



# Integrated approaches to active welfare and employment policies

## Spain

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# CHAPTER 1: THE NATIONAL CONTEXT

## Introduction

The principal objective of project 0194, “Integrated approaches to active welfare and employment policies”, is to identify effective coordinating mechanisms for active welfare and employment policies applying to minimum income recipients. However, before analysing the Spanish case, we need to make a series of initial distinctions and clarifications concerning the different concepts mentioned.

First, the Spanish **socio-economic and political context** and its **legislative framework** is, in this sense, enormously complex, due to the territorial heterogeneity of Spain, in which there are regions with very different levels of diversification and productive specialisation. In Spain, the industrial employment crisis of the 1970s coincided with the reintroduction of democracy. A new democratic constitution, which recognised territorial diversity and made provision for a State regime based on Autonomous Communities in which the access channels depend on delicate political terrain, served as the background to the processes of change in economic and employment policy leading, first, to accession to the European Community and subsequently to the social cohesion and employment policies introduced under the various treaties and political agreements of the European Union, and, second, to the institution of “social” and “civic” dialogue, in a particularly national and autonomous manner, with different degrees of implementation of quantitatively and qualitatively distinct social and employment policy measures.

The current state of transition as regards translation of the concrete results of the regime for social cohesion and employment policies in a State based on the autonomous powers enjoyed by the 17 Spanish regions legally defined as Autonomous Communities - which allows them to legislate and manage policies with different degrees of political devolution – as well as the controversies played out in public view concerning autonomous financing models and the initiatives taken by some autonomous governments on non-contributory pensions and other matters, means that, at present, it is especially difficult to make an analysis and postulate conclusions for the whole of Spain. An additional factor is the lack of a national reference framework in support of a minimum income system, which has led to diversification of the amounts, the conditions for entitlement and nature of the link between minimum income and integration. The possibilities range from those regions which deem both income and integration to be a right, to those which put forward more authoritarian proposals, viewing integration as a precondition for eligibility for minimum income.

The diversity and complexity of the Spanish regime, with its advantages and drawbacks, for both its application and analysis, however forms an interesting parallel with the European situation (Spanish central government versus various different autonomous regions and European central institutions versus the different Member States) with respect to the debate on equality of opportunities in the different territories of the European Union and the impact which this type of social protection has on social cohesion. In this report, we have therefore chosen to approach our analysis from both a national and autonomous community viewpoint which allows in-depth analysis of some of the most significant territorial differences as regards the objectives of this report. To this end, we have selected **three autonomous communities (Andalusia, Catalonia and Navarre)** for examination in greater detail on the grounds that they are qualitatively significant as regards the situations regionally in Spain.

Due to the scant impact of minimum incomes on exclusion situations and the existence of welfare systems which may be covering minimum income objectives to some extent, the group analysed is not restricted to persons who are recipients of minimum income programmes. This report therefore refers to that sector of the population of working-age which has inadequate resources or is impoverished - due to its employment status (irregular, occasional, poorly-paid work, etc.) and/or due to other social factors (families with multiple problems, poor qualifications, failure at school, having to assume responsibility for family dependants without having sufficient assistance, etc.) – or is at risk of social exclusion, and which may or may not meet or not the official requirements (different in each Spanish region) for entitlement to minimum income programmes and may or may not in fact be included in one of these minimum income programmes.

This reference population is an attempt to encompass the precariousness which generates a risk of exclusion, exclusion which leads to a risk of marginalisation and marginalisation stemming from the lack of access to employment in its various forms (irregular work, part-time employment, underemployment, underpaid work, self-employment, etc.) and which relates to more than the labour market itself, which is very limited in some regions. However, given the key role of employment in providing income – in the society of today there is a close link between employment status and possibility of sliding into poverty in its various types (relative and absolute), namely, into **precariousness, exclusion and social marginalisation** resulting in lack of access or restricted access to the social security and social welfare systems and basic social networks.

Many of these aspects of precariousness, exclusion and social marginalisation are not visible at an official level using current measuring mechanisms. This is due to the way in which persons affected by these processes gain access to and are classified and hierarchically arranged under the statistical and measuring techniques currently used, which in turn jeopardises and restricts their potential access to social policies; this was indeed confirmed in 1995 by our empirical research on outlying European regions, in which an analysis was made of the implicit inequalities in the mechanisms for measuring employment and their impact on exclusion in rural and urban areas (Gavira, 1995).

In addition, it is necessary to stress that in Spain the term **pro-active policy** is used, generally and administratively, to refer to any initiative not restricted to the provision of a cash benefit, which makes it a controversial issue in circles specialised in employment and social cohesion. Indeed, many programmes are included under this denomination which do not always propose economic or social integration as a specific objective, suggesting that these policies involve other less politically popular objectives. There are also some policies halfway between pro-active and welfare policies, although they are officially classified as unemployment benefit policies, such as those specifically targeted at casual agricultural labourers in Extremadura and Andalusia, which have been extended to the rural population of disadvantaged areas in the State as a whole.

Therefore, it is necessary to review the policies affecting those groups defined as potential users of coordinated socio-vocational integration measures and consider the implications it would have for a definition of activation aimed at social, vocational and economic integration, which necessarily involves a degree of political integration of these users as citizens. In this respect, the aim is to analyse the extent of the impact of **activation through work**, in order to ascertain the implications of these policies for income, technical skills (search for information and training) and social skills (self-confidence, networking skills, basic rules relating to the work ethic, etc.) as well as their political dimensions, that is to say the extent to which activation and coordination with other welfare policies confers a greater capacity for

autonomy in decision-making at personal and collective level (taking decisions on the political need for wide-ranging changes) as regards the situations of persons affected.

Given the complexity of the Spanish institutional framework, regional diversity and the number of partners involved in the management of these policies, the very concept of coordination of active welfare and employment policies needs to be qualified by taking into account unequal structural positions regionally as regards employment and income, and the prevailing context of unofficial arrangements.

## **1. Socio-economic and political changes in Spain**

As a consequence of economic restructuring, in Spain, as in the rest of Europe, a series of processes are underway which are increasingly generating situations in which vulnerability and social risk of exclusion, prevail so that citizens' living conditions are gravely threatened when it comes to exercising civic rights at social and political level.

In Spain, the specific characteristics of these processes derive from the historic background to integration into the global economic system which, after forty years of Franco's regime, took place progressively and was applied with full force to a stunted Welfare State, strongly conditioned in its institutional practices and welfare and employment policies by both the politico-territorial structure based on power play which had evolved since the 1950s and by the transition of the State towards democratic consolidation, which meant that social policies developed special features differentiating them from the rest of Europe.

Briefly, the development of labour relations fell into a series of stages which resulted in social and employment policies in which different features and players prevailed.

**A first stage, from 1977 to 1981, of social mobilisation**, which involved moving from the earlier regime's authoritarian, disciplinarian and protectionist model to a model of labour relations in a democratised framework aimed at strengthening and consolidating a social security regime comparable to those existing in the rest of Europe. At this stage, an important role was played in the field of social policies by democratic city councils, which were the first institutions to launch services targeted at the whole population and to strive for a policy of Community-type intervention. Social dialogue began with the signing of general agreements (Pactos de la Moncloa - the La Moncloa Pacts), which were to give rise to the *Estatuto de los Trabajadores* (Workers' Statute) and the *Ley Básica de Empleo* (Basic Labour Law) (1980).

**A second stage, from 1981 to 1984, of Keynesian/liberal hybridisation** which is unusual in the European context in that a series of political measures and structural features which set Spain apart were introduced to the labour market as a result of the political background to worker mobilisation, the effects of the crisis of the traditional industrial framework and the long-standing hopes of resolving structural problems created by the Franco regime. Specifically, in the wake of the social dialogue stemming from the *Acuerdo Nacional de Empleo* (ANE - National Employment Agreement) policies were launched to extend the social security coverage of workers and to make structural changes which were expected to have an impact on the labour market. It was in this period that policies to promote democratic associative labour movements were started, which was to lead some territories to launch the first local development initiatives or to involve democratic town administration in the provision and allocation of public work (local employment committees, community work) or in policies such as those derived from the Agrarian Reform in Andalusia, targeted at increasing employment by enhancing productivity and creating new employment through

farm cooperatives. The problem was that as there was no clear framework of competencies and financing in the social policies field; the expansion of social welfare which occurred was extremely varied and untried in its offer.

**The third stage, from 1984 to 1992, was characterised by progressive fragmentation and division of the labour market and social policies** as a result of the launch of policies increasing the flexibility of recruitment and tightening up the criteria for eligibility for unemployment benefits, within the political setting which led to accession to the European Economic Community. These steps included the *Acuerdo Económico y Social* (AES - Social and Economic Agreement), the amendment of the Basic Labour Law and the Workers' Statute, all of which led to the introduction of more neo-liberal policies as regards both policy guidelines aimed at reducing the cost of labour and the precepts of the Common Agricultural Policy, which were to progressively displace the Agrarian Reform. With regard to social dialogue, partial agreements on specific subjects (pensions or civil servant labour rights) began to emerge as from 1985. The first steps were taken to decentralise administration of policies with a view to developing and promoting employment, at which stage the Autonomous Communities and local institutions began to take a more important role.

So much so, that from 1985 the various Autonomous Communities began to show an interest in regulating municipal social services, converting them into the basic services of a new welfare system which was to be transferred into the legal setting of the Autonomous Communities. For example, in 1988, in Andalusia, the *Ley de Servicios Sociales* (Social Services Act) was introduced. Such laws, which amounted to an important advance in protection systems, have significant financial and organisational shortcomings as compared to what a Public System of Social Services should involve. This prompted the central administration in 1988 to promote, in conjunction with the Autonomous Communities, a concerted plan for the development of community Social Services and a catalogue of basic benefits which these services should guarantee across Spain, but without enacting a state law. Under this Plan, the coverage and tasks of the Community Social Services were increased and extended to all municipalities and Regional Councils.

In the field of training and employment policies, the first *Plan Nacional de Inserción y Formación Profesional* (FIP - National Plan for Integration and Professional Training) was established, and the first formulas emerged for pro-active State employment policies which attempted to link training with work experience and work integration for young people (vocational training workshops and craft guild schools). At autonomous community and local level, the first local employment initiatives involving policies in support of the creation of self-employment and of different forms of public work for the unemployed with greater employment difficulties, were developed under agreements between the *Instituto Nacional de Empleo* (INEM - National Institute for Employment) and public administrations, social work and a *Plan de Empleo* (PER - Rural Employment Plan) for Andalusia and Extremadura. For the first time, access to benefit and employment promotion policies became dependent upon recipients being active job seekers.

This period also marked the end of debate of the public system of non-contributory benefits within the National Social Security System based on a law which in 1990 was to set out fully comprehensive guidelines for non-contributory social security. However, it did not encompass the steps already taken in some territories, such as the Basque Country and Navarre, which had detected the need for other measures to deal with increasingly significant social exclusion problems, and had linked minimum incomes to a series of other social and employment measures, which, with the deepening of the subsequent crisis, were to sow the seeds of the various minimum incomes schemes in the Autonomous Communities.

**A stage, from 1992 and 1997, characterised by a tightening of working conditions and conditions for access to social policies** as a result of labour relations becoming more individualised, informal and precarious. The 1993 crisis and the 1994 Labour Reform - *the most important to take place in Spain since the Constitution and Workers' Statute were approved* (Salas, 1994) - made recruitment much more flexible and saw the emergence of non-profit-making private placement agencies (1995) and the legalisation of *Empresas de Trabajo Temporal* (Temporary Work Enterprises). Meanwhile, more stringent conditions for eligibility for unemployment benefit meant that, for the first time since 1988, the rising trend of unemployment cover began to reverse and ended up pushing many users towards welfare dependency, either under policies providing cover in the event of unemployment (subsidies), or once these benefits were used up, through social policies providing income supplements (most of the minimum income policies were initiated in the Autonomous Communities at this point), against the backdrop of cutbacks in public spending resulting from adjustment policies.

The expansion of Basic Social Services was completed, ushering in a stage in which powers overlapped to the extent that this constituted an obstacle to coordination between public administrations. There was a movement away from a situation in which all administrations dealt with everything to a situation in which each administration only fulfilled its most direct commitments, which meant, in many cases, a greater emphasis on the development of Specialised Social Services and the start-up of programmes to deal with situations of increasing exclusion.

This period also saw the start of consolidation of the processes of decentralisation of employment and training policies, which was to end INEM's monopoly over the administration of these policies, these powers being devolved to the Autonomous Communities and local or provincial institutions. A phase of decentralisation began, with agreements between INEM and local non-profit bodies, which was to lead to the *Servicios Integrados de Promoción de Empleo* (SIPE - Integrated Services for Employment Promotion) serving as an activation strategy under policies based on the creation of pathways for employment and self-employment.

This period likewise witnessed the progressive participation of new players in the management of social and employment policies, following the reform of the European Structural Funds and the Initiatives derived therefrom. This was to lead to a new territorial map for the management of social, employment and development policies, ushering in a new spatial and instrumental configuration (consortia, Service Councils for the municipalities and major cities) based on European Structural Fund guidelines as regards the population and territory recommended for management, culminating in a labour management scenario completely different from that of the initial period, characterised by extreme polarisation of conditions of work and income and by the deskilling fostered by seasonal work and job insecurity affecting both the trained workforce and unqualified school leavers, with no social layer immune from risk (Beck, 1998).

**Finally, as from 1997, there has been a period of reaction, of fragmentation and an endeavour to formally establish a framework of solidarity at national level**, characterised by the application of policies aimed at mitigating highly precarious job security through labour reform which led to a resumption of social dialogue on general matters related with training, employment sustainability and collective bargaining. Policies with regard to job creation and sustainability were launched, in particular through the promotion of a new sustainable employment contract with lower redundancy costs than with previous fixed contracts and the passing of the *Ley de Seguridad e Higiene en el Trabajo* (Health and Safety

at Work Act) in an endeavour to reduce the high accident rate brought about by seasonal and insecure forms of work contracts.

In addition, a series of national measures were implemented systematically to introduce proactive employment policies through training and work guidance, in cooperation with the social partners, local institutions and other NGOs. Activation became a key feature of the social policy debate at all levels of public administration (welfare), opening discussion of how to reconcile the constitutional right to security of both basic income and work.

The processes of devolving employment and training policies to the Autonomous Communities were consolidated and, according to declarations of the Minister responsible, were to be completely decentralised by 2002. This led to the need to introduce and harmonise a new *Servicio Público de Empleo* (SEPE - Public Employment Service), whose governing principles were laid down at the end of 1997 by the *Ministerio de Trabajo y Asuntos Sociales* (Ministry of Work and Social Affairs), in order to regulate, under the Constitution, the unity of the labour market, non-discrimination, free movement and appropriate participation of the administrative bodies, control and devolvement of pro-active policies. This new institutional concept was to require an amendment to the Basic Labour Law to reflect the new territorial configuration of the State and the structure of the new Public Employment Service.

This period was also marked throughout Spain by more extensive application of policies to combat exclusion by networks based on European anti-poverty schemes and social programmes: various strategies were launched through plans and programmes which attempted to integrate existing measures or to promote new forms of sheltered work, based on the philosophy of activation rather than welfare, and in which a key role was played by EU Initiatives. But the new situation of unemployment and precariousness, increasingly invisible from the statistics, scarcely made its presence felt in the departments of the Autonomous and State Administrations, both those concerned with employment design and management and those engaged in social policies combating exclusion. It was the social NGO sector which showed most commitment and organisation as regards excluded groups. For, apart from new forms of inequality and poverty difficult to detect by bureaucratic organisations, the consequences of decentralisation of pro-active employment, social and basic income policies, given the absence of legislation applicable throughout Spain, meant it was the Autonomous Communities which had to supply information on the policies applied, on users reached, on employment conditions and conditions for the application of quality criteria to policies. Financial restrictions on social policies in the different Autonomous Communities, highly dependent on the political weight of the department head, meant that exclusion, save in a few Autonomous Communities, was a secondary issue and priority was given to employment from an economic viewpoint.

In many cases, as certain practitioners have indicated, information is used as bargaining chips in political power play, hindering any diagnostic for implementation of compensatory measures or carrying out data comparisons with other EU Member States, since in most cases the information available is incomplete.

Above all, this is a breach of the principle of intra-territorial solidarity of which the State, according to the Constitution, is the guarantor, for there are no legal mechanisms in place ensuring that rights derived from social citizenship are equal for all Spaniards wherever they live. Fragmentation and inequality are fostered by the role which each Autonomous Community plays in the territorial division of labour and politically, and depending on which parties govern in the various public administrations, the autonomous governments are left to bear part of the cost of income schemes for the most disadvantaged, disqualified from the

national unemployment protection system, due to the obstacles to access which have been progressively put in place, which runs counter to the rights of citizens and results in a new structural imbalance: the regions with the least jobs available and most unemployment, which are also those where income is the lowest, have to bear the cost, from their own resources, which the central government saves in benefits, which are financed by social contributions from the work of all Spanish citizens. In the light of this, a cautious bargaining process has started with a view to achieving greater inter-territorial harmonisation.

## 2. Overview of social policies in Spain

### The processes which contribute to situations of inequality

Before describing the structure of social services and policies in Spain, it seems appropriate to summarise the specific processes which have led to inequality, exclusion and social marginalisation, since, at times, discourse on practices with regard to recipients obscures the fact that exclusion, and intervention to prevent it, do not depend solely on social and welfare policies. It is therefore also necessary to examine coordination in the wider context and to analyse the extent to which macroeconomic criteria are involved, as pointed out in the document issued by the Presidency of the EU Council on “Employment, Economic Reforms and Social Cohesion for a Europe of Innovation and Knowledge” delivered at the Lisbon Summit (2000). The processes involved are broadly speaking the following.

1. **Processes of inequality stemming from the situation as regards labour polarisation nationally and internationally and from the welfare policies in place in the areas in which citizens live.** These are sustained by a model of industrial development polarised between regions, which historically leads to **different degrees of control over policies** within territories affecting the citizens living there. The prevailing urban-industrial development model also has the consequence of contributing positively to urban environments and negatively to rural areas, in which there are still structural problems to be resolved regarding ownership and management of work
2. Processes which generate inequality and economic exclusion stemming from **economic restructuring and adjustment policies** in the wake of globalisation which affect employment management and social policies by restricting their financing and access possibilities, and by accentuating differences between the most disadvantaged social groups and others as well as territorial differences.
3. Processes generating inequality and social exclusion affecting **capacity to participate in the socio-cultural and economic fabric** as a result of changes in the structure of the domestic unit, mainly impacting on single women with dependants, single men, groups in which multiple problems have accumulated over the generations, or exclusion linked to ethnicity or background circumstances, such those of inmates of prisons or juvenile custodial centres..
4. Processes which generate segregation and/or marginalisation linked to a variety of causes relating to **maladjustment, ignorance or rejection of norms** due to degeneration processes stemming from problems of mental health, isolation, slum-dwelling, drug dependency, etc., which become chronic and lead to social dependency.

Hand-in-hand with these processes is a regulatory and institutional framework which tends to differentiate social policies from other policies deriving from rights acquired through work.

The resulting structure owes more to the progressive adaptation of the traditional separation between these institutional spheres (work and social welfare) and to changes which are made to meet European recommendations and directives, than to any political commitment to the needs or interests of the groups affected by them. This leads to overlaps in intervention measures and even, at times, to rivalry between different departments in the same government in administering budget allocations. Indeed, in some employment policy and social policy regulations, there is a degree of hybridisation and ambiguity which impairs their efficiency, leading to a situation in which these policies are officially put forward on grounds of social objectives, frequently described as activation, fulfil a different, and even perverse function, as occurs with the system of measures associated with the special regime for casual agricultural labourers.

The very nature of work - with its emotional, social, economic and political dimensions and the repercussions for exclusion caused by lack of work or its insecurity - means that its management calls for mechanisms and policies tailored to this complexity. It is precisely in this respect that coordination practices acquire significance, especially in the case of people of working-age who are suffering from insecurity, exclusion and the consequences thereof in terms of poverty. **A key challenge for coordination is therefore to try to achieve greater clarity as regards demarcation of institutional powers and measures, by providing the scope for flexibility needed to readjust any rigidities which arise**, which does not always mean separating spheres of action at the different levels of management of policy practice, which may not be possible and/or appropriate.

## **Social benefits regulations, types of social benefits and division of powers in Spain**

From a legislative perspective, social rights are provided for in Articles 41, 139.1 and 149.1.1 of the Spanish Constitution, which guarantee a *public system of Social Security for all citizens and adequate welfare and social benefits for situations of need* as well as *the same rights and obligations in any part of the State and the equality of all Spaniards in the exercise of their rights and compliance with their constitutional duties*.

### **- Regulatory and institutional fragmentation of social security in Spain**

Social benefits in Spain, which at EU level are integrated into the European System of Integrated Social Protection Statistics (ESSPROS), are extremely complex; quite apart from the numerous partners and administrations involved, in order to understand the significance of these benefits for the working-age population it is at times also necessary to consider those provided for old age, since many of these benefits are granted on the basis of the total income of the domestic unit and the very attitude adopted by the domestic unit to work and active employment policies is to a large extent conditioned by the total income received by all its members. This is why in the new plans for combating exclusion, while not diminishing the role of the individual, take the domestic unit as a central reference point. It must not be forgotten that in Spain, the overall ageing of the population, measured as the percentage of senior citizens in relation to the total population, is exacerbated by **the rate of effective dependence, a variable which makes Spain the worst in the European Union** due to two factors: persistence of a high unemployment rate and a high volume of inactive persons, strongly influenced by the still comparatively low female rates of activity (CES, 2000<sup>1</sup>).

The Spanish social benefits system correlates to the **areas of protection** covered by ESSPROS: sickness-health care, invalidity, old age, survival, family-children,

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<sup>1</sup> Report of the Economic and Social Committee for 2000

unemployment, housing and social exclusion not classified elsewhere (Ministry of Work and Social Affairs, 1999). This wide range of functional areas is regulated through various legal and institutional mechanisms, leading to a model of extreme complexity, which is rarely adequately coordinated: the General Social Security Act which covers the social benefits of the various work regimes, the Basic Labour Law regulating benefits administration in relation to employment and the *Ley General de Sanidad* (General Health Act) providing health services. A new law has recently been passed to promote reconciliation of the family and professional life of working persons<sup>2</sup>. This law amends various regulations: the Workers' Statute, adapting it with respect to authorisations and leave related with maternity, paternity and childcare, the *Ley de Procedimiento Laboral* (Labour Code), and the *Ley de Prevención de riesgos Laborales* (Risks in the Workplace (Prevention) Act), providing for suspension of the employment contract, with the post being reserved, and a social security cash allowance in cases of maternity in which the mother or foetus is declared, on the grounds of health, to be at risk during pregnancy and a change of work post or function is necessary but not possible; the General Social Security Law, creating a risk benefit during pregnancy, intended to protect the health of women workers and royal Decree-law 11/1998. In addition to this regulatory framework reflecting the ESSPROS system, the *Ley de Ordenación General del Sistema Educativo* (LOGSE - Law on the General Organisation of the Educational System) must also be considered with regard to the regulatory setting dealing with exclusion since it contains special measures for the improvement of professional integration through vocational support and guidance schemes and the Social Guarantee Programme established for school leavers who, on completing compulsory education, do not meet the statutory objectives. Also to be considered are the schemes within the adult education system which complement social integration policies.

There is no law guaranteeing the right to housing. Institutionally, the framework serving as support at State level is the yearly programme forming part of the 1998-2001 Housing Plan. Like previous plans, it provides for measures relating to new housing, existing housing, refurbishing schemes and measures for land acquisition. Its innovations relate to extension of eligibility for financial assistance to certain groups, a change in the financing system, affording a greater range of possibilities and improved flexibility of access to subsidies and grants. It also provides for more scope for the financing of other types of housing classified as sheltered housing under the specific regulations of the Autonomous Communities. Finally, it includes a system of maximum prices, in line with the differing regional situations (CES, 2000).

When the programme for 1999 comes to an end, the programme for 2000 under the Housing Plan drawn up by the *Ministerio de Fomento* (Ministry of Public Works) will be launched with the objectives of financing 118 000 sheltered housing units of various types and sufficient building land for 29 000 homes. Regarding housing policy, mention must be made of the property boom of recent years, which is keeping vulnerable groups of the population out of the market since sheltered housing is not being built at the pace necessary to provide these social sectors with access to such accommodation.

**This is especially significant in areas with high levels of immigration, which have large concentrations of substandard housing and settlements which do not meet minimum requirements for habitation;** this is an area in which coordination between immigration and

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<sup>2</sup> Ley 39/1999 ,de 16 de julio, para promover la conciliación de la vida familiar y laboral de las personas trabajadoras (Act no. 39/1999, of 16 July, to promote reconciliation of the family and professional life of working persons).

housing policy is essential. Also required are more incentives for renting housing to young people, who continue to find it extremely difficult to rent accommodation. According to ESC (2000), any action on housing aimed at resolving this problem will call for **coordinated and concerted action** involving the participation of central government, the autonomous communities, town administrations and the social partners.

- *The tensions created by the process of consolidation of a State of autonomous communities have an impact on equilibrium and inter-regional solidarity*

Minimum incomes are not provided for under the general system of social security and depend on the differing budgetary income of the Autonomous Communities, and are generally administered by the structure which serves as support to community social services, which plans and coordinates measures complementary to benefits, insofar as they are available. The social services are co-financed by the Ministry of Work and Social Affairs, through specific allocations relating to the *Plan Concertado de Servicios y Prestaciones Sociales* (Concerted Plan of Social Services and Benefits). This peculiarity of the Spanish protection system initially emerged out of the permanent tension arising between the central State and the political development of the State of Autonomous Communities, which in its turn is enveloped in an atmosphere of party confrontation. According to a well-informed source, the fact that the first Autonomous Community to launch a minimum income protection system in line with European policy guidelines was the Basque Country (through Decree no. 39/1989, of 28 February) governed by a nationalist party, which was subsequently followed by another government led by the same nationalist party (and also conservative) prompted the central government, at that time governed by the Socialist Party, to believe that it would be inappropriate to include this measure in reform of the non-contributory welfare system, considering that such a step would favour the interests of the nationalist parties. The Social Security's non-contributory pension system is universal and protects all those who are not eligible for contributory protection, either because they have not contributed or have not done so in sufficient quantity and are in a situation of poverty, lacking the resources to meet their needs; it is financed by the State, although its management is transferred to the Autonomous Communities. For a brief description of the current system of social benefits based on the ESSPROS system, see Annex 2.

The decentralisation process which the Spanish state is undergoing, means that due to the division of political power at local, autonomous and provincial level, **there is still no system providing reliable information for the State as a whole**, for preparation of statistics by the Ministry of Work and Social Affairs, is conditioned to large extent by the decentralisation taking place in Spain at this juncture. For example, the *Anuarios de Estadísticas Laborales y de Asuntos Sociales* (Yearbooks of Labour and Social Affairs Statistics) of the Ministry of Work and Social Affairs, frequently do not contain information on the Basque Country and Navarre. This leads to a situation in which information depends on the willingness of the Autonomous Communities to supply it to central government, making it very complicated to determine what is really happening with regard to social policies in Spain, as was confirmed by both central government administrators and those responsible for policy at autonomous community level in the interviews which were undertaken. Here, there is another shortcoming in regulatory and information coordination preventing compliance with the constitutional precepts, which is further compounded by the lack of inter-departmental communication in each administration.

## **Social services structure and management of benefits**

Article 148.20 of the Constitution establishes the exclusive powers of the Autonomous Communities in matters of social action, the respective Statutes of the Autonomous Communities constituting the legal framework guaranteeing civic rights in the relevant areas under the Social Services Laws of the Autonomous Communities. In addition, the *Ley de Bases del Regimen* (Act establishing the framework for the local regime) (Law no. 7/85) provides the municipalities with powers, under the legislation of the State and the Autonomous Communities, as regards social services provision and promotion and social reintegration services and imposes an obligation on municipalities with more than 20 000 inhabitants to provide social services.

- *A regulatory framework for social benefits in Spain insufficiently developed to guarantee the constitutional precept on the fundamental right to an adequate social benefit throughout the State*

However, without prejudice to this, Article 141.1.1º of the constitution establishes that it is the State's responsibility to regulate to ensure conditions of equality in matters relating to the fundamental rights provided for in the Constitution, such as the right to adequate social benefits.

The social services laws passed by the Autonomous Communities establish a **public system of Social Services intended to guarantee coordination** of public or socially-based resources and initiatives (MTAS [*Ministerio de Trabajo y Asuntos Sociales* - Ministry of Labour and Social Affairs], 1997); the provisions of these laws also provide cover for transient persons. Foreigners and immigrants benefit from international treaty measures and the *Ley de Extranjeria* (Aliens Act) which, in July 2000, was in the process of reform. The end result is a change in the breakdown of social security expenditure on social services, which now amount to 2% of total expenditure year-on-year, with the added feature that its funds are to a large extent transferred to the Autonomous Communities, a trend which is clearly on the increase (57% for 1999 and 61% for 2000), and which entails a corresponding decrease in social services provided by the *Instituto de Migraciones y Servicios Sociales* (IMSERSO - Institute for Immigration and Social Services), a state organisation concerned with benefits in this area (CES, 2000).

**The target groups established** are: family, children-youth, older persons, women, the handicapped, prisoners and ex-prisoners, drug addicts, ethnic minorities, transient and homeless persons, immigrants, refugees and stateless persons, and others in a situation of need or marginalisation, in the judgment of the community social services. A further target group is that of Spanish emigrants and returning emigrants, administered by services separate from Basic Social Services.

- *The Concerted Plan of Basic Social Services and Benefits as the coordination framework for the Public System of Social Services in Spain: a matter calling for consensus and subject to annual budgetary review*

Against this legislative framework and with a view to organising and establishing Social Services Centres throughout the State, several agreements were concluded in 1988 to establish a framework for technical cooperation between what is now known as the Ministry of Labour and Social Affairs and the Autonomous Communities: **the *Plan Concertado de Servicios y Prestaciones Sociales*** (Concerted Plan for Social Services and Benefits). To this end, agreement was sought on a series of a minimum and common content for social services

across the whole of Spain to prevent any inequality of rights between citizens. However, this Concerted Plan has not been taken up by those Autonomous Communities which have their own financial and tax system; the Basque Country and Navarre are not part of it.

The results of these initiatives promoted by the Ministry's Directorate General for Social Action, Children and the Family and carried out by practitioner groups from the Autonomous Communities of Andalusia, Catalonia, Murcia, Castile-Leon, Galicia and the Ministry of Work and Social Affairs, have been agreed to by all the Autonomous Communities, save those which have regional rights (Navarre and the Basque Country). The document *Catálogo de Prestaciones de Servicios Sociales de Atención Primaria* (Catalogue of Primary Care Social Service Benefits) (1998) places the various experiences and content of the Basic Benefits within a common framework, which is one step forward towards defining and planning social services in Spain. It also establishes a series of mechanisms intended to order and systemise welfare and social benefits in order to preserve these rights in the face of the decentralisation taking place between the different administrations (central, autonomous and local) guaranteeing minimum thresholds for the population as a whole. Minimum income benefits are not directly included in the Concerted Plan, apart from matters affecting their processing.

The document on the **public system of social services** indicates that the system is conceived, under the legislation of the Autonomous Communities, as *a set of services and benefits which are aimed at the promotion and full and free development of the individual within society, in order to achieve greater well-being and improved quality of life, and prevention and elimination of the causes leading to social marginalisation* (MTAS, 2000). *It comprises all the structures and public services of the state administration, autonomous communities and local authorities, managed and appropriately coordinated, irrespective of the administration which is responsible therefor.*

The system of public social services falls into two categories, depending on the characteristics of the initiatives involved (although linked at the level of the provision of services): **basic social services**, targeted at the population as a whole, territorially circumscribed at local level, and **specialised social services** aimed at specific players defined under the law, whose benefits and services are restricted and clearly defined. The latter are usually organised along sectoral lines, meeting the needs of specific population groups and are intended to complement basic service schemes by taking account and giving priority to location and needs into their planning criteria. They are generally district or regional.

Annex 2 (Tables A2-4 to A2-8) gives details of the content of **the types of basic benefits which make up the Social Services Primary Welfare system**<sup>1</sup>. 1. Information and guidance; 2. Home help and other supports to the basic social unit; 3. Alternative housing; 4. Prevention and social integration. These benefits are complemented by subsidies intended to promote schemes aimed at *encouragement of solidarity and social cooperation*, and the *Individualised Financial Aid* which administrations grant to assist with temporary situations of emergency and/or precariousness. These benefits exist in all the Autonomous Communities and are included in practically all the social services laws, although in some cases with different names (MTSS<sup>3</sup>, 1997).

Specific activities relating to **prevention and social integration** involve schemes and programmes focused on groups which are disadvantaged or run a risk of exclusion. This does not mean that these groups do not qualify for the other benefits, especially those relating to information and guidance which act as the gateway providing access to the services. This area

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<sup>3</sup> *Ministerio de Trabajo y Seguridad Social* - Ministry of Labour and Social Security

of prevention and social integration also includes **measures promoting coordination with other social protection systems** (housing, employment, culture) in order to prevent processes leading to expulsion from the system. In 1997, the last year for which statistical information has been published, more than half the measures in this area (51.7%) were implemented in the field of social promotion. Intervention measures aimed at prevention of specific situations of social marginalisation among groups at risk, specific sectors of the population and social problems existing in the reference community accounted for 18.8%, those aimed at facilitating access to standard resources for 14.8% and those relating to intervention in situations of social marginalisation for 14.2% of the total measures under the prevention and social integration programme in all the Autonomous Communities, with the exception of Navarre and the Basque Country (See Table A2-9 in Annex 2). In 86% of cases, these types of measures were performed by the *Centros de Servicios Sociales Publicos* (Public Social Services Centres), in 8% by private approved centres and in 6% by a combination of both. The total number of users was 1 020 507 (3% of the population). However, services for the family made up 23% of cases and the retired population a quarter of the total. Expenditure per user was 5 603 pesetas.

The **financial aid granted for situations of social emergency** to persons who lack the resources to overcome such situations may be allocated from any programme of the Community Services Centres and come under the Concerted Plan. These types of subsidies have been paid out in all the Autonomous Communities participating in the Plan, with the exception of Castile-La Mancha and Extremadura. The total number of recipients was 162 035 persons, with an average cost per recipient of 29 690 pesetas. Andalusia is the Autonomous Community in which there was highest incidence of such cases, and accounts for more than a quarter of this aid. Researchers such as Aguilar, Gaviria and Laparra (1995) point out that these types of allowances in a Social State should be gradually replaced by intervention projects and schemes of a wider scope, within which the minimum income programmes could be included, but the progressive cutting back of resources for social services, in particular as from the early 1990s, means that this does not happen.

Funding for the Concerted Plan of Social Services derives from financial cooperation between the Ministry of Labour and Social Affairs and the Autonomous Communities whereby a budget allocation approved in the General State Budget is earmarked for *Implementation of the Basic Social Service Benefits of Local Authorities*, and then confirmed by the Council of Ministers<sup>4</sup>. The allocations are granted to the Autonomous Communities on the basis of a weighting<sup>5</sup>.

- *Comprehensive intervention to combat exclusion as a basis for coordination between institutions and players from different areas*

Besides the Concerted Plan of Basic Social Services, in the State scheme of social services affecting this report's target population, there are two programmes which provide a series of allocations earmarked for autonomous and local administrations and non-governmental

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<sup>4</sup> Rule on Agreement within the Council of Ministers no. 9482, in the Official State Gazette of 7 March 2000, on the programmes which the Ministry administers on the basis of an annual undertaking cofinanced by the Autonomous Communities.

<sup>5</sup> Population (90%), dispersion (1.5%), major urban centres (0.7%), dependent population (2.3%), surface (5.0%) and island status (0.55%) are taken into consideration. The resulting index is modified by that for relative poverty, multiplied by 33.54%. The Community of La Rioja (since it constitutes a single province) is guaranteed a minimum of 1.5%.

organisations across Spain, the first of which does not apply to Navarre and the Basque Country, and with the additional exception of the Canary Islands, Ceuta and Melilla in the case of the second: **the *Programa contra la Exclusion Social*** (Programme against Social Exclusion) and **the *Programa para el Desarrollo del Pueblo Gitano*** (Programme for Development of the Romany People). These two programmes are used to provide financial support to social organisations and the voluntary sector and involve developing pro-active policies coordinated with the Autonomous Communities, local institutions and the NGOs, and will therefore be examined in greater depth in Chapter 2. Both programmes are based on integrated initiatives relating to specific groups or areas, the Ministry of Labour and Social Affairs contributing part of the funding for their development.

In addition to primary welfare decentralisation measures, some Autonomous Communities have promoted ***Planes integrales sobre territorios*** (comprehensive plans for specific areas), both urban and rural, which may also benefit from assistance from the Ministry, although, at times, it is the Autonomous Communities acting directly to exclude risk situations which finance them. These Plans coordinate and bring together measures relating to all areas of social protection, both economic and social, as well as the public sector and private initiative. Whilst, in their approach, they extend beyond the scope of the Social Services since they involve social protection and socio-economic networks, the leadership of the public social services system is fundamental for their promotion, coordination and development (see Annex 2, Table A2-10).

- *Other specific benefits administered by autonomous bodies of the Ministry of Labour and Social Affairs*

There are also basic individual benefits for Spanish emigrants resident abroad in situations of need, Spanish frontier workers, and close relatives by blood or adoption who are dependent on a Spanish emigrant. When the applicants form part of a family unit, the allowance is only granted to a single member of that unit.

The allowance varies depending on the causes underlying the application for assistance and the financial and family situation of the interested parties, and may not exceed 2 000 000 pesetas outside Spain or 750 000 pesetas in Spain itself.

In addition to assistance for emigrants, there is a fund derived from a levy of 0.52% on Personal Income Tax intended for various programmes and groups which the *Secretariat de Accion Social* (Secretariat for Social Action) and its autonomous bodies deem to be ***priority programmes directed at social needs of general interest***: programmes for children and the family, for young people, for women, for senior citizens, for the handicapped, for persons with drug addiction problems, for persons affected by AIDS, for other socially disadvantaged groups, programmes to promote the voluntary sector, funds intended to mitigate social emergency situations. A series of subprogrammes concerning different areas of need fall within this framework, which combine financial (emergency allowance) or social welfare initiatives with activation measures which affect the families of minimum income recipients.

These programmes are undertaken, as already seen, in the event of social emergency and disadvantage, directly by the Spanish Red Cross and non-governmental organisations and State-wide social institutions which comply with a series of prerequisites laid down in current regulations. Chapter 2 analyses in greater depth programmes combating exclusion, promoting equality of opportunities for the Romany people and assisting temporary worker emigration.

### **3. Structure and benefits managed by the employment services**

The new setting for employment policy decentralisation launched by the State has brought about a change to the structure of employment services in Spain and to the division of responsibilities for the various policies, benefits and unemployment subsidies.

So much so, that in 1997 a series of negotiations were launched by the Ministry of Work and Social Affairs with a view to reforming the body administering employment policies. The General Council of the National Institute for Employment [*Instituto Nacional de Empleo - INEM*], with the participation of the social partners, was given the task of introducing a new *Servicio de Empleo Público Estatal* (SEPE - State Public Employment Service) in line with the provisions of the Spanish Constitution on control and coordination of the process of decentralisation of employment policies. The role of SEPE is to ensure unity across the country and to include, depending on the areas concerned, a central service and regional and local services, to be managed by the central administration and administrations of the Autonomous Communities, the local authorities also having a role. Thus, SEPE is designed to be an instrument of the public administrations for implementing the constitutional precepts designed to achieve full employment, guarantee training, professional retraining and unemployment protection (MTSS, 1997).

This requires an amendment of the 1984 Basic Labour Law providing for both the new configuration of the system and the structure of the new public employment service. Thus, the new service should act as the body instituting and planning employment policies, by exercising its powers of coordination over territorial bodies, and also administering the programmes allocated to it as well as passive employment policies

Pending the establishment of the SEPE, the **INEM is the body responsible for administering contributory and non-contributory unemployment benefits**. The strategy followed by the central administration in the devolution of powers has been to deal with the benefits itself and to transfer the employment and vocational training policies to the Autonomous Communities.

#### **Features of unemployment cover in Spain and in the Autonomous Communities studied**

Successive cutbacks and tightening of the conditions for eligibility within the unemployment benefit system in Spain since 1992, combined with the growth in employment over recent years (see Chapter 2), have led to a substantial fall in the number of benefit recipients since 1994. The result is that in 1999 there were 80 000 fewer recipients than in 1998 (7% less) and 707 500 fewer recipients than in 1994 (40% less). (See Table A2-3 in Annex 2).

**The system is structured around two major types of financial benefits:** contributory benefits and welfare benefits (see Annex 2 for a description of their content, conditions and impact). **Contributory benefits** are received by persons who have worked for a sufficient period to generate an entitlement to a benefit which is proportional in quantity and duration to the work activity performed. In 1999, 440 000 persons received this type of benefit, 43% of whom were women, the total number falling by 5% from the previous year. **The number of recipients of this type of benefit has fallen by 40% between 1994 and 1999.**

**Non-contributory benefits or subsidies** are received by persons who have not worked sufficient long to have generated an entitlement to contributory benefits, who have exhausted the contributory benefits to which they were entitled or who have made minimum

contributions throughout their life and have dependants (see Annex 2). In 1999, a total of 611 000 persons received an unemployment subsidy, 14% less than the previous year – **since 1994 this figure has fallen by 50%**. Women account for 48% of recipients, but these figures change considerably if those persons receiving agrarian subsidy are discounted, leaving a total of 400 000 in this category.

Within the non-contributory benefit system is a further subsystem, **the *subsidio específico para los trabajadores eventuales agrarios*** (specific subsidy for casual agricultural workers), which applies exclusively in Andalusia and Extremadura for historic reasons and because of the numbers involved and the special living conditions in these regions. The number of recipients of this type of subsidy is approximately 211 000, just over one third of the total number of welfare beneficiaries. Given its characteristics and operational nature, it could be said that this agrarian subsidy is the rural version of the minimum income scheme in the regions of the South (see subchapter below in this chapter).

- *Different benefit subsystems marking the fringes of precariousness and regulatory exclusion: women are in the weakest situation of all*

When the development of the three unemployment subsystems is examined, it can be seen that in 1984 there were similar numbers of agrarian and non-agrarian subsidy recipients, around 200 000 (somewhat fewer non-agrarian recipients), while there were approximately 560 000 contributory recipients. The 1984 labour reform making recruitment more flexible had a reverse impact on the non-agrarian welfare and contributory systems until 1987-88, with these two subsystems rising thereafter to their maximum number of recipients in 1993, before beginning gradually to decline. Conversely, the agrarian subsystem pursued an upward trend from 1985 to reach its highest level in 1989 and then decline until 1992, since when it has been practically stable with slight fluctuations.

According to the CES, the fall in unemployment between 1994 and 1999 resulted in fewer recipients of both types of benefits. Since the legislative changes in 1993, which affected the conditions for eligibility - the financial, personal and family circumstances of welfare subsidy recipients - recipients of this benefit have decreased more sharply. However, from 1998, the proportion of those receiving welfare subsidy because of exhaustion of contributory unemployment benefit has diminished, other causes have emerged. Currently, the reason which is given most frequently for entitlement to welfare benefit is being “over 52 years of age”, although exhaustion of the contributory entitlement is still very significant.

It could be said that since 1987, the trends as regards numbers of recipients for both non-agrarian subsidies and benefits have been very similar, while the trend for the number of persons receiving agrarian subsidies would not seem to have fluctuated in the same way. This suggests that the recipients of each type of benefit system are drawn from different labour markets and experience different degrees of exclusion: while those who collect contributory benefits generally depend on a more sustainable labour market, subject to the changes brought about by the economic cycle, those who receive non-agrarian subsidies whilst also subject to the same cycles form part of the secondary seasonal market, which does not give them access to contributory benefit because they do not have the opportunity to contribute for the period of time necessary to generate entitlement to this benefit, or because they have exhausted their contributory benefit and have not yet found work. They live in conditions of extreme precariousness; once they use up this subsidy they have no alternative and must again start to build up contributions (3 months for persons with dependants and 6 months for those without dependants). The group receiving agrarian subsidies, depending on where they live, have fewer possibilities of work but also lower contributory requirements (35 days worked per year

on average, depending on their age and whether they have dependants). This provides them with an income in addition to their work which is less affected by changes in the economic cycle, which explains the relative stability of the number of recipients. **If they do not reside in Andalusia or Extremadura, casual agricultural workers falling under this Special Social Security Regime receive no unemployment benefit of any kind.**

There is also **wide variation in the unemployment provision for men and women registered** as unemployed and deemed to be such by the INEM. While 70% of men registered as unemployed receive unemployment benefits, only 39% of women registered as unemployed receive benefit. Women account for the majority of those receiving agrarian subsidies and of those with access to the non-agrarian protection subsystems; most welfare recipients are women. This means that they are excluded to a greater extent than men, not just in terms of work and remuneration, but also as regards unemployment benefit.

All this has led to a progressive **decrease in unemployment expenditure**, which, despite accounting for almost 2% of Spanish GDP, is estimated at 1.33 billion pesetas, based on the projected figures for payments, 3% less than in 1998; since the number of contributory benefit recipients has fallen less than the number of welfare recipients, the expenditure incurred for those not contributing to the Social Security system was 617 000 million pesetas, amounting to a reduction of 1.8% as regards welfare recipients, but not including the costs of the agrarian subsidy which were cut by 10.1%.

- *An inadequate unemployment welfare regime: less than half the unemployed receive benefit and of these more than half do not receive the minimum wage*

To determine the proportion of unemployed who are covered by unemployment benefits (cover rate), the official statistics produced by the Spanish Ministry of Labour and Social Affairs establish a quotient between the number of persons receiving benefits and the number who are registered as unemployed in INEM's offices. Bearing in mind that, for various reasons<sup>6</sup>, the number of persons registered in these offices is much lower than the number of unemployed - according to the Active Population Survey (*Encuesta de Población Activa* – EPA), which offers more reliable data – and that this divergence is much wider in the case of Andalusia and Extremadura - where there is a substantial contingent of casual agrarian labourers subject to seasonal unemployment who do not register as unemployed – we can presume that the officially published cover rate is not a figure which accurately reflects the percentage of persons protected by unemployment benefits. By way of example, where in 1999, there were 1651 600 registered unemployed in Spain, the EPA produced a figure of 2 562 000 (55% more!).

We have therefore drawn up Table A2-2 of Annex 2, which sets out in relative terms the unemployed population in receipt of benefits and that which is not, using as reference framework for the unemployed the figures given by the EPA. However, it must be borne in mind that since the conditions for receiving unemployment benefit were tightened, social groups with greater difficulties in finding work, due to inadequate training and increased demand for qualifications for employment, have in many cases joined the ranks of the discouraged, namely, those who in the EPA state that they are not a “jobseeker” and who

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<sup>6</sup> Apart from the Ministerial Order of 11 March 1985 establishing that Registered Unemployment equals the applications for employment unfilled on the last day of the month in INEM's employment offices and the groups which stay out of the system, there are another series of factors affecting registration of users on the unemployment register related with their lower expectations regarding the possibility of finding work. For more information see Cebrian, García Serrano, Muro and Toharia (1996).

frequently operate in the unofficial or irregular economy (Prieto, 1994; Gavira, 1999b). However, due to the EPA's change in methodology in 1999, these findings seem to have been taken up by the new questionnaire and may be smoothed out in this year's EPA.

This would explain the fall in the male rate of activity over the last twenty years, which correlates to persons with very low qualifications. Women have also been rendered invisible, especially those where the work ethic does not view as employment work performed in support of the family, part-time work in personal services or temporary work. It is only where there is awareness of the cultural dimension of work, from the perspective of gender or expectations of obtaining some form of compensation, that they declared it as activity in the survey (Prieto, 1996; Gavira, 1999). But despite this, the trend followed by women contrasts with that of men: women are progressively joining the official workforce. However, although the increase in women registered as active in the last three decades, this has mainly involved taking up precarious work or joining the unemployed; this move to formalise their work situation is to a large extent a reflection of a significant cultural change brought about by both the expectations of obtaining social protection in the wake of the emergence of democracy, and the change in attitudes favouring the implementation of positive gender discrimination policies and, above all, the need to contribute towards an adequate income covering the needs of the domestic unit due to worsening working conditions for their male counterparts.

Table A2-2 shows that in Spain only 40% of those unemployed receive some form of unemployment benefit. This means that 60% of the 2605 500 unemployed in Spain in 1999, that is to say **1 563 300 unemployed persons, did not receive any unemployment benefit**. This benefit is at the same level as the minimum wage only for those who receive contributory benefit, who account for less than half (16.9%) of the unemployed, the rest receive subsidies amounting to 75% of the minimum wage for a limited number of days per year.

If we examine the figures for the three Autonomous Communities studied, we can see that although the percentage of those receiving benefit is marginally higher than the Spanish average, the types of cover collected are very different: **in Catalonia and Navarre, approximately 30% of the unemployed are contributory benefit recipients, whilst in Andalusia this group is less than 10%**. This is basically due to the existence of the specific subsidy for casual agricultural workers, which accounts for more than half of unemployment benefit recipients, although, non-agrarian subsidy recipients also take up more than one quarter of total unemployment benefits.

Regarding this report's target group, **we could say that the different types of unemployment benefit function as an indicator of work precariousness**, since not having entitlement to the contributory benefit means that the person concerned has not had the opportunity to complete a full year in paid employment. However, not all subsidy recipients are subject to the same degree of precariousness; this depends on how long it has taken to meet the minimum prerequisites for entitlement to the subsidy, which in turn is determined by the administrative conditions for entitlement relating to days worked depending and whether or not there are dependants or a given age has been reached (see Annex 2). Those over the age of 52 account for a large proportion of welfare benefit recipients, almost a quarter (144 000 persons, 24%), for whom the subsidy is provided indefinitely insofar as they have paid contributions, which is a factor to be taken in consideration in using the welfare cover level as a index of precariousness.

This goes some way towards diminishing the euphoria about employment management and social cover since if in a year of economic growth in Spain, such as in 1999, it is estimated there is an average figure of 2 562 000 unemployed (who therefore are citizens excluded from work), and of these, 1 563 000 are also excluded from unemployment benefits whilst 610 958 are in conditions of precariousness in terms of employment and social protection (only 144 000, those over the age of 52, have a benefit amounting to 75% of the minimum wage, guaranteed until retirement), the outlook is not encouraging, bearing in mind the fragility of economically cyclical employment. The proportion of the population subject to unemployment and precariousness is of a size which must be taken into consideration when it comes to comparison with other territories and valuing the impact of the policies applied.

These average figures when looked at from a territorial level, depending on which autonomous community is concerned, are even more striking and tend to diverge increasingly (CES, 2000). Andalusia's case is typical of the regions of the South. This Spanish region ranks first as regards the degree of unemployment and social precariousness: Some 759 200 persons are unemployed (29.6% of Spanish unemployment), 415 027 of whom have no unemployment benefit (26.5% of the total for Spain), and 278 859 are affected by job insecurity and unemployment protection precariousness (45.6%, of the Spanish total, which means that almost half of subsidy recipients are Andalusians).

In Spain, we cannot overlook the quantitative and qualitative dimensions attained by unemployment, its protection and its increasingly regional and gender-related nature, closely linked to the structural model for economic and regulatory organisation, externally dependent and with little internal linkage, so that when identifying good political or management practices one of the fundamental features which must be considered is how they are adapted to the specific characteristics of local cultures and gender. Also, any protection measures should always take into account the magnitude of the phenomenon, which is often obscured in relative terms as compared with other areas.

The conclusion is that whilst the statistically visible group which potentially has minimum integration incomes as their ultimate protection system is enormous - more than a million and a half persons - it must also be borne in mind that there almost 700 000 with welfare incomes, of whom 556 000 are at risk of losing their benefit at any moment due to the lack of security and precariousness of the work and social benefits to which they have access, with private solidarity networks being their only recourse. This relates to more than 2 million "active" persons, quite apart from groups with a higher degree of marginalisation which, due to their way of life, are generally invisible to conventional statistical measurement systems.

