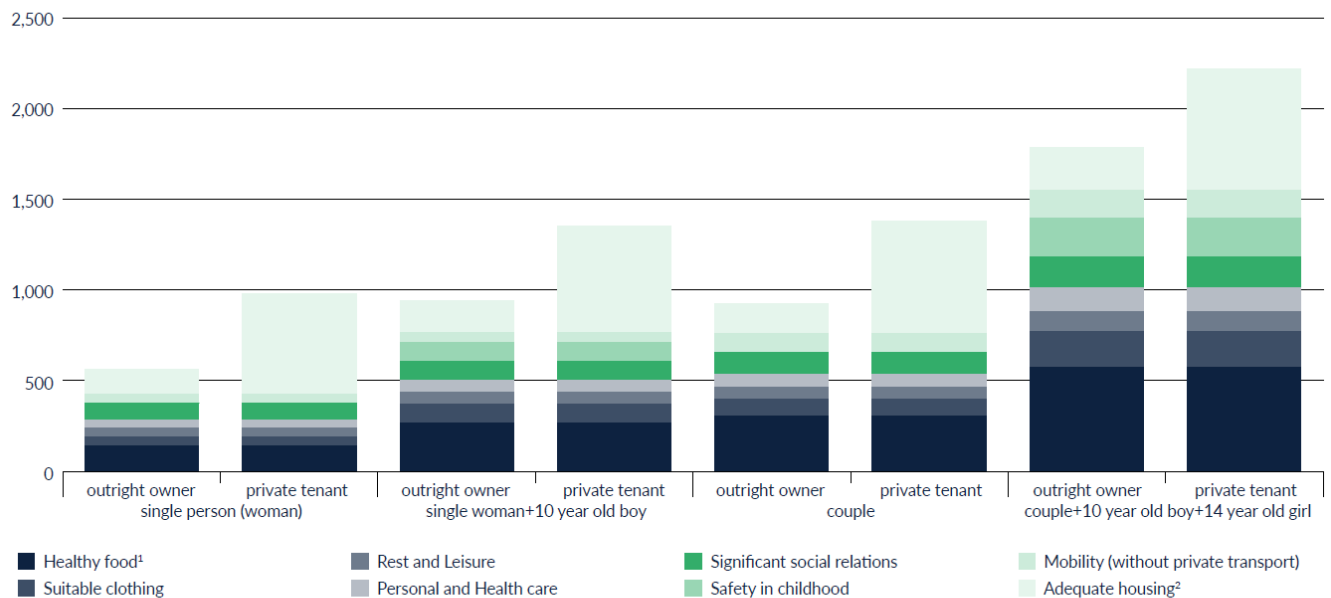


Source: Own computations.

65. We include here only outright owners.

66. We include here only private tenants.

Graph 2. Reference budget for four family types by type of tenure of housing. €/month. Barcelona, reference city, 2014.



1. Healthy food: includes kitchen equipment.
 2. Housing costs: data provided by the coordinating team of the ImPROvE project.

Source: Own computations with the exception of housing costs

Apart from housing, healthy food is the basket that carries the most weight in relation to the global budget in all of the types of family. It represents over 30% in relation to the total and extends to around 40% in families with two adults. This emphasised that in the case of healthy eating, the budget increases proportionally to the number of members of the household, that is, there are no economies of scale (Carrillo, Cussó i Riera, 2016). The other cities participating in the research also establish that healthy food represents the most significant part of the global reference budget, from 28% in Milan to 47% in Helsinki (Goedemé et al., 2015a:20).

Elements such as sweets or soft drinks present in the upper part of the food pyramid have not been considered as part of the healthy menu but have been taken into account in other baskets such as the maintenance of social relationships or safety in childhood, since these products have an important social, psychological and emotional role, as the participants in the discussion groups have stated:

'When you share a Fanta Orange with the family, with our daughter, it is a moment in which we are together, for her, it is a prize, a moment of happiness.' (GDA3, P567, woman, lower social class, Barcelona).

Coinciding with the other European cities, the basket for the maintenance of significant social relations carries the second greatest weight in relation to the total budget for households of a single person and couples without children. In our case, it represents between 20 and 16% of the total budget. However, this ratio is estimated at between 13 and 11% of the global budget when the household has three or more members, which shows certain economies of scale. New technologies are the most important categories in the framework of this basket, not only for the work of adults or the school activities of children, but also for their social function, as argued by the participants of the discussion groups:

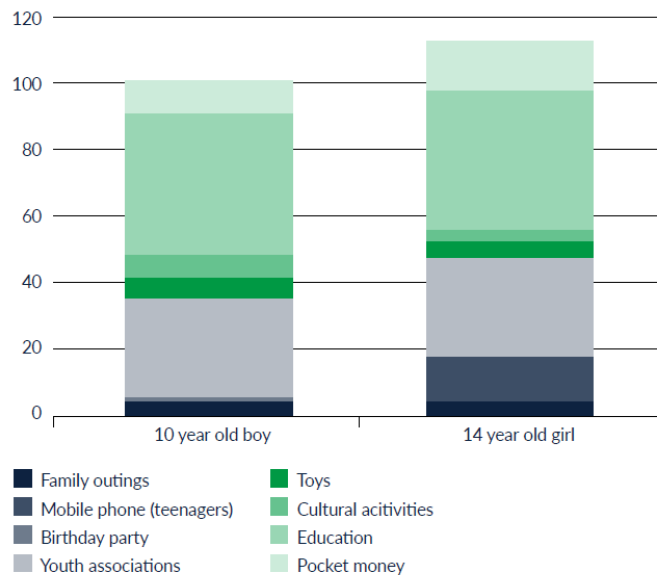
'When you let them have a mobile phone, if it does not have an Internet connection, they will not want it, it is a social thing.' (GDA2, P1, woman, upper-middle class, Barcelona). Children could even be excluded. The fact of not having a computer could make a difference in school because they would not have access to games, videos, social networks...' (FGJ3, P2, boy, upper-middle, Bcn).

The relative weight of the other baskets in relation to the total budget depends on the number of members of the household and the presence of children. For example, the adequate clothing basket is around 13% of the global budget when there are young children in the household, which is explained by the higher quantity of clothing for children and, at the same time, its shorter useful life. In contrast with the other five cities studied, the safety in childhood basket represents 14% of the total budget, being the second in weight after healthy food for families with two children. For this reason, it is important to look in detail at the composition of this basket in our context.

Graph 3 illustrates the contents of this basket. We observe overall that the minimum monthly reference budget is higher for a girl of 14, due to the inclusion of a prepaid mobile device and a higher quantity of pocket money for personal use, in accordance with the arguments put forward by the discussion groups that from adolescence more independence is needed. In the case of the profile of the boy of 10, we highlight the fact that the budget for the organisation of a birthday party has been added, and, when it comes to cultural activities (e.g. going to the cinema), we have taken into account the accompaniment of an adult. Despite these differences, it is clear that the categories that require the highest budget in the framework of safety in childhood are education and belonging to youth associations for both profiles.

67. GDA followed by number: adult group discussion code; GDJ followed by number: youth discussion group code. P, followed by number, participant code within the discussion group.

Graph 3. Reference budget for the Safety in childhood basket. €/month. Barcelona, reference city, 2014.



Source: Own computations.

In the case of education, although in our country it is free and compulsory from 6 to 16 years, it represents an investment for families, as we have included the materials and school books that must be renewed, with the exception of some recycling practices that emerge in some contexts:

'P3: Textbooks are changing every two or three years: P1: Some schools are more sensitive to this subject and therefore they bear it in mind and do more socialisation of books.' (GDA2, P1 and P3, women, upper-middle class, Barcelona)

Also in this basket, in accordance with the arguments put forward in discussion groups, the participation of children in extra-curricular activities and family activities in association with parents has been taken into account. These elements are fundamental for the development of children's social positions, being a 'pupil/student' within the framework of school and also being a 'friend', which can combine with extra-curricular activities in youth groups, as the discussion groups showed:

'Three days a week minimum they have to come, but because I want them to switch off a bit, to have interactions away from their school and have other ways of seeing things and other areas, of other people, not just their school.' (GDA6, P2, woman, lower class, AMB).

'So to make new friends, because when you are little you have your school friends, but apart from your school friends, you have to have more friendships. So I think that extracurricular activities help to expand your friendships and see people from other schools who think differently.' (GDJ3, P3, girl, upper-middle, Barcelona).

When it comes to the baskets for mobility, personal and health care, rest and leisure, they represent a lower proportion of the global budget. Firstly, regarding mobility and in accordance with the discussion groups, the different public transport systems in Barcelona and the Metropolitan Area were considered sufficient to fulfil this need. It was observed that the discounts applied to transport tickets for those under the age of 13 in 2014 reduce the budget for this basket for families with children⁶⁸. Even so, it was pointed out that in order to carry out other leisure activities, the use of a private car would give families more freedom. The bicycle has also been included as a means of transport and for leisure, even though its use still cannot be generalisable for all situations.

Secondly, access to universal public services such as health and a good quality-price relationship of personal hygiene products are factors which reduce the budget in these baskets. Thirdly, the possibility our climate offers to carry out activities outdoors also reduces the budget for rest and leisure.

Finally, it must be kept in mind that the inclusion of housing costs makes the relative weight of all baskets change, as when it is added it becomes the main part of the budget, especially for private tenants, as can be seen in Graph 2. Specifically, the weight of housing for this category represents 56 to 30% of the global budget depending on the type of family, and for owners it is from 24 to 13%. In all the cities participating in the project, it is established that as the number of members of the household increases, the weight of housing decreases, indicating the presence of economies of scale (Goedemé et al., 2015a).

Once the costs of housing have been added to the global reference budget, we can compare the threshold obtained with the threshold of relative poverty. In Graph 4, the reference budget for different types of family is expressed as a percentage of the at-risk-of-poverty threshold for 2015 in the Barcelona Metropolitan Area (SIMBA, 2018b). The modified equivalence scale of the Organisation for Economic Co-operation and Development (OECD) has been used to adapt this threshold to other types of household: first adult, value 1; second adult and children of 14 or older, 0.5, and children younger than

68. It must be said that in recent years, the age range has been extended due to discounts applied to transport tickets for children up to 16 years of age as of January 2017 (ATM, 2016).

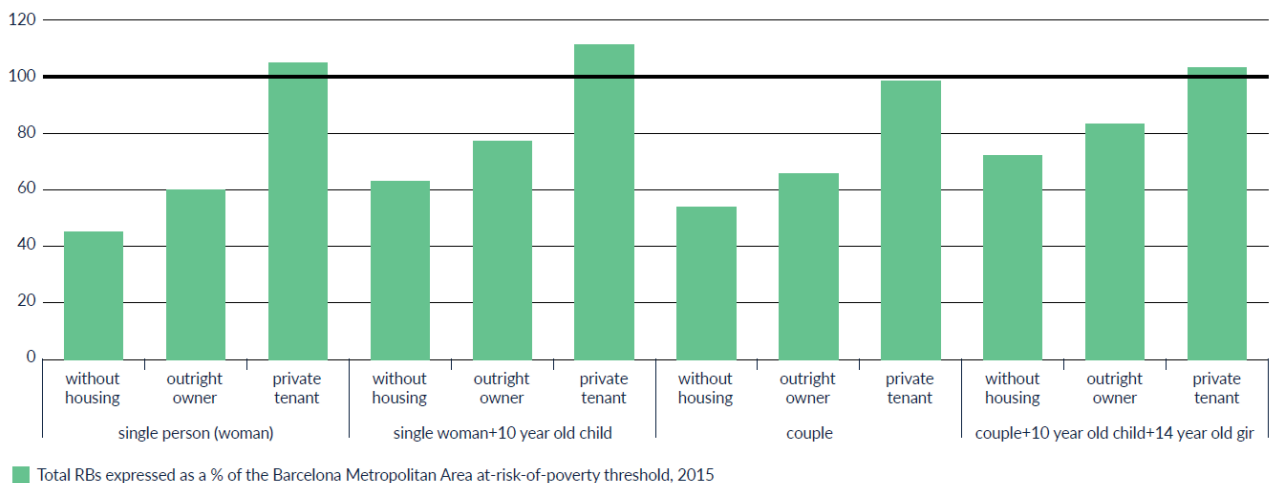
14, 0.3⁶⁹. Likewise, the RBs indicator for 2015 has been updated using the general consumer price index (CPI) of the province of Barcelona, although there is very little variation in the estimated amounts (INE, 2018). For example, the budget obtained without housing costs is between €421.60 and €1,547.70 per month depending on the type of household⁷⁰.

The bars in Graph 4 indicate the total RBs expressed as a percentage of the Barcelona Metropolitan Area at-risk-of-poverty threshold. If the value exceeds 100%, the budget estimated with the RBs is above the at-risk of poverty threshold. We emphasise that for households rented at market prices, the threshold obtained through RBs is at or above the AROP threshold, which means that the latter is inadequate to achieve an acceptable standard of living. However, the threshold of relative poverty would be sufficient to carry out an acceptable standard of living for outright owners in all four family types. We must be cautious in the interpretation of this information because the baskets of goods and services have been constructed with local prices for Barcelona as a city of reference, except for housing which corresponds to densely populated areas of Catalonia, while the poverty threshold corresponds to the Metropolitan Area as a whole.

69. Single person: €11,199.1 /year (€933.26 /month); Couple (equivalence scale 1.5): €16,798.65 /year (€1,399.89 /month); woman with child of 10 (equivalence scale 1.3): €14,558.83 /year (€1,213.24 /month); Couple with boy of 10 and girl of 14 (equivalence scale 2.3): €25,757.93 /year (€2,146.49 /month).

70. It must be taken into account that the consumer price index is calculated from the average level of consumption, while the goods and services within the RBs are based on lower prices. Even so, this is how the RBs are updated annually, as well as the recommendation to update the contents of the baskets every five years to take into account the changes that occur in our society (Bradshaw, Middleton, Davis et al., 2008; Lehtinen, Varjonen, Raijas et al., 2011; Storms et al., 2013). In this case, given that the price of the baskets was assigned during the 1st semester of 2014, the index for this period is estimated in the following way: Medium CPI 1st semester 2015 / Medium CPI 1st semester 2014: 0.998 (INE, 2018).

Graph 4. Reference budget for four family types and tenure status expressed as a percentage of the at-risk-of-poverty threshold in the Barcelona Metropolitan Area, 2015.



Source: Own elaboration

The RBs have been updated for the year 2015 through IPC of the province of Barcelona (INE, 2018). Relative poverty threshold for AMB from the Survey of living conditions (ECV) 2016 of the INE and Idescat. The information regarding rent refers to 2015.

Taking into account the results in the other cities, it is noted that the relative poverty threshold set at 60% of the median income distribution does not mean the same in the different European countries, while the OECD modified scale of equivalence underestimated the relative weight of children in a household (Goedemé et al. 2015a; Oldfield and Bradshaw 2011; Storms and Van den Bosch, 2009). According to the indicator and without taking into account the costs of housing, a child aged 10 in the household supposes an additional budget of 75% in relation to that estimated for a single person, very similar to a second adult in the household which is 73%. Although it is necessary to look more deeply into this question, the scale of equivalence for children derived from the RBs is greater and practically the same as a second adult: it is between 0.6-0.7 without the costs of housing and between 0.4-0.5 in rented homes depending on the city of reference (Penne, Cussó, Mäkinen et al., 2016). Therefore, the RBs constructed in a comparable way help us to better understand the needs of each member of a household, the goods and services within the reach of the public, and economies of scale to reach an acceptable standard of living.

3. Conclusions and outlook

We must bear in mind that RBs do not aim to prescribe what people must do or have, but to establish a standard of living below which it is not possible to develop the agreed upon social positions. Nor do they estimate actual consumption, but are constructed based on

some needs which are previously defined and operated based on normative criteria established in our society and contrasted with discussion groups. Moreover, the indicator calculates the additional reference budget of children in households and also takes into account the provision of public goods and services.

Given these characteristics, the approach of RBs brings a new perspective to situations of poverty, because beyond establishing a 'monetary' threshold below which it is not possible to maintain an acceptable standard of living, it responds to a framework of essential intermediate needs in order for people to develop. Therefore, it offers a new background for guiding social policies, as well as social and educational action to combat poverty. On the one hand, the indicator provides information about the accessibility of families to goods and services in the public sphere and its impact on the global reference budget in each one of the needs. In addition, when it comes to contextualising the at-risk-of- poverty indicator, it can serve to rate the suitability of minimum salaries or minimum income. On the other, it can be used as a diagnostic tool for vulnerable groups and in social accompaniment to promote abilities and competences for the development of their day to day life, for example to promote healthy eating, the organisation of family leisure, or the management of family economy and debt.

However, one of the main limitations of this study is the fact that the RBs have been developed for some specific types of family: adults of active age and children (aged between 10 and 14) in a good state of health, well-informed and with sufficient independence and competences to be able to develop their day to day life. These assumptions mean that the results obtained are not generalisable for the population as a whole. Certainly, taking into account other circumstances is one of the lines of improvement to be able to consolidate this indicator in the future in our context. Another element to highlight is the long construction process of this indicator. In order for the indicator to have practical implications in the field of social policies and in the measurement of poverty, it is necessary to construct it for other types of families, as well as ensuring that it is updated periodically. Finally, other needs not developed in this research would need to be included, such as security or life-long learning.

Acknowledgments

The authors are grateful to Dr. Tim Goedemé, Dr. Bérénice Storms, Dr. Karel Van den Bosch and Tess Penne from CSB–UA. This work has also been possible thanks to the experts who participated in the adaptation of the Reference Budgets for our contexts and the following organisations who collaborated in the organisation of discussion groups: Centre Serveis Socials Baix Guinardó - Can Baró (Barcelona), Escola Thau Institució

Cultural del CIC (Sant Cugat del Vallès), Esplai Estel (Barcelona), Fundació de l'Esperança (Barcelona), Fundació Main (Sabadell), Fundació Marianao (Sant Boi de Llobregat) and Salesians (Sant Vicenç dels Horts). We also express our gratitude to all those people from these institutions who have helped us to organize these groups, as well as the participants of these groups. Elena Carrillo Álvarez (AP2010-3946) and Irene Cussó Parcerisas (FPU12/06640) have enjoyed the support of the Spanish Ministry of Education, Culture and Sports' Training Programme for University Teaching Staff.

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March 2019

Key words: poverty, income
guarantee, metropolitan governance

What about an income guarantee policy for the real city?

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The serious social impact of the economic and financial crisis that began in 2008 overwhelmed the national and regional social protection system, in such a way that a significant part of poverty management fell on the municipalities, forcing them to work through social emergency benefits as a last protection network. In the metropolitan area, the heterogeneity in the design of the benefits to each one of the municipalities did not help to reduce the increase in the inequality, but rather the opposite. The current scenario, marked by economic reactivation, but also by the start-up of the Guaranteed Citizens' Income (RGC), opens up a window of opportunity to reflect on the improvement of protection in the *real city*. In this sense, the article presents the results of statistically simulating a complementary benefit to the RGC in the metropolitan area, also considering the differential cost of living across the territory.

Introduction

In the course of the last decade, municipal councils have been incorporating programmes of financial aid and support into their service portfolios to attend to situations of personal and family needs. However, the serious social impact of the economic and financial crisis that began in 2008, as well as the explicit renunciation of the Generalitat regional government of Catalonia of the Minimum Insertion Income as a provision of last resort - following the modification of the regulatory norms in the summer of 2011-, significantly transformed the scenario and the function for which they were designed. The transfer to the municipalities of the poverty issue is associated with the weakening of the system and, in the metropolitan area, it leads to a reproduction of the social inequalities existing in the most critical years of the economic recession.

The current context, in addition to being marked by a favourable evolution of the macroeconomic indicators, constitutes a new stage with regard to the system of income guarantee in Catalonia. Parliament's approval - via the Popular Legislative Initiative - just a year from the Guaranteed Citizens' Income (RGC), makes it possible to return to the

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autonomous administration of responsibility towards insufficient resources. Although, at this time, there are uncertainties and contradictions regarding its implementation and the recognition of new users, the fact is that even with the complete deployment of the provision planned for the year 2020, design deficiencies related to the social needs of the population are anticipated. In this sense, in recent years, innovative proposals and experiences have proliferated with regard to income guarantee in different territorial areas. The Area of Social Rights of the Ajuntament de Barcelona is testing, via the European project B-MINCOME, the efficiency and effectiveness of the Municipal Inclusion Support, as a complementary income guarantee provision to the RGC.

On the other hand, the existence of the Barcelona Metropolitan Area (AMB) as a supra-municipal administration enables public debate about the need to increase the weight of metropolitan policies, especially in those areas of competence that are less developed in the AMB, such as housing and social cohesion. Based on this scenario, the purpose of this article is to analyse the effects of a complementary income guarantee with a metropolitan scope. Knowing the dysfunctions that the extra weight acquired by the local social protection system has generated in the metropolis during the crisis, would it not be more efficient to simplify and standardise the attention to economic vulnerability in the real city? The article that follows pivots around these issues through the exercise of statistical simulation of a metropolitan income guarantee provision complementary to the RGC.

1. Crisis, local management of poverty and metropolitan inequalities

The economic benefits of social emergency social emergency benefits have been framed in accordance with regulations within the Catalan system of social services since the end of the last decade, and work under the principle of local autonomy, being the local administrations those who define, manage and finance them in accordance with the competencies that they have in the field of primary care social services. They have a very clear aim: 'address situations of one-off, urgent and basic needs, of subsistence, such as food, clothing and accommodation' (Art. 30).

In the transition between classical social assistance and universalisation, the development and expansion of social services as the fourth pillar of welfare, the emergence of the Great Recession in 2008 completely transformed the scenario in which emergency economic benefits were designed. The effects of the recession in terms of poverty, welfare and inequality in the metropolitan area are already known: massive loss of jobs (unemployment rose from 6.7% in 2007 to 15.4% in 2013); high household debt (16% of the population spent more than 40% of their income on fixed housing expenses in 2011); increased consumer deprivation (14.3% of the metropolitan population were in arrears or had unpaid payments on their mortgage or rent, 12.1% could not afford to keep housing at an appropriate temperature and 3.1% suffered from food deficiencies); and increased

inequality after two decades of gradual reduction, mainly due to the fall in incomes of the population of the lower strata (the Gini coefficient fell from 0.293 in 2006 to 0.346 in 2011) (Sarasa et al., 2013).

The decline in economic activity also showed the structural weaknesses of the Spanish income guarantee system. An extensive, complex system with historical deficits associated with a high degree of fragmentation and a low protective intensity (Laparra and Ayala, 2009). However, the deficiencies of the system in the Catalan area received the final blow with the budgetary adjustments that led the Generalitat of Catalonia to modify the Minimum Insertion Income (RMI), a benefit that during the last twenty years had responded as an alternative last resort to fill the gaps in social protection. Until the amendment of regulatory norms in August 2011⁷², the RMI channelled the increase in the basic needs of the population linked to the destruction of employment: the applicants for the benefit increased fivefold and the holders tripled in the short period of time between 2007 and mid-2011 (Gutiérrez, 2014). The RMI reform introduced significant changes: (1) it restricted access, excluding all people with a 'work-related' problem, (2) it made the conditions stricter to avoid complementarity with other healthcare benefits, (3) it introduced a maximum threshold for the benefit, including supplements, (4) it limited the maximum duration to five years, (5) it extended the accredited residence in Catalonia to two years and, finally, (6) it restricted the right to benefit, conditioning its concession to budget availability; that is, it eliminated the subjective right (Gutiérrez, 2014).

All this involves a rapid metamorphosis of the care system in Catalonia. On the one hand, responsibility is transferred to state-owned devices, unthinkable not long ago, when the competencies on the development of the system of income guarantee and support were part of the political struggle between the state and autonomous governments. In this way, the beneficiaries of the Active Insertion Income (RAI), which until then had played a leading role in Catalonia, grow in parallel with the increase in social needs and the limitations of the RMI to deal with it. On the other hand, local emergency social assistance is gradually becoming the last resort to the gaps in the protection of the state and regional system, and they adopt a function for which they were not designed (Aguilar-Hendrickson, 2014). In this sense, basic social services recover their original support role, if necessary⁷³, with much more intensity. This is demonstrated by the increase in municipal spending on social emergency benefits that occurred during the period of economic crisis. This expenditure tripled between 2010 and 2016, from €2.78 per inhabitant to €9.35. In

72. First by means of Law 7/2011, on fiscal and financial measures, and shortly afterwards with the decree 384/2011, of 30 August, of the implementation of Law 10/1997 of 3 July, on the minimum insertion income.

73. The bulk of the attributions that make up 'modern' social services in communities and municipalities in their initial phase come from public charity (Aguilar-Hendrickson, 2013).

addition, new benefits, services and projects are also emerging linked to broader concepts than social urgency (Navarro-Varas et al., 2017). As a result of this dynamic, partial economic micro-aids are being created in the different municipal social service portfolios, that seek to respond to poverty in a fragmented way (food poverty, fuel poverty, housing poverty, child poverty, etc.), but which lack global coherence (Ginesta, 2015).

The transfer of poverty to the local sphere also implies a weakening of the protective intensity in accordance with the hierarchy of a multilevel social protection scheme: the most decentralised benefits are those of the worst quality, those with less sufficiency and protective intensity and those which, above all, are not guaranteed, but subject to the availability of credit and budgetary allocations established in each of the municipal councils. In average terms, in the Barcelona metropolitan area, the annual expense per family for social emergency is approximately €153 and €237 if it is extended to all programmes aimed at economic vulnerability (Navarro-Varas et al., 2017). Regarding the organisation of social services, there is a growing specialisation in the material dimension of social needs, including the unreserved increase in the administrative management of both benefits and services as well as other institutions, and a decline in the possibility of social intervention.

In summary, the transfer of poverty to municipalities is associated with the specialisation of basic social services in urgent material assistance, the fragmentation of the concept of poverty, the use of social emergency benefits to face structural problems and the weakness of the protective intensity for the beneficiaries. In addition, another dysfunctionality emerges in the metropolitan sphere that is no less important: the heterogeneity of the local response. A priori, the territorial differentiation of the offer of services should not be considered a problem in itself. In fact, the main reason that justifies the decentralisation of social care is the existence of local differences in terms of needs, preferences, resources and opportunities. But these differences become problematic when they lead to inequalities within a community (Arlotti and Aguilar-Hendrickson, 2018). In other words, a decentralised system may incur in the fragmentation of responsibilities and may generate territorial inequalities if it is not well-designed (Kazepov, 2010). This is precisely what emerges from the analysis of the effect of municipal social emergency benefits in the Barcelona metropolitan area (Lara-Navarro et al., 2017, Daleph, 2017). The territorial fragmentation of these aids and, therefore, the heterogeneity in the responses of each metropolitan city council, did not help reduce or contain the income inequality in the whole of the metropolis of Barcelona during the recession, but rather the contrary. It meant that the population belonging to the same urban reality were looked after in different social

services depending on their place of residence⁷⁴. This disparity is reflected in the concepts of protection included in the programmes, in the requirements of access to benefits – changes in the threshold for defining the situation of need, in the time of residence in the municipality required or in the different combination of economic and social aspects when making the assessment –, the amount of the benefits, in the annual maximums, the frequency and duration of the aid or the payment methods (Ginesta, 2015). In addition, the variability of housing expenses and the fact of whether these expenses are included or not in the calculation of the household income also acquires a central role in this territorial differentiation of social assistance.

From this point of view, the need emerges to move towards a consensual model that guarantees the basic needs of the citizens of the metropolis as a whole and that is capable of generating redistributive dynamics between metropolitan municipalities. It is becoming increasingly clear that only in this way can social inequalities be reduced effectively in the real city, especially in the recessive periods, which is when local administration is subject to greater pressure.

2. Simulating an income guarantee model for metropolitan Barcelona

Based on the antecedents that have been presented in the previous section, this section presents the results of the simulation analysis of a hypothetical provision of income guarantee of metropolitan scope. This benefit is defined in a complementary way to the development of the recently approved RGC and as a substitute for the entire scaffolding of municipal and supramunicipal economic emergency benefits and assistance currently in existence. The main objective of this analysis is, then, to observe whether this homogenisation and simplification of the local protection system would improve the social cohesion of the Barcelona metropolitan area.

The simulation is based on the data of the 2016 Living Conditions Survey (ECV)⁷⁵ for the resident population in the 36 municipalities that are currently part of the Barcelona

74. During the recession, the municipalities with more social difficulties were not those who allocated more resources to alleviate economic vulnerability. Only once macroeconomic indicators improve, the relationship between resources and needs becomes better adjusted, but this is thanks to the labour market, not the protection system. In addition, support for local policies carried out by administrations with supramunicipal competences (Barcelona Provincial Council or Barcelona Metropolitan Area) through the implementation of specific programmes - very important in economic terms - does not result in the correction of these social inequalities. In some cases because its design responds more to population criteria than socioeconomic ones, and in others because they involve such complicated management that the positive effects that may be generated in this regard vanish (Navarro-Varas et al., 2017).

75. The income information provided by this survey refers to the previous year. In this case, 2015.

Metropolitan Area. In accordance with the substitute nature with which the hypothetical provision of the metropolitan income guarantee is proposed, the first operation carried out in the simulation is to suppress two components of household income: Social exclusion allowances and Housing allowances. It is understood that both types of income are a good approximation to social urgency support at local level⁷⁶ and are therefore abolished. Regarding the elimination of social exclusion social benefits, the cost for the metropolitan population as a whole amounts to €159.3 million in 2015⁷⁷. In the case of *Housing allowances*, the amount of income excluded from household income in the Barcelona metropolitan area is €24.4 million in 2015. Therefore, in the initial scenario of the simulation, the income of metropolitan households in total is reduced by €183.7 million. This simulated reduction of income from metropolitan households leads to an increase in the poverty risk rate, from 18.4% to 18.9%, and of the inequality expressed by the Gini index of 30.1% to 30.2%. In the same way, the gap of the risk of poverty increases from 0.311 to 0.327 and the Atkinson coefficient from 0.190 to 0.207 (table 1).

