

SPAIN

TOWARDS A SYSTEMIC APPROACH TO SOCIAL PROTECTION

POVERTY WATCH 2024





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POVERTY WATCH REPORT

2024



CREDITS

The European Anti-Poverty Network (EAPN) is a European Platform of Social Entities that work to combat Poverty and Social Exclusion in the European Union member countries. EAPN seeks to empower people experiencing poverty and social exclusion to exercise their rights and responsibilities, break their isolation, and address their situations. Its main objective is to place these issues at the center of European Union political debates.

In Spain, the European Network for the Fight Against Poverty and Social Exclusion in Spain (EAPN-ES) is a horizontal, pluralistic, and independent organisation working to bring this objective to reality in Spain and influence public policies at the European, national, regional, and local levels. Currently, it consists of 19 regional networks and 22 national entities, all non-profit organisations sharing a common commitment: to fight against poverty and social exclusion. In total, EAPN-ES includes over eight thousand social entities throughout Spain.

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1. INTRODUCTION

In April 2024, just two months before the European elections, the European Parliament published a Eurobarometer survey highlighting the public's priority issues. In this context, **a third of the EU population considered the fight against poverty and social exclusion to be the main issue that the European Parliament should prioritise.** In Spain specifically, the most pressing issues for citizens were public health, the fight against poverty and social exclusion, and support for the economy and job creation (38%).

These results align with those published in June in the Survey on Inequalities and Social Trends conducted in Spain by the Center for Sociological Research (CIS). According to the study, **86.4% of the Spanish population is "very or quite concerned" about social inequalities, while 88.8% believe that "child poverty requires urgent and decisive action by the government."** The outlook is similar among younger populations: more than half of those surveyed think that today's youth in Spain will live worse than their parents.

Historically, poverty and social exclusion have been overlooked, leading to a lack of understanding and action on the root causes and effects. This invisibility not only perpetuates the suffering of millions of people but also hinders the development of effective policies to structurally address these issues.

Statistics on poverty and social exclusion provide a cold representation of the harsh social realities faced by millions of families, weighed down in recent years by the effects of successive crises, inflation, and housing costs. These harsh realities include the **2.3 million children and adolescents at risk of poverty and social exclusion** or those already in severe poverty—living in households with monthly incomes below 611 euros. **Almost 4 million people are currently living in severe poverty, as revealed by the XIV Report "The State of Poverty in Spain" by EAPN-ES.** The situation worsens each year for women, with **5.1 million women living in poverty in Spain, 300,000 more than men.**

The severity of poverty is also clear in the daily lives of single-parent families: more than half of them are at risk of poverty or social exclusion, the vast majority of these households headed by women. This grave situation increases each year, as does so-called energy poverty, which reached historic highs in 2023: **43.1% of poor people struggle to keep their homes cool in summer and 38.5% warm in winter.** Besides, we must not forget the different faces of poverty. **In Spain, being a woman, renting a home, living in a family with young dependents, working a precarious job, or having a disability increases the risk of falling into poverty.**

At the European level, the new parliamentary structure raises questions about how policies will reinforce a stronger Social Europe, which remains one of the world's most equal societies with high standards in labor conditions and broad social protection. This uncertainty is compounded by an intolerant trend in migration policies from both European institutions and some national governments, often violating EU Court of Justice mandates and human rights. The new legislature begins with the challenge of placing the fight against poverty and social exclusion on the EU political agenda, through policies on dignified housing, income guarantees, fair taxation, migration, and the overall defence of people's rights. These measures must also be reflected in the political agendas of EU member states, including Spain.

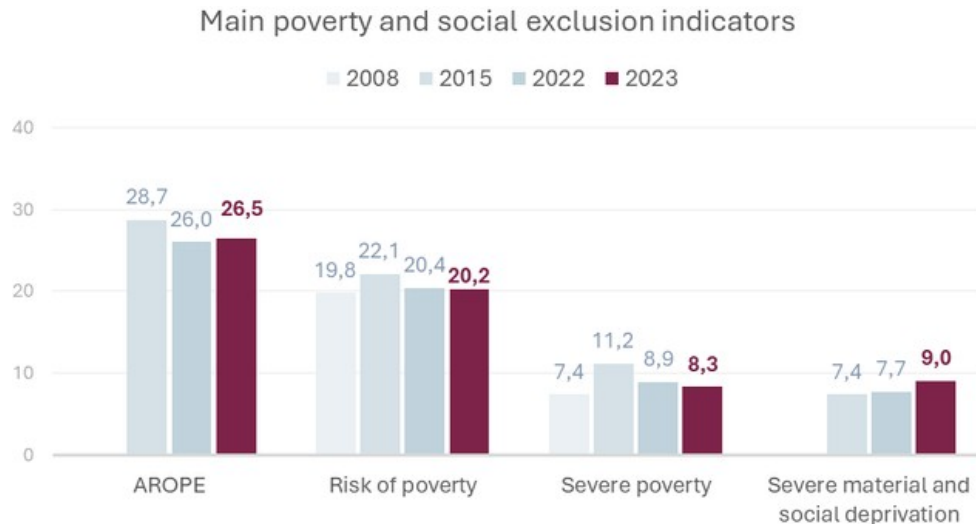
EAPN-ES research has shown that investing in social protection policies to confront crises works. According to the XIV Report "The State of Poverty. Poverty and Territory. Autonomous Communities and Europe" prepared by the Network, if all aid and benefits—including retirement and survivor pensions—were removed, 10.8 million people in Spain would fall into poverty. However, despite social measures implemented in recent years, poverty and social exclusion rates remain high and constant, demonstrating that these are structural problems requiring more intense and extensive public policy strategies.

Along these lines, it is essential to prioritise policies that guarantee the right to housing, energy access, income security, equal opportunities and gender equality, support for diversity, challenges related to migration, and to combat all forms of discrimination, including aporophobia. Redistribution measures and broader fiscal justice should also be adopted to prevent poverty and inequality from reaching intolerable levels.



2. THE SITUATION OF POVERTY IN SPAIN

2.1 Key Indicators of Poverty and Social Exclusion



AROPE

26.5% of the Spanish population, approximately 12.7 million people, are at risk of poverty and/or social exclusion (AROPE). This figure represents a slight increase of 0.5 percentage points compared to the previous year. Combined with population growth, this rise brings nearly 400,000 new individuals into the AROPE category.

The AROPE rate had steadily declined from 2014 to 2019, after which, due to the COVID-19 crisis, it saw two consecutive years of increase, reversing nearly half of the prior progress. After a significant reduction in 2022, this year's rise further distances Spain from the 2030 Agenda goal. Additionally, the data indicates that living conditions have not yet returned to their pre-2008 Great Recession triggered by the financial crisis.

Poverty rate

20.2% of the Spanish population, roughly 9.7 million people, are at risk of poverty. With only a 0.2- point reduction, this figure shows little improvement from the previous year and maintains the recovery achieved after the deterioration caused by the two major crises.

Although the poverty rate has declined since 2015, people's material conditions remain lower than those enjoyed prior to the Great Recession. It has taken 15 years for this indicator to sit just four-tenths above the 2008 figure (19.8%), which, combined with population growth, translates to about 440,000 people still living in poverty.

Severe poverty

In 2023, 8.3% of the Spanish population, around 3.9 million people, lived in severe poverty—meaning two out of every five people in poverty fall into this category. The rate has dropped for two consecutive years, falling by 1.9 percentage points, which in absolute terms means nearly 900,000 people have left severe poverty. This rate is at its lowest since 2009.