These figures belie the general belief in the existence of an economic bonanza and abundance of available employment. This is true for men and for northern cities, with the exception of Almeria<sup>7</sup>, more so than for women and the rest of the territory, pointing to the grave problem which deregulation by "over-flexibilisation" of labour is generating: deskilling, bad working conditions, increasing propensity towards the black and unofficial economy, contributing to poor labour conditions, which are the root cause of the increase in accidents at work. This also makes it difficult to succeed in maintaining the unemployed in activation circuits, due to their need to "get by, day by day" and the programmes' lack of credibility for the users, since in

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<sup>7</sup> Research carried out by the *Instituto de la Mujer* (Institute of Women's Affairs) in November 1999, shows that unemployment in Spain is a problem affecting women. INEM data on registered unemployment in June 2000 showed that 23 of the 52 Spanish provinces have male unemployment rates of less than 4%, but in all the provinces unemployment rates for women were much higher. *El País*, 23 July 2000.

most cases they do not lead to their escape from precarious pathways, and at times, given their administrative inflexibility can lead to the loss of personal employment networks, which in very personalised markets like secondary markets are essential for achieving a minimum volume of work.

This is causing selective emigration flows from some territories towards places in which they can obtain a living wage without the downward pressure of immigrants from third countries or unofficial workers, who are destroying any possibility of entering the labour market at a decent wage, since, despite the Pacts on temporary workers which have been applied since 1997 between agrarian social partners and the Ministry of Labour and Social Affairs (see Chapters 2 and 3), concluded for this sector which is the most organised, there are extensive work spheres outside adequate administrative and union control, this precariousness most affecting the most socially disadvantaged groups in regions in which precariousness has taken hold<sup>8</sup>. This explains the flow of workers from the southern regions, who leave Spain<sup>9</sup> or who during the summer go to work on the coasts or in interior agricultural areas or who permanently emigrate because of the lack of opportunities for achieving a decent income level; this leads to the paradox that persons with precarious jobs are suffering relative poverty because of the labour conditions of the market they enter (Castillo, 1998; Gavira, 2000).

### **The Casual Agricultural Worker Subsidy: a hybrid system of social protection and income for rural areas in Andalusia and Extremadura.**

As has already been stated, this protection system only applies in rural areas of Andalusia and Extremadura, that is, in the widest sense across these regions apart from their provincial capitals. Casual agricultural workers of other Spanish regions, such as Valencia, Murcia, Castile-La Mancha, Castile-Leon, the Canary Islands or Aragon - which have been included within the Special Plans for Promotion of Agrarian Employment - do not have any type of social protection for unemployment. The most surprising aspect is that in Spain there is no possibility for this social group of casual agricultural workers to defend their interests and participate in union elections since, by definition, they do not belong to any work centre. The trade union law, promoted by the major trade unions at a time when the labour relations were based on stable industrialised and centralised work, overlooked the mass of casual agricultural workers, the number of whom, contrary to the developmentist predictions of the 1960s, are also growing in other regions, apart from those of the traditional large estates, which is currently giving rise to numerous problems in union elections.

- A protection system based on the mobilisation of those excluded from industrial development, resulting in demobilisation*

The “day workers” (casual agricultural workers) of the south have historically been one of the protest groups which has mobilised most often to improve its living conditions, for they have always been subject to seasonal changes, extreme precariousness and unemployment, due to the system of large agrarian landowners with paid workers which characterised Spain's

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<sup>8</sup> There are no reliable statistics on flows of temporary internal migration for harvests and work in hotels and construction, but qualitative research carried out on various disadvantaged zones indicates that these flows are more substantial than officially acknowledged. In this, a part has been played by the debate on removing motivation for special mobility which the agrarian subsidy in the South is supposed to favour, thus making demagogic use of the problem of immigration.

<sup>9</sup> According to Comisiones Obreras [Workers' Commissions – CC.OO], in 1998 there were 50 000 temporary workers who left Spain to work on agricultural harvests. This year 15 000 left Spain to work on the French wine harvest.

southern regions. Under the Franco regime, **work distribution schemes** were launched, first private (“*los repartos*”[the distributions]) and later public, to mitigate these groups' unemployment situation, and which were known as “Community Employment”. But due to discretionary nature of the funds earmarked for the purposes, the occasionally fraudulent involvement of intermediary organisations and, above all, the potential for social conflict as the only forum reinforcing the traditional social struggle of the day-labourer for change in agrarian land ownership structures, the system was reformed in 1984, guaranteeing a welfare benefit for a maximum of 180 days per year, depending on days worked and contributions having been paid for a minimum number of days. This system was complemented by active policy measures providing for vocational training for young people and a public work distribution system *Plan de Empleo Rural* (PER - Rural Employment Plan) which was a means of achieving the minimum number of days of contribution for entitlement to the subsidy (Gavira, 1993).

The purpose of the new specific protection system for workers of Andalusia and Extremadura, managed by INEM, in cooperation with local bodies for the construction and vocational training plans, was to be a “**complement of income and a means of keeping workers in the territory**”. Since the 1984 reform, the system has been much criticised since it increased the dependence of the employers, who had to certify the number of days worked (which has led to the sale of work days) and of the local political parties in power, as it in many cases gave rise to “political vote buying” (Cazorla, 1992, 1994; Gavira, 1993, 1999b) and was the cause of social demobilisation. But also, where there has been adequate local control, it has been very effective in preventing poverty in large proportions of the population which have historically been affected by this problem, since entitlement to the subsidy is dependent on being in a family income bracket which does not amount to the minimum wage.

Insofar as a social wage is guaranteed in exchange for a number of days worked, differentiated by age and dependants up to a maximum per domestic group, the traditional willingness to travel to work has at times been conditioned by family needs, which in periods of maximum activity has led to complaints from employers, who receive increased demands as regards working conditions, once the number of qualifying days for the subsidy are completed. Where the working conditions have been adequate, there have been no availability problems. The fact that many temporary workers continue to travel within Andalusia and Extremadura and further afield to obtain work should not be overlooked.

Another perverse effect of the system has been that, since a minimum income is guaranteed which is not provided for other productive sectors, **the entire workforce of the family unit is mobilised to obtain it, meaning that all members must be available during harvests periods**. Working a minimum number of days is essential to obtain the subsidy, which, due to the sector's seasonal activity or lack of work depending on the type of agriculture in the area of residence, requires enormous temporary concentration and intensification, and is, in many cases, the only possibility of obtaining sufficient income (from a combination of work and the associated subsidy), even if it is necessary to emigrate to this end.

This dependence on temporary work certified by the employer and on the subsidy guaranteeing a minimum income for the first time in the history<sup>10</sup> of this social group, is a factor discouraging the young from participating in “other work ventures”. For, due to the lack and precariousness of work in other sectors (apart from construction and the hotel trade), the children of day-workers have very limited social and work expectations because of the precariousness of subsidy with which they are familiar, reducing the credibility and usefulness of other institutions (school, advice and/or training services) and restricts, in many cases, the potential for involvement in pro-active policies, unless these have income included and a substantial work experience component. The result is that the rates of school failure are very high and the extended social reproduction of precariousness is a constant (Gavira, 1993, 1999a and 1999b).

In addition, the personal nature of recruitment methods, lack of agricultural work, limited apart from irrigated and intensive agriculture and harvest periods, added to the insufficient income provided by the subsidy, are factors contributing to the proliferation of the unofficial economy. This may explain, for example, why vocational training policies have failed with regard to this social group, with young people caught in the “*earning a living*” trap being unavailable and the lack of credibility of these policies for offering them valid solutions from their perspective. The other activation pillar, the public work system (PER, now the *Plan de Fomento del Empleo Agrario* [PFEA - Plan for Promotion of Agrarian Employment] following agreements with the social partners) with the sector wage, is the means established for working complementary days to obtain the subsidy (see Chapter 2).

### ***Selective and conflictive participation in representing casual agricultural workers in subsidy negotiation system***

As the casual agricultural worker subsidy is received through the banking system, **there is no social control similar to that of Community Employment**, in which the persons themselves had to be seen at work, which meant that it only benefited the person who really was an agricultural worker. Hence, at present it is much more difficult to detect fraud. The unions have complained about this, especially the *Sindicato y Movimiento Social de los Trabajadores del Campo y el Medio Rural de Andalucía* (Union and Social Movement of Workers of the Countryside and Rural Environment of Andalusia), a union formed only by casual workers, which is not recognised as such, since it cannot take part in union elections. The majority unions block it from formally participating in negotiations on the subsidy, which it has complained about to various national and European institutions. This union, which has a high mobilisation capacity, proposes a reform to enable the subsidy to be obtained for work done in the market and through the PFEA without the need for an employer signature, which is often used as a bargaining chip to demand higher productivity in agricultural work or other fraudulent strategies. The Government has taken the proposal into consideration and from 2000 will not calculate the number of days worked in agriculture negatively.

Table A2-1 of Annex 2 shows the trend in the number of agrarian subsidy beneficiaries. The high total number of recipients, 210 650, almost tripling the total number of recipients of the

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<sup>10</sup> It should be borne in mind that the problem of poverty associated with day-workers has been part of Spanish reformist politics since the 18<sup>th</sup> century and has always been the justification for carrying out major infrastructure works in the countryside or “the sharing” of work or day-workers between the big landowners. Until 1984, this group of workers did not have the minimum income stability which the subsidy affords, so that its social and political repercussions go far beyond any technocratic rationale.

various Autonomous Community Minimum Incomes, is to be noted. Also, the stable nature of this figure: **the volume of recipients of casual agricultural worker subsidy has been practically unchanged between 1992 – 1999**. In 1984, the total number of recipients was nearly 200 000. This figure increased substantially until it was almost 300 000 in 1990. In the next two years, the total number of recipients fell markedly, to stabilise from 1992 at around 200 000-220 000.

These same variations are observed in the total of recipients for Andalusia. Beginning in 1984 with just over 150 000 recipients, the figure increased to almost 260 000 in 1990. In the next two years, the number fell, to stabilise at around 180 000.

The same trend occurred in Extremadura, although with a lesser increase in the first years and more pronounced subsequent fall, so that the total number of recipients in recent years is less than that of the initial years of the period analysed.

**What began as a benefit almost solely for men, has become a benefit mainly for women.**  
In 1984, women represented just over 10% of the total recipients, while in 1999 they accounted for 55% of the total. Between 1984 and 1990, the inclusion of women in this type of benefit has grown progressively, while the number of men has remained practically stationary. From 1991, the figure for women recipients has always been higher than the total for men.

This has occurred more intensively in Andalusia, where, in 1999, women made up 58%. Between 1984 and 1990, women recipients gradually increased to practically equal the number of male recipients. From 1991, women have always been the majority in Andalusia.

Conversely, in Extremadura the increasing trend of women is not so accentuated. From 1991 to date, the number of recipient women has been approximately half that of men. In 1999, women recipients represented only 36% of the total.

The high number of recipients has given rise to controversies in the press on the justification for the system and the level of fraud. But it should not be forgotten that women in southern day-worker families have traditionally participated in agricultural work and that in this precarious protection system, just as happened in the labour market and contributory system, they were very late in coming onto the scene. The apparently anomalous evolution of the numbers of recipients, and the interest in reducing expenditure and controlling possible fraud resulted, after various costly studies performed by INEM (the body responsible for the protection system), in a **reform in 1996 based on the *Acuerdo para el Empleo y la Protección Social Agrarios* (AEPSA - Agreement for Agrarian Employment and Social Protection)** concluded by INEM, the trade unions CC.OO (*Comisiones Obreras* - Workers' Commissions) and UGT and the agrarian employers' organisation ASAJA<sup>11</sup>-CEO<sup>1213</sup>.

- *The majority unions and the union of casual workers hold different views on how to reform the system*

In this reform, the conditions for entitlement to the subsidy are modified and specific proactive policy measures are adopted (see corresponding section of Chapter 2). Among the

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<sup>11</sup> Asociación Agraria de Jóvenes Agricultores - Agrarian Association of Young Farmers.

<sup>12</sup> Confederación Española de Organizaciones Empresariales - Spanish Confederation of Employers' Organisations

<sup>13</sup> The organisation of medium and small agrarian employers, COAN, has submitted a complaint concerning its exclusion from participation in the agreements by the current government, according to the interviews held.

points agreed was the launch a working group to examine changes to turn it into a Social Security system based on a contributory unemployment regime, with a welfare subsidy for those who exhaust benefits. The reasons given for this are that, in this way, casual workers would make unemployment contributions, which according to the trade unions CC.OO and UGT, would bring undeclared work days out into the open, increase the Social Security budget and put an end to the current problems associated with the manipulation by agrarian businesses of declarations of theoretical days worked.

In this regard, the Movement of Casual Workers of the Union of Countryside and Rural Workers of Andalusia claims that this regime would totally nullify labour relations in the countryside. As they state, “*If the volume of agrarian work is progressively decreasing, it is contradictory to introduce a system based on work, because this would favour a greater degree of fraud or of sale of days worked*”. The rural form of personalised hiring, which is at times, “*by piecework*”<sup>14</sup>, makes administration of a contributory system difficult; wages which are already very low would be affected negatively as the worker would have to pay a percentage in unemployment contribution. In short, according to this trade union and rural movement, it would favour the security of those who have most work, leaving the rest without protection, without any guarantee in exchange concerning the possibility of obtaining work.

They consider that the reform should start with the model already existing in Andalusia and Extremadura and the rest of the country should be equipped with a system which not only provides for contributory benefits, but also welfare assistance for 18 months. Their proposal is that the subsidy should always be granted for any socially useful work. They are opposed to the proposal of moving the over-52s to the contributory regime and removing them from the agrarian system. They suggest that there is a need to create local employment commissions representative of the various local institutions with a view to promoting employment and setting up mechanisms for fraud control. In this regard, their proposal is to improve the PFEA, by aiming to perform projects which genuinely transform the rural environment and employ casual workers, with locally-based control in areas in which there is no work, for a full year, so that it serves as the basis for local development and the building of housing and social infrastructures.

It is a question of using work with a view to resocialisation: changing the subsidy for work so that it becomes a means of reconstructing and organising civic participation at local level. This would clarify who is really “agrarian” since, as they say, “*there are currently more people collecting subsidy than working in the PFEA*”<sup>15</sup>, with the additional comment that in “*most municipalities, the same people always work in the PFEA*”, because of the current lack of control. According to a representative of *Sindicato de Obreros del Campo* (SOC - Rural Workers' Trade Union) and the *Movimiento Rural de Andalucía* (Rural Movement of Andalusia), INEM rejects using local employment commissions to control compliance with the regulations and to prevent commission of fraud.

The subsidy is currently financed through specific central government allocations whose devolution is being requested by the government of Andalusia. The precariousness and progressive reduction of agricultural jobs mean that this sector of activity still does not comply in many cases with minimum working conditions, particularly during harvests and in

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<sup>14</sup> Productivity-linked wage.

<sup>15</sup> We have only been able to obtain data on the volume of days worked under the PFEA, but not the number of persons employed and given the characteristics of the system, it is not possible to make a theoretical estimate, since there are many workers who participate for 10 or 15 days and others who continue for much longer periods.

the cases of immigrants, ethnic minorities (Romanies, Portuguese) and workers from areas with a paucity of work, so that the trade unions have set up schemes to support these groups during harvest periods (*Pacto sobre condiciones de trabajo de temporeros* - Pact on working conditions of casual workers).

It may be said that the casual agricultural workers subsidy fulfils its objective as an income supplement and a means for maintaining workers in the rural environment, but it also has inherent shortcomings which entail a significant cost in terms of social and political civic responsibility.

#### **4. Autonomous Community Minimum Incomes: managed by the social services and coordinated occasionally with other services**

It must be stressed that the situation in Spain serving as a backcloth for such minimum income programme initiatives is the most acute in the whole of the European Union, given the high rates of unemployment prevailing, the pronounced social and political changes undergone in recent decades and the basic shortcomings of the social protection regime - which leaves more than one and a half million unemployed persons without any form of protection.

Given that claimants are classified on the basis of their degree of poverty, it seems necessary to make a distinction between those who reach this situation as a result of precariousness which forces them out of the unemployment benefit system and its supplementary measures (and who migrate to this system in ever increasing numbers when employment is scarce), those excluded who for a variety of reasons find themselves socially disadvantaged and those who are marginalised who, while they form part of the excluded, also have their own subcultures which in many cases stigmatise them. The latter have practically no other social protection mechanism apart from the minimum income programmes or the agricultural workers subsidy, which act as the last resort for public social welfare.

- *A complex and exclusive regulatory protection system underlying the introduction of minimum incomes*

The process of introducing minimum income programmes in Spain began in 1988 with the Basque government's initiative to set up an integration benefit (*Ingreso Mínimo Familiar* - Family Minimum Income) as a means to combat poverty and social exclusion. The other autonomous communities developed their own models in the period from 1990 to 1995.

In 1990, before the minimum income regime became generally established in all the autonomous communities, a law was passed which incorporated non-contributory benefits into the National Social Security System, bringing to a close a lengthy process of reform and partially fulfilling the precepts laid down in the Constitution, although the break with the requirement for prior contribution periods represents a significant shift in the Social Security strategy. Despite its limitations and shortcomings, the Non-Contributory Benefit System forms the central and most structured system guaranteeing minimum incomes.

The various minimum income regimes developed in the autonomous communities are, to an extent, an adaptation to their respective areas of this idea of non-contributory benefits for difficult situations, although the protective welfare they afford is quantitatively and qualitatively different: one of the characteristics of the Spanish situation is that there is no single minimum income system.

Non-contributory benefits are of national but not universal scope, they do not reach all those who need them. Thus, where a number of disadvantaged groups have mobilised and organised – agrarian trade union organisations in the south, handicapped groups, fora promoting solidarity and combating poverty, etc. - specific initiatives have been developed, such as the casual agricultural workers' subsidy in Andalusia and Extremadura based on the demands expressed by the trade unions in the past, differential minimum supplements, benefits for families, the *Ley de Integración Social de los Minusválidos* (Social Integration of the Handicapped Act), etc. All these play a role in guaranteeing a minimum income, but usually by restricting entitlement to beneficiaries who belong to a group expressly defined under legislation.

Complementing the complex State National Social Security System framework are the various minimum income regimes of the 17 autonomous communities, some of which generate rights while others do not. In this fashion, the **absence of a general unitary system** of non-contributory benefits encompassing minimum incomes and the plethora of operating rules, prerequisites and varying levels of benefits, accentuates the impression of disorder without providing protection to all persons who lack resources and are in a clear situation of need. This enormous complexity of measures makes their identification and comprehension difficult, not only for their potential recipients but also for the practitioners who should be applying them.

- *It is rare for those excluded to form pressure groups; social initiative usually fulfils this role*

The complexity and confusion of the system greatly limits its ability to act as an instrument to combat poverty since the poorest and the most excluded do not take part in trade unions, and as indicated by one source, they do not usually participate in political elections so that they do not constitute a priority group for political parties in electoral campaigns. Thus solidarity organisations and civil platforms combating unemployment and poverty have taken over the political representation of these groups. But these organisations are fragmented territorially; some of them derive from the Fordist period under the Franco regime which was marked by charitable welfarism; others emerged after the Fordist crisis in neighbourhoods and local institutions and have grown by territorial expansion and by working for the development of full social and civic responsibility. This divergence of interests has not always favoured civil society combining efforts in order to achieve more effective results.

For these reasons, far from operating on a universal basis, these central measures for guaranteed incomes through non-contributory benefits only provide limited protection to certain groups. The limited impact on individual circumstances of the measures provided for under the Social Security System provides ample justification for the introduction of Autonomous Community Minimum Incomes. This has also been the view of the major trade union organisations which, through the *Plataforma Sindical Unitaria* (Unitary Trade Union Platform) call for greater security for the most disadvantaged. However, these organisations make a distinction between the “social” dimension from that of “employment” in their internal structure and in negotiations on social consensus, matters related with employment being given priority - generally with a view to providing protection against temporary recruitment and in favour of better financial cover for the unemployed - although they also accept the need for minimum income linked with activation policies.

In some Autonomous Communities, such as Catalonia, trade unions like CC.OO claim that they have taken a leading role in launching the minimum income system (PIRMI - *Plan Interdepartamental de la Renta Mínima de Inserción* [Interdepartmental integration income

support]), although at present they criticise the dependence generated by the system and the fact that there is no genuine integration to the normal labour market. In fact, although they supported the launch of the initiative, as in Navarre, it was the NGOs which put the most pressure on administrations, since the union organisations have always had a more productivist vision of benefits. In Navarre and Andalusia, the same leading union organisations (CC.OO and UGT) agree to the central guidelines although, in the case of Navarre, they are much more involved in networks combating poverty, which is the most extensive network dealing with groups affected by precariousness and exclusion concerned by minimum incomes.

The major business organisations, such as the Catalan body *Fomento del Trabajo Nacional* (Promotion of National Labour), say that “*as an organisation we do not have strong views, but we are aware that it must be done to ensure social harmony*”. One of the officials of the employers' organisation indicates that his organisation has been active in this area, since the 19<sup>th</sup> and the beginning of the 20<sup>th</sup> century. For such organisations, persons receiving minimum income are marginalised “*society's waste, apart from perhaps some unemployed couples*”. And they say that they are therefore “*are indifferent*” to the system. They in fact participate very little, saying that, apart from attending the planning sessions of the Social Councils and the PIRMI coordination commission, they take no further part. They complain that they have information on users undergoing activation measures, but do not have information on real integration, about which they are very sceptical.

- *A system which reaches few persons, and mainly those in the urban environment*

Despite the generalisations made in speaking about institutional or territorial minimum income programmes, they are extremely heterogeneous. The distinct characteristics of each of the autonomous regimes and more especially the unequal availability of resources and funds in each case, mean that citizens' needs cannot always be attended to in the same **way**. By way of example, according to an EDIS survey for 1996, commissioned by Caritas and published in 1998, income derived from the minimum income accounts for only 0.6% of total of benefits in rural, 0.8% in semi-urban and 2.0% in urban environments, and 3.2% in major cities. There seems to be clear overlap of coverage between incomes derived from the subsidy, the Rural Employment Plan (now Plan for Promotion of Agrarian Employment) and the minimum income in poor households (precarious and excluded persons): the subsidy accounts for 3.9% of total benefits in rural areas, while the Minimum Income only amounts to 3.3% in the major cities. However, both incomes are proportionally exceeded by the importance of non-contributory pensions, which vary between 4.3% in the rural environment and 5.9% (see Table A2-13 in Annex 2).

Attempts to date to harmonise the various Autonomous Community Minimum Income regimes have had little success. One of the first initiatives emerged from the agreements reached at the third meeting of the *Ponencia sobre Bienestar Social y Prestaciones Sociales Básicas de Servicios Sociales* (Committee on Social Welfare and Social Services Basic Social Benefits) (Ministry of Social Affairs, 1995), when consideration was still being given to including minimum income among the social benefits calling for consensus. In fact, even now, the divergence of positions between the Autonomous Communities and the Ministry mean that, in the case of Andalusia for example, it is stated that minimum incomes are the

financial responsibility of the State, this being justified on the basis of a paragraph in the *Catálogo de Prestaciones* (List of Benefits) published by the Ministry<sup>16</sup>.

In 1999, the Ministry of Labour and Social Security organised a discussion forum with the Autonomous Communities with a view to achieving an approximation of the various regulations in force, in which it presented a legal study on the State's responsibility as regards the guarantee of minimum income within the current constitutional framework. According to Ministry officials, the Autonomous Communities asked that funds be contributed by the national government to enable them to undertake the changes required to harmonise the different models. The proposal was that the State should provide the funding for minimum incomes and that the Autonomous Communities should deal with their management, in an attempt to generalise the Basque Country and Navarre regime. According to those consulted, this would mean a cost of 30 thousand million pesetas instead of 120 thousand million, which could be met with no great strain given the savings to be made in unemployment benefits (400 thousand million, according to trade union sources) and in involving the groups concerned in activation schemes.

Another part of the debate associated with co-financing problems refers back to the issue of inter-territorial solidarity, since classification as poor depends on the definition given to average income, which differs depending on whether the national average or the average for each territory is taken as the reference point and, hence, the income differentials to be offset by the minimum income system are also different. The issue is whether the poorest regions of Europe and Spain, usually posing more problems for labour integration because of their more precarious markets and with a greater need for minimum incomes, should pay more than the richer regions. One of the proposals made is to treat the income differential on a weighted basis. But it has not been possible to date to harmonise the minimum income system as required under the constitution since central government has not agreed to co-financing.

The excessive bureaucracy associated with most of these minimum income systems, inter-territorial differences as regards the prerequisites and the resulting incomes, and the complexity of the regimes have led to some solidarity platforms combating unemployment and poverty to propose the minimum social wage for all citizens as a right, irrespective of any productive considerations. The popular initiatives which, in 1996, prompted a "Bill for a charter of social rights" again emerged in those autonomous communities which had earlier launched the minimum income programme: the Basque Country and Navarre. In Navarre, this led to an acceleration of an action plan which was to be reflected in a law combating economic and social exclusion.

This debate on whether to provide income without a quid pro quo or income combined with activation has been ongoing in Spain since the beginning of the 1990s. In particular between intellectuals and experts involved in social or trade union organisations; briefly, their respective positions take the following broad lines:

- a. The social wage should be granted in exchange for socially productive work or inclusion in activation measures (understood to be advice and training for employment);

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<sup>16</sup> In the Catalogue of Social Service Benefits, page 9 concerning the benefits and services system, mentions the preparatory procedures for the Minimum Intergration Income, which have been subject to controversy, since there is no Ministry budgetary grant or credit derived from the Concerted Plan which regulates the Catalogue of Basic Services aimed at corresponsibility in administrative procedures for management of the Minimum Intergration Income by the Social Services.

- b. The social wage is a right and all citizens should be entitled to it without a quid pro quo, and *welfare* should not be replaced by productivist *workfare*;
- c. The social wage is a right, but State protection should not only be viewed from the productive angle; it should encompass voluntary participation in civic activation policies (understood as a capacity to participate, to take one's own decisions and to be consistent with them). There are poor people with multiple problems preventing them from achieving full autonomy in taking decisions affecting their life and that of the community and they should be entitled to minimum living conditions without any productive quid pro quo, which does not mean that work, training and advice should not be used as a means for reconstruction and social integration.

## **Autonomous Community Minimum Incomes: the features and variables considered**

In the absence of national regulation, the legislature of each Autonomous Community has had free rein in designing its own regime. In a necessarily limited overview of this regulatory diversity, a series of aspects and variables for each regime are given below, so that each can be seen in a minimum comparative setting.

### *- Different names and formulas for the same benefit*

When the various Autonomous Community Minimum Incomes are reviewed, the wide range of expressions used to refer to the same benefit scheme is surprising. For 17 Autonomous Communities, there are more than ten distinct expressions/denominations. Even in the three of the communities selected for more detailed study they have different names: in Andalusia: "*Ingreso Mínimo de Solidaridad*" (Solidarity Minimum Income); in Catalonia: "*Renta Mínima de Inserción*" (Integration-related Minimum Income Support); in Navarre: "*Renta Básica*" (Basic Income).

The legislation of all 17 autonomous communities contains an introduction setting out the particular characteristics of the regimes and explaining their nature and basic principles. Apart from the different names used, most are classified as benefits (Navarre's case) and the rest as grants or subsidies (Andalusia's case; Catalonia uses the terms benefit and subsidy without distinction). These substantives have their importance, for not only do they differ semantically but they also suggest concepts in the field of social protection which are similar but not identical.

The term "benefit", in a broadest sense and in the context of minimum incomes, should be understood as a special type of measure provided by the Social Services of the Autonomous Community and intended for individuals and groups in need. The term "subsidy", in the context of social action, refers to the intention of the Administration to encourage the cooperation of bodies and institutions in given projects and activities and to support and finance services and establishments (Estévez, 1998).

The term "aid" covers a wide range of public sector instruments providing assistance or support in situations of deprivation, normally targeted at temporary needs and intended for a specific purpose, on limited occasions for limited periods.

The expressions are not all equally accurate for defining Autonomous Community Minimum Incomes and reflecting their basic configuration. In any case, what is really distinguishes them are the variables relating to their duration, purpose and content. These provide specific

information on the recipients, the basis on which these incomes are granted or the role they play as an instrument for covering basic needs as compared with other types of resources or benefits. The most significant characteristics of Autonomous Community Minimum Incomes are linked to these variables.

#### *- Financial aspect*

All the regulations make express reference to the financial aspect (money is provided) which is accompanied by a series of different integration instruments. The financial aspect of Autonomous Community Minimum Incomes is reflected in issues as varied as the prerequisites for entitlement, the duration, renewal, grounds for suspension, etc. The inference from the regulations on these aspects is that the amount received by recipients is not identical for all and does not necessarily stay fixed during the period of entitlement. On the contrary, the allocation may be greater or lesser depending on the resources of the applicant and the members of the family unit. It is always an income in support of the family unit.

From a financial viewpoint, Autonomous Community Minimum Incomes are benefits involving a top-up amount (meaning that the amount allocated to each beneficiary is the difference between own resources and the amount defined as minimum income) and are variable (the sum received varies in line with changes in the recipient situation as regards earnings and family circumstances). All this responds to an attempt to apply the **basic idea of** proportionality (give to each according to their specific needs at any point in time), although the definitions of these “specific needs” is a matter for some discretion in each Autonomous Community.

#### *- Limited duration*

As they have a given duration, a general characteristic of Autonomous Community Minimum Incomes is that their temporary nature suggests that they have shortcomings relating not just to their application but which concern their potential capacity to achieve their proposed objectives. In no case is their duration indefinite, so that entitlement to the benefit is not extended while the recipients' circumstances persist, but basically until the statutory periods and extensions are exhausted.

The framework periods are generally six or twelve months. Each set of regulations establishes the maximum period and the conditions for possible extension, although, with respect to the Autonomous Communities studied, there is, in practice, an enormous difference between Navarre (where renewal is decided by a committee of experts) and Andalusia (where the maximum period is six months and is dependent upon the resources available in the Community's budget). In the latter case, there have been periods when benefits have not been available because of a lack of funds, compounded by the long period of time required to process applications. In principle, the temporary nature of the benefit reflects the desire not to perpetuate the beneficiary's dependence, and to prevent the marginalisation situation from becoming chronic. But this conflicts with the other aim set out in the regulations: to provide sufficient financial means to meet basic living needs.

In general, we may affirm that Autonomous Community legislation does not view these benefits as long-term subsidies, not only in order not to put a check on their recipients' social normalisation, which in the “State based on Employment” depends on activation and the reduction in passive policies, but above all **to control the financing costs** (Estévez, 1998).

#### *- Individual or family scope and personal nature*

Although the regulatory terminology used in defining the recipient of the benefit varies considerably, we can in general state that Autonomous Community Minimum Incomes are personal benefits; they are requested by and granted to an individual. However the family circumstances of the beneficiary may condition and determine their quantity, indicating that the purpose and nature of the benefit is clearly family-oriented; the intention is to cover the proven needs of the family group.

Autonomous Community Minimum Incomes, in their role as a minimum guaranteed income aimed at covering the basic needs of recipients, are defined in the regulations as having an alimentary and subsistence purpose. This means that they must be exclusively used to cover the recipient's basic needs (sustenance, accommodation, health and education) and are, by definition, insufficient to make it possible to live off them alone - particularly when there is an official and more specifically unofficial market exploiting the possibility afforded to users to work for less than the sectoral wage - and it can constitute a supplementary income which, at times, where there is not sufficient control, serves as a mechanism promoting undeclared work. For the same reason, the benefit may not be transferred to another person, nor be considered a capital or distractable good.

We should point out that *the Spain of the family support structure and the Spain of welfare support are the major factors preventing extreme precariousness from becoming massive exclusion*, to quote Aguilar, Gaviria and Laparra (1995). In Spain, the family has been one of the institutions which has acted most effectively as a buffer to employment crises, but is heavily marked by internal gender segregation, which has given a key role to the work of the man as head of household and to the rest of the family members, depending on whether they are men or women, a role which consists of providing supplementary income. Thus, there are many families which survive on the income from the semi-stable work undertaken by the head of household and various precarious jobs by the other family members. When the man at the head of the household loses his job and family benefits and allowances come to an end, women, in their role as carers for the domestic unit, without a Fordist work culture, are more flexible and assume responsibility for seeking income in every possible way: working in sectors and for salaries which men are not prepared to accept in the official or unofficial economy, applying for non-contributory benefits, seeking food and services in kind for the family, etc. This, in the end, may, in economic boom periods, lead to the domestic unit gaining more income than before but, at the same time, the members of the domestic unit become much more interdependent, work more - although not always with a social safety net - so that they have less time and opportunities to participate in collective strategies of organisation or mobilisation for achieving a more even distribution of the social product in periods of economic growth.

This "*familismo*" (family reliance) (González, de Lucas, Ortí, 1986), in which class strategies are replaced by family or individual strategies, occurs not only in families subject to precariousness and exclusion in urban areas, but also among casual agricultural wage earners, who gain access to the special social protection system through the agrarian subsidy, a supplementary minimum income system, together with non-contributory pensions, which generally derive from the older family members or the fact that they have a handicapped person. This miscellany of small incomes gives a minimum capacity for survival in periods of paucity of employment, preventing a slide into the economic exclusion which would lead to absolute poverty. The contradiction is that if this vicious circle is not broken by strategies to provide stability, it becomes a mechanism for extended reproduction of the precariousness situation for the younger family members, especially when the only criteria considered is total income. Since the work available to them is temporary or seasonal, when there is an

opportunity to work they must seize it and give up any training or other means of activation where these are not accompanied by an income. Thus, a vicious circle of dependence is reproduced, from which they are hard-pressed to escape, except in those Autonomous Communities in which there is a possibility of making the minimum income compatible with a job, provided that it does not exceed a given period, in order to guarantee more stable integration.

*- An income supplement or an income of last resort*

The financial aspect of the Autonomous Community Minimum Incomes enables it to supplement the beneficiary's insufficient resources. The top-up threshold of the Autonomous Community Minimum Incomes determines the amount of the benefit in line with the recipient's own resources and needs. It is a benefit of last resort in that it acts as a fallback where the applicant has exhausted all the possibilities available.

A third very important issue is connected with these two characteristics. **This is whether or** not Autonomous Community Minimum Incomes are compatible with other possible sources of income or allowances. It is not always sufficiently clear and precise in the various regulations. A particular series of restrictions may make it impossible to collect simultaneously Autonomous Community Minimum Income and a certain pensions, negating their complementary nature. On other occasions, although Autonomous Community Minimum Incomes are declared to be supplementary income, no mechanisms are set up to ensure that they are used as the ultimate safety net.

*- Conditioned eligibility*

Each of the Autonomous Community Minimum Incomes establishes a series of prerequisites which the applicants must meet (see Table A2-11 in Annex 2) to become recipients of the benefit. Once the formal approval is obtained, the applicant ceases being a mere petitioner and becomes a real beneficiary. But even then he does not have any binding rights vis-à-vis the administration if the regulations do not provide means of enforcing the payment of the benefit payable to the beneficiary.

This leads to the key question of whether the citizen has or not a right to Autonomous Community Minimum Income and under what conditions (Is the benefit enforceable? Is the administration obliged to grant it?). The commonly-held view of Autonomous Community Minimum Incomes as a social welfare measure banishes all ideas of a right, especially since there is no national legislation on the subject.

The territorial situations are in any case very diverse. In some Autonomous Communities, it is clearly stated that it is not a subjective right and that in any case it depends on approval of the annual budget. By contrast, in other communities, such as Catalonia or Navarre, it is described as a universal guaranteed right.

Overall, it can be stated that the duty of protection does not generate a correlative right thereto, and that the grant of the benefit is a voluntary measure which is not therefore binding on the administration. In addition to the budgetary resources cited earlier, there are, at times vague, a series of eligibility criteria, limitations on duration and integration plans which are conditional on other initiatives by the administration itself. For these reasons, we may state that compliance with EU Recommendation no. 92/441/EEC, of 24 June 1992, on Common Criteria concerning Sufficient Resources and Social Assistance in Social protection Systems is only very partially met.

*- The declared objectives of Autonomous Community Minimum Incomes are largely not reflected in its results*

The regulations governing Autonomous Community Minimum Incomes expressly set out the purpose they pursue: the integration and social normalisation of recipients. Irrespective of other benefits contributing to the same end and some residual establishment allowances sharing the same aim, it is true that Autonomous Community Minimum Incomes are innovative and original insofar as they set themselves an aim which extends beyond merely providing a cash benefit.

Autonomous Community Minimum Incomes combine two objectives within the same protection scheme: to financially redress given situations of deprivation and to socially reintegrate the recipients. Thus, financial assistance is accompanied by technical services (integration activities) which facilitate the second objective. The problem is that it is rare that there is any definition of the meaning of labour integration, and even more so of social integration. It may involve a temporary work scheme, seasonal work, socially sheltered employment, training or work affording stability, whether on a waged or self-employed basis, or even work entailing a type of socialisation which is politically empowering. Generally, income or work is implicitly assumed to empower citizens socially and politically, although this is, in any case, a controversial supposition.

The regulatory objective of minimum income is twofold, but its content is the same, the accompanying measures varied and the possibilities for combining these factors and their intensity very diverse. Each set of Autonomous Community regulations places its own particular stress on or reflects its interest in the stated aim.

The preambles to the various regulations usually set out the necessity of treating, preventing and remedying situations of need. For example, under the Catalan legislation the benefit is presented as *a solidarity initiative which is universal for citizens with serious economic and social difficulties*, affirming that it is *an integration tool, providing not only financial but also comprehensive treatment of poverty and marginalisation situations*. The problem is that with regard to the “universal” it is often not actively applied, since many excluded groups are not aware of this right and do not make use of existing schemes.

The diversity of situations in the Autonomous Communities is enormous, depending on political will and opportunity, the social and economic circumstances and, obviously, the resources available to each administration. Thus, while in some territories the establishment of Autonomous Community Minimum Incomes has been used to systemise and organise similar benefits or prepare more complex interdepartmental programmes, in others, on the contrary, it is considered that their mere introduction is sufficient to achieve the proposed goals. As an example of the first situation, the Navarrese Basic Income is regulated, together with other direct and indirect benefits, in the same Decree, along with two other decrees, dealing specifically with the use of the provision of labour and sheltered social employment services as means of integration.

## **Prerequisites for entitlement to Autonomous Community Minimum Incomes**

Analysis of the prerequisites for entitlement to Autonomous Community Minimum Incomes is especially complicated due to the prevailing diversity and heterogeneity (see Table A2-11 in Annex 2). These criteria must be met for entitlement to the benefit and must be maintained while it is received, to prevent it being revoked. Generally, they are very strict and constitute barriers which are difficult to overcome for many persons who, although they experience real situations of need, do not however succeed in obtaining these benefits. The principal prerequisites, those which are the most frequent and representative, are as follows:

### *- Personal prerequisites*

**Age:** The applicant must be over a given age or less than a given age, or in some case both. The basic intention is initially to identify the potential recipient by his capacity to work, degree of financial and family independence, possibility of obtaining other types of assistance, etc. Frequently, the minimum age limit is 25, the ceiling for youth and the beginning of working and family emancipation. It is only in certain cases and situations (where there are dependants or it is claimed through a *centro de protección de menores* [shelter for young persons], for example) that this condition relaxed, and the minimum age lowered to 18. The maximum age is usually set at 64 or 65, the age at which the person concerned should apply for a retirement pension. The aim of the rules is to avoid duplication of protection schemes, but this, in fact, closes off entitlement to Autonomous Community Minimum Incomes for persons who, for various reasons, cannot obtain other forms of assistance (such as young people with drug-related problems who live alone).

**Residence:** All the Autonomous Community Minimum Income regulations make it a prerequisite, with different degrees of qualification and exception, for there to be a qualifying period of residence in the Autonomous Community in which the benefit is requested. As indicated in the rules, it is firstly intended to prevent migratory flows entering from neighbouring Communities in expectation of higher income. Secondly, it is argued that the goal of reintegration can only be achieved among groups demonstrating that they are to some extent established in the Community in which they aspire to integrate. The required periods of residence in the Autonomous Community vary between one and two years.

Given that it is a prerequisite which is in many cases difficult to meet or demonstrate, there are various corrective mechanisms which allow, in some cases only, entitlement to the benefit for persons who although they do not comply with the required period of residence, were however born in the Community or can prove the concurrence of special or serious circumstances. Collectively, immigrants present special difficulties, as do ethnic minorities, such as the Romanies, who still conserve an itinerant culture dependent on productive cycles in the economic sectors to which they have access, such as agriculture.

**Independent home:** The regulations define the Independent Home as the physical location of permanent residence of one person or more who form a family unit. Hence, the existence of an autonomous physical space is required, which first prevents welfare overlaps and, second makes mutual redistribution of welfare an obligation. Various qualifications are added to this prerequisite, depending on the special conditions of members of the family unit, such as where a space is deemed to be the collective residence of several family units or where persons are admitted to healthcare, social or penitentiary institutions.

**Other:** This includes two prerequisites which do not reflect the applicants' characteristics, but the behaviour or action required of them. In some Communities only, the applicant is required to be unemployed or registered as a jobseeker. In addition, the applicant is asked to subscribe to an integration agreement, which may take various forms. In some cases, this is a essential criteria which generally makes it obligatory to participate in certain integration activities. In other cases, it is fulfilled, after the case is assessed and the benefit approved, it is based on technical recommendations for specific action proposed for the applicant's integration (see study cases for Catalonia and Andalusia).

### *- Financial prerequisites*

**Lack of resources:** As one of the objectives of the Autonomous Community Minimum Income is to guarantee minimum thresholds for personal subsistence, the existence of a

situation of need will be qualified by not surpassing a given income level. As a first measure, the applicant's total resources are verified. Generally, this involves establishing an annual calculation, which must often include casual or irregular financial activities which are difficult to quantify. If, in addition, we take into account the enormous diversity of formulas and exceptions devised for quantifying applicants' resources, it can be deduced that the final result greatly depends on the flexibility or strictness with which the rules are interpreted and applied by the practitioners administering them.

**No entitlement to other assistance or pensions:** The fact that a Autonomous Community Minimum Income applicant is collecting other allowances or pensions is normally assessed from a financial viewpoint (to determine the lack or sufficiency of available resources) and rarely as signifying a certain degree of integration. A variety of regulations establish incompatibilities between the Autonomous Community Minimum Income and other pensions and allowances, restricting entitlement to Autonomous Community Minimum Incomes and intensifying their supplementary or fallback status (last recourse for those persons who are not entitled to any other benefit).

**Impossibility of assistance from the family:** Various regulations establish the prerequisite that there should be no relatives with a legal obligation to provide sustenance. This circumstance is applied flexibly, depending on the practitioner's strictness, since the existence of such relatives does not guarantee that the applicant will be attended by them nor the possibility that the latter can effectively demand this. The aim of this prerequisite is to encourage "legally imposed solidarity" but it creates a risk of permitting alarming situations of need to exist which are not covered by either means. Especially harrowing is the case of women who are separated, divorced or victims of domestic violence, where the husband, despite having an obligation to assist financially, does not comply with this and due to the slowness of the legal system or fear of violence, these women do not have any means of demonstrating the situation they live in and cannot receive Minimum Income despite being in a situation of absolute poverty.

**Others:** There are a series of premises established by the various regulations to oblige the applicant to use and exhaust his entitlement to other possible assistance, thus reinforcing the Autonomous Community Minimum Income's status as "last resort". This prerequisite constitutes a further obstacle for the applicant to surmount, for given the variety and complexity of personal situations and possible subsidies, application and effective control of this requirement will not be easy for the applicant if he does not have correct technical advice and this generally leads to an extension of the waiting period before obtaining any benefit, despite the need for it.

## **Cover provided by Autonomous Community Minimum Incomes**

Unfortunately, the decentralisation of minimum incomes makes it impossible to obtain a figure for total recipients in 1999 at national level. We only have the set of figures provided by the Autonomous Communities to the Ministry of Labour and Social Affairs based on an updated version of the survey commissioned from the *Dirección General de Acción Social* (Directorate General for Social Action), at the Social Affairs Sector Conference, which, following the agreement reached at the third meeting of the *Ponencia sobre Bienestar Social y Prestaciones Sociales Básicas de Servicios Sociales* (Committee on Social Welfare and Basic Social Services Welfare Provision) in 1994 (Ministry of Social Affairs, 1995), has continued to be undertaken.

The Ministry itself views the 1998 figures as unofficial. The figures for 1999 are those which the Autonomous Communities studied supplied for the preparation of this report.

Very generally, the monthly amount of an Autonomous Community Minimum Income in the Autonomous Communities varies between 50% and 75% of the *Salario Mínimo Interprofesional* (SMI – National Minimum Wage). As the National Minimum Wage in 1999 was 69 270 pesetas/month, the average amount of an Autonomous Community Minimum Income ranges between 35 000 and 55 000 pesetas, approximately, for the recipient (the total received by the family unit is conditioned by the number of members and this is often quite complicated to determine). There are exceptions and cases in which it is difficult even to determine the basic figure, due to different ways of calculating and preparing the data.

In most Autonomous Communities, the number of Autonomous Community Minimum Income recipients is around 2 per thousand of the population aged 16 and above (normally ranging between 1 and 3 per thousand, with isolated exceptions, such as the Basque Country, where it is 9 per thousand). In absolute terms, the Basque Country stands out, with 16 000 recipients, followed by Catalonia, Andalusia and Madrid, with around 10 000 recipient each. For the whole of Spain, we can calculate an overall figure of 70 000 Autonomous Community Minimum Income recipients. If this figure is compared with the number of unemployed persons not in receipt of unemployment benefit, it can be seen that Autonomous Community Minimum Income recipients account for only 4.4% of persons without unemployment cover.

The number of total beneficiaries depends on the family composition (number of members of the family unit). This is a figure which varies widely from one Autonomous Community to another. In the data provided, a “a standard multiplication factor” is generally used to convert the number of recipients into the total number of beneficiaries. In certain cases, this procedure is perfectly adequate, but in others it is at the very least doubtful. The average seems to be 3 beneficiaries per recipient (in Valencia the factor is less than 2, in Asturias and Melilla it is 4). For the whole of Spain, a total figure of 190 000 family beneficiaries of Autonomous Community Minimum Income can be extrapolated.

The data for the annual budgets for the Minimum Incomes of the various Autonomous Communities are difficult to compare, since in each case the figures refer to different concepts and forms of calculation (in some territories only the benefit payment is computed; in others, other initiatives are included, etc.).

## **Study of significant cases: three different Autonomous Community Minimum Income regimes**

### *- The Andalusian Minimum Income regime*

The Programme's target group are family units residing in Andalusian territory whose maximum monthly income, under all headings and from all members, amounts to less than 62% of the National Minimum Wage, increased by 8% for each family member. The applicant may be any adult person who represents the family unit. Thus, although the applicant and formal recipient of the benefit is a physical person, the family unit is the true point of reference and target of the Programme.

In 1999, a total of 9914 recipients with the following profiles collected minimum income: practically equal numbers of men and women recipients; nuclear families, couples with

children, predominate, although single-parent families have recently increased; the level of studies and qualifications is very low; the most represented age range is from 30 to 39, accounting for 36% of recipients; most recipients are concentrated in large towns, confirming the markedly urban nature of the programme, stemming from its incompatibility with the *Régimen Especial Agrario* (Special Agrarian Regime), up to the time when the last decree regulating the benefit (Decree no. 2/1999, BOJA [Andalusian Government Official Gazette] no. 16 of 6 February 1999). In this decree, any emergency allowances which apply are deducted from the minimum income.

The most frequent types are: women on their own with family responsibilities (single, separated or divorced mothers); long-term unemployed (men and women over 45), beggars, prostitutes and, in particular, the Romany ethnic group. Immigrants currently scarcely participate, but following the new immigration law the figures may increase rapidly.

The total number of estimated annual applications (approved) during the first years of the programme was around 7000, later increasing in recent years to around 10000 estimated applications (25 000 beneficiaries), from a total of 14 000 applications presented. There is a high level of chronic cases in the programme, which is estimated at around 30% of requests. Recipients have been detected who have, in successive years, received the six month subsidy up to seven times. Considering that the average time, according to unformed sources, from application by the user for the benefit until it is received is 10 months, we may infer both their perseverance and the role of minimum income as just one more resource for "making ends meet", but not that it is "a last resort" nor "sole resort".

Under the procedure, the applicant must prove that he meets the prerequisites for entitlement to the activities provided for in the Solidarity Programme. A further application may not be presented until six months after the previous benefit has ended, namely, he may collect an allowance for six months of the year. Recipients of the Solidarity Minimum Income undertake, by signing the so-called *Compromiso de Inserción* (Integration Agreement), to carry out a series of steps in their personal and family life (schooling of children, adult education, health measures, etc.) and in the socio-economic and labour field (registering as a jobseeker, accepting job offers and training activities, etc.). Failure to fulfil any of these criteria may lead to the benefit being suspended.

Initially, this programme was the responsibility of the Regional Labour rather than the Social Affairs Ministry. In 1995/1996, when the Ministry was divided in two and the programme was assigned to the Social Affairs Ministry, integration measures through training programmes were discontinued, leaving only the minimum income payment and, although the solidarity programme exists, the restricted benefits encompassed by it are administered separately from minimum income. It seems that the intention for the future is that the municipalities will take over its management, although to date no funding has been set aside for this. It seems that the new development framework for the programme will be incorporated in the *Ley contra la Exclusión* (Anti-Exclusion Act) which is to be introduced.

For 6 months in 1998, this programme could not be implemented due to **budget liquidity problems**, so that during this time the Minimum Integration Wage, popularly known as the Social Wage, could not be paid and there was a backlog of the application files. The difficulty experienced by the autonomous provincial offices in administering the number of files has caused lengthy delays in processing, giving rise to complaints lodged with the Andalusia Ombudsman. This, in its turn, means that the data files, even where specific IT applications

exist, only contain personal details, which makes their use difficult, so that for the last two years there has been no real follow-up to the programme. There are now various IT applications: that relating specifically to the minimum income, which is to be replaced by another, and that agreed with the Ministry in which these user are not included. None of them is really used. Neither is there any connection with information entered for other programmes administered in the Regional Ministry, with the sole exception of an EU INTEGRA initiative which has given rise to a pilot programme in which minimum income recipients are included (SURGE programme), although the administrators of provincial minimum incomes are not aware that users are passing through these schemes.

All this has led the Government of Andalusia to try to transfer its management to city administrations, by including it in the annual agreement on community social services approved by the Regional Ministry of Social Affairs and the city administrations, which has resulted in conflict; responsibility has been transferred without there being any budgetary allocation, so that many administrations are refusing to collaborate, arguing that they are only obliged to "*collaborate periodically*" with the Autonomous Community local offices, which have technical staff recruited under the *Programa de Solidaridad de los Andaluces* (Solidarity Programme for Andalusians). Additional support has been sought from private bodies, which aroused the criticism of opposition groups.

The total annual budget for the Solidarity Programme for Andalusians has decreased, contrary to expectations. In overall figures, it has fallen from an initial total of 6 000 million pesetas to 4 483 million pesetas in 2000. This last budget relates directly and exclusively to payment of the Social Wage, for other complementary activities have not been financed.

A study is currently taking place on social exclusion and poverty in Andalusia to ascertain the size of the group potentially concerned. Despite not yet having this information, we can state that the current welfare provision only serves a small proportion of the population in need which could potentially benefit from the programme. If the number of recipients is compared with the figure for those not covered by any type of benefit it can be seen that Solidarity Minimum Income recipients account for only 2.4% of the total number of persons who do not collect unemployment benefit. This, in itself, is a problem: the quantitative dimension of exclusion from work and from benefits in Andalusia.

An additional shortcoming are qualitative aspects which should be improved regarding access of persons in need, through extended and improved dissemination of the programme. Very few people know of its existence, the casual agricultural workers' subsidy is much more popular. It is also necessary to improve it by facilitating and streamlining the application prerequisites and procedures, since the processing of applications is complex, incompatibilities exist with other public benefits and decisions on files are excessively slow. In difficult periods, due to budgetary shortfalls, decisions on applications normally take more than a year. Currently, the official figure proffered is an average time of three and half months for a decision on an application, although it must be acknowledged that it is an average time so that where, in some cases, there is no local cooperation, it may take considerably longer.