Table 1. Risk Indicators of poverty and inequality before and after transfers of social assistance and housing. Barcelona metropolitan area, 2016.

	At risk of poverty rate	Poverty gap	Gini coefficient	Atkinson coefficient
After all social transfers	18.4	0.311	30.1	0.190
Before social exclusion and housing allowances	18.9	0.327	30.2	0.207

Source: Original with data from the Survey of Living Conditions, 2016 (INE and Idescat).

Once this amount has been abolished, which relates broadly to the municipal social emergency aid and the RMI, the analytical exercise is divided into two phases. In the first phase, the simulation of the RGC is done in the metropolitan area considering its complete deployment⁷⁸. In the second phase, based on the previous scenario, the complementary hypothetical provision for the population of the metropolis of Barcelona is introduced, considering various criteria of eligibility and amount that are detailed below.

76. It must be kept in mind, however, that within the 'Social Assistance Income', the ECV information also includes the RMI, unlike the RAI, at State level, which is accounted for in the 'Unemployment benefits' section.

77. It should be said that from the data published by the Observatory of Enterprise and Employment of the Generalitat of Catalonia and the Statistical Institute of Catalonia (IDESCAT), it is estimated that in 2015 there were around 18,000 beneficiaries and 7,317 records of the RMI in the Barcelona metropolitan area, with an approximate cost of €42 million per year.

78. Scenario anticipated by law by 2020.

The results show different simulated scenarios on which two issues can be evaluated mainly: the cost of implementing each benefit and the effect that each of them has on reducing poverty and income inequality. Therefore, in the case of the complementary provision of metropolitan income guarantee, the cost can be contrasted with reference to the current expenditure on the benefits that are proposed to be replaced. In order to measure the effect of the different benefits for reducing income inequality and poverty, standard indicators calculated before and after transferring the income provided by the different aids are analysed. In this sense, as indicators of poverty, work is carried out using the rate of risk of moderate poverty (60% of the median income of the household) and the rate of severe poverty (40% of the median income). It must be said that, insofar as the two indicators are designed to assess the impact of the designed benefits on poverty, the poverty risk thresholds remain fixed. With regard to income inequality, the Gini coefficient and the Atkinson coefficient are analysed, following the same logic. The second, which is less known, measures inequality in the distribution of income and gives more weight to the calculation of the prevalence of the population with low incomes⁷⁹. Similar to the Gini index, its value also ranges from 0 to 1, with no inequality in the case of 0 and maximum inequality in the case of 1.

2.1. Phase 1: the simulated scenario of the deployment of Guaranteed Citizens' Income in the Barcelona metropolitan area

The approval in Parliament of the law 14/2017, of 20 July, on the Guaranteed Citizens' Income⁸⁰ means a substantial modification of the current income guarantee system in Catalonia. De facto, the Generalitat of Catalonia is responsible for '*ensuring the minimum resources for a dignified life for people and family units that are in a situation of poverty, to promote their autonomy and active participation in society*'⁸¹. In this way, the Generalitat of Catalonia retakes the responsibility which, in the context of a crisis, it avoided by excluding all persons with a work-related problem from the minimum income programme. In the framework of the new law, the benefit is recognised as a subjective right, it eliminates the requirement of 'added social difficulty' – introduced by the decree of 2011⁸²– and raises the amounts of the benefit with respect to the RMI.

In this new context, it is understood that the benefits of social emergency, as they have been developed in terms of volume and structural character, would no longer have meaning in the first instance. It is from this point of view that these transfers of social assistance are not considered in this exercise. This also causes a homogenising effect

79. When calculated with the parameter $\epsilon = 1$.

80. DOGC, No. 7418 of 24/07/2017.

81. Article 24.3 of the Statute of Autonomy.

82. Decree 384/2011, of 30 August, on the implementation of Law 10/1997, of 3 July, on income support.

within the metropolis of Barcelona, which eliminates the diversity of criteria regarding the eligibility and protective intensity of metropolitan municipalities. Regarding the complementarity and compatibility of income derived from benefits and income from work with the RGC, a broad interpretation has been chosen during the year. For the recipients of state unemployment benefits and for contributory and non-contributory Social Security pensions of less than the value of the current IRSC, the law does provide for the right to a supplement that allows them to reach the amount established by the RGC⁸³. On the other hand, as regards labour income, although legislation only provides for the compatibility and complementarity of the RGC with income derived from part-time work and, initially, only for single-parent families, in this exercise they have been considered compatible in all situations. In fact, this constitutes one of the most critical aspects of this law. Some authors consider that this criterion is a missed opportunity with respect to the 'poverty trap' (Noguera, 2017) and it is observed that the costs could be even higher as households that earn income from work below the threshold of the Sufficient Income Indicator of Catalonia (IRSC) could completely give up work or could also seek to obtain income without declaring it (Fusté, 2017).

Given that the insufficiency of income certifies access to the RGC, the eligible population is selected exclusively under these parameters: the population of the metropolis with income less than the IRSC, set at €7,968 per year⁸⁴. This amount, considering the composition of households⁸⁵, also corresponds to the maximum amount foreseen by the RGC, including the complementary benefit of activation and insertion. Therefore, this is the amount that is provided in the simulation to the eligible population without any type of income, which represents approximately 5% of the metropolitan population as a whole. In the event that there is income (of any type), the amount assigned to the beneficiaries is the difference until this maximum is reached. This calculation methodology is similar to that made by Fusté (2017) for the whole of Catalonia. It should also be noted that the income data used in this article corresponds to 2015; Therefore, the results refer to the situation of

83. The law also provides for compatibility with the benefits derived from the law of dependency and grants for transportation and school dining.

84. The values of thresholds are expressed in an illustrative way for one-person households. However, the calculation of the threshold has been done in accordance with the provisions of Law 13/2006 and also includes the RGC regulations: 'The assessment of the situation of need in accordance with the IRSC states that 'its amount increases by 30% for each member of the family unit or of the coexistence unit that has no assets or income' (Art. 15, Law 13/2006). However, the amount of the IRSC is fixed periodically in the Budget Law of the Generalitat, but has not been updated since 2010.

85. The Law 14/2017, of 20 July, on the guaranteed citizens' income of the Generalitat regional government of Catalonia is taken as reference. In this case, 0.5 of X is added to X amount of the benefit for the second member of the home, and 0.15 of X from the 3rd to the 5th member of the home.

that year and are not extrapolated to any other context, since all the parameters of the simulation should be reviewed.

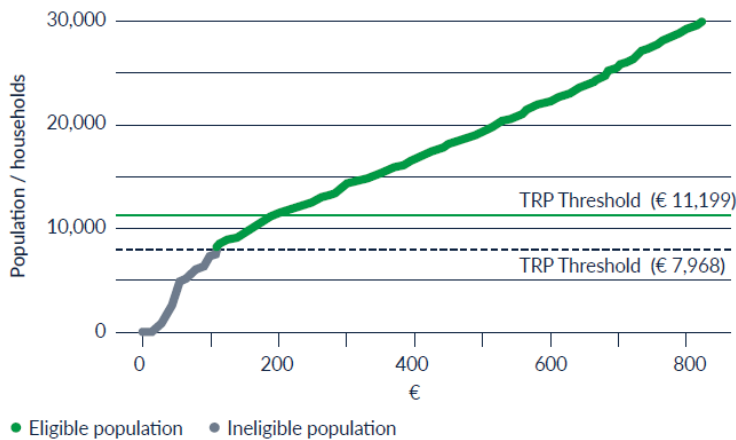
According to all these considerations, the potential recipients of the RGC make up 5.1% of the metropolitan population, that is, 7% of households (table 2). As can be seen in graph 1, the target population is obviously located at the lower end of the distribution, so that it is at a considerable distance at risk of poverty threshold in the Barcelona metropolitan area, set in 2016 at €11,199⁸⁶.

Table 2. Potential beneficiary population and households of the Guaranteed Citizens Income. Barcelona metropolitan area, 2016.

Simulated scenarios	Population that is a potential recipient (Thousands of people)	Population that is a potential recipient (%)	Households that are potential -recipients (Thousands of households)	Households that are potential recipients (%)
Guaranteed Citizens Income scenario Population below the IRSC	159.5	5.1	91.9	7.0

Source: Original using data from the Survey of Living Conditions, 2016 (INE and Idescat).

Graph 1. Distribution of household income. Metropolitan area of Barcelona, 2016



Source: Own elaboration with data from the Survey on living conditions, 2016 (INE and Idescat).

86. This is the threshold for a single-person household and is calculated as 60% of the median of the equivalent income of the population.

The estimated cost of the complete deployment of the RGC in the Barcelona metropolitan area, according to the criteria adopted in this simulation, amounts to €452.3 million (Table 3), which means a substantial increase with respect to the real expense executed the same year in terms of RMI (approximately €40 million). Therefore, this would be an approximation to the magnitude of the economic effort that the Generalitat of Catalonia must make, only to implement the RGC in the Barcelona metropolitan area. However, in a comparative perspective, this level of expenditure (the estimated) is still far from the one executed, for example, by the Guaranteed Income Programme of the Basque Country. In this sense, the cost per inhabitant in 2015 stood at €225.6, while with this estimate made by the RGC, the cost per inhabitant metropolitan is just €140.

Table 3. Indicators of poverty and inequality before and after the deployment of the Guaranteed Citizens' Income. Barcelona metropolitan area, 2016.

	At risk of poverty rate (60% median)	At risk of severe poverty rate (40% median)	Gini coefficient	Atkinson coefficient	Estimated cost (millions of euros)
Before 'social exclusion and housing' allowances	18.9	7.0	0.302	0.207	–
After the guaranteed citizens' income (100%)	18.9	4.3	0.293	0.139	452.4

Note: for the realisation of the simulation exercise, negative incomes have been converted to 0 by calculating the Gini coefficient and to 1 by calculating the Atkinson coefficient. Source: Original using data from the 2016 Survey of Living Conditions (INE and Idescat).

From the point of view of the efficiency of the provision to reduce poverty and income inequality in the Barcelona metropolitan area, it should be said that the simulated deployment of the RGC is effective for slightly improving the situation of the population with lower incomes. That is, its effect is mainly noted in the reduction of the population at risk of severe poverty or the reduction of inequality measured by the Atkinson coefficient. But, on the other hand, it has much more limited effects on the decline in the rate of risk of moderate poverty and the general inequality measured with the Gini coefficient (Table 3).

The risk rate of severe poverty after implementing the RGC is reduced by almost three percentage points, while the proportion of the population at risk of moderate poverty remains unchanged. In fact, according to the definition of the RGC as a benefit, it is not expected that it could have any impact in this regard, no matter how small. In other words, insofar as both the eligibility criteria and the amount of the benefit are established in relation to the IRSC and this is below the threshold of the risk of moderate poverty, it is impossible for anyone to be placed above this threshold after receiving the RGC. Even less in the Barcelona metropolitan area, where the poverty risk threshold is higher than in the whole Catalan territory⁸⁷.

87. The poverty risk threshold in Catalonia in 2016 is €10,054 per year for a one-person household.

Therefore, everything indicates that the only effect that can be expected from the total deployment of the RGC in the metropolitan area is that it improves the living conditions of the beneficiaries a little more, reducing the number of people at risk of severe poverty. However, it should also be noted that this effect could be higher if the eligibility criteria and the amount of the benefit were more sensitive to the composition of households, as the current design penalised especially the largest households. In any case, leaving aside the weaknesses of the specific design of the RGC, it must be said that this scheme is not very different from that achieved by other similar programmes of the nearest international environment. In most European countries, income guarantee programmes are also insufficient to remove the population from the poverty situation, being mainly effective in reducing its intensity, although with obvious differences between countries (Frazer and Marlier, 2009; Figari et al., 2013; Barbier, 2017).

2.2. Phase 2: the application of a metropolitan income guarantee benefit complementary to the RGC

The proposal of a complementary benefit to the RGC for the conurbation of Barcelona is justified, first of all, in improving the effectiveness of the protection in this area, reaching areas where the RGC probably would not reach, despite its complete deployment. The second argument rests on the intention of generating a redistributive instrument capable of correcting inequalities in the whole of the metropolis.

In order to simulate this complementary metropolitan benefit, we start from the scenario previously simulated – the coverage of the RGC, both in the methodological and the conceptual aspects. From here, three scenarios are generated. The first raises the eligibility threshold from 1 to 1.2 times the IRSC (scenario 1). The two remaining ones introduce a differential factor in the eligibility criteria (scenario 2) and also in the amount of the benefit (scenario 3) that is applied to the different municipalities based on the average cost of housing in each one of them. The cost of housing is taken as a reference of the cost of living that must be assumed by the lowest income population according to their place of residence in the Barcelona metropolitan area. In this sense, the metropolitan municipalities are classified in two groups delimited from the ratio between the average rental price of the property in the municipality and the average rental price for the metropolitan group (both referred to in 2016). Thus, we distinguish the municipalities with high housing prices and the municipalities with average and low housing prices⁸⁸. The idea

88. The high housing price group (with ratios higher than 1.1) includes the municipalities of: Barcelona, Begues, Castelldefels, Esplugues de Llobregat, Gavà, Montgat, Sant Cugat del Vallès, Sant Just Desvern and Tiana. The low and average housing price group (with ratios lower than 1.1) includes the municipalities of: Badalona, Badia del Vallès, Barberà del Vallès, Castellbisbal, Cerdanyola del Vallès, Cervelló, Cornellà de Llobregat Corbera de Llobregat, l'Hospitalet de Llobregat, Montcada i Reixac, Molins de Rei, la Palma de

is to introduce a compensatory effect in the application of the benefit on the population that are potential beneficiaries that reside in the municipalities with the highest cost of living. Thus, in scenario 2, the compensatory mechanism only acts in the criterion of eligibility, raising the threshold to 1.5 times the IRSC for the resident population in these municipalities (for the rest of the population, the threshold is maintained at 1.2 times the IRSC). And in scenario 3, the compensatory effect is also transferred to the amount of the benefit, allocating 100% of the simulated amounts on residents in municipalities with prices of the most expensive housing and 80% on the rest⁸⁹.

Considering the price of housing as a *proxy* of the differential cost of living in different geographic areas is not a minor issue. This has been especially relevant in the Anglo-Saxon world, particularly USA, since its introduction in 2010 as a complementary measure to the accounting of official poverty – Supplementary poverty measure – (Yelowitz, 2017), but also in the UK, where studies on this issue are numerous (Tunstall et al., 2013). The incorporation of the cost of living to a poverty measure, adjusting the threshold to reflect geographic diversity, has the capacity to alter conclusions about the welfare of families. In the case of the city of London, for example, the poverty rate doubles when considering housing costs (Tunstall et al., 2013). The territorial variation of housing prices far exceeds other consumer items, while the associated expenditure constitutes the highest item in the household budget, especially for those with lower incomes (Harkness et al., 2009). The bottom line is whether more public resources should be allocated to areas where housing is more expensive.

As shown in graph 2, in the case of the metropolis of Barcelona, it can be observed how, effectively, the cost of housing with respect to the annual income of the population at risk of poverty is greater in the municipalities where housing prices are more elevated. In other words, the poor population of municipalities such as Barcelona or Sant Cugat del Vallès has a higher burden on housing costs than the poor people residing in Santa Coloma de Gramenet or Barberà del Vallès. Therefore, this phenomenon is what would justify the application of the compensatory mechanisms that have been explained previously and that apply to scenarios 2 and 3.

Cervelló, Pallejà, el Papiol, el Prat de Llobregat, Ripollet, Sant Adrià de Besòs, Sant Andreu de la Barca, Sant Boi de Llobregat, Sant Climent de Llobregat, Sant Feliu de Llobregat, Sant Joan Despí, Sant Vicenç dels Horts, Santa Coloma de Cervelló, Santa Coloma de Gramenet, Torrelles de Llobregat and Viladecans.

89. The difference in the amount of benefits between the two groups of municipalities is based on the calculation of the ratio of the average load of the municipalities with average and low prices with respect to that of high prices.

Graph 2. Percentage of the housing cost burden distribution. Poor population (60% of the median). Barcelona metropolitan area, 2016



Source: Own elaboration with data from the Survey of Living Conditions, 2016 (INE and Idescat).

Regarding the results, scenario 1 shows that, by extending the threshold to 1.2 times the IRSC (€9,562 per year), the percentage of the eligible metropolitan population would be 7.4% (table 4). This implies an increase of almost 50,000 beneficiary households with respect to the coverage of the RGC. Scenarios 2 and 3 show that the compensatory effect according to the housing price of the municipalities again increases the population entitled to the benefit, quantified at 10.5%. The cost of implementing the different scenarios is related to the volume of the eligible population, being superior to the scenarios in which the eligibility criteria are less restrictive (scenarios 2 and 3). However, insofar as the amount of the benefit in scenario 3 penalises the eligible population of the group of municipalities with low and average housing prices, the cost decreases slightly with regard to scenario 2.

Table 4. Population and households that are potential beneficiaries of the complementary benefit to the RGC according to scenarios. Barcelona metropolitan area, 2016.

Simulated scenarios	Population that is a potential recipient- (Thousands of people)	Population that is a potential recipient (%)	Households that are potential recipients (Absolute-Thousands of households)	Households that are potential beneficiaries (%)
Scenario 1	233.9	7.4	140.7	10.7
Scenario 2	330.6	10.5	197.6	15.1
Scenario 3	330.6	10.5	197.6	15.1

Source: Own elaboration with data from the Survey of Living Conditions, 2016 (INE and Idescat).

Regarding the effects in terms of social cohesion (table 5), scenarios 2 and 3 achieve a significant reduction in moderate poverty from the injection of minimal annual amounts. In scenario 1, however, the reduction in moderate poverty is not achieved until the sum of €2,000 per year is reached. This is explained because the eligible population in scenario 1 starts with income levels lower than in the other two simulated scenarios. Assuming that we add to the supplementary metropolitan provision budget the €180 million that is currently set aside for social exclusion and housing allowances by the metropolitan municipalities, the annual amount could be set at €1,000 per household (€83 monthly). With this amount, moderate poverty in scenario 1 would not be altered, whereas in the scenarios that take into account the cost of living differential across the metropolis, it would be reduced slightly, from 18.9% to 18.4%.

Table 5. At risk of poverty rate (60% median) and cost according to the gradual amount of the benefit and scenarios. Barcelona metropolitan area, 2016.

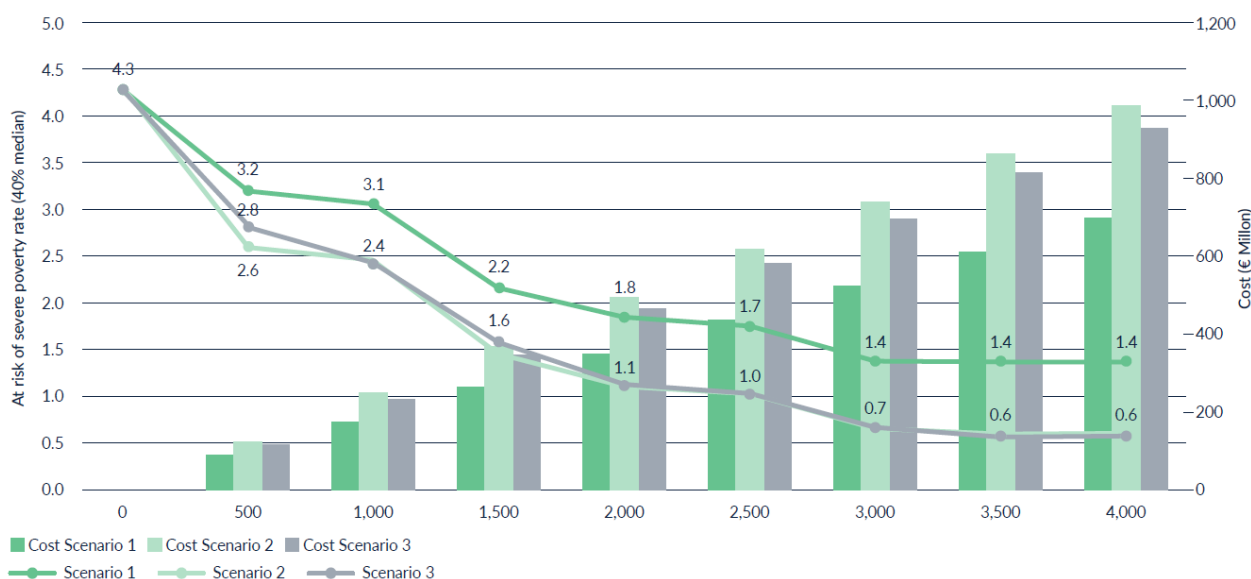
Amount of the benefit (€ annual)	At risk of poverty rate (60% median)			Cost (€ million)		
	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3
0	18.9	18.9	18.9	-	-	-
500	18.9	18.7	18.7	€87.0	€123.1	€116.0
1,000	18.9	18.4	18.4	€174.0	€246.1	€231.9
1,500	18.9	17.8	17.8	€261.1	€369.1	€347.9
2,000	18.2	17.0	17.3	€348.1	€492.2	€463.8
2,500	17.7	16.5	16.7	€435.1	€615.2	€579.8
3,000	17.7	15.9	15.9	€522.1	€738.3	€695.7
3,500	14.7	12.8	14.0	€609.1	€861.3	€811.7
4,000	14.3	12.4	13.4	€696.1	€984.4	€927.6

Source: Original using data from the 2016 Survey of Living Conditions (INE and Idescat).

The most significant impact of the complementary metropolitan benefit occurs again in the reduction of severe poverty. Thus, in this complement fork to the RGC of €1,000 per year, the population with income below 40% of the median would go from 4.3% to 3.1% (scenario 1) to 2.4% for scenarios 2 and 3. As noted above, in this case, the decline of both moderate and severe poverty would also be more pronounced if the amount of the benefit was more sensitive to the composition of households⁹⁰.

90. In these scenarios, the same methodology used to simulate the deployment of the RGC has been employed.

Graph 3. At risk of severe poverty rate (40% median) and cost of benefits according to gradual amounts and scenarios. Barcelona Metropolitan Area. 2016.



Source: Own elaboration with data from the Survey of Living Conditions. 2016 (INE and Idescat).

Table 6. Indicators of inequality and cost according to the gradual amount of the benefit and scenarios. Barcelona metropolitan area, 2016.

Amount of the benefit (€ annual)	Gini coefficient			Atkinson coefficient			Cost (€ million)		
	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3
0	0.293	0.293	0.293	0.139	0.139	0.139	-	-	-
500	0.291	0.290	0.291	0.136	0.135	0.136	€87.0	€123.1	€116.0
1,000	0.289	0.288	0.288	0.133	0.132	0.133	€174.0	€246.1	€231.9
1,500	0.287	0.285	0.286	0.131	0.129	0.130	€261.1	€369.1	€347.9
2,000	0.286	0.283	0.283	0.129	0.126	0.127	€348.1	€492.2	€463.8
2,500	0.284	0.280	0.281	0.127	0.123	0.125	€435.1	€615.2	€579.8
3,000	0.282	0.278	0.279	0.125	0.121	0.122	€522.1	€738.3	€695.7
3,500	0.281	0.276	0.277	0.123	0.119	0.120	€609.1	€861.3	€811.7
4,000	0.279	0.274	0.275	0.121	0.117	0.118	€696.1	€984.4	€927.6

Source: Original using data from the 2016 Survey of Living Conditions (INE and Idescat).

Ultimately, the results derived from the simulation of the complementary hypothetical metropolitan provision suggest that, in general, the efficiency-effectiveness ratio would be more favourable in the scenario that would benefit the potential beneficiaries who reside in the municipalities with the most expensive housing in the metropolis, only in the eligibility criteria (scenario 2). But this would only occur provided that this provision had a higher

budget than the one currently allocated by the metropolitan municipalities to social emergency assistance (€180 million per year). However, if the metropolitan supplementary provision budget were to remain at the current spending levels, there would be virtually no difference between the efficiency of scenarios 2 and 3, with which they would clearly achieve better results than scenario 1. It must be added, however, that in one way or another, the only effect that would be achieved would be to reduce the intensity of poverty with this level of budget (the current one).

Conclusions

The reduction in socioeconomic inequality in the metropolis of Barcelona will only be possible if the problem is addressed from a metropolitan perspective. In this way, tools that exceed and correct the lack of efficiency derived from the heterogeneity of municipal policies in the metropolitan area must be built. Now, with the approval of the RGC, a new point of departure is established in Catalonia from which to advance the income guarantee of the population in a homogeneous way from a supramunicipal scale. What if in the Barcelona metropolitan area the municipal social emergency assistance funds were set aside for a complementary income guarantee benefit of a metropolitan nature that could provide where the RGC cannot? This is the exercise that has been developed in this article simulating the possible costs and effects that could be derived from a benefit of this type, taking into account different criteria in its design.

The results show that the fundamental aspect to gain effectiveness in favour of metropolitan social cohesion logically depends on increasing public spending in relation to the income guarantee. But what is most interesting is that if the total budget currently allocated by the metropolitan councils to social emergency benefits is taken as the reference limit – which would allow a metropolitan provision complementary to the RGC of €1,000 annual per beneficiary – the design that is outlined as slightly more efficient is that which considers different scenarios of eligibility according to the housing prices of the municipalities, while maintaining the same amount throughout the metropolitan area.

Therefore, it seems that introducing elements that show sensitivity in relation to the diversity of the cost of municipal life into the design of such a provision, while maintaining criteria of territorial homogeneity in its metropolitan implementation (quantity), is an issue that can reduce inequality across the metropolis in a more efficient way. In short, what is essential is to progress towards an advanced model of metropolitan social policy that generates redistributive dynamics among the different municipalities.

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March 2019

Key words: Childhood, child poverty,
family aid, evaluation

The extraordinary fund for emergency social aid for children aged 0 to 16 in Barcelona. Results of the evaluations of 2015 and 2016

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In 2015, Barcelona City Council launched a call for emergency social aid for children in poverty, consisting of a grant of 100 Euros per month for a child aged 0 to 16, which consisted specifically of a payment card for spending on food, school supplies, hygiene and clothing. In this article, we describe the characteristics of this aid and we evaluate the results for the 2015 and 2016 announcements. Based on our own calculation of the poverty threshold in the city of Barcelona, based on tax data obtained by the City Council, we estimate the coverage of the aid on the group of children at risk of poverty and severe poverty, the reduction of the number of children at risk of poverty and the reduction of the poverty gap. Likewise, we describe the attributes of the recipients and analyse the territorial distribution of the aid among districts and neighbourhoods of the city.

Introduction

In Catalonia, the risk of child poverty is among the highest in Europe, with 24.0% of children and adolescents living under the poverty threshold in 2016, meaning that they live in households with an income of less than 60% of the Catalan median. The risk of child poverty is notably higher than that of the population aged between 18 and 64 (19.0%), and above all, than that of people over 65 (15.0%). The rate of the risk of poverty in single parent households with one or more dependent children is up to 40.4%⁹³.

In the city of Barcelona, this situation was manifest in 2015 with 31.2% of children under 16 at risk of poverty, and 14.1% at risk of severe poverty, which corresponds to 65,833 and 29,728 children, respectively, using reference thresholds of 60% and 30% of the median net income of the city. For single-person households, these thresholds are at 10,450.0 Euros and 5,025.0

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93. Based on data from Idescat, Living Conditions Survey 2016.

Euros annually⁹⁴. For a family of two adults and two children under 14, the thresholds are 21,945.0 Euros and 10,552.0 Euros net.

However, these indicators of relative poverty risk reflect the inequalities in the distribution of income, rather than the percentage of households that cannot achieve minimum standards of living. To complement them, the AROPE rate combines income criteria with other criteria of material need and social exclusion. According to this indicator, it is estimated that in 2016 there were 25.1% children and adolescents in poverty in Catalonia. Among these minors, 6.0% of the total are in a situation of severe material deprivation, a category that refers to children that do not have 4 or more items on a scale of 9, which includes basic items such as not being able to cover unexpected expenses, not being able to keep housing at an adequate temperature during the colder months, or not being able to have a holiday away from home for at least one week a year.⁹⁵

The 2014 Barometer of Children and families in Barcelona, the most recent to be carried out, also includes the set of questions AROPE is based on. It is notable that 27.9% of minors in the city lived in households which state that it is “difficult or very difficult to reach the end of the month”, a percentage that topped 49% in one-parent families. Specifically, 13.4% of households with children admitted in the survey to having been behind in making the monthly payment for rent or mortgage the previous year (20.5% in the case of single-parent households). The Barometer indicated, likewise, that Barcelona had the highest prevalence of child poverty in Catalonia. Specifically, 14.2% of minors under 16 in the city were living in households with severe material deficiency, compared with 8.7% in Catalonia and 9.6% in Spain (data from 2014).

From the results of the 2014 Barometer, it should also be noted that 1.4% of minors in the city were living in households which could not afford a meal of meat, fish or chicken (or the equivalent for vegetarians) every two days, and 6.6% stated that they could not afford to buy clothing that was not second hand. More recently, the report “*Health and its determining factors in adolescent students in Barcelona*” from 2016 reveals that 10.4% of students in the 2nd year of high school in the city and 12.6% of those in the 4th year of high school confess that they “sometimes” or “always/often” go to school or to sleep hungry because there is not enough food in their home.

94. Calculated based on the “matrix of households in Barcelona by type of household and section of available net income” which the Tax Agency provided to the Barcelona City Council Area of Social Rights, with information collected, by type of household, from the net income of all the households in the city in the fiscal year of 2015.