Severe Material and Social Deprivation (PMSS)

In 2023, 9.0% of the Spanish population lived in conditions of severe material and social deprivation, about 4.3 million people. This marks a 1.3-point increase from the previous year, reaching the highest level in recorded history. This sharp rise reflects the price increases resulting from the inflation and energy crises exacerbated by the war in Ukraine.

In relation to the 2030 Agenda objectives, the severe material and social deprivation rate remains 3.6 points above the target. Over recent years, there has been a significant increase in the number of people experiencing severe material and social deprivation who are not poor: in 2023, 48.4% of people with severe deprivation were not poor (compared to 35% in 2019 and 31.4% in 2016). This data suggests that around 4.3% of the population, roughly 2 million people, have incomes sufficient to avoid being classified as poor but are nonetheless unable to maintain a dignified standard of living.

Among the 13 specific items or concepts that make up this indicator, the most notable are those related to people who cannot undertake unexpected expenses (affecting 37.1% of the population), those who cannot take a one-week vacation each year (33.2%), and those who cannot replace broken or old furniture (30.0%).

Compared to the previous year, 11 of these 13 items have increased. Particularly noteworthy is the 3.6-point rise in the number of people living in households that cannot maintain adequate heating in winter. This figure has nearly tripled over the past four years, going from 7.6% in 2019 to 20.7% in 2023.

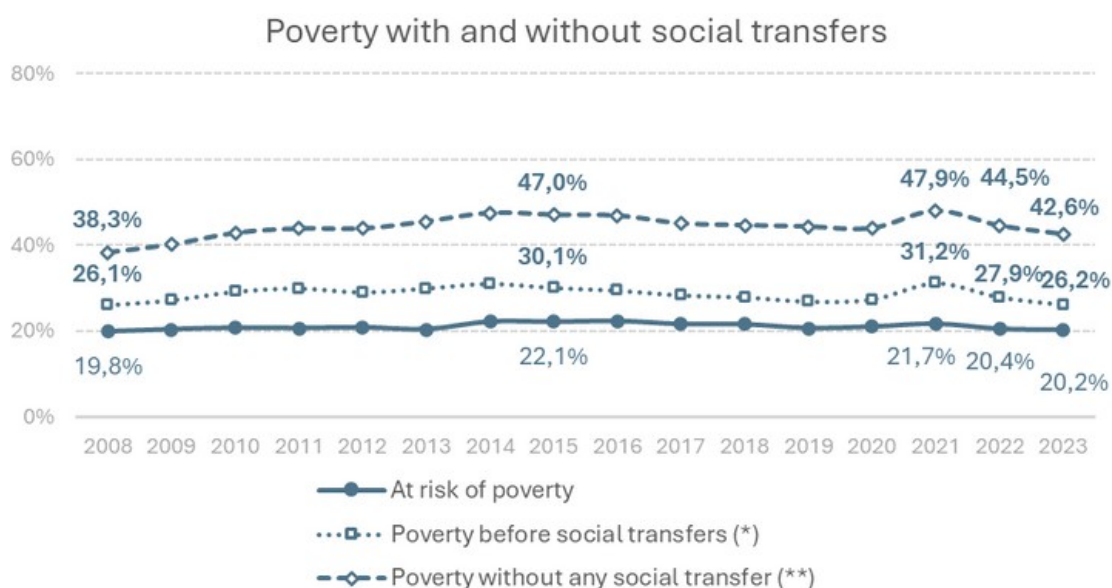
Similarly, the proportion of people living in households unable to handle unexpected expenses has increased for two consecutive years, rising from 33.4% in 2021 to 37.1% in 2023. Also worth highlighting, more for its significance than the exact figure, is the inability to afford a protein-rich meal every two days, which rose by one point in 2023 and has increased for two consecutive years (from 4.7% in 2021 to 6.4% currently).

Severe material and social deprivation by dimension					
	2008	2015	2021	2022	2023
Arrears (mortgage or rent, utility bills or hire purchase)	8,2%	11,7%	14,4%	13,2%	13,6%
Inability to keep home adequately warm	5,9%	10,6%	14,3%	17,1%	20,7%
Inability to afford paying for one week annual holiday away from home	36,2%	41,5%	32,7%	33,5%	33,2%
Inability to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day	2,2%	2,6%	4,7%	5,4%	6,4%
Inability to face unexpected financial expenses	29,9%	39,8%	33,4%	35,5%	37,1%
Persons who cannot afford a personal car	5,9%	5,8%	4,9%	5,0%	5,2%
Persons who cannot afford to replace worn-out furniture		30,6%	27,5%	27,4%	30,0%
Persons who cannot afford to replace worn-out clothes by some new (not second-hand) ones		5,5%	8,7%	8,5%	8,8%
People who cannot afford two pairs of shoes		1,3%	2,4%	2,5%	2,8%
Persons who cannot afford to get-together with friends or family (relatives) for a drink or meal at least once a month		7,1%	8,6%	7,6%	9,5%
Persons who cannot afford to get-together with friends or family (relatives) for a drink or meal at least once a month		15,0%	12,5%	12,2%	13,7%
Persons who cannot afford to get-together with friends or family (relatives) for a drink or meal at least once a month		13,1%	15,1%	14,3%	15,9%
Persons who cannot afford internet connection for personal use at home		2,8%	2,7%	1,9%	1,9%

2.2 The Role of the State

The redistributive function of the state has once again proven crucial in maintaining quality of life across the population. In 2023, through all public transfers, the government succeeded in lowering the poverty rate from 42.6% to 20.2%, effectively lifting 10.8 million people out of poverty.

If the state were to provide only retirement and survivor benefits and no other forms of transfer, the poverty rate would have risen from 20.2% to 26.2% in 2023, an increase of 6 percentage points. In other words, transfers beyond pensions prevented nearly 3 million people from falling into poverty this past year.



2.3 Intergenerational Transmission of Poverty

People who experienced economic hardships during adolescence show high levels of intergenerational poverty transmission, although this risk has decreased over the past four years.

- One in four people who grew up in households with poor or very poor financial conditions is living in poverty in 2023, representing a higher poverty rate than the general population (25.0% compared to the overall rate of 20.2%).

There is a correlation between growing up in a household with low educational levels and the likelihood of experiencing poverty in adulthood.

- Among those raised in households with lower educational levels, the poverty rate is similar to the national average (20.4% compared to 20.2%), while those from households with more educated parents have lower poverty rates than the general population: 14.4% for those with medium education levels and 11.2% for those with high education levels.

Growing up in a household with parents born outside the EU doubles the likelihood of experiencing poverty in adulthood.

- In 2023, 15.3% of people with Spanish-born parents live in poverty, nearly five points below the general population rate.
- Conversely, the poverty rate among those with family origins outside the EU is 37.4% (17.2 points above the general population rate and 22.1 points higher than those with Spanish origins), while those with origins in other EU countries have a poverty rate of 26.6% (4.2 points above the general rate and 11.3 points higher than those with Spanish origins).

Single-parent families also require particular attention, as they are a growing household type, and there is evidence that growing up in such households increases the likelihood of experiencing poverty in adulthood.

- Those raised in single-parent families have a higher likelihood of poverty than those raised in two-adult households: the poverty rate for the former group is 21.6%, compared to 17.5% for the latter.
- Among people raised in single-parent households, 86.6% grew up in households led by single mothers. Hence, gender discrimination operates as an added vulnerability factor in these households.

2.4 Child Poverty

It is essential to note that poverty is calculated based on the overall household capacity, so discussions of child poverty refer to children and adolescents living in poor households.

Key poverty and social exclusion indicators reveal the heightened vulnerability faced by those under 18.