Administration of the Solidarity Programme has been allocated to various Ministries and Departments of the Andalusian Government which has hindered performance of the initiatives planned, since cooperation between them has been difficult and, as in other autonomous governments, the ability to organise social services at Autonomous Community level has been greatly dependent upon the political weight in the autonomous government of the administrative head. Compounding this problem are the increase in demand, budgetary difficulties and the progressive elimination of professional training, so that the programme

has been cut back, frequently to nothing more than the provision of the Solidarity Minimum Income, save in some provinces in which the staff of the autonomous community local office have been able to linking it into other programmes, as is the case in Granada and Seville.

On the basis of the information available, trying to make an assessment of the Programme as regards its general objective, which is none other than the eradication of marginalisation and inequality in Andalusia, is a risky process, but there are data which speak for themselves: it reaches very few recipients; it has a very slow administration process; very little is done with respect to integration; the income obtained does not make it possible to break out of exclusion; it is under-funded and technically under-resourced.

To date, the only achievement has been to momentarily and relatively mitigate the poverty situation of a small number of the families who are potential beneficiaries. To achieve the general objective proposed and to attend to all those in need, it would be necessary to substantially increase the human, material and financial resources. Also required is greater and closer coordination between Public Administration bodies to put what is set out in the relevant legislation into effect.

#### *- The Catalan Minimum Income regime*

The *Programa Interdepartamental de Renta Mínima de Inserción* (PIRMI - Interdepartmental integration income support scheme) (Decree 144/1990) was established in 1990, with the principal aim of social and labour integration of the persons concerned, at the same time as offering new opportunities for persons with subsistence difficulties. In May 1995, a *Plan de Lucha contra la Pobreza y la Exclusión Social* (Plan combating Poverty and Social Exclusion) was established. Finally, in 1997, Act no. 107/1997 was passed, definitively consolidating the Minimum Integration Income.

**The Act defines the Minimum Integration Income as an interdepartmental scheme**; in fact the Regional Social Welfare and Labour Ministries both participate in its management, with direct intervention from the *Dirección General de Formación de Adultos* (Directorate General for Adult Training), the *Instituto Catalán de Asistencia Social* (Catalan Institute of Social Welfare) and the *Dirección General de Economía Social, Cooperativas y Autoempresa* (Directorate General for Social Economy, Cooperatives and Self-employment), the *Dirección General de Empleo* (Directorate General for Employment), the *Dirección General de Seguridad Social* (Directorate General for Social Security) and *Dirección General de Servicios Sociales* (Directorate General for Social Services). It is also defined in the law as an integration instrument which calls for comprehensive, not simply financial, handling of situations of poverty and marginalisation. To achieve this, five categories of benefits are established: emergency benefits; activities supporting social integration; adult training activities; activities supporting labour integration; provision of a cash benefit.

Therefore, Minimum Integration Income involves the development of provisions and measures in the fields of social services, health, education, adult training, cash benefits and actions supporting social and labour integration. It is regulated as a universal right guaranteed by the public social services system.

Because it relates to comprehensive action and the need for personalised and contextualised treatment of recipients, the Minimum Integration Income invokes the responsibility and involves the basic cooperation of the local social services and the active participation of social initiative organisations working in the field of social exclusion. In this sense, the role of NGOs cooperating in the programme's management is very important, especially the *Coordinadora Catalana de Empresas de Inserción* (Catalan Integration Enterprises

Coordinating Board). The targets of Minimum Integration Income are family units registered in Catalonia whose monthly income does not exceed the Minimum Integration Income's benefit level. Recipients have to sign and comply with the Integration Agreement in order to be entitled to the benefit.

The general profiles of recipients are as follows: they include twice as many women as men; 50% have socio-health problems (20% alcoholism and/or drug addictions, 20% mental health, 10% other health problems), 22% single-parent families, 15% with severe labour problems, 13% severe social marginalisation: persons from broken homes, beggars and prostitutes. The majority of recipients are concentrated in major towns. There is a high incidence of Romanies and immigrants.

The total number of current files (term used to refer to files which are being paid at that moment) has been increasing continuously over the last three years to reach around **10 000 files**, equivalent to 20 000 persons.

According to those interviewed, the groups who do not have access to the programme are mainly characterised by being very mobile and involved in seasonal activities or located in territorial zones with concentrated marginalisation. These include the following groups: those who reject intervention (groups of absolute precariousness, with many attendant problems: heroin addicts, located in peripheral areas and even in central Barcelona); the destitute (very difficult to quantify) who are closely associated with mental health problems, who at times are directed to the programme through organisations working with those going through judicial or prison processes, basically organisation linked to human rights; groups who live in four or five areas in the major cities of Barcelona and Gerona (mainly, in rundown historic centres (El Raval) or in dormitory neighbourhoods like La Mina) in which there is such a concentration of marginalisation that the area social services are overwhelmed. In the La Mina neighbourhood, a pilot "neighbourhood contract" project has been launched, with the assistance of experts, in which a programme of priorities for action for families is being implemented, with the participation of Romany associations.

The procedure which the applicant must follow consists of proving that the prerequisites for entitlement to Minimum Income are met, through an interview carried out by the local social services or the partner non-profit NGOs (there are 18 organisations approved as such in Catalonia). Once the Integration Plan is approved by the Monitoring Committee, the Minimum Income becomes enforceable. Currently, the time between presentation of the application and a decision is on average 26 days.

Under the legislation of the Autonomous Community the Minimum Integration Income is a right whose financing will be guaranteed by appropriate allocations to be set aside by the Catalan government in each budget year to cover the resources required to implement the law. In 1999, the total annual budget for Minimum Income was 5 706 million pesetas. An agreement negotiated by the Catalan government with the social partners sets the amount for Minimum Income for a period four years in advance.

It is difficult to determine to what extent the Minimum Income Programme reaches potential recipients of this benefit, for this group is not sufficiently defined – no research has been carried out by the administration to ascertain the number of excluded persons, but applying the same index as for Andalusia would seem to indicate that the Minimum Income recipients account for 7.3% of the total unemployed population not covered by any unemployment

benefit. Many persons in need are unaware of this programme, as became clear in the interviews with users.

The fact that the Minimum Income is recognised as a right and, apparently, has sufficient resources to meet the applications to date must be viewed favourably. The interdepartmental design of the Programme is positive, linking the social, employment, education, health and housing aspects with receipt of the cash benefit, although, as those running the programme acknowledge, "*bringing in and joining up so many administrations is not easy and there are reservations since everything is new*". Participation by the social partners is limited, especially by business organisations.

There is significant interest in and commitment to carrying out appropriate follow-up activities, through political and technical committees which meet regularly. A computer database of all the Minimum Income recipients, including the training and work activities performed by each of them, has been recently refined and made available on the Internet to all practitioners involved. This will allow for more effective follow-up of personal files and greater transparency of processes.

#### - *The Navarrese Minimum Income regime*

In Navarre, various allowances for families in need have been approved since 1982. Regional Decrees nos 168, 169 and 170/1990 regulate Individual and Family Allowances and Benefits, Vocational Benefit Schemes as means of integration and Basic Income Schemes within the Category of Social Sheltered Employment. Social demand (Anti-poverty Network) for measures against exclusion led to the creation (with the cooperation of the Social Affairs Department of the Public University of Navarre) of the *Plan de Lucha contra la Exclusión Social* (Plan Combating Social Exclusion) in Navarre, adopted in 1999, which *is intended to establish integrated treatment for those aspects of deprivation which, combined, constitute the phenomenon of exclusion*". Regional Law no. 9/1999 establishes the Charter of Social Rights, which proclaims entitlement to a Basic Income. Regional Decrees nos 20 and 130/1999 regulate, respectively, the Basic Income and financial aid for the development of socio-vocational integration programmes intended for persons in a situation of social exclusion.

Regional Law no. 9/1999 provides entitlement to a Basic Income for citizens of Navarre so that they can fully avail of their rights per se. It establishes the amount of this basic income and the obligations of those benefiting from it. It also defines the recipient family unit, the financial and structural conditions which must be met, and all the undertakings which must be given. A key feature is the linking of the Basic Income to the conclusion of a Socio-vocational Integration Agreement intended to avoid the simple consolidation of the allowance without the inclusion an integration objective. As Basic Income is considered a benefit intended to cover strictly basic necessities, it is deemed to be compatible with other last-resort allowances covering basic needs.

The target group for Basic Income are family units resident in Navarre for more than two years, whose monthly income does not exceed the Basic Income amount. Recipients must subscribe to a *Acuerdo de Incorporación Sociolaboral* (Socio-vocational Integration Agreement).

**The general profiles of recipients are as follows:** recipients are 61% women and 39% men (male unemployment in Navarre is very low); 37% are single-parent families; 26% Romany family units; 5% Portuguese family units from Tras os Montes (a Portuguese region with a regular migratory flow to Navarre); 44% of the total recipients live in Pamplona, which,

together with those from other urban centres, confirms that the recipients are predominantly urban.

The total number of recipients has increased moderately over the last four years to stabilise at around 1 200 (1 154 in 1999). Since poverty in Navarre is quantitatively rare and there are sufficient resources to cover the requests which it may lead to, most applications presented are approved: less than 10% of total applications are rejected. In the words of one of the officials managing the Programme, *here, Basic Income is given to everyone and is given without limitations*, referring to the fact that it is renewed easily. The applicant must meet the prerequisites for entitlement to Basic Income. Within two months from when the benefit is granted, the beneficiary should give a written undertaking by subscribing to his plan of action. This undertaking is now no longer obligatory, but instead “voluntary” and *agreed with the user*.

Under the law, Basic Income is a right whose financing is guaranteed by the budgets of the Community of Navarre. There have always been sufficient funds available, so that administration of the benefit has at no time been limited by financial constraints.

In fact, the total annual budget for Basic Income has increased at a greater rate than the number of recipients (in 1994 there was a budget available of 272 million pesetas for 1 148 claimants; in 1999, the budget was 580 million pesetas for 1 154 claimants).

When assessing Navarre's Basic Income programme, the special characteristics of this Autonomous Community must be borne in mind. Firstly, it is a small region with population one-tenth that of Catalonia or Andalusia. Secondly, its unemployment rate is very low, especially among men, and the group of disadvantaged or excluded persons is small. Thirdly, Navarre has its own specific financial and fiscal system which allows it to dispose of sufficient funds to take on these policies.

Having said this, we must stress that the process implemented in Navarre to combat social exclusion has been particularly interesting<sup>17</sup>. Social pressure, channelled through non-governmental organisations, prompted debate which, with the active participation of the Anti-Poverty Network and the Social Affairs Department of the Public University of Navarre, has led to the development of a programme of action, later embodied in the *Ley de Lucha contra la Exclusión de Navarra* (Law Combating Exclusion in Navarre).

In evaluating the Basic Income programme, we should consider that in recent years it has catered for almost all claimants, offering income and the possibility of public or sheltered employment. There has been an acceptable level of cooperation and participation between the various departments and bodies involved, although with clear leadership provided by the Social Welfare section which stems from the special political influence it has in the government.

In any case, what is most difficult is determining the true impact of Basic Income on disadvantaged persons. Detailed analysis of recipients in 1996 before the modification and extension of the Basic Income's integration measures in Navarre leads to the conclusion that the financial impact on families was limited, due to the benefit's low amount and the limited numbers of persons who really find employment. The overall estimate to date is a 30% reduction in poverty levels, which does not imply near-term elimination of exclusion, but does indicate that the structural impact of Basic Income on the population sector affected by

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<sup>17</sup> Chapter 4 gives a more detailed explanation of the participatory process which took place and eventually led to the passing of the *Law Combating Exclusion in Navarre*.

extreme poverty is very substantial, although the number of Basic Income claimants is only 17% of total unemployed persons with no type of benefit in Navarre.

## CHAPTER 2: ACTIVATION POLICIES FOR MINIMUM INCOME RECIPIENTS

### 1. GENERAL INFORMATION ON THE CHARACTERISTICS OF THE LABOUR MARKET

- *Trends in activity and employment: increase in formal work and temporary and contingent employment, highly focussed on the tertiary sector, unevenly distributed between genders and territories*

From 1995 to 1999, the working-age population of Spain increased by 3%, while the percentage activity rate increased more rapidly (5%), **achieving over this period a 15% increase in occupation and a reduction in unemployment of 27%**. The average annual accumulative increase in employment between 1994 and 1999, according to the EPA, was 417 000 persons<sup>18</sup>.

Meanwhile, **Social Security contributions continued to increase in 1999, much in advance of figures for occupation given by the EPA**. Comparison of these increases with the corresponding rises in GDP suggests that part of the increase in contribution statistics stems from the emergence of employment which was previously hidden from Social Security. With the EPA's change in methodology it is possible that the same occurs regarding some of the previously undeclared activities due to the way in which the questions relating to non-activity were posed<sup>19</sup>. But as Toharia (1994) pointed out, the EPA had been underestimating the numbers in work, but not the numbers of unemployed (it did underestimate the fall in the unemployment rate), a statement with which the Economic and Social Council (CES) agrees.

From a sectorial viewpoint, there has been a **continuing decline in employment in agriculture and a marked increase in employment in the construction and services sectors**, the latter sector exceeding by far in the numbers of persons employed (more than 8.5 million persons employed; more than three-fifths of employment in Spain), these increases being in almost equal proportion to employment lost in agriculture.

All this suggests that we may be witnessing **a very circumstantial increase, combined with extremely temporary recruitment**, given the ease of inter-sectorial mobility of the under-skilled population between the agrarian sectors, construction and unskilled services together with the appearance on the scene of "black" money which is being channelled into construction in advance of the introduction of the euro.

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<sup>18</sup> For the first quarter of 1999, a significant change to the EPA must be taken into account, which was required to meet the official criteria of the EU active population survey. Although it is difficult to quantify the statistical impact which this may have, it seems that it has led to an increase in the level of employment recorded by the EPA (according to CES, 2000).

<sup>19</sup> The changes effected have led to an increase in the first quarter of the year in the number of sample sections, needed for meeting the official criteria of the EU active population survey. The effect of this increase, accompanied by other modifications, such as the new measurement for underemployment, the inclusion of new questions in variable modules in the second quarter of each year, the new rules for the development of rural work, has been an increase in the volume of employment detected by the EPA (CES, 2000).

As in recent years, the most salient feature in the general pattern of employment is that increase in activity relates to employees, almost all in the private sector, which grew by no less than 8% last year. The increase in public sector employment was mainly in regional administrations, probably due to the devolution of powers, which, in 1999, led to the transfer of a substantial numbers of jobs, as for instance with education.

However, **the rate of temporary work is quite high, although it has not changed much from the level of other years, despite the fact that the pace of employment for an indefinite period continued to grow** (CES, 2000). Despite this, we must also record a parallel **substantial erosion of permanent employment**, which yields a negative balance, especially insofar as the permanent employment destroyed concerns older workers with contracts predating the 1997 reforms, involving higher dismissal costs and, theoretically, a greater degree of protection against temporary work. The reason for this is, above all, the **marked increase in temporary employment** (in the last 3 years, despite the reforms introduced to encourage recruitment for an indefinite period, more than 90% of new contracts have been temporary). In 1999, there were 3.1 million temporary workers, 160 000 more than the previous year, which **means that the percentage of temporary workers is now 23% (almost a quarter of all employment)**. To this must be added the increase in persons employed by temporary placement agencies, who, in 1999, amounted on average to 80 000; 43% of these were women, which is a high proportion, since women accounted for 38% of total recruitment for the year.

Regarding unemployment trends by gender and age, **the position of women in the labour market clearly continues to worsen, which is indicated, among other factors, by their much higher unemployment rates**. But 1999 results show a relative improvement in this position, greater in some territories than others. Regarding hours worked, and taking employees only, **the percentage of women working part-time is almost 80%**.

**1999 saw an increase in employment in all groups of working age, apart from the 60 to 64-year olds.** The youngest age group, whose size diminishes the significance of its annual percentages variation, registering the highest growth, in relative terms, for those under 30 and continued its trend of recent years (CES, 2000). Concerning *transversal* employment trends, the most significant feature is that in recent years there has been a high rate of job loss among persons of fifty or more, which very probably end up as early retirements. It seems that the advance of this phenomenon may have now halted<sup>20</sup>.

**Employment grew in 1999 in all the Autonomous Communities except Cantabria.** However, there continues to be marked divergence in the factors for this growth, contributing to differences in the fall in unemployment from one Autonomous Community to another<sup>21</sup>. For the CES, “*the way to solve regional disparities is to design an employment policy which strengthens the productive fabric. Also, the decentralisation process (territorial and institutional) of public systems involved in the labour market should be reviewed. Undoubtedly, this process was launched with good prospects for improving the effectiveness of active employment policies. But, at the same time, the array of partners who today act as intermediaries in employment and/or tasks promoting recruitment present a risk of fragmentation and a subsequent loss of information (or at least its decreasing availability) on the characteristics of job supply and demand in Spain*” (CES, 2000). These statements

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<sup>20</sup> The CES is about to conclude a report called *Vida Laboral y Prejubilaciones* [Working Life and Early Retirement] and puts forward some proposals concerning this age group.

<sup>21</sup> In 1999, the CES produced a report in which it raised this issue and linked it with the geographical mobility of persons seeking employment.

seem to continue treating the issue as a matter of achieving a balance between supply and very fragmented demand, behind which lies a highly economic view of employment. But against this, **the socio-political reality, of which employment forms part, continues to impose itself relentlessly.**

- ***The reduction in unemployment is selective, socially and territorially: feminisation, high incidence of long-term and very long-term unemployment and regional divergences persist***

When the trend for unemployment figures in Spain of recent years is analysed, a fall in the number of unemployed in the EPA figures can be seen; while 1995 there was a total of 3 583 500 unemployed, representing an unemployment rate of 22.9%, in 1999 there were 2 605 500 and **an unemployment rate of 15.9%.**

On average nationally, unemployment fell by more than 450 000 per annum, according to the EPA, three points more than 1998. As in 1999, the active population showed a similar pattern to the previous year, namely, a moderate increase, which led to a sharp increase in employment and a very marked fall in unemployment. Also like 1998, this increase in activity was provided by women, male activity remaining stable.

The greater increase in female activity led, even with the increase in employment, to a smaller decline in unemployment than that recorded for men. **The number of working women increased substantially (147 000), but started from very low levels as compared to other European countries, while the figures for men increased marginally (11 000).** The total number of unemployed women fell by 193 000, a result which is much less than that recorded for men (262 000 fewer unemployed).

Generally, the EPA seems to indicate **a slowing down of the fall in unemployment.** But, according to the CES, the fact that this trend should coincide with that for registered unemployment, which is continued to follow the same pattern in the first few months of 2000, is not worrying. It has been suggested that this negative trend may also be due to a more marked increase in the active population, since the favourable labour market situation have incited more people to begin seeking work and, *inter alia*, to register with the INEM as jobseekers. Nevertheless, according to the CES, the reason for this slower decrease would seem to stem from both a rise in registered demand and, more specifically, from a slowdown of the rate of recruitment, the latter being somewhat more worrying (CES, 2000).

Despite this noteworthy statistical improvement in the unemployment figures, we must point out that unemployment is still very high in comparison with European levels. We should also add that these quantitative aspects are accompanied by qualitative factors which qualify the optimistic results and **penalise different social groups in different ways.**

Women experience unemployment to a greater degree than men. In 1999, 58% of Spanish unemployed were women. Bearing in mind the fact that the active female population is less than the male active population and that the **unemployment rate among women is 23.1% while among men it is less than 11.2%, less than half, the position of women is noticeably worse.**

Concerning the duration of unemployment, we observe that **Spanish unemployed remain out of work for lengthy periods: 49.8% of the unemployed are long-term**, meaning that they are unemployed for more than a year. Again, women are the more disadvantaged: **54.2% of unemployed women are long-term unemployed**, while among men the figure is only

43.9%. However, the period of unemployment may be prolonged, since **two out of three (67.9%) of the long-term unemployed are unemployed for more than two years.**

Moreover, the unemployment figures for the various Autonomous Communities reflect the unequal manner in which this problem affects the different areas. In 1995, there were 888 400 unemployed in Andalusia; in 1999, the figure was 759 200, a fall of 15%. While in the same period, in Catalonia, the unemployed have decreased from 527 600 to 284 800, a reduction of 46%; in Navarre, the figures have fallen from 26 700 to 18 300, a drop of 39%. **Thus, it can be seen that the fall in unemployment in recent years has not been equal across all territories, and indeed the relative differences have even increased.**

Over the last five years, the total population and the activity rate have increased in Andalusia and Navarre, while in Catalonia they have remained largely unchanged. In addition, although the unemployment rate has generally fallen in the last five years in Spain, in Andalusia it has done so in a clearly lower proportion than in Catalonia and Navarre. This is particularly serious, since Andalusia starts from a very high unemployment rate and as a result of this trend the gap between other regions is widening.

Apart from these territorial differences, there are two extremely important aspects characterising unemployment in Spain: **women in all territories experience unemployment to a greater extent than men.** Thus, while in some territories what is technically referred to as full male employment, with unemployment rates under 4% having been achieved, female unemployment persists. This is the case in Navarre, where the male unemployment rate is barely 4% whilst the rate for women is 13%. In the most rural areas, there is more unemployment than in urban areas in period of economic growth. The trade union UGT describes this situation as "**feminisation of unemployment**".

## **2. POLICIES FOR ACTIVATION, OR FOR BUDGETARY CONTROL AND SAVING?**

In approaching this section, we will start from the policy premise, established at the Essen Conference and confirmed at Cannes, that pro-active employment policies should be carried out within the framework of the relationship between employment and area concerned. Thus, we begin with an analysis of the national framework, and go on to autonomous community level in examining the cases of the Autonomous Communities selected, finishing up with consideration of how these policies are applied locally, and more specifically, of the policies targeted at users in situations of precariousness or employment exclusion.

- ***Difficulty in interpreting the impact of pro-active policies: an over-generic definition by the central administration due to the fact that there has been no evaluation of the cost described***

It is difficult to assess the significance and real impact of these policies, for, according to sources in the MTAS, **there is no evaluation of these policies, only a description of the cost**, which de facto involves considering as pro-active policies all policies implemented to foster employment which do not come under the heading of benefits. Indeed, the Government's planning instruments, such as the *Plan Nacional de Acción para el Empleo* (PNAE - National action plan for employment) are committed to approximating pro-active and passive policies and the social partners, through the Economic and Social Council (1996),

are pursuing the same line *since all job creation activities are included in a common framework for action* (although, as has been seen, this is only relative). This reinforces the idea that there is increasingly more unemployment protection and national programmes are becoming more geared to bringing the unemployed back into the labour market, through workfare, especially those groups with the greatest difficulties for labour integration. However, there is still no truly integrated conception of these policies, beyond the State reference framework implemented through the National Plans for Employment, based on the Essen and Luxembourg European agreements on employment.

The social partners and the central administration complain frequently about the lack of information on the Autonomous Communities' real activity in this field. For although there is a degree of homogeneity between the measures, the same cannot be said of their implementation, both regarding the intervention techniques used and the sums involved, which, together with the difficulty of unifying the various subsidies under homogenous criteria, prevents a clear vision of these autonomous community policies and their coordination with the PNAE. **The qualitative aspects of “activation” and their real impact on the different territories are not in fact known.**

This loose definition, which views as activation all those practices not restricted to the payment of benefits, and the lack of evaluation and transparency of these practices leads some critics to allude to welfare productivism (Fernández Duran, 1998, Alonso 1999) and claim that these policies are used as instruments; firstly, in the interests of the government in power: **as a means of controlling the unemployed** (by ensuring that while they form part of them they do not swell the unemployment statistics nor receive other benefits - they are not included in register of unemployment); or **as a means of political control**, as occurs with active policies intended for discretionary distribution of what little public sector employment available and are used as a political weapon to distribute resources among administrations or institutions for political purposes (to gain votes or electoral prestige); or as a **means of controlling and reducing public expenditure**. Intermediary bodies (social partners and other bodies) are also accused of not always being interested in integration but geared more towards self-perpetuation as organisations, using the policies in many cases as a means of financing the organisation or their staff, without being required to produce evaluated results.

- ***The national field of action: The Action Plan for Employment of the Kingdom of Spain: the general framework for activation policies***

Nationally, the PNAE of the Kingdom of Spain, together with the *Programa de Estabilidad* (Stability Programme) and the *Informe de Progreso sobre las Reformas Estructurales en los Mercados de Bienes, Servicios y Capitales* (Progress Report on Structural Reforms in the Goods, Services and Capital Markets) form the basis for mid-term strategy of the Spanish government's economic and employment policy (MTAS, 1999). Throughout the 1990s, there have been periodic negotiations with the social partners on certain policies which have been progressively introduced, and a negotiation process on social consensus is currently underway, in the wake of the 2000 general elections.

The 1999 PNAE proposes as a general objective “*consolidation the strategy for action based on the development of pro-active employment policies*”. One of the Plan's principal objectives has been that integration actions should increasingly reach a greater percentage of the potential target group, a figure which fell by 6.8% as compared with 1998. In this regard, **the target set was the implementation of 1 538 729 integration initiatives for the unemployed, through vocational training measures, training-employment, local employment initiatives, support for self-employment and the employment of the**

**handicapped, social interest measures, and actions relating to the provision of vocational guidance and promotion.** Quantitatively, the total number of actions initially undertaken was exceeded (18% more). In total, 1 074 207 persons participated and 59% of the initiatives were directed at women. In addition to these initiatives, 578 527 unemployed persons entered the labour market under publicly financed contracts (allowances or subsidies).

To finance the planned increase in the number of initiatives, the Plan established a budget appropriation of 351 301 million pesetas, of which 62 231 millions were allocated to the Autonomous Communities, although the final cost of these initiatives was approximately 315 223 million pesetas (83.4% provided by the INEM and the rest by the Autonomous Communities) and **the appropriation initially allocated was not spent.** The Plan for 2000 states that “*resources assigned to these actions are increased, the number of recipients who will benefit from actions is increased and the management and information mechanisms are improved*”. 1.93 billion pesetas are allocated for this purpose, a 30% increase as compared with the previous year, and particular emphasis is placed on women and the long-term unemployed.

Despite the general increase in integration initiatives, **there have been some cutbacks**, such as training for the unemployed<sup>22</sup>; while, conversely, training-employment actions have increased<sup>23</sup>. Some of the participants in vocational training have moved over to combined employment-training programmes, such as vocational workshops, craft guild schools and employment workshops, although we should stress that training is not necessarily an integration measure. There were also 7 477 fewer employment initiatives than in 1998. However, the greatest cutback has been in the **Social Interest Employment Programme; whilst of all the employment actions, it was this to which the greatest weight was attached, it has been reduced by 7.2%**.

In 2000, the number of pro-active policy actions will be same as in 1999: 1.5 million actions, for which 591 948 million pesetas will be allocated, 16.5% more than the previous year. Official circles propose that “social dialogue” and cooperation between administrations will form the basic tools for their development (MTSS, 2000).

However, according to the trade union organisations, expenditure on the measures to be performed through INEM is financed by employer and employee contributions, without any extra funding from the central administration, which has not spent money on these types of policies since 1998 since the worker and employer contributions are surplus to INEM expenditure. So much so, according to the same source, that INEM has a surplus of 400 thousand million pesetas deriving from the saving in unemployment benefits. This explains why one of the unions' demands **in the review of the agreements on employment and social policies is for an improvement to unemployment cover which, given the difficulties in obtaining access to benefits and the precariousness which surrounds them, would assist a substantial and increasing large group of persons to obtain minimum incomes** once their entitlement to unemployment benefit has lapsed. This makes sense, provided that the income from the benefit is truly linked to integration measures tailored to providing greater capacity for autonomy or resistance to market fluctuations, leading to socio-vocational integration with possibilities for stability in the mid term.

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<sup>22</sup> 519 929 training actions for the unemployed took place in 1998; in 1999, there were 433 802, although the figure initially planned was 505 861.

<sup>23</sup> These increased by 6 495 actions as compared with 1998.

This necessarily brings us back to the **heavy political burden which activation, in this sense, represents**, since it would make it possible for people to intervene collectively as citizens and to participate in changing living conditions. However, **autonomy combined with civic rights is not always compatible with the interests of those responsible for administrations or of policy management bodies**, not only from the point of view of political decision-makers - whose effectiveness and participation need to be enhanced and who should have less freedom to use employment policies as a strategy for opposing political adversaries - but also from that of the practitioners involved - from whom better quality intervention and results are also needed.

For these reasons, **the flagship for pro-active policy has always been training, seen as adaptation to the needs of companies**, frequently an abstract concept since the fluctuations to which most of the commercial fabric (SMEs) is subjected and the bureaucratic processes which training requires make it extremely difficult for employers to have a clear picture of any ad hoc training which qualifies its participants for sustainable employment.

Specific vocational training activities are included within the 1998-2001 *Programa Nacional de Formación Profesional* (National Plan for Vocational Training), which pursues reform and adaptation of the system. This encompasses various objectives, the most significant being the **creation of the Instituto Nacional de Cualificaciones** (National Institute for Qualifications), for the promotion and accreditation of the different vocational training branches. Also, pursuing the same line as regards training for "the company" instead of training for society, the *Consejo Escolar del Estado* (State Schools Council) has expressed its concern that integration into work of pupils undergoing regulated vocational training is falling below that of pupils with secondary school leaving certificates. In this regard, the Schools Council has reiterated the need to continue promoting linking mechanisms between the educational system and labour and to introduce greater flexibility in fixing the point at which work experience should be performed. For this reason, and to increase the number of participants in the future, a framework cooperation agreement has been concluded between the *Ministerio de Educación y Ciencia* (Ministry of Education and Science) and the *Consejo Superior de Cámaras de Comercio, Industria y Navegación* (Higher Council of Commerce, Industry and Shipping).

With respect to the regulated apprenticeship systems, the measures taken to achieve these objectives were, among others, increasing the supply of regulated vocational training modules, **extending the possibilities of educational and vocational guidance, promoting innovation experiences and encouraging school-company relations in order to facilitate completion of the obligatory training module in work centres**. According to trade union sources, training-work experience contracts are having little success, but rather providing a facility for cheap labour. Moreover, the 2000-2003 *Plan Joven* (Young Persons' Plan) and other programmes involving schemes to assist young emigrants and persons returning to the country have also been approved.

One of the Employment Plan's measures which forms part of the objective of improving the effectiveness of school systems is to increase the offer of the **Programas de garantía social (Social safeguard programmes)**. These are training programmes for young people aged between 16 and 21 who have not attained the Compulsory Lower Secondary School targets and who do not have vocational training qualifications. The number of trainees in these programmes has increased from 13 996 when it was introduced in the 1995-1996 school year to the 30 000 trainees currently registered. The Employment Plan's forecast was to exceed 38 000 trainees in 1999, so there is still work to be done in promoting these programmes.

This abstract way of adapting training to business means that even the social partners, who are theoretically closer to the world of work, prefer to develop transversal rather than specialised training programmes in their training strategy. This was made evident in the study on training needs made under the Casiopea programme. So what sense is there in continuing to direct all pro-active policy resources towards a supposed abstraction of business interests, which in reality are very specific and at times cannot be mentioned, to quote a number of authors (Torres, 1999; Petrella, 1994), by using work experience, the fear of unemployment and lack of benefits as a strategy to increase productivity and reduce conflicts? If these workers are also “*entertained with talks*” on how to seek work, learn any task and on the need for income for subsistence, which ends up in an unofficial or irregular job, the direct labour cost is cheapened still further.

The results of the discussion groups held with women in the Andalusian sierra, for example, show that, in locations where there is the greatest paucity of employment and vocational training workshops and support for employment exist but does not provide sufficient income, clothing or leather companies based on female labour which relocated in the 1980s to North Africa are returning and that industrial abattoirs are using for night shifts young undeclared workers who work excessive long hours for a very low wage.

**The “other” general activation measures** which are included in the PNAE “*to improve the capacity for vocational integration of the unemployed, to combat and prevent long-term unemployment and to substitute pro-active employment measures for passive initiatives*” (excluding from this analysis promotion measures based on subsidies to companies and institutions for the recruitment of groups with special difficulties for employment) may be summarised in four major categories.

**A. Measures which involve seeking or generating employment through occupational integration pathways.** Measures of this type incorporated in the plan are: individualised counselling through the integrated employment services intended to provide a gateway to advice and support for the employment of unemployed persons for who have been jobseekers for 6 or 12 months. According to the CES, by March of this year, more than 238 000 beneficiaries had been dealt with. This year also saw the introduction of “*compromiso voluntario de actividad*” (voluntary activity undertaking) given by the unemployed, which is being applied in 2000 and introduces a new feature, a specific and temporary measure (subject to budgetary liquidity) which combines pro-active and passive policy measures, the *renta de activación para mayores de 45 años* (activation income for those over 45).

The initial policy tool for these measures were the *Servicios Integrados de Promoción de Empleo* (Sipe -Integrated Services for Employment Promotion), which were launched in pilot form in 1994 as the *Información, Orientación y Búsqueda de Empleo* (Information, Guidance and Job Search) actions. The actions performed by Sipe derived (although remodelled to a large extent) from the outcome of the action developed under the EUROCOUNSEL<sup>24</sup> programme on the improvement of advisory services, based on negotiation between the *Federación Española de Municipios y Provincias* (National Federation of Municipal and Provincial Authorities) and the INEM. The nine pilot projects completed gave good results, but the financing and strategy proposed was different to what is

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<sup>24</sup> EUROCOUNSEL (1992-1995). Research-action programme on advice for the long-term unemployed. European Foundation for the Improvement of Living and Working Conditions. Dublin.

now general standard practice. Recently<sup>25</sup>, a new framework has been instituted which enables NGOs wishing to cooperate with the INEM to provide **guidance or support for self-employment** irrespective of whether or not they have integrated services for employment. To this end, from 1999, the INEM national directorate will establish, on an annual basis, what actions need to be carried out in the provinces specified and the technical characteristics of these initiatives, so that the cooperating bodies may perform them. These are the so-called *Orientación para el empleo y asistencia para el autoempleo* (OPEA - Guidance for employment and assistance for self-employment) measures managed by INEM and local non-profit NGOs. The NGOs are provided with funding for staff and expenditure per user by INEM, which sets the maximum ceiling<sup>26</sup>.

These programmes have a budgetary allocation for the partner NGO, based on the user/time unit ratio, with considerable inflexibility, since they are targeted at registered unemployed and attendance of the unemployed person is obligatory in order to conserve claimant rights. The possibility of providing good advice is in many cases dependent on the practitioner's skill in getting round the time inflexibilities without breaking the rules. The bureaucratic processing involved and the administrative control carried out bimonthly are quite complicated, which takes up time which might otherwise be devoted to users. In the case of individualised guidance counselling, it is stipulated that an average of 50% of users will receive, at least, 4 hours of counselling in the course of the process, so that the NGO, in its annual application report, must specify the number of users who will receive this counselling. In the case of attendance with regard to self-employment, individualised counselling is provided under the *Asesoramiento de Proyectos Empresariales* (APE - Advice for Business Projects) schemes, under which the attention time per user is up to 4.5 hours. It is estimated that, of the total of claimants attended, 50% will receive this type of individualised attention for advice on business projects and the other 50% will be attended through collective employment information and motivation sessions. There are also specific regulations for blind and deaf persons.

In general, the key problem is that **the practitioners have a lack of awareness of the local labour market and the real possibilities of creating employment in their area**, and acquire relevant local information basically from press material. Although there are training actions for practitioners and general material has been prepared for the whole State on actions related with these pathways, these are generally not tailored to local needs. Although the regulations state 25% of the practitioner's preparation time is paid for, this is to a great extent spent on administrative and internal organisation processes, for the institutions normally have more work than resources and use the contract the practitioner, which is generally of a temporary nature for a particular programme to obtain as much work as possible. In most cases, it is the practitioner who, within his organisation, "*must shift for himself*" in order to provide a good service – there is a lot of voluntary input and still little systematisation of best practices with regard to advisory services. An additional problem which reduces the efficiency of resources is that **the annual concession of these programmes on a discretionary basis generates uncertainty which has an impact on the planning of quality services and the professionalisation of practitioners, where the action does not form part of genuinely locally integrated services which go beyond the regulatory scheme, which takes into**

<sup>25</sup> Ministerial Order of 20 January 1998, BOE (Official State Gazette) no. 20 of 23 January, modified by the Order of 10 March 1998, BOE no. 2 of April and the Resolution of 30 November 1999, BOE no. 306 of 23 December.

<sup>26</sup> Depending on the user, partner NGOs receive a maximum of 450 pesetas for expenditure on materials and 500 pesetas per user; by collective agreement, up to 4 million pesetas annually for expert staff, including all Social Security contributions, and a maximum of 2.5 million pesetas for auxiliary staff.

account, in its organisational strategy, the fact that funding is provisional. In any case, it is the smallest organisations which have the most problems, since major trade unions or local institutions (large municipalities, services councils for municipalities or consortia) are practically assured a participatory allocation.

**B. Training measures combining work experience undertaken in cooperation with local NGOs** through the **Talleres de empleo** (employment workshops)<sup>27</sup>, which began to operate in 1999. This programme combines work experience activities in services and projects of public use or social interest, which this year targeted specifically the unemployed aged over 40. In 1999 a total of 172 workshops were started up, with 4213 participants (43% unemployed over 40 and 56% women).

The **Escuelas Taller** (vocational training workshops) and the **Casas de Oficio** (craft guild schools) aimed at 18 to 25 year-olds, for groups with special employment difficulties. 919 centres were in operation in 1999 catering for 32 497 trainee-workers (204 centres and 5 840 trainees more than in 1998). The typical trainee is male, between 20 and 23, with General Basic Education or Elementary School Leaving Certificate studies. Generally, this training also includes modules relating to guidance, job search and/or support for employment or self-employment. Both the unions and local bodies use these strategies as integration measures and, at times, involve other job creation resources, such as the leasing or option to buy industrial land, support services for administering businesses, etc. This is a formula which has substantial support because 75% of the National Minimum Wage is received during training, which enables persons with low income to devote time to qualifying in order to obtain employment or set up a business.

However, central government officials have also been accused of using them for political ends, by granting them on a discretionary basis. For local authorities, following the debate on the use of these vocational training workshops and craft guild schools as a stratagem for cutting back local budgetary expenditure on garden maintenance work, paving etc. (which has an impact on public sector employment in that it is replaced by cheaper labour) and on the distortion caused by young users before the change in the regulations (they received the sectoral salary which gave them unemployment cover, so that on completing the training process many preferred to receive the benefit rather than venture into unsheltered employment), a change was introduced providing for 75% of the Minimum Wage while the training lasts (one year) with no possibility of unemployment cover. Town halls had to undertake not to use vocational training workshops or craft guild schools to perform work which was a day-to-day municipal responsibility. Currently, depending on the type of territorial integration of services in place, this is a measure which is normally used within a much more extensive integration strategy. It is especially appropriate for preventing those with low qualifications from becoming excluded, but is only minimally used in a systemised fashion to configure pathways for persons who are potential minimum income claimants.

**C. Policies targeted at disadvantaged or disabled persons through measures of vocational guidance, training and employment plans constitute another category.** These are explicitly aimed at disadvantaged groups linked to emigration, both internal and immigration from other countries. Resources are allocated for training of **returning emigrants and foreign**

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<sup>27</sup> Royal Decree no. 282/1999, of 22 February, establishing the Employment Workshops programme, and the Order of 9 March 1999, implementing Royal Decree no. 282/1999, of 22 February, and establishing the regulatory bases for granting public subsidies to the programme.

**immigrants**, which, in the southern regions, makes a considerable sense, although the budget allocated to it is very low. There are also measures supporting internal migration which affects casual workers in the South and in particular the Romany minority. **The 1997 framework agreement on this matter concluded between the Ministry of Labour, the major Spanish rural organisations and the Federation of Municipal and Provincial Authorities**, together with its extension in 1999, has led to the creation of a new support framework for these social groups which experience high levels of precariousness and risk of exclusion due to their living conditions. The activities subject to cooperation have been: refurbishing of housing, with a view to providing adequate living conditions for migrant workers; facilitating, coordinating and organising worker travel; counselling and information on socio-vocational matters; maintenance of nurseries and children's homes in the workers' place of origin; vocational training, where necessary, in the special skills of each harvest. Also guidelines have been established for the protection of emigration to other European countries by concluding agreements with the agrarian trade unions of the countries receiving the most substantial flows. In 1999, with a view to regulating offer and demand and favouring the hiring of foreign workers in their countries of origin, guidelines were drawn up on migrations to the various temporary work harvests once the possibilities of using Spaniards, Community nationals or foreigners legally established in Spain were exhausted, and an additional procedure added to the framework agreement relating to working conditions, official permits and control mechanisms.

In addition, based on these agreements, resources are also allocated for developing integrated labour integration pathways for immigrants, in particular, applied by organisations located in the major urban centres or in regions with intensive agriculture, in which these groups mostly reside but who continue to be a smaller proportion of the population in Spain than in other European countries.

Promoting the integration of disabled persons is another of the objectives proposed by the Plan. To do this, one of the specific measures proposed is the provision of alternatives to compliance with the 2% disabled workers quota for companies with more than 50 workers. According to INEM data, in 1999 there were 16 231 handicapped persons recruited to special sheltered employment centres, 4 504 hired under temporary contracts and 9 848 under indefinite duration contracts. It is significant that of these 9 848 contracts in 1999, 7 537 were concluded with men and only 2 311 with women.

Also in the field of **pro-active policies involving positive gender discrimination**, there were specific actions to promote the access of women to guidance and training, by establishing a specific strand for women on their own with family responsibilities, in cooperation with the Autonomous Communities and Local Authorities, and support for the creation of businesses. At central level, the *Instituto Nacional de la Mujer* (National Institute for Women's Affairs) and autonomous community institutes have set up an institutional network which links most pro-active policies for women at State level. The EU Employment initiative has served to finance to a great extent guidance and support schemes for creating jobs for women, the most significant of which were developed through the "Optima" programme and GEA. As part of these types of policies, a soft financing line is planned for the subsidising of posts in non-profit making nurseries, to promote the reconciliation of the family and working life of female employees which is applied to all of Spain, apart from Navarre and the Basque Country which have devolved powers for these matters. The *Plan Integral de Apoyo a la Familia* (Integral Plan for Support to the Family) has not yet been implemented.

The **casual agricultural workers of Andalusia and Extremadura and those living in disadvantaged rural zones** benefit from a series of specific activation measures implemented through the agreements between INEM and local authorities since 1997, when the *Acuerdo para el Empleo y la Protección Social Agrarios* (AEPSA - Agreement for Agrarian Employment and Social Protection) was concluded between the unions and central government, which replaces with little in the way of practical change, the 1984 *Plan de Empleo Rural* (PER - Rural Employment Plan). The basic lines of this plan, which will be analysed in more detail in the following subchapter are: a quota for vocational training workshops, craft guild schools and employment workshops being established for this group, and vocational training which must be agreed with the Autonomous Communities where this power is devolved and *Planes de empleo público de interés social* (Plans for Social Interest Public Employment) which enable agricultural casual workers to work the minimum number of days required for entitlement to the special subsidy of the Social Security Agrarian Regime, which only applies to residents of Andalusia and Extremadura. For the rest of workers from other territories, it is only seen as **a means of public work distribution for the purposes of an income supplement**, since as explained above, casual agricultural workers from outside Andalusia and Extremadura are not protected by any type of benefit. This increases the risk of exclusion, especially among temporary workers who work in harvests in the North, Romanies, immigrants, and also increasing numbers of workers from Aragon, Valencia and Castile-La Mancha.

There is also a series of **measures for promoting employment accompanying these policies with subsidies for recruitment** by prioritising the recruitment for indefinite periods by companies and institutions of groups considered disadvantaged: young people under 30, long-term unemployed, unemployed over 45, unemployed women in occupations which are under-represented, unemployed who collect the casual agricultural workers' unemployment subsidy and form part of one of the above groups.

**D. Measures with a territorial base aimed at stimulating employment from perspective that extends beyond local development.** This category includes measures for the recruitment of *Agentes de Empleo y Desarrollo Local* (Employment and Local Development Agents) (in support of the INEM's Local Employment Initiatives, which date back to the 1980s), now reformulated as *Fomento de desarrollo local e impulso a los proyectos y empresas calificados como Innovación más Empleo* (Promotion of local development and encouragement for projects and businesses defined as Innovation plus Employment)<sup>28</sup>, to support initiatives undertaken by local bodies and natural and legal persons whose projects or businesses are defined as innovation and employment. It involves partial financing for studies into the possibilities of establishing businesses in a local administrative area, and for the costs of campaigns to attract investments generating employment<sup>29</sup>. In addition, up to 80% of the professional costs of employment and local development agents are subsidised (maximum 4.5 million pesetas per year). Financing of business projects and businesses defined by INEM as Innovation plus Employment: subsidies for services, technical assistance, recruitment, etc. There has been no evaluation of these initiatives.

Also forming part of this category are the *Planes de Choque* (Shock Plans) implemented under Local Employment Plans in municipalities with high unemployment rates. They were launched in 1999, with 25 municipalities in first phase, to be increased under the Plan to a figure of 100 municipalities across Spain, with an experimental objective and an investment of 5 000 million pesetas targeted at 3 900 unemployed beneficiaries and the support of

<sup>28</sup> The Orders of 15 July 1999 and 27 December 1999 regulate these measures.

<sup>29</sup> Up to 70% of the cost is financed, with a maximum of 2 million pesetas.

neighbourhood carers (to look after children or elderly persons, in the home or in premises provided by the municipality). The PNAE for 2000 states that special consideration is given to those **plans which promote employment for women, especially those with the most severe social exclusion problems**. The intention in 2000 has been to work in a more focused way with specific groups closely related with exclusion (up to 100 persons per municipality) who will benefit from the launch of individualised integration plans: young people without previous work experience, long-term unemployed over 40, the disabled, persons excluded or at risk of social exclusion whose situation must be confirmed as such by the social services, which includes drug addicts, alcoholics, ex-prisoners, immigrants, Romanies.

The most recent shock plans for 2000 were designed on the basis of the European Employment Strategy, the Council's recommendations for 2000 and the PNAE. **They were developed in conjunction with the Federation of Municipal and Provincial Authorities** and, at a regulatory level, a series of conditions are laid down which were not specifically emphasised in the first 25 plans: action for homogeneous and determined groups, preliminary identification of training and work experience deficiencies and needs, integration of all the actions launched into personalised integration pathways, with attention placed on **work integration via self-employment and the social economy**; these must concern projects with a high economic and social impact in the local authority area which invigorate and reinforce the productive fabric; the objectives of the projects should be in harmony with preliminary market studies, to identify needs which are unsatisfied or inadequately satisfied by the current structures; special attention is placed on projects which reinforce local, leisure, environment and technology development services and projects which seek greater social support from their surroundings as a form of guaranteeing their efficiency, in terms of labour integration.

- ***Practitioners and social partners agree that the quantitative results of the impact of the activation policies under the National Plan for Employment cannot be interpreted on the basis of the follow-up measures***

Briefly, the results of the PNAE for integration, which are provided by the Ministry through the Employment Observatory and set out in **the plan's follow-up document, derive from an estimate based on the figures produced by the EPA**. On the basis of this, it is claimed that there has been a decrease in unemployment among 16 to 25-year olds (currently it is 13.2%) and in the overall rate of long-term unemployment, which is now estimated as 7% of the active population, as well as a fall in the number of unemployed of more than 6 and 12 months respectively. **The types of actions targeted at women** and their participation compared to male users are also quantified: 55.5% of training, 44.1% of employment and 66.5% of guidance actions were aimed at women. Regarding employment stability, **only 9.8% of total recruitment was for an indefinite period**. As regards the outcome of the Plan, these figures are linked to the number of actions implemented, although **without explaining what this relationship consists of and what is due to the market and what to the policies**, since there is no information on the degree of integration obtained, nor on the characteristics of groups to which the measures are applied and the duration of the labour integration achieved under the Plan.

With this approach it is not really possible to assess the Plan's impact. Therefore, as it is only a description of the measures applied without having qualitative information on the access, processes and results regarding real labour integration, it is totally impossible to ascertain the impact of the measures implemented. **Administration officials and the social partners alike agree on the difficulty of assessing the true impact of the 1999 Plan.**

- ***A policy subject to the uncertain and discretionary nature of their allocation, both territorially and as regards managing bodies and users, which reduces possibilities for coordination***

It would seem from our interpretation of the processes applied, based on research work undertaken, that the dominant features of the pro-active policies implemented by central government are **the uncertainty and discretionary nature** which marks most of the policies that are developed in this area, which are always **dependent upon a financial decision, and distribution criteria which are based more on political rather than technical considerations**, giving rise to considerable debate in the media<sup>30</sup>. This has been a constant factor under both the socialists and the PP government, which has diminished the system's efficiency and obstructs access for local administrations and the smaller NGOs attempting to apply quality strategies adapted to their specific environment. This lack of transparency as regards the application of criteria for selecting partner NGOs and, once they become accepted, the allocation and use of resources, is a heavy burden on the system which **affects all the administrations**, and, depending on the financial capacity which can be developed, leads to the establishment of parallel networks between administrations and non-governmental or semi-public bodies (private corporations with public funding) without any coordination within the same territory.

Although we must acknowledge that, following adjustments made this year to the *orientación profesional para el empleo y la asistencia para el autoempleo* (vocational guidance for employment and assistance for self-employment) actions by the INEM, a points system has been introduced for accessing funding for these actions; however, the transparency mechanisms for the award of points and for the criteria applied to assessment continue to be very bureaucratic and centralised, there is no clarification of whether the points obtained by organisations will be subsequently published and **it is especially symptomatic that of all the prerequisites graded for the allocation, evaluation has the lowest weighting**.

- ***The meaning of activation implicit in the processes and practices does not provide for the empowerment of users through the implementation of integration policies***

The activation measures implemented consists of the provision of support to unemployed person in seeking work in a systematised way, through methods fostering self-recognition of abilities and of training needs and adaptation to what are assumed to be employer requirements, almost always completely abstract. The tools used are basically a systematised agenda and interviews: only very few unemployed persons, those with a clear idea for generating their own employment, are offered the option of a number of hours of counselling (4.5) as support providing information on administrative processes, training or grants. **Activation as empowerment of the user does not occur. Activation consists, in practice, of “domestication” in order to instil acceptance an abstract business logic, the only premise considered to be a basis for activity**, even if it is illegal work or under bad working conditions with salaries below the sector average. This explains why, in the professional profiles demanded of practitioners responsible individualised counselling sessions or the development of personal aspects for employment, there is a clear bias toward psychological

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<sup>30</sup> For example, in 1998 there was a major dispute between the Provincial Council of Seville, governed by the Socialist Party, and INEM, controlled by the PP government, concerning allocation of funds for the INEM-Local Authorities Cooperation Programme. This year, the dispute re-emerged because of the denial of funds to the Seville Council's promotion and development enterprise (Sociedad Sevilla Siglo XXI) and the provincial directorate of INEM because of the non-allocation of resources for the development of an “Employment Promotion Unit”. Seville is the only Spanish province which does not have a unit of this type (Diario de Sevilla, 2 August 2000)

skills (ignoring ability to develop a knowledge of a specific socio-economic situation), which tends to make the user, as an individual and not a social subject, responsible for his employment, generally based on a fairly behaviourist strategy in line with bureaucratic rationale which is put into practice through a number of tools created, without input from the practitioners directly involved at local application level, on the basis of a very centralised approach imposed from above.

In addition, the problem posed, in many cases, is that guidance does not even relate to the real interests of local businesses, which in many cases are not known and are treated as an abstraction of the behaviour of major companies. This is closely linked with the lack of contact which usually exists between guidance-motivation departments and departments related with the business world: each has its own contacts with the business world and follows its own logic, except in exceptional cases.

There are still relatively few local advice schemes which have included an Integrated Services for Employment plan (SIPE) or actions for vocational guidance and assistance for self-employment in an organised and coordinated way as part of a more comprehensive development strategy, by attempting to integrate this activation scheme into a more extensive vision, encompassing social, economic and employment services, with the interests of the real local businesses and the possibility of using activation as empowerment for unemployed, precarious or excluded workers to create new jobs (although this seems to be a trend which is changing). There have been moves to mitigate this in part through the EU initiatives (Employment and Urban), shock plans or subsidies to local employment initiatives, but the problem is always the **difficulty coordination and integration at territorial level**.