95. Based on data from Idescat, Living Conditions Survey 2016.

These high rates of child poverty (compared with other age groups and with other countries) are explained, on the one hand, by the high levels of unemployment and unstable and precarious employment (the 2014 Barometer showed that in 8.1% of households with children in Barcelona neither of the parents were in work). On the other hand, by a childhood protection system that is not universal (unlike other European countries), and is based on benefits that only cover families with very low income thresholds (and, therefore, leave much of the population at risk) and which generally provides inadequate aid to help households out of poverty. The data from the 2015 Living Conditions Survey show that social transfers (which include both contributory benefits and non-contributory aid) have little impact on the reduction of the rate of child and adolescent poverty risk in Catalonia, in comparison with other age groups. Thus, the reduction in poverty achieved by social transfers in the 0-17 age group is at 6.1 percentage points, for 14.3 percentage points in the 18-64 age group and 73.2 percentage points for people over 65 years of age.

Barcelona City Council emergency social aid

With the aim of “alleviating situations of vulnerability for children and adolescents in need, so that the family situation does not involve impediments to covering basic essential needs for food, hygiene and school supplies”, in December 2014, Barcelona City Council approved a “social rescue plan” with an endowment of 20 million Euros in the 2015 budget, of which 9.2 million were allocated to an aid call for children in poverty, which initially had a scope of 7,500 children and young people aged 0 to 16 at risk of social exclusion.

The fund consisted of a subsidy of 100 Euros per month for a period of one year, instrumented via a non-nominative payment card that can be used to pay for food, school supplies, hygiene and clothing expenses. The card could be used specifically in shops with CNAE (National Economic Activities Classification) for food, which included large shopping centres. In certain shops, moreover, discounts and promotions were offered specially to card users. The families were obliged to save their receipts for periodic inspections of the nature of the expenses, which was ultimately made into a presentation for the beneficiaries. The cards were granted to children at risk of exclusion, so the family itself could accumulate as many cards as they have dependent children. The subsidy was complemented with other aid, such as school lunch grants or minimum income.

During the first year, the selection criteria for beneficiaries were determined according to the need to start the fund as a matter of urgency, and, therefore, aimed to reduce the time period for checking the economic means of the candidates. For this reason, two criteria for immediate verification were selected that indicated the risk of social exclusion and low income: firstly, the existence of a social report by municipal social services that identified

the household's risk of exclusion, and secondly, that the child was a recipient of a school lunch grant, which in turn implied an income below a certain threshold (for example, lower than 16,451 Euros a year for a family of 4). Though relatively efficient criteria, some disadvantages had already been shown from the beginning of the implementation of the aid: firstly, the households with social reports were those that combined the risk of social exclusion with having voluntarily approached social services, which constituted a subgroup of the total households at risk of social exclusion. And, secondly, that there were situations in which children of families below the income threshold of food subsidies would not have been recipients of the grant: for example, children aged 0 to 3 and not in school, high school students, or those who ate lunch at home.

The search for candidates for the programme was carried out by addressing a letter to 6,600 beneficiaries (corresponding to 4,500 families) identified by cross-referencing the data bases of municipal social services, on the one hand, and food subsidies, on the other. Although 18% of the children identified did not apply for aid, possibly because they had changed their address, others who were not initially identified did apply. Essentially, it was siblings aged 0 to 3 and 12 to 16 out of the children initially identified, or children from other households who fulfilled the criteria but who, due to error, or because they were not social service users, had not received the letter. Various families, on discovering the existence of the aid, requested the social report in order to find out about it and, therefore, became new social service users. The 40 social services centres in Barcelona identified approximately 2,500 children from families in a report by social services who fulfilled the criteria for receiving the food subsidy but who were not receiving it, of which a proportion asked to receive the aid. The 7,500 planned grants were used up in this process, and some families applying remained waiting for an eventual increase in the programme's budget, which was ultimately produced once the new city government had been formed, in September 2015. As a whole, with the funding calls and increases of 2015, the aid reached 11,015 children.

In 2016, the grant was called again with an initial 10.8 million Euros, although the initial entry was expanded to cover the full demand of those who met the requirements of the aid, reaching 22.6 million Euros and 19,213 beneficiary children. The amount of the aid was maintained at 100 Euros per month per dependent child and/or adolescent and, despite the fact that the call was delayed for half a year, the aid was granted retroactively from the start date of January 1 2016, if the requirements to receive it were met on that date. Unlike the previous year, the amounts corresponding to the months before the aid was granted were portioned out over the following months. The obligation to use the aid for food, school supplies, hygiene and clothing was maintained, and eventually the granting of a transport ticket to 15-year-old teenagers was incorporated, which allowed

them to make an unlimited number of free journeys on all modes of public transport, within 90 consecutive days from the first use (T-jove) and within the fare zone in which they lived.

The first change relating to the 2016 call was in the access apparatus as instead of linking eligibility for emergency social aid to the reception of a school lunch grant, the call established income bands for each family unit (although they coincided with those of the food subsidies), so that, when requesting the aid, the applicants had to authorize the verification of their tax data, which the Municipal Institute of Social Services (IMSS) made through the interoperability gateway with the Spanish Tax Agency.

On the other hand, there was an attempt to simplify the procedure for applicants and to reduce the administrative load on social service professionals, by doing a preliminary survey of the social services computer system in order to detect *ex ante* family units that complied with vulnerability criteria, therefore not requiring any additional assessment to be able to receive the aid. Approximately 12,000 families with minors received a letter informing them of the aid call and the documents and the envelope with postage was provided for them to apply through ordinary mail. The call was also open to people who were not previous users of social services, although they previously had to obtain authentication of the situation of family vulnerability from social services. These families could present their applications to any Barcelona City Council Citizen Attention Office from 27 June until 25 July (30 calendar days). The result of the application was sent by SMS or email, together with information on where to collect the card.

The main requirements of the 2016 call for being able to receive the aid were to be registered in the city of Barcelona on January 1 2016 and to have resided there throughout 2016 without interruption; and to have a social assessment verifying the situation of need carried out by the social services of Barcelona that, as already mentioned, for those who were users of social services prior to the announcement of the aid, had been conducted through a consultation of the computer system. Non-users who fulfilled the income criteria could apply for the evaluation to be processed in the framework of social attention, within the time period of one month between the announcement of the aid and the deadline to submit applications. The document for the social evaluation was composed of the following items: family composition and structure; employment situation; residential situation; health and other special circumstances. Once “the data were analysed and the situation of the unit living together was evaluated” the social service professions had to authorise or not authorise “that the person applying, and therefore the dependant minors were in a situation of social fragility.” Thirdly, the children had to be part of a family unit with a personal income level below a certain level. The maximum available income threshold for the minimum family unit (one adult and one child) was set at 1.5 times the income sufficiency indicator of Catalonia (IRSC), that is, 11,951.60 Euros per year. This cap

increased by a fixed quantity of 2,987.89 Euros (0.25 times the cap of the minimum family unit) for each additional computable member (child or adult). This criterium is the same as that followed in the call for school lunch grants.

Coverage of the grants

The first matter that we are considering in this article is how many children and adolescents received emergency social aid, to clarify what percentage they represent in relation to the group of children and adolescents at risk of poverty in the city.⁹⁶

Specifically, in 2016, 19,213 emergency social grants were awarded. This implies an increase of 74.4% compared with the 11,015 provided in 2015.⁹⁷ The children who were beneficiaries in 2016 represented 8.4% of the total number of minors under 16 who were registered in Barcelona on 1 January 2016.⁹⁸ In 2015 they had constituted 5.1% of registered children. The 2016 grants were distributed between a total of 11,061 different family units (with an average of 1.74 grants per household), while in 2015 6,479 family units benefited (1.70 grants per household). Therefore, in terms of the family units benefiting, there was a 70.7% increase.

On average, the 2016 aid was 1,168.8 Euros annually per child and 2,030.2 Euros per family units, with a total expenditure of 22,455,860.0 Euros. In 2015, the expenditure had been approximately 11.2 million Euros, an increase of 100.5%, which implies that, as well as the number of grants, the average amount per child had also increased (from 995.6 Euros to 1,168.8 Euros). This is due to the fact that in 2015 there was a discontinuity in the granting of the aid, since the initial grant had been exhausted, it could not be extended until the constitution of the new City Council, already in the last quarter. For this reason, many beneficiaries received grants that did not cover the 12 months of the year.

In order to estimate the coverage in relation to the target population, that is, the group of children and adolescents at risk of poverty and material deprivation, it is necessary to first determine how many under-16s are in this situation. To do this, we have calculated the poverty risk threshold of the city based on the “matrix of households in Barcelona by type of household and section of available net income” which that Tax Agency provided to the Barcelona City Council Area of Social Rights, with information collected, by type of household, from the net income of all the households in the city in the fiscal year of 2015.

96. This article is based on the evaluations carried out by Ivalua on the grant calls for in 2015 and 2016. The full text of these evaluations is available at www.ivalua.cat.

97. The 2015 data came from the 2015 aid evaluation report, based on the administrative records of the grant. However, in City Council press releases, it was reported that the total grants provided in 2015 came to 10,921, that is, 80 fewer grants.

98. Data from the census extracted from www.bcn.cat/estadistica.

Following the conventional criteria whereby the “poverty risk threshold” (that is, incomes below which a household is considered to be at risk of poverty) is at 60% of the median equivalent city rent and the “risk threshold of severe poverty” is 30%, we estimated that these thresholds were at 10,450.0 Euros and 5,025.0 Euros per year, respectively. These thresholds correspond to households made up of a single adult, and must be multiplied by a correction coefficient according to the number and the age of members who live in the family unit. Applying the modified OECD equivalence scale, the poverty risk threshold for a family of two adults and two children under 14, for example, is 21,945.0 Euros net.⁹⁹ It should be noted that this threshold is slightly higher than the one Idescat estimates for Catalonia as a whole based on the Living Conditions Survey (9,667.3 Euros per year in 2015, for one person).

On the basis of these thresholds, we estimate that in 2016 there were 41,806 family units with children under 16 at risk of poverty in the city of Barcelona, in which 65,833 children and adolescents were living. Among these, there were 18,377 at risk of severe poverty, in which 29,728 children and adolescents were living.¹⁰⁰ This implies that 31.2% of children and adolescents in the city were at risk of poverty, and 14.1% were at risk of severe poverty (table 1).

Table 1. Number of children and households at risk of poverty, 2016

	Children	%	Family units
Total	211,025	100.0	-
At risk of poverty (<60% median)	65,833	31.2	41,806
At risk of severe poverty (<30% median)	29,728	14.1	18,377

Next, we have determined the proportion of emergency social grants that were effectively assigned to family units and children who were in each of the categories of poverty risk. Given that the emergency aid is conditioned to an income cap linked to the income sufficiency indicator of Catalonia (IRSC), the correspondence to the poverty risk threshold

99. Specifically, they are multiplied by a factor of $1 + 0.5^* (\text{members aged 14 or older} - 1) + 0.3^* (\text{members under 14})$.

100. The matrix of households in Barcelona by type of household and available net income band contains information for children up to 13 years of age and adolescents from 14 to 18. We have used the Living Conditions Survey (ECV) to estimate the proportion of children aged 0-16 as regards the total of 0-18.

is very high (which is higher than the IRSC): 99.9% of child beneficiaries fulfil these criteria. Moreover, 77.4% of children were at risk of severe poverty (table 2).

Table 2. Efficiency of the focalization of the emergency social aid (percentage of beneficiaries who fulfil the various definitions of poverty), 2016

	Children	%
Beneficiaries	19,177	100.0
At risk of poverty (<60% median)	19,174	99.9
At risk of severe poverty (<30% median)	14,841	77.4

Combining both estimations (the number of family units and children who were at risk of poverty in Barcelona, according to the two thresholds, and the proportion of beneficiaries of the grant who fulfilled each of the poverty criteria), we estimate that the emergency social aid of 2016 provided coverage to 29.1% of children at risk of poverty in the city and 49.9% of children at risk of severe poverty in the city (table 3).

Table 3. Coverage of the emergency social aid (percentage of the population under 16 at risk of poverty who receive the emergency social aid), 2016

	Children who receive aid	Children in Barcelona	Coverage %
At risk of poverty (<60% median)	19,174	65,833	29.1
At risk of severe poverty (<30% median)	14,841	29,728	49.9

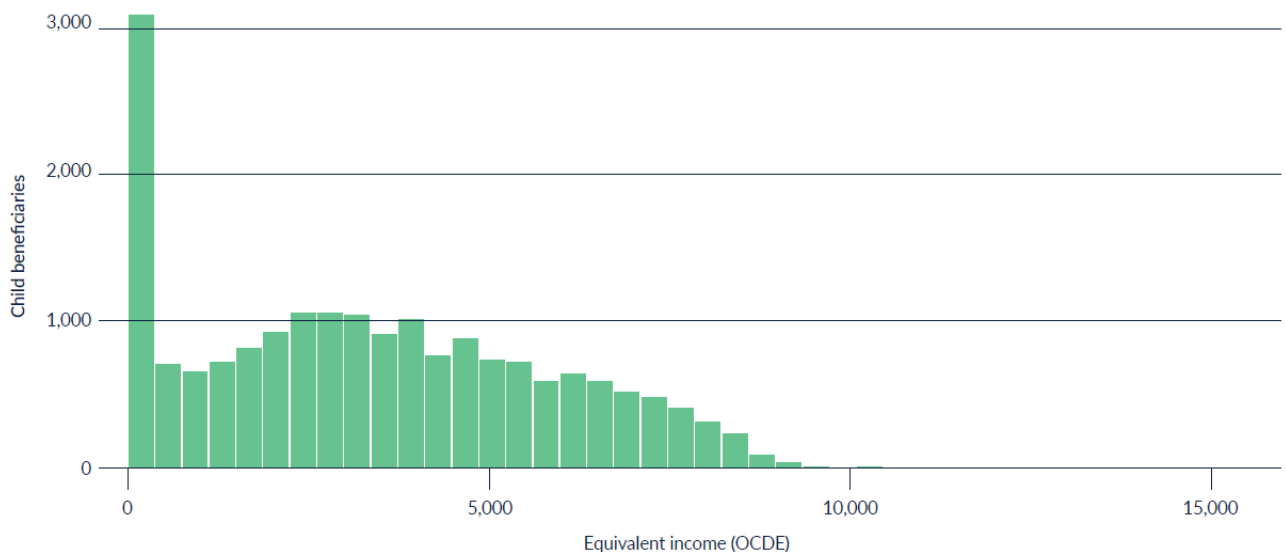
Although the aid reached a considerable proportion of the child population in poverty, up to practically 50% in the case of under 16-year-olds in absolute poverty, it is important to note the efficiency of the focalization of the aid is limited: approximately 15,000 children remained at risk of severe poverty without receiving the aid, while there were 4,300 children in less severe poverty who did receive it. Given that in 2016 aid was granted to all the applicants who fulfilled the requirements, this was due to the fact that a proportion of the eligible population at risk of severe poverty did not find out about the existence of the aid or chose not to apply for it.

What were the recipients of the 2016 emergency social aid like?

In this section, we set out to make use of the aid registration to describe the characteristics of the recipient population of emergency social aid. We highlight three attributes:

First, income: on average, the family income of the recipients in 2016 was 7,065.5 Euros per year, and the equivalent income of 3,337.1 Euros per person (6,482.8 Euros and 3,147.7 Euros respectively in 2015). What is particularly interesting, however, is the distribution of income, with a peak in values close to zero (in 2016, 2,266 beneficiary children lived in households without income, and 3,360 lived in homes with an equivalent income of under 500 Euros per year), followed by a bell-shaped distribution with a maximum between 2,600 and 3,350 Euros (graph 1).

Graph 1. Histogram of the equivalent income of child beneficiaries (2016)



Secondly, we highlight the most relevant variation in the socio-demographic composition of beneficiaries between 2015 and 2016: the nationality of the children. While 73.2% of the beneficiaries were of Spanish nationality in 2015, there were 89.5% Spanish beneficiaries in 2016, which is probably explained by the change in the access apparatus, based on the school lunch subsidies in 2015 and the previous survey of social service users in 2016.

Thirdly, age: the child recipients of emergency social aid in 2016 were 7.9 years old on average, and 8-year-olds (as of December 31 2016) were the most common age. On comparing the distribution of the beneficiaries' ages with that of children registered in

Barcelona, the low number of children of 0 years among the beneficiaries particularly stands out, which is explained by the fact that at the time of the call they may not have been born and because, if it is their first child, the parents are less likely to know of the existence of the aid. There is also a notably smaller proportion of children aged 13 and over among beneficiaries, which may be explained by the connection between emergency aid and school lunch grants in 2015 (school lunch grants are very rare among high school students). Therefore, students who did not access emergency social aid in 2015 via lunch subsidies the previous year could have been less likely to know about the existence of the emergency aid in 2016.

Territorial distribution of recipients of emergency social aid in 2016.

The child beneficiaries of emergency social aid are distributed unequally through the city. By district, in 2016, 23.0% of the beneficiaries were living in Nou Barris, followed by Sant Martí, Sants-Montjuïc, Ciutat Vella and Sant Andreu, with between 15% and 10% of the beneficiaries. Lastly, Eixample, Gràcia, Les Corts and Sarrià-Sant Gervasi accounted for between 6.0 and 1.4% of the grant recipients (table 4). By neighbourhood, the highest concentration of beneficiaries was produced in the Raval (1,711 children, 8.9% of the total recipients), Besòs i el Maresme (895: 4.7%) and El Poble-sec (828: 4.3%). At the extreme opposite of the range, Tres Torres and Pedralbes stood out due to being the only neighbourhoods (among those with more than 1,000 children under 16) in which there were fewer than 10 children granted aid.

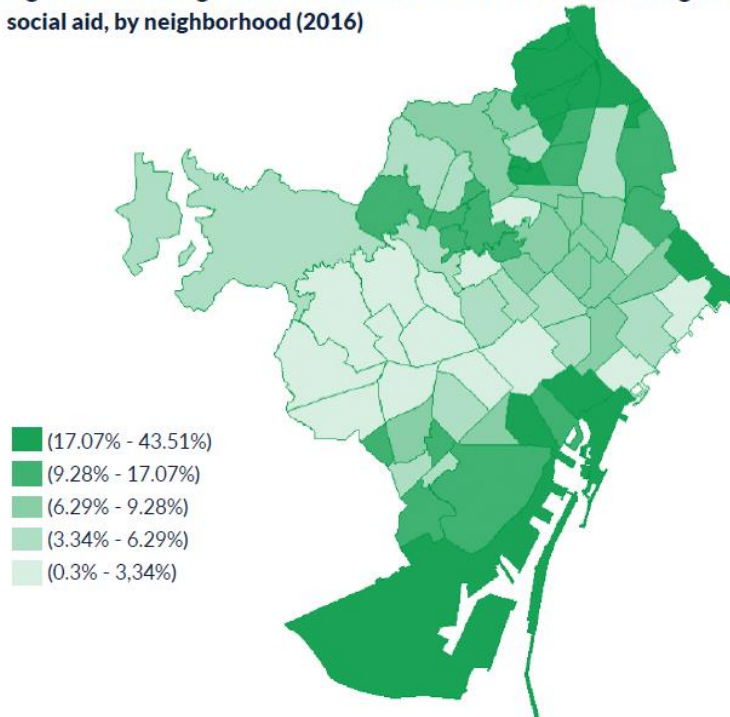
The territorial distribution of the number of grants corresponds, partly, to the number of inhabitants of each district or neighbourhood. Therefore, it is more relevant to find out the percentage of children and young people aged 0 to 16 registered who receive the aid. The coverage reaches a maximum of 21.6% in the district of Ciutat Vella, followed by 18.1% in Nou Barris and 11.3% in Sants-Montjuïc. The districts of Sarrià-Sant Gervasi (1.0%, Les Corts (2.4%) and Eixample (3.5%) are those that have a lower proportion of child recipients (table 4).

Table 4. Percentage of registered children who are beneficiaries of emergency social aid, by district (2016)

District	% of child beneficiaries in the district in relation to the total beneficiaries in the city	% of child beneficiaries in relation to the total number of children in the district
Sarrià - Sant Gervasi	1.4	1.0
Les Corts	1.5	2.4
Eixample	6.0	3.5
Gràcia	3.9	4.7
Sant Martí	15.0	8.1
Horta-Guinardó	10.4	8.6
Sant Andreu	11.3	9.7
Sants-Montjuïc	14.0	11.3
Nou Barris	23.0	18.1
Ciutat Vella	13.5	21.6
Barcelona	100.0	8.4

By neighbourhood, particularly notable are the five in which more than one third of the children and young people up to 16 years of age who are registered are beneficiaries of an emergency social grant. These are Torre Baró (43.5%), Can Peguera (38.4%), Ciutat Meridiana (35.3%) and Vallbona (34.1%) in the district of Nou Barris, and Baró de Viver (35.1%) in the district of Sant Andreu. In contrast, Pedralbes, Tres Torres, Sant Gervasi-la Bonanova, Sant Gervasi-Galvany (in the district of Sarrià-Sant Gervasi) and Vila Olímpica del Poblenou (in Sant Martí) are the only ones with less than 1% of the children and young people aged 16 and under, in receipt of the grant (figure 1).

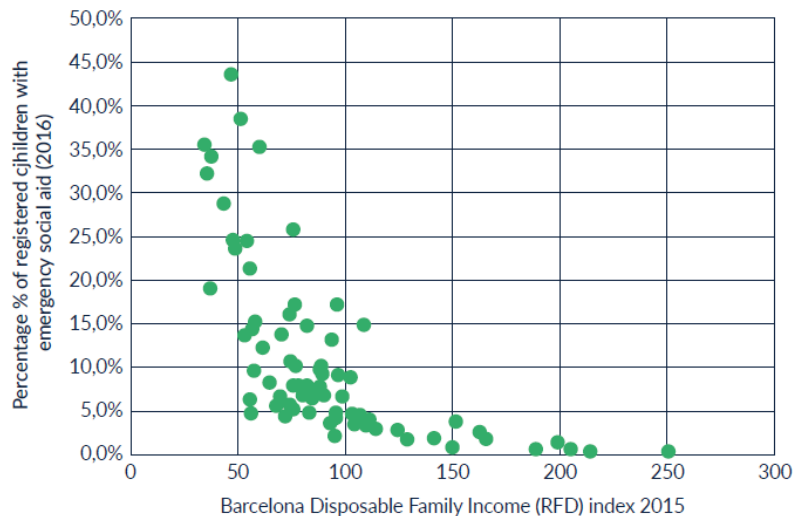
Figure 1. Percentage children 0-16 who are beneficiaries of emergency social aid, by neighborhood (2016)



We then ask to what degree the territorial disparities of the coverage of the grants are explained by the differences of income between neighbourhoods. In graph 2, we show the association between the available family income index (RFD, by neighbourhood and for the year 2015) and the percentage of children and young people registered in the neighbourhood who are in receipt of emergency social aid in 2016. It can be observed that, for values of the family income index above 110, the percentage of recipients of the grant is always less than 5%.¹⁰¹ However, among the neighbourhoods with an RFD index lower than 100 the variation in the coverage of the grants is very high. The case of La Guineueta, for example, stands out, with an available family income index of 55.9 and a coverage of only 4.7%, while in Baró de Viver, with an RFD index of 60.2, the aid coverage was 35.1%. In Marina del Prat Vermell, with an RFD index of 36.9, the aid coverage is 18.9% while in Torre Baró, with a higher available family income index (47.1), the coverage is 43.5%.

¹⁰¹ Source of data on the RFD: www.bcn.cat/estadistica.

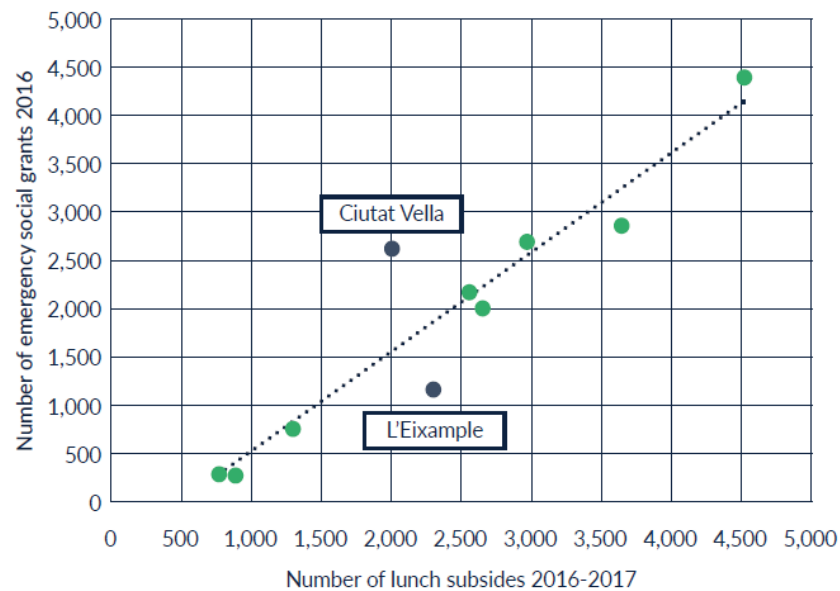
Graph 2. Association between the 2015 RFD index and the percentage of children 0-16 who are beneficiaries of emergency social aid, by neighborhood (2016)



There are many possible explanations for this variability. On the one hand, the RFD index captures the average income for the neighbourhood, so the same value can reflect a homogeneously low income or a heterogeneous distribution that ranges from very low to very high incomes. For example, the Barri Gòtic, with an RFD index of 108.5, has an emergency social aid coverage of 14.8%, quite a lot higher than that of neighbourhood with much lower RFD, because in Ciutat Vella there are families with a very diverse range of incomes, including many with very low incomes. On the other hand, there is also the possibility that part of the variability can be explained by the differences between neighbourhoods and access to the aid, motivated, for example, by the different levels of use of social services in advance of the aid or of the informal dissemination—word of mouth— between families of the aid.

Finally, in graph 3 we show the association, by district, between the number of lunch subsidies granted in the 2016-2017 school year and the number of emergency social grants in 2016. As both grants are designed for the child population and are fundamentally based on criteria of economic need, and with identical income caps, the correlation was expected to be high. Effectively, the R^2 is 0.88 but it is notable that two districts are moving away from the regression line: Ciutat Vella, which has a lot more emergency grants than expected, given the number of lunch subsidies, and Eixample, which has fewer. Unfortunately, we do not have this same information disaggregated by neighbourhoods.

Graph 3. Association between the number of lunch subsidies granted for the 2016-2017 school year and the number of beneficiaries of emergency social aid by districts (2016)



The impact of emergency social aid of the risk of child poverty in Barcelona

In this section, we ask about the impact of the aid on the risk of child poverty in the city, both in terms of the number of children in poverty and the intensity of the poverty of those in this condition.

Firstly, emergency social aid has an impact on the number and the proportion of children at risk of poverty. In absolute terms, emergency social aid in 2016 meant that 46 children moved from a situation of at risk of poverty to one free of poverty (which implies a reduction of 0.2% in relation to the total children at risk of poverty who receive the aid), while 2,225 children moved from a situation of at risk of severe poverty to a risk of poverty (reduction of 15.0%) (table 5). Therefore, the category jumps are concentrated among the poorest children, that is, those who pass from a situation of severe poverty (below 30% of the median in Barcelona) to a moderate one (income from between 30 and 60% of the median). However, for both situations of poverty, the majority of the children remain at the same level of poverty as they were before the aid, even though the intensity of the poverty is reduced, logically, in all cases.

Table 5. Poverty jumps of child beneficiaries of emergency social aid according to the poverty threshold, 2016

	Before the aid	After the aid	Reduction (children)	Reduction %
At risk of poverty	19,174	19,128	46	0.2
At risk of severe poverty	14,841	12,616	2,225	15.0

Note: Information on 19,177 children who receive the grant, as there are 36 who live in family units about which there is no income information in the database. The gross income of the beneficiaries of the grant has been converted to net income (in order to be able to contrast them with poverty thresholds) using a regression model based on data from the 2016 Living Conditions Survey, which contains gross and net income information for the same family units.

In relation to the whole target population, in other words, all children and adolescents at risk of poverty who live in the city, recipients of aid or not, the reduction achieved by emergency social aid is 0.1% of the child population at risk of poverty, and 7.5% of the child population at risk of severe poverty.

A second way of estimating the impact of the aid is by using the poverty gap. This indicator adds the distances between income and the poverty threshold (weighted according to the number and age of members of the family unit) of each of the family units that are below the poverty threshold in a population. It is therefore a measure that captures the reduction in the intensity of poverty of the beneficiaries and/or the target population, unlike the reduction in the number of children in poverty, which only measures how many children exceed a specific threshold.

In the case of family units who received emergency social aid in 2016, the poverty gap was 159.4 million Euros before receiving the emergency social aid. Therefore, it would be necessary to allocate this amount so that all families receiving aid that had an income below the poverty threshold could reach the poverty threshold. After adding the amount of emergency social aid effectively received, the poverty gap of the recipients was reduced to 137.0 million Euros, that is, a total of 22.4 million Euros, which is equivalent to a reduction of 14.1% (table 6).¹⁰²

If we take the severe poverty risk threshold as a reference, the magnitude of the gap is substantially lower, as there are fewer family units under this threshold and the distances of the incomes from the threshold are also lower. Specifically, the severe poverty gap is

102. It should be noted that the amount of reduction of the poverty gap is 55,000 Euros lower than the total amount of emergency social aid in 2016. This is due to the 21 family units who jump from a lower income than the poverty threshold before the aid to a higher one after the aid (and in which, therefore, the emergency aid does not place them just at the poverty threshold but slightly higher); to the 26 families on which we do not have income information, and, finally, to the 3 family units that receive the aid even though they already had an income higher than the poverty threshold before receiving it.