- **In 2023, more than 2.7 million children and adolescents (34.5%) were in AROPE, representing more than a third of all children and adolescents.**
- **28.9% of children and adolescents live in poverty, around 2.3 million in absolute terms.**

The evolution of these indicators highlights that child poverty is a problem of structural nature.

- **Over time, the child AROPE rate has consistently remained above general rates.**
- **Data since 2008 indicate that over a quarter of the population under 18 has been poor every year.**
- **Both the child AROPE rate and the poverty risk rate continue to trend away from meeting the 2030 Agenda goals.**
- **The average income per child is always below the general income and has seen less intense increases in recent years.**

Furthermore, households with economically dependent children are more likely to experience unfavorable conditions that prevent family members from living on equal terms with the rest of society, directly impacting their well-being, development, and access to their rights.

Households with children tend to have higher poverty and vulnerability rates than others. Problems intensify in single-parent homes and large families, where there are fewer adults or more dependents.

2.5 Other Structural Dimensions of Poverty

Poverty and Gender Gap

Gender inequality is a structural problem, as evidenced by the persistent differences between men and women across nearly all indicators.

In the labor market, discriminatory treatment against women persists.

- **Women work under more precarious conditions than men. In addition to a higher unemployment rate (13.8% versus 10.6% in 2023), they also make up a larger portion of the part-time workforce (21.1% versus 6.6%).**
- **These disparities result in lower earnings for women, both in wages (men earn 18.6% more) and future pensions (men's pensions are 48.6% higher on average).**

Labor discrimination impacts material conditions, leading to worse outcomes for women across poverty and social exclusion indicators.

- **Both the AROPE and poverty risk rates for women consistently exceed those for men. In 2023, 27.5% of women were in AROPE compared to 25.5% of men.**
- **The poverty risk rate for women is 20.8%, 1.3 points higher than for men (19.5%), representing half a million more women in poverty.**

Poverty and Employment

Having a paid job is not always sufficient to secure the resources needed to meet basic needs. In this regard, it is essential to continue advancing measures that improve the quality of employment and the working and salary conditions for the poorest segments of the employed population.

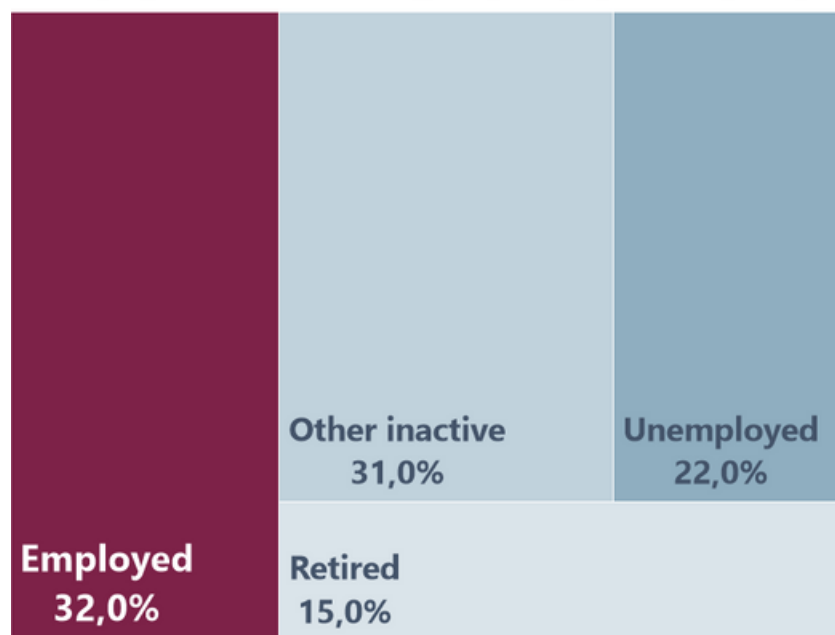
The reality shows that focusing solely on employment is not enough to ensure a reduction in poverty. This becomes evident when analysing the different trends in the unemployment rate and the poverty risk rate between 2008 and 2023.

The unemployment rate fell steadily until the COVID-19 crisis, after which it resumed its downward trend: in 2019, the unemployment rate had decreased to 14.1%, increased to 15.5% in 2020, and then showed three consecutive years of improvement, reaching 12.1% in 2023. In contrast, the poverty rate over this period has remained largely stable, with much less variation than would be expected if there were a strong, direct relationship between employment and poverty.

The quality of employment remains a crucial factor for its integrative role, making it necessary to ensure working conditions that provide stable, dignified, employment in safe and healthy environments.

Thus, public policies must consider that lack of employment is not the only source of poverty and social exclusion. In this sense, if 32.0% of poor individuals have a job and another 22.0% are unemployed, then the remaining 46.0% of poverty is due to factors unrelated to any characteristics of the labor market.

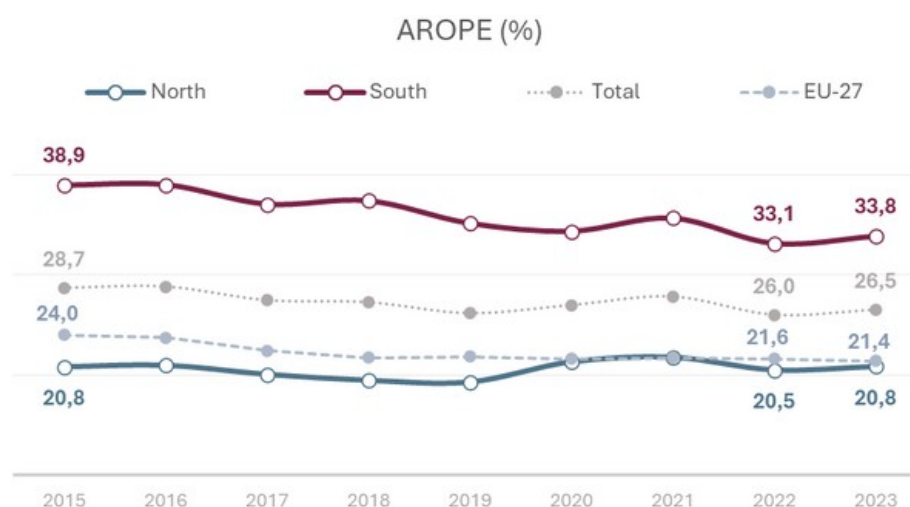
Employment status among the poor population (2023)



Regional Inequality

In Spain, there is significant territorial asymmetry that is reflected in nearly all indicators used to measure poverty, exclusion, and vulnerability. The differences between regions are conspicuous, often exceeding 20 percentage points depending on the year, the region, and the indicator in question. Additionally, this disparity is structural and persistent over time, suggesting that crises—whether cyclical or not—have never been decisive factors.

Thus, a clear division of Spain into two halves with very different living conditions is apparent: the communities located from Madrid northward maintain low poverty and/or social exclusion rates—between 0.8 and 11.5 percentage points below the national average—and are comparable to European averages and those of some of the most advanced European countries. In contrast, the southern regions have extraordinarily high rates—between 1.5 and 10.9 percentage points above the national average.



3. THE SOCIAL PROTECTION SYSTEM IN SPAIN

The social protection system in Spain has evolved significantly since its inception in the 20th century, aiming to ensure basic rights and promote equal opportunities. Over the decades, it has expanded to cover areas such as pensions, healthcare, unemployment insurance, and assistance for people in dependency situations, all with the goal of reducing poverty and social exclusion.