For practitioners who are to implement the initiatives under the business projects advice plan, **the economist profile is preferred, but only rarely are these professionals acquainted with the characteristics of the users from a social perspective**, nor of the possibilities of supporting self-employment projects when the user has scant financial resources, since the usual logic applied is that of analysing the viability of a standard business, so that in many cases the protocols, created only on the basis of a technocratic rationale, discriminate against persons who are motivated and have real possibilities but little access to finance in the short term. This is especially important as regards a proportion of the group which this report is concerned, those who are in the precariousness circuit. Since they are often jobseekers in areas in which there is little work available and because of the prejudices which exist concerning the prerequisites for self-employment and the external appearances required of an "entrepreneur", those who have problems of precariousness and need to formalise an activity, which in some cases they are already engaged in informally, are also excluded from the possibility of having access to these services. This initial rejection has emerged in some of the few pilot projects carried out for the creation of employment with persons who accessed the programme via the Social Services, such as the EU Now-Carmona Initiative (1995-1997), in which one of the main pitfalls which had to be negotiated were **the prejudices of local economist administrators and politicians concerning the real possibilities of users creating their own employment**, which ultimately was only possible by implementing real technical and political coordination, although with many difficulties.

- ***Sufficient resources have not been allocated for all the unemployed: access to activation policies is not a right which the citizen can demand***

The other major problem with this series of measures is that there are not sufficient resources for all the unemployed, although coordinated integration of the various resources actually allocated to a given territory between the programmes and resources of administrations and

NGOs, could improve the degree of both quantitative and qualitative impact. Due to the lack of effective control of the results, these policies are being used as a way of influencing the creation of direct, although precarious, employment, on the basis of programmes, thus having a greater impact on the promotion or creation of employment for integration workers, than for the unemployed. At times, there is a high degree of rhetoric used by political decision-makers and partner NGOs with regard to the implementation of such measures, which, when it comes to organising a coordination strategy leads to each preferring to control the groups to which they have access, although they reach less persons and the service is poorer, rather than sharing linkable resources for attracting the unemployed, links with administrations and scant financial resources, which opens up the possibility of **competition between local bodies and administrations**.

In general, it seems that **priority is given to the use of pro-active policies as a mechanism for controlling fraud by the partner NGOs and the unemployed**, rather than as a real commitment to pro-active social and civic responsibility. So much so, that administrative checks of compliance with the regulations are being increased, although without any quality evaluation of the results, the penalties being more severe for some agents than others: the unemployed, for example, must be genuinely available throughout the time they are required by the services and must adapt their method of making ends meet when they are unemployed, often through unofficial or atypical economic activities where they have no income, to the requirements of the service, with no guarantee of receiving a service which covers their real needs. But **there is no criterion established which allows citizens to assert the right to demand these services without being summoned by the agencies or, when they are summoned, which enables them to demand a quality service**, for it is very rare that a minimum integration objective is set.

- ***An economist view of employment: although the initial expenditure allocation has not been fully used, measures targeted at the most excluded groups have decreased as compared with the previous year and the proposal for legislative regulation of integration has not been implemented***

In the 1999 Plan and that envisaged for 2000, the participation of the *Dirección General de Acción Social, del Menor y la Familia* (Directorate General for Social Action, Children and the Family), responsible for social exclusion matters within the Ministry of Labour and Social Affairs, has been very limited. In fact, in the plan; the Social Services are mentioned only in their capacity as a “*new employment source*” and as a structure for validating the status of exclusion in the line relating to “*promoting the employment of the excluded and disadvantaged as a means of integration*”, which is to be achieved through the programmes described. But **this leaves vast areas to be covered if the constitutional mandate as regards non-exclusion from employment to be complied with**. Especially regarding a **legal framework which permits equality of entitlement to social services for persons across the State**, as a preliminary prerequisite for being included in any of the limited measures introduced in relation with activation of disadvantaged persons.

Especially significant is the fact that there is no reference to activation measures performed in tandem with minimum income programmes in some Autonomous Communities and not in others, which discriminates against excluded persons in some territories. Neither is there any mention of immigrants, nor are budgetary measures provided for them, to meet the quantitative and qualitative criteria deriving from the new immigration law, which provides for the equality of legal immigrants as regards entitlement to activation measures, this being one of the most problematic aspects of negotiation with the Autonomous Communities.

**Central government has responsibility for immigration, but the Autonomous Communities and municipalities with the greatest influx of immigrants have the administrative problem, especially the social services, but do not receive adequate financing for the new circumstances.**

The 2000 Plan **has definitively left out everything concerning the application to the complete State of the proposed law on measures for the integration of groups with special difficulties** which, as a result of the 1998 Plan, had been envisaged in the context of open negotiations with organisations combating exclusion and the Autonomous Communities. These debates had ended with an *Anteproyecto de ley de medidas para la inserción sociolaboral* (draft law of measures for socio-vocational integration), virtually ready to be discussed in Parliament, which was to harmonise the activation framework for excluded groups and minimum incomes, but the reshuffle within the Ministry and its rejection by the Ministry of Economy and the social partners meant that the draft law was not included in the Plan.

In June 2000, a working group comprising experts from the Directorate General for Social Action, Children and the Family and INEM was set up to close the package of measures organised around the 2000 Plan, although measures affecting difficult integration groups are interim and subject to budget provisions as mentioned earlier.

- *Lack of participation and absence of consensuses on a meaning for activation which is not restricted to the financial matters in the National Plan for Employment, preventing it from acting as an effective mechanism coordinating a system of employment policies across the State as a whole***

The Action Plans for Employment have been criticised by the trade unions, which accuse the government of not participating in them. The major employer organisations (CEO-E and CEPYME<sup>31</sup>) are primarily interested in measures which affect recruitment, flexibility and benefits; the rest of the issues do not seem to concern them. For the union organisations, conversely, **there should be more investment in pro-active policies**, that is to say be advice, support and training, **and they should be applied to all unemployed who are out of work for more than 3 months.**

Regarding the true participation of the Autonomous Communities in the construction of the public employment system, we can once more observe how **the move towards decentralisation is taking its toll of information and its quality for the planning and administration of this type of policy, as reported by CES (2000)**. The problems experienced with the launch of the *Sistema de Información de los Servicios Públicos de Empleo* (SISPE - Public Employment Services Information System), planned and approved by the General Council of INEM for the *Servicio Público de Empleo Estatal* (SEPE - State Public Employment Service) show, according to some administration officials interviewed and the unions, that "*the Autonomous Communities have many problems in accepting the single nature of the labour market*", which ends up being reflected in the statistics, preventing the central administration from finding out what is in fact taking place across Spanish territory.

The level of the impact of the strategy of swapping pro-active policies for passive ones, implemented by the Spanish government through the measures under the *Plan de Acción para*

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<sup>31</sup> *Confederación de Pequeñas y Medianas Empresas* - Confederation of Small and Medium-sized Enterprises

*el Empleo 1999* (1999 Action Plan for Employment) - which the MTAS document *Seguimiento del Plan de Acción para el Empleo 1999* (Follow-up of the 1999 Action Plan for Employment) attempts to measure, by constructing structural indicators and describing the actions to which the budget was allocated - does not really enable it to be evaluated, for it lacks a definition of the true meaning of activation and an adequate follow-up of its achievement. Some of the officials of the Ministry itself affirm that the **accounting procedure for expenditure should not be what defines whether a policy is pro-active or passive**, say that what is currently included in consideration of active policies is “*what the public employment services and the Administration spend on employment programmes, vocational and continuing training, policies aimed at young people, subsidies for recruitment and direct creation of employment and measures in favour of the disabled*”. As the definition is based on an accounting procedure, everything which it is not included in these accounts does not exist. For example, in the computation made for the employers’ organisation CEOE, not all the pro-active policies are recorded, especially if they do not directly derive from INEM. With such a loose meaning for activation, we can scarcely state that pro-active policies implemented on the basis of these assumptions in themselves improve rehabilitation and socio-vocational integration, especially because **the political tensions in the State of Autonomies more than ever require formalised strategies for participation and coordination** in the gathering of information, diagnosis and planning of policies.

In the breakdown of major expenditure items for 1999 and forecasts for 2000, between active and passive policies, despite an increase in the latter, **the expenditure on benefits still continues to be almost double that of active policies**. According to the Ministry of Labour and Social Affairs:

EXPENDITURE	1999	2000
BENEFITS	63.40 %	61.30%
ACTIVE POLICIES	33.60 %	35.99%
OPERATIONAL EXPENDITURE	3.00%	2.71%

- ***At Autonomous Community level: Pro-active policies and Autonomous Community employment pacts, a model which is convergent in form and divergent in application***

The trade unions insist that currently the major problem regarding the control of employment policies is due to the decentralisation process which is taking place, not seen as being completed until the end of 2001, which makes **this period of transition especially difficult, since the current situation of the Autonomous Communities varies widely in the degree of development of powers** for training and employment.

In the various Communities examined, very diverse pro-active employment policy initiatives are being applied, and, although most are along the same lines as those established under the PNAE and discussed above, they vary greatly in their application and quantitative contents. This high degree of heterogeneity is due to several causes. First, **different degrees of legal powers**: some Communities have still not had powers for active employment policies and vocational training devolved to them; some assumed them recently, and others some time ago. The Autonomous Communities which now have competence are: Catalonia and Galicia (which were the first), followed by the Valencia, the Canary Islands, Navarre and Madrid,

which obtained it in 2000. Others, such as Andalusia and Castile-la Mancha, have had powers over vocational training only for some time past, which have recently also been obtained by Cantabria, Castile-Leon, Murcia, la Rioja and Asturias. Only the Basque Country and the cities of Ceuta and Melilla have not had vocational training nor employment policy devolved, although they implement vocational training and pro-active policies.

Second, there are significant differences between autonomous communities concerning **political decision and social agreement models**, giving rise to different *Pactos de Empleo* (Employment Pacts) or negotiations with business and union organisations.

Third, there is **substantial diversity in the implementation of the measures and types of intervention**: qualitatively, in the techniques used, and quantitatively, in the sums allocated to each measure and their duration. This diversity does not only occur inter-regionally, but also within in each Autonomous Community and in the treatment of different target groups affected by the same measure.

- ***Employment pacts between the Government and social partners, the level of corporatist coordination, have not paid much attention to the excluded population.***

Increasing difficulties concerning employment at national level have led to a series of Employment Pacts between the social partners and the government. Following the 1993 economic crisis and the labour reform launched in Spain, **global agreements were superseded and, at the institutional level, there was a commitment to seek social agreements on the matters which had been revised in the different labour reforms**: employment, collective negotiation, continuing training and social protection. These matters were specified in the *Acuerdo Interconfederal de Estabilidad en el Empleo* (Inter-confederation Stability Agreement for Employment – AIEE), the *Acuerdos sobre negociación colectiva y cobertura de vacíos* (Agreements on collective negotiation and covering of vacuums) and the *II Acuerdo sobre Formación Continua* (second Agreement on Continuing Training).

Also, as more than two years have passed since the AIEE was concluded, it is, according to CES (2000), now possible for the first time to compare two complete years. **Evaluation of the Agreement by the social partners is, in general, positive**. The first aspect of the balance to be stressed is that the AIEE has been of great benefit for the under-30s. In addition, although its effect is logically less, it has also benefited the over-45s, the other major age group which is the object of incentives. However, gender breakdown of new recruitment for an indefinite duration in 1999 continues to show a worse picture for women, although less so than the previous year.

Although in 1999 there was no overall evaluation by the AIEE Monitoring Committee, throughout the year its signatories expressed the same substantial agreement when assessing the positive effect which, in general terms, this agreement has had in generating sustainable employment, its contribution to the significant increase among groups considered priority and the change in trend for the temporary recruitment rate. However, on the basis of the data for last year, it seems a quite optimistic evaluation (see subchapter on the labour market). The signatories have only disagreed on the regulatory formulation of the *Acuerdo de las Empresas de Trabajo Temporal* (Agreement on Temporary Work Enterprises), enacted by Law no. 29/1999, of 16 July 1999.

Regarding the other two major social dialogue agreements of 1997, **progress made in 1999 is more difficult to evaluate** (CES, 2000). The processes launched by both agreements are necessarily slower. **Improvement in the organisation of collective bargaining, by**

respecting the autonomy of the representative parties in each target area, is not straightforward, just as occurs in any pre-coordination negotiation process.

The definition of the structured context or the distribution of subjects and contents are only some of the problems the negotiating parties must deal with. The appearance of artificial contexts, which do not adequately rationalise a sector or activity's structure, or the splitting up, change or modification of productive activities, etc., are factors at times impeding the process of structuring collective agreements.

- *Application of the National Plan for Employment to the Autonomous Communities varies widely*

In line with the findings of the CES (2000), we should point out that not all the regions target the same groups. This diversity in the prioritisation of groups is not always related to the characteristics of the regional labour markets, **for there is a problem in that the measures are not tailored to the real situation**. For example, Communities with high unemployment rates among young people either do not consider measures to promote recruitment of this group (or they are insufficient), as occurs in Asturias. There are also differences with female unemployment, **the regions with the highest female unemployment, apart from Andalusia, are not those which do most to promote recruitment of this group**, which occurs in Extremadura, Castile-La Mancha and Asturias.

In some Autonomous Communities more specific and innovative measures have been implemented including, **promotion of sustainable employment through Public Administration contracting**, as for example in Aragon, Castile-La Mancha and Madrid (by treating sustainable employment as a criterion for awarding contracts).

Another of the areas in which the Autonomous Communities have introduced new actions is in **the organisation of working time and the reduction of temporary work** for the creation and improvement of employment. Some Communities, such as Castile-Leon, Catalonia and the Basque Country, have had measures of this type established for some time and have continued with them. In 1999, Aragon also reinforced job sustainability in the autonomous administration and allocated subsidies for jobs created by the reduction of the working day. Other regions began to implement actions in 1999. For example, Navarre expressed its commitment to reduce overtime, including that of the Regional Administration, and in this context adopted Regional Law no. 6/1999 of 16 March concerning measures introducing the 35-hour working week and reducing and reorganising of working time. Galicia, within the framework of the 1998-2001 agreements on measures for growth and employment in its territory, also approved incentives for the reorganisation of working time. Andalusia, which had already introduced subsidies for job-creation through reorganisation of working time, has introduced new incentives for generating sustainable employment by eliminating or reducing overtime through agreements within companies and, more innovatively, as a result of the **immediate or progressive introduction of the 35-hour maximum working week**, when this has been agreed by companies and workers. However, it should be said that this measure has been largely ignored by the employers who did not agree with its introduction, and therefore has been included in the negotiation agenda opened for the new legislative term pact with the social partners. An agreement for 2000 has also been made in Castile-La Mancha which will progressively introduce a 35-hour working week for public employees of this autonomous community, a process to be completed in 2002. The problem is actual implementation of these measures in companies, since these incentives are not being taken up to any significant degree. **As there is a lack of information on effective implementation**

**and the results have not been evaluated by the autonomous communities, there is no data available to assess if employment is in fact being created through these measures.**

In the Autonomous Communities, there have also been various **Employment Facts intended to cover gaps which have not been covered at State level**. The Employment Facts of the three autonomous communities studied are tripartite, that is to say that they have been concluded by three parties: the autonomous government, employers and trade unions (Aragón, Rocha and Torrents, 1999).

- ***In Andalusia: the Pacto por el Empleo y el Desarrollo Económico de Andalucía (Andalusia Employment and Economic Development Pact) (1997 - 2000), a substantial role for the social partners but without specific measures for the excluded***

The official objectives of this pact, the second implemented, are to create and boost economic activity, improve the educational system and work towards sustainable and efficient employment. Courses of action already implemented include **significant projects under the EU Employment, Adapt and Urban initiatives** (despite Andalusia **not having devolved powers for employment policies**). Structurally, the Pact falls into three basic parts: proactive employment policies, promotion of business and support for manufacturing. It also specifies the different types of intervention for implementing measures and how they are quantified (Table A3-3 of Annex 3).

**In this Community, the unions and employers play a prominent role in deciding how resources are distributed.** In general, this is done in line with the PNAE. Efforts have been made to introduce extensive cover guidance services, through the "Andalucía-Oriente" programme, subsidised by the Employment initiative, by creating an *Recursos para el Empleo* (Employment Resources) computer network, for exchanges between practitioners, linked to autonomous community advisory services. A pilot placement service is also being tried out while the devolution of powers is still pending, in which advice and guidance policies are being provided.

Information and advice initiatives for the generation of self-employment and local employment promotion have been pursued with a view to connecting the local network of *Unidades de Promoción de Empleo* (Employment Promotion Units) with municipal networks existing at different levels, (local or regional). Equality of opportunities for men and women was given a high profile by the programmes of the Andalusian Institute for Women's Affairs targeted at women and basically concerning guidance and promotion for business initiatives by women.

The *Instituto Andaluz de la Juventud* (Andalusian Institute for Youth) has promoted one of the most innovative initiatives, launching programmes such as the *Decreto Joven* (Youth Decree) which attempts to coordinate all the policies targeted at this group. Once more differences between political groups in the government which administered the Labour and Industry Regional Ministry and the Institute for Youth meant that the coordination needed to implement the programme was not as it should have been, something which did not occur with the Institute for Women's Affairs, which also administers policies for women transversally with the rest of the Regional Ministries.

Active policies related with the protection programme for casual agricultural workers are a key administration responsibility. This has been a subject of dispute, due to the political confrontation during the last parliament between the different parties controlling the central and autonomous community governments: Andalusia is the only Autonomous Community

which has not concluded a cooperation agreement with INEM to contribute funds equal to those provided by INEM for implementation of the PFEA, according to a union official interviewed. The autonomous government is represented at regional level on the *Comisión regional* (Regional Committee) and the *Comisiones provinciales* (Provincial Committees) (see Chapter 3).

Structural funds for the rural environment together with EU initiatives are shaping a new territorial map for employment management, and serving as useful action instrument for trying out more flexible formulas in implementing pro-active policies. There are two major problems: the conflict between the central and autonomous governments, which makes it less likely that the Andalusian government will receive public funding, gives more options to local authorities controlled by the central government's party and means that the autonomous government supports those local authorities and groups closest to it politically, which is frequently detrimental for the quality of results. The same thing happens at local level with NGOs cooperating on projects. **This is a general problem in Spain which is reducing the efficiency of resources; there is no facility citizens or partner NGOs which provides any transparency as to the criteria used for awarding resources.** Thus, these funds to some extent offer an opportunity for political patronage which is far from democratic.

**The Provincial Councils continue to have large budgets for the development of pro-active policies**, which many apply through publicly funded commercial enterprises, giving them wide room for manoeuvre in distributing funds, especially the smaller municipalities which are generally associated in *mancomunidades* (Service Councils for the Municipalities). The larger city administrations and many Service Councils for the Municipalities encourage the participation of the social partners and the area's most representative organisations through *Consejos Económicos y Sociales* (Economic and Social Councils). These are bodies more concerned with participation and relative control than direct management, functioning with a very political/economist bias, since they tend to be geared to local economic development and only very rarely (for example in Huelva) are these actions associated with those of community social services or NGOs working at community level in favour of excluded groups.

- ***In Catalonia: the Pacto por el Empleo en Cataluña (Catalonia Employment Pact) (1998 - 2000) is an agreement centred exclusively on employment, leaving training unfocused***

Unlike Andalusia, Catalonia has only an agreement on employment, not on systemising training subsystems, whose lack of focus is criticised by the social partners. The express intention is to follow the criteria of the Luxembourg Summit, also merging these with territorial employment agreements and pacts. The various means of intervention to be used for implementing the Pact are not specified in detail, although the budgetary allocations for their financing are included (see Table A3-4 of Annex 3).

Interviews with the social partners allude to the fact that ***the Employment pact not functioning in practice***, although the unions are now saying that it should be considered as a vehicle for bringing together all the training subsystems, which should be complemented by the *Servicio de Empleo de Cataluña* (Employment Service of Catalonia). This service is also criticised, for at present two thirds of placement functions are through parallel systems. The social partners also claim that the devolution of powers has increased bureaucracy: a network of *Oficinas de Trabajo de Cataluña* (Labour Offices of Catalonia - OTC) has been set up, which is linked with the *Servicio Catalán de Colocación* (Catalan Placement Service), a

computer network for curricula and job searching, which they describe as serving little purpose, *it's like doing the pools*.

What really is functioning, according to the social partners, is the network of partner NGOs, who are in fact providing the management. For this reason, **they emphasise the need for a single network organised around a Public Service which really controls employment and does not allow the jobsearch networks to end up in private hands, whether self-serving or not**. This issue of the misunderstood discretionary nature of the distribution of training funds has led to the political demise of one of its autonomous community administrators, hence the sensitivity which the subject elicits.

Once more, training work experiences with advice for job searching are the most valued practice, although union organisations are stating that vocational workshops in traditional crafts are practical with substantial integration possibilities and that this first year of implementation of craft guild schools has been productive, but they could have been more productive, especially for the most disadvantaged groups, if they lasted more than 6 months (at least a year). The unions also criticise the inefficiency of the “employment plans” (derived from devolved INEM powers) which *are a disaster*, for they involve allocating 6 months salary to groups with special difficulties for socially useful work in exchange for training, which, according to those interviewed, is limited and poor, so that it becomes no more than a device for allocating income while contributing nothing to work skills or integration.

For the employer organisations it is also *an obsession* that trainees should be really well-qualified when they come out of the training system. There was also agreement that training is extremely segmented and that there is a need for a “overall work and training plan” in Catalonia constituting a single network. According to the employer organisations, the social partners should only provide training for horizontal programmes which are transversal, leaving specialised programmes to other agents.

In this context, the politician responsible for employment says that **they intend to create a unique database based on the Employment Service** to include all user characteristics in such a way that it will be easier to refer them to specific policies. **This is to be achieved by reactivating *Consejos Comarcales* (District Councils) and the local approach through *Contratos de Barrio* (Neighbourhood Contracts)**. This politician's understanding is that there are various networks and fields of action influencing pro-active employment policies: the *Pacto por la Ocupació de Cataluña* (Pact for employment in Catalonia), the *Plan de lucha contra la pobreza* (Plan combating poverty) and the *Libro verde de la economía social* (Green paper on the Social Economy), which encompass traditional companies, new social NGOs and integration enterprises.

**The personal sensitivity of politicians to social matters and their political weight in the autonomous government have been key issues for the development of a social activation policy driven by the Welfare departments** in a context dominated by the economist view of employment and the market. This was to such an extent that the replacement of the Regional Minister for Social Welfare led to a change in the Ministry's strategy, which before had taken a key role in these matters, shifting everything to the *Consejería de Trabajo* (Regional Ministry for Labour) and the *Departamento de Economía Social* (Social Economy department), where part of the administrative-political team which promoted the most innovative initiatives in this field are now to be found.

Exclusion, according to the person responsible for employment policy and the social economy *should be approached in a globalised and interdepartmental fashion, the local level being the*

*arena for convergence of policies.* For this reason, under this parliament, the prevalent idea is to bring the Employment Service to neighbourhoods, by having all groups in an area participate, from neighbourhood associations to locally-based NGOs and bodies.

The intention is to pursue the idea of the **Neighbourhood Contract**, following the French model already tried by Social Welfare in some neighbourhoods during the previous parliament, which consists in all the area's associations signing an agreement on priorities for action, based on financing by the Catalonia government, city administrations and the Ministry of Labour and Social Affairs from 0.52% levy on taxes collected for social purposes (see study of cases in Chapter 4). These contributions in partnership form are used to diagnose requirements and to make annual plans, with associations of parents of students, neighbours, clubs, etc., deciding the priorities.

The problem with this model, according to the local experts consulted, is that there are so many demands, that, in the final instance, it is the Autonomous administration which decides, always in a discretionary basis. This has led to **disputes on powers between the city administrations and the Catalonian government, since the division of powers for social, employment and other services is not well-demarcated and there is political rivalry**, although one practitioner is of the opinion that *depending on the applications, the members of the neighbourhood partnership decide on priorities and usually there are no problems.*

**A difficulty which arises with excluded persons is that as they are not organised and there is no body which intervenes on their behalf through partnership, they are not represented.** As one practitioner working on these projects states, the most frequent problems occur with young unemployed, long-term unemployed and persons receiving minimum incomes, since available vocational training, ordinary companies and the market exclude these groups, so that their only viable alternative in the area is the social economy. **It is extremely important that NGOs operating in the social economy also have scope and able to influence activation practices developed locally which serve as a reference point**, in order to avoid problems of internal rivalry or adaptation of training systems, as has occurred with experiences involving these groups where there has been no territorial planning for an activity (*Ponte a Punto* [prepare yourself] programme, see Chapter 4). Therefore, **experience with coordination has confirmed the idea of regulating local intervention procedures**, the best example of which is the *Plan Territorial de empleo del Vallés* (Vallés Territorial Employment Plan), which has brought together coordination experiences from a great variety of political, administrative and social partners.

The *Servei Publico de Ocupació* (Public Employment Service) and the *Consell de la Formació Profesional y la Ocupació* (Vocational Training and Employment Council) are the vehicles through which the social partners take part in the discussion of these policies with the autonomous government. The *comité para los discapacitados* (committee for the disabled), NGOs working with the minimum income scheme and the anti-poverty network also take part in the second body.

The unions accuse the employer organisations of only taking part in general agreements, but not in specific policies. They say that it has not yet been possible to reach agreements with the employers' organisations on industrial policy and that in this area it is not sufficient to make agreements with the government. In this regard, the employers' organisation make the point that when compliance with a pact is not obligatory (it does not have legal force) *nobody monitors it, because nobody is interested in it. Companies only pay attention when it concerns productivity and this depends a lot on the employment conditions.*

Currently, autonomous community pro-active employment policies are coordinated and managed locally by **the *mesas locales de empleo*** (local employment boards) which have an office in the Regional Ministry of Labour. These act as local forums for debate with the social partners when agreements are made with city administrations, as is the case in Barcelona where there is also a more wide-ranging forum for participation and coordination, the Economic and Social Council. **The problem is that they do not go beyond discussion to securing specific labour commitments**, since the major companies are in the metropolitan area industrial belt and their labour market extends beyond the local level, creating a need for a territorial employment pact which covers this territorial area. There is an official decentralised district-level structure in which District Councils are theoretically set up, but, according to informed sources, they scarcely function, for the intermediate level between local and autonomy is provided by the ***Diputaciones provinciales*** (Provincial Councils), which have substantial resources available.

- ***In Navarre: the Plan de empleo de Navarra (Navarre employment plan) (1999-2001): a plan closely linked to the Plan combating Social Exclusion***

Navarre **has had devolved powers for active policies since 1986**; it was one of the first Communities to get such responsibility. They are financed through its contribution to central government (because of its status as a Community with special fiscal rights and based on agreement) and follow the PNAE guidelines fairly closely, although it has funded some of its policy lines better than other Autonomies, for example non-contributory pensions, a matter of contention brought before the Constitutional Court. The Navarre Employment Plan (1999-2001), endorsed by its parliament, has the support of the social partners. In this Autonomous Community, there is an **extensive presence and tradition of social organisations linked through the *Red de Lucha contra la Pobreza*** (Network combating Poverty), which forms a pressure group working in the interests of the most disadvantaged.

Navarre is one of the Communities which allocates most funding in its annual budgets to actions combating exclusion. The Plan combines measures for employment promotion with other for general economic development. Among the former, **special emphasis is placed on a series of measures to encourage the work integration of persons and groups who are socially excluded**, in line with the Plan Combating Social Exclusion commissioned by the regional government from a group of researchers at the Public University of Navarre. Overall, it is a highly-developed Employment Plan which includes both the various types of intervention and the amount of the funds allocated to them (see Table A3-5 in Annex 3).

The Directorate General for Labour, part of the Regional Ministry of Industry, Commerce and Labour, is responsible for pro-active policies and, together with the Navarre Employment Service, the executive arm, develops vocational and continuing training, employment guidance and placement, and employment assistance. These services are provided through 8 territorial centres in which the Social Services are also represented. According to informed sources, ***There is a permanent link between the Social Welfare department and the Navarre Employment Service.***

The Navarre Employment Service grants subsidies to the city administrations for carrying out social interest projects, thus encouraging the setting up of local guidance services. **Currently, the most important group giving guidance and support to minimum income recipients, in which the two perspectives are coordinated, is attached to Pamplona city administration.**

The Employment Plan has also supported the creation of *yacimientos de empleo* (employment sources) through a home assistance service. Currently, there is a debate as to whether to grant mothers the right, after the first year, to have children looked after, thus extending the assistance provided by State minimum agreements. Support measures for immigrants have also been introduced which consist of grants to the trade unions involved with these groups and to integrated support centres providing information, guidance and language teaching.

**For excluded persons, the concept of socially disabled has been introduced, and integration centres have been created (which equate to Catalonia's Integration Enterprises)** to recruit users on a permanent basis for a maximum of 36 months, with awards for centres which achieve their integration. The users are then monitored for 3 years. If users not find work, they are entitled to unemployment benefit and have learned social skills, so that they are no longer excluded, although they may be unemployed for a period. These centres are subject to annual reinvestment audits, which, if positive, lead to financial assistance for investments or for their operation. The users of these centres, who are in general persons over the age of 40 who have been unemployed for 3 years, receive between 60% and 80% of the minimum wage and have full Social Security coverage. Each centre, which may have no more than 20 users, receives assistance of up to 2 million pesetas per person, 50% of the finance for the production practitioner, the integration employment mediation partner and a vocational adviser, up to a maximum of 9 million, with funding of 1 million pesetas for each user's integration feasibility project.

A network of development agents and an employment committee sees to the management of public policies in the poorest part of Navarre, the rural mountain area.

- ***The Territorial Employment Pacts: a new setting with very varied results for coordination***

This institutional setting, together with the EU Employment and Urban initiatives, provides a special flexibility for implementing structural employment strategies and policies, from an **integrated viewpoint demanding the coordination of players and resources with a territorial base which exceeds the customary administrative units**. For this reason, they are a good test bed for coordination strategies.

In Spain, there are Territorial Pacts in Andalusia (Bahía de Cádiz), Asturias (coalfields), Castile-Leon (Palencia and Leon coalfields), Castile-La Mancha, Catalonia (Vallés Occidental and Mataró), Ceuta and Melilla. Others are being started up in Valencia, Seville, etc. All have very different strategies and results, although **they coincide in having a perspective more geared to economic development than to the development of community welfare**.

Only for Vallés Occidental do we have information about explicit actions against exclusion. But in all of them there have been efforts towards cooperation between different administrations and social partners, apart from the traditional ones.

At the seminar-workshops organised by the CIREM Foundation in June 2000 in Sabadell with the participation of different territorial pacts, the stress was placed on the need for leadership and for the building of a culture of participation and coordination which transcends local and provincial settings, by trying to bring in strategies involving a fresh social and economic view of the territory in question.

### **3. INTEGRATION POLICIES AND STRATEGIES AGAINST POVERTY.**

- *Pro-active policies for casual agricultural workers deriving from the AEPSA Agreement: highly politicised activation which does not provide skills*

In Spain, according to a trade union study, precariousness in the agrarian sector is 67% and is increasing; whilst the number of seasonal wage earners in Spain was small except in the South, this figure is beginning to rise, as in the rest of Europe. To tackle this situation, the *Acuerdo para el Empleo y la protección Social Agrarios* (AEPSA - Agreement for Agrarian Employment and Social Protection) was concluded in order to **integrate the agrarian subsidy into pro-active policies in Andalusia and Extremadura and to implement activation measures for the rest of Spain.**

**It is that part of the system applied to Andalusia and Extremadura which is most valued** by the various partners, although it has been criticised as insufficient (for most casual agricultural workers, it involves from 10 to 15 days work annually, shared out more or less democratically in line with the syndicalist traditions of the municipalities). Especially valued is the **ability to identify those who really are day-workers with low income as compared with those who are not, to provide them with an “allowance of decent” work and income, and the role which it has had in contributing equipment and services to rural municipalities.** Although it has also received criticism due to the limited productivity of the work done and the not always orthodox involvement of mayors in awarding temporary work-days and long-term work (skilled jobs).

The activation consists **in developing personal and group pathways as part of *Planes de Servicios Integrados* (Integrated Services Plans) for employment, vocational training and work experience, the allocation of appropriations for depressed rural areas and, for Andalusia and Extremadura, for providing public sector employment in projects of general and social interest.** There is an accompanying protocol for action which sets out the need for clarifying the financial contributions of the administrations involved and the inclusion of INEM programmes relating to the activities in the Promotion and Development Units and the *programas de fomento de la economía* productive (Programmes Promoting the Productive Economy) in the rural environment, through **action coordinated with the development agencies of other administrations and a special plan for vocational workshops, craft guild schools and vocational training.**

The framework for institutional participation was established through the creation of national committees which approve projects, regional committees which ratify them and provincial committees which allocate and monitor them in all the Autonomous Communities in which they are applied. The district councils are also retained as bodies for monitoring and revitalising active policies, although they only meet once a year. In the case of Andalusia and Extremadura, the new regional Committees also played the same role of approval, coordination and monitoring for the Integrated Plans for Employment which emerged from the Agreement. It was decided to set up working groups within these committees to undertake information, guidance and support actions in the jobsearch process, with an annual deadline being established for completion.

Funding, a total of 32 096 million pesetas for 1997<sup>32</sup>, **for city administrations to hire casual agricultural workers, on a temporary basis for general and social interest projects, is fixed on the basis of INEM-local authority agreements. This accounts for almost 60% of**

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<sup>32</sup> Date to which the most recent data provided by the Andalusian Government's Office refers.

**the total pro-active policy financing allocated to this group.** There are also agreements between INEM, city administrations and service councils for developing sustainable employment projects targeted at casual agricultural workers in Andalusia and Extremadura amounting to 9.3% of the total budget. Specific agreements are made between INEM and Andalusia and Extremadura for hiring agricultural workers for projects of general interest (3.1%). For the plan for craft guild schools 16.6% is allocated to the bodies running them (trade unions, city administrations and service councils). 10.1% of the budget is set aside for vocational training and 3.1% for carrying out personal interviews and information sessions, motivation sessions, jobsearch support and advice for self-employment as a part of the integrated services for employment. According to the Government's Office, in 1997 163 683 million pesetas were allocated in Andalusia to contracts, 3 481 million pesetas to projects underway, 22 255 million pesetas to transferred investments and 3 016 656 working days were assigned. These appropriations are agreed between the INEM and the Local Authorities, and agreements between the INEM and investment bodies, which this year were the INEM, the Ministry of Public Works and the Regional Ministry of Agriculture and Fisheries of the Andalusian Government.

In 1999, clarification was provided for the first time which part of the budget earmarked for projects in the rural environment derived from general pluri-annual appropriations of the different ministries and which part derived expressly from the PFEA, the problem being that projects funded by general appropriations were carried out by companies with their own workforce. As from this year, projects will be selected in which agricultural workers can truly participate. There is, in fact, less money for recruitment but, according to the CC.OO, "*it is more real*". For 1999, in addition to the 790 million pesetas deriving from the agreement between the INEM and Andalusian government enshrined in the Ministerial Order governing the AEPSA<sup>33</sup>, **15 984 million pesetas were allocated to Andalusia for guaranteed incomes and 3 092 million (16.2% of the total) for sustainable employment.**

Currently, the projects decided on by the different central government and autonomous ministries are referred to INEM and decisions as to whether or not the projects are to be included under the PFEA are taken through the committee set up in conjunction with the social partners. But the CC.OO sees **problems of coordination with the Boards set up in the Provincial Councils preventing a better distribution of projects and also of management of the extraordinary investments made by city administrations, which in many cases are charged to the Councils' provincial plans.** These projects have in fact accounted for a very substantial part of municipal budgets, especially in municipalities with 2 000-3 000 inhabitants, where they take up the greater part of the budget. In this respect, union sources claim that the district committee which should be overseeing the projects carried out in each municipality is not really functioning.

**Approximately 80% of investment is allocated to the recruitment of unskilled workers**, whom the city administrations must consider; the rest is for workers with more stable contracts, normally for skilled worker contracts for projects, which tend to be for around 3 months while the average for unskilled workers is 10 to 15 days per year. For this reason, the *movimiento de trabajadores eventuales de Andalusia* (Andalusian movement of casual labourers) is calling for work of at least one month per year and for its administration to be improved through greater democracy at local level. It is thought that work of a social nature should always be provided in return for public money. They also call for the administration to prevent the dual contributions which agricultural workers make while they work under the

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<sup>33</sup> Ministerial Order of 19 December 1997.

Plan, to both the Special Agrarian Regime and the Social Security General Regime, so that this money can be reinvested in contracting day labourers through rural employment plans.

Work distribution through general and social interest projects is criticised by some trade union officials as being “*a very bureaucratic system, which should be better managed and tailored to periods when there is no increase in agrarian labour*”. There have also been episodes of discrimination by some city administrations against women participating in some projects in which the unions have been obliged to intervene, especially concerning **sustainable work intended to consolidate projects of wider scope**. These types of projects are currently allocated only 16% of the total funding for the PFEA, although the unions would like to see this item being increased. As one source commented, what is needed is “*to move from fixing the roads to creating micro-enterprises and sustainable business infrastructure*”. This would be a very beneficial change which would make it possible to create new sustainable jobs. Examples of this type of application have been aquaculture projects, for cooperatives, etc. **There are very few projects in fact aimed at recruiting casual agricultural workers or their children on a sustainable basis** which would not be so very difficult if a logic tailored to the work and consumption culture of the agricultural worker social group were used. The *Muévete* (move yourself) project, 0.52% of which is financed by the Ministry of Labour and Social Affairs, has made it possible to create a motivation and guidance tool for young people with special difficulties for employment, applying new audiovisual technologies based on socio-dramatisation and group work, which encompasses the culture of day-workers' children and is targeted at 16 to 22-year olds, is an example of what we mean<sup>34</sup>.

As the unions comment, **the issue is that young people should have other opportunities, not just the precariousness of the agrarian sector, but the measures are still inefficient in their application**, due to long-standing shortcomings, which do not consider the day-worker culture from all angles. It is along these lines that the vocational workshops and craft guild schools were promoted, so that when the young start to work they have a subsistence wage, can train and find stable work. The problem is that **there are still very few who can gain access to this type of work experience training**, and although their number is of course increasing, a greater effort needs to be made as regards integration once the training stage is complete. The same thing could be said about the vocational training that the Ministry devolves to the Autonomous Communities for these groups of workers, where there is no real control to check that this budget allocation is in fact training members of this group or the general unemployed, nor the degree of labour integration achieved by existing vocational training.

- ***Active Integration Income for unemployed persons over 45: an inadequate measure for the most disadvantaged groups***

In its application of pro-active employment measures, central administration has prioritised **long-term unemployed persons over 45 in need who have exhausted their contributory benefit and have dependants**, which seems to involve some 90 000 persons.

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<sup>34</sup> For more information, see GAVIRA, L. (1999) “*La participacion de los jovenes con especiales dificultades en la aplicacion de politicas activas para el empleo: limitaciones y potencialidades*” [Participation of young people with special difficulties in the implementation of active employment policies] in Tercer sector y participacion juvenil [Non-profit sector and youth participation]. *Revista de estudios de Juventud* [Youth\_Studies Review] no. 45. Instituto Nacional de la Juventud [National Institute of Youth] of the Ministry of Labour and Social Affairs. Madrid.

Royal Decree no. 236/2000 governs a labour integration programme for 2000. This programme is designed to put into practice the linking of guaranteed incomes with appropriate integration measures. It involves actions targeted at the unemployed which involve completing a **labour integration pathway, based on an activity commitment, with individualised counselling and inclusion in employment and/or training programmes, in addition to an income by way of financial assistance** supplementing these actions - referred to as a *Renta Activa de Insercion* (Active Integration Income). This income amounts to 75% of the National Minimum Wage, excluding the proportional part of a further 2 months which they receive three months after applying to join the programme and for a maximum of 10, while they are not collecting any other salary payment (except for part-time work, which will be proportionally discounted or self-employed work over 3 months or for a period less than that of the remaining entitlement). During this period, the INEM does not pay the user's social contributions. This is a contingent measure subject to budgetary liquidity for 2000 only.

However, despite the fact that access for 20 000 unemployed was budgeted for, it seems that **the measure has received a poor take-up rate**, for only 7 000 applications were made, pointing to its limitations in the context of undeclared of labour relations and the lack of credibility of the SIPE in implementing worthwhile programmes and strategies, for although they involve personalised advice, in general the comprehensive support resources to make them efficient are lacking.

This measure **was coordinated with the Autonomous Communities, which have devolved powers for employment services**, although it is financed from the subsidy provided by the budgetary appropriation administered by the Ministry of Labour and Social Affairs.

This means that integration becomes more difficult for persons who do not meet the administrative requirements for obtaining this entitlement. This measure, which is also subject to budgetary liquidity, **affords no right**; it is dependent on economic climate and therefore is not substitute, even partially, for the introduction of a law on integration measures, a proposal which had been under discussion for some time and on which a draft law was prepared with the support of the parliamentary groups. This national law, which was intended to regulate the integration enterprises and which had been announced by the previous minister when the final results of the EUROCOUNSEL-Spain programme were presented in Seville, as a commitment to combat exclusion, has been abandoned for the moment since it did not obtain the support of the social partners nor the Ministry of Economy. According to informed sources, in the trade unions' case this was because they did not agree with a new integration model contract, referring to those already in place for training and apprenticeship including work practice which are not particularly successful. Also there is very little union presence in the NGOs and centres, which leaves them with very little scope for control. The employer organisations rejected it on the grounds that did not agree to a new enterprise model. However, it should be pointed out that in the Autonomous Communities which regulate the work of these non-profit organisations involved in minimum income provision, any involvement of the social partners is usually ambivalent.

- ***Programme combating exclusion: a comprehensive programme coordinated with different partners which is not sufficient.***

**The national programme for combating social exclusion** was set up to implement, in cooperation with the Autonomous Communities, the European programmes combating poverty. When the latter were completed, it was maintained as a **means of “ensuring the continuation of the intervention models tested”**, **co-financing comprehensive social**

**intervention projects, targeted at groups and territories in a situation of exclusion and social risk,** by promoting actions aimed at social integration.

With a view to improving knowledge of social exclusion, by evaluating the impact of public policies on the disadvantaged, **channels of cooperation were put in place with the different administrations and private institutions for promoting actions in different areas and disseminating best practices**, stimulating pro-active policies against social exclusion and, finally, attempting to raise awareness of the situation and problems of excluded persons.

These are projects which take an overall view of intervention, experimental projects **which involve different areas of action such as health, housing, employment, etc., and different economic and social players.**

From 1994 to 1999, the Ministry of Labour and Social Affairs allocated 1 329 million pesetas to these projects and the autonomous communities and local authorities another 1 655 million pesetas, making a total of 2 984 million pesetas. For 1999, a total of 831 784 697 pesetas was allocated to projects of this nature, 47.5% financed by the Ministry of Work and Social Affairs, 44.2% by the Autonomous Communities, apart from those with special regional rights (Navarre and the Basque Country), 8.3% from the local authorities of Aragon, Asturias, Balearic Islands, Canary Islands, Castile-La Mancha, Murcia and Rioja. Cantabria did not sign the cooperation agreement with the Ministry and did not obtain funding.

Andalusia allocated 159 014 856 pesetas and Catalonia 115 409 774, half financed by the autonomous community and half by the central government.

**NGOs also participate in this project**, the Ministry contributing to the promotion of an associative movement combating extreme exclusion. To achieve this, it established regulatory, financial and institutional channels which allow NGOs to participate in the design and application of policies in favour of disadvantaged groups, and the participation of citizens through social recognition of the voluntary sector and measures promoting voluntary action.

Funding is provided from a budget deriving from a levy of 0.52% from Personal Income tax.

The call for tenders for 2000 aimed at the NGOs prioritises the following comprehensive programmes: programmes in neighbourhoods, urban zones and territories with special integration difficulties; programmes intended for social integration of transients and homeless persons; programmes targeted at disadvantaged rural populations and programmes for promotion of employment for persons threatened by social exclusion.

As a result of **preliminary inter-ministerial negotiations** in the context of this programme with different departments such as the *Centros Directivos responsables de Empleo* (Administrative Centres for Employment) and the Ministry of Public Works, and after prolonged discussion a draft bill for a *Ley de Medidas para insercion sociolaboral* (Socio-vocational Integration Measures Act) was drafted. But following the rejection of this law, a palliative measure was introduced which, had it been possible for the Directorate General for Social Action to consolidate a working group with INEM, would have given better results for combating exclusion. The measures included in the draft bill were restricted to the launching, under the Employment Promotion Programmes for 2000<sup>35</sup>, of **a specific contract model with a reduction of 65% of the employer contributions, for a maximum of 2 years, for excluded persons on a state-wide and contingent basis.**

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<sup>35</sup> Act no. 55/1999, of 29 December.

This measure is applied to contracts, whether indefinite or not, concluded by non-profit enterprises and organisations with unemployed workers in a social exclusion situation acknowledged by the Social Services, who fall into one of the following categories: **recipient of minimum integration incomes or any other benefit of a similar nature** (depending on the name used by each Autonomous Community), persons who have no entitlement to minimum income because they do not meet the residence or local registration requirement, or because they lack the conditions to be considered a recipient unit or because they have exhausted the legally established contributory period; young people between 18 and 30 leaving juvenile care institutions; persons with problems of drug addiction or alcoholism involved in rehabilitation or social reintegration and inmates of penitentiary centres who are permitted to work; persons on conditional parole or ex-prisoners.

This measure in fact only involves a reduction of 15 000 pesetas in Social Security contributions and in exchange the enterprise must undertake to accept the socio-vocational pathway agreed to by the user himself and established by the Social Services which have verified that the person concerned is excluded or threatened by serious social risk. Through this pathway a series of actions and support measures required for social and vocational integration are set, which coincide to an extent with the proposals of the social partners. This measure came into force in January 2000, so its impact cannot yet be evaluated.

- ***Programme for the development of the Romany People: a programme with a national dimension and vertical and horizontal coordination***

The objective of this programme is to promote remedial projects with positive measures for the social development of the most disadvantaged Romany communities, by encouraging coordination of actions by various public administrations and their coordination with organisations representing the Romanies. Cooperation is established with the Autonomous Communities, which provide co-financing, and through them with local authorities. The aim is to ***develop comprehensive intervention projects for the welfare, prevention of marginalisation and integration of the Romany people.***

It encompasses actions such as social support for the rehousing of Romany families in regulated housing, monitoring of schooling to prevent absenteeism and premature school leaving, activities complementary to vocational training and employment promotion, health education, social work with families, promotion of Romany culture, encouragement of social participation, promotion of associations and regularisation of personal, family and labour documentation. From 1994 to 1999, this programme has had total funding of 9637 million pesetas, 57% of which was provided by the Ministry.

This programme **involves inter-ministerial coordination (see Chapter 3) and financial and technical cooperation with NGOs working with the Romanies through annual allocations awarded by the Ministry of Labour and Social Affairs** for the maintenance of the customary activities of national Romany associations, paid for by the Regimen General de Accion Social (General Regime of Social Action) and a 0.52% levy on Personal Income Tax. Among the projects forming part of the latter strand, priority is given to projects which are innovative and complement those developed by the various public administrations in each territory: **labour integration, social integration, promotion and support for the development of Romany women.** From 1989 to 1999, funding for this amounted to 4671 million pesetas.

This is a programme in which the users (national associations) take part through a Consultative Committee concerned with general and international matters affecting the Romany people.

- ***Projects deriving from the Employment and Urban initiatives: the minimum income recipient groups under-represented***

When these initiatives are targeted at excluded groups, one of their first challenges is to carry out innovative actions which are likely to be included in the overall policy. In this regard, since they are not burdened by the inflexibility of already consolidated policies, they are **strategies of coordination between economic and social viewpoints on integration through activation, of coordination between administrations and various agents, which serve as a benchmark**. Thus, in Communities like Andalusia which still does not have devolved powers for employment, **they form test beds for possible lines to follow**, some of which are later adopted in the policies of autonomous communities, for example Crescendo-Surge in Andalusia, which will be analysed in Chapter 4.

One of the surprising aspects is the poor coordination between the units managing the INTEGRA, YOUTHSTART, NOW, HORIZON and URBAN initiatives (all the responsibility of the Ministry of Labour and Social Affairs and the staff of the social policy and exclusion department of the Directorate General for Social Action, Children and the Family, which forms part of the same Ministry). More intense than any horizontal links, which only occur with those bodies which launch initiatives through the Ministry, is a **direct vertical link with the initiatives undertaken by the autonomous communities, which form part of the Monitoring Committee who are listened to**. Where various ministries are involved, as in the case of URBAN (which is theoretically coordinated by the Ministry of Labour and Social Affairs and by Public Work - which takes decisions on most of the funds which derive from FEDER), they even carry out separate evaluations.

The participants in the **Monitoring Committee** are the autonomous communities, the central trade unions (UGT, CC.OO, ELA-STV<sup>36</sup>, Unión del Povo Gallego [Union of the Galician People], the employer organisations, CEOE and CEPYME, the *Confederacion de Asociaciones de Minusvalidos* (Confederation of Disabled Persons Associations - CERMI) and a representative of the European lobby for women.

In Spain, there are currently 1 300 projects included in these initiatives. In all the autonomous communities there is a person who serves as the contact for all initiatives concerning employment matters, who channels all the information from Madrid. Generally, these persons belong to the Autonomous Community Economy or Labour departments, although now new regional ministries for European Affairs or the like are emerging.

The practitioners interviewed say that there is now a *conflictive complementarity* in the URBAN and LEADER programmes (also at Brussels level) between the employment aspect, linked to the Social Fund, and the infrastructure aspect, linked to FEDER, for it is usually held that that part relating to employment is only a stage or precursor for the rest. Spain has presented in Brussels in the meetings of the mission heads a **proposal to improve coordination, which should begin in Brussels, and which, according to the sources consulted, it seems will be adopted in the operational management system**. Apparently, according to the Commission, there is a complementarity of 10% between the European Social Fund and FEDER, but this matter has not been pursued further and the result is

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<sup>36</sup> Trade Union of Basque Workers.

therefore a substantial lack of coordination. **In Spain, the European Initiatives have been handled by groups working on specific issues, which work on each initiative and on the trans-national initiatives.**

The practitioners interviewed affirm that when the Ministry of Labour and Social Affairs presents its initiatives, it contributes its own experience in combating exclusion. This occurred with the “Optima” programme promoted by the Institute of Women's Affairs, with the programmes of the IMSERSO and with those of the *Instituto de Migraciones* (Institute of Migratory Flows). We should stress that the **State Institute for Women's Affairs has created a way of working with the dynamics of devolution based on coordination with the network of autonomous community institutes which has not been achieved by other institutions.**

Those evaluating the initiatives controlled by Ministry of Labour and Social Affairs refer to Navarre as one of the most advanced Communities in social integration matters and in capacity to transfer best practices to other policies. In the latter respect, Andalusia is also mentioned with respect to programmes such as “Andalucía Orienta”.

Among **the most significant projects for groups threatened by exclusion they highlighted** the Youthstart project “Labora”, targeted at supervised minors. This programme emerged from a meeting between the Ministry and the different autonomous community social services. Some of them decided not to take it up, but it is trans-regional and proposes a comprehensive service for these young people. In this project, the coordination which took place in trans-national partnership has been quite enhanced. In Catalonia, the projects which stand out are those like that developed in the Vallés Occidental area, in which, according to evaluators, the level of partnership served as a basis for the subsequent Territorial Plan. Also mentioned as interesting for its improvement of existing policies is the Catalonia Education Department's “Nova Vía” (1995-1997) project, insofar as it served to improve and extend the “Social Safeguard Programmes” for young people failing at school. For homeless persons or persons in precarious housing, the CCO union has promoted, in conjunction with the Catalonian government Departments of Social Welfare and Labour, the “IGLOO Programme”, which has a significant trans-national dimension. In addition, Barcelona city administration, through the Barcelona Activa structure, has promoted integration projects with the Catalan Network of Integration Enterprises.