53.7 million Euros before the aid and 37,7 million Euros after the aid, which implies a reduction of 16.0 million Euros, or rather, 29.9%.

Table 6. Reduction of the poverty gap in family units who receive emergency social aid according to the poverty threshold, 2016

	Before the aid (€)	After the aid (€)	Reduction (€)	Reduction %
At risk of poverty	159,430.681	137,030.497	22,400.184	14.1
At risk of severe poverty	53,702.668	37,653.625	16,049.043	29.9

Note: Information on 11,035 family units who receive the grant, as there are 26 about which there is no income information on the database.

If, instead of taking the beneficiaries of the grant as a reference, we take the whole target population, that is, all the families with children in Barcelona who are beneath the different poverty thresholds (table 7) we find that:

- The poverty gap for all the family units in Barcelona at risk of poverty is 478.8 million Euros. Emergency social grants for 2016 represented a contribution of 22.4 million to the reduction of the gap, equivalent to a reduction of 4.7%. An additional allocation of 456.4 million Euros would be required in order to eradicate child poverty in Barcelona.
- For families with children at risk of severe poverty, we estimate that the total gap for Barcelona is 119.6 million Euros. In this case, the gap reduction of 16.0 million provided by the aid represents 13.4% of the total, with which an additional 103.6 million Euros are needed to cover the city's severe poverty.

Table 7. Reduction of the poverty gap provided by emergency social aid according to the poverty threshold, 2016

	Total poverty gap (Barcelona) (€M)	Contribution of the aid to the reduction of the gap (€M)	Reduction of the gap provided by the aid %	Remaining gap (€M)
At risk of poverty	€478.8	€22,4	4.7	€456.4
At risk of severe poverty	€119.6	€16.0	13.4	€103.6

Finally, it is equally relevant to find out what it would cost to extend aid equivalent to the current amount (1,200 Euros/year) to all children who live in households below the various poverty thresholds and who did not receive it in 2016 (table 8):

Table 8. Cost of extending the emergency social aid to all the target population (In children), according to the poverty threshold, 2016

	Target population covered	Estimated target population	Target population not covered	Cost of extending the aid (€)
At risk of poverty	19,174	65,833	46,659	€ 55,990,800
At risk of severe poverty	14,841	29,728	14,887	€ 17,864,400

The additional cost would be 56.0 million Euros to cover all the children at risk of poverty currently not attended to, and 17.9 million Euros for all the children at risk of severe poverty who currently do not receive aid.

It is necessary to highlight that throughout this section we have assumed that the impact of the aid on the income of the family units is mechanical, so that if a family has an income of X and receives aid of amount Y, they then have an income of X+Y. In practice, however, the aid can introduce changes in people's behaviour, so that the mere fact of receiving aid, or even anticipating that they will receive it in the future, may lead to a change in the employment behaviour, therefore affecting their income. It is possible that some people would work less if they obtained the money in the form of aid that previously they would have had to obtain by working, or if they fear that they might lose the right to aid if their income from work increases. The opposite effect is also possible, in other words, that the coverage of certain basic needs with emergency social aid would provide them with time to look for a job, or to look for a better one, or even to obtain some qualification that allows them to progress in employment, thus the aid could lead to an increase in income. This type of indirect effect on income is more probable the longer the aid is provided for. In order to discuss the existence, direction and magnitude of this type of effect, a comparison group similar to that of the beneficiaries would need to be available, in which the employment behaviour and income obtained can be measured and compared to that of the beneficiaries. Unfortunately, this type of exercise exceeds the scope of this study.

Another relevant question for evaluating aid is to find out its effects on families' patterns of consumption, given that the objective is to cover basic needs of food, school supplies, hygiene and children's clothing. The fact that the use of the card is limited to this type of goods (and that the family can be subjected to an inspection of bills and receipts to verify it) does not necessarily imply that the beneficiary families increase consumption, since they can use the card to acquire exactly the same type and quantity of goods that they already acquired before the aid, and dedicate the released income to buy other goods and services that are not related. In fact, there is not even a guarantee that the aid implies an increase in spending on the children in the family unit. Again, the effect of aid on consumption and the welfare of children and the rest of the family unit would require an impact assessment with a comparison group, as well as an instrument to measure the families' consumption.

As regards this issue, we have the perceptions of the social service professionals that participated in 2016, in three discussion groups, to evaluate the first year of the aid application. The majority highlighted an ambiguous effect of the aid: for certain users, it had relaxed the relationship with social services and had allowed them to focus on a mid- and long-term work plan, beyond economic emergencies. For others, however, the aid had negatively affected their work plans, since families had interrupted the relationship with social services once they had obtained the money they needed without conditions.

The future of the aid: some opportunities for improvement

Based on the results described in the previous sections, in this section we suggest three proposals for the design and management of the aid that we understand would contribute to improving its function and impact:

1) To harmonise the criteria for determining the family income of the applicants, so that they are consistent with those of other targeted subsidies designed for the same target population, especially school lunch subsidies. On the one hand, harmonising criteria with other calls for grants would avoid disorientating potential beneficiaries due to the diversity of criteria in the granting of aid from the same administration aimed at similar target populations. On the other hand, harmonization would help reduce administrative burdens for citizens and for the administrations themselves, since verifying eligibility for one of the grants could be used for the other without having to repeat the procedure. In the call for school lunch subsidies for the 2017-2018 school year, it is established that the reception of emergency social aid is a reason to access the maximum food allowance without any additional verification. This access mechanism would make sense if the reception of emergency social aid depended on objective criteria of social need beyond income, but in fact, the opposite is true: the criteria of social need are taken into account in the access mechanism for lunch subsidies and for emergency social aid. Therefore, it would seem more appropriate for the reception of the maximum amount of school lunch subsidies to give the right to emergency social aid, and not vice versa. As the system is currently established, it could be the case that a family unit that receives emergency social aid accesses the maximum lunch subsidy solely because it is the beneficiary of emergency aid when, according to its income, it should have a 50% grant, while a lower income family with a detected vulnerability attribute, but without emergency aid, receives only a 50% dining allowance. In any case, we suggest that there be common criteria in both calls for income measurement and that the caps for accessing emergency social aid be equal to or lower than those for lunch subsidies. In addition, a household's access to a maximum school meal allowance could be used as a criterion for access to emergency social aid.

2) To increase diffusion by improving focalization. A key part of improving the efficiency of focalization is communication with potential beneficiaries to guarantee that the given population eligible to receive the aid and that the total target population originally defined is covered. The specialised literature highlights how important it is for the population eligible to receive the aid to be aware of the measure, the requirements and the timetable for accessing it, which must be easily understood. We have identified differences in coverage between neighbourhoods that are not explained by the difference in income, which seem to indicate that forms of informal transmission (especially word of mouth) and the use of social services vary between territories and influence access to the aid. For this reason, a communication strategy for the target population seems necessary (informational campaigns, leaflets, etc.) to try to reach the entire target population and, where appropriate, restrict the access criteria in order to contain the cost of the aid and focus it on the population with a higher risk of poverty.

3) To find non-linear mechanisms to reduce the cost of aid. The 2017 call incorporated a linear reduction of 25% of the grant, and established a 900 Euro annual cap for all grants, regardless of income or other characteristics of the family unit receiving them. We believe that there are more suitable alternative mechanisms to adjust the amount of aid to the different levels of need for family units, which can result in a similar reduction in the cost of the aid programme. The most obvious is to reduce the amount of aid per additional child, as, between 2015 and 2017, each additional child increased the amount of aid by a fixed amount of 100 Euros per month, even though the costs for each additional child decrease, given economies of scale in the household. This has already been corrected in the 2018 call. Similarly, there is the possibility of restricting the size of the target population and concentrating the transfer among the most vulnerable families, setting an income cap to be able to access the lowest aid or introducing deprivation indicators that help focus the resources on families who are in severe poverty. A final possibility is to introduce a system of variable amounts for income sections: that is, to move from a single cap and quantity system such as the current one, to one of multiple caps and amounts, so that the amount of aid decreases as income increases, up to a maximum cap in which families no longer have the right to any aid. Therefore, the amount is adjusted to need, the cost is contained without reducing the number of beneficiaries, and abrupt discontinuity in the access criteria is eliminated.

March 2019

**Key words: guaranteed minimum
income, basic needs, poverty**

Reflections on the implementation of a guaranteed minimum income in Barcelona city

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The number of people at risk of poverty is very high in Catalonia, and especially in Barcelona. Faced with this situation, one of Barcelona City Council's political priorities is to improve social protection in the city. This study offers a series of reflections on designing and implementing a guaranteed minimum income by a local authority, based on the conclusions of academic literature and other questions to be borne in mind, such as its compatibility with other benefits.

Introduction

Poverty and the number of people at risk of poverty have notably increased in Catalonia and the rest of Europe since the economic crisis began. Despite the economic recovery, poverty and growing social inequality are among the main concerns nowadays for the various levels of public administration, including European institutions. In order to tackle this problem, it must be emphasised that in Catalonia, the various public administrations are studying and beginning to work towards the implementation of a guaranteed minimum income.

For example, Barcelona City Council is initiating a guaranteed minimum income pilot project in the one of the city's neighbourhoods with the lowest per capita income, which will enable relevant conclusions to be drawn about the possible social and economic impact of this kind of measure, combined with active employment policies (B-MINCOME project). Similarly, the Generalitat regional government of Catalonia has recently approved the implementation of its so-called citizens' guaranteed minimum income, making it possible to notably expand the cover provided up to now by the minimum integration income and therefore reduce the amount of poverty in Catalonia. Other autonomous communities have also taken steps in the same direction.

103. Autonomous University of Barcelona (UAB) and Knowledge Sharing Network (KSNET)

104. London School of Economics (LSE) and Knowledge Sharing Network (KSNET)

105. University of Barcelona (UAB) and Knowledge Sharing Network (KSNET)

However, in spite of these initiatives, it is still not possible to guarantee that every person in Catalonia without sufficient resources will be able to escape from their situation of poverty. Restrictions concerning the requirements for accessing the various subsidies, whether it be length of residence, employment conditions, income or others, mean that not all residents of Catalonia and Barcelona who require this aid will be covered, at least for the moment. As a consequence, a large number of Barcelona city residents are living on incomes which are so low that they are often unable to cover their basic needs for a decent life, such as access to housing and having three meals a day. In accordance with data from the Care for Homeless People Network (XAPSLL), in recent years there has been an increase in the number of people who are sleeping on the street, rising from 658 in 2008 to 1,026 in 2017. During the same period, the XAPSLL network's resources have progressively increased, rising from 1,129 people provided with accommodation in 2008 to 2,006 in 2017.

Given this situation, improving the city's social protection is clearly one of Barcelona City Council's political priorities for the coming years, as shown by the B-MINCOME project. Although this is only a pilot project, it seems clear that Barcelona City Council is considering the possibility of implementing a city guaranteed minimum income, as a way of tackling poverty in the city. In this context, the study being presented here aims to offer a series of reflections concerning the design and implementation of a guaranteed minimum income at a local government level, such as Barcelona City Council. More specifically, some of the elements analysed in this study are the definition of the population's basic needs, which the introduction of a guaranteed minimum income would aim to cover; the role of local government in the development of this type of policy; the main questions concerning its design that need to be addressed; and the criteria that should be followed in order to determine the compatibility of a guaranteed minimum income with other benefits.

1. What do we understand by basic needs?

The policies guaranteeing the transfer of income are part of the Welfare State, understood as the system through which the public administration guarantees its citizens a range of basic social services, mainly concerning health, education, pensions, unemployment, disabilities and access to housing. In general terms, it can be stated that these social policies aim to satisfy the basic needs of citizens. However, defining these basic needs objectively is no easy matter.

They can be defined in terms of minimum subsistence, which would be directly related to the amount of resources available to the people concerned. In a developed society like ours, it seems clear that these basic subsistence needs should include food, clothing, cleaning, hygiene, health protection, housing and utilities (water, electricity and gas). In other words, in accordance with the classification of human needs established by Maslow

(1943), physiological and safety needs would be included in this group, as they are common to the subsistence of all human beings. Not being able to satisfy these most basic needs is what defines poverty in absolute terms.

However, in more developed societies, poverty is usually defined in relative terms, as the situation in which citizens do not have access to a minimally adequate way of life in the territory where they live. Therefore, in accordance with the definition formulated by Eurostat, people who live on an income below 40% of the median are considered to be living in a situation of severe poverty. Furthermore, people who are under the threshold of 60% of the median available income, adjusted according to family size, are considered to be living in a situation of relative poverty. In this context, the basic needs of individuals are understood in a wider sense as the resources and skills which, within a given social context, allow them to develop personally and socially, and in freedom (Urquijo, 2014). In addition to the needs mentioned above, in this case needs concerning the human psyche and the social dimension of an individual would also be included. For example, these needs include education and participation in society and cultural activities. In accordance with Maslow's classification, this group would include the needs of pertaining to a group and love, the needs of recognition and the needs of self-fulfilment.

According to this wider definition of needs, based on Amartya Sen's theory of capabilities, the conversion of income into basic capabilities can vary greatly among individuals and different societies, so that the possibility of achieving minimally acceptable levels of basic capabilities may be associated with different levels of minimally adequate incomes. For example, two individuals from different socio-economic environments may need different levels of resources to achieve the same capabilities. Similarly, people with some form of disability may also have special needs for achieving a certain level of basic capabilities, in order to be able to actively take part in society.

Therefore, in this context, the situations of privation and poverty are not only linked to economic factors (level of income), but also to a lack of access to education and the impossibility of influencing policies or actively taking part in society. Therefore, we must distinguish between **absolute poverty**, which is the situation where minimum levels of subsistence cannot be fulfilled, and **relative poverty**, where a way of life considered to be minimally adequate in the territory concerned cannot be achieved.

Table 1 shows the estimated cost, for a home with a single individual, for covering the various types of needs presented above for Barcelona city, according to estimates taken from the study carried out by D'Aleph (2017) for determining what the necessary minimum wage would be for living in Barcelona city or its Metropolitan Area. As you can see, in order to cover the most basic needs, such as food, clothing, cleaning and hygiene,

housing and utilities, a person who lives alone would need to have an income of €1,055.34 a month in Barcelona city, and €926.33 in the Metropolitan Area. This difference is due to variations in the cost of housing, which would be €685.42 in Barcelona city and €556.40 in the Metropolitan Area. €370 a month is therefore required to cover the remaining basic needs. In addition to these most basic needs, the social, love, growth and self-fulfilment needs would require €291.81 in Barcelona city and €281.19 in the rest of the Metropolitan Area.

Table 1. Monthly cost of covering the various types of needs in a home with a single person in Barcelona and the Barcelona Metropolitan Area. 2016

Needs	Barcelona (€)	Rest of Metropolitan Area (€)
Physiological needs	1,055.34	926.33
Food and drink	168.90	168.90
Cleaning and personal hygiene	18.63	18.63
Household expenses	161.82	161.82
Clothing and accessories	20.57	20.57
Housing	685.42	556.40
Safety needs	-	-
Physical safety and health	-	-
Work safety	-	-
Resource security	-	-
Social, love, growth and self-fulfilment needs	291.81	281.19
Mobility	52.75	59.82
Personal and leisure expenses	68.48	68.48
Education	-	-
Extraordinary expenses ¹	170.57	152.89
Total	1,347.16	1,207.52

Source: Own production, based on the results of D'Aleph publication (2017).

1. The extraordinary expenses include various items, such as repairing home accessories, dentistry, press, hairdressing and personal aesthetics, sports equipment and outdoor entertainment, museums and botanical gardens, libraries and similar items.

Therefore, the implementation of a guaranteed minimum income would have an effect on reducing poverty as long as the guaranteed income threshold is above the level necessary for covering the population's basic needs, and the amount of the benefit is not below the total amount of the benefits it replaces (Reed and Lansley, 2016). In any event, the guaranteed minimum income would help to improve the economic security of homes, dissociating their income security from their employment situation and other individual or temporary conditions. This dissociation is considered to be increasingly necessary in modern society (Reed and Lansley, 2016; Painter and Thoung, 2015). It could also reduce inequality in income distribution, increasing the income of homes with the lowest incomes and not those of the rest of the population, although this would largely depend on the origin of the resources needed to finance it and the services or benefits that it replaces.

2. Local government's role in guaranteeing income

2.1. Current situation of social benefits in Barcelona

At the end of the 1980s, autonomous communities reached an agreement to promote systems that guaranteed a minimum income, known as social salaries or the minimum integration income (RMI). These systems have been developed gradually and in different ways in the various autonomous communities, although only in the Basque Country, Madrid, Catalonia and Navarre it is really possible to speak about the existence of a minimum integration income similar to those in practically all other EU countries. These incomes represent the last resort available to people who no longer have access to other benefits, and they are generally accompanied by a series of actions or active integration policies, which was a new approach at the time of their creation.

Due to the economic crisis, the RMI programmes underwent a considerable increase in the various autonomic communities, so that by 2011, the number of families receiving this type of benefit had doubled with respect to 2008 (111,077 and 217,358 families in Spain, respectively). However, between 2011 and 2012, various autonomous communities (including Catalonia) introduced major restrictions on access, the amounts paid and the duration of payment for these benefits, which curtailed their growth. Consequently, a large number of families who currently need these benefits do not have any access to them or to any others. Furthermore, in general, the level of income guaranteed by this type of benefit does not allow people to pass the risk-of-poverty threshold (although it does so for the threshold for severe poverty) while not adequately taking into account the various needs of different types of families. Specifically, the amounts that complement the basic allowance, according to the number of family members, is not set in relation to the increase in needs that occurs as family size increases (Arriba, 2014).

In the specific case of Catalonia, in 2011, it decided to reform its minimum income, called PIRMI, with the aim of curtailing the increase in applications caused by the economic crisis and the subsequent budgetary cuts. Through Act 7/2011, along with accompanying fiscal and financial measures, the means of paying the subsidy were changed (from bank transfer to a nominative cheque sent to the home of the beneficiary). Decree 384/2011 was later approved, which toughened the requirements for getting access to the PIRMI: increasing the length of residence in Catalonia (from 1 to 2 years), introducing a minimum period of 12 months without any income before applying for the subsidy and limiting the maximum amount of the subsidy (to €641.40 a month, equivalent to the minimum wage) and the maximum duration of the subsidy (60 months). Meanwhile, groups that did not present an 'added problem' to their unemployment situation were excluded from the programme. Furthermore, the need to design an intervention plan for each recipient as a prior requisite for gaining access to the RMI is a major dissuasive factor when applying for the subsidy. As a consequence, the level of cover has been notably reduced, and it has left a large number of homes outside the protection system.

Apart from the RMI, it must be stressed that there are a series of complementary subsidies and benefits, often of a specific nature, which aim to alleviate the effects of poverty (KSNET, 2016). Furthermore, in 2017, as a consequence of a popular legislative initiative, the Parliament of Catalonia debated and approved the implementation of what is known as the citizens' guaranteed income, making it possible to notably expand the cover provided up to now by the minimum inclusion income, and therefore reduce the impact of poverty in Catalonia. However, this cover is still quite limited, which is why Barcelona City Council is studying the introduction of a citizens' income for its residents. Although municipalities have relatively limited competences in the area of social promotion, in the specific case of Barcelona city, these competences are greater, due to Article 107 of Barcelona's Municipal Charter, which states 'the activity of providing social services must contribute to making equality real and effective, guaranteeing and facilitating access to services to all city residents, which tend to favour free and complete development of persons and groups within society, especially in the case of limitations and deficiencies. The prevention and elimination of the causes that lead to marginalisation must be promoted, in order to achieve the integration of all city residents and favouring solidarity and participation.' Furthermore, the first objective of the 2016-2019 Municipal Action Plan is also to guarantee fundamental and social rights in the city.

Therefore, the struggle against poverty in Barcelona is not only a political commitment from the current government, but also a response to its attributed powers, established in the city's Municipal Charter. In this sense, Barcelona City Council is currently offering city residents a series of public aid and benefits, which are shown on the map produced by KSNET (2016). According to this map, Barcelona City Council's portfolio contains 54

different benefits and subsidies, including monetary and non-monetary benefits, aimed at various groups in order to cover various kinds of needs, as well as providing subsidies for certain services. If a guaranteed minimum income were to be established in the city, some of these benefits would obviously no longer be necessary.

2.2. Advantages and disadvantages of introducing a guaranteed minimum income at municipal level

Introducing a system of guaranteed income, as a guaranteed minimum income would be, may be considered as a policy for redistributing income, by means of a monetary benefit for individuals with the lowest incomes. Whether it is convenient or not for local governments to introduce this type of measure, in general or at municipal level in particular, has traditionally been analysed within the framework of the theory of fiscal federalism.

According to this theory, the main advantage of a local government introducing a guaranteed minimum income, due to its closer relationship with its residents, is that it would be easier to get information about the needs of the recipients than if it were the Generalitat regional government of Catalonia or the central government who were introducing the measure. It would be easier for residents to get their requests to the administration, which could then be more agile and flexible in its response to those demands and in adapting its policies to the specific needs of its territory. Furthermore, given that there are not many precedents at a local level, if this policy were introduced in a smaller territory, it could be used as a 'laboratory' (Oates, 1999; Kollman *et al.*, 2000), in the sense that an analysis of its affects would be possible, which could then be generalised if the project were a success and achieved its planned objectives. By contrast, if the introduction of a guaranteed minimum income had negative effects on the well-being of the group, these would be less serious than if the project had been applied to a larger territory.

However, the introduction of a guaranteed income system in a local, or more specifically a municipal area, could also present certain disadvantages, in terms of inequalities between populations living in municipalities or jurisdictions that have not introduced a guaranteed minimum income and the population of those that have done so. This 'different treatment to equal individuals' could lead to migratory movements of low-income city residents to municipalities that have introduced a guaranteed minimum income system, in order to benefit from that programme. Similarly, if this income is financed with local administration taxes, obtained progressively, this could also generate a migratory movement of high-income residents to other municipalities, where they would be subject to more favourable taxation rates. This situation could even generate an opposite redistributive effect to the

one desired, and make maintaining the redistributive policy impossible, while segregating the population in terms of their levels of income (Tiebout, 1956; Bayer i McMillan, 2012).

It must be considered that were this to happen, it would also generate various kinds of external effects. The implementation of a guaranteed minimum income system by a municipality would generate benefits for the surrounding municipalities (positive horizontal external effect), caused by the emigration of high-income residents to those municipalities and the immigration of low-income individuals. This kind of externality means that the redistribution carried out independently by each municipality would be lower than the socially efficient level, and would therefore generate inefficiency. On the other hand, there would be another vertical kind of external effect, towards other levels of government, because it would modify the distribution of income among individuals, and this could affect the collection of taxes at other levels of government (Gordon and Cullen, 2012). Therefore, if the collection of income tax, VAT or state taxes were reduced, this externality would be negative and would counterbalance the previous inefficiency; by contrast, if the collection of these taxes increased, the externality would also be positive, which would make the inefficiency even greater.

In consequence, the theory of fiscal federalism has traditionally defended that redistributive policies should be carried out at higher levels of government, as this would minimise negative effects that could be caused by the mobility of citizens or inefficiencies caused by external effects (Musgrave, 1977; Boadway, 1979). It must be stated that these arguments against the decentralisation of the redistributive function have been debunked, even by the theory of fiscal federalism itself. On one hand, reality shows us that when lower levels of government exercise policies with redistributive results among the population, this is not necessarily followed by major migratory movements. It must be considered that, in practice, inter-municipal movement appears to be limited by the costs of moving and by specific job-market conditions, which may be greater than the possible benefits gained by citizens moving to jurisdictions that are more favourable to them in terms of taxation. For example, if an individual can change their place of residence, but not their job, the change of residence could mean longer commuting times, higher transport costs, etc. Furthermore, a change in residence would also mean high initial costs, caused by changing accommodation, especially for home owners, but also for tenants, changing schools, in the case of families with children, etc.

On the other hand, Pauly (1973) pointed out that redistribution, and in particular programmes that combat poverty, share some characteristics with local public assets, so that these policies could have more social support when they are launched at local levels of government. From this perspective, it is argued that aversion to inequality is reduced by the redistributive policy's area of action, and for this reason it seems that they enjoy more

support from voters when their effects are more visible, i.e. when they affect residents in their immediate vicinity.

Therefore, the theory of fiscal federalism does not allow clear conclusions to be made on the suitability of municipal governments introducing a guaranteed minimum income, while there is very little existing evidence on which of the various potential effects would predominate. However, it seems clear that one way of reducing the possible impact of introducing a guaranteed minimum income on the mobility of families is to introduce it into a geographical area that is sufficiently large. According to the work of Bird and Slack (2007), if the guaranteed minimum income system is introduced into a metropolitan area, or in a coordinated way into all the municipalities of a specific metropolitan or geographical area, the efficiency of the policy would be substantially improved in comparison to it being introduced in an uncoordinated way at a municipal level in all or some municipalities.

Specifically, the introduction of a redistributive policy into a large jurisdiction, as in the case of a metropolitan area, would make it possible to internalise its external effects and reduce the problems caused by the mobility of persons between municipalities. This would be true provided that the metropolitan area covers all the necessary territory so that the various benefits mentioned above would be effective, i.e. when the metropolitan area coincides with the functional area or the existing job market around a large city, such as Barcelona. This would mean that the horizontal externalities between municipalities would be smaller, which would allow the level of redistribution to approach the socially efficient level, and that social segregation or the segregation caused by income levels between municipalities would not increase.

3. Elements for designing a guaranteed minimum income

Designing a guaranteed minimum income requires the definition of a series of elements, which, to a great extent, are determined by their involvement in reducing poverty and inequality. We will now describe these elements and the main features used to define them.

Objective and scope of application

The first thing to define is the objective of implementing a guaranteed minimum income and the territory where it will be introduced. If it is introduced by Barcelona city, or some other municipality, the objective would be to have a guaranteed minimum income system, which would make it possible to alleviate the lack of resources of the municipality's most disadvantaged citizens. If this measure is introduced into an inter-municipal area, the objective would also include avoiding inefficiencies and inequalities that could arise if this policy was introduced in an uncoordinated way among the various municipalities. In this way, in addition to reducing inequality in each municipality, it would also help to avoid

social segregation between municipalities in the same geographical area. It would also help to reduce inequality among municipalities.

Calculation formula

The second factor to be determined is the formula for calculating the benefit. Generally, when we speak about guaranteed minimum income systems, the benefit awarded to each home or individual is calculated as the difference between the minimum income level that should be guaranteed and the actual income of the individual, which includes earnings from work and the income obtained from subsidies and social benefits provided to cover the same needs as the guaranteed minimum income, as shown in the formula (1). In other words, when calculating the benefit that corresponds to each individual, it is only necessary to subtract the benefits provided to cover their basic needs which are considered to be covered by the guaranteed minimum income. For example, if the guaranteed minimum income does not cover expenses relating to education, then the benefits relating to education should not be subtracted.

$$(1) \textit{Guaranteed minimum income} = \textit{Guaranteed income} - \textit{Earnings from work} - \textit{Social Benefits}$$

In a case where earnings from work and income from social benefits in a home surpass the amount of guaranteed income, the guaranteed minimum income would be negative. In these cases, it is considered that the home does not require any extraordinary income to cover its financial needs, and the guaranteed minimum income would be zero. In other words, the subsidy would only be awarded to homes where earnings from work and income from social benefits were less than the amount of the guaranteed income.

One of the most common criticisms of guaranteed income systems is that they reduce people's incentive to look for a job and work. Although there is no empirical evidence showing that these effects occur (de la Rica and Gorjón, 2017), one way of avoiding them is to allow an individual's income to increase when earnings from work increase above the amount of the guaranteed income. This is easy to achieve by subtracting only a certain percentage of the earnings from work and not the total amount.

Receiving unit

It is necessary to define whether the benefit's receiving unit is the individual or the home, which will also define the level of income that should be guaranteed. In the specialised literature, there are discrepancies as to which is the best option. The two main arguments in favour of individuals as the receiving unit are that each person should have the right to the guaranteed minimum income and that otherwise undesirable family dependencies are created. On the other hand, the main argument in favour of the guaranteed minimum

income taking the home as the receiving unit is that the cost of living for an individual decreases in proportion to the size of the family. For example, according to the benchmark salary estimates used in the D'Aleph study (2017), the minimum necessary expense for a home with a single adult in Barcelona would be €1,347.15, while in a home with two adults, it would be a total of €1,890.50, i.e. €945.25 per person. Therefore, in a context of limited resources, and where the aim is to cover the most basic needs, it is more appropriate to define homes as the receiving unit, rather than the individuals. In this way, it would be easier to ensure that the basic needs of all the families are covered, and it would avoid inequalities between them, according to whether they live with other members of the family or whether they have children or not.

Recipient population

Regarding the recipient population, its definition will largely determine the effects of introducing the guaranteed minimum income system for combating poverty, and especially severe poverty. It should be considered that one of the main problems of the current social protection system is that many residents no longer have access, or have never had access, to the various existing benefits, due to the requirements applied to them. This means that there are currently a large number of homes that do not receive any income. Therefore, the guaranteed minimum income system would be effective in as much as it would benefit those citizens who do not have access to the currently established social benefits.

However, it should be considered that according to how this population is defined, migratory movements might occur, spurred on by the existence of the guaranteed minimum income. For example, if the definition of the potential recipient population is based on only the criteria of income, without taking into account the length of residence in the municipality or geographical area, this could lead to it becoming more attractive to people without any income or with a low income. This effect would be less relevant if one of the requirements for accessing the benefit were having been a resident in the municipality for at least one or two years. Naturally, there could be exceptions to this general rule, e.g. in the case of refugees or families with children.

Level of income to be guaranteed

The level of income to be guaranteed to citizens should be determined by the level of income that is considered necessary for covering the basic needs of the receiving units, whether they be individuals or homes. In the latter case, it must also be considered that the needs of homes may differ according to their structure and number of members.