The system was formally established in 1900 with the Workers' Accident Law, the first labor protection measure, and expanded after the Civil War, particularly in the 1960s, with the development of the Instituto Nacional de Previsión (National Institute for Social Forecasting), which laid the foundations for a more universal system. In 1978, the Spanish Constitution consolidated these rights, highlighting the State's commitment to ensuring protection for all citizens and equal access to social services.

Article 41 of the Spanish Constitution:

"The public authorities shall maintain a public Social Security system for all citizens, ensuring sufficient social assistance and benefits in cases of need, especially in the event of unemployment. Complementary assistance and benefits shall be provided freely."

In recent decades, new social challenges have driven the adoption of reforms, especially concerning the sustainability of pensions and increased coverage for emerging needs, such as the Minimum Vital Income (Ingreso Mínimo Vital or IMV), created in 2020 to reduce extreme poverty. Today, the system faces the need to adapt its policies to a changing socio-economic context marked by population aging and the impact of technology on employment.

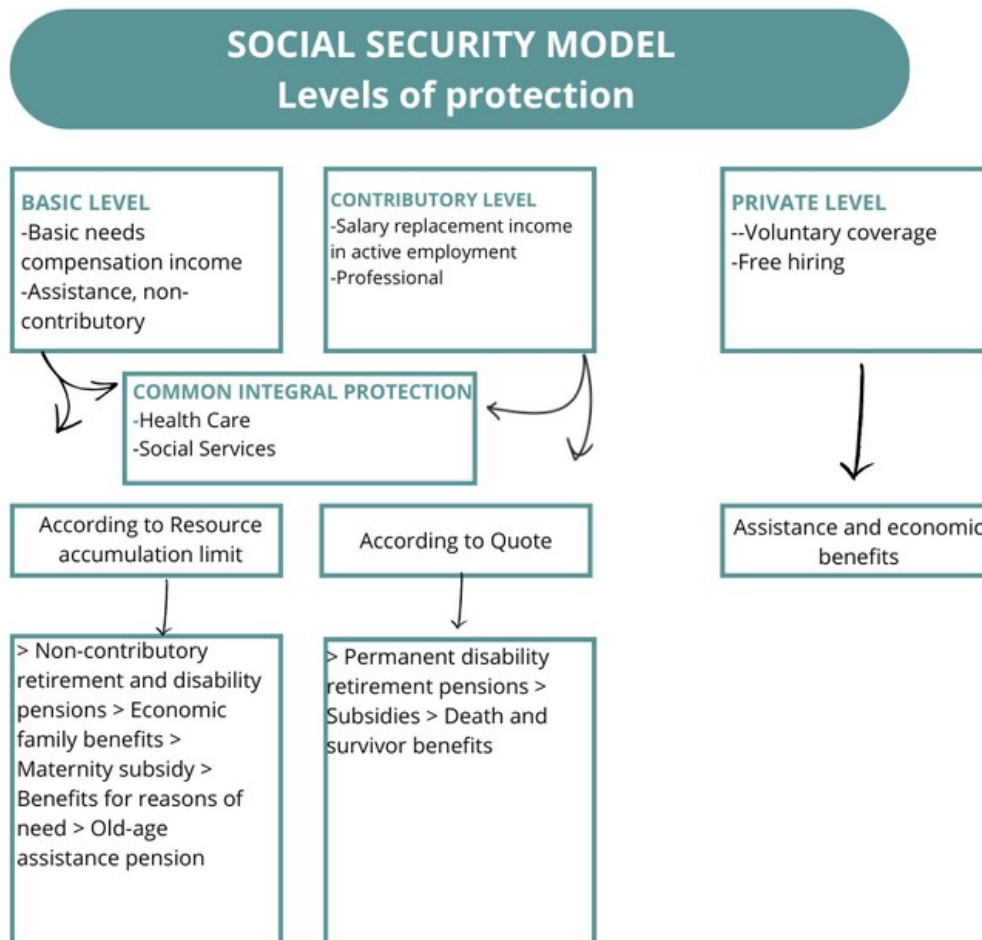
Spain's Social Security system is state-owned, based on intergenerational and territorial solidarity. This means that younger generations contribute to fund pensions for the elderly, and contributions collected at the national level fund benefits for all citizens, regardless of residence, through a principle of "shared funding." The Spanish Social Security offers universal and solidarity-based protection at both generational and territorial levels, structured to support all citizens in situations of old age, unemployment, and other needs, enshrining it as a fundamental right.

However, it is important to remember that social protection is also managed by the autonomous communities, which play an essential role in preventing and reducing poverty. As we will see, funding for social protection policies is crafted between social contributions which fund contributory benefits and state transfers for non-contributory benefits and redistributive elements.

All citizens access this protection under the same conditions, meaning access is not dependent on Social Security contributions.

This protection is complemented by the economic benefits system, with two modalities: contributory and non-contributory.

The non-contributory modality provides compensatory income to the most vulnerable citizens who cannot access contributory benefits. The system also includes a third level that is private and voluntary, primarily constituted by Social Welfare Entities and Pension Funds.



Adapted from the website of the Ministry of Inclusion, Social Security, and Migration (<https://www.inclusion.gob.es/>). EAPN-ES 2024.

As previously mentioned, the Spanish Constitution guarantees the Social Security protective action for all citizens, based on two levels: the contributory or professional modality, and a basic level for those unable to contribute sufficiently. This second level is known as the basic or non-contributory level, designed for people requiring State protective action, with support provided through the Social Security managing entities.

The basic protection level focuses on providing compensatory income for basic needs, with an assistance-based and subjective nature covering individuals who either have never been able to contribute or have insufficient contributions to access contributory benefits and lack sufficient income to maintain a minimum standard of living.

As shown in the chart below, non-contributory services include health assistance, the Social Security protective action, social services, non-contributory pensions for disability and retirement, maternity benefits, minimum pension supplements, family benefits, and the minimum vital income (IMV).

The contributory level offers a set of benefits to prevent, remedy, or overcome needs, as part of the Social Security System's protective action. This protection includes benefits in kind (healthcare, pharmaceutical benefits, and social services) and economic benefits, which are divided among pensions, subsidies, indemnities, and others like unemployment benefits or family support benefits.



Adapted from the website of the Ministry of Inclusion, Social Security, and Migration (<https://www.inclusion.gob.es/>). EAPN-ES 2024.

Regarding funding sources, the Toledo Pact distinguished between funding for contributory and non- contributory social security benefits.

The non-contributory and universal mode of Social Security's protective action is financed through contributions from the General State Budgets, with the exception of Social Security health assistance and social services benefits, which, when transferred to the autonomous communities, are financed according to the current regional financing system.

Meanwhile, contributory benefits are funded by contributions from employers and employees.

For the purposes outlined in the previous section, the nature of Social Security benefits is as follows:

a) Benefits with a contributory nature:

- ♦ All economic Social Security benefits, except those mentioned in point (b)
- ♦ below. All benefits arising from work-related accidents and occupational diseases.

In this context, in the first half of 2024, the Social Security system in Spain recorded a notable increase in revenue and a positive balance in its accounts. Social Security contributions grew by 7.5% year-over-year, reaching €81,661 million, driven primarily by contributions from employed workers, which rose by 7.9%. Additionally, the Intergenerational Equity Mechanism, implemented in 2023, showed a significant 50.7% increase in its revenue, according to data from the Ministry of Inclusion, Social Security, and Migration (2024).

Compared to the last year unaffected by the pandemic (2019), revenue from contributions has increased by 33.2%, indicating economic recovery and growth.

Regarding expenditures, benefits to families and institutions, representing 93.7% of total spending, amounted to €91,735 million, an increase of 8.4%. Among these, contributory pensions showed an 8.3% increase due to a rise in both the number of beneficiaries and the average pension amount. Temporary disability benefits also grew by 16.6%, while non-contributory benefits, including the Minimum Vital Income, rose by 9.8%.