In Navarre, the Public University of Navarre's “Biotecnal” project of training rotated with employment is pointed. According to sources, **only in the Basque Country and Madrid does it seem that European initiative projects have been specifically targeted at the groups receiving minimum income**. In Madrid, three social associations have presented the “Medel” project aimed at social integration through work in recycling activities. In the Basque Country, intervention by this group has been directed towards generating sustainable jobs through the **creation of businesses with women minimum income recipients**. Other projects include both minimum income recipients and persons with exclusion problems, such as “Crescendo-Surge” in Andalusia or some of those already mentioned in Catalonia.

The Andalusia government's Ministry of Labour, as the executive and co-financing body overseeing the Employment-Integra projects, has taken part in 14 projects. The most significant are those **aimed at the development of Comprehensive Integration Plans** which propose that the person participating in the project will work on all the aspects of his life, encompassing therapeutic, family, social and vocational approaches, which include “Labora Vita”, “Sal” “Work integration of the Romany community” or “ODISI”. Some of them also involve **the creation of integration enterprises**. Other projects have been aimed at setting up

guidance, advice and employment services for disadvantaged groups such as immigrants (the “Diversidad” project), Romanies (“Butipen”), long-term unemployed in marginalised neighbourhoods (“Crescendo-Surge”), etc. All these projects have been supported by other local or provincial authorities and non-profit sector associations.

#### **4. SPECIFIC MEASURES FOR RECIPIENTS OF MINIMUM INCOME PROGRAMMES INVOLVING COORDINATION, DESIGNED TO PROMOTE PARTICIPATION IN THE LABOUR MARKET**

##### **- *Diversity of autonomous community regulations regarding activation and its results***

Almost all the autonomous community regulations refer to integration measures.

These comprise a varied range of administrative, economic and operational schemes which, in isolation, in conjunction or as a supplement to others, are offered to achieve the social and work integration of certain groups. **These include general or common services (health, educational, etc.), various financial provisions (aid, awards, subsidies), staff and equipment (accommodation, equipment, etc.), basic social services (guidance, advice) and specific (technical support for the disabled, refugees, etc.) and labour integration actions (social employment programmes, self-employment, etc.).**

Practically all the regulations propose that the recipients carry out promotion activities, accept a series of integration commitments, adopt given behaviour patterns or participate in socio-vocational integration programmes. **These are usually presented as quid pro quo to be provided by the Autonomous Community Minimum Income recipient, but in many cases resources are not provided for these actions** and despite the declared aims, they go no further than the cash benefit.

These integration activities are extremely important and in fact validate and distinguish Autonomous Community Minimum Incomes as real **instruments for integration at regulatory level**. Their true efficiency as a social promotion instrument depends, to a large extent, on the capacity of the policy to promote access and genuine participation of claimants in integration activities other than precarious and temporary work, for if they do not, they do no more than propose activation measures merely as a quid pro quo to be provided. The problem is that such **quid pro quos are almost always proposed as a sine non qua for the user, who is assumed to lack something** (networks, social skills, training, etc.) and that it is for this reason that he cannot find employment, his unemployment being presumed to be a problem of skills or personal capacities.

However, it is an accepted fact that the current employment structure does not allow for integration through personal effort and capacities alone. The structures of some labour markets call for seasonal workers to be available in a structural form, as occurs with the agrarian labour market, the tourist sector or certain services. This problem persists because **it is rare that the issue of integration is approached from a structural perspective in minimum income-related measures**.

When it comes to classifying the various Autonomous Community Minimum Income models and establishing which really achieve the integration objective, some authorities (Estévez, 1998) identify **just those established in the Basque Country, Catalonia, Madrid and Navarre as the only minimum incomes with genuine integration measures, although this integration may not always be sustainable**. The other models are in practice restricted to sheltered social employment programmes or mere to regulated welfare benefits.

To summarise, the following situations are present in the three autonomous communities studied. The Andalusian Solidarity Programme, together with the Solidarity Minimum Income, designs a series of priority measures or actions, including participation in temporary work in public administration or non-profit institutions, which **have in fact no effect, apart from last year in pilot initiatives linked to the EU initiative Integra.**

Catalan legislation refers to the recruitment of Minimum Integration Income claimants, **granting subsidies to recognised enterprises and integration organisations.** These enterprises vary a great deal; some are completely commercial whilst others are non-profit with very different interests.

In Navarre, the Basic Income is regulated by three specific decrees which define recruitment and sheltered social employment as benefits, but, in practice, the field of application and extent of development of the diverse models proposed is still limited. For example, only two integration centres are recognised as partner NGOs for the purposes of the programme.

**Separate from or in conjunction with the minimum income programmes in place, the social sector organisations are developing a series of guidelines for organising the personal pathways of the minimum income users and excluded persons in general** which can be classified as follows.

- Performance of integration pathways only when the user wishes and is determined to carry it through, which is detected by the reception structure.
- Development of a customised project tailored to personal characteristics and flexible, avoiding linearity. Generally, it begins with normalisation and the learning of social skills where this poses a problem and Spanish in the case of immigrants or refugees. This is usually done through pre-employment centres, for which, until the development of the recently introduced employment workshops, there was no legal provision, so that they are almost always included as an initial stage of training provided by workshops specialising in the provision of technical skills.
- Personal employment projects, encompassing the actions which must be performed in order to improve employability - jobsearch guidance, basic and/or vocational training through vocational workshops or craft guild schools or in vocational or adult training programmes - until employment is obtained. At times, depending on the users, the persons involved may be diverted to public employment exchanges or sheltered employment centres, especially integration enterprises, in which they can stay for up to three years
- ***Catalonia's case: a dual activation system with a different quantitative impact***

Claimants must sign and comply with the Integration Agreement in order to become entitled to the benefit, which includes an individualised social and vocational integration plan.

In the wake of the experience of recent years, the latest tendency is to divide and classify recipients into two groups, on the basis of their social and economic profiles, which, generally, involve different advice and support needs, depending on whether the problem is precariousness (this group tends to decrease during expansive economic cycles, which is still the case in Spain), or social exclusion.

The “economic group” formed by those persons considered recyclable in the labour market is now tending to decline. However, the proportion falling into the “social group”, formed by persons whose work integration is not considered possible and whose treatment is more difficult, is increasing constantly. The procedure followed in the activation strategy consists in

drawing up a social report on the claimant which serves as a basis for drafting the Integration Agreement, which includes the personal pathway of activities to be performed (*plan individual de insercion social y laboral* - Individual social and labour integration plan (PIR)).

The process for dealing with the claimant is individualised, a personal pathway being established on a case-by-case basis which is formalised in **an integration agreement** which the claimant must sign and undertake to comply with. The various stages - professional guidance, job motivation, vocational training and integration - are supervised by the primary social services and the partner NGOs.

In Catalonia, in the absence of specific national regulations, a legal framework has been enacted which allows **Integration Enterprises to operate in a sheltered markets setting**, in order to implement pro-active integration policies for minimum income recipients and other groups suffering from exclusion. Of a total of 10 000 recipients, 500 have entered integration centres or sheltered markets, many of whom have later progressed to the normalised market. This is a quite low incidence, but is relatively high as compared to other Communities.

**The results of the Minimum Integration Income are monitored** using a system coordinated at political level by the Catalan government, through the Monitoring and Control Committee, which includes the various departments involved (Labour, Social Welfare, Territorial Policy, Health, Education and Justice) and the social partners, social enterprises and the Federation of Municipal and Provincial Authorities.

At technical level, work is coordinated by a PIRMI inter-departmental technical management committee (6 members: 2 from Labour, 2 from Social Services and 2 from Adult Education) formed by the Department of Social Economy, Self-employment and Cooperatives, the Department of Social Security, the Catalan Institute of Welfare and Social Services (PIRMI management service) and the Adult Training Department. This inter-departmental Committee meets monthly to approve or reject applications; there is a committee at provincial level. In the opinion of the partner NGOs, some of these departments play an over-prominent role while other participate very little. The partner NGOs receive an annual subsidy for the recruitment of practitioners to monitor cases. The Institute of Social Services finances community social services practitioners.

**The Monitoring Committee and the Technical Management Committee** meet every two months to evaluate the results. There is also a **Special Consultative Committee** made up of various significant players determined on the basis that they are representative comprising 5 primary welfare professionals at grassroots level (at the *frontline*) in the most difficult areas, representatives of the vocational training colleges, 8 city administrations and representatives of the Department of Work and Adult Education and Community Social Services. Agreement is reached by consensus on the proposals and opinions of recognised professionals, as a means of obtaining greater efficiency of participation and results. This committee is referred to as an example of qualitative participation, which is presumed, by one of the practitioners interviewed, to more effective than quantitative participation.

There is also a **special technical committee for single-parent families**, who make up 22% of PIRMI users; only 10% are widows, the others experience all types of situations. This committee is formed by the two main trade unions, 2 employer organisations, 2 municipalities significant because of the numbers and importance of this social group in their area and the Catalan social welfare ministry. This committee works directly on cases.

One of the problems which these committees are encountering is that the vocational training system is not tailored to their needs, which means that, at times, there are no users available for training, since they need to work. It is proposed that this aspect should be reviewed.

The Anti-Poverty Plan Committee, which is more wide-ranging and linked to the plan combating exclusion, meets 2 to 3 times annually, according to one of the practitioners interviewed, but has no binding force. It is the PIRMI committee which acts as a catalyst for the rest of these committees. Concrete results include the implementation of the Anti-Poverty Plan, in which various NGOs collaborate, and the regulation of the Integration Enterprises.

**We must distinguish between organisations engaged in creating and promoting Integration Enterprises and the social organisations which directly promote the employment of Minimum Income recipients in these enterprises.** The minimum income which these persons receive in the integration enterprise is topped up until it equals the wage established under the collective agreement. This does not necessarily occur in organisations which achieve integration through motivation and employment as a quid pro quo for a benefit which does not amount to a salary.

The Integration Enterprises form a sub-sector which is very important qualitatively for the work integration of Minimum Income recipients. The intention is to promote a social economy model in which different organisations which fulfil a social purpose, by integrating persons with special difficulties, can carry out their activities in a sheltered market<sup>37</sup> setting. The integration enterprise sector has consolidated over recent years, with the *Asociación Catalana de Empresas de Inserción* (Catalan Association of Integration Enterprises) being created, which has a significant institutional presence.

- ***Navarre's case: The Plan Combating Social Exclusion deriving from social confluence and political pressure***

Navarre was one of the first Communities to introduce activation strategies linked to basic incomes. The Basic Income is complemented by two alternatives offered to the excluded groups: **Sheltered Social Employment**, which normally consists of recruitment for six months, and **Work Integration in Companies** in which the recruitment of Basic Income recipients by public or private bodies is subsidised.

The Basic Income programme forms part of the general framework provided by **the Plan Combating Social Exclusion in Navarre**. The plan is ambitious, both as regards participation in its preparation and management, with significant cooperation from the Department of Social Work of the Public University of Navarre and in the comprehensive nature of its design, in which combating exclusion includes not only social and vocational aspects, but also access to housing, health, education, personal support and social support. Also noteworthy is the **political and social consensus achieved for its approval and the extensive period established for its implementation (1998 - 2005)**, with a detailed annual breakdown of costs and the corresponding regional budgetary appropriations approved.

The **Socio-vocational Integration Agreement** establishes an integration pathway and sets out the actions (education, training, health, social and economic integration) which the

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<sup>37</sup> Sheltered market: subsector of the market in which public contracts include social provisions favouring organisations which employ persons from groups with special difficulties. Thus, small areas of activity, which are not particularly attractive for major commercial companies and thus do not pose serious competition problems, come within the reach of integration enterprises and other socially useful organisations.

recipient undertakes to participate in. This agreement implicitly includes social support or follow-up by the corresponding practitioners. **A Follow-up Committee has recently been set up, in which departments of the regional administration, NGOs and trade unions take part**, with meetings every six months to check compliance with tasks and responsibilities, using a table of indicators for this purpose.

The possibility of public or sheltered employment has been quite limited since integration centres have only recently become available. Currently, there are only two officially recognised integration centres, although the expectation is that there will eventually be 15.

At this point, the process of introducing and setting up “Integration teams” for the region is underway, coordinated by the Navarre Institute of Social Welfare. The result of this experience will be analysed in Chapter 4.

## CHAPTER 3: COORDINATION

### 1. AN APPROACH TO THE FACTORS FOR COORDINATION APPLIED TO THE SPANISH CONTEXT

We view coordination as an organisational model which leads to performance - in a linked fashion and to varying extents - of processes for needs diagnosis, planning of objectives and processes derived from social and/or labour policies or monitoring and evaluation of practices, by different departments of a public or private institution, or through consortia or partnerships between different departments of public administrations, social partners, non-profit sector organisations or other bodies, operated on a territorial basis, which may in turn be linked through different levels of vertical integration.

#### *- Coordination as an ecosystem for information and multidimensional knowledge*

From the perspective of the dominant theories on organisation, coordination of structures and strategies of players involved in projects is an organisational model which improves efficiency of resources and results when a series of prerequisites are met: some formally defined objectives which, conditioned by an unstable or turbulent environment (such as is the case of markets), are accepted by the players involved in the project; planning of the linkage of structures and strategies of the players, which enables, with varying degrees of co-involvement from each, changes to be diagnosed, brought about or adapted to and results to be evaluated in a shortened time span, by exploiting the specialisation and synergies derived from working at the level closest to needs and the advantages which partnership contributes in economies of scale.

The decentralisation processes pursued by organisations which administer labour or welfare are becoming linked to a need for efficiency in order to adapt as flexibly as possible to the labour markets and needs of users, who are increasingly segmented in groups with differentiated living conditions, by exploiting the possibilities offered by new information technologies and the culture derived from globalisation and the knowledge society. This entails accepting that there is a “instrumental rationality” in which all those involved coincide, which is applied in the design and management of the policies, **fulfilled in the efficiency of the results for citizens “in need”** and which, theoretically prevails. But, at the same time, it is considered that there is extreme “social complexity” and that economic resources are limited; following this technical logic, the rational inference is that coordination between structures and players is the most appropriate means for achieving the greatest efficiency of policies. This is also influenced by the transfers of results and synergies which occurs, with varying degrees of success, when, for various reasons, partnerships are constituted, specially with a European dimension.

However, empirically, when coordination processes are analysed, the first point which emerges is that the players - depending on their structural interests, their culture and their intentions in their patterns of behaviour - do not all follow this same instrumental logic which acts as a catalyst for improving the results of policies for users in terms of vocational or social integration, although all agree on the theoretical discourse concerning “the need for coordination in the present context”. This leads on to a first observation: coordination which is effective for the users is not improvised, nor is it instituted in a formal act around a table;

most informed sources agree on this point. **This type of organisational model is a socially constructed process, which requires a factual level** (processes and projects with spatial and temporal dimension), **a semantic level, containing cultural meaning** (coordination has ideologically different meanings depending on the structural position of those involved in this practice: users, practitioners, politicians, employers, trade unionists, NGOs, volunteers, etc. who belong to specific cultures, organisations and territories giving rise to different forms of understanding information concerning the contents of coordinated projects and coordination itself). What each of these groups *has to say* about coordination affects, what they do in the processes of coordinated work with the other players (therefore influencing the real possibilities of implementing the coordinating process itself). Finally, coordination has **a symbolic level**, which may give a new identity to the structures and players involved and be used like a *trademark logo* making it possible to *sell* (in the institutional market of access to resources, the professional labour market or the electoral market) on the basis of the dominant organisational culture (this symbolic space is constructed by the interests and desires of those involved).

The three levels (factual, semantic and symbolic) need to be accepted **through a rational of adjustment and progressive acculturation bringing about acceptance of the plurality of meanings and results which this new form of working can lead to**. The bodies which initiate this coordination process create a series of links between their structures and players which result in a **form of systemic work, with differing degrees of involvement, in which circulation of information within the system and between the system and the context, become the basic force for its survival**. Hence the need to nurture a good basis for supplying information and knowledge on the contexts in which the linking mechanisms, the channels and procedures for transferring information operate, since this conditions the results.

From this ecosystemic perspective, coordination involves what occurs in one of the parts or bodies of the coordinated system, affecting the totality of the system and vice-versa, for when a series of entities really embark upon a coordination process, they progressively update themselves as a information and knowledge system of varying extent, depending on the members' characteristics and conditions of the context. Thus, **a system of public and private entities which work in coordination, is more than the sum of its parts**.

#### *- Coordination, decentralisation and institutional eco-responsibility*

Speaking from an ecosystemic perspective involves the need to consider its parts (structures which are coordinated), the positions of those who impose their rationales on the circulation of flows of information and knowledge in this coordinated system (partners and players) who are those who *can express their interests*, how they may express them (instruments) and how the rest of the players try to update their own interests.

**Decentralisation of part of the institutional-level work processes does not necessarily mean deconcentration of the power** to take decisions, especially when referring to territorial or institutional decentralisation processes, at different levels down to local (understood as the level closest to the citizen), the margins for decentralisation-deconcentration are created by the degree of freedom, randomness and power afforded in assuming guidelines issued by other administrative levels or supra-local organisations, generally found in central locations in the socio-economic system: Brussels, Madrid, Barcelona, Pamplona or Bilbao for one type of decision, or peripheral locations such as Seville, Badajoz or Murcia, for others.

So, for coordination to be possible, the system of coordinated institutions must develop a capacity to incorporate the degree of negentropy guiding the purposes of the organisations

without losing the contingency which ensures survival in accordance with their objectives: **Information and knowledge about users and their needs are collected at local level and financial resources centrally**. The problem is which organisation or institution prescribes the official objectives, how are they generated and *harmonised* in a coordinated fashion in order to safeguard solidarity between socially disadvantaged groups locally, and between territories and interest groups at central level; to what extent are the official objectives expressed in the social regulations implicit in taking on a specific project or programme in a coordinated manner those really pursued by the partners or those which are *politically correct*. So, **to analyse coordination it is always necessary to combine** the two levels present in any communication process: **the explicit or manifest level of decision-making spheres and their relation with the deeper level of real interests and desires**, only interpretable through the relation between discourse and practices, which acquire a symbolic dimension.

Concerning the *system of ultimate protection* derived from welfare policies and their coordination with employment policies, in the form it takes in Spain, we must stress that it was not by chance that the first coordinated minimum income systems emerged in the *rich* Spanish regions of the urban-industrial period. Nor is it accidental that in the regions with most unemployment, and theoretically with the most serious exclusion problems, this minimum income welfare scheme, the ultimate post-industrial social protection system was implemented later and more or less effectively. Conversely, there is a specific model (complementary or parallel?) which functions more widely and with greater quantitative intensity and qualitative political significance, which is dominant in the poorer regions. This derives from a hybrid welfare model (employment policy and social income support policy) applied from a base of undeveloped unemployment protection rights in the rural environment combined with activation policies, using for the purpose, a specific unemployment protection programme for rural areas of Andalusia and Extremadura: the casual agricultural worker unemployment protection system. Nor is it accidental that both systems (Minimum Income and casual agricultural worker benefit) are principally supported by the safety net provided by the “common fund” for the family, frequently backed up by other insufficient incomes, such as non-contributory pensions from members, or social benefits which favour domestic units (individual access and family reference).

The apparent inference of this analysis is that, firstly, the “politico-economic order” which structures the institutional distribution of the social product prevails in the institutional system of covering needs through territorially standardised minimum income systems. Paradoxically, this order structuring the inter-territorial system in Spain exerts influence from a **structural base to explain both the need for inter-territorial coordination and the type of coordination dominant in each territory, regarding these two “ultimate security schemes” which are applied differentially in Spain, generating inequalities between citizens depending on whether they live in one region or another** (see annexes 1 and 2).

- *The minimum income system: a model basically countering urban-industrial exclusion, in which horizontal rather than vertical coordination predominates*

The minimum income system is a model which conceives and treats exclusion and poverty through structures and players similar to the other European industrialised countries following the restructuring caused by economic globalisation. It conceives this protection system on a territorial basis (autonomous), namely, decisions on what to do with excluded persons are taken at regional level, due to the pressure and location of the “new social movements” in the industrial regions, where the traditional industrial model favoured the existence of an identity capable of drawing together movements which were still reactive to specific interests, following the tightening of working conditions and industrial unemployment. Autonomous

governments therefore began to become aware of the need to cover this political sphere, above all, because they could even make political capital in the electoral market from “the failures” of State unemployment and welfare policy, stemming from the central administration’s greater commitment to budgetary adjustment policies, which were the order of the day in the Ministry of Economy’s general budgets. Compounding this was political rivalry at two levels, between parties and between nationalists and centralists, at the root of the tension deriving from the State of Autonomous Communities in Spain.

This heightening of awareness was linked first with the capacity which the social movements have for generating public opinion, leading to a multiplication of new organisational forms and structures for integration through the social economy, facilitated by the EU initiatives and linked with social anti-poverty platforms. The second influential factor was the substantial increase in vulnerable groups, and not only “marginalised persons”, but also disadvantaged workers threatened by exclusion who were potential voters.

All this led **autonomous governments to take on this sphere of social policy and to position themselves as partners promoting coordination strategies of varying scope, depending on their structural position in the economic and political relationships which make up the Spanish State**, putting forward as an argument for this that their election mandate entitled them to administer the public budget in a different way in their area. To take on this role, they had to handle these strategies through the structures and mechanisms in place: the social services, the services managing employment and work, education, health and housing. However, to avoid an excessive increase in expenditure and to incorporate minimal effectiveness as regards integration in a way that was justifiable to taxpayers and social partners, they needed the partnership of social organisations in order to include the productivist logic prevalent in activation following the crisis of the welfare model.

These connected political and financial interests explain the apparent contradiction as regards a government like the Basque government, which enjoys rights which favour it fiscally, being a benchmark for minimum incomes, and yet at the same time, together with the provinces of Ceuta and Melilla, is the autonomous community with the least devolution in terms of employment and training. It also explains the situation of Catalonia, Madrid or Navarre, which through taxes under the autonomous finance system in force, enjoy an advantage since by centralisation of the productive processes which generate highest added value, they are able to harness a large part of the taxes of the “leading companies”, creating more financial resources and less disadvantaged population in the major cities (Navarre has the further advantage of having enjoyed its own fiscal system during the Franco regime).

However, decentralising management and passing it to other players does not mean that there is deconcentration of public and private structures across the territory of these autonomous communities. Local authorities still have a reduced role to play, especially those with less than 20 000 inhabitants, which must pool their social services. This has reopened debate on “the local agenda” and the transfer of powers in this field, given that the devolution of powers to the autonomous communities is not yet complete. The limited financial and manoeuvring capacity of the municipalities is at the root of this situation. For this reason, municipalities are demanding a share in political decision-making on the type of work integration management. The Shock Plan against exclusion, applied in 25 municipalities in 1999 (see Chapter 2) emerged from negotiation on the local agenda between the National Federation of Municipal and Provincial Authorities and central government (INEM). But, as often occurs in pilot plans, the negotiators betrayed a degree of local political interest and there were not

appropriate criteria to prevent funds being used for political patronage<sup>38</sup>, instead of being directed to disadvantaged persons.

One of the ways for preparing participation and coordination strategies has been to establish committees for setting up control mechanisms to prevent public subsidies intended for integration projects being used as a means of party patronage. According to informed sources, the coordination of social NGOs makes sense at local level, in particular *it is very necessary, for without it the miserable subsidies make it impossible to manage everybody's processes well... they are used politically as a form of patronage, for city administrations are hampered by their lack of working capital. When NGOs are coordinated in a territory, collective agreements lasting through the parliamentary term should be proposed, to prevent NGOs being subjected to the pressure of the economic cycle or local politics.*

The other version of the Spanish minimum incomes system is implemented in the autonomous communities with high unemployment rates and an economy based more on productive sectors in which “manual companies” predominate. These Communities have less revenue from taxes and a labour market with fewer and more precarious jobs, increasing the distance to be bridged for inter-territorial convergence in terms of real distribution of the social and employment product, which is not the same as per capita income, between the inhabitants of the southern and northern autonomous communities. This would explain the progressive increase, accentuated in 1999, of inter-territorial divergence in employment creation and the trend for per capita income convergence which is occurring in Spain (CES, 2000). In the regions with pronounced absence of internal cohesion and external linkage, such as the South, the logic of economic growth and employment considered abstractly, without taking into account the socio-economic and political circumstances, generates more real inequalities for their inhabitants: the algorithms do not indicate by whom and how the operational logics which make some citizens more dependent than others are imposed (Delgado Cabeza, 1995; Gavira, 1999).

This affects both the relative number of users collecting minimum income and qualitatively the significance and contents of the programme, limiting their scope considerably as compared to the northern regions: **at present there is no legislation guaranteeing it as a right**, as occurs in the Communities mentioned above, nor specific regulation of activation policy linked to the protection system.

- ***The Rural Employment Plan: a system against exclusion in the rural environment of the southern regions in which vertical coordination predominates***

By contrast, **this structural situation is reversed in the case of the casual agricultural worker income protection system** Despite being quantitatively concentrated in the southern regions and the assertion, in the official objectives of this protection system, that it is an income allowance welfare system, it is coordinated and managed by central administration through the INEM, an employment and related benefits management body, creating a top-down coordination model which is much more consolidated than the minimum income model, despite only being applied in Andalusia and Extremadura. If the minimum income protection model is the ultimate safety net scheme in the wake of the industrial crisis, the casual agricultural worker protection system represents the adaptation to the industrial crisis of the ultimate protection system which emerged from the earlier agrarian crisis. This explains why it has conserved in its current form many of the features of peripheral industrial protection systems: centralised corporatism in its management (with the participation of the central

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<sup>38</sup> The local press reported on complaints of this nature.

administration and the major social partners), vertically layered decentralisation, disciplinary enforcement of the welfare right, lack of bottom-up feedback and even, according to some sources, a lack of transparency in application and management<sup>39</sup>.

As the protection system specific to casual agricultural workers has been functioning since 1984 and there have been previous versions since the early 1970s, the various administrations are aware of the political potential involved in controlling its management for the rural electoral market in the south, its very low financial cost (see Table A2-3) and the synergies derived from saving on other types of claims, in comparison with other protection and work integration measures. According to informed sources, this explains why the central government is not prepared to devolve powers for this matter to Andalusia. However, under this protection system, **coordination is also a structural prerequisite, as regards the implementation and control of the system: vertically and horizontally between administrations and social partners** (see Section 3 of this chapter).

- ***Complexity and fragmentation of the network of programmes combating exclusion which, together with family strategies, stem the rise in exclusion and marginalisation***

This north-south model was affected by further imbalances occurring when rich regions (which did not previously have a casual or poor agrarian population) were faced with the need to protect new disadvantaged sectors of the casual rural population (immigrants, Romanies, relative poor) and pockets of poverty and marginalisation also began to appear in the non-metropolitan towns and in the large urban areas of southern regions which required protection systems for which there were not adequate funds in the regular security systems. In this poorly protected extensive sphere which is not reached by standardised protection programmes, all the other social protection networks intervene sporadically, although with different impacts: the family, which is still very important; local schemes for integration; economic activation and employment measures; solidarity networks linked with the church; lay solidarity networks derived from neighbourhood movements or platforms combating unemployment; the associative women's movement in its different ideological forms; associations of immigrants, etc.

**In this complex structure, networks of institutions and social and commercial organisations are linked which use different types of coordination, trying to attract programmes and initiatives** deriving from central government programmes for combating exclusion funded by a 0.52% levy on personal income tax, agreements with central government or autonomous governments to manage EU initiatives such as Employment or Urban and even initiatives such as LIDER or PRODER deriving from the Structural Funds, territorial employment or integration plans, etc. (see Chapter 2) which, in each case are directed by an NGO and generally separate from others which operate in the same territory. There is a lack of convergence of different networks (of social employment, integration enterprises, etc.) which are distributed unevenly in different territories. At times, due to the lack of coordination, competition is generated between NGOs to attract users to these programmes. Normally, they try to attract the least problematic, avoiding the hard core (see Case 2, Chapter 4). The programmes tend to be concentrated in the large urban centres, while the more rural and peripheral areas are under-protected.

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<sup>39</sup> We have already mentioned the impossibility of obtaining data on the number of real beneficiaries and their characteristics in the case of the PFEA and for the overall system, including vocational training and work practice.

At times, there is even **competition between networks**, which prompts the larger ones to attempt to draw in others to justify their position of control, a purpose for which coordination is exploited. So, when it comes to *coordinating integration processes*, apart from notable exceptions such as that of the Association *Andalucía Acoge* [Andalusia welcomes] engaged in the integration of immigrants, a carve-up may prevail in which, as one practitioner says, *in the end, you end up with your poor and I with mine*. This process of sharing out and selecting the most employable for integration results in *residue* of exclusion or marginalisation formed by those for whom it is not possible to apply work as an integration method.

- ***The construction of extensive coordination processes requires intermediaries without ideological or political baggage to construct the codes and mechanisms of transfer and transparency***

Those projects which have achieved a **higher degree of participation of different players and consensus regarding coordination of practices have been promoted by persons or institutions** who do not form part of the political or administrative world and who have sufficient legitimacy to be **accepted as generators or translators of codes, and give credibility to the expectation of transparency** which provides the confidence to take on a project in coordination, since they are regarded as independent, encouraging participation and consensus for constructing the objectives and types of practices to be implemented. These are generally university departments or research institutions consolidated in their territory which are not marked politically.

But **consensuses** on the objectives which prevail, the selection of their formal content and the prioritisation given are **always a reflection of power or seduction** via the communication processes implicit in the negotiation culture, in which skill is required to convince different players with different motivations and interests due to the structural power position they occupy, the different cultural and value systems they profess and the goals they pursue.

The consensus achieved as a result of the communication imposed by the negotiation process between the different players involved, depending on how it is achieved, may, to varying degrees, be authoritarian, subject to a hierarchical decision-making structure and participatory; however, communication or consensus on objectives and action plans genuinely to be achieved, irrespective of the negotiating process, **means that the partners must, at the very least, have a range of common codes which must be established, and a specific time and sphere for preparing and regularising these codes, the procedures and transparent mechanisms for monitoring**.

- ***Where there are limited resources, the implementation of a coordination strategy for different stages of the problems is socially and economically efficient***

When a user applies to the minimum income programme it is implicitly assumed that he needs to solve his problem immediately. However, since administrative processing may take time, the social services, in dealing with a situation of immediate need, may at first even have to resort to other types of benefits, such as “emergency assistance”, which although its use in relation to minimum incomes is not officially sanctioned, depends on the judgement of the social assistant and the availability of funds.

However, as the situation of poverty may change throughout life, it is important to create mechanisms which make it possible to work with social risk groups preventively, and not only with those receiving benefits but also the rest of the domestic unit and in particular the younger members. As set out in Chapter 2, this is done by the community social services,

within the framework of the Concerted Plan, and through a number of social service schemes specialising in risk groups. But it is rare, except at local or neighbourhood level, that there is linkage of transversal measures affecting persons, domestic units and neighbourhoods in a inter-generational form, accompanied by use of minimum incomes.

For example, regarding school-age children, the limited coordination which has developed between the regulated school system, the vocational training system, the world of work and the world of social precariousness is especially significant. This has been acknowledged under the PNAE, by moves to promote more "social safeguard" programmes for young people who have not reached the targets set under the *Ley de Educación Secundaria Obligatoria* (ESO - Compulsory Secondary Education Act). This issue also arises in the various autonomous communities but, apart from specific strategies such as certain projects under the Employment-Youthstart initiative, there have scarcely been any serious attempts to improve, through coordination, the various training subsystems and the advice schemes for the socio-vocational integration of young people with social problems, usually those groups with so-called "zero status". Rarely is an comprehensive approach taken territorially, apart from certain territorial integration plans directed either by an administration (*Contratos de Barrio* - Neighbourhood Contracts), by a research-action organisation (the Del Vallés Territorial Employment Plan) or by a social NGO (*Asociación Tierra Nueva*). Different administrations and players intervene in these plans and construct very different models.

It should not be forgotten that coordination as a strategy for resolving problems always has a limited scope, conditioned by wider political and macroeconomic factors. It does not just depend on the good will of the players. For this reason, proposing coordination models between social protection policies, irrespective of debate of the right to benefit with or without activation and/or the right to work, has to first meet a wider prerequisite which is the required **integration of an anthropocentric logic into state budgets** and into the regulation of production policies and production.

Currently, the true possibilities of coordination having a quantitatively extensive effect in combating exclusion is greatly restricted by budgetary adjustments criteria, and also by the prevalent culture of "enterprise" within the institutions which amounts to an abstraction of the social dimension. More than one politician responsible for social affairs has commented on the problems usually experienced with those managing economic policy and the abstract context within which their criteria are usually debated, which means that funding is only provided where there is a genuine political will in the government to resolve the problem of exclusion, that is to say, sufficient social pressure and persons with an anthropocentric and political vision of the economy, work and culture in general.

#### *- Coordination as a strategy for innovation in promoting the new social economy*

This context encompasses the current debate in Spain concerning the regulation of new economic mechanisms for combating exclusion, which are generally referred to as "integration enterprises" - although this term covers integration mechanisms of different types. Regulation of forms of economic organisation is such that, until the most recent amendment to the *Ley de Contratos del Estado* (Public Procurement Act) in 1999, these enterprises, officially constituted as cooperative or commercial enterprises despite being non-profit because of their social objective, were discriminated against in favour of 'normal' businesses operating in the public works sector

Whether or not there should be incentives for intervention and **public assistance for socio-vocational integration through integration enterprises or organisations** is a burning issue

at present; it would seem that neither are incompatible with the other, since both have different aims and support within the broad framework for action relating to the social and economic integration of the different target groups among the socially excluded.

The differences between these two notions derive firstly from a more functionalist viewpoint, in which the enterprises are linked to the traditional networks of private welfare, which supports the notion of integration enterprises involving a cash benefit and secondly from a more reformist view, which sees this means as a new way of redistributing the private profit generated by contracting out public works and creating greater salaried employment. This second view is that held by the Catalan Association of Integration Enterprises, among others. Behind these forms of interpretation is the question of access to **sheltered markets**, that is to say the reserving of a proportion of the public procurement market for enterprises which use this work context as a transitional channel (3 years, pursuant to the autonomous community regulations in Catalonia) for the socio-vocational integration of excluded persons. In other words, they incorporate social provision into public procurement. To this end, various reports on the legislation have been drawn up which indicate that it is appropriate, within the current legal framework, to include these types of provisions in public procurement, without restricting the principle of free competition. It has therefore been a practice used in a number of autonomous communities, including Catalonia and Madrid.

However, where this take place without first coordinating the partners involved in the economic area, it has given rise to labour law problems in which judgements have been delivered both for and against, in the absence, for the moment, of legal precedents to guide the law. This was the case with regard to the proceedings between the association of contractors building public social housing and the Community of Madrid. However, this was not the case with the municipality of Gerona in Catalonia, where the **creation of an Economic and Social Council in which economic strategies for combating exclusion, including the creation of sheltered markets for integration enterprises, were agreed and approved in coordination and officially with the social partners and enterprises** meant that problems did not arise. The *Ponte a Punto* programme in Catalonia has been a pioneer initiative in the creation of this type of strategy involving horizontal and vertical coordination between administrations, social partners and social enterprises, in addition to other major organisations on the Monitoring and Control Committee of the integration and minimum incomes programme (PIRMI). Although other types of problems have arisen which will be analysed in the next chapter, it nevertheless marked the beginning of a very interesting culture of coordination which has generated various synergies in the area of social learning and networking, which have gradually converged into the Neighbourhood Contracts and the del Vallés Territorial Employment plan.

Nationally, the only measure to date promoting integration enterprises has been a provision in the *Ley de Acompañamiento del Presupuestos Generales del Estado* (State General Budgets Ancillary Measures Act) for 2000, approved at the end of the year, which subsidises 65% of the Social Security contributions for recruitment by non-profit “organisations” engaged in the labour integration of excluded persons. However, the legal uncertainty stemming from the fact that the concept of “social intervention”, which may accompany the productive activity developed in social integration processes through employment, is not provided for in State legislation, which has sole competence for recruitment matters, persists. This may lead to problems for the bodies engaged in this activity in the event of labour conflicts, jeopardising both the financial security and continuity of the organisation. The veto of the draft bill for a *Ley de Inserción Sociolaboral* (Socio-vocational Integration Act) by the Ministry of Economy and Finance was definitive, and compelled the amendment of what was provided for in the National Employment Plan for 1999, with the word “*launch*” being replaced by “*promote*”,

which, according to the president of the *Federación Española de Entidades de Empresas de Inserción* (FEDEI - Spanish Federation of Associations of Integration Enterprises), *was, of itself, evidence of rejection of the government's commitment to pass this law* (FEDEI, 2000).

- ***Coordination between traditional social partners and social NGOs: a consensus with ideological barriers which is not always convergent***

The trade unions have voiced their concern about the measure approved in the State General Budgets Ancillary Measures Act (CC.OO Employment Secretary, 1999-2000) and are calling for a meeting on these matters with the government, due to the **lack of a clear general framework on the socio-vocational integration of persons threatened by social exclusion**, on the sector's characteristics and the labour relations established in these integration enterprises, criticising the unilateral nature of the measures which the government has been taking. They say that the draft bill has serious lacunae and labour regulation aspects difficult to adapt to the current general regulations, pointing out that for social and labour integration the processes should be more comprehensive and linked with other activation policies, education, housing, etc., and cannot be approached as just from the point of view of "promotion of employment". They expressly state that *it is not appropriate that the target group should be defined as minimum income recipients*, which includes under vulnerable groups persons over-40s, young people, long-term unemployed with employment access problems, but who have no problems with *social civic participation*, since programmes already exist for them. The unions are especially concerned by the wage and disciplinary regime which may emerge in these enterprises in the absence of public or trade union control, which is the case. **They propose the need to create Integration Monitoring Boards**, at national and autonomous community level, in which the Public Employment Service and Social Services, the promoting bodies and the enterprises themselves are represented, which would provide the setting for the coordination and monitoring of effective enforcement of the regulations.

The trade union UGT also refers to the **need to create a national standard for minimum thresholds** which provides a sufficient budgetary allocation managed at territorial level, and which also incorporates the social programmes linked to Minimum Integration Incomes and contingent emergency allowances. They refer to the need for an Comprehensive Plan Combating Poverty and Social Exclusion, a key feature of which would be the Minimum Income State Plan. They advance their vision of homogenisation for the whole country through an agreement on minimums with the autonomous communities similar to the Concerted Social Services Plan. They also indicate that this plan and its associated integration programmes have to go beyond the Minimum Integration Income framework and be placed in a wider setting, such as that of pro-active policies tailored to the integration of especially disadvantaged groups, and that local development and new employment sources which generate activity should be promoted. They stress that it is paradoxical that flexibility be demanded to enable those not receiving minimum income to be incorporated into integration enterprises but is not demanded for the minimum income programmes themselves. So, in the words of trade union sources, *the need to regulate integration enterprises has shown up the shortcomings of the social wage in our country*.

These words bring us back to a factor already mentioned, concerning the possibilities of the excluded making their needs felt: **until such time as the organisations constituted as Integration Enterprises called for a law dealing with the regulation of their interests as organisations, the social partners had not been concerned with or noticed the vast inequality which the wide gap in minimum income models and their associated integration policies generated**. The most striking point is that this calls into question the

social representativeness of negotiations. The implication is that participation is being used as an instrument by the sector which is the most organised at state level.

At present, the social sector's representation in this field is being questioned, the FEDEI having emerged with a view to working towards an integration law after the first mobilisation of territorially-based social NGOs, which had an impact on the Government of that time. The attribution of representation across Spain, favoured by central government in the negotiating process for the draft law, but based solely on a small number of NGOs in the different territories, using for the purpose the territorial NGO networks close to their own ideological integration approach in order to officially justify their participation, has resulted in more than one conflict with formally constituted networks such as the *Red Española de Promoción e Inserción Social* (REPRIS - Spanish Network of Social Promotion and Integration) or the Catalan Association of Integration Enterprises, which have greater experience and consolidation.

This strategy and the absence until the last moment of the autonomous communities at the negotiating table has offended more than one sensibility, above all because, according to Montserrat and Rodríguez Cabrero (1996) in their study on the economic dimension of non-profit social services organisations sector, it is estimated that the "exceptional" NGOs (*Cáritas*, *Cruz Roja* (Red Cross), *ONCE* [*Organización Nacional de Ciegos* - National Organisation for the Blind] and *Obra Social de las Cajas de Ahorro*) administer 47% of total expenditure and 67% of grants. If we add to this the other subsidies which these organisations receive through the projects of associated enterprises, many of them integration enterprises, the proportion of public money received by these NGOs compared to the rest is extremely large, yet there is no real evaluation of their results as regards the socio-vocational integration of their users.

When this subject is brought up, the employer organisations say that *new legal forms are not required for integration since many private companies are presently creating integration possibilities for many of them since they are cooperating by directly recruiting excluded persons benefiting from minimum income programmes or social bodies such as Sadeco, Casino Madrid, Grupo Eulen, etc.* They state that there are companies which contract services from integration enterprises operating in their area, such as The Body Shop (which recruits from *Fundación Deixalles*), Acosta (which works with *Fundación Labora*), Ikea (with Assum, S.L., dependent on *Asociación Caleidoscopio*, *Balay*, etc.). There are companies which cooperate in social integration through their social programmes, such as *Caja Madrid*, which finances the Madrid Integration Income programme, *Microsoft Ibérica*, *Telefónica*, *Ericsson*, *Tabacalera*, etc. Some employer organisations also carry out diverse activities aimed at integration employment, including the *Confederación de Empresarios de Zaragoza* (Zaragoza Employers Confederation), the *Asociación de Jóvenes Empresarios de Madrid* (Association of Young Entrepreneurs of Madrid), the *Asociación de Empresas de Artes Gráficas, Papel y Manipulados de Aragón* (Association of Graphic Arts, Paper and Craft Businesses of Aragon), CEPME Aragon, etc. (Abad, 1999-2000). What is not said is how much social integration they achieve and the scarcity of these types of intervention. We should remember that the Spanish business fabric is mainly formed by small companies (SMEs) which are not usually intensive in capital or social ideology.

In short, the lack of support from the social partners has also contributed to the blocking of the law, according to some sources. But in addition to the **transitional integration enterprises** mentioned, which complete the pathway by integrating the user in the normalised market, there are **other forms of integration employment resulting from coordination between social NGOs, administrations and the social partners**: the **mutual social**

**enterprise**, which is an end in itself – excluded persons work in it until they decide to leave and the work is part of a wide range of possibilities. One example is *Traperos de Emaús de Navarra* [Emmaus International in Navarre], and there are also many which work with ex-drug addicts. There are also **social enterprises providing services or time exchange**, such as the cooperative of single women with dependants in Seville, and **sheltered enterprises** based on associations, such as those developed by many social NGOs such as Gaztelan in Navarre. **Temporary work integration organisations** are also active, and include associations such as PM-40<sup>40</sup> - which works with the over-40s in many municipalities in Spain. **Temporary work integration companies** exist, such as Lester ETT (*Empresa de Trabajo Temporal* - Temporary Work Enterprise) - which operates in the unskilled services market. **Special Employment Centres for the Disabled** have been created as has **social sheltered employment** through the administration of special employment plans for recruiting those with special difficulties; **vocational workshops and educational farms**, especially designed for difficult groups as a form of social therapy, exist in all the Communities studied. The common factor among these enterprises is that their principal activity is the production of goods and services for the market.

- ***The collective dimension and the purposes of coordination for integration***

One controversial issue arises, as regards the complex world of integration aims postulated by the different groups of social organisations, which is linked to the collective dimension which anti-exclusion strategies may attain as catalysts for more far-reaching changes in society's living conditions or, conversely, as a means for ensuring social harmony.

This relates to the type of politicisation which stems from social action, together with the commitment required for mutual action. On the one hand, as a number of authors point out (Jerez, 1997; Alonso, 1999), there is the progressive fragmentation of policy management mechanisms and the concentration of decision making in the economic-financial sphere, and on the other hand this process is leading to "privatisation of solidarity" which at times overlooks the comprehensive process of change required of processes for combating exclusion. The diversity of forms and cases of exclusion obscures, at times, the socio-structural and collective dimension which individualised treatment or treatment in small groups requires.

If the aim is to encourage active citizens within a new Social State, their reconstruction as individuals should be promoted and this necessarily involves giving them the capacity to take their own decisions in a responsible and informed way, as the "knowledge society" requires. But to achieve this, a comprehensive approach must be taken enabling a return to social issues, characterised economic abstraction. This means that a change in political culture is required for re-socialisation of the regulations, values and processes affecting the work and life of excluded persons, reaching beyond the rationale of the General State Budgets, of the major pressure groups or algorithms based on employment.

**Returning to the social and political dimension of work is a challenge for integration.** Coordination strategies can be useful in this respect also. By setting up participatory forums in which the problems of structures (and also persons) are identified, provided that the purposes of integration are considered in the objectives and evaluation, communication processes can begin between partners who are, on occasions, ideologically opposed. And,

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<sup>40</sup> *Asociación de Parados Mayores de 40 años* - Association of unemployed over-40.

since the building up of consensuses is always achieved on the basis of power or seduction, the art of negotiation re-enters the political arena and at least facilitates socialisation in communication between positions which may seem opposed and may offer a margin for manoeuvre.

**Coordination and the process emerging from convergence/divergence in negotiation of the diverse logics (calling for the construction of new codes) opens up new scope for re-socialising processes, regulations and values** which sustain new, more distributive economic models and bring debate closer to the reality on the ground, that is to say, that every economic action has a social and political dimension.

On the basis of this, a bridge could be built between private solidarity and social solidarity based on justice and equality of citizens, and not merely before the law. In the case of minimum incomes, this would also be a first step towards the construction of a more integrated knowledge society. There is no point in temporarily investing in individual labour integration schemes if, at collective level, the foundations are not laid for a change to the socio-economic climate to prevent the proliferation of 'exclusion-creating' situations in society and to prevent persons who have been integrated from again being threatened by exclusion.

### **Reality and rhetoric on user participation**

In establishing codes, objectives and processes of coordination the problem which arises is how to organise the participation of the programme users to ensure that the programmes respond to their needs. Sometimes the solutions provided for their problems have more to do with how they are viewed by taxpayers, by corporatist groups or by those who are aware of the problem of exclusion and poverty from their own subjective morality, than the real needs and interests of the programme users, which also are always socially constructed.

This becomes quite complicated in practice, due to the different cultures pervading the institutional setting both vertically and horizontally, on the one hand, and the cultures derived from the different types of organisations affecting the players involved on the other hand: economists focused on the quantitative and financial dimension of problems; psychologists, sociologists and paedologists, depending on the school to which they belong, are more interested in the activation of skills as a human resource or citizen; social workers and the voluntary sector are concerned with a welfare tradition more open to the user; trade unionists have productivist views and labour rights concerns; employer organisations more interested in technical qualifications, etc. Also, depending on different hierarchical positions, when the participation pathways for users are to be mapped out, each understands them in a very different way, although almost always, given the social characteristics of these minimum income or anti-exclusion programmes or of the plan for casual agricultural workers in Andalusia and Extremadura, the users are considered "socially handicapped", and there is a very marked trend for each institution, depending on its own idiosyncrasies, to treat their problems from different angles, but with criteria irrelevant to the needs of the users themselves, whose participation in many cases continues to be "an obstacle to be overcome" rather than a necessary resource.

In any case, the question of **the participation of users or of their organisations in the coordination of projects is especially problematic**, due to the sociological user type taking part in these programmes, the penetration of monetarist welfarism in this population segment and their justifiable lack of confidence in the institutions genuinely resolving their problems.

- ***Obtaining results from coordination in integration calls for openness towards real and informed participation by users: official participation is not always real***

There are well-intentioned practitioners or technocratic circles which, in order to get round “political correctness”, admit a user organisation for its contribution to a project, but without conveying the information available for taking informed and responsible decisions. Normally these small organisations, when they exist, are not capable of arguing their case, because they are not aware of the organisational options or available resources; they are faced with a plethora of technical contents proposed and concerning which they often consider that they should try appear in a good light when the administration is providing leadership, for they believe, at times correctly, that the resources to be received by their organisation depend on how condescending they are.

On occasions, there may be a self-interested manipulation of participation in order to “sell” coordination as a result which, paradoxically, **runs counter to the purposes of social integration**, formally defined beforehand. This has occurred in some projects, skilfully handled by the administration which heads it, such as the Seville Urban Plan, which even received several international awards for the degree of participation achieved: the Social Council formed by the neighbourhood associations and grass-roots organisations was used merely as a sounding box for the “achievements” of the municipal authorities. The possibilities for participating and influencing the management of the Urban Plan were nil. Despite this, the Urban Development Department of the then Seville city administration, the promoter of the Plan, presented the Seville Urban Plan at all levels as a model example of participation, and was even rewarded with European recognition of this “achievement”. At the same time, the impossibility of real participation for the area's users gave rise to the emergence of an unofficial parallel organisation, the *Plataforma de afectados por el Urban* (Platform for those affected by the Urban Plan) which brings together different sectors: organisations forming part of the Urban Social Council and dissatisfied with its operation; persons who have had to leave their homes because of speculative pressure; others who have been threatened; professionals, etc. The Plan involved breaking up of one of the few medieval roadways which remained in the historic city, the eviction of families, the expulsion of a large part of the low-income population resident in old rented buildings and led to numerous protests, complaints in the press, etc. But when the external evaluators arrived they were presented with the Social Council's official line and a few neighbourhood and shopkeeper associations were quoted as saying that *the neighbourhood is fine* for it is becoming *very clean*, meaning that the poor are being driven out and part of the historic and cultural heritage is being destroyed by the speculative construction pressure. The real incidence of coordination and participation has been very bad for the excluded, but very good for the developers, shopkeepers and the middle class. This has been “sold” and rewarded as good participation. When interviewed about the case, the technical head of the Administrative Unit for the Urban Plan in the Ministry of Labour and Social Affairs in Madrid said that it is the *Economy which carried most weight*, in other words, the social aspects are displaced by economic considerations, and this, moreover, is endorsed by “social participation”.

- ***Participation by the users in coordination calls for qualitative interpretation-translation of their needs, clearly set out in the socio-vocational advice process***

In social services and specific social organisations, the user's initial request is usually first assessed through interviews, which is the most frequent practice. When users approach the social services or an advice scheme, they are looking for a job or income and in many cases do not understand the administrative structure on which the whole process is founded, nor

show any interest in going further than receiving what they seek in an individualised form. This is a frequent complaint from social welfare services: the lack of interest and even annoyance which users express when they are asked for more participation.

The users are not aware of the extremely complex institutional and political framework and have prejudices about the functioning of the world of administration, which they only view as an authoritarian universe, which they are trying to circumvent. But this institutional framework imposes its rules upon them, as regards “course-based” training which is often useless, the area of work which they think they can access which condemns them to unemployment or cyclical work precariousness, the work their children can access, etc. The enormous amount of prejudice, on occasions justified, means that logically, with their different subcultures, they try to optimise with the minimum effort what they believe they are entitled to: a job or an allowance.

This is where, for the personal adviser, the difficult and slow task begins of revealing the universe of expectations which limits the real possibilities, to a varying extent, which the users may have. Widening their social education by **creating communication mechanisms with codes which the users understand**. In this context, the social organisations or social workers of the social service administrations, less rigid than many administrations and closer to the daily life of various groups, are better positioned, having a knowledge of the codes **to establish communication processes which progressively bring prejudices into the open and open up new expectations which facilitate integration through participation**.

The problem is that the world of expectations which opens up to users is very much restricted to them learning to “adapt” to the requirements of the intermediary enterprises or institutions, when the origin of many of their situations is precisely the fact that they have adapted to a situation of waste without hope for change, so that they have reached total passivity or abandonment, sustained in a subculture of subsistence in poverty with or without benefits, or, not agreeing to being *domesticated* or exploited *until there is no other remedy* (they have immediate needs or dependants), especially the children of users, or young people leaving care centres or rural day-workers

How is it possible to argue against this when the situation which the market offers them is really as bad as they recount? In many cases, this leads honest professionals either to give up or to opt for official technical practices, since, for them, the users' lack of expectations manifests itself as refusal to participate in everything which is not compulsory for obtaining what they are looking for (work or income) or rejection of involvement in a more extensive pathway which may result in a possibility of greater mid-term stability. However, in this respect, there are **significant gender differences**: women with dependants usually have less of a tendency to reject than men, put care of their children before any other reasoning, and are much more open to participation in order to obtain work, but less ready to accept a commitment to public or collective participation, precisely because they have children.