Another relevant factor is that in order to guarantee equality in satisfying the basic needs of homes, their needs for housing expenses must be taken into account, as there could be

cases of families that live in a dwelling that has already been paid off, and others who have to pay a monthly rent or a mortgage. Therefore, defining the basic needs that must be guaranteed should exclude housing expenses, which should be covered by other social policies designed for that purpose, or by means of a housing supplement that is awarded only to families that have this need.

Furthermore, when defining the guaranteed minimum income or the level of needs that should be covered, it will also be necessary to take into account the existence of other social policies or benefits that might cover certain needs, such as health or education, or those that would be covered by social services or personal care services. To the extent that these needs are already covered by other subsidies, or by publicly funded services (through taxation) so they do not involve any direct expenditure by the service users, it will not be necessary to include them in the calculation of the guaranteed minimum income.

In accordance with the previous discussion, the level of income needed that would more closely cover the basic needs as we have defined them, in a broader sense, would be what is known as the reference salary, which is established as being the sufficient remuneration so that a family can live decently in a specific location, while favouring their development (Ryan, 1906). If housing expenses are excluded, the reference salary would be €661.74 in Barcelona city, and €651.12 in the rest of the Metropolitan Area. However, the cost of introducing a guaranteed minimum income that covers these needs could be very high (KSNET, 2018), so that it would also be necessary to consider other income thresholds that would at least guarantee that most basic needs, or physiological needs of the population, are covered. According to the estimates presented in table 1, these needs would be covered if an income level of €370 a month was guaranteed, in the case of a home with a single adult (without including housing costs).

The other possibility would be to include expenses such as mobility and communication in the guaranteed income; although they do not determine subsistence, they can be considered as totally necessary in a city like Barcelona. If these expenses are added to the guaranteed income, it rises to €422.67 for Barcelona city and €429.74 for the rest of the Metropolitan Area. This level of income would only be slightly higher than the threshold for severe poverty, corresponding to 40% of the median income. Therefore, if this amount is set as the guaranteed income, then housing, safety, social, love, growth and self-fulfilment needs would have to be covered by other service policies and social benefits.

The needs relating to leisure, free time and education could be covered through public service provision systems. Although many of these are paid services, the introduction of the guaranteed minimum income could be accompanied by a social tariff system for public services which guarantees access to everyone under equal conditions and without

excluding anyone for reasons of income. In this way, all necessary expenses could be covered, so that a family would be able to live decently and take part in the social life of Barcelona city.

4. Criteria for determining the compatibility of the guaranteed minimum income with other subsidies

If a guaranteed income system is introduced into Barcelona city, or if it is introduced by any other administration, then a relevant aspect would be its compatibility with all the other existing benefits, as well as the convenience of eliminating some of those benefits. Specifically, if the aim of introducing a guaranteed minimum income is to guarantee equality among citizens, then the following aspects must be taken into consideration:

4.1. The needs that are supposed to be covered by the guaranteed minimum income. For example, if a level of guaranteed income is established which only covers the most basic needs of food, hygiene and clothing, then determining the available income for each home must take into account the income and subsidies that aim to cover these needs, such as earnings from work, unemployment benefit and the minimum integration income. In other words, if the guaranteed minimum income does not make it possible to cover the needs of expenses relating to education, the calculation of the available income should not take into account possible subsidies allocated for paying education expenses, such as study grants and subsidies.

4.2. The various needs of each individual according to their personal circumstances. It is necessary to consider that ensuring equality between various individuals involves taking into account that their needs may differ according to certain personal circumstances. As mentioned above, ensuring the possibility of achieving minimally acceptable levels of basic capabilities may be associated with different levels of minimally adequate income for different individuals. This is especially true in the case of individuals with disabilities or who live in a more disadvantaged social environment. Therefore, it may be recommendable to allow the subsidies linked to the special needs of certain groups of people to be compatible with the guaranteed minimum income, in order to ensure the same level of basic capabilities. Another alternative would be to establish various levels of guaranteed income depending on the specific needs of each group, but this option may make management more difficult, as it would be a more significant change to the current situation, in which there are already various subsidies that aim to cover more specific needs.

4.3. The extent to which being a guaranteed minimum income recipient may affect someone's right to other subsidies or benefits. For example, if the guaranteed minimum income is above the limit established for receiving subsidies allocated for paying

supplies, housing or education, a person's right to receive those benefits might be lost. In the case of these interactions occurring between the various subsidies and benefits, it might not be profitable for families to gain access to the guaranteed minimum income benefit, or situations of inequality may arise, both horizontal (e.g. where people with the same level of income and needs receive different benefits due to information differences) and vertical (where people with different levels of income relating to their needs end up having different available incomes after the introduction of the guaranteed minimum income).

5. Final reflections

In recent years, an increasing participation of local government has been observed in redistributive policies, in order to respond to the needs of their citizens. In this way, various types of subsidies and social benefits have proliferated, aimed at covering the various basic needs of citizens, which means high management and provision costs, which in some cases may lead to the collapse of their social services. In this context, and in the light of numerous families who continue to live in a situation of poverty, various municipalities, including Barcelona, are considering the possibility of introducing a guaranteed minimum income system.

Therefore, in accordance with the previous discussion, although the theory of fiscal federalism states that the introduction of a guaranteed minimum income system into a local area could cause certain negative effects on the tax collecting of its administrations and on the social segregation of its population, while also leading to an insufficient level of redistribution, it is unclear as to whether these effects would be produced in practice, due to moving costs and job market conditions. Furthermore, these problems could be minimal if this guaranteed minimum income system were introduced at an inter-municipal governmental level, or coordinated between the municipalities of a particular functional geographical area.

In the case of progress towards the introduction of a guaranteed minimum income that is coordinated among various municipalities, it would be possible to establish certain solidarity mechanisms among them, so that the fiscal effort that needs to be made by each one in order to finance the policy would not differ substantially due to differences in their levels of needs or fiscal capacity (KSNET, 2018). Higher levels of government could also contribute to the funding of this policy, even though it is developed at a local level. It must be considered that the cost of introducing a redistributive policy of this kind could be very high, and could represent a very high fiscal strain for certain municipalities. Although it is possible that it would also give rise to major savings in other benefits that would no longer be necessary, or due to lower management costs as a consequence of a simpler benefits

map, it would be convenient for other levels of government to also contribute to the funding of this policy.

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March 2019

Key words: Fons 0-16, social
emergency financial assistance, BCN
0-17 Observatory, children

The subjective impact of the Barcelona scheme Fons 0-16 on the lives of children and adolescents and their families

Miryam Navarro¹⁰⁶ and Maria Truñó¹⁰⁷

"Whoever came up with this idea is a genius because it helps us a lot.
"Fatima, a single mother with four children aged 18, 12, 6 and 3
(the youngest has diabetes)¹⁰⁸

The article synthesises the preview of results from ethnographic research to gauge the subjective effects of 0-16 Emergency Fund grants on the lives of young children, teenagers and their families. The study, which is intended to complement the quantitative evaluations of the fund carried out by Ivàlua, takes a more detailed look at the perceptions, uses, ratings, and positive and negative experiences from three perspectives: those of the children themselves, of adult family members and of social services professionals. Five preliminary ideas are set out on the subjective impact of the 0-16 Fund, linked to the improvement in the family atmosphere and less stress on relationships; the normalisation of living patterns and experiences; the empowerment of families in terms of managing household finances; uncertainty and limits relating to the grants; and dignity and the shift in outlook from charity to right.

Introduction

This is a preview of the research¹⁰⁹ started in March 2018 by the Institut Infància i Adolescència in Barcelona (Institute of Childhood and Adolescence - IIAB) as part of BCN 0-17 Observatory: vides i drets de la infància i l'adolescència a la ciutat (BCN 0-17 Observatory: the lives and rights of children and adolescents in the city); a programme organised by Barcelona City Council's Area of Social Rights. Since 2015, Barcelona City Council has awarded social emergency financial assistance to vulnerable families with children under 16 years of age to cover the basic living expenses of the children and

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107. Graduated in political science and is director of the Institut Infància i Adolescència in Barcelona.

108. All the names in the testimonials have been changed.

109. The complete report on this research is expected to be available at the start of 2019 at www.institutinfancia.cat.

adolescents. The qualitative research we are conducting focuses on gathering information on the subjective impact this extraordinary aid fund (from now on, Fons 0-16) has on children and adolescents and their families, as well as specifically proposing three objectives:

- To gain a deeper understanding of the uses, needs, positive or negative experiences and possible barriers to Fons 0-16 in the daily lives of the child and adolescent recipients and their families.
- To identify the perception of improvement in their well-being in a material and relational sense, incorporating the perspectives of the children themselves as essential informants, as well as the adults in their families and the professionals working at the Institut Municipal de Serveis Socials (IMSS).
- To formulate specific improvement proposals to guide child-related spending policy in future calls or other social services based on the evidence generated about the impact of Fons 0-16.

This qualitative assessment, using ethnographic techniques taken from applied social and cultural anthropology, complements the work to date of Ivàlua¹¹⁰, which focuses on different aspects and methodologies. Specifically, the most recent report notes the need to complement assessment with analysis of the effects of financial assistance on children's consumption and well-being. Until this point, families had not been directly asked about the perceived impact, nor had data been included as recounted by the children themselves. The field work we are conducting focuses on in-depth case studies and includes observation, focus groups with professionals and interviews using diverse techniques with adults, children and adolescents from the families. We can therefore share this preview of the results and allow the voices of the IMSS professionals and the mothers and fathers to recount their perceptions of Fons 0-16 and the impact it has on their children's well-being. With that in mind, the information presented here is not conclusive and is pending an essential part of the analysis: the accounts of the children and adolescents.

1. On the importance of income policy to combat child poverty: the complementary role of the City Council

We know that social inequality is growing and is particularly marked during the strategically vital stage of childhood and adolescence. Beyond the figures in the indicators that measure child poverty and social exclusion and show a slight downward trend in Spain,

110. In this issue of the journal *Barcelona Societat* there is an article on the evaluations of the calls for applicants for Fons 0-16 in 2015 and 2016 carried out by Ivàlua.

Catalonia and Barcelona, we know that we are still behind most of Europe when it comes to child well-being and are facing a very serious problem with regard to social structure. The impoverishment of children and adolescents is a breach of their human right to an adequate standard of living (Art. 27 of the United Nations Convention on the Rights of the Child). This endangers the future course of their lives (in education, work, health) and takes us further away from social cohesion by intensifying the intergenerational transfer of poverty.

The recent creation of a Commissioner for the Fight Against Child Poverty by the Spanish government demonstrates the magnitude of the problem.

The main underlying causes of poverty affecting children and adolescents are also known: their mothers' and fathers' insecure employment situation, the cost of housing (particularly in the city of Barcelona, where over 40% of families with children spend more on housing than the United Nations considers to be affordable), as well as the historic lack of investment of public money in children and social protection policies for their families: while the EU-28 spend 2.4% of GDP on this area, Spain only invests 1.3% and Catalonia 0.8%. The range of financial benefits provided by the administration continues to be low compared to our fellow Europeans and at the same time has little effect on reducing the level of poverty for citizens between 0 and 17 years of age (something which has been achieved for the over-65s through pensions). Most European countries (21 of the 28) provide universal benefits per child and with greater power to reduce monetary poverty.

Here, unfortunately, we have not managed to develop children's policies with broad public support systems, such as income policies to ensure families with children have sufficient resources to ensure their children live and grow up in a healthy and dignified way. We are still immersed in a more family-orientated model and way of thinking in which the prevailing idea is that families bring children up privately as best they can. This means that investment and the role played by the Spanish and Catalan governments is much smaller than would be socially desirable and strategic. This is how things are, despite all the research and evidence showing that investment in childhood is an early intervention with a high social return, and despite all the recommendations on its importance, from United Nations Committee on the Rights of the Child "Concluding observations in Spain" (CRC/C/ESP/CO/5-6) to the European Commission (Investing in children: breaking the cycle of inequality, 2013/112/UE), also including the report by the Catalan Ombudsman, the Síndic de Greuges de Catalunya (2012 report on child poverty and annual reports on the situation of children's rights), to many social bodies in Spain and Catalonia (UNICEF, Save the Children, Third Sector Round Table, PINCAT, FEDAIA...) and Municipal Council for Social Welfare in Barcelona.

Against this backdrop, can anything be done? At first glance, and in terms of competences, the answer may seem to be no, but in 2015 Barcelona activated a measure to complement the insufficient measures implemented by higher levels of government¹¹¹. It takes into account the principle of the best interests of children in decision-making (and when assigning resources) and recognises the child as a subject of law. So, since the first version of Fons 0-16, its implementation and coverage has continued to improve: the first version in 2015 provided assistance to 7,500 children (and investment of 9.2 million euros), two years later it reached 17,500 boys and girls in the city (with investment of 17 million euros, excluding the associated subsidised school meals programme).

2. On the research-based approach and the essential perspective of children and adolescents

Social sciences can offer knowledge to shape and drive improvement policies by portraying the reality of the people involved or affected. This is an in-depth case study based on qualitative social anthropology research techniques using a significant and heterogeneous sample. Within the time limitations of the study, it was decided to create relationships of trust and respect between the interviewer and participant, who was interviewed on several occasions, and to allow space for whatever emerged from these conversations and whatever the informants felt was important to explain, rather than only paying attention to the data the research was intended to collect. This research defends a non-extractivist relationship with informants, given that we consider them to be relational subjects rather than *objects of research*.

In this way, the study is based on observation, inclusive engagement (in this case the researcher is also someone who applied for financial assistance) and the contributions of informants (professionals, adults from the families, children and adolescents). The area covered by the study is Ciutat Vella, the district with the highest number of recipients of Fons 0-16 after Nou Barris, which was excluded as it was part of the pilot for the B-MINCOME income scheme, and it was believed this could interfere with data collection.

Entry to the field was facilitated by the IMSS through the social services centres in the Ciutat Vella. Social services professionals invited 10 families to participate in the study. The mothers or fathers who accepted were then asked if their sons and daughters over 6 years of age would like to take part in the research and give their opinions. Families were

111. The roll-out of the Guaranteed Citizen's Income (RGC) in Catalonia at the end of 2017 could bring important changes to the benefits landscape and actions to reduce child poverty, although the Ombudsman has warned that the RGC may be limited in this respect as it does not give children subjective rights nor does it discriminate sufficiently in favour of families with children, or vary the amount awarded depending on whether or not they are young children.

selected according to the composition of the household, the number of children, the children's nationality and the length of time they had been receiving Fons, whilst trying to maintain a certain balance between the ages (0-11 and 12-16) and sex of the children. Between 10 and 20 children and adolescents are expected to take part, 10 adults from the families (3 receiving benefits in 2018 for the first time and 7 who were already recipients), and 12 professionals from the IMSS (educators and social workers).

The diversity of the informants provides us with a second level of information based on their direct relationships, and a third level related to what they say about their social or professional environment. In their statements they explain what happens in other families in a similar situation around them: *"All us mothers at school with the card are the same"*. Or else they highlight some isolated anomalies in the use of Fons 0-16 that they have noticed in their neighbourhood.

We chose a research technique for each sample group suited to their particular conditions. A focus group was conducted with professionals from the IMSS, and individual interviews carried out with the mothers and fathers. A specific approach will be used with the children involving observation and interview, which varies according to their age. The aim of triangulating the techniques and diversity of the sample population was to be thorough in how information was obtained, leaving room for each informant to act and make decisions.

3. Five preliminary ideas on the subjective impact of Fons 0-16 on children and adolescents and their families: the voices of adults in the household and the voices of the professionals

As preliminary results of this field work study, we can present 7 important ideas that have arisen from the plurality of the adult voices in the families, and the professionals, and some significant testimonials.

3.1. The family environment: growing up in a less stressful environment

There are many economic, social and personal reasons why people may find themselves in a vulnerable situation and cycles of financial insecurity that often lead to emotional distress and instability, anxiety and low self-esteem. In these circumstances, the experience of opportunity that Fons can provide is perceived as valuable.

"Fons has been a breath of fresh air in my life." Aine, mother of Lila (9 years old)

Fons 0-16 plays a role in reducing the stress people experience trying to meet their living expenses and ensure essential items are provided. The consequent effects on the family environment are clearly seen in the lighter mood of the adults in the household and this has a direct effect on the child's emotional well-being. The mothers and fathers

interviewed stated the positive impact of Fons 0-16 on their lives and the lives of their children, as there was less tension in the family environment due to the financial assistance provided to cover costs such as housing, food, school and leisure, which are higher due to having children.

“I get €300 unemployment benefit, but the rent is €500, and it’s not just the rent, there’s the electricity, water, my daughter, after-school clubs, food. Because you’ve got to feed a child on €300 a month. I mean, if you’re on your own you can eat a lot of rice...” Aine, mother of Lila (9 years old)

All the informants stated that the arrival of Fons gave them peace of mind, and that it is a key benefit to complement and help them manage other benefits. They affirmed that they are less stressed, less aggressive and this shows in their emotional well-being. The reduced financial burden on the family allows them to focus on their children’s other needs, which are emotional rather than economic.

3.2. Towards the “normalisation” of life experiences and cycles

A first element of normalisation that was particularly highlighted and declared as positive by all the adult informants was the automatic granting of financial assistance to pay for free school meals, which covers this service five days a week throughout the school year. As the professionals stated, this is not only about eating well and nutrition, it is also a socialising space that is protected and “normalising”. Some adults in the families stated that it would make sense if the only element of Fons 0-16 that remained was the systematic granting of financial assistance for free school meals, as the scheme ensures a key childhood need is met. They also greatly appreciated the liberation from administrative procedures and how easy it was to submit the required paperwork to receive the assistance and the grant.

Besides this, proper use of Fons 0-16 prevents the need to apply for one-off assistance for school materials, activities and excursions, and avoids children being excluded and discriminated against in relation to their peers. The professionals stated that they raise awareness among families, and make it clear that this money has to be used for these expenses. One very important issue, whether due to guidance from the professionals or at the families’ own initiative, is that spending on school expenses is prioritised.

“I tell my children to write a letter to the Three Kings. In our house the Kings are coming in August this year. Usually we buy what they need and also let them go and choose something they like, so they feel more like children. When it arrives we all go shopping [laughs]. It’s party-time [laughs]”. Adam, father of Artur (14 years old and autistic), Adrian (12), Alba (8), Asier and Anita (2)

Outside school, mothers and fathers expressed concern about the risk of their children easily falling into cycles and environments of marginalisation and drug addiction. On this issue they are given strategies to reduce the risk by paying attention to their social surroundings and seeking out safe environments and activities related to sport or music as positive and creative ways for children to spend their free time. Although Fons does not directly cover these activities, and many are free or subsidised, it plays an important role in the material and emotional stability of the home due to the normalising potential it offers; the adults highlighted the fact that the money meant their children could have the right clothes and equipment for the activities, which is particularly important for ensuring children feel equal to their peers.

“The fridge is full, and school meals are taken care of. My children feel the same as the others.” Monica, mother of Kim (14), Kira (8) and Karim (6)

Another important aspect of normalisation are the changes in how products that the family needs are accessed and the move from donation to consumption through normalised and normalising channels. This means reducing or stepping out of the cycles of charity or social care. Mothers and fathers stated that Fons 0-16 allows them to stop going to church to get food from the food bank, or to cease getting their clothes second hand from charities such as Càritas.

“For me, the most important thing is that I don’t have to go to the church to ask for food every fortnight, because I used to go to church every fortnight to ask for food! I did that for two years. Do you know what it’s like queuing there with your trolley? You have to go two hours early because there are long lines of trolleys, and I sometimes took my daughter, I had to. For me that’s been just the best!.” Aine, mother of Lila (9 years old)

3.3. Empowering families to act as families: increased skills to manage domestic finances

One aspect to highlight is the ability to plan and strategise how “the card”, as they call it, is managed. The data indicates that families have a clear economic strategy, and that Fons 0-16 is key to fulfilling it. The professionals reported the same by stating that Fons 0-16 empowers families to independently manage and make decisions about their consumption despite insecure family finances.

“I do a large food shop, I freeze meat, I freeze fish, I freeze everything, you know? Then that’s all taken care of. The next month I only have to buy fruit, vegetables and so I spend less on food. I spend money on shoes and glasses. That’s OK. If I spend 200, then the next month I spent 125 and keep the rest for September to

pay the enrolment fee. See what I mean? I'm always budgeting and keeping a bit back." Tanit, mother of Zoe (9 years old)

Social services professionals also see this as a valuable opportunity for parents to take responsibility for their own domestic affairs and to start by recognising their abilities in tasks involved in managing the family finances relating to their children. Both families and professionals agree that Fons 0-16 enables smaller separate one-off benefits and the paperwork they incur to cease by not only simplifying the procedures but also creating more opportunities for financial planning.

That said, while some professionals defend the importance of complete freedom to self-manage the benefit with no interference, to trust and not judge the family's spending criteria, others question the fact that receiving Fons 0-16 is not conditional on any work programme being agreed with the family, as they believe this makes it difficult to work towards objectives that impact the lives of children and adolescents and that, in some cases, more could be done to improve how the family's income is managed. In any case, informants stated they were only aware of the money being misused due to lack of supervision in exceptional cases.

"I know some people who don't use it properly, but that always happens. Most people are like me and do what we all do, buy food, clothes and pay for school." Monica, mother of Ben (12), Sara (9) and Pablo (6)

This aside, all the mothers and fathers interviewed made it clear they wanted to improve the lives of their family and help their children progress.

"We don't earn much working part time and I'm broke anyway. I have to ask for housing benefit anyway. I have to ask for benefits all the time anyway. I thought 'I've got to do something to stop this', because I don't want to be like this for seven years, earning this much, asking for benefits, I really don't want that. I can't go on like this. I mean, I want to get on with my life and move forward, you know?." Tanit, mother of Zoe (9 years old)

3.4. Uncertainties and limitations of Fons 0-16

One question that has arisen is whether Fons benefits the entire family unit or only the children and adolescents. Some professionals see it as an issue that, despite the intended recipients of the benefit being the children, there is no ability to restrict how it is used. The mothers and fathers, on the other hand, believe that if the family is okay then it does not need to go exclusively towards the children, although they may continue to be the main beneficiaries. Moreover, the informants claim that they prioritise the children, that they

need different things at different ages, but that, at the end of the day, the household finances are shared.

“If we are okay at home, then my son is okay, and they need different things, you know? The 8 year old asks for different things to the 14 year old.” Monica, mother of Ben (12), Sara (9) and Pablo (6)

The professionals and the families all experience uncertainty surrounding the dates and time-scale of the call and the awarding of the benefit. Mothers and fathers expressed anxiety as they cannot organise their time and are obliged to live “day-to-day” and find alternative solutions to their needs and emergencies. The limited time-scale and lack of continuity have given rise to the suggestion of 12-month payments that can be requested throughout the year. The speed of the administrative processes has an impact on domestic finances and families usually wait for the money to arrive before buying everything for the school year. In contrast, however, the observation, inclusive engagement and interviews all proved how easy it is to apply for the benefit, and highlighted the professionals’ involvement in making it accessible and easy.

Finally, mothers and fathers tabled several suggestions for improving the scheme relating to certain criteria to access Fons 0-16. These were extending it to children up to 18 years of age and including health issues and medicines for children with specific needs not covered by the health portfolio.

“Between 16 and 18 is when children have the highest expenses, particularly if they continue in secondary education.” Fatima, a single mother with four children aged 18, 12, 6 and 3 years old (the youngest has diabetes)¹¹²

3.5. Benefits and dignity: a shift in perspective from charity to a right

Whilst some professionals have voiced their doubts in this regard, many believe that Fons 0-16 is a step away from a charitable and welfare-based perspective of separate one-off benefits (for glasses, school materials, etc.) towards a right to receive financial support in circumstances when household income is insufficient to ensure the needs of children and adolescents are met. The families interviewed have also internalised this view and this was reflected in what they said.

“I didn't find Fons, Fons found me. My social worker was the one who suggested it. There are lists of people at risk, and I got a letter sent to my house.” Aine, mother of Lila (9 years old)

¹¹². All the names in the testimonials have been changed.

In addition to the accounts given, it should also be noted that ethnographic observations can provide insight into important details that cannot be captured by verbal expression. When meetings took place in houses, they appeared clean and tidy, mothers and fathers were groomed and well-presented with carefully chosen clothes, not to impress the interviewer but rather to appear “as normal as possible”. Their dignity as people and that of their surroundings and their accounts contradict the imagined social notions of what would be “expected” and positions them far from a performativization of poverty.

In the next stage of the research we will verify and go deeper into the analysis and comprehension of the different subjective impacts of Fons 0-16 by including the essential voices of the children and adolescents. It is very probable that some of the ideas presented will be reinforced, others qualified and new ideas may appear. In all likelihood we will once again witness what has clearly emerged from the field work to date: dignity.

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March 2019

**Key words: health, income, poverty,
inequalities**

Health Inequalities According to Poverty and Income

Xavier Bartoll¹¹³³, Katherine Pérez¹¹⁴³ and Carme Borrell¹²¹¹⁵

The availability of material resources is a key determinant of people's health. There is ample evidence of a positive relationship between income and health outcomes. At the same time, the existence of socioeconomic inequalities makes achieving higher health levels for the population as a whole more difficult. Barcelona is no exception in the challenge of reducing socioeconomic health inequalities. Significant differences in the perceived level of physical and mental health achieved depending on material poverty and by income level are shown as a gradient. Having confirmed the continued presence of social exclusion and inequalities on both a local and a transnational scale, policies aimed at the most vulnerable segments of the population are needed. The most universalist policies and those aimed at levelling inequalities due to socioeconomic status also need to be reinforced.

Introduction

The positive relationship between health and income level (the higher the income level, the better the state of health) is well known. It is, however, a decreasing relationship; in other words, after a certain level, increases in income no longer result in a significant improvement in state of health, as in the case of life expectancy (the so-called Preston curve, Preston, 1975). This relationship, which is non-linear and can be observed on an aggregate scale, depends as much on the average income level of the population as on inequality. If inequality is high, increases or transfers in the lowest income brackets result in higher health levels than those perceived in the highest income bands and, overall, a redistribution of resources results in an increase in the average level of health of the population (Rodgers, 1979). There is, therefore, empirical evidence of a negative relationship between income inequality on an aggregate scale and the health of the population. Less egalitarian societies tend to present worse population health indicators, such as more mental health disorders and alcohol and drug addiction, obesity, a lower life expectancy and worse child welfare indicators (Wilkinson and Pickett, 2009). The

113. Barcelona Public Health Agency (ASPB)

114. CIBER Epidemiology and Public Health (CIBERESP).

115. Institute of Biomedical Research (IIB Sant Pau)

countries with the worst health outcomes are the United States and other English-speaking countries with a more liberal political tradition, and the best results are obtained by Scandinavian countries, which have a more egalitarian tradition and a more developed welfare state. In between these are a plurality of experiences with different degrees of inequality, the empirical evidence for which is less conclusive, especially if disaggregated data on an individual scale are taken into account (Lynch *et al.*, 2004; van Doorslaer and Koolman, 2004; Kondo *et al.*, 2009).

Given the hypothesis that it is income level that determines a person's health (absolute income hypothesis), another theory has been suggested according to which health, and above all psychosocial problems such as stress and anxiety (Marmot, 2004), is affected by comparing one's social status with that of other benchmark social groups (relative income hypothesis). What is important in the absolute income hypothesis is the availability of the material resources that condition a broader range of effective life plan opportunities and achievements, while the relative income hypothesis attaches greater importance to support networks and social cohesion. There is certainly strong empirical evidence to support the absolute income hypothesis, in addition to weaker evidence for the relative income hypothesis (Wagstaff and Van Doorslaer, 2000). Either way, what the two hypotheses share is the recognition that society as a whole loses the potential for greater collective well-being when a significant proportion of the population is trapped in situations of poverty or limited resources. Context-related factors in particular affect both the acquisition of healthy habits and the opportunities for development throughout a person's life, and it is especially important to ensure environments that favour development and provide a higher social return from childhood (Galobardes *et al.*, 2006).

This paper explores the unequal distribution of health according to material poverty and income levels for men and women residing in the city of Barcelona, showing how health outcomes worsen in a gradient as financial resources decrease.

Brief Description of the Methodology

The health survey carried out in 2016 (through to May 2017) on a representative sample of the population of Barcelona provides information about the city's socioeconomic situation and state of health. Two indicators were selected to establish state of health with respect to income levels: perceived health and mental health. Citizens were asked about their state of health as they perceived it, with a choice of five responses ranging from excellent to poor. Their answers were then grouped into perceived good health (excellent, very good and good) and perceived poor health (acceptable and poor). Mental health was measured using the *General Health Questionnaire* (GHQ-12), which detects mood disorders and psychosocial problems such as anxiety. This indicator is interpreted as the risk of psychological suffering.

Regarding the poverty and income measures, the survey contains three indicators (among others): material poverty, monthly available individual income and annual available family income. Material poverty was measured using the same instrument as in other European living conditions surveys, based on nine indicators¹¹⁶. The indicators cover the impossibility of having food, clothing and access to housing (four items), social engagement (one item), and the availability of durable goods (four items). If three out of the nine deprivation indicators are met, material poverty is considered to exist. It must be remembered that this indicator refers to households, not just to individuals. Regarding income indicators, surveys often unfortunately record a high number of missing values, so in this case the missing values were imputed based on different socioeconomic variables. Four income categories were used to distribute the population evenly, both for individual monthly income and for annual family income.

To explore health inequalities, the distribution of poor health according to the existence or lack of poverty and for each income category was shown. As a second step, the additional likelihood of suffering worse health outcomes according to the existence of poverty and lower individual and family income, as opposed to not suffering from poverty and being in the highest income bracket, was calculated. These additional odds ratios are shown for men and women, adjusted for age to control for the effect of ageing, and, in the case of family income, for the number of people living in the household (equivalent family income).