According to the Ministry, this positive balance and revenue increase reflect a strengthening of Social Security's capacity to meet its commitments, supported by both higher contributions and increased state transfers, which rose by 9.9%, particularly in response to the recommendations from the Toledo Pact. This underscores the importance of consolidating sustainable income policies to ensure the system's stability and responsiveness.

In 2024, new measures were introduced under the Royal Decree-Law on Urgent Measures to Expand Pensioners' Rights, Reduce the Gender Gap, and Establish a New Framework for the Sustainability of the Public Pension System. This reform is a key component of the Recovery, Transformation, and Resilience Plan's Component 30, aimed at strengthening the pension system in response to the population's aging and its budgetary impact.

Through these measures, the decree seeks to protect pension purchasing power and ensure long-term sustainability, establishing an Intergenerational Equity Mechanism to replace the previous sustainability factor and guide the use of the Reserve Fund for greater future stability.

Furthermore, the reform introduced significant adjustments to address historical inequalities in

access to pensions, including new alternatives for pension calculations in cases of irregular work careers.

A dual option was established, allowing individuals to choose between calculating their pensions based on the last twenty-nine years of work (with the possibility of excluding the twenty-four lowest-contributing months) or using the calculation based on the last twenty-five years if it is more advantageous. To reduce the gender gap, the Royal Decree increased the specific gender-related supplement and reinforced minimum pensions, particularly those benefiting women affected by contribution gaps due to family care periods, thus fulfilling the Toledo Pact's recommendations on adequacy and poverty reduction among pensioners.

3.1 In-depth: Advances and Proposals for Income Security. The Minimum Vital Income (IMV)

From EAPN-ES's perspective, progress in income security represents a firm commitment to the right to economic protection for broad sectors of society, with priority given to the most vulnerable populations, whose universal right to this support must be immediate. In this regard, the network advocates ensuring that all minors have the resources necessary for full development, without their families' economic situations limiting their basic rights.

EAPN-ES also highlights the importance of minimum pensions to protect older adults in a stage of life where personal income sources may be limited, thereby preventing situations of poverty. In adulthood, between childhood and retirement, EAPN-ES reinforces its commitment to improving the Minimum Vital Income (IMV) as a fundamental pillar for social inclusion, supporting adequate and effective coverage that will enable a dignified life.

The IMV, regulated by Law 19/2021, is a financial benefit whose primary purpose is to prevent poverty and social exclusion for people in economic vulnerability. It is part of the protective action of the Social Security system in its non-contributory mode and responds to recommendations from various international organisations to address inequality and poverty in Spain.

The IMV benefit has a dual objective: to provide economic support to those most in need and to promote social inclusion and integration into the labor market. As such, it is one of the social inclusion measures developed by the General State Administration, supported by autonomous communities, the Third Sector of Social Action, and local governments. It forms a core element of the Welfare State aimed at providing minimal economic resources to all people across Spain, regardless of where they reside.

During the development and implementation of this benefit, a significant issue that emerged was the non-take-up phenomenon—individuals who qualify for the benefit and meet all requirements but do not access it, either due to lack of knowledge or inability to complete the application.

The Independent Authority for Fiscal Responsibility (AIReF), in its Third Opinion on the measure, has estimated that 56% of households eligible for IMV have not

accessed it. AIReF notes, however, that between May 2020 and October 2023, the number of households covered by a last-resort benefit doubled.

Alongside non-take-up, the IMV encounters other challenges, such as overpayments, in which households are asked to return the full amount received because they failed to meet eligibility criteria. The Ombudsman has taken action in such cases, proposing to limit the obligation to repay social benefits—such as the IMV—in the case of vulnerable households when the beneficiaries have acted in good faith or when the error is attributable to the administration.

EAPN-ES IMPROVEMENT PROPOSALS

Through a broad participatory process that includes networks, social organisations, and people experiencing poverty, EAPN-ES has identified key improvements for the IMV. These proposals aim to simplify and expedite access procedures, allowing more vulnerable people to benefit from the IMV without unnecessary administrative obstacles. Additionally, they highlight the need to increase the benefit amounts to effectively cover the cost of living, particularly in areas with high poverty rates.

EAPN-ES also recommends improved coordination between the IMV and other social benefits to avoid duplications and ensure that the IMV serves as genuine support for social inclusion and labor integration, promoting greater flexibility for recipients to improve their economic situations without fear of losing the benefit.

Addressing Communication and Awareness Issues with IMV

- **Conduct targeted communication campaigns aimed at high-risk groups affected by non-take-up, focusing on individuals who may be eligible for the benefit.**
- **Provide easy-to-read documents and information.**
- **Combat and penalise aporophobic (discriminatory) messages on social media and in the news that stigmatise people exercising their right to apply for this benefit and disparage the benefit itself.**

The Need for Administrative Simplification

- **Work towards automating the benefit approval process to reduce the volume of required administrative work and free up resources to better serve groups facing longer-term challenges.**
- **Shift the burden of proof in accordance with Article 28.2 of Law 39/2015 on Common Administrative Procedures for Public Administrations to streamline bureaucracy. This compliance not only greatly contributes to simplifying the procedure, but also reduces the risk of "administrative abuse or mistreatment," and improve the measure's image (simple, efficient, modern).**
- **Re-evaluate or eliminate the asset requirement.**
- **Re-evaluate or eliminate the requirement for one year of regular, effective residence.**
- **Revise the age requirement, allowing access for individuals aged 18 to 23 and removing**

specific requirements for those up to age 30.

- ♦ **Eliminate the inadmissibility of applications.**

- Modify administrative silence for it to become positive silence.
- Comply with the mandatory requirement to sufficiently justify decisions as stipulated in the Administrative Procedure Law.
- Automatically and immediately complement IMV with work income.
- Remove the requirement for second-degree consanguinity when several family units share the same residence, focusing on the nuclear family rather than the household unit and establishing a future benefit development focused on universalisation and individualisation.
- Remove the requirement of six months' residence in cases of family changes due to emancipation, relocation, marriage, etc., of family members.
- Align requirements for marriages with those for civil partnerships, as civil partnerships must currently meet a minimum two-year registration requirement and a prior five-year cohabitation, whereas married couples only need six months of shared residence.

Need for a Support, Management and Personalised Assistance System

- Establish geographically accessible support and management resources for vulnerable individuals, ensuring quality, personalised assistance as part of a broader community strategy.
- Introduce a one-stop shop system, possibly through localised management offices that provide direct support (first-level contact, for proximity) and refer people to one-stop centers managed by the administration (local, regional, or national levels).
- Recognise the right to accompaniment and in-person support and the essential role of Third Sector Social Action organisations in this.

Need for Coordination of IMV with Other Benefits and Income

- Ensure that mechanisms outlined in the ninth additional provision function by default, with automatic communication between administrations to avoid "overpayments" that are reclaimed from individuals who received both an Autonomous Minimum Income (RMA) and IMV due to the retroactive effect of the latter.
- Review income calculation mechanisms to ensure that support provided by Third Sector social entities as part of their inclusion programs is not counted as income for IMV purposes. Exclude final benefits such as thermal social bonuses, social assistance cards, and employment or training incentives from IMV income calculations.
- Establish measures that ensure better compatibility between IMV and different RMAs. A complementary framework using a common information system, such as a "citizen's folder," could increase coverage ratios of both benefits, significantly reducing poverty and need within a substantial part of society.
- Implement a "double right" principle: the right to the benefit and the right to personalised support since conditionality does not necessarily facilitate labor market inclusion and sometimes acts as a barrier.