So what arguments can be postulated in order not to deceive users and so that intervention through policies really leads to social integration as full citizens? Beginning by being considered as individuals in their own programme and not as *socially handicapped*? Is it really possible for users to participate in the coordination strategies of minimum income programmes and the other more or less parallel systems?

**Having services with sufficient human and financial resources which work for integration from a holistic perspective (work, income, housing, education, etc.) requires effective coordination** affording good awareness of the environment and its possibilities and

good mechanisms for diagnosing the needs of users, which may differ depending on the degree of disadvantage or social exclusion which they experience. This is the reason why, in the regions studied - Catalonia and, especially Navarre - there are different alternatives for integration pathways.

The first stage of reception and in-depth interviewing of the user is fundamental, for it must supply the information for interpreting the user's immediate needs and potential and how they may be resolved in a concerted fashion with other administrative departments or bodies by starting along a pathway. **A correct and realistic interpretation will depend to a great extent on the interviewer's capacity to bridge the distance between what the user says, his real living conditions and what he does or can do.** Empathy or seduction is essential for gaining the user's confidence and establishing a communication process which is as open as possible, but also capability of transferring confidence and useful information in order to enable the user find out about and truly change his work and social expectations. To achieve this, the less formalised and authoritarian the atmosphere, the better.

**The communication difficulty due to the latent conflict of interests which is often present between practitioners and minimum income or social protection claimants** means that it is often difficult, in the first interview, to ascertain the user's real expectations and needs. For this reason, in some fields (the programme against exclusion funded by a levy of 0.52% on personal tax of the Ministry of Labour and Social Affairs) a method has been tried out with a view to obtaining better information on these matters, and therefore greater real participation, by **eliciting processes of transfers** relating to archetypal characters in groups of 5-6 users, who, with the practitioner's encouragement, discuss the problems of the characters and their situation as regards the family, work, advice services, debate of work possibilities, etc. **The integration technique which has been developed consists in eliciting communication between peers using an audio-visual medium based on the reference target group**, in this case young people (Gavira, 1999), although it is also being applied to target groups of women. The communication guidelines in these groups are much more efficient in directing users more precisely towards their interests and real possibilities.

- ***The possibilities for scope of participation in the coordination of users depends on the type and degree of exclusion***

Catalonia recently introduced a **special distinction between guidance counsellors based on the degree of exclusion**: on the one hand, those excluded from benefits and work, and on the other, those who also have other social problems. In both cases, an integration commitment is concluded which, in Catalonia, is mandatory to receive minimum income. In Navarre, the statutory aspect of the integration commitment was amended in the *Ley de Lucha contra la Exclusión Social* (Prevention of Social Exclusion Act) (1999). This agreement is now an open programme of activities which the user accepts on a "voluntary" basis. This follows the recommendations of the evaluation carried out by Aguilar, Gaviria and Laparra (1999), which advised that the agreement should not be imposed, given the dual right inherent in minimum income: to a basic cash benefit and work. In this way, the relation established through a non-authoritarian agreement can gradually instil confidence in the user towards the practitioner and improve the help the latter can offer. The user's self-esteem also improves through the negotiating process, keeping him involved with the programme on a flexible basis, so that he progressively discovers his own capacities and the resources available in his immediate area.

- ***Participation of users in coordination requires professionalised social mediators in order to achieve the necessary empowerment: the group as a social and political framework for construction***

**The figure of the social worker or counsellor as a tutor or mediator with the capacity and training to resolve “friction” with other members of the network with views which are more culturally removed from this type of user, is essential** for achieving good results and eliminating interferences, misunderstandings or other problems which may arise and which are frequent, due to the social stigmatisation which this type of user experiences from the more commercial viewpoints of departments of employment, housing or others.

There is agreement between grassroots workers that, in guidance sessions, the person should be considered from every angle, not just vocationally, even though the path to work may be the way to integrate the other aspects. From this, it follows **that the holding of individual sessions is advisable, combined with other collective preparatory workshop sessions**. This promotes heterogeneity, by including persons with social problems with others without them. Thus stigmatisation is prevented and, above all, this practice makes it possible to discover the possibilities **of the group as a mutual support social sphere** in which, through group dynamics, compensatory mechanisms are discovered among individuals with different degrees of empathy, which create primary links, as a first **stage in community-awareness enabling a basis to be constructed for awareness of one's own identity from a more collective viewpoint of problems, which may be the embryo of a more societal group**, which boosts their autonomy on the basis of strengthened self-esteem, and also through the **discovery of the potential relational and political capital** which can be gained.

This is the beginning of an integration strategy which, through an individual-group pathway, **in addition to providing income for the user which helps him to overcome economic poverty, deals with the relational (social) and political dimension**. To achieve this calls for self-discovery accompanied by the capacities and potentialities which work integration facilitate, going beyond what is strictly vocational as a means of acquiring skills, which nevertheless must not be overlooked through training and/or work experience in different work situations. It is only where this dimension of **empowerment in the practice of proactive advice policies** is put into operation that there is a **possibility that associations of users may emerge to defend their own interests**, capable of participating in policy coordination forums. But this level of integration requires wide and professionally constructed pathways and, above all, that the user's situation allows for this type of intervention.

Unfortunately, there are very few coordinated systems for social integration in which training and qualification are flexible enough to adapt to the users and not the reverse, which is usually the case. **A territorial network with coordination between different players can help to overcome the administrative rigidities of vocational and professional training**. A strategy followed to give flexibility to the rigid patterns of vocational training has been to use collective agreements with companies to provide work practice training by making use of the network coordinated with local employers. For example, this has occurred with the Now-Carmona Employment initiatives in Andalusia.

In the case of highly disrupted persons who, as a result of drug addiction or other problems, reach their psychic health limit because of marginalisation, full social integration as individuals with the capacity for decision and participation in more extensive coordination measures is very difficult. Since the users suffer from exclusion and are mentally affected, the first objective is social integration. In these cases, labour integration is conceived as therapy rather than an economic solution. For this reason, these users should be allocated an income which gives them a decent life and provided with spheres of participation in their own programmes. This is the case with centres such as Traperos de Emaús de Navarra, which carry out impressive work. Operating on quite a substantial scale, they declare and comply with their aim that the more independent they are from administration subsidies the better. But it is

extremely difficult for this type of socially and personally disrupted user to come to represent, independently of the centre he belongs to, group interests in more extensive coordination forums.

## **From construction of consensuses to compliance with commitments**

However, **achieving a consensus between players and organisations through coordinated projects does not necessarily mean that this will lead to commitments being undertaken** as to who diagnoses, and how, the situation of precariousness and poverty, how to implement the processes for achieving social and labour goals set by integration plans and projects, which tasks correspond to each of the parties involved, and who, and based on which mechanism, is responsible for monitoring what is being developed.

There are a series of issues which interfere between discourse and practice, **obstructing coordination processes**:

- Social hierarchical layering of institutions due to the tradition of enterprise in administration which gives a key role to financial resource providers;
- Rhetorical use of coordination by politicians or prime mover administrators in order not to intervene effectively or to impose their own interests;
- The use by parties, or by factions within a party, of policies as a bargaining chip in the political arena;
- Rivalries, due to limited resources existing, between the service providers and target groups of excluded persons;
- Fragmentation of strategies and the fact that the 'manifestos' of the social partners are not followed by their representatives;
- Lack of professionalisation of practitioners and the high input from the voluntary sector, the job insecurity and/or technical or political precariousness to which most persons recruited in the programmes and projects are subject, which implies that agreements are extremely fragile;
- The lack of a culture of coordination between practitioners, politicians and NGOs which leads to: information and resources being seen as a private asset, communication and referral of users being used unofficially only, avoiding any diagnostic, planning or monitoring which calls for the creation of ad hoc spheres, or no value being given to time for negotiation, the creation of consensuses and mechanisms for feedback, and monitoring of the projects and programmes.

- ***The importance of informal coordination processes for ascertaining the interests of the members of a partnership***

One of the sources consulted, a head of social services minimum incomes administration, referred to the fact that some politicians are not interested in carrying through their electoral promises or the proposals of the social partners or the reverse; one of the tactics used was to set up a coordination committee, in which each party meet for the first time and, as their interests are very distinct and opposed, consensus is impossible, so that what is done is what the prime mover had previously planned given that agreement was impossible in any case.

This shows the need to achieve an efficient and democratic coordination process, for a formally structured communication channel which has already been shaped by a technical process approving communication codes at an informal level, in order to move on to the

formalised political level. Coordination in this area intersecting welfare policies and employment policies requires a preliminary **clarification of the meaning of the institutions' codes in order to establish communication flows**. Formalised fora for **constructing consensuses** on the purposes of coordination and to ensure that these fora do not exclude any of the parties involved. Another requirement is the **active and informed participation of users already supplied with codes** which help them to interpret what practitioners and politicians in different fields of competence (employment, welfare, training, housing) and territorial strata are saying.

Efficient management of time is the key to avoiding discouragement and any impression that time is being wasted between the players involved. In this respect, the new technologies and information databases which are being introduced progressively and informal communication which introduces flexibility into administrative rigidities are very helpful. In Catalonia, for example, social workers in local partner centres can consult any user's file using the Internet, although they cannot directly change its details. The only problem is the loss of quality information as a result of digitalisation and welfare departments' losing the habit or option of constantly updating files.

**Public resources also become more efficient when measures promoting coordination are instituted.** The problem is that all the groups or organisations involved do not always identify their interests in the same way, nor are objectives clear in the short and mid term: what to coordinate and for what purpose. For example, the new partners who are administering welfare and employment policies, given the decentralisation of resources, see themselves being sweep into the logic of the public services market in which the efficiency of results will depend on both selection of users and political relations which afford them a share of access to their administration through lobby type practices. Their interests are to obtain resources for maintaining their structure and to provide a service for users, which, depending on their information-training or needs level, will present varying requirements regarding the quality of services. If coordination methods are not instituted favouring monitoring and control which generates transparency mechanisms, perverse situations may arise, such as citizens with more severe exclusion problems being kept out of schemes since they may prove very expensive. The same could be said about the use of social employment programmes in which qualification and training strategies are not established because they operate in unskilled areas, so that the end of the process users are back to the starting point but at a high cost, as occurs with the *Planes de Fomento del Empleo Agrario* (Agrarian Promotion Employment Plans) or the *Planes de Empleo Social* (Social Employment Plans) in Navarre.

## 2. GENERAL FRAMEWORK FOR STATE INSTITUTIONAL COORDINATION PROCESSES

- *The reference framework for the General Social Protection System is based on a financial rationale: The Toledo Pact as a formal coordination strategy leaves many questions unanswered*

The national reference framework for general social protection is the complex **National Social Security System, in which there is extreme fragmentation of institutional partners**. A distinction must be made between benefits intended for all citizens, which also cover excluded groups (contributory benefit system) and benefits not based on contributions (the non-contributory benefit system). Theoretically, it is this latter system, at autonomous

community level, which cover minimum income policies. **Non-contributory benefits have national but not universal scope; they do not reach everybody who needs them**

Currently, **the rationale underlying this system vertically derives from the confluence of economic** (budget tightening policy and security system provision), **social** (pressure from the trade unions regarding social cohesion and of the employers for the reduction of their contributions) and **political** (complicated inter-regional equilibrium and tensions between the central administration and autonomous community administrations) **factors**. The stated objective is a confluence of these factors ensuring participation in the construction of a political consensus, which sets the rules for interaction between different interests and provides for the distinct aspects of the factors set out above.

The organisational instrument underpinning the Spanish Social Security System in recent years has been the **“Toledo Pact”, approved in Parliament on 6 April 1995**. Although it does not have a period of duration, it makes provision for the setting up of a committee each five years to study the present and future operation of the Social Security system, as a guarantee of its continuity, its reform being one of the first and major issues on the new political agenda of this Parliament. According to CES (2000), this pact's **“ultimate purpose is to improve the Social Security accounts, guaranteeing the survival and enhancement of the social protection regime**, not only benefiting the current social benefit claimants but also those who may be so in the relatively near future. This type of formal coordination, however, has not covered all risks of latent political conflicts, giving rise to a paradoxical situation, as will be seen below; division of powers between the State and the autonomous communities was not established before the latter's creation, nor was the weak economic situation of the most disadvantaged groups taken into account.

However, given the Pact's economic and financial basis, one of the first objectives applied led to changes being made in Social Security: *Consolidation of the contributory and non-contributory spheres with a view to social contributions financing contributory benefits together with costs derived from their administration and functioning, and State allocations for benefits of a non-contributory and universal nature*<sup>41</sup> (CES, 2000). The problem is that it takes as a starting point economist shortcomings which do not contemplate the content of what is at stake and the right to a minimum income provided for in the Constitution continues to be left out of non-contributory benefits.

The prospects for the Social Security system have improved, mainly due to the economy's high rate of growth over the last three years in a cycle which does not yet appear to be coming to an end and the positive trend in membership of the system, which could favour a more decisive intervention in favour of the most vulnerable groups. However, the emphasis is placed on **changes to the financial structure**<sup>42</sup> and **separation of the sources of financing**, so that with regard to non-contributory benefits in the year 2000, INSALUD<sup>43</sup>'s health services, IMSERSO's social services and allowances for dependent children are totally

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<sup>41</sup> Expenditure on pensions, in their contributory and non-contributory forms, amounts to 91% of cash benefits and 59% of total expenditure.

<sup>42</sup> These changes were introduced in the gradual process of altering Social Security financing in Spain, resulting in a major reduction of 27 points in the participation of social contributions from 1977 to 2000, offset by the almost 30 points more of current transfers from the State, without counting capital transfers which are also State appropriations, and commitments to return State interest free loans which, undoubtedly, will reduce capacity to contribute to the Reserve Fund from the point at which their return begins.

<sup>43</sup> National Institute for Health.

covered by State contributions, while the State contributes a minimum amount to minimum pension supplements.

With Social Security **surplus for 1999, a reserve fund has been set up**, provided for in the Toledo Pact, with the *purpose of minimising the effects of unfavourable economic cycles* and although it is not stated for whom, it seems obvious, given the low rates of unemployment cover and of protection against exclusion, that there are current needs which are not covered or inadequately covered. This is particularly so bearing in mind the fact that the State has not even had to use additional financial appropriations, as has been the practice in the past. The government decided to allocate 100 000 million pesetas to the reserve fund to be used only for the income of those who have the least, based on revaluations of minimum pensions pursuant to the pact concluded between the trade unions and the government within the Standing Committee Monitoring (the Pensions Agreement) which introduced an additional increase, above the consumer price index, for a number of contributory minimum pensions and non-contributory and welfare pensions, in the wake of a political conflict of powers with a number of autonomous communities. The latter used their constitutional powers to increase the threshold for these pensions, on the grounds that they were based on a figure of 55% of the national minimum wage in 1999, a percentage which had been maintained since 1995. Even lower are "the minimum income guarantee subsidy" provided under the *Ley de Integración Social de los Minusválidos* (LISMI - Disabled Persons (Social Integration) Act) and the welfare pensions, both of an identical amount, which have not varied since 1992, when they were equivalent to 44% of the National Minimum Wage and in 1999 only 36% of this wage.

With regard to financial control with respect to the model, measures to control fraud are also important for controlling expenditure. These have mainly focused on greater control over temporary incapacity and invalidity, both concerning the award of a benefit and the period of entitlement. To this end, **a coordination strategy in which responsibility for invalidity-related matters, which various bodies have been performing, has been vested entirely in the National Social Security Institute**. The most significant measures are those aimed at achieving **increased coordination with the Public Health Services through an agreement between INSALUD and the autonomous communities with powers over health matters** (1996-1997), the Health Financing Agreement of 1998, the attribution since 1997 of powers to National Social Security Institute doctors to carry out check-ups, and the development of information campaigns to make citizens aware of the lack of solidarity implicit in undue use of this benefit.

All this means that the total amount of Social Security expenditure as a ratio of GDP remains at a percentage very similar to that of 1995, at around 15%, and a downward trend may be forecast, a circumstance influenced by measures to improve management and control of fraud, which allow for growth rates higher than that of GDP.

The result is a public pensions system in which some pensions are a long way from a moderate minimum wage, with a gap between maximum and minimum pensions ranging from 1 to 8 within a constitutional system of sharing of powers accommodating a wide margin of interpretation in favour of the autonomous communities. This has led to actions and debates, such as those of 1999, **in which political interest cannot be excluded, despite the fact that the Toledo Pact, signed in 1995 and to be renewed from April 2000, sought to ensure that pensions should not be exploited politically** (CES, 2000). The Spanish constitution recognises that the State has exclusive powers over basic Social Security legislation — without prejudice to their services being implemented by the autonomous communities — and, also over the financial regime (Spanish Constitution, Article 149.1.17).

By conferring on the general bodies of the State the power to set the Social Security thresholds, the Constitution aims to ensure uniform regulation and enforcement through the State in the general interest, which is greater than that of the autonomous communities. **On the basis of this, each Community can develop its own powers and improve, where appropriate, the common and minimum levels of social protection.**

As regards the financial regime for Social Security, the State is of course assigned **all the regulatory powers, but this also entails the attribution of the necessary administrative and executive powers to configure and preserve a single and unitary public social security system for all citizens.** In this regard, the Constitutional Court has ruled that the statutes of the autonomous communities may not compromise the unity of the system, distort its uniform economic operation, call into question the State's rights over all Social Security resources, nor cause or promote, directly or indirectly, inequalities between citizens; therefore the powers of the autonomous communities must be reconciled with the powers of the State over administration of the financial regime of the Social Security system as a guarantee of the unity and solidarity of the public system (Constitutional Court Ruling 124/1989).

- ***A regulatory rationale applied unilaterally to pensions: minimum incomes are in theory included in these State powers, but not in practice***

The recommendations of the Toledo Pact on pensions and the undertakings given in the agreement reached between the government and the most representative trade unions in October 1996 were enshrined in the **Ley de Consolidación y Racionalización del sistema de la Seguridad Social de 1997** (1997 Social Security System (Consolidation and Rationalisation) Act), which again did not cover minimum incomes. This Act, which now forms part of the *Texto Refundido de la Ley General de la Seguridad Social* (Amended Text of the General Social Security Act), states that surpluses in social contribution arising from the implementation of the Social Security budgets for each financial year will be allocated to a reserve fund in order to meet the system's future requirements, which overlooks the present needs of the excluded.

We should point out that, in line with the meaning which the General Law on Social Security gives to financial regime, the attribution to the State of exclusive powers over the Social Security financial regime includes **compliance with the principle of budgetary unity and State control of the Social Security funds**; otherwise, it would not be possible to ensure effective enforcement of the principles of a single fund and financial solidarity nor, therefore, the unity of the system. In accordance with this, **administration of Social Security System funds earmarked for services or benefits in any autonomous community falls exclusively to the State** and may not be assumed by the autonomous communities pursuant to their statutory powers for administration of the Social Security financial regime (CES, 2000).

**The constitution lacks a unitary and adequate approach to social services.** References to this subject are made in any case expressly and not, disparately, in various regulatory provisions: maintenance of public Social Security system ensuring adequate social assistance and benefits for situations of need (Spanish Constitution, Articles 41.1 and 149.1.17); the commitment to a policy in favour of the physically, sensorially and mentally handicapped, who must be given the specialised attention they require (Article 49); promotion of the welfare of senior citizens by a system of social services which will attend their specific problems of health, housing, culture or leisure (Article 50).

**The constitution sets out the list of subjects for which the autonomous communities can assume powers** with regard to social welfare outside the Social Security system (Spanish

Constitution, Article 148.1.20). There is no doubt that the autonomous communities, in their respective statutes, have assumed exclusive powers over social services beyond social welfare so that they have acquired a key role in the organisation of structures providing social services throughout the national territory.

- ***Implementation by the autonomous communities of vertical coordination for social security is diverse and uneven, and perverts the financial adjustment aim which underlies the State's action to control expenditure***

In the autonomous communities, the developments in the allocation of powers over social security and social services have, to date, been very diverse. This affects coordination processes. **For social security**, the various communities have not always assumed the same degree of powers. Seven communities (the Basque Country, Catalonia, Galicia, Andalusia, Valencia, the Canary Islands and Navarre) have all powers constitutionally possible devolved to them: legislative implementation of basic State legislation and enactment of non-basic legislation; enforcement of basic State legislation; administration of the Social Security financial regime; organisation and administration of their institutions, bodies and foundations, the State reserving to itself high-level inspection in this respect.

The rest of the autonomous communities have either assumed certain powers over legislative implementation and enforcement of basic State legislation, or the enforcement of State legislation through the limited management of some Social Security system benefits. The statutes of these communities, which have not been fully implemented in respect of Social Security, expressly provide for their possible extension.

**For social services**, all the autonomous communities have assumed, in their respective statutes, exclusive powers and implement other activities apart from social assistance within the list of areas they could assume. **They also have powers to enforce basic State legislation in the administration of benefits and social services of the Social Security system**. The territorial situation is very diverse regarding how situations of need are treated and which protection measures are instituted in each case, and their financial and legal system differences mean that citizens may not avail themselves of the same social services benefits in all parts of the national territory.

**This heterogeneity emerges, for example, in the Autonomous Community Minimum Income programmes** or in the degree to which the basic social services centres, financed under the Concerted Plan, are established. It seems clear that the present inter-territorial diversity allows for the possibility of action at autonomous community level on any matter relating to social welfare and social services (CES, 2000). This makes it quite clear that there is a need for review and coordination which has not, to date, been taken up for reasons of political competence and a misconceived understanding of budgetary adjustment, since, ultimately, the communities will be burdened with rates of indebtedness which will have an impact and distort the national balance of accounts.

- ***Top-down coordination between administrations, partners and social NGOs intervening in the design and management of social benefits and activation policies***

Coordination between social benefit policies and active policies for threatened groups from national to local level is quite weak. **Two instruments have been applied in designing policies: Pacts on specific subjects relating to social harmony with majority social organisations and the National Employment Plan**. Both involve the coordinated definition

of general objectives to be achieved (see Chapter 2), although as we have pointed out, the PNAE was presented to the unions who did not accept it, not so much because of its content but because of the issues it left out and the procedure for participating in it. Regarding minimum incomes, we have already mentioned how the 1999 PNAE Guideline no. 9 “Promoting a labour market open for all” envisaged, *inter alia*, the introduction of a socio-vocational integration law to provide persons threatened by exclusion with a suitable environment to improve their chances of obtaining employment in the ordinary market, restricting itself to a new employment motivation contract. It did this without making any reference to the minimum income programmes, although it did mention coordination between Social Services and Employment, which to date, only really exists in theory.

In the case of the trade unions, minimum incomes were on the agenda of the union platform, Unitaria. However, the social partners at central State level considered it to be “a minor issue” which the autonomous communities deal with – unsurprisingly given their inherent productivist stance. Until the finalisation of the draft law on integration centres, the trade unions paid no attention to the problem of the prevailing disorganisation and lack of a regulatory framework.

At present and as a result of the influence which social NGO sector is beginning to exert in Spain, the trade unions have asked central government to launch an initial round of negotiations on these issues, although we must point out that in the union agenda for negotiation of the new social harmony pact with the government the question of minimum incomes is not raised.

The position of the social partners concerning integration measures linked with minimum income programmes has been described in earlier sections: in principle the idea is not to create a system separate from the rest of pro-active policies, but an integrated system in which, in partnership with the social services and the public employment service, a part of their facilities are provided for persons threatened by exclusion who are supplied with resources for integration through recognised and publicly controlled bodies complying with labour regulations in force and that this is provided for in the system of devolution of powers to the autonomous communities.

The problem with the PNAE is that the policy design is top-down, that is to say, communicated by the Ministry of Labour and its executive branch, INEM, to other sections. This instrument has only official validity for coordination, affecting the design of policies and their distribution financially, for the rest of Spain. But given that the autonomous communities have not participated, except in the Council, the programmes and resources are organised by INEM, which gives rise to a certain degree of conflict in territories which are not governed by the same party or in which they are not partners in the government. This reaches worrying levels in the case of communities such as Andalusia, in which a strategy of confrontation between the central and autonomous governments has been pursued, leading to administrative networks which are, in many cases, parallel.

Unemployment benefits have not been devolved to the autonomous communities and so are still a matter for INEM, which administers them through its networks of provincial and local offices, without any type of connection between this type of policy and pro-active policies other than as regards priority for activation established for users collecting benefits or in programmes such as the active income programme or the casual agricultural worker subsidy (see Chapter 2).

Regarding pro-active policies, we have already mentioned the lack of flexibility for adaptation to the users' needs and the complicated administrative protocol which the advice schemes follow.

The reform of the Basic Labour Law will make it possible to launch the Public Employment Service for coordination of employment policy and benefit administration. In this system, according to the trade unions, it will also be necessary to include the system for activation and integration in the labour market of excluded persons, with the assistance of the Social Services.

As regards benefits deriving from the welfare system, neither is there a legal framework allowing for coordination through the Concerted Plan, which is currently subject to annual budgetary provisions.

- ***Coordination from above in accordance with political and administrative criteria basically related with fraud control mechanisms***

The Employment Plans imposed by Brussels are instruments which "make coordination obligatory", with the State making a special effort, for it must assume this responsibility vis-à-vis the European institutions. This does not occur with the autonomous communities, whose commitment is principally to their voters.

However, when it comes to establishing a framework for State coordination, this framework is affected, regarding the possibility of participating in decision-making, by **the factual and symbolic hierarchy of the institutions**: the institutional climate, in which practices and the market itself are strongly influenced by a spirit of enterprise, promotes a culture in which institutions and organisations are hierarchically organised depending on their capacity to control financial resources. This applies both at the different levels of an administration or organisation and between administrations and organisations. This culture places at the top of its hierarchy economic policy administrations, which impose their view on the rest. Thus they endow labour management with economist meaning, making it simply "a resource", a concept in which employment is managed as a production factor which follows the same technocratic logic given to the market, always influenced by the interests of specific groups through the politics of lobbying. This is derived from the European institutions, and reproduces at national level, for example, the lack of coordination prevailing between the departments responsible for managing the infrastructure and human resources of the Structural Funds or imbuing the concept of "employability" with extremely technocratic and economist ambiguity, so that it is easily exploited and redirected by national administrations in their own interests. At the lowest level of the budgetary and symbolic hierarchy are the Social Action and Social Services areas. The problem with these departments, although they are changing due to the spirit of enterprise pervading all the institutions, is the welfare culture in the sense of lay charity which is normally prevalent in autonomous community and local structures.

Thus, the anthropocentric and pluri-dimensional rationale underlying the administration of the right to a basic income and the right to work, housing, health and education, is often marked by these two opposites: activation, seen only as a prerequisite for adaptation to the requirements of companies or administrating bodies, or well-intentioned protection, by providing the user with an income and conditions which have no connection with the world in which the user must live when the short welfare period ends (so that he returns to the starting point now distrusting the institution's capacity to resolve his problem). This same symbolic hierarchy means that the users are politically and administratively on the bottom rung of the social ladder for everything, since they are not "useful" for the market. They are considered

second-class citizens when they try to take a position which they are assumed to not be capable of, such as creating a micro-business, encountering difficulties with the practitioners and especially with financial services. This explains the emergence of social bodies which are trying to cover, although in a limited fashion, this "social solvency" deficit by offering alternative financing strategies to achieve "economic solvency". The need to rescue the citizen, with rights and obligations and a political potential to be discovered and used, by means of personal activation through societal action - which would constitute, under an anthropocentric and democratic approach, the base of the new social society - is seriously compromised by the dominance of the economist approach and welfarism usually prevailing in institutional integration practices, so that there is rarely a real commitment to the citizen.

The general mechanisms for economic or political control, the sanctions imposed by the electoral market, play a minimal role in the case of the target users of minimum income policies. Diversification, fragmentation of interests, dependencies created, etc., weave together a 'virtual' representation in an empty social sphere of the individual and his social and political value, in pursuit of the interests of bodies representing him with varying degrees of good will (Moran, 1997). The results depend on the degree of power of the bodies involved in his defence: Spanish law only recognises the handicapped as a target group of excluded persons, thanks to the mobilisation pursued by their relatives since the 1970s which has resulted in a specific law on protection and social activation preventing their exclusion.

- ***Horizontal coordination: a sphere which is not always sufficiently open; the complex relation between institutions and the social sector***

The relation between administration departments and NGOs is influenced by both the structures and instruments in place and the political weight of the players leading the coordination process, depending on the party or faction to which they belong or their social sensitivity. So much so that the coordination process may have its structures and instruments threatened following the political replacement of the person responsible for a department when this relates to the person leading the coordination. If a culture of coordination and solid structures has not been developed, the coordination process can move to another institutional sphere or even come to an end. This has happened in some regional administrations, paralysing some programmes until leadership in supplying information and knowledge on the new needs of the coordinated system were taken up by another department (but generally, by the same individuals or by their political and technical partners).

Frequently, when coordination occurs between minimum income and employment policies, the initiative emerges from the social welfare or social affairs departments, either because of the political influence of its head or because it is considered a priority subject at government level. The lobbying work which social organisations carry out to inform political parties is very important for achieving results at government and opposition level in terms of regulation and participation of other departments and of the social NGOs themselves. This could explain the weight which some NGO networks, such as the Navarre Network Combating Poverty or the Catalan Network of Integration Centres, have achieved in their territory and the influence wielded both in their autonomous community and in the State (the president of the latter network is also the president of the Spanish Network Combating Poverty) which has favoured the introduction of regulations and laws creating rights which include coordination between departments and between players as the basis for integration, formalised in Committees dealing with the design, monitoring and control (with a plurality of players from various institutional levels and from ad hoc NGOs, but without user participation) and mechanisms for recording information (on users and partner centres in databases), of management structure (there are specific services) and external evaluation (quantitative on users).

At the opposite extreme, the disorganisation of the social NGOs integration sector in Andalusia, although better linked with NGOs outside Andalusia connected in their turn with various networks (REASS, AERES, Cáritas, HOAC, ATLAS, etc.), led to a lack of pressure in Andalusia which has had the result that, with the separation of the regional Employment and Social Affairs ministries, the only activation through training in place was suppressed, without any action or protest from the sector (which had been channelling its funds through a variety of programmes and institutions). Proof of this is that the initiative launched by the University of Seville Sociology Department to structure the sector led to the creation of an Andalusian network of integration enterprises (*Asociación de Empresas de Inserción Andaluza* (EidA) - Andalusian Association of Integration Enterprises). This association, from its timid beginnings in political activity, has managed to have its constituent NGOs included in the Integra-“SURGE” initiative, which brings together the activation policies currently being applied to excluded persons, including minimum income recipients, in the eight Andalusian provinces, although with a limited budget (see Chapter 4).

Rivalry, for the management of the financial and human activation resources for minimum income groups and the excluded in general, between labour and welfare departments is a constant which divides up assignment of the social organisations as partner NGOs. In addition, there is the rivalry between organisations forming national networks and those set up at territorial or autonomous community level, and their use by administrations, based on their ideological affinities, to justify the representation of the sector in different areas. The major beneficiaries of this are the major traditional organisations, such as Cáritas, which act, depending on the required area of representation, in their own name or through their organisations included in other networks, promoting the distribution of the relational and political capital of social integration organisations. The complexity is further compounded by the distortion created with regard to this panorama of fragmentation by a new type of commercial enterprise, in some cases multinational, which use as their strategy mixed recruitment of excluded persons, for whom they receive public integration funds and who mostly work in non-skilled tasks, and non-excluded persons to work in their administration. These enterprises are in some cases engaging in social dumping, as some unions have confirmed, competing against cooperatives or other types of small businesses involved in the unskilled services sector. **The complexity of purposes and social objectives, and their symbolic dimension**, is impairing the image of the sector, which, for various areas of public opinion, is presented as a very heterogeneous amalgam of NGOs (Jerez, 1997). For this reason, some of these networks are initiating processes to introduce ethical codes for conserving the social “image” which promote their social credibility and their position in the markets.

Organisations combating exclusion in general tend to channel their efforts through the leadership of the Social Welfare Department, the department with which they have maintained the closest relations, but also lobby different parties and governments and those responsible for employment, economy, infrastructure, education, etc. Their influence has had an impact, albeit modest, on vertical coordination between administrations, leading to an amendment of the Public Procurement Act in December 1999 which offers the possibility of including in public procurement a clause giving priority in public procurement for social reasons.

However, under the prevailing economic logic, the influence of the traditional social partners continues to be considerably greater. This is demonstrated by the fact that, after pressure from NGOs on the Ministry of Labour and Social Affairs resulting in the preparation of draft law on integration enterprises to regulate the sector, this document was rejected by the Ministry of

Economy due to lack of support from the social partners (according to practitioners and politicians interviewed, see Chapter 2). The social partners interviewed say that they would be more in favour of **a single system of protection**, welfare and activation through employment, instead of favouring further proliferation of regulatory frameworks. The problem is that under the Spanish legal system, apart from the traditional social organisations (cooperatives and worker-owned companies), there is no legal framework which provides for non-profit integration enterprises with a social objective. Only special or sheltered employment centres for the handicapped are recognised, but these centres do not compete in the market with other companies.

### **3. SPECIFIC ANALYSIS OF INSTITUTIONAL SYSTEMS OF VERTICAL AND HORIZONTAL COORDINATION**

In the analysis of specific coordination systems, it is practically impossible to separate the horizontal from the vertical dimension. Therefore, from an analytical and systemic perspective, we have chosen to pinpoint in each institutional coordination system those elements corresponding to the vertical dimension and those corresponding with the horizontal dimension, in line with the interpretative outline set out at the beginning of this chapter, so that once this analysis has been completed, the relevant conclusions on this type of coordination can be drawn.

The major institutional systems concerned with working-age precarious and excluded individuals will be analysed from the point of view of the framework of the structures linked to the relevant coordination systems and processes pertaining only to income benefits and activation measures aimed at this report's target groups. Institutionally, as set out in the previous chapters, these two areas are coordinated in Spain through two major systems: the National Social Security System and the State Employment System. The National Social Security System deals with social and economic protection and social services. The coordination networks for pro-active employment policies are established vertically and horizontally under State Employment System. Both systems are directed institutionally by the Ministry of Labour and Social Action. Minimum incomes, as we have seen, are only linked indirectly with these two large institutional systems. They are outside the Social Security system, and are only officially coordinated at autonomous community and local level.

Due to the institutional complexity and because the objective of this report is not to give an exhaustive description but an overview of the subject in order to pinpoint interesting coordination experiences, we will analyse in this section the most significant systems affecting the social groups which are the target of this research.

#### **National Social Security System- Political Coordination Framework: “Pact of Toledo”(1995).**

**Official coordination objective:** Restructuring of the Social Security accounts in order to guarantee the continuance and enhancement of the social protection regime.

**Institutionally directed by:** Ministry of Labour and Social Affairs. This level of political coordination takes the form of a series of practices, which form the basis of a series of subsystems for coordinating structures and players, led by different institutional bodies. Of note with regard to coordination with the Autonomous Community Administrations and interdepartmental coordination on Social Security and Social Matters is the institutional leadership provided by the *Subdirección General de Relaciones con las Comunidades*

*Autónomas e Informes de la Seguridad Social y Asuntos Sociales* (Subdirectorate General of Relations with Autonomous Communities and Social Security and Social Affairs Reports), accountable to the *Subsecretaría de Trabajo y Asuntos Sociales* (Subsecretariat of Labour and Social Affairs).

**Coordination instruments:** 1995 parliamentary agreement, which involves all the parliamentary political forces and the social partners as players. At administrative level, committees and inter-ministerial working groups whose proposals are subsequently negotiated with the social partners and political groups. Sectorial coordination conferences with the autonomous communities, convened by the Subdirectorate General of Relations with Autonomous Communities and Social Security and Social Affairs Reports. Plan Monitoring Committee.

**Specific platform for vertical and horizontal coordination:** Setting up of a committee every five years to study the current Social Security System and its future in order to guarantee its continuance. Informally, the platform for negotiation through the agendas of the corporatist pacts between the government and social partners in each parliamentary term or through committees on particular negotiation aspects resulting in specific pacts.

**Coordination results and problems:** achievements at a practical level include new budgetary and financial adjustments, greater control of fraud, a change to the financing model which is tending to lead to a reduction in contributions by the social partners, prioritisation of public expenditure cutbacks and protection for those who work, leaving out the most disadvantaged, the socially and institutionally excluded. In the wake of the disagreement which arose in 1998 and 1999 as regards the lowest level of pensions between some autonomous communities and the Government, the existence of a forum for consensus, such as the Monitoring Committee mentioned above, resulted in an agreement in 1999 between the Government and State confederations of the majority trade unions on minimum pensions, in the light of *the commitment to increase the protection provided to the most needy given the favourable economic trend* (CES, 2000), to raise minimum pensions above the consumer price index in 2000, although they continue to be below the National Minimum Wage.

At a symbolic level, a platform for legitimisation on which to build consensuses has been achieved, which aspires to transcend party or politico-territorial interests and the role of the traditional State social partners in social dialogue is reinforced, which exacts a toll on other coordination levels, such as that of pro-active policies, coordinated vertically and not integrated in this coordination system.

The most important problems obstructing progress with coordination are those based on structural conditions which are unfavourable as compared to other European countries, since the unemployment rate is very high, the numbers of women in work still low and the real cover provided by social benefits substantially lower than in non-Mediterranean countries. An additional obstacle is the lack of institutional consolidation of the State of Autonomies and the high percentage of social expenditure due to the proportion of unemployment benefits. Thus, this structure of weak social cover and the ambiguity of jurisprudence on State powers as regards social policies (CES, 2000) means that benefits can be used politically, to a greater extent than admitted, by autonomous community governments, and in their turn are also affected by the transition towards local decentralisation and the political tension generated, which affects relations between central government and autonomous community governments. The result is that problems of a socio-political nature affecting the territorial cohesion of the social protection system are controlled without the participation of these territories, or of the parliament.

The related structures are organised institutionally on the basis of this major system through coordination subsystems which have a direct impact on the groups targeted by this report from two angles<sup>44</sup>: first, the non-contributory cash benefit system, and second, the social services system and the programmes of policies associated with social integration or combating exclusion within the Social Security system.

### **System of non-contributory cash benefits**

**Directed by:** *Secretaría de Estado de la Seguridad Social* (State Secretariat of Social Security) and the *Dirección General de Ordenación Económica de la Seguridad Social* (Directorate General for Financial Planning of Social Security). Responsible for the technical strategy of monitoring and managing the Social Security budget and the preparation of proposals relating to the economic and financial aspects and planning of Social Security. It is linked with the rest of the structures through the Subsecretariat of Social Affairs and the Cabinet of the Ministry of Labour.

**Instrument of coordination:** Pact between the most representative trade unions and the 1996 government and the 1997 Social Security System (Consolidation and Rationalisation) Act.

Monitoring Committee for the Agreement on Consolidation and Rationalisation of the Social Security System, made up of representatives of the administration and of the trade unions, CCO and UGT.

### **Subsystems and related Structures**

#### National level

##### ***Non-contributory pensions subsystem***

**The Instituto Nacional de la Seguridad Social** (INSS - National Institute for Social Security): directs the coordination of the subsystem of territorial institutional structures for administration of work and family-associated pensions (see Annex 2), and is directly responsible for the payment of these benefits in the Communities which do not have this competence. It is also responsible for transfers to and monitoring of Communities which are competent for this area.

**Institute of Immigration and Social Services (IMSERSO):** directs the subsystems of non-contributory pensions for migrants or handicapped persons and certifies the type and degree of labour incapacity or disability with respect to eligibility for the pensions paid out by the INSS.

#### Autonomous Community level

- The Basque Country, Catalonia, Galicia, Andalusia, Valencia, the Canary Islands and Navarre have all the powers permitted under the Constitution with regard to Social Security. The other autonomous communities have varying degrees of competence. There is no real coordination, except in matters of regulatory and information monitoring with the Ministry of Labour.

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<sup>44</sup> The systems affecting benefits and social or employment activation policies for the target groups of this report will only be analysed from the national viewpoint. The other areas linked with health, education, housing, culture, etc., will be considered where, in the case study, there is a type of coordination which includes them.

### Provincial level

- There is a territorial representation of IMSERSO and participation of organisations for immigrants, handicapped persons and social partners in the provincial executive committees in the Communities which do not have these powers. Where powers are devolved, it changes from one Community to another.
- National Institute for Social Security

### Local level

- There is no Social Security representation at local level.

### ***Unemployment benefits subsystem***

**National Institute for Employment:** Directs the management of coordination on non-contributory unemployment cash benefits: general unemployment subsidy, special subsidy for people over 45, special unemployment subsidy for people over 52, unemployment subsidy for agricultural workers from Andalusia and Extremadura, special subsidy for agricultural workers from Andalusia and Extremadura over 52. Payment of active income for those over 45.

**Platform for coordination: General Council** formed by the autonomous communities, INEM and the social partners which approves budgets and policies, and which produced the proposal for the operation of the State Public Employment Service. **INEM Executive Committee** formed by the social partners and INEM. Its objective is to monitor and control programmes and systems for unemployment cover.

### Autonomous community level

- There are no powers or structures for unemployment benefits. At present, there is an informal relationship between the INEM, the government office in each autonomous community and the departments of the interior and/or labour of the autonomous communities. Especially where the Social Security Special Agrarian Regime subsidy is available.

### Provincial level

- The INEM has Provincial Offices and Executive Committees with representatives from the social partners, who participate in a consultative manner in the distribution of information on benefits, produced by the Institute's central offices, and on distribution of pro-active policy resources.

### Local level

- There is a district network of INEM offices dealing with recipient level administration of unemployment benefits.

### **Social services system**

#### State level

**At the most extensive coordination level directed by: Directorate General for Social Action, Children and the Family of the Ministry of Labour and Social Affairs.** Management and planning body for the Directorate General for Social Action through the subsystem of coordination of structures and social services and the subsystem for the

coordination of integrated social activation policies: the Plan combating Exclusion, the Programme for Development of the Romany People and the Social Programmes financed from a levy of 0.52% on personal income tax (see Chapter 1 and Annex 2- 3).

**Policies specifically targeted at migrants, women and youth are structured through coordination with the Ministry's administration centres; as regards policies for specific groups:** The National Institute for Women's Affairs, the *Instituto Nacional de la Juventud* (National Institute for Youth) and the *Instituto Nacional de Migraciones* (National Institute for Migratory Flows). The three bodies institute direct management and proposals for policies coordinated territorially, both vertically and horizontally, for these groups with administrations and social NGOs who work with these groups.

#### **- Subsystem for the coordination of the structures and basic universal social benefits**

**Concerted Plan of Social Services and Benefits** to regulate the minimum structure of all the basic social services and social benefits.

**Related structures:** All the structures and public services of the State administration, of the autonomous communities and of the local authorities, including those which serve as a basis for administering minimum incomes and “the emergency allowance” (0.52% programme, see Chapter 1), although they are not coordinated with the other territorial administrations.

**Coordination instrument:** *Norma sobre Acuerdo de Consejo de Ministros* (Regulation on Agreement by the Council of Ministers)<sup>45</sup> to the annual co-financing agreement; its scope is limited by the lack of legal certainty as regards competence and favoured by co-financing and the absence of territorial structures accountable to the Ministry, which has led to a further development of the negotiating and coordination culture. The aim is to manage using the database on the system, whose implantation is still limited.

**Players:** political experts in the Directorate General for Social Action, Children and the Family, sectorial representatives of the autonomous communities and the Federation of Municipal and Provincial Authorities are the central players. Bilaterally, the Ministry experts maintain relationships on specific subjects with experts in the related structures.

#### **Platform for vertical coordination**

**a. Official:** *Conferencia Sectorial de Asuntos Sociales* (Sectorial Social Affairs Conference) agrees the allocation of appropriations, which is presented to the Council of Ministers, which approves it annually, the regulations governing cooperation are enshrined in an annual “Agreement of the Council of Ministers”, which approves the appropriations and the criteria to be complied with by co-financed projects.

Monitoring Committee for the Plan, based on technical cooperation between experts from the Ministry, the social services departments of the autonomous communities which do not have autonomous tax-based financing regime and the National Federation of Municipal and Provincial Authorities. Technical cooperation with local authorities so that they can use their powers appropriately.

**b. Unofficial:** Through relations with practitioners working in the area and participation in forums, seminars and conferences.

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<sup>45</sup> For this year “Regulation on Agreement of the Council of Ministers 9482”, in State Gazette of 7 March 2000.

**Platform for horizontal coordination:** Promoting the social prevention and integration sphere, from which actions are developed to facilitate coordination with other social protection systems (housing, employment, culture) to prevent processes of exclusion from these under the local social services systems.

Informally through participation in the Committees on projects developed on the basis of the Social Services structure.

**Results and problems:** Coordination at practical level has facilitated the creation of a minimum framework for social services and structures in Spain, with synergies derived from administrative support and an overall view of problems, signifying a qualitative improvement in services and the possibility of involving mechanisms for transfer of best practices from one Community to another. Moreover, the subrogation of the agreements to financing, which depends on the Council of Ministers, and the lack of State legislation on social services means that the official recognition of the Ministry's leadership role does not satisfy quality criteria, for which indicators or homogeneous control systems have not been developed, but financial criteria. The international image of social services in Spain has improved symbolically, since this subsystem's coordination strategy, which is informally connected with integrated social activation policies, has meant that with few resources it is possible to have, at least qualitatively, information which although with many restrictions exceeds that available in other administration areas such as employment. The fact that central administration lacks its own structures has favoured the culture of negotiation with the Autonomous Communities at administrative level.

The basic problems derive from the phase of transition to a State of Autonomous Communities and the lack of clear division of powers which is constitutionally based and laid down by law. As has been seen, this political tension contributes to the lack of formal State coordination of minimum income programmes which remain ambiguously connected with the basic social services structure, giving rise to conflicts between the Ministry and the autonomous communities. It also affects, at political level (the administrative level seems to be resolved quite well on an informal basis), the coordination strategies with social NGOs involved in the management of the various programmes. There seems to be a strategy of bilateral relations with the NGOs which is reflected in the specific financing instruments (the 0.52% personal income tax programme) to fund these bodies, without the involvement of the other territorial spheres in the administration of the Network of Public Social Services. This is indicative of the political dimension which the management of both social services and employment has acquired in a time of uncertainty and instability such as the present one. From the symbolic viewpoint, as has been said with respect to autonomous communities and even municipalities, the institutional presence in employment or social services programmes seems to favour the position in the political electoral market.

At regional level, coordination with the local level is marked by conflicts as regards powers between autonomous communities and local authorities, since, when this report was drawn up, there are local pacts in only two autonomies. This is also a very difficult matter to resolve, which once more shifts to the economic arena, since the political debate centres around who should finance the local pact, so that municipalities can meet their commitments in matters of social service administration.

**- Subsystems for the coordination of integrated social activation policies: The State Plan Combating Exclusion, the Programme for the Development of the Romany People and the Social Programmes financed from a 0.52% levy on Personal Income Tax**

**Directed by:** Directorate General for Social Action, Children and the Family to implement subsidised comprehensive actions against exclusion across the national territory, for the disadvantaged Romany group and in integration matters, which are approved annually and paid for from a 0.52% levy on personal income tax (see Chapter 1 and Annex 2).

**Vertical coordination structures:** Vertically, the Directorate General for Social Action, Children and the Family in matters related with poverty and social exclusion with bodies operating under the aegis of the United Nations and the European Union: it participates in the DG V high-level expert working group combating social exclusion and in other international fora. It also participates in international institutions operating under the aegis of the United Nations, the European Union and the OECD on matters concerning the Romany people. The structures specialising in exclusion and Romanies within autonomous community social services. The structures of the social partner NGOs funded by the specific line of finance (0.52% programme, see Chapter 1), through these and other programmes which are specified each year as being a priority although they are not coordinated with other territorial administrations.

**Horizontal coordination structures:** Officially both coordination platforms (exclusion and Romanies) are managed separately and bilaterally involve distinct structures, although there are unofficial connections between practitioners involved. Both have involved practical experience of the integrated territorialised anti-poverty programmes with interesting results for institutional horizontal coordination. The basic coordination platforms established were working groups. The programmes subsidised from the 0.52% programme are organised by a subdirectorate which does not fall within social services.

Structures which have been linked to combat exclusion including: the Ministry of Public Works and the Environment, regarding action on housing, the new social economy and the emergent extensive area of recycling activities which has links with the State network of recycling organisations working in the solidarity economy (REPRIS). The *Centros Directivos responsables de Empleo del propio Ministerio de Trabajo* (Administrative Centres responsible for Employment of the Ministry of Labour itself), both concerning matters connected with socio-vocational integration and housing and their inclusion in the PNAE. This programme has sponsored the development of a regulatory framework for integration centres and housing plans to eradicate shanty-towns and improve the habitat. Establishing participatory strategies based on social experience with the infrastructures management unit of the URBAN programme in the Ministry of the Economy proved more difficult. It seems the little connection there is between the INSS, IMSERSO and the Directorate General for Social Action, Children and the Family is restricted to working groups when specific issues arise, such as the case of the *Ley de protección a la familia* (Family Protection Act) and Act no. 39/1999 of 16 July, recently passed to promote conciliation of workers' family and professional life, which also involved links with the Institute for Women's Affairs.

In the case of the Programme for development of the Romany people, the **structures connected through bilateral relations** are: the Ministries of Education, Culture and Public Works. The Ministry centres administering policies for specific groups are: the National Institutes for Women's Affairs, for Youth and for Migratory Flows.

**Coordination players:** Those in charge of promoting projects on specific matters in the autonomous communities, which are administered by the latter or by local authorities and local public institutions. Also national administrators of social NGOs in the different integration groups or areas.

**Coordination instruments:** an annual agreement between the Ministry of Labour and Social Affairs and the autonomous communities which is concluded with interested Communities<sup>46</sup> (apart from those that have financing and, in the case of the programme for Romanies, the Canary Islands and the cities of Ceuta and Melilla), since co-financing and implementation of projects is the official channel for financial coordination.

The *Comisión Consultiva para el Programa Desarrollo Gitano* (Consultative Committee for the Romany Development Programme) is the structure facilitating coordination at State level, made up of representatives of central administration, associations which work with these groups on a national basis and federations of Romany associations at autonomous community level. It is significant that officials from other administrations do not participate. At international level, there is an expert group in the Council of Europe in which a Romany woman participates as the Spanish government's representative, proposed by the Consultative Committee at the Ministry's request.

**Vertical coordination platform:** Sectorial Social Affairs Conference, agrees to the allocation of appropriations to be presented to the Council of Ministers, which approves it annually, the regulations governing cooperation being enshrined in an annual "Agreement of the Council of Ministers", which approves the appropriations and the criteria to be complied with by projects which are co-financed (those concerning exclusion financed equally by the Autonomies, the Local Authorities and the Ministry, and those concerning Romanies, by the Autonomous Communities and/or local authorities, which contribute at least two-thirds of the amount contributed by the Ministry). The appropriations are distributed on the basis of the indicators established for the allocation of Basic Social Services Benefit appropriations in the case of the Plan combating exclusion and in the case of the Romany population, corrective factors relating to the Romany population are added. Vertically, the Ministry is Spain's representative on matters concerning poverty and social exclusion in bodies operating under the aegis of the United Nations and the European Union: it participates in the DG V high-level expert working group combating social exclusion and in other international fora.

The Monitoring Committee for the exclusion programme is the technical platform for the monitoring and control of actions with representation of officials from the Directorate General for Social Action, Children and the Family and, in the case of exclusion by the Social Welfare Departments of the Autonomous Communities which participate and concern themselves with exclusion (separate from the minimum income departments) and the National Federation of Municipal and Provincial Authorities. For the Romany people, by the Social Welfare Departments which deal with Romany matters within the autonomous communities and the National Federation of Municipal and Provincial Authorities.