Health According to Poverty and Income

22.8% of the women reported poor perceived health, compared to 16.2% of the men. 19.2% of the women and 16.7% of the men were at risk of poor mental health. Regarding socioeconomic status indicators, 13.9% of the men and 17.1% of the women surveyed were in a situation of poverty. The women had worse indicators than the men for all the indicators. Regarding the distribution of individual income, 26.3% of the men and 44.5% of the women had a monthly income of €900 or less. Half the population had an individual monthly income in the range of €1,200 to €1,800 and an annual family income of €18,000 to €30,000, while 23.3% of the men and 10.5% of the women had monthly incomes of more than €1,800. 31.4% of the men and 26.6% of the women had an annual family income of more than €30,000 (table 1)

116. The nine items are: paying without falling into arrears, expenses related to housing (such as mortgage or rent, gas bills or residents association expenses) or to deferred purchases; able to go on holiday for at least one week a year; able to make a meal with meat, chicken or fish (or the vegetarian equivalent) at least once every two days; able to cope with unforeseen expenses; able to afford a telephone (including a mobile phone); able to afford a television; able to afford a washing machine; able to afford a car; able to keep the home at a reasonable temperature.

Table 1. Distribution according to material poverty and income by gender. Barcelona 2016

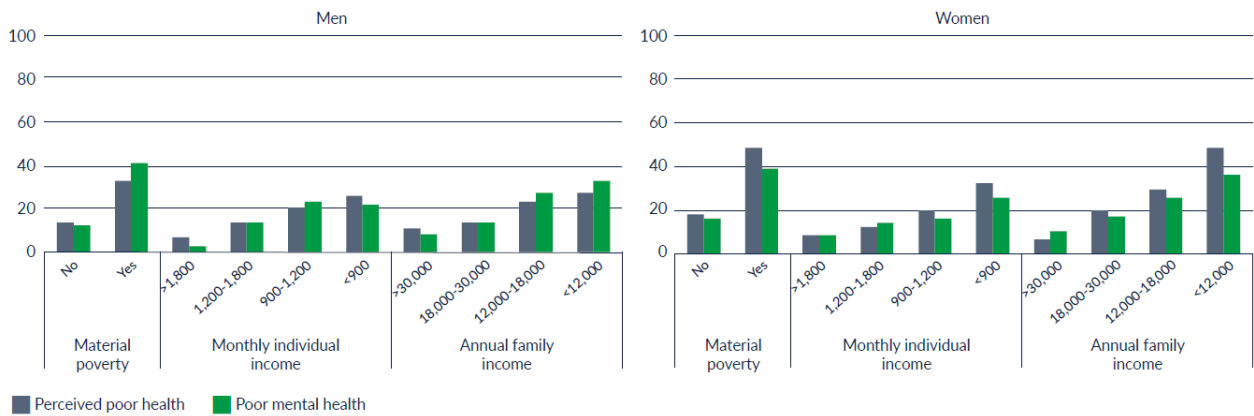
	Men (N=1,586)	Women (N=1,762)
Material poverty		
No	86.1	82.9
Yes	13.9	17.1
Monthly individual income¹		
>1,800	23.3	10.5
1,201-1,800	31.0	23.5
901-1,200	19.4	21.5
<900	26.3	44.5
Annual family income		
>30,000	31.5	26.6
18,001-30,000	36.8	35.2
12,001-18,000	20.9	23.1
<12,000	10.8	15.1

1. Men N=1,429; Women N=1,537

Source: Original. Public Health Survey

Graph 1 shows the distribution of health indicators according to poverty and individual and family income levels. There are differences in all the health indicators when there is poverty and a low economic level. To this effect, perceived poor physical and mental health were reported by 33.1% and 41% of the men in situations of poverty, respectively, as opposed to only 13.4% and 12.5% of the men who were not. The women presented similar differences: 48.4% and 39.4% of the women in situations of poverty perceived poor physical and mental health, compared with only 17.5% and 15.9% of the women who were not. With regard to income, lower percentages of poor health were observed in people with higher incomes, and poor health increased as income decreased. An initial approximation of inequalities according to income can be obtained by subtracting the poor health percentages from the most and least advantaged. These differences were between 18% and 25% for the men and the women, with poor health for the women as the only exception, while the difference for family income was 43%.

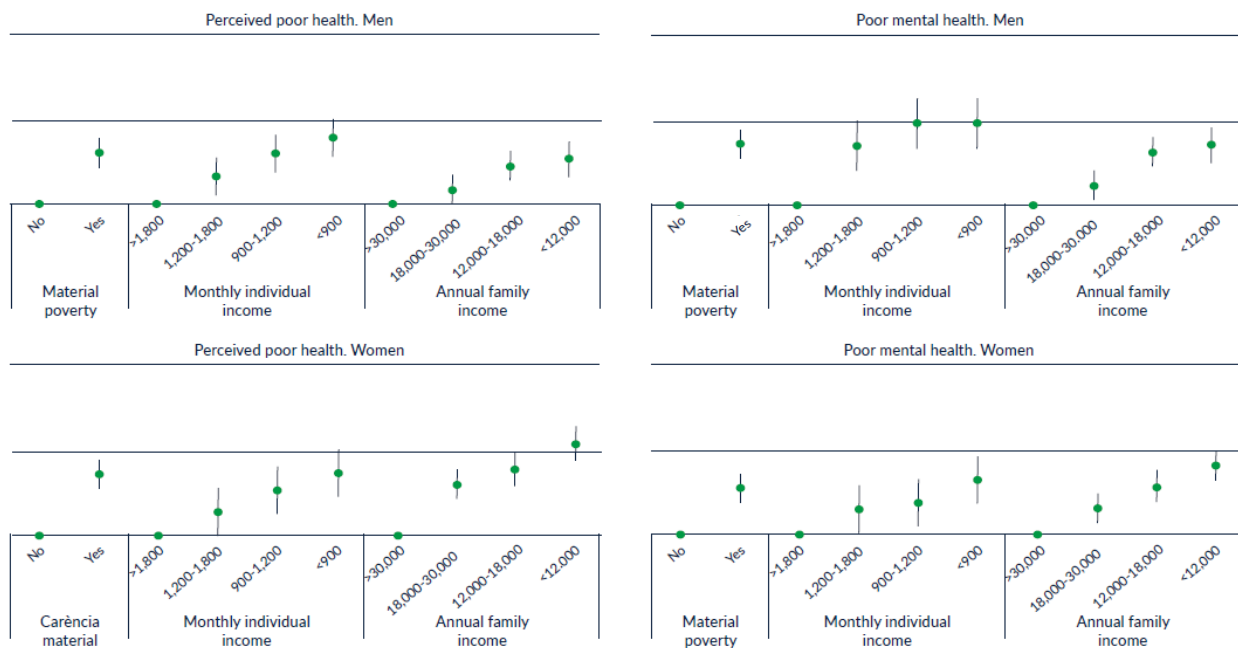
Graph1. Poor health percentages according to material poverty and income by gender. Barcelona 2016



Source: Original. Barcelona Health Survey 2016/17.

For a clearer picture, it must be considered that socioeconomic groups may be comprised of people of different ages, which would explain part of the results. Similarly, the number of people living in a household may be related to the amount of available income per person. Graph 2 is a comparison of poor health according to socioeconomic status after adjusting for these effects. The red dots represent the highest probability of poor health compared with the most advantageous situation (represented on the x-axis).

Graph 2. Likelihood of worse health according to material poverty and income level compared with the most advantaged situation and by gender (odds ratio and 95% confidence intervals). Barcelona 2016



NB: All indicators for family income are adjusted by age and by the number of people in the household. The most advantageous situation superimposed on the x-axis. All the odds ratios are significant with respect to the base category.

Source: Original. Barcelona Health Survey 2016/17.

In this case, the confidence intervals must be added in the calculation to establish whether the differences are significant. All the most disadvantaged socioeconomic categories presented significantly worse indicators than the most advantaged category. For example, the men in situations of material poverty were 4 times more likely to have perceived poor health than the men without material poverty, and the women were 5.9 times more likely. Most of the health indicators produced a gradient where the indicators worsened as socioeconomic status lowered.

It must be remembered that these results only show an association between health and income level, and in no way do they show causation. It should also be remembered that despite being adjusted for age, they represent raw associations and that other factors - such as employment status - may explain the association between income level and health. Neither can we rule out bidirectional effects on causation, such as the fact that people with poorer health find it more difficult to find work, and so on, something that would be relevant for people with any kind of disability.

Conclusion

The results show a significant degree of health inequality for both genders. People in situations of material poverty and those with a low individual or family income are much more likely to suffer from perceived physical and mental health problems. The results also show a gradient: at lower income levels, the likelihood of poor health gradually increases.

The analysis of the association between health and income reveals how the segments of the population with the least resources are a target for public policies, and specifically those relating to health, but so too are people with average income levels. An evaluation of the relationship between health and poverty and income makes sense in the context of the public provision of collective goods. If this is essential in terms of public health, just like air quality and public health in general, a broader view should also consider other goods that may be the subject of public provision or regulation, such as access to housing, healthcare resources, quality education and gainful employment. The Barcelona Public Health Agency (ASPB) monitors socioeconomic inequalities and their evolution. A variety of actions aimed at reducing inequalities are currently being implemented. In particular, within the framework of the 2004 Neighbourhood Law and the 2015 Neighbourhood Plan, actions have been prioritised in 23 neighbourhoods with the worst health and socioeconomic indicators, reinforcing community action in various fields aimed at vulnerable groups (Díez *et al.*, 2012). Another example is how reducing inequalities in life expectancy and psychological suffering, among other health outcomes, form part of the "Strategy for Inclusion and Reducing Social Inequality in Barcelona for 2017-2027", approved a few months ago.

Some programmes aimed at the most disadvantaged segments of the population can have very beneficial short-term effects, but long-term actions must also be planned, as these effects may disappear over time (Osypuk *et al.*, 2014). In all, despite decades of redistributive policies, improvements in the level of educational, and huge advances in technology and the provision of health services, structural inequalities and poverty remain. This phenomenon of persistence is not only local, but is common in varying degrees to the whole of Europe (Spain and some Eastern European countries have the highest poverty rates, in the 20-25% range, which is about half the figure for the Nordic countries). (Jenkins, 2018). Failure to deliver the Europe 2020 goals has led to this latest period 2010-2020 being called the "lost decade" (Atkinson *et al.*, 2017), although the economic crisis has been a contributory factor. In the context of global capitalism, employment policies aimed at increasing employment in low-wage jobs and restricting access to social protection policies, such as unemployment benefit, are hardly beneficial for achieving greater social inclusion. On the other hand, however, there is evidence to suggest that minimum income schemes reduce morbidity (Nelson and Fritzell, 2014).

The large portion of the population with an intermediate socioeconomic status (bearing in mind the low social mobility) can benefit from more widespread, universalist welfare state policies and from "proportional universalism"; in other words, the social groups with the greater needs must benefit most, with the aim of levelling out the social gradient (Davies and Sheriff, 2012). For this intermediate group, which is not the target of specific social inclusion programmes, the analysis of the income-health relationship must be complemented, taking into account the provision of certain public goods including not just education and health services themselves, but also the services that are provided or promoted by the public health system. Smoking remains the main risk factor for morbidity, followed by alcohol and drug use, but being overweight and diet-related problems, in addition to other factors such as air quality, are also relevant. (Soriano *et al.*, 2018). These risk factors are also distributed according to the social gradient pattern. Improvements could also be made to other intangible aspects of the work environment, such as stress levels, the streamlining of time and the possibility of a better work-life balance. A large part of the huge inequality reflected in the social gradient in health can be attributed to work. These downstream policies can be accompanied by upstream policies such as a redistributive policy based on a more effective tax system, in line with the absolute income hypothesis. We must also advance research aimed at identifying the key determinants, the most effective actions and the essential elements to reverse long-term health inequalities.

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March 2019

Key words: earnings, disability, pay gap, Ongoing Sample of Working Lives, inclusion, job placement

The earnings of people with a disability in Barcelona

Dolors Cotrina¹¹⁷, Àlex Costa¹, Sergi Morera¹¹⁸ and Laura Trujillo²

The current pay gap between people with and without a disability in Barcelona is 25%. This article, produced jointly by the Municipal Institute for Persons with Disabilities (IMPD) and the Municipal Data Office (OMD), examines this pay difference based on the statistical source of the Ongoing Sample of Working Lives (MCLV), which potentially provides an annually updated snapshot of the job market of the population of Barcelona. This is the first time the disability pay gap has been examined at this territorial level. Now the IMPD's goal is to monitor this gap annually and develop inclusion policies based on the information it provides.

Inserting people with a disability in the job market is a key factor in their inclusion in the community and is a public policy goal at all levels of government, including the municipal level in the case of Barcelona. However, considerable knowledge gaps remain about the employment of people with a disability. For example, the available employment figures for Catalonia do not allow us to differentiate between recruiting people in the ordinary market and recruiting them in protected environments (special work centres and work enclaves). In the same vein, no previous knowledge exists of the salary structure of people with a disability in large cities.

Given this situation, the Municipal Data Office (OMD) has started working with the IMPD to improve our knowledge of the salary structure of workers with a disability in Barcelona, publishing an initial report in 2016 entitled "The Earnings and Profile of Persons with Disabilities in Barcelona". This is an annual report and this article draws on the data from the 2017 report.

The aim of the OMD's report is to approach ¹¹⁹ the profile of wage earners with a disability in Barcelona, to analyse the variations in their pay depending on their age, sex, educational level and type of labour relationship, and to show differences in pay in the

117. Municipal Data Office (OMD)

118. Municipal Institute for Persons with Disabilities (IMPD).

119. The National Statistics Institute (INE) has similar statistics for Spain as a whole: *The earnings of people with a disability*.

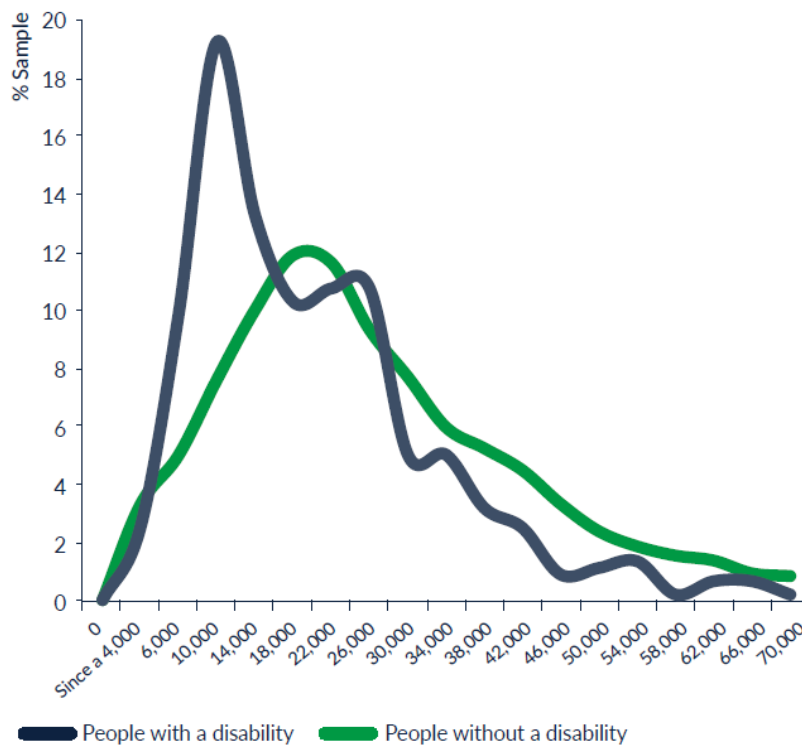
presence or absence of disability; in other words, to quantify the so-called “disability pay gap”. As will be seen later, this gap stands at 25%.

The source of information is the Ongoing Sample of Working Lives (MCVL), a random data survey carried out by the Social Security which the OMD has used in previous studies on job insecurity and entrepreneurship. The data used are a representative sample of all the people who had a relationship with the Social Security in 2017, either through paying into the system or as pensioners. On this occasion the MCVL worked with anonymous information for the city of Barcelona obtained from the Spanish Tax Office Form 190 on which a recognised disability of 33% or more is recorded. This sample potentially provides an annually updated snapshot of the structure of the job market for people with a disability in Barcelona and, therefore, enables the labour market to be analysed for when employment policies are developed.

Main results

- The average earnings of people with a disability in Barcelona was €22,767 a year, 25.2% less than the salary for people with no disability (€30,455). In daily wage terms, the gap is slightly higher (26.3%).
- The distribution of earnings is clearly different when comparing workers with and without a disability. Those with a disability are clearly concentrated in the lower wage bands, with a more marked, asymmetrical and dispersed distribution than that of workers with no disability.

Graph 1. Distribution of average salaries of the population with and without disabilities in Barcelona, 2017



Source: Ongoing Sample of Working Lives (MCVL) in Barcelona, 2017

- While for workers with no disability there is almost gender parity in terms of participation in the labour market, the participation of women with a disability is only 47.1%. The average pay of women with a disability is 20% lower than that of men with a disability (€20,387 and €24,889, respectively). Nonetheless, the disability pay gap is higher for men (27.4%) because the pay of women with no disability (€26,727) is 22% lower than that of men.
- Young people with a disability up to the age of 29 still have minority access to the job market (6.4%, much lower than the 14.2% for the population with no disability). Moreover, their average pay is the lowest of all the categories analysed (€10,615 a year). As can be seen in Table 1, the pay gap is very large in all the age bands, peaking at 38.3% for workers with a disability aged 30-44.

- The last profile variable analysed was educational level, which showed that while the difference in earnings for a level of education below school leaver is 6.5%, this difference shoots up for people with a Secondary School Certificate (25.7%) or a post-secondary or higher level of education (13.2%).

Table 1. Pay gap by worker profile: gender, age and educational level in Barcelona, 2017

		With a disability	With no disability	Gap (%)
Gender	Women	20,387	26,727	23.7
	Men	24,889	34,267	27.4
Age Group	Up to 29 years old	10,615	16,800	36.8
	30 to 44	18,217	29,549	38.3
	45 years old and over	25,654	35,946	28.6
Level of education	Below Secondary School Certificate	15,943	17,049	6.5
	Secondary School Certificate or equivalent	15,391	20,701	25.7
	Post-secondary, equivalent or higher	29,836	34,387	13.2
Average earnings	Barcelona	22,767	30,455	25.2

Source: Ongoing Sample of Working Lives (MCVL) in Barcelona, 2017

- The analysis of the professional categories shows the imbalance people with a disability have in accessing the labour market. For example, 62% of workers with a disability are found in the administrative assistant and similar categories, compared to 42.6% of the wage earners with no disability. Average earnings for this category are 15.2% lower, and 8.1% lower for higher categories.
- According to the sample analysed, the biggest companies are the ones that recruit more people with a disability¹²⁰: 46.1% of wage earners with a disability are recruited by companies with over 200 workers, while this percentage drops to 38.8% for workers with no disability. Earnings in these companies are also higher (€25,897 a year), while in small and medium-sized businesses the average is €18,898, and in businesses with 50 or more workers the average is €20,981.
- With regard to economic sectors, 51.7% of wage earners with a disability are employed by public administrations and mixed provision services (education, health and social services) or personal services, while this percentage falls to 29.3% for people with no disability. Earnings in the public administration, commerce and professional sectors are about €21,658 a year. The industry and construction sector has few workers with a disability (only 9.3%) but their wages are higher (€34,422 a year).

120. For companies with a workforce of 50 or more, current legislation requires that 2% are people with a disability. They may be recruited directly or by means of a contract between a collaborating company and a Special Work Centre (CET) to carry out work and services (Royal Decree 290/2004 of 20 February).

Table 2. Average earnings by size of the work place and activity sector in Barcelona, 2017.

		With a disability	With no disability	Gap (%)
Size of the work place	1 to 49	18,898	24,650	23.3
	50 to 199	20,981	33,070	36.6
	200 and over	25,897	35,160	26.3
Activity sector	Industry and Construction	34,422	36,400	5.4
	Commerce, Hotel and Catering, Transport, Information and Communication	23,075	28,343	18.6
	Professional, Technical and Financial	19,151	31,744	39.7
	Public Administration, Education, Health, Social and Personal Services	21,658	29,511	26.6
Average earnings	Barcelona	22,767	30,455	25.2

Source: Ongoing Sample of Working Lives (MCVL) in Barcelona, 2017

- Last, the data provided by the Municipal Data Office also illustrate the pay gaps depending on the degree of disability: €23,481 per year for workers with a disability in the 33%-64% range and €19,481 for a disability of 65% or more (although in these groups there are few examples in the 2017 sample).

Conclusions

The analysis of the 2017 MCVL enabled us to make an initial quantification of the pay gap of people with a disability in Barcelona who were active in the job market in 2017. This pay gap widens when other variables are analysed such as gender, age and educational level, which will surely have to be considered in the coming years to facilitate progress in exercising the right to work under equal conditions, a right that is recognised in the United Nations Convention on the Rights of Persons with Disabilities.

Knowledge of the real situation regarding the work done by people with a disability should enable us to fine-tune public policies designed to get people with disabilities into work, a task carried out by specialised teams such as the IMPD's Work Advisory Team and the organisations that participate in the Barcelona Job Placement Network, with the aim of making the job market more inclusive.

Experiencies



March 2019

Key words: Minimum income guarantee, social exclusion, field experiment, social welfare, income support, basic income.

Experimenting with Income Support in the Netherlands: Utrecht

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Numerous governments and private initiatives are currently planning or have recently begun to experiment with new forms of income support, sometimes similar to or at least inspired by the concept of basic income. The B-MINCOME project in Barcelona, which was launched at the end of 2017, is one example. Our article concerns the study ‘Weten wat werkt’ (English: What works), which is currently taking place in Utrecht and is one of six independent municipal experiments on income support in the Netherlands. As the research is still running at the time of writing this article, unfortunately we cannot focus on results. Instead, we will elaborate on how the experiment came into being, describe the experimental design, and compare what is happening in Utrecht to other ongoing experiments around the world.

1. The Dutch Experiments

In the fall of 2017 the City of Barcelona and its partners celebrated the launch of B-MINCOME, an ambitious project to tackle poverty and social exclusion in deprived urban areas of Barcelona. B-MINCOME combines a guaranteed minimum income and active social policies targeted at low-income households. During the two-year trial several types of income support and activation policies will be tested in an experimental setting. Barcelona therewith joins the club of numerous governments and private initiatives that are currently planning or have recently begun to experiment with new forms of income support, sometimes similar to or at least inspired by the concept of Basic income.

Other examples are the Dutch municipal experiments on income support, sometimes also referred to as *Trust Experiments* or *Dutch Basic Income Experiments*. In the Netherlands, dissatisfaction with the current social welfare scheme has led at least six Dutch cities to test out new ways of delivering income support to its citizens. They include the City of Utrecht, where the study goes by the name ‘Weten wat werkt’ (English: What works) and includes more than 700 current recipients of public income support. For the duration of the experiment reintegration duties and welfare sanctions tied to income support will be eliminated to make room for more autonomy. Other innovative aspects include a more tailor-made approach in supporting welfare recipients and increasing financial incentives to

take up paid work. Trials in the other five cities follow a similar set-up and will likewise be evaluated in terms of fostering labour market reintegration and societal participation, as well as by looking at the effect on participants' health, well-being and financial situation. With this article we aim to introduce the Utrecht experiment as well as the policy and institutional context in which it takes place to a broader and international audience.

The remainder of this article is structured as follows. We start with a brief policy background in Section 2 to explain how the current Dutch income support system works. In Section 3, we will trace back the history of the Dutch experiments and elaborate on the main factors that contributed to their emergence. Section 4 focuses on the theoretical underpinnings of the experiments, whereas Section 5 introduces our experimental design and the outcome indicators we will focus on. In Section 6 we discuss the differences and similarities between our study and four similar income support studies around the world. Section 7 concludes and elaborates on the further prospects of the study.

2. Policy Background: Income Support in the Netherlands

To understand the nature of the Utrecht experiment and explain the emergence of similar experiments across the Netherlands it is instructive to briefly introduce the institutional setting of providing income support in the Netherlands. In the Netherlands, income support is set up as a Minimum Income Guarantee (MIG) scheme. In other parts of the world such schemes are also known by the names *social assistance*, *social welfare* or *social safety net*. We use these terms interchangeably throughout the article. MIG refers to a non-contributory transfer programme that provides a monthly cash transfer to the poorest households identified based on a means and work test¹²¹. The Dutch MIG regulations are extensive and complex, which is why we focus on the most important rules and conditions. Dutch MIG foresees a monthly transfer payment of maximum 1,026 EUR for a single-person household¹²². On top of that, welfare recipients may be eligible for child, housing and healthcare allowances. The policy is designed as a temporary safety net aiming to deliver income support until recipients can provide for their own income again (mostly by finding employment). Accordingly, welfare recipients have to comply with certain rules, such as writing application letters, accepting job offers or following skill-development programmes. Recipients that fail to comply with the rules may be sanctioned by freezing or cutting their monthly payment. Exemptions apply to those who are incapacitated for work or face severe health problems.

121. The transfer programme is referred to as *bijstand* in Dutch.

122. Two-person households receive 1,465 EUR per month. MIG payments are tied to the level of the statutory minimum wage: single-person households receive 70% of the net minimum wage, while two-person households receive 100%.

An important feature of the institutional setting in the Netherlands is that local governments (municipalities and regional councils) are charged with the task of executing the scheme, that is, helping claimants to reintegrate into the labour market. Whereas before 2001 all local expenditures on MIG were reimbursed by the central government, local authorities now receive a budget to provide MIG. The budget (also called reintegration budget) is based on a sophisticated formula taking into account the makeup of the local population. Whereas reintegration budgets are essentially lump sum payments based on objective population parameters, actual expenditures on MIG also depend on local policies, as well as regional economies and labour markets. According to economic theory, this set-up will give local governments an incentive to reduce the caseload of MIG recipients and to better adjust their policies to local conditions. Hence, MIG is provided in a fully decentralised setting in which the national government establishes the legal framework and local authorities carry out the scheme. This set-up will prove to be a facilitating force in the recent emergence of the Dutch experiments.

Table 1. Fast facts City of Utrecht

Population (2018)	347,574
Gross Domestic Product/capita (2015)	23,100 EUR (NL: 24,700 EUR)
Gross Domestic Product growth (2017)	3.2% (NL: 3.2%)
Unemployment rate (2017)	4.6% (NL: 4.4%)
MIG recipients (2018)	10,124 households (5.7% of all households)

Table 1 shows that Utrecht (the fourth biggest city in the Netherlands) is performing decently on different socio-economic parameters (also compared to the Dutch average). The share of MIG recipients in Utrecht is comparable to other Dutch cities with more than 100,000 residents. Nonetheless, Utrecht's goal is to further improve its welfare services.

Sources: Statistics Netherlands, Municipality of Utrecht

3. From Idea to Experiment – How It All Started

To understand why local governments in the Netherlands, including the Municipality of Utrecht, decided to launch such experiments we have to go back to early 2015. At that time, the Netherlands reformed its social welfare support under what is called the Participation Act (*Participatiewet*)¹²³. The reform also included a tightening of MIG regulations, imposing stricter rules and making the scheme more conditional. People on

123. For a discussion on how the emergence of the Dutch municipal experiments related to development of the (Dutch) welfare state, see Groot et al. (2018).

welfare now had a stricter duty to accept work and had to be prepared to commute up to three hours for a new job. Municipality councils were also given the power to specify what welfare recipients had to do in return for their benefits. This *quid pro quo* could vary from volunteer work to care work to other “unpaid socially useful activities”. Recipients not complying with the welfare regulations could now be sanctioned (by freezing or cutting benefits) more quickly and severely.

The new law caused some concern among local governments, who were –thanks to decentralisation– instructed to execute the scheme and finance it with their reintegration budget. Some expected that the new approach would prove to be bureaucratic and time-consuming after all. Due to the additional regulations, controls and special exemptions, the complexity of benefit claims would increase, leading to more work for local welfare agencies and their caseworkers. Others were concerned that tightening regulations and threatening claimants with sanctions would create a conflict of interest and stir up distrust between caseworkers and claimants, making it more difficult to work together on people’s reintegration.

However, the 2015 reform also gave room for experimenting with new policies. With the aim of improving welfare policies in place, a special provision (Article 83) had been written into the new law that allowed municipalities to experiment up to two years with social policy innovations. Keen to change the currently reformed system, local governments thankfully embraced this innovation clause and soon started developing their own ideas on how to improve welfare policies and how to put their ideas to the test in practice. Soon more than 40 municipalities had started their own initiatives. While local motivations to start an experiment varied from municipality to municipality, a general dissatisfaction with the 2015 reform runs like a red thread through all local initiatives started during that time (Dent, 2017).

Many municipalities teamed up with their local universities, which were asked to design randomised controlled trials (RCT, also referred to as field experiment). The four municipalities of Utrecht, Groningen, Tilburg, and Wageningen were heading the movement as frontrunners and in mid-2015 they started negotiating with the Ministry of Social Affairs and Employment the terms under which experiments with new rules could take place. It took another two years until the first experiments could finally start. Political conflict between the local governments –which demanded freedom to follow their initial plans– and the national government –seeking to contain the movement– resulted in ongoing negotiations and eventually forced municipalities to redesign or scale-back their

experiments¹²⁴. On the way, many municipalities decided to abandon their plans altogether. By now, experiments making use of the innovation clause in the Participation Act and altering MIG regulations are running in six municipalities (Utrecht, Groningen, Tilburg, Deventer, Wageningen, and Nijmegen; see also section 7). Four other cities (Amsterdam, Apeldoorn, Epe, Oss) are currently planning or conducting experiments with MIG without altering the existing regulation.