Need to Improve the Adequacy of the Benefit

- **Activate the provision in Article 13.3 to increase IMV amounts when housing costs exceed 10% of the guaranteed income threshold.**
- **Propose a system that adjusts the benefit to recent monthly income rather than previous year's income, similar to the French system or the Basque regional income model.**
- **Adjust amounts using updates based on the Minimum Interprofessional Wage (SMI).**

4. TOWARDS A SYSTEMIC APPROACH TO SOCIAL PROTECTION

4.1 Social Protection as a Pillar of Justice and Equity

Social protection is a cornerstone in our societies, serving as a lifeline throughout all stages of life. This system provides vital support to those facing economic and social vulnerability, promotes wealth redistribution, and fosters equality of opportunity. However, its effectiveness is hindered by various structural and systemic limitations, particularly within the Spanish and European contexts.

In September 2015, with the adoption of the 2030 Agenda for Sustainable Development, the 193 United Nations member states emphasised that eradicating poverty is the most critical global challenge. This goal cannot be achieved without sustainable development that includes the entire population. The agreement established a framework of priorities known as the Sustainable Development Goals (SDGs), with a commitment to eradicate poverty and build a just society without compromising future generations' ability to meet their needs.

After two turbulent years due to the COVID-19 crisis—which caused a downturn and then a recovery have reached a relatively stable phase.



However, this stability is only superficial because, as highlighted in the first chapter, while the poverty risk rate and the low-intensity employment rate (BITH) have slightly decreased, the Severe Material and Social Deprivation (PMSS) rate has significantly increased by 1.3 percentage points to 17%. This increase suggests that, although some people are not currently considered poor, they experience restrictions and material and social deprivation due to substantial income losses in recent years,

which could lead to increased poverty in the future.

This trend is reflected in higher rates of energy poverty and the growing number of people struggling to cover unexpected expenses or make ends meet.

The measures implemented under the "social shield" have been essential in maintaining quality of life during and after the COVID-19 crisis. These initiatives have proven effective in limiting the rise in poverty and exclusion rates. Given their efficacy, it is vital not only to maintain these measures but also to expand them in terms of intensity and reach because although essential, they remain insufficient.

Considering the current situation, it is essential to emphasise three key points:

- **Spain has not achieved a proportionate reduction in its poverty and social exclusion rates to meet the objectives of the 2030 Agenda.**
- **Economic growth alone is insufficient to combat poverty and exclusion. Data show that increases in average income, job creation, and GDP per capita do not automatically translate into a proportionate reduction in poverty and social exclusion.**
- **The state plays a fundamental role in income redistribution to maintain the population's quality of life. For instance, this year, thanks to public transfers, the poverty risk rate dropped from 42.6% to 20.2%, which means that 10.6 million people were lifted out of poverty.**

This chapter focuses on the valuable insights shared by individuals with direct experience of poverty, who provided their perspectives, concerns, and proposals to genuinely improve the social protection system. The structure and content reflect the interests and priorities expressed by these voices, representing a critical reality in the design of effective and fair public policies. This approach guided each section, ensuring that their words and reflections remain central to the analysis and proposals.

The experiences of these individuals were gathered through reflection groups within the regular activities of EAPN-ES, as well as ad hoc focus groups.

The methodology of two online focus groups was designed to facilitate deep and structured discussion on the deficiencies in social protection systems based on the experiences of people who have lived in poverty. Each session began with a welcome and introduction from the facilitators, who established the purpose of the discussion: to determine whether the system's issues are structural or systemic.

Participants, encouraged to share their experiences in these groups, felt comfortable expressing their opinions while observing norms of respect and active listening.

During the session, problems related to current policies were identified, and possible solutions were discussed, distinguishing between structural and systemic aspects. **The session's final part explored the relationship between social protection policies and Europe's eco-political model, analysing the conditionality of access and the social narratives that determine who "deserves" assistance.**

This collaborative and reflective approach enabled the collection of valuable perspectives that could contribute to improving social protection systems.

4.2 The New Fiscal Framework in Spain

On December 20, 2023, the Council of the European Union approved a new European fiscal framework aimed at offering a more flexible system adapted to each member country's specific circumstances. Although this agreement represents significant progress, it also introduces certain restrictions that could have critical implications for social protection in Spain.

Under this new framework, member states must maintain a deficit below 3% of GDP and a public debt below 60% of GDP. **Countries that fail to meet these targets will be required to implement medium-term national fiscal adjustment plans with an initial duration of four years, which can be extended to seven years if specific reforms and investments are undertaken.** This approach seeks to tailor adjustment paths to each country's characteristics, offering some flexibility but also presenting significant challenges.

For Spain, adhering to these new fiscal rules presents several challenges that could impact social protection. The need to rapidly reduce both structural deficits and public debt may necessitate cuts in public spending, including in critical areas like social protection. Although the elimination of the annual debt reduction rule provides some relief, implementing fiscal adjustments remains a considerable challenge.

The necessary fiscal adjustment to comply with these new rules could lead to a reduction in social programs and essential public services. This could negatively affect the most vulnerable population, increasing inequality and poverty. Additionally, the required reforms and investment commitments may divert resources from social protection to other priority sectors, such as green and digital transitions and strengthening defence capabilities.

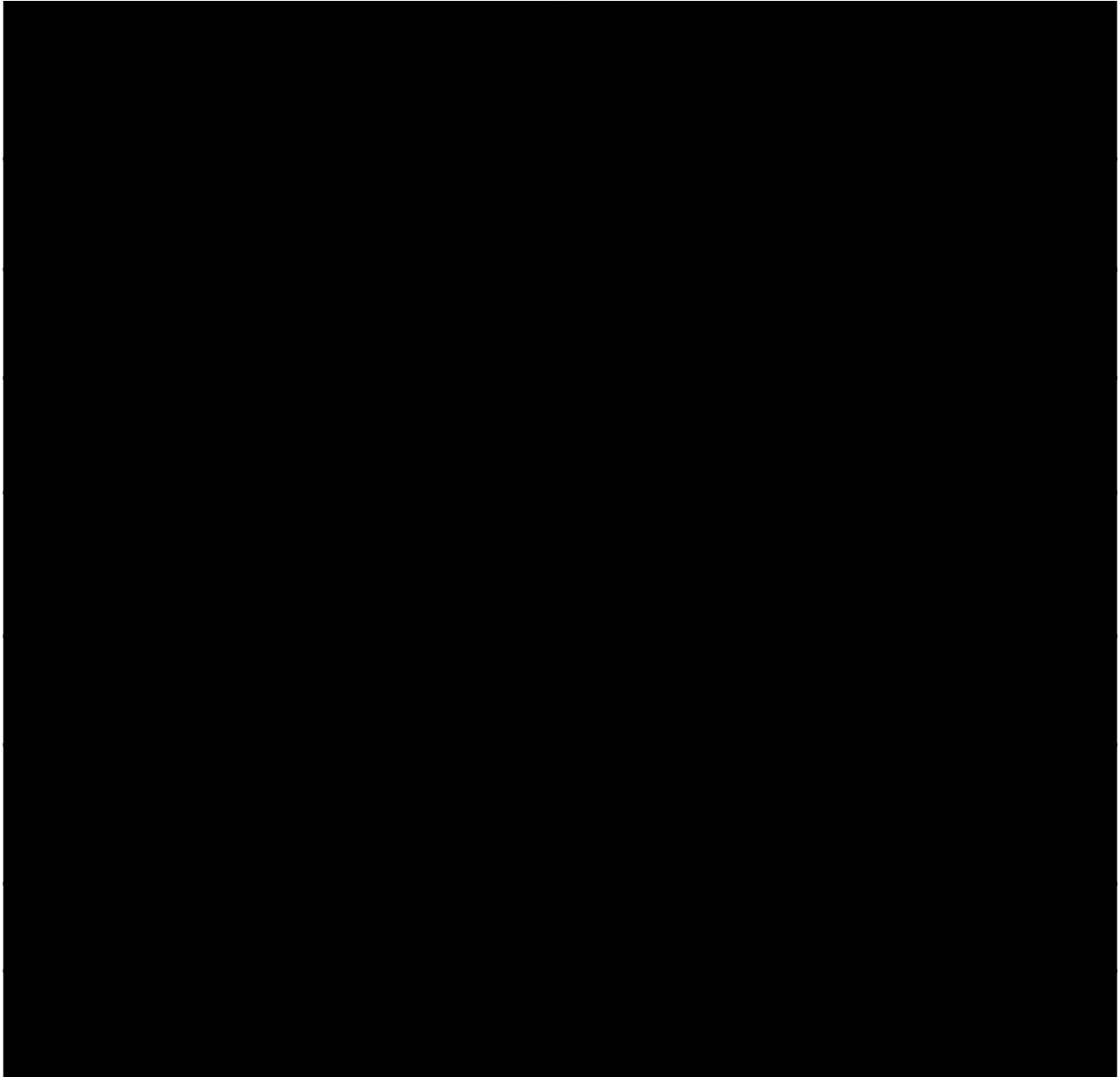
To meet poverty reduction objectives, Spain must address the need for an adequate fiscal reform within the already initiated path, but in a structural manner.