**Results and problems:** Projects are approved jointly by the two Administrations and intervention is carried out simultaneously in the areas of social action, education, housing and habitat, training-employment, culture and health. We can state that there is a level of coordination with the Communities which is restricted to a great extent to financial collaboration and decision-making on the criteria for projects, when it comes to analysing the real dimensions of coordination on results for users it is difficult to make clear conclusions.

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<sup>46</sup> For example, Cantabria which did not sign the Agreement in 1999 and did not obtain financing.

The fragmentation of bodies concerned with specific groups and social services and exclusion in general and the fragmentation of the financing of social NGOs, administrations and current programmes, create enormous complexity, without any provision for clearly and regularly formalised coordination platforms, except for isolated matters. Also, apart from the Romany group, users do not seem to participate, which gives the key role to formally constituted social NGOs.

Specifically, **regarding minimum income users**, the coordination process in place amounts to unofficial coordination of information on the application of these programmes in the Autonomous Communities based on the recommendation of the Sectorial Social Services Conference to have a questionnaire answered by the Communities. In the light of this and on the basis of the relationship with the Concerted Plan and the links with the social sector through the different programmes, seminars have been held and reports produced with the objective of reflecting on the relevance and characteristics which the State's participation should take in order to improve equality of access for minimum income users in the different territories. Coordination through the social services system, the introduction of "the emergency allowance", and co-financing, together with the need for a minimum common reference framework, were the proposals which emerged from these seminars.

This, together with the programmes against exclusion, has led to the setting up of a forum for the participation of these bodies, although limited to the most recent State network (Spanish Federation of Integration Enterprises), unofficially linked to the departments of the autonomous communities concerned with minimum incomes and the different departments of the Ministry of Work and Social Affairs with a view to consolidating the draft law on measures for integration which would regulate integration enterprises and the activation associated with minimum income programmes.

The creation of arenas for debate in seminars and meetings with the players involved at territorial and horizontal level, including the social partners, has been one of the most significant steps taken by the central administration, together with the publication of the results leading to a heightening of social awareness on exclusion and dissemination and knowledge of innovative experiences.

**- Subsystem for the coordination of improvements to the living and working conditions of temporary workers: Framework agreement for the regulation of domestic agricultural harvests**

**Directed by:** Directorate General for Migratory Flows of the Ministry of Labour and Social Affairs.

**Objective:** To regulate the working conditions in harvests involving casual agricultural workers. In 1999, the focus was on planning migrations to the various temporary work harvests, with a view to regulating supply and demand and promoting the hiring of foreign workers in their countries of origin, once the possibilities of using Spaniards, Community nationals or foreigners legally established in Spain have been exhausted by introducing an additional procedure with regard to the framework agreement, relating to working conditions, official permits and control mechanisms. An administrative agreement concerning seasonal workers was concluded with Morocco in September 1999.

**Instruments:** 1997 Agreement between the Ministry of Labour and Social Affairs (*Dirección General de Ordenación de las Migraciones* - Directorate General for Migration Planning), the agrarian employer associations (ASAJA [Asociación Agraria de Jóvenes Agricultores - Agrarian Association of Young Farmers], COAG [Coordinadora de organizaciones de

*Agricultores y Ganaderos* - Coordinating Committee of Farmer and Stockbreeder Organisations]), the larger agrarian trade unions (FTT-UGT [*Federación de Trabajadores de la Tierra* - Land Workers' Federation], FECAMPO-CC.OO [CC.OO *Confederación del Campo* - Countryside Confederation]) and the National Federation of Municipal and Provincial Authorities. Addenda to the Agreement in 1999.

**Coordination platforms:** 27 provincial boards were set up in 1998, one in Castile-La Mancha and a national board, to improve information on and intervene with regard to the worrying conditions in which casual agricultural workers in harvest areas live as regards the lack of decent housing, lack of nurseries or schools for children, non-compliance with the collective working agreement or its absence, serious problems with immigrant casual workers, the high numbers of immigrant North Africans and South Americans without papers, etc., which have acted as a vector for the application of the collective agreement and its provisions since 1999.

**Players:** The minister of Labour and Social Affairs and representatives of the agrarian employer organisations, the ASAJA, the COAG, *Iniciativa Rural* (Rural initiative), the trade unions, FTT-UGT and FECAMPO-CC.OO, and the National Federation of Municipal and Provincial Authorities.

**Areas and structures related vertically and horizontally:** Provincial structures for housing, labour, social services, education, immigration, professional training.

**Results:** Refurbishing of accommodation in order to provide adequate living conditions for migrant workers; facilitating, coordinating and organising the workers' travel; advice and information on socio-vocational matters; maintenance of nurseries and children's residences in the workers' places of origin; vocational training, where necessary, on the special features of each harvest.

Guidelines have also been established for protection of emigration to other European countries by concluding agreements with agrarian trade unions in the countries which receive the most substantial flows.

**Coordination system for pro-active employment policies. Institutional Coordination Framework: the National Action Plan for Employment (PNAE) and Pacts with the Social Partners**

**Objective:** Replace passive policies by pro-active strategies.

**Directed by:** The INEM is the central structure until approval of the legislative amendments introducing the new State Public Employment Service (SEPE), which will be the body ordering and planning employment policies, having powers of coordination with respect to territorial bodies and also managing those programmes allocated to it and policies guaranteeing unemployment income.

### **Related structures and subsystems**

- **Information subsystem** (territorial, personal and sectorial). The move to decentralisation is exacting a toll as regards the cost of information and its quality for the planning and management of this type of policy, as was pointed out in CES, 2000. The problems being encountered in introducing the Public Employment Services Information System (SISPE), planned and approved for the SEPE by the General Council of INEM, show, according to officials of the administration and the trade unions, that the *Autonomous Communities* have

*great difficulty in accepting the single nature of the labour market*, which ends up being reflected in the statistics, making it very difficult for the State central administration to determine what is really happening nationally.

Another problem deriving from the lack of vertical coordination are the rigidities in the forms for establishing classifications for the information systems regarding training and users.

**-Employment mediation subsystem**, this is the most complicated to administer because of the present decentralisation. A single national register of offers, demands and placements is proposed, connected with the EURES network, through a single computer network; for transparency and accessibility of all the public partners, it is proposed that a communications methodology be established facilitating a National Information System; SEPE will handle its overall management, and the Central System and the Autonomous Communities will update it.

**- Training subsystem:** this coordinates the territorial training plans, as determined in the Sectorial Conference, to assure consistency and complementarity. It monitors the devolved National Training Centres to ensure that they carry out the recommended actions.

**- Subsystem for coordination of employment promotion and public structured employment programmes** depending on subsidies allocated in accordance with the Ley General Presupuestaria (General Budgetary Act).

**The PNAE** has also functioned as a horizontal coordination instrument and has attempted to further the application of the Management Agreement with the autonomous communities, at vertical level, for the selection of claimants to benefit from integration actions and to consolidate the information exchange systems, since, as the CES has made clear, there is a lack of information exchange between INEM's public employment service and the autonomous communities to which this competence is devolved, which has a negative impact on coordination of management of supply and demand, leaving some offers of work uncovered (CES, 2000).

**Active income programme:** Administrative cooperation with integrated employment services and partner NGOs of INEM's peripheral network.

**Plan for promotion of agrarian employment:** The National Committee approves the funding, the regional committee ratifies it and the provincial committees distribute it. The district committees meet once a year to take note of the performance of projects and to present local proposals. Projects which the different administrations allocate to this plan are referred to INEM which, together with the trade unions, decides which projects can be performed under the current regulations with the resources available. There is a huge list of investor organisations.

**Platform for vertical coordination:** General Council, which is a collegial body with equal representation of the central administration, the autonomous communities and social partners, approves the design and structuring of the activation programmes, the budget, the relation with autonomous community employment services and the preparation of criteria for the allocation and distribution of appropriations earmarked for employment and training policies, for their subsequent approval at the Sectorial Conference.

The Plan for Promotion of Agrarian Employment has developed its own, somewhat complicated, coordination platform.

**Platform for horizontal coordination:** Specific working groups involving the *Consejo General de Formación Profesional* (General Council of Vocational Training), the Directorate General for Social Action, Children and the Family for matters concerning disadvantaged groups. A computer application has been developed for connecting the databases of the Social Security Institute and the INEM.

For the Plan for Promotion of Agrarian Employment, a State Committee formed by the sector's social partners (major trade unions and ASAJA-CEO) has been set up to distribute the funds allocated by the various national administrations to the INEM and those of the Ministry of Labour and Social Affairs itself via INEM-Local Authority agreements at regional level. One of the sources consulted indicates that there are coordination problems between the Ministry of Agriculture and the Ministry of the Environment and the INEM-Ministry of Labour and Social Affairs.

**Instrument for coordination:** Sectorial Conferences on Employment and Agreements concluded with State administrations and Autonomous Communities. The Executive Committee is the body for the participation of the social partners and the INEM for monitoring and supervision of the policies.

INEM-Local Authority agreements subsidise part of the funds allocated to the Plan for Promotion of Agrarian Employment. The Communities, participating through a Cooperation Agreement, make the same contribution as the Ministry.

A cooperation agreement was concluded between the INEM and the Federation of Municipal and Provincial Authorities for the start up of the "Shock Plan", targeted at groups threatened by exclusion.

A cooperation agreement was concluded between the INEM and Autonomous Communities with powers as regards employment matters relating to the active income programme, the latter undertaking as regards its management to supply information to the INEM on claimants processed under the different programme initiatives, on persons integrated in work or employment and training plans and detected cases of non-compliance. The INEM is responsible for monitoring and overall evaluation of the programme.

**Players:** The director of the INEM is responsible for coordination of actions with the Unit of the Department of the relevant Ministry in each case and with those responsible for the autonomous community employment services. In the Executive Committee, the representatives of CC.OO and UGT. In the Council: The head of the Department of Labour for each Autonomous Community and trade union officials. For the Plan for Promotion of the Agrarian Employment, representatives of the rural trade union confederations (CCOO and UGT) and of the agricultural employers (ASAJA).

**Result and problems:** the existence of a peripheral structure under the aegis of the INEM and the discretionary awarding of its isolated programmes reduces the possibilities for coordination. When there is coordination between administrations it is, in many cases, more of an official prerequisite which has to be met in accordance with the regulations in force rather than a strategy to improve integration results for those involved. Coordination is established in a very official setting relating to budgetary allocation, and it is rare that qualitative criteria of a wider scope are introduced. The CES (2000) has produced the 1/2000 Report on geographical mobility, which highlights poor communication in the public employment services and considers it essential, as regards employment mediation in the labour market, to guarantee coordination and the transparent and fluid exchange of information between the various public employment services and placement agencies, and the

boosting of business confidence in these public services. In some Communities which have devolved powers for employment, the division of powers (activation and benefits) worsens the situation and increases bureaucracy for the user.

The problem persists that, although there is data on the application of measures in some Autonomous Communities, there is still a lack of budgetary information and information on the evaluation of results, which accompanied by the difficulty of unifying different assistance measures under homogenous criteria, prevents a clear picture emerging of these autonomous community policies as a whole and their coordination with the PNAE.

The employment pacts between the government and social partners have not paid much attention to the excluded population. Citizens and partner NGOs do not have facilities for participation, and there is a lack of mechanisms to ensure the transparency of the criteria used for awarding funds, which means that NGOs without representation and trade unions harbour “suspicions” about the funds which the social partners administer.

#### Autonomous Community level

There is the same structure as for unemployment benefits, channelled through a Provincial Subdirectorate.

- ***Plan for the promotion of agrarian employment:*** In each region in which the Plan is applied there is a Monitoring Committee on which the Government Delegate, the social partners and the *Delegación de Gobernación* (Regional Government Delegation), in the case of Andalusia, are represented. The provincial councils and extraordinary projects of city administrations are not coordinated nor included in these regional committees. The autonomous community committee decides who acts as chairman and deputy-chairman.

#### Provincial level

***Plan for the promotion of agrarian employment:*** provincial committees in which the corresponding provincial delegate for each autonomous community administration, the provincial councils and the trade unions participate.

District committees - which only meet once a year, according to the trade unions, because the employers are afraid that the city administrations will take control - but which do not fulfil the objective for which they were created, i.e. to serve as a mechanism for control and monitoring of the Plan. These district committees are formed by the local administrations involved, an official from the district INEM office who acts as secretary and records any agreements, the Federation of Municipal and Provincial Authorities and the same employer and union organisations as at State level.

#### Local level

Only activities of classification and monitoring and control of the pro-active policy programmes take place. There is coordination in particular between the Integrated Services for Employment Promotion (SIPE) and the organisations managing activation, the unemployed being selected on the basis of profiles approved at provincial and national level beforehand. In some cases, there are strategies for cooperation and coordination with local structures which develop various programmes, or there is institutional participation through consultative forums, such as the Economic and Social Councils.

## CHAPTER 4: CASE STUDIES.

### 1. MODEL OF BOTTOM-UP COORDINATION WITH VERTICAL AND HORIZONTAL DIMENSIONS IN A CONTEXT LACKING LEGISLATION ON ACTIVATION FOR MINIMUM INCOMES: THE TIERRA NUEVA ASSOCIATION/VALDOCCO FOUNDATION IN ANDALUSIA.

#### **Presentation of the case.**

**Directed by:** Grupo Valdocco, which includes the Valdocco Foundation, Tierra Nueva Association and the Tierra y Luz cooperative.

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#### **Context: Absence of regulation and excessive demands with few resources**

In 1990, the Agreement on Social Dialogue between the Government of Andalusia and the Social Partners, resulted in the *Programa de Solidaridad de los Andaluces para la Erradicación de la Marginación y la Desigualdad en Andalucía* (Programme for the Solidarity of Andalusians for Eradication of Marginalisation and Inequality in Andalusia) (Decree no. 400/1990), which establishes the bases for the Solidarity Minimum Income (professional pathways, educational measures and access to housing).

During the first years of this Programme's application, specific measures for vocational training and social employment were developed in this regard. But since 1995, there have been no pro-active policies specifically targeted at minimum income recipients in a standardised form. However, the Regional Ministry of Social Affairs has launched some activation initiatives in conjunction with commercial and non-profit enterprises, using funds deriving from the European INTEGRA initiative and with appropriations from central government, from the programmes combating exclusion in neighbourhoods and among the Romany people, together with contributions targeted at groups with special difficulties: drug addicts, young people leaving residences or young offender institutions, ex-prisoners, prostitutes, etc. However, there are problems when it comes to the socio-vocational integration of the users, due to the Andalusian business structure based on very small enterprises which, to a large extent, do not follow the practices of the major employers' organisations but operate with labour relations characterised by a high degree of personal contact. This is compounded by the seasonal pattern of the economic sectors which provide most employment quantitatively and the enormous relative weight which intensive agrarian production continues to have as compared to other areas of Spain.

This very weak institutional impact is offset to a very limited extent by the social sector, the non-profit organisations, which are assuming increasing quantitative and qualitative importance in work in favour of disadvantaged groups threatened by exclusion. However, the role of these organisations is less visible than that in other Communities, given their greater dispersion and weaker structuring at autonomous community level, due to the size of this Autonomous Community and the traditional externalisation of both the material and social product characteristic of Andalusia. This means that their work is not always visible from a regional viewpoint; although the sector has a relatively active presence, its contribution receives less recognised institutionally than in other territories. There are notable exceptions, such as the Andalucía Acoge Associations, which are based on a bottom-up autonomous community-wide territorial structure and have strong links with human rights associations and Cáritas. They assist, advise and receive immigrants, adopting a comprehensive approach. This form of working has gained them a number of awards and high public recognition.

As in other regions, a distinction must be made, with regard to the non-profit sector and its degree of efficiency and social commitment, between organisations which have emerged to meet a specific need experienced at grass-roots or territorial level with a high degree of social and ethical commitment, and those which have sprung up from the privatisation of the administration of policies, with criteria which have more to do with the logics of the social welfare market. The former have developed more flexible processes, tailored to the needs of users, while the latter are more bureaucratised.

As in the rest of the country, Federations of Associations which, at regulatory level, have a longer tradition of protection are consolidating, especially organisations for disabled and bodies related with the world of drug addiction. These organisations, constituted as pressure groups for the defence of their interests, make up the majority of the social sector involved in pro-active policy programmes, while those concerned with other excluded groups are more disparate and located in cities and metropolitan areas.

This led to the creation, in 1998, of the EidA, which was set up following research and action carried out by the University of Seville with the support of the Regional Ministry of Labour. This involves the transitional integration enterprise model described in the previous chapter. Currently, this association has offices in most of the Andalusian provinces, although there are no autonomous community regulations governing the existence of these non-profit integration enterprises, as in Catalonia and Navarre. In this network, there are associations led by social enterprises with experience of integration of groups with special difficulties which goes back quite a number of years, especially as regards young people excluded or threatened by exclusion, although there are others which have emerged because of the possibility of new regulation. At present, it comprises more than 20 enterprises and 40 associations in Andalusia, according to its President.

The provincial offices of the association are currently working to link up organisations which are operating on the same premises of integration of excluded groups through work, although they are faced with the problem that the consolidation costs must come from the limited budget provided by its constituent organisations.

In parallel to this network, there is also the association of unemployed over-40s, which emerged in Malaga in connection with European programmes promoting associations of the unemployed at the end of the 1980s and beginning of the 1990s, at the request of a Member of Parliament then in opposition with a clear aim of acting as a political lobby in the wake of the restructuring of production which led to the dismissal of the middle-aged and in the light of the electoral weight of this age group. This network was constituted at national level through

a federation, although the characteristics of the projects it develops and its role in different territories is very varied. It is now, above all, a temporary work organisation, whose administration has become more bureaucratic and technocratic over time, overlooking the fact that one of its founding principles was *to avail itself of the experience of the older unemployed*, who are being progressively replaced by much younger administrators, although the leadership in general continues in the hands of its founders.

Relations between the institutional sphere and the social sector for the integration of minimum income users have been very weak. Until 1999, when one of the Integra initiatives was extended to include EidA NGOs in the programme combating exclusion in neighbourhoods (Surge), there was almost no area of connection. NGOs had to seek out methods of financing and integration in the market in the most disparate ways. Some of them chose to set up their own enterprises as a way of achieving integration into work, given the sparse business fabric. This was the case of Zoveco and Valdocco, which developed cooperative companies, controlled by their respective associations, which reinvest their profits in integration. One of them is analysed here as an example of best practice. The value of the experience of one of these associations is that it shows how, based on the construction of coordination areas and guidelines with different horizontal characteristics, good results can be achieved for users in an institutionally unregulated sphere, and how, by investing in relational capital, financial resources are saved. However, it may be viewed in a different light, for it only partially covers an area of constitutional law, for which the autonomous communities and central administrations are responsible and which has been greatly neglected.

We may state that, therefore, that although the social sector in Andalusia is not given full recognition, it manages to go further than the institutions themselves. The problem of division of financial responsibility for pro-active social integration policies for excluded persons between the Regional Ministry of Labour, which controls the budgets for pro-active policies and those derived from the European Social Fund, and the Regional Ministry of Social Affairs (following their separation and despite being controlled by the same party) has been an enormous obstacle to implementation of the measures under the Solidarity Plan, which calls for coordination between Social Services and Labour. This has led to the suspension of the training programmes, the only pro-active strategy implemented in the first implantation phase, and there have even been programmes whose budgets have had to be improvised in unorthodox ways due to the failure of Labour to cooperate with Social Affairs.

This is difficult to explain, if we do not first consider the structure of Andalusian unemployment, strongly marked by precariousness, and secondly exclusion, as shown by the structure of unemployment cover and the extent of the agrarian subsidy (75% of the minimum wage), which leads to the view that minimum income is only for cases of marginalisation (only 62% of the minimum wage). In reality however, many of those who request the emergency allowance from the social services (Andalusia is the community in which this allowance is most prevalent) are workers, especially women, whose families are trapped in a vicious circle of unofficial, badly-paid seasonal jobs and/or agrarian harvest work, and who are able to pay the rent of their usual place of residence and other expenses in harvest periods. The Regional Ministry of Labour, although it has a substantial budget for social affairs which it must manage jointly with the social partners, does not manage to cover its objectives. In addition, the regional social partners' lack of interest in acting against exclusion –they do not participate as administrators and there are no guidelines from their central confederations – means that no effort is made in Government Pacts to achieve coordination between welfare and employment schemes. Up to now, this has been compounded by the absence of pressure

from a regionally organised social sector, which favours the networks of more consolidated associations (handicapped and unemployed over 40s).

The result is that each regional ministry has its own networks with the social sector. In the Regional Ministry of Employment and New Technologies, there is a programme for financing non-profit organisations which includes the trade unions, animal rights associations, etc., but its effectiveness leaves much to be desired as regards access for organisations working with the most disadvantaged groups. At the opposite extreme, within Social Affairs there is a serious lack of coordination of administrative schemes directed at the most organised target groups (Romanies, handicapped, ex-drug addicts, children, etc.), with the “catch-all” aspects of the integration of groups not dealt with by other Directorates General being allocated to a Directorate General with little funding. This internal lack of coordination reinforces the fragmentation of social NGOs and favours those that are the most consolidated.

**Objectives:** Socio-vocational integration of persons threatened by exclusion. Prevention and support for the social and economic integration of young people and adults, with socio-vocational exclusion problems from poor families located in marginalised neighbourhoods in which various profiles coincide: ethnic minorities (Romanies), undeclared workers, young offenders leaving penitentiary centres.

### **Players involved in the coordination process**

**Users:** The numbers of users clearly varies depending on the programmes. People join and leave. At any given moment, there could on average be 50 persons with difficulties involved. In 1999, a total of 1 277 persons passed through Valdocco, participating in various activities. Twenty-five persons took part in the integration enterprise, two of them staying on.

Among Valdocco users, men predominate almost entirely. Two significant types can be identified: first, 13 to 15-year old young persons, with serious family/social/educational problems who do not have a clear idea of what they want; second, 22 to 30-year olds with serious social/family problems and a low level of qualifications, who want “*a job*”. Bearing in mind that as most of these cases present complex and multiple problems, according to comments by the NGO's managers, the *comprehensive training of the person* involves a process lasting for a minimum of 1.5 to 2.5 years to be able to implement an integration pathway and of 6 to 7 years to achieve their complete personal normalisation.

**Practitioners:** A manager negotiates agreements with administrative, political and institutional officials, and establishes the line of action. At technical level, the number of persons directly running the programmes and activities varies from 10 to 15 persons (4 practitioners run the Surge programme for the Tierra Nueva association).

In the vertical structure arising under the Surge programme, the Granada coordination team and two officials from the Regional Ministry of Social Affairs (Monitoring Committee).

**Those responsible for control of the organisation at policy level:** Members of a financial institution, Huelva City Administration, the Provincial Council of Huelva and the Tierra Nueva Association as members of the Foundation's Board, the Association's Board of Directors, the Cooperative Steering Committee and, at internal disciplinary level, user participation committees.

### **Territorial coordination**

A bottom-up practice is followed, initiated at neighbourhood level, using formal and informal strategies for different processes (financial, technical, relational, political and institutional), depending on each case, it extends to European level through the technical and fund management framework of an Integra project.

### ***Structures involved in horizontal coordination in different territorial areas***

#### **- Subsystem developed by Grupo Valdocco and its network of local NGOs: Development of structures**

**Valdocco** is an NGO which is constituted as a model of socio-educational intervention and of socio-vocational and community integration. It is located in the Diego Sayago quarter of the city of Huelva, District V, popularly known as “Barrio El Torrejón”. At present, it has a building with suitable installations<sup>47</sup> for carrying out its activities in training, advice, work practice, workshops, cooperative, etc. It has been able to consolidate a relatively stable team, which is continually active, although its financing is frequently dependent on specific projects for limited periods of time (they all register as unemployed from July to September, as a mark of their solidarity with the neighbourhood's unemployed). It also has the cooperation of a number of unpaid volunteers.

This initiative is based on 3 legal forms which form an integrated part of the integration management, but which give rise to different methods of participating, financing, managing and control, so that each project is tailored to the users' needs at a given time. What officially began as Valdocco vocational workshop in 1985, was then constituted as the **Asociación Tierra Nueva** (a non-profit organisation) and subsequently as the **Fundación Valdocco** and **Cooperativa Tierra y Luz** (which in practice functions as an integration enterprise), to put into effect proposals in favour of young excluded persons at high social risk.

The strategy applied has been participation and co-involvement. First, cooperating with other public and private institutions with a view to involving other players and thus to combine efforts and responsibilities in combating social exclusion. Second, by developing actions coordinated and participated in by the users themselves, their families, the neighbourhood and their groups, conscious that only through co-participation and cooperation, by combining all types of resources, is it possible to respond to the existing multiple needs.

Over the years, the Valdocco Foundation has developed numerous activities and projects, mainly targeted at young people threatened by exclusion (13-15 years and 22-30 years), including disabled people and those with penal records. Many of the activities are open to all the inhabitants of the municipality or province. It is important to emphasise the preventive nature of many of the initiatives and their mission to integrate by linking with the neighbourhood's families and social organisations.

Basically, the structures which take group form, with support when needed from the various programmes and actions are:

- **Reception and information service:** The information unit which directs people to the different structures in place.
- **Reception centre:** The unit which conducts a personal interview and a home visit. Targeted at minors with problems with the law. Young people always have external

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<sup>47</sup> The building it currently occupies is the result of the effort and work of its own members and many participants in projects and activities carried out by Valdocco (vocational workshop, programmes, etc.).

supervision. Once the guidance interview is completed, they are directed towards the network of enterprises to be integrated in an ordinary work experience programme, or towards work socialisation tasks through employment-training schemes, with a grant, involving work practice so that they learn a trade. This is aimed at persons who have already passed through a training programme but who do not have social skills (discipline, work rate,). This is complemented by socio-cultural animation activities for which the neighbourhood's facilities are employed. The time which a pathway may last until the user is hired is from 18 to 30 months. Generally, the users go on to form part of employment exchanges or temporary work companies, following a fairly seasonal vocational integration pattern. According to one of the practitioners, *in a labour market like the Andalusian of micro-businesses, to truly normalise their life (give it stability) takes 6 to 7 years.*

- **Information office for casual agricultural workers:** Targeted at providing guidance for this group, since the agricultural characteristics of strawberry harvesting in the area pose a problem which interrupts many pathways (some users reject training work with 6 month contracts since they and their family can earn more without paying social security contributions, renouncing training in a trade). This unit is under-funded.
- **Socio-vocational integration centre:** Targeted at 15 to 18-year olds, and involving comprehensive personal training combining work practice and individual pathways (Programme deriving from the vocational workshop). Information, advice and employment mediation. Apart from the informative functions, there is an employment exchange in partnership with local employers and a recruitment point. It caters for the whole city and deals with about 500 users a year. This structure includes the Surge programme which implements a methodology imposed by the programme's designers in the autonomous government and which is administered separately from the rest. It is targeted at persons threatened by exclusion (young people, long-term unemployed and minimum income recipients) resident in the neighbourhood and has no age restrictions.
- **Workshops for vocational and work-practice training.** Courses, workshops, tailored training and work practice in companies: targeted at young people from 13-15 and from 22-30.
- **Integration enterprise:** Cooperativa Tierra Luz, which works in the services sector in building construction, gardening, masonry and media and films. Some 25 persons have worked in it; now there are 2 full-time, the rest having joined ordinary companies under the collective agreement maintained with the latter.

- **Subsystems of structures horizontally linked with the Valdocco network**

Valdocco has managed to create and consolidate a wide network of formal and informal contacts and partnerships with various organisations and bodies.

- **For financial and control cooperation:** a Network has been consolidated with institutions with which it cooperates in carrying out programmes and activities. Its official instrument is the Board of the Valdocco Foundation, comprising the Huelva City Administration, the Provincial Council and the Social Foundation of the *Caja de Ahorros del Monte de Piedad* savings bank. The trade unions did not wish to take part in the board, indicating that neither did it include the employers' organisations - who are described as having very limited capacity to influence or convene.

- **For cooperation in social integration:** There is a network of organisations from the neighbourhood - in which the Residents' Association, Parents' Associations, Romany Associations, Sports Associations, etc. participate - which functions in a less formalised fashion, but very flexibly and fluidly. This coordination is especially important for giving credibility to the users' personal pathways, which are always linked to the family: the personal interview and integration pathway are combined with visits and periodic contacts with the family.
- **For carrying out integration practices and for recruitment:** There is a Network involving employers (68 companies) with whom collective and specific agreements are concluded for training, employment mediation, technical advice, etc. This is the instrument for coordination which, in the case of the Huelva Employers' Association, is consolidated in a framework agreement under which the NGO will cooperate in advising on new profiles required and may provide tailored training in exchange for commitments to cooperation and recruitment.
- **For promotion of the integration sector:** Valdocco, through the manager of its integration cooperative, has taken an active role in creating and launching the **EidA**, persuading the government of Andalusia to apply the Integra-Surge programme to the different provincial NGOs forming part of the network. It currently holds the presidency of the Andalusian Association of Integration Enterprises which is attempting to consolidate a common and linked sector strategy, for which a plan has been proposed for the supervision of enterprises which are starting up. The strategy for obtaining finance is to sign collective agreements with various institutions. Thus, according to one source, the starting point for the supervision of new enterprises was an agreement with the *Instituto Municipal de Formación y Empleo* (IMFE - Municipal Training and Employment Institute) of the *Ayuntamiento de Granada* (Granada City Administration) for socio-vocational integration which obtained funding from the Caja General de Ahorros for setting up an enterprise which supports new initiatives. Finance was also obtained from the Huelva Employers' Federation to carry out a small study of the characteristics of the sector's companies.
- **For the political representation of the social sector:** Valdocco, in view of its political independence, has been unanimously chosen at the Huelva plenary municipal session to represent the sector in the city's Economic and Social Council which also includes employer and trade union organisations, residents' associations, the city administration, etc., namely, all the social forces representative of the local socio-economic dynamic.
- **To manage the territorial policy of the neighbourhood's district:** Valdocco has representation and voting rights on what is the equivalent of the city administration at neighbourhood level.
- **For the participation of the users:** Participation committees in each programme, in which users and practitioners participate in setting the timetables, activities and the underlying procedures, providing that there is funding available from the financing institutions.

As happens with vertical coordination, in horizontal coordination, apart from these formalised spheres, there are also frequent informal contacts and links between persons at practitioner level. Most of the coordination work between the different services and organisations which operate in this territory occurs informally and through personal relations.

## **Structures derived from vertical coordination with other institutions**

The Foundation's Board, as the formal setting for representative coordination, is responsible for concluding agreements with Huelva city administration and provincial council, which meets a part of the financing, and also with the regional government's Ministry of Social Affairs.

These accords are implemented through collective agreements which set out the bases for coordination and cooperation.

At technical level, the Monitoring Committees are the instruments used for technical coordination (technical services of the NGO or promoting or financing institutions and Valdocco).

Apart from these formalised spaces, informal contacts and links are established between persons at technical level with their counterparts in other institutions.

Among the activities currently performed by Valdocco is the management of the Surge project, which is a programme promoted by the Andalusian government's Regional Ministry of Social Affairs with a view to encouraging the socio-vocational integration of persons threatened by exclusion, with special attention being given to recipients of the Solidarity Minimum Income. Bearing in mind that this is one of the few specific measures currently in place in Andalusia for actively promoting the integration of this group, this example has been examined in detail in order to analyse the aspects of coordination affecting the users of the minimum income programme as applied in this non-profit organisation and what the management of this programme represents for the integration of Minimum Income recipients.

### **- Subsystem of vertical coordination at autonomous community level linked to the Integra-Surge project**

**Development and objectives of this coordination system** The SURGE programme would not be possible without the previous achievements of the two preceding projects: Integra I and Integra II. These Integra projects, part of the EU Employment initiative, made it possible to work with the most disadvantaged groups from a overall viewpoint (not merely acting on partial aspects of their deficiencies) as persons with socio-vocational integration difficulties.

The Regional Ministry of Labour and Social Affairs<sup>48</sup> of the Andalusian Government, as the original promoter of the Surge programme, established cooperation agreements with public institutions and non-profit private organisations for the implementation of the programme in a number of areas. In the first stage, as the Integra initiative, the project was applied in three areas of Andalusia.

Given the good results achieved in the two Integra projects, the Andalusian Government decided to continue with the methodology developed, and in 2000 extended the programme to ten areas of Andalusia. In each case, a specific agreement was concluded with an NGO from the respective territory for it to run the project. One of these ten cases, that of the Tierra Nueva Association in Huelva, is analysed in this report.

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<sup>48</sup> At that date it was the Regional Ministry of Labour and Social Affairs. Later, this Ministry was split in two: Labour and Industry and Social Affairs. At present the programme is directed by the Regional Ministry of Social Affairs.

The general objective of the Surge programme is to develop suitable mechanisms facilitating socio-vocational integration possibilities for citizens in districts with special difficulties for access to the world of work. The programme's target group is persons threatened by exclusion and resident in areas designated as Zones with Social Transformation Needs.

The specific objectives provided for are:

- To prevent situations of social exclusion;
- To design a transferable model of social and vocational integration;
- To train groups of young people from the affected areas for work;
- To promote the creation of integration enterprises.

For each of the ten projects, the following quantitative goals were set, which were to be achieved by the end of the current period, that is to say by the end of 2000:

- 500 persons interviewed;
- 300 personal integration pathways;
- 30 persons with employment contracts;
- Creation of an integration enterprise.

**Vertical coordination instruments used:** The current ten Surge projects, depending on the organisation responsible, are quite different from each other. Each organisation has its own networks and experience, which means that their operational capacity varies a great deal. For some organisations the Surge project is their *flagship project*, while for others it is just one more project fitting into a wider strategy. The characteristics of the team contracted for the project is an additional factor. In some cases, they are graduates without experience in the field which, for working with this group, is problematic, despite their enthusiasm and personal motivation. In other cases, such as the Valdocco case analysed here, it was correctly decided to use experienced people supported by a well-established organisation closely related to its surroundings.

In the case under study, the instruments used for coordination are as follows.

**a. For financing:** Annual collective agreements between NGOs and institutions: Tierra Nueva Association and the Regional Ministry of Social Affairs, for the management of the Surge project in the Zones with Social Transformation Needs. This has also been the approach followed by the Autonomous Community Administration with other organisations involved: collective agreements between the Regional Ministry of Social Affairs and ten non-profit organisations distributed across Andalusia for managing the Surge project in their specific territory.

**b. For processes:** There is a strategy and common methodology to be applied in all cases, established by the Regional Ministry of Social Affairs, based on experience with the earlier Integra projects. The different activities to be developed, the objectives to be achieved and the number of staff to be contracted to run the programme and the budget available is established beforehand by the regional ministry.

**c. In the area of follow-up and monitoring:** The autonomous community technical assistance team, constituted ad hoc, supervises the functioning of the different cases. This technical assistance team makes periodic visits (approximately every two and a half months) to each

project. During each of these visits, a review is carried out of the project's progress and the level of compliance with the objectives set.

The technical assistance team centralises the information on the various projects<sup>49</sup> and will subsequently carry out a comparative study of their implementation. This team also organises meetings which bring together practitioners from all the Surge projects in Andalusia. Although it was not possible to obtain detailed information on their results, according to the NGO practitioners interviewed, the basic purpose of these meetings was formative and to set up informal networks so that practitioners could get to know each other and exchange experiences.

There is also a Monitoring Committee at local level for each of the projects, formed by two persons from the corresponding provincial office of the Regional Ministry of Social Affairs, and two persons from the NGO administering the Surge project. This committee meets once a month and, *inter alia*, decides on new applications, registrations and departures from the project.

### **The Surge project's linkage with other institutions at horizontal level**

For referral of users: The users of Surge projects go directly to the managing NGO's information service or are referred by other organisations. Minimum income recipients are normally sent by staff of the provincial office of the Regional Ministry of Social Affairs or from basic social services which process their minimum income application. To obtain this benefit, they must sign an integration commitment with the social services institution setting out their obligation to participate in those activities considered appropriate for achieving their integration. This may determine whether these recipients, if they reside in certain areas and meet certain conditions, can be referred to their corresponding Surge project.

Financial and technical resources involved in this subsystem at Valdocco's level: For the implementation of the Surge project, for the period January to December 2000, the Tierra Nueva association receives from the Regional Ministry of Social Affairs a total budget of 30 million pesetas. Four practitioners were hired specifically for the Surge project. The Tierra Nueva Association selected these persons on the basis of their previous experience in guidance and integration tasks. Of the four women finally hired, two had already been working for the organisation for some time.

### **Analysis of the results of coordination of the Surge programme**

Some of the project's users have been referred by practitioners who process Minimum Incomes, but the majority go directly to Valdocco or come from the local network of social NGOs. This represents about 20 new applications per month on average.

From January to June 2000, around 500 persons were processed (reception and interview). 210 personal integration pathways completed (of these 210, seventy are Minimum Social Income recipients). 25 persons have been employed and an integration enterprise is practically in operation, constituted as a limited company and engaged in producing old-style wooden furniture. This means that in half the time planned almost all the quantitative objectives set for the year have been achieved.

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<sup>49</sup> Despite information being centralised, there are no transparency mechanisms for it, for when the official responsible for the service and those on the Granada coordinating team were asked to contribute information to this report, in the first case the only response to four months of calls was silence. In the case of the Granada coordinating team it was attributed to the fact that the information was not prepared, which is still surprising, since quantitative trends should be the minimum information which a follow-up team should have.

The persons reaching the Surge project are interviewed individually and a possible personal integration pathway is studied, where the person satisfies the minimum criteria. This personal commitment is set out in a document which establishes the tasks to be complied with by the recipient. Inherent in this requirement to comply with the activities established is a means of control (in the words of one of the practitioners, *the people who have to come to Surge have to do things, attend, carry out tasks, etc.*, recognising that some who *have to come to Surge* see it as a disciplinary option) which arouses surprise among other users. *Why do I have to go there? Why now, if I have collected benefit previously* (without having to attend the Surge project)?

According to one of the practitioner, *there are people who are protesting*, meaning that there are people annoyed by this commitment because it interferes with their customary unofficial economic activity: *the black economy is clear; that's the way it is; people have to live ...* The black economy is a reality which forms part of their lives and Minimum Income is seen by the users as a right, as *an allowance which is due* which should not interfere with their usual activities.

However, there is no real control of whether a Minimum Income recipient works while he receives the allowance. It is not that it is incompatible, but the level of income received must be taken into account since this is prerequisite for entitlement to Minimum Income. In reality, the procedure for obtaining it is quite slow and the work available is very precarious and temporary. This has led those responsible for the programme, the Regional Ministry of Social Affairs, to establish guidelines stating **that it should be the users themselves who, voluntarily and when they consider it appropriate, notify the fact that they are working, but after at least 3 months, to thus confirm that the job is sustainable ...**".

It may also happen that a Surge programme user finds a more stable job and leaves the project. Later, he may rejoin it should he return to his previous situation of precariousness. It is relatively common for users to leave and rejoin the programme. The number of chronic cases is high.

Basically, in the Surge project case studied, users are offered two types of activities.

- **Training:** The possibilities in this regard are quite limited, due to the lack of flexibility of the vocational training programmes available. Periodically, courses on job search techniques are held and training courses on technical skills are offered, either run by the organisation itself or by sending the users to other organisations depending on the general supply available. The current training is quite rigid in its content and timetable, so that it is the user who must adapt to the training and not the reverse. This has led to relatively frequent problems with it not being possible to offer suitable training for each case and, instead, compelling users to participate in courses on subjects they have not chosen. At the moment at least, training adapted or tailored to the specific need of the recipients is not given, although the centre does try to make specific agreements with employers to facilitate work-practice experiences.

- **Work integration.** Through inclusion in the employment exchange which the organisation manages and promotes together with the area's employers. With financial assistance for integration: direct subsidies to the employer for hiring Surge users; assistance for self-employment and assistance for the promotion of integration enterprises and their recruitment of the project's users. This assistance has its limitations, especially for self-employment, because it can only be received after the employment has been created and, where necessary, the business legalised, which for most users is too late.

- **Provision for other user needs** (health, housing, etc.): they are directly referred to other departments or services. The project's own workers recognise that they have very few options available. There is the intention (*they hope to able to do it soon*) of organising modules for improving self-esteem, in small groups of users. In any case, there are only four workers running the project and they feel they are inundated with work. At present, they are preparing a proposal for the project to be continued next year in which they ask for an additional practitioner to be employed.

According to the practitioners interviewed, the project is monitored to a high degree and there is strict vigilance regarding compliance with the planned quantitative objectives. They point out that a number of qualitative aspects should be given more weight: *preparing 200 integration pathways is not difficult, the complicated thing is do it with quality.*

In the view of those responsible for the programme in the regional government, based on information in the management report, coordination within the Surge programme is at the right level: appropriate structures (teams, committees, etc.) have been set up and their corresponding mechanisms (periodic meetings, reports, etc.) function correctly.

From the viewpoint of the practitioners, there are aspects which could clearly be improved: *training should be more flexible and specialised*, which would require better coordination between departments in the Andalusian government: *we have to prepare monthly reports for the Surge committee, another different report for Valdocco, then a report for the Granada team, afterwards the annual report ....* It may be that there is no coordination between the various coordination bodies.

The results of the coordination model established by the autonomous community administration are at a practical level, a technical support system in the local area for projects providing the practitioners running them with training and exchange of experiences.

### ***Impact on Minimum Income recipients***

The situation of the labour market in these areas, neighbourhoods and disadvantaged urban zones of Andalusia is such that the supply of official and legalised work is very limited. There is a high level of unofficial work. Unofficial employment, hiring *without papers*, and working as self-employed without making a declaration are common. The arrival of immigrants and the level of poverty of a large sector of the local population feeds this situation of labour exploitation (no contractual guarantee, wages much lower than the collective agreements in place, poor working conditions and lack of benefits - unemployment and pensions).

A large part of the participants in the Surge project are Minimum Income recipients. In the case studied, they represent approximately one third of the persons carrying out a personal integration pathway. But of all the Minimum Income recipients, those sent to the Surge programme fit predetermined profiles, which suggest that their work integration is possible. Those persons are selected who at least theoretically have the best characteristics to be able to successfully complete a integration pathway. **They are, according to one of the sources, what could be referred to as the *la crème de la crème* of the Minimum Income recipients.**

There are various types of users in the Surge project, the common denominator being very low income and being threatened by exclusion. Most are persons with low qualifications, falling into three **common types which could be described as the most significant**.

- 18 to 25-year olds, almost all male, with little training and limited or no working experience. They have failed educationally and/or are threatened by exclusion.
- Persons from 25 to 35, among whom the proportion of women is significant, with family dependants and without previous working experience or who have only done some precarious or unofficial work (generally cleaning in the case of women and labouring in the construction industry for men). They need to bring in a more regular income for their family.
- Men over 35, with quite a lot of working experience, some even skilled, who have become unemployed for different reasons (reductions in workforces, accidents at work, failure in self-employment, health problems, etc.). They have exhausted unemployment benefit and/or receive a very low dismissal pension. They have little chance of finding a new job because of their age and their problematic retraining. In some cases, they survive with sporadic unofficial jobs (“*odd jobs*”).

In interviews with participants in the Surge project, they usually refer to Minimum Income as *the regional government allowance*. Frequently, they learn of its existence from a relative or friend, sometimes through the social services or organisations like the Tierra Nueva Association, which are well known in the neighbourhood. This association, together with the foundation's other activities and facilities, are always referred to by users as *Valdocco* (and not only by the users, as one practitioner interviewed acknowledges: *at times I don't even mention Surge ..., everybody knows us as Valdocco; Valdocco seems to take over everything*). The users do not identify the various departments of the autonomous administration; they are indiscriminately and inevitably identified by the user as “*la Junta*” (the Andalusian government). All this confirms that the users generally have very vague information and indistinct knowledge of the various institutions and NGOs and on their respective functions and activities.

When by some means they find out about the existence of the Minimum Income, it is applied for and granted and the user subscribes to an integration commitment: *you have to fulfil certain requirements, you sign a commitment*; which amounts to *doing everything the practitioners tell you because if you don't they stop the allowance ..., you have to attend whatever they say ...* Obligations are imposed on the user but not on the promoter: *it was I who was given a paper with the objectives I had to carry out ...*

Most users declare that what they are seeking is *a job*. Applying for merely for a cash benefit is generally viewed as somewhat humiliating (*I would like a job, not money*); especially for middle-aged men who were previously accustomed to maintaining their family from their work (*It makes me ashamed because I always earned for my home; asking for this allowance is the last resort, because you know you are capable of working ...*), and with a work culture linked to their role as head of the family.

The users are quite sceptical about what they are offered: *What do you do here? A job-search course, you answer press advertisements, you are in an employment exchange ... This programme of ... Solidarity with Andalusians ... of the government, they tell you they can give you assistance (financial), training or a job. I went for the job, but they sent me here (to Surge); then they tell you that the aim is to find work; now they say a course, that perhaps they will tell you about a job, but perhaps ... later ... I still don't know what all this will come to, but ...*

They are sceptical, with good reason<sup>50</sup>, regarding the usefulness of training, because it does not bring any income or ensure it at a later stage: *I cannot spend time now doing a course, I have to earn money for my family.*

*What do I want to do a course for at my age? That's for young people, who get tired of doing courses and then don't find work in their trade ...*

And critical regarding the work offer: *What do they tell you for (job offer)... either bad working conditions or perhaps they don't even pay you. Work is almost always precarious. Here whoever (employer) calls to offer a job is not what we could call very legal ... I won't work for less than what I'm due, but there are a lot of people ... there are always young boys who do not even know how to work ... We 40-year olds are the ones in the worst situation.*

Self-employment is seen as a utopia: *Nobody helps you to set up independently. The grants take a long time to come through and if you are insolvent you cannot even begin. They tell you: first set up your business and then we will give you the grant.*

Despite the many criticisms regarding the poor results achieved in finding jobs, the opinions on the organisation and the people who work for it are good: *Valdocco are from here, from the neighbourhood, in the best sense in that they can be trusted and concern themselves with others; the staff (the great majority are women) try their best and treat you well.* However, there are limitations: *here (in Valdocco) they have good ideas but more help is needed from the institutions, if not it won't work ...*

### **Conclusions**

As a result of their hard work and integration with the neighbourhood, today Valdocco has a degree of credibility among the neighbourhood's residents (something which is not easily achieved, due to the habitual mistrust which excluded groups and those threatened by marginalisation feel for any institution or organisation). Also their longstanding experience in carrying out projects and activities in partnership with institutions and official bodies endorses them as a responsible and efficient organisation.

Lessons provided by the case and achievements.

- Valdocco has been able, with very few resources in a very difficult labour market setting, to construct a framework of different structures for coordination, starting from the lowest level: it began as a social initiative, established and connected with a specific area.
- The integration activity which Valdocco carries out through coordination enables it to work on prevention, with participation and it is adapted to the needs of groups threatened by exclusion as far as the situation allows, with more flexibility than the case of the pathways imposed by the Surge programme's methodology.
- Valdocco has been able to create and develop, where appropriate, organisations with legal forms suitable for the processes and solutions which the integration management has called for.
- Vertical and horizontal, formal and informal networks have been set up, which, using different coordination instruments, facilitate and consolidate Valdocco's activities.

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<sup>50</sup> Recent research by the research group ... shows that training without personal networks is of no use for finding work.

- Cooperation with other organisations and institutions is frequently formalised through agreements and conventions which are a formal prerequisite for coordination.
- Valdocco, after many years in operation, currently promotes and pursues an activity, to a certain extent regular and continued, allowing it to maintain suitable premises and an experienced staff, not subject to the vicissitudes of changing programmes.
- It has achieved a high degree of identification with the neighbourhood and its residents, and with the city. The organisation's public and social image is very good which means that it comes over well with the users, local residents, institutions and public opinion. This has earned it awards and national recognition.
- Due to its good image and coordination with different structures, Valdocco has been selected to run one of the Surge programmes.
- The Surge programme is a pilot project which, in its theoretical approach, contains interesting prevention and integrating aspects. It is currently one of the few specific measures for improving the socio-vocational integration of Minimum Income recipients

### Problems

- In general, the results achieved with users are necessarily limited, due to the size of the population in need and the fact that sufficient resources are not always available.
- The social sector organisations to an extent compete to attract resources, they compete in a "market" which is somewhat precarious and not always transparent.
- Coordination is often more official than real, is frequently informal and is not always rigorous.
- The fact that there is no proper cooperation and coordination between the different departments of the autonomous administration, makes it very difficult to offer flexible training tailored to the needs of the users at local level.
- The impact of the Surge programme on users is limited, since it is a pilot project, which reaches few users and not necessarily the ones in most need.
- The criteria for choosing and selecting the organisation to monitor, control and coordinate the Surge programme were not transparent.
- In the Surge programme, the parallel monitoring committees operate separately (local and autonomous community level), which multiplies bureaucratic work since the monitoring and control processes are not integrated, creating dysfunctions and, at times increasing the work of practitioners instead of simplifying it.

## **2. MODEL OF HORIZONTAL COORDINATION CREATING NEW POTENTIAL FOR ECONOMIC SOLIDARITY: THE ‘POSA`T A PUNT’ PROGRAMME AND THE NEIGHBOURHOOD CONTRACTS IN CATALONIA**

### **Presentation of the case**

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### ***Context: a market practice as a socialisation tool for integrating rehabilitation structures and players.***

As already mentioned, Catalonia has highly developed regulations for combating exclusion and a relatively well organised sector of social organisations. However, the economic participation of integration centres has mainly been restricted to the good will of municipal aldermen who cede areas of public competence to enable these centres to carry out their integration work through employment in transit enterprises, which act as a bridge to integrate users (once the work skill acquisition objectives are achieved) into a 'normal' company. The work done between the Catalonia government and the social NGOs to integrate persons with exclusion problems in work to refurbish social housing in the Community was an interesting experience in work activation of the unemployed and did not involve a higher financial cost, due to the coordination of different departments of the autonomous government, the city administrations and organisations involved.

Based on this experience, the regional government decided to continue with this strategy of multiple partnership and coordination between institutional and social partners with a view to finding a means to reconcile the social and financial dimensions of the public competitive tenders market. This led it to develop regulations based on sealed documents supported by partnership and coordination of different types of actions, giving rise to the Posa`t a Punt programme, which has tried to make headway in this direction. Although with many problems, this case is a significant example of how, at the institutional autonomous community level, coordination strategies can be applied which are sufficiently valuable, although also problematic, to have an impact at national level: amendment of the award criteria under the Public Procurement Act (see Chapters 2 and 3) and at local level, providing users with a more extensive (although still limited) ambit for socio-vocational integration, which prevents them from becoming chronic minimum income recipients.

Almost at the same time as this, and also promoted by the Regional Ministry of Social Welfare, another interesting experience in coordination and participation of all the neighbourhood's 'living forces' was implemented, the Neighbourhood Contract (mentioned in Chapters 1 and 2). Paradoxically, the limitations of both programmes although they developed

separately, showed signs of problems: in Posa`t a Punt's case it was confirmed that was necessary to make territorially-based awards to NGOs involved at a specific level in an area. In the case of the Neighbourhood Contract, there remained groups which could not find ways to integration. For these reasons, compounded by the political crisis in the Regional Labour and Welfare Ministries leading to the resignation or moving of the individuals in these departments who had launched the experience, the Vallés Occidental Territorial Employment Plan was finally approved with local funds making it possible to apply and bring together territorially the coordination experience accumulated through these programmes on a broader scale than just municipal.

All this, together with the debate aroused and the results obtained in its practical application have prompted us to select this case as an example of best practice which is significant on account of a variety of logics restraining different players and institutions which ultimately establish new economic potential for social integration.

**Objectives:** The coordination was focused on developing a framework of standards and processes enabling the creation of a sheltered market to promote enterprises providing social integration through employment and the support of excluded persons by applying integration at neighbourhood level, that closest to the citizen.

The specific objective of the Posa`t a Punt programme is that public procurement should be regulated using **statutory social provisions** which facilitate integration by employing the most disadvantaged groups in neighbourhoods. Tenders are issued for refurbishing and maintaining the public housing.