4. Why experiment?

After describing the institutional set up that paved the way for the Dutch experiments, we also want to elaborate on the rationale behind the experiments from a theoretical point of view. Or put differently: Why do we –as the researchers involved– think that experimenting with different rules and regulations for MIG is a good idea?

To set out the theoretical foundations of the experiments we have to choose as a starting point the standard economic model of human behaviour. This model portrays humans as rational, perfectly self-controlled and narrowly self-interested decision-makers that optimally trade off the costs and benefits of their actions. Accordingly, the ‘economic human’ (*homo economicus*) attempts to maximise his or her utility (satisfaction experienced from a good) as a consumer and profit as a producer. This image of the human being has proven to be a powerful tool for both economic analysis and policymaking. To date, it remains the benchmark for most economic applications, but also for many policy frameworks, which still rely on information, financial incentives and regulation as the main tools to change human behaviour.

A growing body of evidence from the field of behavioural economics, however, challenges our orthodox view on how humans behave and make decisions. Behavioural economics incorporates psychological insights into economic analysis in an attempt to gain new theoretical insights, better predictions, and more effective policy solutions (Camerer et al., 2004). As opposed to standard economic theory, behavioural economics assumes, for example, that humans (i) have limited cognitive ability to make decisions (bounded rationality), (ii) make choices that are not in their long-term interest (bounded willpower), and (iii) are willing to sacrifice own interests to help others (bounded self-interest) (Mullainathan & Thaler, 2000). Building on these assumptions and acknowledging people’s psychological biases, a growing body of research in behavioural economics suggests new ways to think about policy interventions.

124. In contrast to initial designs, municipalities had to add an experimental group exposed to more intensive treatment by the welfare agency. The amount of money participants were allowed to earn in addition to their benefits in one experimental group also had to be cut back.

From this literature we learn, for instance, that traditional policy instruments such as fines and sanctions can be counterproductive and reduce cooperative or compliant behaviour (Gneezy & Rustichini, 2000), whereas small policy shifts can 'nudge' people into making better decisions and achieve non-forced compliance (Thaler & Sunstein, 2008). We also know that people use simple shortcuts (*heuristics*) when making decisions or that they systematically overvalue the present and undervalue the future, all of which are insights that can and have been used to develop new policy instruments. Coming back to the Dutch experiments, there are in particular three insights from behavioural sciences that we claim to play an important role in social welfare. Those insights have motivated the design of the Dutch municipal experiments and form their theoretical underpinning.

The first insight concerns recent findings on the impact of poverty on people's mind. Research in this relatively new field of study demonstrates that (financial) scarcity and poverty stress reduces people's cognitive resources (Mullainathan & Shafir, 2013). Resources that are needed for an array of information processing tasks, such as planning, focusing, reasoning, prioritising and resisting immediate responses. It seems plausible to assume that welfare claimants are dealing with those detrimental effects of (financial) scarcity. Surviving on low income, welfare recipients have to deal with numerous monetary concerns, like juggling expenses, meeting payment deadlines, or deciding about trade-offs in consumption. They find themselves in a situation in which wrong decisions, however small they may be, can have huge consequences. Assuming that financial scarcity and compliance activities consume large parts of their cognitive resources, little is left for other important and equally cognitively challenging tasks, such as job seeking and sustainable reintegration. Reducing the conditionality of welfare programmes, such as MIG, might alleviate the cognitive burden of recipients and free up resources for other tasks.

The second behavioural insight stems from psychological motivation theories and refers to the observation that extrinsic incentives can crowd out intrinsic motivation (Frey & Jegen, 2001). Self-determination theory suggests that intrinsically motivated people engage in an activity because they find it enjoyable and interesting (Deci & Ryan, 1985). It thereby appears that intrinsic motivation comes with several advantages, such as more effective and persistent behaviour and enhanced well-being and satisfaction. We observe that in many situations extrinsic incentives, such as rewards (positive incentive) or fines (negative incentive), have a counterproductive effect and can undermine intrinsic motivation. Therefore, reducing welfare conditionality and eliminating negative extrinsic incentives (such as sanctions) may foster recipients' internal motivation. Higher internal motivation, in turn, is expected to lead to better behavioural outcomes.

The last insight concerns the prevalence of social preferences or values, such as reciprocity and trust. Reciprocity describes a preference for repaying kindness with

kindness and meanness with meanness, which means that individuals are inclined to reward favours (positive reciprocity), while taking revenge when being harmed (negative reciprocity). We observe reciprocal behaviour in many different contexts. Workers respond to monetary gifts from their employer by working harder (Bellemare & Shearer, 2011). Smiling waitresses manage to collect more tip than their less friendly colleagues (Tidd & Lockard, 1978). Also, approaching people in a positive way is often reciprocated by showing cooperative behaviour. Hostile actions, in turn, are frequently retaliated. Wage cuts, for example, have been shown to increase employee theft rates (Greenberg, 2002). Social welfare schemes, such as MIG, commonly rely on negative incentives such as sanctions and fines to motivate welfare recipients. If recipients have strong preferences for reciprocity, negative incentives might not be the best way to induce cooperative and compliant behaviour.

To sum up, insights from (i) scarcity theory, (ii) psychological motivation theories and (iii) notions of social values and preferences, provide a rationale for experimenting with new rules for MIG. In the next section we will set out the design of the Utrecht experiment specifically and how we intend to evaluate the working of the new rules.

5. Experimental Design and Outcomes

The Utrecht experiment is a cooperation between Utrecht University, the Municipality of Utrecht and the Utrecht labour market region. For the experiment participating welfare recipients have been randomly allocated to four different research groups –one control and three treatment groups– each testing a different approach (see Table 2). The random assignment of participants to research groups makes sure that observed differences across the groups can solely be attributed to the treatment itself. This allows us to draw causal inferences about the effect of the different approaches tested. The three different treatments have been coordinated at national level during negotiations with the Ministry of Social Affairs and Employment. As a consequence, all participating cities experiment with the same treatments or a combination of those. The target group for the experiment consists of all welfare recipients in Utrecht, unless participating was a risk or not possible¹²⁵. In total, more than 700 recipients have signed up to take part in the study, which makes up for around 10% of the targeted population.

125. Recipients under the age of 27 were excluded, for example, as they fall under a different set of rules.

Table 2. Utrecht experiment research groups

Research group	Description
A. Reference group	Random group of claimants who were not invited to participate in the experiment and are therefore subject to the normal welfare regime.
B. Control group: <i>Measuring what works</i>	Claimants who want to participate in the experiment and are allocated to the normal welfare regime.
C. Treatment 1: <i>Getting in action by yourself</i>	Claimants who are exempted from the usual obligations to maintain their benefit, such as applying for jobs or joining reintegration programmes.
D. Treatment 2: <i>Getting in action with extra help</i>	Claimants who are receiving extra support through tailor-made supervision and intensive mediation from the Municipality of Utrecht.
E. Treatment 3: <i>Work pays off</i>	Claimants who are allowed to keep additionally earned income to a larger extent than under current regulations.

Source: Own construction

Research groups A and B have been included as control groups, which means that participants in those groups have to comply with the usual welfare regulations, that is apply for jobs, accept work, participate in active labour market programmes, or perform services in return for their benefits. Noncompliance can lead to benefits being frozen or cut. Participation in the experiment is voluntary, which introduces the danger of selection bias, meaning that results can be skewed because the group of participants is not random. In order to check for potential selection biases, we have included a second control group, the reference group.

In the first treatment condition, group C, we exempt participants from the usual obligations to maintain and thus eliminate benefit sanctions. Participants in this group are thus given freedom of choice and full autonomy when it comes to looking for work or participating in another way. It allows us to test hypotheses on the effect of eliminating hostility and negative extrinsic incentives.

In the second treatment condition, group D, the Municipality of Utrecht will provide participants with extra support compared to the control group. This allows us to test the importance of extra assistance as an incentive to reintegrate into the labour market or participate in another way. Furthermore, we can test if extra support delivered by a team of dedicated professionals will lead to more hostility or to more cooperation.

In the last treatment condition, group E, participants are allowed to keep additionally earned income (to a larger extent than according to the current regulation)¹²⁶. This allows us to test the importance of own income as an incentive to reintegrate into the labour market.

We plan to evaluate how the three different schemes work in a comprehensive manner. Consequently, we are looking at six different types of outcomes. As primary outcome we regard differences in the uptake of paid work (full time and part time). Other outcome variables are recipients' financial situation, societal participation and social activation, participants' health and well-being, participants' satisfaction with the rules, as well as the cost of the different schemes.

To collect data, we use administrative data as well as surveys. Data is collected at three points of time. We started with a pre-treatment measurement, which allows us to establish a baseline measure. Follow-up measurements will take place half-way and at the end of the experiment. The different stages of measurement allow us to keep track of treatment effects over the course of the experiment. In total, the study is scheduled to run for 16 months. Table 3 below sets out the timeline of the experiment.

Table 3. 'Weten wat werkt' experiment timeline

Date	Experiment phase	Measurement
February – May, 2018	Enrolment phase	1. February – May, 2018
1 June, 2018 – 1 October, 2019	Intervention phase	2. January, 2019 3. September, 2019
Starting January 2020	Publication phase	

Source: Own construction

6. Same But Different? / Comparison With Other Studies

As stated in the introduction, various experiments with income support are currently either being planned or already carried out around the world. In this section we describe four studies that in our eyes form the most prominent examples. We will briefly discuss to what extent those experiments share similarities with, or are different to, the experiments in the

¹²⁶. Participants in this group are allowed to keep 50% of their additionally earned income to a maximum of 202EUR per month for the duration of the experiment. The current rules allow for 25% of additionally earned income to a maximum of 202 EUR for a maximum of six months.

Netherlands¹²⁷. For a more extensive comparison we would like to refer to Kate McFarland's (2017) contributions on the website of the Basic Income Earth Network.

1. GiveDirectly's Basic Income Experiment in Kenya.

In November 2017, the American non-profit organisation GiveDirectly launched a Basic income experiment with 300 villages in Kenya (16,000 residents). The 300 villages are randomly assigned to either the control group, in which no cash transfers are given, or to one of three treatment groups, in which all residents receive some form of unconditional cash transfer (either monthly or as a lump-sum payment). The duration of the transfer payment varies, with some villages receiving the transfer for up to 12 years. The outcome variables of interest are: economic status, time use (education, work, community involvement), risk-taking, gender relations and outlook on life. In contrast to the Dutch experiments, GiveDirectly is testing unconditional transfers as a means of delivering development aid. GiveDirectly's transfers are universal (there is no means-test, everyone is eligible) whereas in the Dutch case access to the income support scheme depends on labour market earnings (among other criteria). That is also why the Dutch experiments are limited to those receiving social assistance benefits and not (as one would expect from a true Basic income experiment) the whole population. Similar to the Dutch experiments, however, are the outcomes of interest. Time use (work, education and community involvement) and outlook on life are also among the main outcome variables in the Netherlands.

2. The Basic Income Experiment in Finland.

In January 2017, the Finnish government started a two-year experiment including 2,000 randomly selected persons who at that time received unemployment benefits from the government. During the experiment the 2,000 participants would receive an unconditional monthly cash transfer of 560 EUR. The control group would receive the same payment, however, only upon demonstrating that they comply with welfare regulations (e.g. applying for jobs). Moreover, participants in the control group would lose their benefit when finding paid work, whereas payments in the treatment group would continue. Similar to the Dutch experiments, the target population in Finland consists of current beneficiaries and also in the Netherlands one treatment group is exempted from complying with (most) welfare regulations. Yet, unlike the Finnish payment the Dutch benefit is still means-tested. Besides, at this stage, the focus of the Finnish evaluation lies solely on employment status, whereas Dutch experiments are focusing on a variety of outcomes.

127. This overview concerns the status of the projects at the time of writing this article. We set out the details of those projects according to our best knowledge.

3. Ontario's Basic Income (Guaranteed Minimum Income) Pilot.

In the Ontario pilot participants receive a cash transfer where the amount depends on their income and household status. The payment does not depend, however, on employment status, participation in job-seeking activities, training, or any other compliance activity. Maximum payments per year are 11,340 EUR (16,989 CAD) for single participants and 16,038 EUR (24,027 CAD) for couples. For every dollar of additionally earned income those amounts are reduced by 50 cent. As a consequence, in some instances participants will not receive any payment through the programme, because their incomes are too high. The government of Ontario is aiming to enrol 4,000 participants in its experiment. Unlike the Dutch experiments, the Ontario pilot targets all low-income households and not just welfare recipients. In terms of outcomes, however, both share the objective of investigating effects beyond employment status, e.g. health outcomes.

4. The Barcelona B-MINCOME trial.

For the B-MINCOME trial, which is most likely well-known to the reader, 1,000 low-income households were randomly assigned to one of ten treatment groups (another 1,000 were assigned to the control condition). Participants in the treatment groups receive an unconditional monthly cash transfer; the amount depends on the composition and financial status of the household. Some treatment groups include social activation programmes such as training and education programmes. Focusing on social exclusion, the Barcelona trial, like the Dutch experiments, considers various outcomes such as labour market participation, participation in education programmes, health and well-being. Still, the B-MINCOME trial focuses on low-income households and is not restricted to welfare recipients as it is the case in the Netherlands.

7. Outlook

At the same time this article is being written, field experiments testing new ways of providing income support have been launched in six Dutch cities, among them Utrecht. The start of the experiments marks the first time that local governments in the Netherlands team up with researchers on a large scale in order to test policy innovations in the field. Across the country, more than 3,000 welfare recipients will be taking part. While the exact set-up varies according to local circumstances and motivations, the nature of the treatments and the outcome variables of interest have largely been harmonised across the different cities. This allows for a comparison of the different studies and evaluating outcomes at national level. All studies share the goal of informing policymakers on the working of alternative ways of delivering income support. With all six experiments running until October 2019, final reports are expected to be published in the spring of 2020. At the same time, the Ministry of Social Affairs and Employment and the Dutch parliament will be informed about the outcomes. It is then up to the elected representatives both at local and national level to draw upon the lessons learned.

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Journal on social knowledge and analysis



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de Barcelona

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March 2019

**Key words: inequalities, basic needs,
Municipal Inclusion Support, social-
work inclusion, income policy**

The B-MINCOME project. Municipal innovation on guaranteed minimum incomes and active social policies

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In recent years there has been a growing interest in implementing more effective public policies to improve the living conditions of people in vulnerable situations. To design and implement these policies they need to be backed up with evidence that facilitates well-informed decisions. This need has given rise to B-MINCOME, a pilot project for fighting against poverty and inequality in the city's deprived areas developed by Barcelona City Council. In contrast to other, similar projects based on money transfers (in Finland or the Netherlands, for example), the B-MINCOME project consists in testing the efficiency and effectiveness of combining a cash benefit (Municipal Inclusion Support) with active social-work inclusion policies in the Eix Besòs area. For the purposes of the study, 1,000 households have been selected and divided into different treatment groups and another 1,000 as a control group. The project started at the end of 2017 and is planned to last two years. Once it has finished, the results of the different treatment groups will be contrasted with those of the control group. The conclusions should provide information on which policies are the most effective for ensuring economically vulnerable and socially excluded people improve their situation (economic, educational, emotional, health, state of mind, etc.) and manage to cover their basic needs, while becoming more independent and reducing their dependence on other benefits.

1. Municipal opportunities and limitations: inequality and governance

The Spanish welfare system's capacity for redistribution has always been limited and the 2008 crisis has reduced this even further. While in 2013, the set of fiscal policies and monetary transfers managed to reduce inequality by 3.16 points on the Gini Coefficient; two years later, it only managed to do so by 2.52 points. Above all, this trend is due to structural deficiencies. Firstly, a taxation design which finds it increasingly difficult to reduce primary inequality generated in the market. Secondly, although the redistributive effect of the range of monetary transfers reduces inequality by around 27%, nearly 80% of its aggregated effect is due to retirement and unemployment benefits (Fedea, 2018: 4). Therefore, this shows that the monetary transfer system is excessively concentrated on

contribution-based benefits which, as a whole, limit and render insufficient the other non-contribution-based, welfare and last-resort benefits. In accordance with various research studies conducted in this area (Buendía and Molero Simarro, 2018; Fernández-Albertos and Manzano, 2012), this bias in favour of contribution-based benefits is the result of the excessively dual nature of the social protection system and the job market that tend to compensate certain groups (insiders) at the expense of others (outsiders)¹²⁸.

These structural deficiencies are also due to Spain's multi-level governance design, which reinforces the fragmentation of the social benefits portfolio and generates a very complex, barely-integrated design (Arriba, 2014), characterised by a lack of coordination, solidarity and subsidiarity between Central Government, autonomous communities and city councils (Ayala, 2018). Therefore, while the former exclusively assumes the range of contribution-based benefits (unemployment and retirement which, as mentioned above, have a greater redistributive capacity), the autonomous and local governments have to fund all other non-contribution-based benefits and the range of welfare allowances, emergency aid and last-resort benefits, which are much more limited, both in terms of their quantity and their redistributive capacity¹²⁹.

Traditional contribution-based state benefits, designed in a context of labour market expansion and the consolidation of the welfare state, have an ever-diminishing capacity to respond to current forms of poverty and widespread insecurity. It is for this reason that

“local bodies, and specifically, their basic social services, become the main point of access and the last level of social protection for the general public, thereby recovering its most caring aspect” (Porcel & Navarro-Varas, 2016: 1). In this scenario, the growing lack of protection encountered by the most vulnerable groups leads to the appearance of multiple emergency subsidies and benefits created *ad hoc* by municipal governments in order to counter the “new forms of urban poverty (Gutiérrez, 2014) and “new social risks” (Rodríguez Cabrero, 2014)¹³⁰.

In the city of Barcelona, inequality has two basic components. On the one hand, the persistence of great swathes of structural poverty, which has never been eradicated, even during periods of economic growth, concentrated in the most vulnerable groups (immigrants, people with low educational levels, elderly women, single-parent families, etc.). On the other, a growing dynamic of economic and residential segregation and polarisation in certain urban and metropolitan areas. The progressive occupation of the

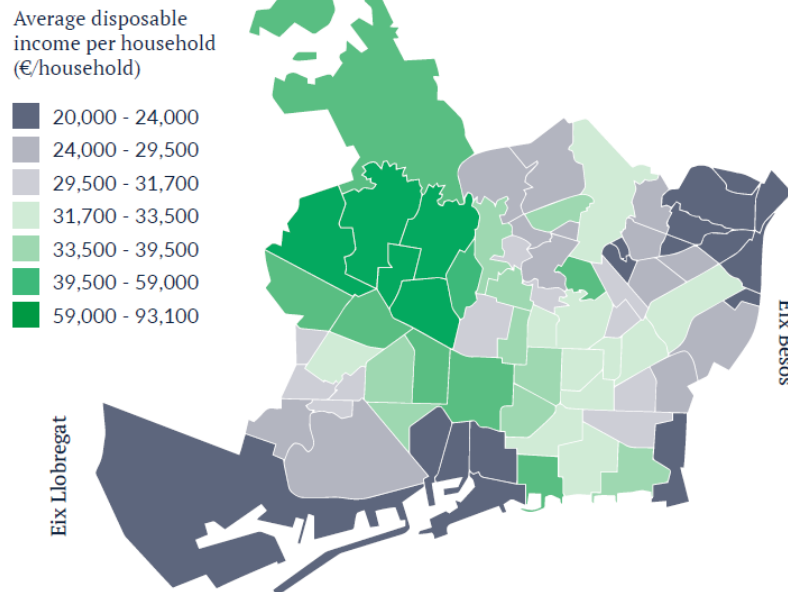
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city's central neighbourhoods by a new population with average and high incomes, leads to the most vulnerable population being pushed out and they end up concentrated on the outskirts of the city and the metropolitan urban sprawl (Porcel, 2016), particularly in the Eix Llobregat and Eix Besòs areas. As shown in Figure 1, while the average disposable income for the city's 73 neighbourhoods in 2014 was around €35,000 a year, it did not rise above €24,000 a year in hardly any of the neighbourhoods in these two areas.

Figure 1. Distribution of the average disposable income per household in Barcelona, 2014



Source: Barcelona City Council. Social Rights. Research and Knowledge Department.

Traditionally, state governments have used employment and work policies to reduce primary inequality. However, these policies and the various minimum incomes have proven to be insufficient for mitigating the growing economic inequality and new forms of poverty (such as the working poor) both on an international scale (Dwyer, 2016; Titmuss, 1958) and in Spain (Ayala, 2000; Ayala, 2018; Fernández, 2013; De la Rica and Gorjón, 2017). Similarly, while the mechanisms available to Central Government are insufficient, municipal governments, such as Barcelona City Council, have even greater limitations. Considering job creation as a municipal priority, the City Council does not have the capacity to create the almost 100,000 jobs needed to eliminate unemployment in the city. For this reason, it is becoming increasingly important to develop alternative or complementary policies to those which are geared exclusively to fostering access to salaried employment as a mechanism for reducing inequality.

There is empirical evidence showing that, in order for people to be able to look for a decent job or adequate training, they need a certain amount of economic security so they are not forced to accept any job they are offered, especially if it is under precarious

conditions or in the underground economy¹³¹. In this framework, a basic income is presented as one of the options for providing this stability, something that would allow its recipients to design their own life plans under better conditions and with more freedom (Casassas, 2018; Laín, 2015; Raventós, 2007). However, beyond the necessary political agreement, Barcelona City Council does not have either the capacity for funding it or the political power to implement it, as it only permitted to offer social emergency or welfare benefits that are complementary or subsidiary to the other state or regional income policies (Bergantiños *et al.*, 2017)¹³².

Given these legal and economic restrictions, Barcelona City Council is trying out new strategies for reducing poverty and inequality, by means of income policies, which include the B-MINCOME pilot project, in the European Urban Innovative Actions (UIA) programme. This project aims to evaluate the effectiveness (in relation to the expected impact) and the efficiency (in relation to its cost) of combining a minimum income with active social and labour market integration policies in a disadvantaged area of Barcelona, the Eix Besòs.¹³³ The project is led by the Area of Social Rights as part of a consortium formed by The Young Foundation, Novact (International Institute for Non-violent Action), Ivàlua (Catalan Institute for Public Policy Assessment), the IGOP-UAB (Institute of Government and Public Policies) and the DAMA group from the Polytechnic University of Catalonia. The overall budget is nearly €17 million, 5 million of which is provided by the UIA programme and 12 by the City Council. The project lasts for 24 months (from October

2017 to September 2019) and over 1,000 vulnerable households living in Eix Besòs are taking part¹³⁴.

The objective of this article is to give a detailed presentation of the B-MINCOME project. The following section explains the characteristics of the participating households and underlines the similarities and differences in relation to households in the city as a whole. The third section focuses on presenting the project's comprehensive, innovative design in two sub-sections: the first, which defines the passive policy —the Municipal Inclusion Support (SMI)—, and the second, which analyses the particular features of active social-employment inclusion policies. The fourth section reflects on the ways in which these active and passive policies are combined, while the fifth section centres on the evaluation

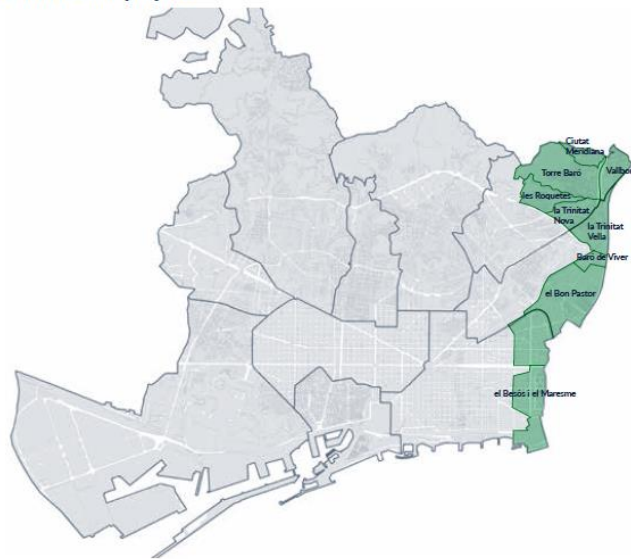
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strategies for these policies and the project as a whole. Finally, the conclusion outlines the project's challenges.

2. Characterising the participating households

The B-MINCOME project is specifically aimed at people in a situation of severe economic vulnerability. In order to demarcate the pilot project, a specific territory in Barcelona with a high concentration of households meeting this profile was identified. The chosen area is a group of ten neighbourhoods that border each other in the districts of Nou Barris, Sant Andreu and Sant Martí, whose populations have similar socio-economic and demographic characteristics. The chosen neighbourhoods make up what is known as the Eix Besòs: Ciutat Meridiana, Vallbona, Torre Baró, Roquetes, Trinitat Nova, Trinitat Vella, Baró de Viver, Verneda - La Pau, Bon Pastor and Besòs-Maresme.

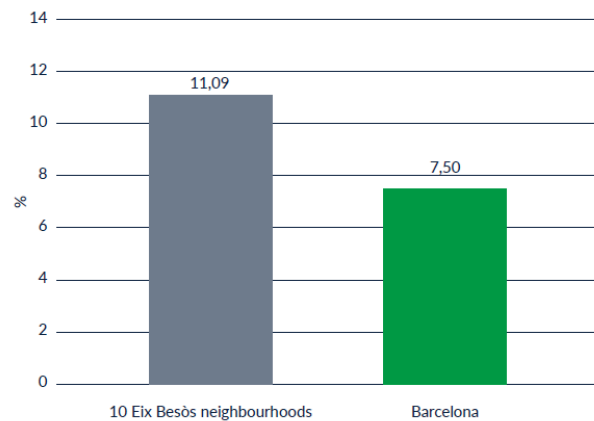
Figure 2. Location of the 10 Eix Besòs neighbourhoods chosen for the B-MINCOME project.



Source: Barcelona City Council. Social Rights. Research and Knowledge Department.

According to Barcelona City Council data, in January 2017, the population of these ten neighbourhoods accounted for 7.05% of the city's total population. This population has some distinctive characteristics. If we take into account their nationality, there is no significant difference between the chosen neighbourhoods and the city as a whole. However, a higher proportion of the population does not have Spanish nationality: 19.3% in the ten chosen neighbourhoods and 17.6% in the city as a whole. There is also a greater concentration of people with disabilities: 10.6% compared to 8.2% for the population of Barcelona. In terms of the *per capita* disposable household income index (AFI)¹³⁵ of the ten chosen neighbourhoods, all of them have a low or very low level of income (nine of the ten neighbourhoods are under 63 points, 100 points being the baseline for the city). This data is correlated with the unemployment rate registered for the population aged 16-64: in the Eix Besòs neighbourhoods unemployment is on average 3% higher than in Barcelona as a whole. This data confirms the appropriateness of selecting these neighbourhoods for the B-MINCOME project, as there is a high concentration of households in a situation of greater economic vulnerability or joblessness.

Graph 1. Percentage of unemployed people aged 16 to 64, for Eix Besòs neighbourhoods and Barcelona, 2017



Source: Barcelona City Council statistics (data for January 2017).

Once the neighbourhoods had been selected, 4,858 households were defined and identified as candidates for participating in the project. 2,524 of them (52%) applied for the project. A randomised draw of these households was carried out, resulting in the selection of the 1,000 households participating in the pilot programme (treatment group) and the 1,000 households in the control group. The initial group was selected from among the people using social services, receiving municipal subsidies or taking part in the Labora programme. According to data provided by the Social Action Information System (SIAS) and by using the inter-operability process, a check was carried out to see which people met the requirements for taking part in B-MINCOME, which are detailed below:

1. **Census-residency:** All members of the household must have been continually registered in Barcelona since 30 June 2015 and they must be residents of one of the ten Eix Besòs neighbourhoods. It is also necessary for them to accept the commitment of effectively residing there without interruptions from 1 October 2017 until September 2019, when the project finishes.
2. **Social Services users:** The applicant, who is the subsidy recipient, has to be a service user with an open case file at a social services centre at the time of the campaign; or to have requested and complied with the requirements for receiving the allowances for children and adolescents aged 0 to 16 in the 2017 campaign; or to be a participant in the Labora programme at the time of the campaign or to have been a participant in the 12 months prior to the campaign; or to be a user of the Social Insertion Service (SIS).

3. Age: At least one member of the household must be aged between 25 and 60 on 31 July 2017. If the applicant is not aged between 25 and 60, the beneficiary will be the oldest person among those registered with social services (or the services established in the previous point).

4. Cohabitation: All the members of the household must effectively live together throughout the project. Demographic or legal changes due to death, separation, divorce, adoption, emancipation, etc., will modify the amount of the subsidy.

5. Acceptance: It is necessary to sign a voluntary acceptance document concerning the conditions for providing the subsidy in the adjudicated modality, including both the financial aid and any active policies that may be assigned; accept the payment of 25% of the subsidy in citizen's currency, and take part in the programme's activities and obligations, in order to monitor its impact.

6. Commitment: It is necessary to sign a commitment document that allows the City Council to obtain socio-economic information about the households in the treatment group and the control group, in order to assess the effects of the project. This monitoring involves taking part in various processes for obtaining the information established in the assessment and accepting indirect, non-invasive monitoring through public-administration data bases under current legislation.

7. Income and assets: Households where the family-unit have personal property worth over four years of the value of the estimated subsidy are excluded. This includes real estate (cadastral value), financial assets (accounts, deposits or financial assets) or sumptuary assets (vehicles worth over €20,000, jewellery, works of art, antiques, etc.) discounting debts and without taking into account the main dwelling and a parking place. If the household members generate additional income from economic activities that are not subject to a work contract during the project, they must sign a commitment to provide information about this.