This reform, as part of the necessary structural transformation, must be rooted in the notion of fiscal justice, whose primary premise is the ethical distribution of the tax burden across society. It goes beyond that to encompass aspects such as building inclusive societies based on legality, equity, transparency, and accountability. **The Spanish Constitution of**

1978 offers a foundation by establishing fundamental principles to uphold fiscal justice: generality, equality, progressivity, and non-confiscation in the tax system.

However, limitations hinder the full implementation of fiscal justice, stemming from issues such as tax evasion and fraud, tax havens, economic inequality, lack of international coordination, corruption, and political pressures.

The functioning of a tax justice system that guarantees human rights, however, faces various limitations, requiring attention to be focused on the threats causing these issues, as shown in the following table:



The Spanish tax system generates public revenue levels below the European average of 45%, with Spain at 40%, primarily due to relatively low tax rates and tax evasion. It has a lower revenue-raising capacity across all tax types (except property taxes), falling below the average in indirect and direct taxes, especially in corporate taxes.

From a revenue perspective, indices such as Kakwani and Reynolds-Smolensky show that between 2016 and 2020, overall progressivity improved, with a proportionately higher tax burden on the wealthier brackets. However, the top 1% experienced minimal changes in their effective tax rate.

From an expenditure perspective, distribution capacity is very limited, with spending concentrated on pensions and insufficient for social spending aimed at vulnerable people.

The tax system is shared between the central government and autonomous communities, which decide on tax rates for inheritance and wealth taxes. Regional tax competition is a challenge in addressing poverty-related policies, as different revenue capacities and trends to abolish taxes like wealth and inheritance taxes significantly impact wealth redistribution and inequality.

Major challenges, such as tax havens—estimated to account for 10% in Spain—and corporate tax and personal income tax fraud, affect fiscal revenue and foster inequality. Tax fraud in the personal income tax results in estimated annual losses of around 7 billion euros. The Spanish Recovery, Transformation, and Resilience Plan (PRTR) plays a significant role in modernising the Tax Agency to combat fraud.

Spain's agenda includes a comprehensive fiscal reform that incorporates the regional financing system from 2023 to 2026. This reform seeks fiscal sustainability, improved progressivity with measures for families, self-employed individuals, and small businesses, and combating tax fraud.

A White Paper on necessary tax reform has been developed, proposing 118 recommendations to transition towards fairer and more equitable taxation.

4.3 General Experiences with the Social Protection System

The social protection system in Spain, designed to provide a minimum level of economic security to individuals in vulnerable situations, faces numerous deficiencies. Bureaucratic rigidity, inadequate funding, and the absence of a holistic approach prevent many of these measures from being effective. Discussion groups reveal a widespread perception of inefficiency, lack of equity, and, above all, a significant disconnect between policies and the realities faced by people who rely on these benefits.

The overall perception of the social protection system is not encouraging. Participants'

testimonies reflect a generalised sense of disappointment. Often, those receiving benefits feel that the system is designed to discourage rather than assist, putting up bureaucratic barriers that turn the process of obtaining aid into an exhausting and frustrating experience.

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"Bureaucracy kills people; I know of a woman with three children who was a victim of gender violence, but because she owns her home, she is denied any assistance. It makes you think that what you have to do is go live under a bridge."

PeP (July 2024).

Minimum benefits, such as the electric social bonus or the Minimum Vital Income (IMV), are seen as insufficient stopgaps that do not allow individuals to escape exclusion. Additionally, the design of these benefits seems to disregard the shifting realities of those attempting to improve their situation through temporary employment.

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"They make you think twice when getting a job: if you work two months in seasonal fruit picking, the following year, even if you have no means, you can no longer apply for the IMV. And to reapply, you have to go through the entire process again. It shouldn't be like this." – PeP (July 2024).

4.4 Issues with Financing and Fund Allocation

One recurring issue is the lack of adequate funding and the mismanagement of budgets allocated to social protection. Participants observed that resource allocation decisions are often influenced by the public image that politicians wish to project, rather than the real needs of citizens.

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"A political party wants to maintain an image; they don't care if something is actually getting fixed or not." – PeP (July 2024).

In this regard, participants denounced that funds allocated for social assistance are frequently misused or, in some cases, diverted to other priorities, such as military spending.

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"How can it be justified that the military budget increases while poverty is also on the rise? Then they have the audacity to stand before us and claim they're fighting for us."

PeP (July 2024).

Participants suggested that funds earmarked for social policies should be accessible so that municipalities, which are directly in contact with vulnerable populations, can distribute them more effectively. They emphasised the importance of proximity and the role of local entities in providing assistance.

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"Good intentions are fine, but if there aren't enough funds, how can they implement these initiatives? The budget needs to be increased so that municipalities can help those most in need." – PeP (July 2024).

4.5 Deficiencies in Institutional Coordination

The lack of coordination among different state institutions is another barrier faced by people in vulnerable situations. The absence of a one-stop shop for services, along with the need to repeat processes and submit documents multiple times, are recurring issues.

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“You end up standing in 40 lines to ask for the same thing, and at the end of the day, you feel like everything you did was useless.” – PeP (July 2024).

This process not only exhausts applicants but also perpetuates exclusion and disconnection between institutions and the social reality. Participants proposed implementing a one-stop service system to facilitate access to social services and avoid duplicate, unnecessary procedures.

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“They do it on purpose to wear you down so you don’t apply. It doesn’t make any sense.”
PeP (July 2024).

4.6 Accessibility and Discrimination

Social protection does not serve all vulnerable groups equally, and there are specific barriers for certain social groups. Migrants, for example, face restrictions due to their administrative status and difficulties in accessing basic services such as registration. In addition, other groups such as elderly people with minimum pensions or people in a situation of homelessness also suffer from similar problems. On the other hand, while we see that employment is losing its capacity to prevent poverty, support for employed people is becoming increasingly insufficient, as access to the social protection system is restricted.

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“Sometimes people are left behind who are working but are paid 600 or 700 euros, which is not even enough to pay the rent”, PeP (July, 2024).

In addition, participants are highly concerned about the profound lack of knowledge, on the part of the general public, about phenomena such as poverty and exclusion, which they blame on them. This creates fertile ground for discrimination and hate speech.

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“The vast majority of citizens have begun to view migrants and precarious people with contempt, and as a result, hate speech has increased”, PeP (July, 2024).

In order to tackle hate speech and hate crime, it is essential to focus on policies that promote equal treatment, that do not only address the rejection of different people, but that also address aporophobia. Aporophobia, a term coined by philosopher Adela Cortina, refers to the rejection and aversion towards people living in poverty. This form of discrimination is insidious and manifests itself through stigma and stereotypes that dehumanise those who lack economic resources, perpetuating a view of them as less worthy or deserving.

Unlike other forms of identity-based discrimination, aporophobia requires a different approach. Traditional anti-discrimination policies, which focus on diversity and respect, may not be sufficient to address the complex dynamics of poverty. It is crucial that these policies are accompanied by a comprehensive set of social measures that seek to restore fundamental rights to all those affected. This includes ensuring access to basic services, such as health, education and housing, as well as the creation of economic opportunities that enable social inclusion.

In developing strategies to combat aporophobia, it is therefore vital to implement policies that not only recognise and respect diversity in all its forms, but also strengthen the social fabric by offering tangible support to those living in poverty. This implies a real commitment by governments and institutions to dismantle the structures that perpetuate inequality and to promote a society where everyone, regardless of their economic situation, is guaranteed their rights and dignity. This is the only way to transform the negative perception of poverty into a more empathetic and caring approach that fosters social cohesion and mutual respect.

4.7 Conditionality and Narratives of Social Protection

Another key issue is the increase in benefit conditionality. There are increasingly strict control mechanisms that, instead of assessing people's actual vulnerability, focus on formal issues such as changing registration or doing temporary work.

This establishes a narrative of mistrust towards those who make use of their entitlement to social benefits.

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Administrative supervision is given, but not personal accompaniment. When you talk to a social worker, it is three months after the problem', PeP (July, 2024).

The participants emphasise that for the social protection system to be effective, it must guarantee the rights of the population as a duty of the state and not as a favour. There is a conscious criticism by the participants of the perception of social benefits as a 'help' and not as a right, as well as of the aporophobic discourse that is increasingly spreading about the people who access them, which discourages people who need them from accessing

them.

"The benefits, a large part of society sees them as a handout, not as an acquired right. Many people are even ashamed to receive them", PeP (July, 2024).

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4.8 Proposals for Improvement and Final Reflections

The structural deficiencies of social protection systems in Spain are manifested in the lack of

coherence and consistency in policies and legal frameworks, as well as in their implementation. Clear examples include the complexity of application processes, the constant need for renewals and the bureaucracy that excludes many from benefits. Most participants stress that the social protection system needs fundamental changes and not just minor adjustments.

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“Poverty is not just not having enough money; there are many kinds of poverty. You have to listen to the people who are suffering from it and implement policies from there, not top-down”, PeP (July, 2024).

The testimonies highlight that benefits such as the bono social and bono término are not sufficient to cover basic needs, and that bureaucracy makes it difficult to reapply for benefits when temporary employment is obtained. In addition, regional differences in the implementation of the Minimum Vital Income (IMV) and other financial assistance underline the lack of uniformity and equity in access to social protection.

Furthermore, they highlight the need for social policies to include a preventive and not only a palliative approach. It is crucial that the social protection system promotes real inclusion, through strong and accessible support for those who are trying to escape poverty and not just survive.

“We need comprehensive change, not isolated patches that only serve to give the appearance of help”, PeP (July, 2024).

Access to social protection is increasingly conditional and monitored, leading to a perception that benefits are a handout rather than an entitlement. This narrative contributes to the stigmatisation of beneficiaries and the lack of real accompaniment that could facilitate their social and economic integration.

In addition, social policies often fail to adequately address the most vulnerable groups, such as migrants, the homeless, precarious workers, etc. Lack of access to information and resources, coupled with bureaucratic complexity, excludes many people from the benefits to which they are entitled. Lack of coordination between different administrations and excessive bureaucracy result in a system that, instead of supporting, often discourages.

From a systemic perspective, social protection cannot be analysed in isolation, but in relation to the overall political and economic model. In Europe, the predominant focus on economic growth and the single market influences social protection policies, often subordinating social welfare to economic demands.

In this sense, it is important to address those policies that are fuelling the most precarious situations. The participants pay special attention to the system of foreigners.

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“It is very important to repeal the law on foreigners. We have people living for three years without being able to regularise their status, it generates B-jobs and employers take advantage of this. Give them the option of papers, otherwise they will spend three years

going around and looking for them', PeP (July, 2024).

‘The law on foreigners is very exclusionary and people who do not have their papers in order are excluded’, PeP (July, 2024).

This analysis calls for reflection on a sustainable and just eco-political model, where social protection is not seen as a burden, but as an essential investment for an equitable society. Current policies often respond to political or image-based priorities rather than to the real needs of vulnerable populations.



The European Network for the Fight Against Poverty and Social Exclusion in Spain (EAPN-ES) is made up of the following networks and entities:

19 regional networks:

EAPN-Illes Balears-Xarxa per la Inclusió Social • Red Andaluza de Lucha contra la Pobreza y la Exclusión Social • Red Aragonesa de Entidades Sociales para la Inclusión • Red Europea contra la Pobreza y la Exclusión Social en Castilla y León • Red Europea de Lucha contra la Pobreza y la Exclusión social en Asturias • Red Europea de Lucha contra la Pobreza y la Exclusión Social de Canarias • Red Europea de Lucha contra la Pobreza y la Exclusión Social en Castilla-La Mancha • Red Europea de Lucha contra la Pobreza y la Exclusión Social en Euskadi • Red Madrileña de Lucha contra la Pobreza y la Exclusión Social • Red de Lucha contra la Pobreza y la Exclusión Social de la Región de Murcia • Red Europea de Lucha contra la Pobreza y la Exclusión Social de Extremadura • Red Europea de Lucha contra la Pobreza y la Exclusión Social de Melilla • Red Europea de Lucha contra la Pobreza y la Exclusión Social en Cantabria • Red Europea de Lucha contra la Pobreza y la Exclusión Social en Ceuta • Red Europea de Lucha contra la Pobreza y la Exclusión Social en el Estado Español de la Comunidad Autónoma de Galicia • Red Europea de Lucha contra la Pobreza y la Exclusión Social en La Rioja • Red Navarra de Lucha contra la Pobreza y la Exclusión Social • Taulad • Entitats del Tercer Sector Social de Catalunya • Xarxa per la Inclusió social de la Comunitat Valenciana

And 22 national entities:

Accem • Acción Contra el Hambre • Cáritas Española • Comisión Española de Ayuda al Refugiado (CEAR) • Confederación de Centros de Desarrollo Rural (COCEDER) • Confederación Española de Personas con Discapacidad Física y Orgánica (COCEMFE) • Cruz Roja Española • Federación de Mujeres Progresistas (FMP) • Fundación ADSIS • Fundación Cepaim • Fundación Cruz Blanca • Fundación Esplai • Fundación Secretariado Gitano • Hogar Sí • Médicos del Mundo • Movimiento por la Paz (MPDL) • Organización Nacional de Ciegos Españoles (ONCE) • Plena Inclusión • Provivienda • Red Acoge • Unión Española de Asociaciones y Entidades de Atención al Dependiente