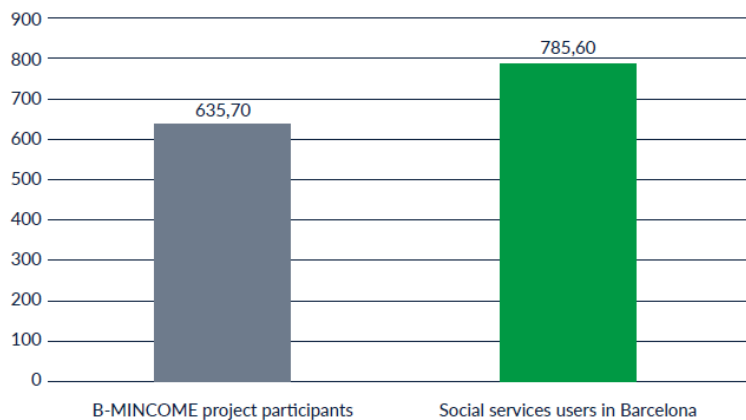
These requirements define the profile of the possible recipient households, which leaves a target population of households with a high level of economic vulnerability and with one household member available to participate in active policies. However, these requirements have been a barrier for some households that applied to take part (51% of the applications were excluded, mostly because they surpassed the established income threshold).

The fact that applicants had to be social services users made it possible to compare their characteristics with the data from the Living Conditions of Social Services Users Survey (ECVUSS), produced in 2015. It was therefore possible to analyse whether the profiles of

the social services users were homogeneous or if they tended to be more, or less, vulnerable. The data shows that among the project participants there is an over-representation of the high or severe vulnerability profiles. According to ECVUSS data, among the most vulnerable population in Barcelona, 17.1% own their property outright, with no outstanding payments, while 5.3% live in the property free of charge. By contrast, among the households participating in the B-MINCOME project, these figures are substantially lower, at nearly 7.9% and 4.7% respectively.

The average number of household members in the project is 4 people, while in the ECVUSS survey it is 2.6. In other words, in ECVUSS, 26.8% of the households have 4 or more members, while this figure is 63% for the project households. According to ECVUSS, the average income of social services users is €785.6 a month, while the average income in the B-MINCOME households is €635.7. 1.9% of the households in the ECVUSS declare that they have no income, while 26% have a monthly income of over €1,000. By contrast, the B-MINCOME households show a greater economic vulnerability, as 6.4% of them declare they have no income, while only 23.8% have over €1,000 a month.

Graph 2. Average monthly income for social services users in Barcelona and for B-MINCOME project participants



Source: Living Conditions of Social Services Users Survey and data for B-MINCOME project participants

In summary, the data shows that there is an over-representation of the city's most vulnerable population in the B-MINCOME project, taking into account that the participating households have a higher number of members, lower incomes and that household expenses signify a higher cost.

3. Innovative comprehensive design: the combination of active and passive policies

The B-MINCOME project's design is ambitious and complex. Unlike income projects such as those in Finland or Utrecht (Netherlands), the Barcelona pilot project includes a *passive* policy (a monetary transfer) and various *active* policies (social and labour market insertion). Altogether, this represents an innovative plan that attempts to go beyond partial—non-comprehensive—public-policy approaches that aim to combat poverty situations, which are distributed unequally in the territory. At least one dilemma arises from this scenario: in order to reverse this situation, what should public intervention focus on? On the individual—and their household—, or on their areas of residence; neighbourhoods that have physical and social conditions that are in equally deteriorated conditions?

Policies that were originally well-intended can lead to unwanted consequences or external effects that shift them away from the objectives they were designed for. There have been policies focused on improving facilities, services and public areas in a certain neighbourhood, resulting in that neighbourhood increasing in value, with higher housing prices and the expulsion of local residents due to the influx of others with higher levels of income. There have also been policies focused on improving the living conditions of people in a vulnerable situation—by increasing their human capital and level of income—which have led to those people improving their situation and deciding to move to other urban areas with higher levels of well-being. This means that the original neighbourhood still has the most vulnerable population, thereby increasing territorial and economic segregation and polarisation.

The B-MINCOME project aims to reduce poverty and inequality while avoiding these kinds of negative consequences. For this reason, the project design has a more comprehensive perspective: it combines a passive policy (in the form of an economic benefit) and four active policies. Therefore, overall, the project aims to invest in the people (through an individual approach) and in their communities and local areas, which are the ultimate beneficiaries of activities associated with active policies.

3.1. Towards a new income policy: the Municipal Inclusion Support

The first cornerstone of the project's architecture is a monetary benefit in the form of the Municipal Inclusion Support (SMI). The SMI is a social-emergency economic subsidy for the household as a whole, which is complementary and subsidiary to other benefits and incomes (such as the guaranteed citizen's income, the active insertion income, unemployment benefit, pensions and employment income). It is not a subjective right, it is temporary (for the two-year duration of the project) and it is aimed at covering basic needs (food, clothing, education, housing, transport, etc.). The distributive principle behind the SMI is not "egalitarianism" but "sufficiency", the aim of guaranteeing a decent way of life for everyone who receives it.

The amount of the SMI benefit is calculated according to two variables: the sum of the countable income of all the household members and the number of household members. Therefore, this amount is subject to any changes that the household may experience, in terms of the volume of income and the household's composition. The final amount of the subsidy is the result of the difference between the “basic threshold” established by the project (considered as the monetary cost of covering a household’s basic needs and housing) and the net income of all the household members (income provable through income tax, taxation earnings not included in the Spanish Tax Authority [AEAT], benefits exempt from taxation and other public subsidies).

In order to establish this “basic threshold”, the monthly monetary cost of covering the basic needs of a Barcelona household had to be calculated. This calculation was designed by taking into account leading studies (Daleph, 2017; KSNET, 2016; Penne *et al.*, 2016) and data from City Council administrative registers, and then adding the pertinent variations, considering the type of policies fostered by B-MINCOME, budgetary availability and the socio-economic reality of the participating neighbourhoods. Therefore, the resulting “basic threshold” (Table 1) has two components: the amount for a household’s basic needs in these neighbourhoods and the amount for housing needs (considered to be sufficiently singular to be counted separately). Therefore, a scale of equivalence has been established with the aim of adjusting the amounts according to the household's composition.

Table 1. Benchmark basic threshold for the B-MINCOME project

Basic needs (excluding housing) including basic utilities (energy and water).	€402.6 a month for the first adult person
	€148 a month for each additional member
Housing needs (minimum value between the real monthly expense and the objective indicator for housing expenses according to the number of members in the cohabitation unit)	€260 a month for the first adult person
	€110 a month for the second member
	€40 a month for each additional member

In Table 1, the benchmark “basic threshold” is calculated for each household according to the number of household members. The resulting SMI for the household, taking into account the monthly income and real expenses for the main dwelling (rent, mortgage, property tax and community expenses) gives the amount needed to reach the established threshold. It must be considered that in order to calculate the housing needs, the minimum value between the real expenses and the amount based on what the table indicates is used as a reference. For example, according to the table, a household with three members has housing needs of €410 (260 + 110 + 40). If you have housing expenses of €600 a month, the previous amount of €410 is used to calculate the basic threshold, but if the expenses were €400, this last amount would be used.

The maximum amount of SMI that a household can receive is €1676, which is double the 2016 risk-of-poverty threshold for Catalonia. The amount of the subsidy is subject to periodic review—in terms of both possible changes in the household's composition and its income—with the aim of adjusting it to the household's reality at all times. The payment is made using a specific project pre-payment card. Furthermore, the subsidy beneficiaries have a mobile application for photographing the receipts of any expenses paid and for keeping a digital copy (a procedure which is required in order to justify an emergency subsidy like the SMI).

With the aim of multiplying the subsidy's local impact, from September 2018, 25% of the SMI for each household is paid in REC (citizen economic resource), which is Barcelona's citizen currency. The aim is to guarantee that this part of the SMI is used for buying goods and services offered by those local commercial establishments in the Eix Besòs neighbourhoods that accept payment in this currency. Exchange systems based on social currencies, like the one being attempted with the REC, are seen as an alternative to the dominant globalised economic and monetary system. They aim to favour small businesses, build real relational links, increase the perception of security and trust, and generate and reproduce local wealth (Lietaer, Rogers and Kennedy, 2015).¹³⁶

3.2. Towards inclusive active policies: the logic of co-production

As has already been mentioned, the second big cornerstone of the project are the four inclusive, active social-employment policies that aim to have a positive impact on the social and physical environment of the Eix Besòs neighbourhoods. As we will see below, not all of the people connected to the B-MINCOME project take part in these policies and, furthermore, those who do take part don't all do so in the same way. The type of participation that includes receiving the SMI, together with joining one of the active policies, means going one step beyond the usual models for providing economic aid. What is provided is a *set of monetary and non-monetary resources* aimed at improving living conditions.

1) The first policy consists of a mixed programme of professional training and employment aimed at 150 people between the ages of 25 and 60, who are unemployed at the start of the project. The Barcelona Education Consortium offers training courses linked to subsequent work experience lasting one year, through a Barcelona Activa municipal employment plan, working on projects of collective interest divided into six main themes: 1) Ordering and maintenance of public areas; 2) environment and sustainability in recycling and energy efficiency; 3) promoting the local economy: productive activity and commerce;

4) encouraging sports and cultural activities, social-cohesion activities and the prevention of conflicts to favour community life; 5) sustainable provision of food and raising awareness about good habits, and 6) community care services to prevent the isolation and exclusion of people who are elderly, have disabilities, are ill or have mental disorders. Both the cornerstones and the projects are the result of work that took over a year, in which all the stakeholders involved took part. An initial information session open to local social organisations allowed strategic ideas to be identified. With this foundation, technical staff from the Area of Social Rights, the Eix Besòs districts, Barcelona Activa's Operational Department of Comprehensive Projects and the Education Consortium confirmed the real intervention needs and identified the most appropriate project types. As a result of the meetings held with these stakeholders, the six thematic areas cited above were defined, along with their corresponding areas of action. A number of projects were assigned to each area, and a number of participants and an intervention district were assigned to each project. 22 occupational projects were outlined, with between 5 and 14 participants assigned to each one. Later, the terms and conditions of a competition by lots were drawn up, with the aim of adjudicating a specialised support service (both socio-educational and technical-professional) for each of the 22 projects, which guaranteed the participants effective work experience that would improve their social and labour market inclusion. During the four-sided work meetings between the successful social organisations, district officers, Social Rights and Barcelona Activa, the specific project activity to be developed, the work plans, the locations, the work tools and the appropriate materials were all jointly designed. Similarly, the implementation of each project was shared among the parties, under the singular leadership of the District.

2) The second active policy aimed to foster social entrepreneurship in social, solidarity and cooperative economy projects (SSCE). The group of organisations forming the SSCE can offer their own socio-economic framework (linked to territorial and community roots, eco-social commitment, covering the needs of local residents and decent-employment and internal democratic participation schemes) so that 100 participants in the B-MINCOME project could find appropriate tools to initiate their own projects, of a social-business or social-community nature, in order to escape from their situations of poverty and social exclusion. With this objective, the programme includes the acquisition of theoretical and practical knowledge, as well as support services to coordinate projects that can lead to self-employment, which have continuity over time and are able to generate income for the people involved. For people who do not show any manifest interest or skills, there are two alternative itineraries on offer. The first, the work-placement itinerary, consists of collaborating with SSCE-sector organisations that are already operating in the Eix Besòs area (without a contract, but with training). This collaboration should enable the acquisition of knowledge about how these organisations work, and by extension, the overall reality of the SSCE. It should also favour a more intense medium or long-term link between the

participants and these economic sectors. The second itinerary involves the training of socio-economic action groups, the aim of which is to revitalise the economic side of projects that local social or local-resident organisations are currently undertaking. Among the 100 people participating in this policy, there are currently 6 entrepreneur projects under way which include most of the participants. Regarding alternative itineraries, there are 16 participants in the work-placement itinerary and nearly 15 linked to the socio-economic action groups. In accordance with this trend, this second policy has been designed and implemented with Barcelona Activa's Operational Department of Socio-economic Innovation and four training, revitalisation and support cooperatives from SSCE projects operating in the city.

3) The third policy consists of a programme of subsidies for renovating housing. It is conceived as a subsidy for 24 households who own their dwellings, so that they can rent out one or various rooms, permanently and at a regulated price. This policy allows participating households to obtain financial gain that improves their monthly disposable income. These households are offered up to €3,600 for making the necessary alterations to the rooms to be let or to communal areas in the dwelling, such as the kitchen or the bathroom. This project was designed by the Area of Social Rights, in collaboration with the Municipal Housing and Renovation Institute. The Institute's technical staff, with the collaboration of the team of social workers assigned to the B-MINCOME project, is responsible for finding and selecting the potential lodgers for these rooms. They attempt to find profiles that are suitable for the dwelling's owners. Similarly, this team also carries out the monitoring and evaluation of their cohabitation arrangement and is responsible for producing the technical report that accredits the state of the dwelling and the alterations needed in order to make the rooms suitable. Unfortunately, various administrative and bureaucratic obstacles have made it impossible to implement the policy as it had been planned. All in all, it is now thought that it can be initiated at the beginning of 2019.

4) The fourth active policy is a community-participation action which consists of linking 276 of the participating households, in a non-remunerative way, to various social, neighbourhood and community activities and projects which are designed and executed by the Department of Community Action, from the Area of Citizens Rights, Participation and Transparency. The objectives of this policy include fostering local social relationships and becoming established in the territory; detecting and sharing needs and aspirations (both individual and collective, material and symbolic) and mobilising them through projects of common interest based on fostering self-management, autonomy, shared responsibility and increasing skills and abilities, in order to make these unique associative experiences possible, and supported by connections with neighbourhood facilities, services and organisations (local-resident associations, neighbourhood and civic centres, adult training centres, etc.). This policy is divided into five implementation phases: 1) reception of the

participants; 2) training of territorial and similar groups in order to train five groups, in accordance with the territorial distribution of the participants; 3) promoting leadership and collective projects; 4) implementing projects, and 5) assessing the tasks carried out and planning future actions. The design of this policy aims to place the participants in a more favourable position, in the medium-term, in order to improve their socio-economic situation (individual and household) and to improve their quality of life. There is a clear wish to directly and indirectly increase their employability and to help them to cultivate not only technical abilities, but also relationship and competency skills.

With the first, second and fourth policies, the aim is to explicitly contribute to strengthening and developing the social-community fabric, which is currently fragile and fragmented in the Eix Besòs. In keeping with this strategic objective, there are elements of these three policies that have been inspired by the logic of the co-creation and co-production of public policies and the construction of a new public governance (Brandsen, Steen and Verschuere, 2018; Pestoff, Brandsen and Verschuere, 2012). One of the new features of the training and employment policy is that the design and implementation of the employment projects has not been carried out purely from a corporate perspective, but together with social organisations. Similarly, in the policies that foster the SSCE and community participation, there are intervention procedures based on a clear and essential collaboration between the public and associations, which include shared decision-making and appropriate administrative formalisation. The active involvement of participants in the definition of some actions linked to both policies should also be taken into account.

In the end, this kind of collaboration process is considered key to ensuring that the B-MINCOME project's policies are based on wider and better knowledge of the neighbourhood case work and the issues concerned (labour market insertion, SSCE and community action), that they better respond to the needs and aspirations of participants and guarantee them closer ties, and lastly, to ensure the attainment of individual, collective and community results which would be difficult —if not impossible— to achieve with a strictly public intervention.

4. Types of participation: (non) conditioned and (non) limited

The most common public monetary benefits in most welfare systems in our environments are usually minimum, guaranteed or integration incomes. The minimum income benefits, such as the Spanish active integration income (RAD), was designed as the last safety nets for welfare states, aiming to cover the basic needs of individuals or households that have insufficient resources or are in a situation of poverty. In other words, to cover the insufficiency of employment incomes for groups that are becoming more and more insecure (Zalakain, 2014). In most European countries, the minimum income mechanisms are considered to be an essential tool for combating poverty, promoting social integration

and preventing these phenomena in the future. In 24 of the 28 EU member states, some type of minimum income is applied, although there are major differences due to their dissimilar degree of cover, the amount awarded, or the disposition of the institution concerned (Laparra and Ayala, 2009).

However, the distinctive features of the RAI mean that it “is far removed from the defined standards at a European level” and so reinforces the idea “ of minimum income models that are strongly based on the tradition of welfare-state assistance in Southern European countries and far from the social protection model focused on the right of citizenship, used by Nordic countries (Bergantiños *et al.*, 2017: 416). As indicated above, the Spanish political-institutional design and the marked contribution-based nature of its welfare system has meant that state (RAI) and regional (RMI and now RGC) non-contribution based benefits are not aligned with the idea of universality, “they don't offer protection from all the risks, but rather respond to contingencies (age and incapacity) already covered in the contribution-based type of benefit; nor do they go beyond the concept of family benefits [...]. They are only a remedy that partially redresses the specific deficiencies of the contribution-based model in a fragmented way” (Pérez, 2003: 108). In this sense, the 2008 crisis revealed that the initial situation of the non-contribution based benefit policies, such as the RAI and the RMI, were scarcely developed or integrated, that the degree of vulnerability and economic and social exclusion made worse by the crisis was forcing autonomous communities to “take palliative measures to improve their income policies, to some extent” (Bergantiños *et al.*, 2017: 414).

Most of these European and Spanish “minimum or guaranteed income” policies are usually conditional and limited in nature. Conditional, or means-tested, policies are monetary-transfer benefits. Like unemployment benefits or the RAI, receiving them is conditioned by the need to meet certain conditions or requirements (being below a wealth threshold, being unemployed, following a labour market integration plan, etc.). For example, in the case of unemployment benefit, you have to be unemployed, registered as looking for work and have paid contributions for a certain period of time. In the case of the RAI, you also have to be unemployed and looking for a job, be under the age of 65 or not have a monthly income of above 75% of the minimum inter-professional salary. This type also includes non-contribution based pensions for disability when they are combined with income from an additional work or professional activity¹³⁷.

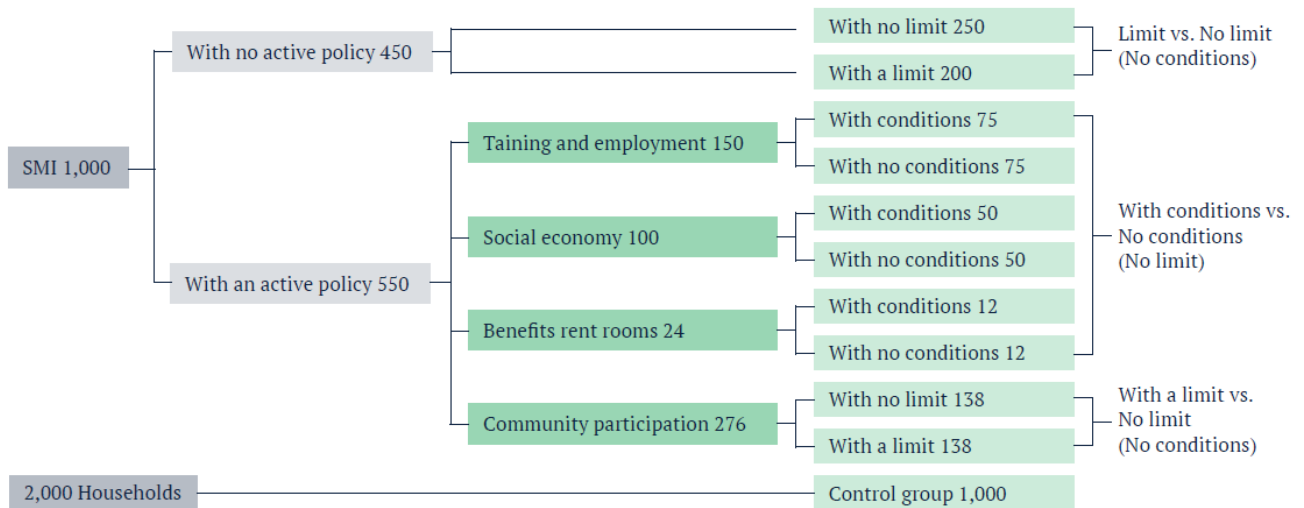
In the case of policies that are limited, with a ceiling, their main characteristic is that the amount transferred is complementary and subsidiary to other possible incomes obtained by the person or household, whether they be the result of work activities or from other public benefits. Therefore, the amount is adjusted upwards or downwards until the

minimum threshold established by the competent political authority is reached. At an international level, and under the conditioned and limited types of policy, of note are various North American negative income tax (NIT) programmes or the *revenu de solidarité active* (RSA) implemented in France in 2009.

By contrast, it is also possible to find public policies and benefits of the unconditional or non-conditioned and non-limited type. These two types are usually associated with non-contribution based and universal benefits. Examples include the defunct Baby Bond in the United Kingdom in 2003 and the *cheque bébé* in Spain in 2007, which transferred €2,500 to all families that had or adopted a child. Among these non-conditioned and non-limited type of benefit the most notable is the basic income. The best example is from Alaska, where through the Alaska Permanent Fund, all accredited residents of that state unconditionally received between 1,500 and 2,000 dollars a year, regardless of any consideration or personal, family, economic or employment situation.

Similarly, there are other income programmes that combine conditionality and non-limitation, such as the Guaranteed Income Payment (RGI) in the Basque Country, the Bolsa Familia programme introduced in Brazil in 2003, or the Cash Transfer Benefits (CTB) introduced in Latin America since the year 2000. Additionally, there may also be non-conditioned income-transfer programmes, but of a limited type, such as the recent case of the Guaranteed Citizen Income (RGC), approved in July 2017 in Catalonia, which replaced the previous minimum insertion income. However, it is debatable whether the RGC is really a non-conditioned policy. Officially, the only condition is not to surpass the established income thresholds, although in practice, there is a set of requirements that have caused over 75% of applications to be denied. Although it is not exhaustive, Table 1 illustrates the combination of these four types of income policies, in accordance with some of the examples mentioned above.

Table 3. Experimental design, combination of treatment groups and SMI modalities



Font: Own elaboration based on data from the B-MINCOME project.

In accordance with this experimental design, the aim of the project is to provide informative data in relation to the positive or negative effects of these four types of income-transfer policies, as well as on their differing capacities for reducing poverty and exclusion in disadvantaged urban environments. In this sense, the pilot project's assessment objectives include the willingness to provide responses to the questions related to these four types of benefits. For example, is it true that the non-conditioned and non-limited transfers —as in the case of the Alaskan basic income— encourage the beneficiaries to become inactive? To what degree do the least conditioned but limited benefits —such as the RGC in Catalonia— discourage the search for a job or other sources of income? To what degree do the conditioned or means-tested benefits —such as the RAI or unemployment benefit— generate problems such as “poverty traps”¹³⁹ non-take up applications, individual and

social stigmatisation, administrative discretion and arbitrariness, bureaucratic stumbling blocks and information obstacles?¹⁴⁰

The project's experimental design is therefore not limited to testing different types of income policies, but rather that the effects or results that this income may have must be

considered in accordance with the active policies that accompany them. The option of launching these active integration policies is a Barcelona City Council commitment for tackling a new urban-poverty scenario that requires an innovative approach to be brought to traditional active policies. The effects of some of these policies will be more difficult to assess than others. In some cases, what will be assessed is the change in the household's income, while in others it will be the increase in community participation and social links and interaction. In the following section, the project assessment model is presented in more detail.

5. Research and evaluation

The aim of the B-MINCOME project is to be able to analyse its own evolution and evaluate its results and impact. Its main objective is to offer innovative resources so that participants can find a way out of their situation of vulnerability and socio-economic exclusion. Being able to extract conclusions or indications concerning which policies are the most effective for achieving these ends is the central part of the project. In order to achieve this evidence, it is necessary to carry out a rigorous investigation from multiple perspectives. For this reason, various analytic strategies have been developed, which take into account both the various types of treatment and the comparison with the control group. This is a complex evaluation where there are multiple lines of analysis that can be tackled from different perspectives. For this reason, it is considered useful to collaborate with various research groups and institutions that provide their expertise through various assessment methods and perspectives. In this sense, Ivàlua, The Young Foundation, IGOP and ICTA (the Autonomous University of Barcelona), as well as Barcelona City Council's Area of Social Rights all collaborate on the B-MINCOME project's research. All of these stakeholders are involved in the design and development of the various evaluation methodologies applied, including the following:

a. Project follow-up survey: Both the individuals in the treatment group and the control group are interviewed for the survey during three phases of the project. They are first interviewed just after the beginning of the project (before the treatment group is

selected), there is a second survey after the first year, and then the last survey is at the end of the project (just before it finishes). The aim of this survey is to gather various pieces of information, most notably, the household's living conditions (such as the household's level of privation, its economic situation or the state of the home), the employment situation of household members, and their health and psychological well-being.

b. Follow-up survey of participants in the community participation policy: As with the project follow-up survey, this is also conducted at three different times: at the start of

the programme, halfway through and at the end. In this survey, aspects such as the attitude of people towards participation, their social networks, their trust of other neighbours, solidarity between neighbours and their perception of local public services are all evaluated.

c. Ethnographic research, interviews and discussion groups: Throughout the project, a series of semi-structured interviews and discussion groups are held with policy participants in order to collect qualitative information about the project. This qualitative work is mostly carried out with the group of participants in the community participation policy.

d. Administrative registers: To complement the quantitative information collected in the surveys, the various administrative registers available for the study are used. The main administrative information centres and registers include: information on household incomes, the participation of household members in the job market, public subsidies received by the participants, the educational progress of their children, the health of household members and their residential situation.

Through the triangulation of these methodological techniques, the aim is to obtain the necessary information throughout the project in order to more clearly understand how to design and apply the various social policies, so that they are more effective, more efficient and in order to improve social investment. In this sense, the analysis of the project's impact on the participating households can be classified in two aspects: monetary and non-monetary. The methodology used for analysing them is the same. The follow-up survey on the control group members and the treatment group members, as well as the available administrative registers, are used as the main sources of information. Here is a list of the main research questions used over the course of the evaluation, according to the aspect analysed.

1) Monetary dimension. This aspect includes the following research questions:

1.1. Once the B-MINCOME project is finished, how many families are above the basic needs threshold? What part of this change can be attributed to the project? Which profiles benefited most from the SMI, and which benefited the least?

1.2. How many families out of the total number of families with an active policy are above the basic-needs threshold and how many out of the total number who didn't have

one? What is the difference between the various active policies? Which is the most efficient type of treatment?

1.3. How many families out of the total number of families with a conditioned active policy are above the basic-needs threshold and how many out of the total number with a non-conditioned policy?

1.3. How many families out of the total number of families with an upper limit on their monetary transfer are above the basic-needs threshold and how many out of the total number who didn't have one? To what degree does the limited modality generate “poverty traps” and discourage looking for other sources of income?

2) Non-monetary dimension. Outside the economic area, there are a series of dimensions that are included in order to establish the level of exclusion, well-being and any possible changes in living conditions produced during the programme. The same four lines of questions raised in the monetary dimension are replicated in order to make an analysis of the other aspects of social exclusion. These aspects are as follows: material privation, housing, health, subjective well-being, education, employment situation, financial situation (focusing on debts), empowerment of women and social capital.

6. The challenges of B-MINCOME

The conclusive results for the B-MINCOME project will not be available until the end of 2019 and the beginning of 2020. At the time of writing this article, the project had already passed the halfway point of its implementation. Nearly 1,000 participating households (treatment group) effectively have a *set of resources* to help them develop their lives under better conditions. As has been stated, receiving the SMI —either limited or non-limited, conditioned or non-conditioned— is the central resource, although it is not the only one: some of the households receive it together with the multiple resources they obtain from their participation in one of the four active policies specially designed for the project.

Until the project is finished, the flow of information that this pilot experience generates will be quantitatively considerable and substantially relevant, if we consider what has been

observed to date. Due to its experimental nature, the main objective of the B-MINCOME project is to put into practice an innovative minimum income design and carry out the appropriate analysis to extract conclusions about its efficiency and effectiveness. Useful contributions are offered concerning the types of income —including the non-conditioned option closest to the basic income proposal— that are more amenable to helping people get on, to overcome current situations of poverty. There are also conclusions concerning the direct and indirect cost of implementing them. One way or another, the extraction of evidence will lay the foundations for the social policy of our time; a moment characterised

by the redefinition of the social welfare model, both in terms of rights and new policies and in terms of the territorial layer of intervention (the necessary role of local governments — and other stakeholders— and their position relative to regional and state governments). Both are elements at the centre of political debate and are also the subject of studies. In this sense, the B-MINCOME project contributes specific evidence to help the City of Barcelona to progress in terms of social integration and the reduction of poverty and inequalities. These contributions necessarily include a debate on other public policy mechanisms and processes (such as the proposed minimum city salary or the basic income) which are also capable of having a considerable impact on the city. Although, as has been said, it is too early to draw conclusions about the B-MINCOME project, the implementation time that has already passed allows us to look at some inherent challenges that are worth noting. These challenges highlight the underlying nature of a project that is both a scientific study and a set of public policies. The project's architecture is extremely complicated and, in spite of the efforts made, the administrative intensity that the participants and project operators have been subjected to has been significant. One example is the arduous quarterly procedure of recalculating the SMI, tackling the processing of the participants' administrative data while dealing with the impact of undeclared economic activity in the same recalculation. Management difficulties have also been caused by the effects and impact of the random assigning of types of participation and treatment groups, in the framework of a heterogeneous and complex target group. Other implementation challenges concern the pilot project's capacity for covering the limitations associated with other benefits available in Catalonia, or in other places in Spain. Lastly, the B-MINCOME project is not implemented in a vacuum. It is carried out in neighbourhoods where there are other municipal policies and programmes, as well as projects run by social organisations, and therefore the capacity for interaction and integration has been a major challenge from the outset; this is also true of the management of technical support, policy and citizens and the ability of internal and external communications to raise awareness about the project.

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