- At least 50% of the persons carrying out the work must be from the neighbourhood.
- Referral of special difficulty groups (long-term unemployed, young people, minimum income recipients, ethnic minorities) must be done through the Public Employment Service or the Partner Centres located in the area.
- Selection is performed exclusively by the contracting company.
- Recruitment will be in line with the sector collective agreement.
- The project must define individual integration pathways which basically cover training by work practice, professional qualification and support for work.
- Mechanisms must be proposed for incorporation in the ordinary labour market or self-employment initiatives.

## Territorial dimension of coordination

### *Structures involved in horizontal coordination at different territorial levels*

- **Subsystem for autonomous community coordination organised around the Posa`t a Punt programme**

#### **Structures involved**

**Autonomous administration:** Design of the Programme regulations and approval of NGOs: the Department of Social Welfare and Department of Labour of the Catalan autonomous

government<sup>51</sup> jointly supported by the recommendations of the Monitoring Committee, the Technical Committee of PIRMI and the Committee for single-parent families (see Chapter 2), in response to pressure from the social NGOs, promoted the regulations for the introduction of the “**Posa’t a Punt**” socio-vocational integration programme specifically targeted at persons with special difficulties (long-term unemployed, young people, minimum income recipients). Administrative management: ADIGSA (Catalan government institution for the administration of public housing).

**Local administration:** Social NGOs cooperating with Community Social Services deal with the social integration of the most problematic groups who are not reached by the public social services nor even Posa’t a Punt: heroin addicts, certain peripheral areas, areas in which *very residual groups* live, beggars with mental health problems, persons appearing before or sentenced by the courts, and even if some of them can obtain minimum income, these are very few. The community social services and the partner NGOs, in order to expedite entry into work of users who have completed their pre-vocational training and require an integration bridging mechanism, use their employment exchange so that building companies can contract persons who are able to maintain productivity rates and are familiar with the trade's practices.

**Social sector:** The partner NGOs must be approved as such by the *Departamento de bienestar social y educación de adultos* (Department of Social Welfare and Adult Education)(currently there are 18<sup>52</sup>) for the development of community social service tasks connected with the PIRMI; or, through the Department of Labour, for them to carry out the first part of professional guidance and follow-up, depending on the applicant's employability profile. Those who are employable are directed to integration enterprises, either by municipal social affairs departments, the staff of the *Aprender a Aprender* [Learn to learn] Programme, or are even selected by the NGOs themselves, many of them in their turn employment partner centres, recognised as integration enterprises.

**Business sector:** The call for tenders for refurbishing and maintaining public housing and the introduction of compulsory social provisions does not involve any increase in the cost of the work, but does require a series of special terms and conditions which includes a reintegration project by the **building company** in partnership with a **social economy enterprise** entered in the Department of Labour's register. These social economy enterprises are the social integration enterprises, which are member of the *Coordinadora Catalana de Empresas de Inserción* (Catalan Integration Enterprises Coordinating Board), approved by the Catalan autonomous government.

**Other related structures:** The networks linked to the NGOs running the programme, Departments of Housing and Health of the Catalan government.

### ***Instruments for coordination***

Local level: Formally, through the PIRMI Technical Follow-up Committee which includes the above-mentioned Catalan government departments, the local organisations, trade unions, employers, residents, partner NGOs and the professional associations (social services). Informally the department of Adult Education and Community Social Services is in contact with the municipal social services on an almost daily basis.

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<sup>51</sup> Specifically, the Directorate General for Community Services was officially the initial promoter of the Posa’t a Punt programme.

<sup>52</sup> The requirements for approval are: 2 years' experience in combating exclusion and cooperating with public institutions, besides being entered in the register of Catalan NGOs.

Provincial level: The guidelines for monitoring are established by the Technical Committee.

Autonomous level: Monitoring and control committee, Specialised committees for the analysis of qualitative results. (see chapter 2). Problems of lack of coordination in the field of training.

State level: Political relations between nationalist parties and central government to achieve legislation favouring the participation of the social sector in public contracts.

#### Factors which have facilitated coordination

- Previous experience in management of the integration sector
- Identification of the employment segment by the social sector (non-profit organisations which work in the territory with these groups) through the PIRMI Monitoring Committee calling for support from administrations to cater for this growing sector of the population
- Existence of social awareness and sufficient political weight among some administrators of labour and social welfare policies. This demand was heard by certain figures in the autonomous government, *persons with acknowledged social awareness who took up the challenge and had the political courage to put forward this programme which aims to give social use to the refurbishing of social (public) housing.*
- It is an initiative which has potential and manages to connect the grassroots initiative positively (interests of social organisations and the represented groups) with public initiative (political interests), although conditioned by the private construction sector (business interests) and finally limited by the dysfunctions between the different departments of the public administration itself (political interests).
- The conflict caused by competition in the market between grassroots NGOs, which disrupted the initial coordination, has, on the other hand, led to discussion within the Catalan Integration Enterprises Coordinating Board on the need for a code of practice, with principles which should be followed from an ethical and social perspective. They are awaiting the definitive approval and application of a national law on integration enterprises.

#### Factors which have obstructed coordination

- Conflict of competence between the traditional private sector and social sector: the start-up of the programme suffered from the opposition of private construction sector which specialises in the public market, which did not wish to cede areas or markets. Finally, an intermediate proposal was reached between the social sector enterprises and the commercial companies. The body administering housing (ADIGSA), with a basically economic technical structure for managing housing, does not wish to take the lead in trying to construct a consensus, is not interested in *social complications*, and prefers *pure and hard* public bidding. This non-intervention has favoured the traditional business sector operating in the segment, which faced with a possible reduction in its economic interests, formed a consensus to share out the tender options.
- Lack of definition in the structuring of the social aspect and its requirements (codes) in coordination with development of professional completion of work: As some sources commented, *the solution chosen suffered from some problems of lack of definition*. The terms and conditions for bidding for projects contained problems: they did not define who was to cover the cost of social production (training for integration). Another problem is

that there is no distinction between the integration enterprises which pay the user the sector wage and integration enterprises which pay less than the collective agreement. This has also involved conflicts which were taken up at national level during the discussion of the draft bill.

- Lack of sufficient coordination with the training department, which prevents the organisations involved having access to information on planning for the next year, due to problems of political rivalry between the parties in the regional government coalition. This made it impossible to programme actions with sufficient time and so the users' training could not be correctly prepared, since this depended on another department in the autonomous administration.
- Another problem implicit in the initial model was the potential for conflict created by not demarcating from the outset the territory for intervention to avoid competition between social enterprises for access to the market. The first decision taken was to set up a temporary unit made up of various enterprises to compete with the private sector, but this only lasted six months, as one of the enterprises, part of the handicapped sector, opted out to pursue its own interests. After this failure, which compromised the efficiency and credibility of some enterprises, a new model for bidding for housing refurbishing was chosen based on an alliance between the private and social sectors: the constitution of temporary joint ventures. Thus ordinary companies subcontract to integration enterprises the training for reintegration throughout the work process, although there have been other organisations such as Can Xatarra which divided the project 50/50 with the ordinary company, while assuming the technical and training part.

**Players :** Managers of social NGOs, construction employers, administrators and politicians from labour, welfare departments, ADIGSA, the municipality social services, social NGOs involved in pre-vocational training.

**Results:** During the last three years (1997 - 1999), 66 integration projects have been completed in the *Posa't a Punt* programme, in which a total of 745 persons have worked (249 long-term unemployed, 195 young people threatened by exclusion and 44 Minimum Income recipients). Despite efforts made by the Department of Labour, the number of users proceeding from Minimum Income continues to be very low. The blame is laid on ADIGSA's lack of involvement, political rivalry and the lack of better coordination results which should have affected PIRMI users bringing about an increase in their quantitative impact.

The Programme has been capable of establishing, not without difficulties, a network between building companies and social integration enterprises. The Catalan Integration Enterprises Coordinating Board has played a significant role. In any case, it is acknowledged that it is necessary to improve training, *to tailor training to the true necessities*, and extend the Programme to a greater number of municipalities.

*The Posa't a Punt programme has been an innovative and courageous measure*<sup>53</sup>. Although the number of persons directly employed has not been high, **it has been possible to introduce social provisions, which is extremely important for the operation of sheltered markets** required for the development of social integration enterprises. This has led to city administrations also including these markets in their building projects, although on a still limited basis, depending on the social awareness of the municipality's mayor.

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<sup>53</sup> As defined by an autonomous government official, recognising the diverse problems and even the budgetary difficulties through which the Programme has passed.

Their success has been without doubt **the legislative amendments achieved**, firstly, in the Public Procurement Act, enabling non-profit organisations to participate in competitive tenders for public projects, and secondly, in the State General Budgets Ancillary Measures Act, providing tax concessions for the recruitment of persons threatened by exclusion.

It is important to point out that the programme initially established public tendering conditions which favoured the social NGOs. Given the legal vacuum in which the social integration enterprises operated, they have had to **try out various types of legal formulas** to gain access to this market, such as the *Unión Temporal de Empresas* (UTE - Temporary Union of Companies) and finally as the Integration Enterprises Coordinating Board, which is the current form.

The integration enterprises tendered for the projects, and they subsequently carried out the renovation work in cooperation with building companies. Recently, the list of conditions for tendering has been modified, so that now ordinary construction companies are invited to tender and may subcontract up to the quota of disadvantaged persons required of them. The conflict which took place between the integration enterprises is resulting in a new ethical code of practice.

This coordination experience has served to reinforce and demonstrate the potential of work coordinated between different agents and in different areas: proposals are made through the PIRMI Monitoring Committee, in which the NGOs participate, and are applied to achieve greater scope for integration in the pathways of PIRMI users.

Viewed by autonomous government officials, the Posa't a Punt programme:

- Has been a positive and innovative model;
- Has introduced significant regulatory changes;
- Has had a quantitatively limited impact, in terms of persons and territories;
- It is necessary to tailor training to the requirements of companies;
- The programme should be extended to a greater number of municipalities.

From the perspective of the social organisations:

- The programme emerged because there was demand from grassroots organisations;
- Making the renovation of housing socially useful is an act of political courage;
- There has been a lack of definition in important aspects of the programme's design;
- Training should be reassessed, it should be something more than just courses;
- Demarcation of actions territorially would prevent competition between organisations and make it possible to programme training for users more suitably;
- There should be more continuity in the programme's actions, beyond a simple succession of building projects.

The activity and impact of the **Posa't a Punt programme have a clear territorial dimension** and affect public services, municipalities, companies and non-profit enterprises based in the territory (16 in total). Within the current policies of the Catalan autonomous government, in the words of one of its officials, *a decision was taken to back a model of territorialised community development in which the social economy acts as the central focus*. The intention is to cover *what the market does not do*, namely, to be concerned with the excluded and those activities which are not financially advantageous from a private profit

stance. Therefore, the social sector is left with the groups most difficult to deal with and a few business sectors which do not offer much profit to the private sector.

### ***Coordination subsystem derived from the Community Economic Development Plans***

The Posa't a Punt programme is being linked at a territorial level in this subsystem, in order to circumvent problems stemming from the lack of territorial linkage. In parallel, the launch of the Vallés Occidental Territorial Employment Plan has made it possible to apply social innovations at a supra-local territorial level (see CIREM, 1999). The Catalan Integration Enterprises Coordinating Board has been the organisation which, as a partner of the other players involved in the territory, coordinated the social integration strategy for disadvantaged groups with the municipal social services involved through sheltered markets. For methodological reasons related with the scope of this report, only the operational basis of the Community Economic Development Plans is described, concerning the experience of the coordination instrument provided by the neighbourhood contracts combating exclusion from an overall perspective.

**Objectives:** To develop a comprehensive project through programmes for action in various areas on the basis of a common diagnostic, the community diagnostic: renovation and maintenance of public housing, prevention and combating of exclusion, development of the local economy and of employment (integration, training, access to new technologies), coordination and improvement of the public services (education, health, culture), creation of local services and social and cultural development. Thus a set of short-term and long-term transversal actions are structured, coordinated/carried out in partnership between different players in a strategic planning setting, aimed at the sustainable use of community resources, with the explicit intention of recognising the community's human resources as the key to its transformation and to improve quality of life.

#### ***- Vertical coordination structures involved in this subsystem***

The Catalan proposal for Community Economic Development, based on the experience of recent years, is structured around certain basic principles vertically organised, in accordance with their dimensions, which link the different intervention levels – neighbourhood, district, city, region, in order to use the synergies which intervention may generate at each level.

- **Autonomous government:** Directorate General for Community Services and ADIGSA. Given the increasing problems of exclusion and marginalisation affecting predominantly urban areas, over the last three years a pilot project has been carried out in more than 60 neighbourhoods.
- **City councils**, which have social exclusion problems.
- **Associative fabric of each neighbourhood:** Parents' Associations, Associations assisting different target groups, etc.
- **Federación de Asociaciones de Vecinos (FAVIBC - Federation of Residents' Associations).**
- **Trade unions.**
- **Employers.**
- **Research and evaluation organisations:** foundations and universities.

The experience accumulated over the three years of this programme's operation confirms that community economic development now forms the **basic strategy for preventing and combating social exclusion processes and a new model of sustainable and responsible territorial development**<sup>54</sup>.

#### **- Horizontal coordination structures and dimensions involved in this subsystem**

**A local dimension:** revaluation of local resources against a background of associated management in which the community's principal components (associative movement, private sector, social partners, city administrations, government and other administrations) commit themselves to a management method which also encourages the contribution of resources on a community basis.

**A social and political dimension:** economic and social revitalisation of a territory (employment, housing, training, health, education and social services) and appropriation by the resident population of their economic and social future, by promoting democratically participatory bodies.

**An economic dimension:** deployment of businesses involved in production, sale of goods and services, through support for trade, industries in place and the creation of new business initiatives, placing emphasis on the development of social economy initiatives in order to provide new services for the community.

**A community dimension:** the community as a point of departure and point of arrival, as a space for "living together", and the association as a model for revitalisation<sup>55</sup>.

#### **Coordination instrument**

For the regulatory agreement: The **Community Economic Development Plans** are the means through which citizens, associations, economic and social partners, town halls, the autonomous government and other administrations, launch in a concerted fashion development and urban revitalisation policies involving solidarity. **Combining four dimensions: economic, social, political and community.**

These Plans are a recognisable trend in North America, especially in Quebec, whereby part of the associative movement finds by itself, with the necessary institutional support, responses and alternatives to the exhaustion of systems of social regulation, employment, to democratic participation and processes of destructuring of territories.

For committing the parties involved legally: The Community Economic Development Plans are included and formalised in the **Neighbourhood Contract or City Contract** (depending on the territorial scope for action), a legal instrument which sets out the specific territories for action, common diagnostic, objectives, programmes to be developed, partners, technical and participation bodies, sources of finance and evaluation criteria.

The Neighbourhood or City Contract is a political instrument and a legal document. As a political instrument it sets out the objectives defined in the common diagnostic and actions

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<sup>54</sup>VIOLANT, J.M., TURULL, J. and PUIG, M. (2000). "Europa una nueva realidad social" in La Factoría no. 11. Barcelona.

<sup>55</sup>COMEAU, Y. and FAVREAU, L. (1998). International prospects in Quebec. 1st International Conference on Development Policies. Barcelona, 26-27 March 1998.

agreed on, which will be the work focus for all the participating organisations and institutions, in order to launch the territory's development processes.

- It is the reference charter for the citizen and for society in general.
- It is the repository of actions and commitments made in the Community Economic Development Plan and attests to this publicly.
- It is a working benchmark for practitioners, politicians, NGOs, organisations, economic and social partners and participating citizens.
- The Contract coherently links the sectorial policies of all the signatory administrations. It must ensure the decentralisation, subsidiarity and transversality of sectorial policies in the target territories.
- The Contract is also a tool for evaluation and democratic control.

As a legal document, the Neighbourhood or City Contracts are legal frameworks setting out the social, economic and urban policies to be implemented to transform the territory targeted for action.

- The Contract, as a contractual legal document, binds all the parties to fulfil the agreements signed.
- The Contract is an administrative document with social value.
- The Neighbourhood or City Contract is the basic instrument for a common project of revitalisation and of democratic participation in a given territory.

#### **- Coordination areas**

**Common diagnostic:** To start up a Community Economic Development process it is necessary for all the players to share and be aware of the economic, social and urban problems of the territory targeted for action. This involves analysis of the strong and weak points in a strategic planning setting, to ensure, after consensus, the implementation of projects aimed at improving citizens' quality of life, by bringing them as active participants into the process of deciding and carrying out the Plan.

The process of preparing the diagnostic must be understood as a basic process, essential for learning about partnership cooperation, coordination and practice. Whether with possible external partners or among the promoting members themselves: residents, associations, NGOs, city administrations, government, etc., "the preparation of the diagnostic is a means for initiating cooperation between players and constructing a real partnership<sup>56</sup>". In this regard, the project resulting from the diagnostic must also serve as a setting bringing together the complete range of public policies at government and city administration level.

In short, the common diagnostic must be a long-term collective project, shared by all its partners and must facilitate the mobilisation of citizens, and the resources needed for its execution, but is formalised by experts who validate the formal possibilities for consensus.

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<sup>56</sup> TREMBLAY, D.G. and FONTAINE, J.M. "Le développement économique local". Quebec University. Télé-Université.

**Participation:** The group promoting a Community Economic Development Plan must incorporate the maximum number of representatives of the community, through a partnership strategy. Its first objective is analyse the socio-economic situation and establish an open diagnostic on the basis of a research-action methodology. The problem, as indicated by sources consulted, is **the bureaucratisation of participation**, which converts the officially established forums at times into a means of justification for those who have the capacity to impose consensuses.

**Technical team:** When the initial diagnostic is made, the promoting group draws up a proposal for the long-term development of the neighbourhood, district, municipality, etc. This vision must incorporate the economic, political, social, cultural and institutional factors. After defining this collective perspective for long-term development, which specifies the Plan's overall objective, it is necessary to set the strategic focuses for achieving the overall objective of transformation, the programmes of action, the results expected, the procedures, the players who should be involved in the process, the technical and economic resources required and the methods for evaluating the results. **The premise is that the social economy sector should act as the support structure for community development, the social economy must take on what the market does not do.**

**Socio-vocational integration structures:** As a result of coordination to combat social exclusion, the users in a given territory are proposed different structures linked around the development of a personal pathway of socio-vocational integration comprising the following stages.

**Guidance and motivation:** with the assistance of the partner NGOs, vocational guidance services are offered in order to be able to construct personal and professional projects, and to improve skills, capacities, motivation and self-esteem.

**Training:** with the vocational training resources and support for integration of the Department of Labour, training pathways are implemented which train users to meet the needs of companies.

**Social and professional integration:** the social economy enterprises and integration enterprises make it possible to develop business projects which combine training and social support with work experience, thus facilitating these groups' active integration in the community. With sheltered markets, part of the investments are reinvested in resources generating work for these groups.

**Integration:** a series of pilot experiences are developed within the social economy, by NGOs which have demonstrated a line of practical commitment in the field of integration. For the project's success, the cooperation and participation of the neighbourhoods' associations is essential. At the same time, for the individual to feel integrated in society, it is fundamental to involve society in this process of integrating persons threatened by exclusion. This is why the programme proposes tasks which contribute to improving different aspects of the neighbourhood.

## **Results**

Briefly, according to the description given by one autonomous government official: *The Catalan government, the city administration and the various organisations of the territory agree on a local diagnostic, the priorities for intervention, the programmes and investments and the groups they are targeted at, for which a common legal entity is set up by concluding a Neighbourhood Contract.*

In addition, within a more general setting, community economic development has a new social meaning because it puts the emphasis on the connection required between conditions for working, employment and territorial management. Historically, community development has been exclusively occupied with the social dimension, both from the viewpoint of intervention and results. Community local economic development is a global strategy, which in the organisation area includes strategic planning, by integrating social and economic objectives. The problem has already been mentioned in Chapter 3 – the excluded rarely have a real possibility of participating, due to the implementation of analytical methodologies which are based on technical, political and financial saving concerns. There are few mechanisms for structural participation of the users in community development practices; it could be considered as the model of traditionally economic corporatist development, that is limited to the market areas now open to the sensitivity of social organisations. As O'Connors pointed out, there is always the doubt that it is all about opening a new "sheltered" market segment in difficult times for private companies in order to achieve employment, with a different but more or less selfish logic depending on the interests concerned and with limited results in terms of achieving the autonomy of those involved.

The geographical concentration of the population in the neighbourhoods, districts or municipalities of given characteristics offers a specific potential for identity and proximity favouring all types of actions. The presence of organisations and diverse social networks is the starting point for exploiting the potential present in each territory (individual, associative, solidarity, economic) and transforming them into development opportunities. But although this initial idea seems favourable, it appears necessary to define and evaluate what the development of excluded persons affected by these contracts consists of; what is the impact of intervention, not only statistical and territorial but also from the personal and social dimension. For, on occasions, this type of intervention coincides with speculative movements which lead to the expulsion of the most disadvantaged population and, when territorially-based statistical estimates are made, the misleading impression is given that the neighbourhood's living conditions have improved, which might be true in one sense, but certainly not for persons who have to seek other living spaces. In this regard, an official responsible for municipal policy referred to the problem of one of the toughest neighbourhoods in Barcelona (La Mina) where, after much intervention and negotiation, some integration results had been achieved, especially with the Romany population, after 3 or 4 years, which would ultimately end with the major urban development initiative which was about to take place, namely, the *cleansing* of marginalised areas; thus the problem shifts to another place, perhaps with even harsher conditions.

We must stress that one of the most interesting contributions of Community Economic Development is that, while **it advances the idea of co-responsibility and collective involvement for providing responses to social problems**, it encourages the development of the non-profit sector as a basic element for creating new services; this does not guarantee their quality, although it is cheaper for administrations. But it is, at least, configured, as is demonstrated by the diverse experiences which are taking place in Catalonia, as a participatory, partner-based proposal for the sustainable and responsible development needed of neighbourhoods and cities, which serves as collective socialisation. At the risk of disparaging partnership as a means for real participation, it is only if we succeed in diverting the interests of the stronger groups and using structural methodologies which go beyond the scope of manifestos, **by applying self-criticism and socio-analysis or institutional analysis allowing social censure mechanisms to be uncovered and eliminated**, that participation can be used to give autonomy to excluded individuals, for it is precisely this which would mean that they were no longer excluded.

The objective set by the autonomous Catalan government for 1999 was to extend the Community Economic Development Plans. The result is that the 41 neighbourhoods in 1998 were increased to 66 in 1999.

### ***Impact on Minimum Income recipients***

In the last three years, under the Posa't a Punt programme, 66 integration projects were carried out (54 building renovation projects and 12 maintenance projects). A total of 745 persons worked on these projects, 488 of whom carried out individualised integration programmes. 249 of them were long-term unemployed, 195 young people threatened by exclusion and 44 minimum income recipients.

The quantitative impact is small: a total of 44 minimum income recipients in three years. However, the joint participation of these persons in other groups in "normalised" working activity and the relatively high working integration subsequently achieved is worth emphasising.

Approximately two thirds of the Programme's participants succeeded in subsequently continuing to work in the construction sector. It is necessary to qualify this good result, since there is currently a high demand for workers in this sector in Catalonia. However, it does show that groups like these, which normally have special difficulties for finding work, can, with suitable training and work practice, be accepted and hired by employers, albeit with temporary contracts.

The users themselves are almost never aware of the programme or measure they are participating in, *here we are ...*, nor are the content or technical objectives really understood. It is difficult for them to distinguish and identify the various institutions and actions; they only know if they have work or not and under what conditions.

*They only start looking when things get tight: you have to look sharp when you are out of work. My dole finished ..., I didn't know it existed (the minimum income), not at all! I had never been in this situation ..., you just work and work, and aren't aware of it. I went to the social worker ... Word of mouth is the most frequent source of information: they recommended that I apply for the PIRMI, that I should first go to the social worker.*

Most users simply say they want a job and need income to live on. If they obtain a contract, even if for only a few months, the problem is put off for the moment: *they have given me a contract for a year; I am not worried now ...*, especially in the case of women who do not have pressing family responsibilities.

When minimum income participants are participating in work or a training/work practice activity, they express their satisfaction at being able to work and earn an income, but usually they view it as a temporary situation with a doubtful future. A resigned and fatalist attitude prevails: *it's all the same to me; it doesn't bother me to stay and it doesn't bother me to go*, while waiting for whatever *they want to give us* (authorities or organisations, generally identified very vaguely). *God will provide! ... because you cannot always be worrying about your situation ...* The implication is that, in the end, there is always the possibility of getting some sporadic or unofficial work.

The process of **applying for minimum income is seen as an obstacle course**: *you have to go through interviews, talks, ... when you fill in the papers you put what you want to do. I had to show I had no earnings (income). The difficulty is not always the same: The social worker arranged everything for me! ... Some social workers ask you for more than others.*

There is no precise evaluation available of the real impact of Neighbourhood Contracts as a coordination instrument on minimum income users. But sources maintain that it is very difficult to assess the influence of a specific measure, because normally in these neighbourhoods various schemes have been ongoing for a considerable time so that various measures and factors are affecting the area. However, from what emerges from this research<sup>57</sup>, it seems that as a relatively official integration and coordination strategy, it is an interesting innovation which offers a new approach to official development objectives which, until now, were almost always focused on the economist vision, that is to say, financial and commercial, by moving into areas which take into account the living conditions of the disadvantaged population, albeit "bound" by financial control. The range of concepts, which is not new in development matters, nevertheless brings about a new slant to the rules in the light of the potential provided by the current debate on solidarity and the Social State model, which, provided that is not devoid of content, is an interesting step forward.

## ***Conclusions***

### **Achievements**

- Learning how to coordinate interests: Paradoxically, although the starting point is a demand from grassroots organisations for integration, the lack of legal recognition of these enterprises and the lack of coordination of the political interests, mean that the Posa't a Punt programme ends up by reinforcing the key role of the stronger commercial sector and promoting strategies for consensus between the commercial and social sectors. This increases somewhat the scope for integration by maintaining the same cost in public tendering, but does not provide scope for the autonomy of excluded persons on a relatively stable basis.
- A range of players are provided with a scope for negotiation and building of consensuses: public administration, non-profit organisations, construction business sector and the social partners. The end result is a learning process and socialisation in institutional and ethical eco-responsibility.
- The non-profit organisations, under the aegis of the Integration Enterprises Coordinating Board, acquire recognition and a role in running the programme, consolidating this new segment of the social economy which, as a pressure group in partnership with the autonomous government, generates synergies which affect the rest of the State: at central government level, in networks combating poverty and exclusion, in networks of State and autonomous community level integration enterprises and in financial institutions, by proposing ethical banking strategies allowing for solidarity.
- Significant regulatory modifications have been introduced, on an autonomous community basis, allowing for the insertion of social provisions into the conditions for public procurement, as a first step towards the creation of sheltered markets, which is a minor advance at State level.
- Building projects under the Posa't a Punt programme must include the recruitment of a fixed number of disadvantaged persons and their corresponding individual integration pathways, which ensures a minimum level of integration, albeit temporary for employable citizens receiving minimum income.

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<sup>57</sup> To be able to really and fully evaluate the coordination processes and their enormous variety in this integrated model, more research would be needed than is possible in this study, with limits of time and resources.

- The Neighbourhood Contracts are a strategy based on local pacts enabling the formal participation of various local partners in the diagnostic, prioritising the application of activities combating exclusion through a common coordination instrument.
- Synergies have been developed which have facilitated participation and coordination in other territorial intervention programmes, such as the Vallés Occidental Territorial Employment Pact, thus learning to overcome municipal-based localism.

#### Problems

- The PIRMI has placed more emphasis on the employability aspect than on other coordinated protection factors such as housing or health.
- The Posa't a Punt programme has benefited a small number of minimum income recipients, qualitatively the most employable and has reached very few municipalities.
- The training should be better tailored to the sector's needs.
- There continue to be problems of political rivalry between parties and factions of parties in power, which obstruct coordination work, as there are no transparency mechanisms which would compel politicians to explain this lack of coordination to the public: all the sectors which participate in the committees are *dependent* in some way, regarding work, economically or politically, *on those who give the orders*, so that participation to a certain extent becomes quite rhetorical.
- The programme must have greater continuity and avoid the interruptions which the completion of each activity causes.
- There are risks that the participation of players will become bureaucratised.
- The budget earmarked for the programme was inadequate and did not take sufficient account of the costs of integration.
- There was a lack of cohesion between integration enterprises and social organisations.

### 3. MODEL OF GLOBALISED COORDINATION AT REGIONAL LEVEL AS A CATALYST FOR STRATEGIES (bottom-up and top-down): THE PLAN COMBATING SOCIAL EXCLUSION IN NAVARRE

#### Presentation of the case

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#### ***Context: Social pressure, limited applications and autonomy in financial management***

The Community of Navarre is a small territory, with a small population in comparison with other Spanish Autonomous Communities. It has a long tradition of social services and

benefits. In addition, Navarre has its own tax and budgetary system (special regional rights) which allows it a high degree of autonomy and economic self-sufficiency.

Regarding social exclusion and the general parameters which may lead to it, Navarre presents a number of special features: the unemployment rate in Navarre is much lower than that of Spain as a whole (below the European average); an income level which is practically the European mean, clearly above the majority of Spanish autonomous communities; the poverty and equality levels are below those of the rest of Spain; family solidarity mechanisms operate, just as in other Spanish regions, distributing and compensating for personal situations within the family unit and social protection development is, at least, similar to the rest of Spain. The budgetary capacity of the Community of Navarre normally allows it to maintain and supplement welfare and social benefits.

The overall effect of these factors is that social exclusion in Navarre is fairly rare, but not completely unknown. Recently, to a great extent due to the favourable structural and welfare conditions which it offers, Navarre has been taking in a flow of immigrants, a considerable number of whom join the Basic Income recipient group.

There is an extensive associative tradition organised in a substantially democratic form around the autonomous community-based network combating poverty and social exclusion. This is underpinned by the active role taken by a research group from the Department of Social Work of the Public University of Navarre in research applied to social work on exclusion and the existence of very singular social experiences in the context of work against poverty, such as Traperos de Emaús.

From the beginning of the 1980s, the Community of Navarre has been implementing various measures to support disadvantaged persons (1982: Assistance for Navarrese families in situations of need) and in public or community work (1983: Labour projects, 1985: Work Camps)<sup>58</sup>. 1990 saw the introduction of the Basic Income programme, which has three variants: Basic Income, Social Sheltered Employment and Work Integration in Companies. Basic Income is a monthly cash benefit; Social Sheltered Employment involves six-month work under renewable contracts, usually for city administrations. Working Integration in Companies subsidises the employment of Basic Income recipients in private or public companies.

### ***The scope and objectives of the scheme***

In June 1998, the Parliament of Navarre approved the Plan Combating Social Exclusion, with support of various parliamentary parties and social groups. This is a plan which is comprehensive in its scope and integral in its conception. It approaches the combating of exclusion not only from the economic and employment perspective, but also with regard to access to housing, health, education and personal support and social accompaniment. As a part of the plan, provision is made for Basic Income, backed up by the possibility of Sheltered Social Employment and Work Integration in Companies, for those persons who do not have sufficient income.

The Plan establishes the following general objectives.

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<sup>58</sup> Laparra, M. and Aguilar, M. (1998). *El programa de Renta Básica y la incorporación sociolaboral* [The Basic Income Programme and sociovocational integration]. Department of Social Work of the Public University of Navarre, Department of Social Welfare, Sport and Health of the Government of Navarre.

1. To provide cash allowances for the most disadvantaged households, enabling them to overcome extreme poverty levels, linking these allowances to the agreed establishment of a social integration programme.
2. To establish specific mechanisms of work integration for socially excluded persons.
3. To assist access to housing or decent accommodation for the most disadvantaged sectors.
4. To facilitate the educational integration of groups in social difficulty.
5. To promote use, by excluded persons, of all the resources of the health system, on the same terms as the general population.
6. To guide and supervise the individual process of social integration, by adapting it to the possibilities and needs of each person in social difficulty.
7. To make all of society jointly responsible for prevention of processes of social exclusion and for solving situations of marginalisation.

***The Plan as an instrument for coordination from planning to evaluation and follow-up***

***Institutional and political direction:*** The Department of Social Welfare is responsible for the initiative and its political direction, considering the coordination needed with other departments of the government as its responsibility – *it's we who coordinate* – by bringing together the other departments and deciding how responsibilities as regard actions and financing are shared out.

***Time span:*** The Plan Combating Exclusion has a specific time span (from 1998 to 2005), but includes in its contents the provision that it may serve as a sound basis for subsequent and possible reviews of thereof.

***Participation as an action strategy for constructing the coordination tool:*** Apart from the advantages stemming from the presence of the Plan itself, which has led to a **coordination tool linking the players involved**, what is especially noteworthy is **the process of preliminary participation/coordination which it gave rise to**: the need for the Plan to be proposed and called for; drawing up and agreeing the plan and applying and administering the plan. We should also stress that this was a bottom-up process, initiated by grassroots groups, by creating demand and social action which was then taken up by political decision-makers and social partners. In some of these grassroots organisations, the users were provided with ways to participate in the working guidelines, but, apart from in the NGOs themselves, there are no specific mechanisms for user participation, except for certain programmes in which Romany associations and a number of women's associations participate subject to restrictions.

According to a political decision-maker interviewed, the process followed for building the consensus, which illustrates the degree of participation and coordination achieved, was as follows: *1. We allowed the University to propose the general philosophy. 2. Officials of the Navarre Government studied the funds available and required. 3. The objectives were measured, agreed and set. 4. The Plan was designed. 5. The proposals were agreed with the social partners through exchange of information and meetings to decide matters. 6. All the parties agreed a draft plan, including a preliminary budgetary agreement to finance the plan. 7. The document was sent to parliament to be examined and debated by the political parties.*

The Plan's draft document included a series of measures which had first been debated, negotiated and finally agreed between the social organisations and autonomous community administration. By way of example, the amount of Basic Income was one of the issues

debated, which illustrates the process for building consensus. The autonomous government proposed that the Basic Income should be only a percentage, around 50-60%, of the National Minimum Wage. The argument was that this benefit should be low in order not to dissuade job searching. The social organisations called for 100% of the National Minimum Wage, on the grounds that the Basic Wage should be sufficient to cover the recipient's economic needs and that was why the National Minimum Wage had been set as a decent minimum amount to live on. The solution finally adopted by all was set at a mid point: 75% of the National Minimum Wage.

### ***Structures vertically and horizontally linked through the Plan***

#### **Local level**

**The social sector:** A series of social groups and organisations involved, in different ways, in combating social exclusion in Navarre, which, in the early 1990s, began acting as a forum for debate and mobilisation to generate a climate of opinion on social exclusion and the need to act in that respect. These non-governmental groups, together with the trade unions, form the Network Combating Poverty and Social Exclusion, which is also operates in other regions and at State level. Some of these associations also have their own schemes in operation, such as vocational centres (9 organisations) and integration or solidarity economy enterprises (3 organisations).

**Territorial network of community social services:** these are being restructured at present. They are on a district basis, except in the capital where it is organised by neighbourhood.

**Ayuntamiento de Pamplona (Pamplona Municipal Council):** Programme of socio-vocational integration derived from an Integra initiative, with a socio-vocational integration team, targeted at excluded persons through individual pathways. Youthstart programme for the socio-vocational integration of young people who leave school without qualifications. Programme with social integration pathways for women in situations of extreme poverty and high risk. Welfare programmes for women (operating in most municipal councils). Welfare programmes targeted at ethnic minorities, mainly Romanies. Community social services.

#### **Autonomous community level**

**Universidad Pública de Navarra (Public University of Navarre):** In the case of Navarre, the Network Combating Poverty played a very active role, especially through the contribution of the Department of Social Work of the Public University of Navarre. From 1996 to 1998, this university department's Social Exclusion Research Group carried out several studies into social exclusion in Navarre and drew up the draft of what would become the Act for Combating Exclusion in Navarre.

**Departamento de Bienestar Social (Department of Social Welfare):** Provides the institutional leadership in negotiation with the other departments, economically and technically supports integration enterprises, vocational centres and sheltered enterprises, coordinates the network of community social services which decide who is defined as excluded and approves the benefit which the Navarrese Institute of Social Welfare pays out.

**Dirección General de Trabajo (Directorate General for Labour) and the Instituto Navarro de Empleo (Navarrese Institute of Employment):** These deal with vocational training, programmes for socio-vocational integration of immigrants, the viability of integration

strategies, and development and support to the network of Sheltered Enterprises, subsidises organisations which collaborate in sheltered social employment and social integration enterprises.

**Departamento de Salud (Department of Health):** Access to health care and health promotion on subjects such as AIDS, emigrants, prostitution and mental health. Assistance for drug addicts in collaboration with NGOs.

**Departamento de educación (Department of Education):** Specialised adult education programmes, social guarantee, adapted curriculum. Educational support and remedial programmes. Grants and assistance for study and upkeep.

**Departamento de medio ambiente, ordenación del territorio y vivienda (Department of the Environment, Territorial Management and Housing):** Publicly subsidised housing, rent of publicly subsidised housing, social integration programmes and refurbished housing for purchase through work integration strategies.

#### State level

**National Institute for Social Security:** supplements minimum pensions from the Social Security and provides allowances for dependent children.

**National Institute for Employment:** Finances non-contributory unemployment benefits, vocational workshops, craft guild schools and employment workshops.

#### ***Factors which have promoted coordination***

To make the implementation of the Plan possible **a series of complementary factors came together.**

- The drawing up of a Social Charter which included a programmatic proposal for social rights and strategies to combat exclusion as a result of the social action of grassroots groups, generated a *popular demand* for specific solutions to assist the most disadvantaged groups. This bottom-up demand really expressed the needs of disadvantaged persons, since most of the promoting organisations help and work directly with these persons. Activities to raise consciousness through public actions, with the decisive scientific backing of the Public University of Navarre<sup>59</sup>, made it possible to create a suitable climate for the politicians and social partners to take up the challenge and accept the issue as their own.
- The support of the University for legitimising the process of analysis and translation of codes between the different sectors involved contributed to the building of consensuses and the follow-up of the established agreements.
- The political party in power at the time in Navarre, the UPN (*Unión del Pueblo Navarro* - Union of the Navarrese People, a nationalist version of the party currently in power in central government), inherited a project for combating social exclusion which had been initiated by its predecessor in power, the socialist party. The Regional Minister of Social Welfare, in charge of the Plan, who *had significant political influence in the regional government of the time*, since he had been a minister in a previous government, took the decision to promote measures to combat exclusion, by involving other departments in an

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<sup>59</sup> The Department of Social Work of the Public University of Navarre was a member of the Network Combating Poverty in Navarre.

inter-departmental proposal, at all times directed by Social Welfare. According to one Navarrese political administrator, *the decision was to prefer the university rather than any private consultancy*, which shows political skill in channelling social legitimacy and consensus building away from any possible accusation of political patronage.

- A preliminary analysis of exclusion in Navarre over two years, was carried out by a group of university researchers and professors and commissioned by the Navarre government. This work made it possible to identify and inventory all the benefits for different types of exclusion and assess the welfare provided for disadvantaged persons by the various public departments and non-governmental organisations. It estimated that there were 14 000 families affected by exclusion, more than 10% of the total Navarrese population. An exhaustive survey was carried out with 2 000 families which provided a detailed portrait of a large part of the families which are excluded or at risk of being excluded in Navarre.
- Creation of a mixed team, drawn from the Navarrese government and Public University, to draw up the preliminary plan which was taken as the starting point for political discussion and for creating commitments in the departments of the government which were likely to be involved, based on the research work done.
- Debate and political consensus in the Navarrese Parliament, with the support of the social partners and social and civic organisations: the Plan was officially presented and publicised as an example of social participation and consensus and passed into law, so that its proposals became binding, creating rights and obligations for the parties concerned.

### ***Transversal lines which generate horizontal coordination***

**The content of the Plan.** The text of the Plan Combating Exclusion in Navarre is divided into a series of chapters which consolidate the emergence of its lines of action. It starts by providing the justification for the Plan, by assessing the features of the excluded population and the development and social impact of the programmes applied by public and private social action in the social exclusion sector.

From there, the supporting framework is established for proposing objectives which improve socio-vocational integration by specifically tying in the situation diagnostic with the specific proposals to be implemented. Then it moves on to the sectorial aspects of the integration models of the different programmes in place in Navarre and the linking up of the Administration and the social initiative around them.

Introduction and follow-up phases are established, with scheduling for each of the measures and actions provided for and the development of the mechanism and follow-up bodies is planned for. It ends with an overall economic assessment of the Plan and a financial forecast broken down by objective and scheduled measures with their budgetary allocations.

### ***Results of the coordination process: the proposals and application of the Plan***

Bearing in mind how recently the Plan Combating Exclusion was passed in parliament (February 1999), it is difficult to already draw conclusions concerning its application. However, it should be taken into account that the Basic Income Programme (with its three branches: Basic Income, Social Employment and Work Integration in Companies) was already functioning from 1990 and that the Plan was a review and improvement of what was

already in place, so that it does not start from zero. Some new measures were even put into practice before their formal approval.

The principal novelties introduced by the Law with respect to the earlier provisions and its immediate consequences are as follows.

- It modifies the regulation for incorporation in the Basic Income programme. The new Law establishes Basic Income as a subjective right. In addition, a new decree introduces a new regulation with a greater capacity for covering and adapting to the needs of the most excluded persons.
- The socio-vocational integration measures for the Basic Income recipients must be understood as a benefit which is offered to persons in difficulty who require it, not as a quid pro quo. Therefore, a commitment must be drawn up and formalised, whose content is agreed and binds both parties. The possibility of suspending the payment must be limited to very serious failures to comply, after appropriately weighing up the consequences.
- These socio-vocational integration measures must be aimed at all persons who need them, whether they are Basic Income recipients or not. In any case, it is recommended that the obsession with employment should be avoided. It is necessary to have a wide range of possibilities, depending on the characteristics of the person and the situation at the time.
- It improves the access of excluded persons to occupational training. Given the very low qualification levels of these persons and their special characteristics, the idea is that the training should adapt to their personal conditions and, insofar as possible, be linked to work practice.
- It decentralises services, by setting up Integration Teams. It provides for a network formed of 7 teams located territorially and under the supervision of a coordinator, who serves as a link with the Navarrese Institute of Social Welfare. For the moment, there is only, by way of a pilot scheme, a team in the Pamplona Municipal Council. It carries out social rehabilitation and socio-vocational integration, through coordination with the 11 “neighbourhood units” into which the municipality is divided. Attention has become more individualised, *reaching all* (the potential users), according to the team's practitioners.
- It promotes the development of integration structures by economic means (integration enterprises and vocational centres). It is considered very important **to promote the development of economically sustainable integration structures**. In view of the lack of a State legal framework regulating integration enterprises and vocational centres for working integration of persons with special difficulties, it proposes that the Parliament of Navarre should define the concepts of “integration enterprises” and of “vocational integration centres”, and a series of supports, economic and otherwise, for these organisations. At the beginning of 1999, two Regional Decrees were passed in this respect. At the moment, there are two recognised integration enterprises and the intention is to be able to increase their number soon to 15. It does not seem this can be easily achieved in the short-term, for it is complicated to put one of these centres in operation and there a certain critical attitude of distrust among some sectors (social partners, mainly).
- It remodels sheltered social employment and improves the effectiveness of incentives for contracting persons with special difficulties for obtaining employment.

- It proposes periodically monitoring the progress of the plan. The monitoring committee is directed by the Department of Social Welfare and made up of the different administration departments, the trade unions, the Network Combating Poverty and Cáritas. It is planned that it should meet each six months. To date, it has held its first meeting. This meeting established a list of indicators for compliance of tasks and responsibilities to be carried out by different services.

### ***Impact on Basic Income recipients***

Prior to the adoption of Act Combating Exclusion, priority was given to Basic Income, since the Sheltered Social Employment component had somewhat stagnated and Work Integration in Companies was applied subject to restrictions. It should be borne in mind that **Basic Income is easier to administer and is substantially cheaper than any employment alternative.**

The number of applications and recipients has increased since the programme began, to around 1 600 in the last four years (1 624 in 1999). Very few applications are rejected; in 1999, negative files accounted for less than 6%. As one of the administrators of the programme comments, *here Basic Income is given to everyone and is given without restrictions*, meaning that it is easily renewed.

Determining the real impact of the programme on users is a very difficult task. The preliminary study for the Act Combating Exclusion in Navarre attempted to assess the economic impact of the Basic Income programme on the users. First, by totalling the sums distributed via Basic Income, Social Sheltered Employment and Work Integration in Companies over the 7 years of the programme's operation, and then dividing the total by the number of families assisted in this period, resulted in an average of 700 000 pesetas per family. This, by itself, represents an absolute economic impact on the families in need. The impact was clearly less for those who only received Basic Income, in comparison with those cases in which they were also Social Employment beneficiaries, since this provides earnings which are considerably higher than Basic Income.

We have attempted to determine to what extent these families' living conditions changed through receiving this benefit, in comparison with what their situation would have been if they had not received it. As a general result, we have found that the change experienced, as a qualitative progression in emerging from poverty, was very limited. Bearing in mind that classifications of extreme poverty or moderate poverty are dependent upon not exceeding certain income levels, barely 10% of the programme users managed to emerge from their initial poverty level to the less severe level (9% of those initially in extreme poverty moved to moderate poverty and less than 3% of those initially in moderate poverty reached the not poor level).

Given that this classification of poverty by levels is quite artificial, we have tried to make a more detailed assessment of the real transformation of the living conditions of these families, depending on the varying compositions of family units and therefore of their concrete needs. On this basis, the degree to which Basic Income programme users had improved their particular economic position was measured. Overall, according to this quantitative estimation, the impact of Basic Income is an average reduction in poverty of around 30%.

We can therefore conclude that the economic impact of the programme is considerable. For many families, it is their only income, or at least, the only regular income. On the other hand,

its impact in eradicating poverty situations is clearly limited, considering that the amount of Basic Income is less than that of the Minimum Wage.

Other aspects, apart from the cash income, are much more difficult to evaluate in a rigorous fashion. Below, we give a number of excerpts from interviews with practitioners and users which give an overview of other significant aspects of the programme's impact on users.

Given the low training level of most of the programme users, educational and training were provided in useful integration channels. The actions which were specifically implemented for these groups were highly-appreciated, both by the organisations which work with these groups and by excluded persons who use these courses.

However, it is necessary to remember that persons who suffer from exclusion have many problems for individually performing a normal course. The reason is not so much access, which is always facilitated by the various organisations providing the courses, but because these persons generally lack the socialisation needed regarding social skills required by ordinary vocational training courses: timetable habits, rules, rhythms, etc. For this reason, practitioners and users agree that courses specifically tailored to these groups are more successful. They improve their self-esteem and their integration possibilities.

All this means that training, for these persons, needs to be tailored to their conditions. The generic offer of courses offered by the Navarrese Employment Institute is of little use for this purpose, for in these it is the student who has to adapt to the existing offer. These courses involve a very rigid offer which is not adapted to the real needs of these groups.

In addition, the grassroots organisations who work with these persons, although very aware of the needs of these groups, have few possibilities of obtaining subsidies for giving training courses because they are not officially approved as training centres.

Sheltered Social Employment is the principal scheme of work integration for Basic Income recipients. It consists in temporary employment, by city administrations or social initiative institutions, in order to carry out public interest work. This is a resource which is very popular among participants, for various reasons.

- It is a cash benefit which is significantly higher than Basic Income.
- The income is obtained as a result of a person's own work, which stimulates the processes of self-esteem, self-sufficiency and self-respect of the person.
- Frequently, it is the first work contract of the participants and their first access to the protection of the Social Security system, giving entitlement to unemployment benefit.

However, participation in Sheltered Social Employment does not in general bring an improvement in the possibilities of access to employment in general. This is perceived by the very persons participating, who view Social Employment as an economically beneficial temporary situation, but not as step towards a normal job. In fact, in most cases, they are unskilled jobs which do not increase employability for the real labour market.

Those who drafted the Plan Combating Exclusion have been especially critical of the way in which this measure has been functioning. Their understanding was that it should only be used in cases and moments in which it could be really useful for improving the qualifications and employability of the participant. As a measure for increasing family incomes, according to the evaluators, it is very expensive and as a measure for controlling the behaviour of persons or of fraud, a waste of money.

Work Integration in Companies is a measure designed to give incentives for integration by three routes. The first is the recruitment of persons in difficulty by private companies and, at times, in public companies. The employment of Basic Income recipients is subsidised. The measure has been used relatively little, due to problems in the measure's design. The second route is assistance for self-employment. This has also been little used, mainly because self-employment is rarely an appropriate possibility for this type of person. The third method is the promotion of social integration enterprises. Given the regulatory lacunae concerning these types of companies, this is a formula which is just beginning to be applied. The new Law is intended to encourage the development of these Social Integration Companies, but currently there are only two organisations recognised as such but more exist, functioning on the same basis, although without grants (see Chapter 2). It is expected that the number will be increased shortly.

Overall and for the moment, the impact of these Work Integration in Companies measures has been small and restricted, affecting only a small group of users.

A number of other organisations act without official subsidies, such as *Traperos de Emaús de Navarra*, which operate in the setting of what is known as the “solidarity economy”. This organisation, which forms part of an international network [Emmaus International], which has various operational forms within the same principles, demonstrates a model of action which adapts very well to disadvantaged groups who, due to their level of deterioration, need more prolonged and purpose-built processes.

In 1998, before the passing of the Act Combating Exclusion, a new programme of Social Integration Housing was introduced, which subsidised (50% of the amount by capital grant and 50% financed over 20 years) the purchasing of used housing targeted at low-income sectors, for both purchase and rent, through social organisations which work with sectors of the most excluded population. This programme has been very positively accepted by Basic Income users, since there is a shortage of second buyer housing.

An earlier experiment with Romanies, attempted in the municipality of Tudela and which aimed to have housing repaired by persons who would then occupy them, was a failure due to cultural differences and their living and working habits.

### **Conclusions**

Navarre represents one of the structural options which is territorially most favourable in the Spanish context (a single province, with high income and employment levels). So, although it is unrepresentative statistically, it can be used to outline aspects related with coordination in less difficult structural conditions.

### **Lessons drawn from this case**

- Where there is an economic and institutional structure which makes it possible to maintain socio-vocational and political identity, it is more probable that a civic awareness will emerge *of organised social and institutional eco-responsibility* (Network Combating Poverty and Exclusion, which includes trade unions as well as NGOs) with less partiality than in other regions, generating sufficient participation and social pressure to promote groundbreaking legislation in the regulation of rights and obligations for the excluded, such as those derived from the Act Combating Exclusion, resulting from a comprehensive Plan integrating very diverse measures, institutions and players and quite suggestive with respect to its development process.

- The existence in a very small space of very varied and committed civic experiences for combating exclusion in which users participate in decision-making, such as Traperos de Emaús and others, together with the proximity of the Basque Country and its politico-nationalist problems, one of whose most violent expressions emerges from the populist attachment to extreme movements of sectors which question the legitimacy of a model which is socially, economically and politically exclusive, create a greater sensitivity among politicians and the social partners to integrating strategies.
- The leading role of the grassroots organisations involved in combating social exclusion in cooperating with committed university specialists and politicians aware of the influence this could have in the electoral market, has made possible a “philosophy” or willingness for consensus between different parties.
- The starting point was identification of exclusion and of the policies in order to deal specifically with the situation and not to use opinions or algorithms of experts contributing their abstract, dellocated knowledge without contact with the territory's reality. This has lent legitimacy and reality to the negotiation processes.
- The measures and actions planned are carried out in an integrated way by private (new solidarity economy organisations, commercial companies and their organisations, and the trade unions) and public initiative (from local to State level, also using European policies for equality which end up being integrated), on an interdepartmental basis.
- There is a detailed schedule of tasks and budgetary allocations, with emphasis placed on social actions connected with integration promoted by access to housing and employment, which account for more than half the funds earmarked. This specific scheduling serves as a basis for monitoring structures, thus achieving a higher degree of transparency in information concerning the Plan's application, which facilitates control and accountability.
- The Plan's measures are not exclusively targeted at Basic Income recipients, for it is understood that a strictly economic criterion is not sufficient for determining all those persons requiring support for their social integration.
- Participatory monitoring mechanisms and bodies are set up.

Thus, the achievements can be summarised as follows.

- It was a very participatory process (the drafting of the Act).
- It was a bottom-up initiative with potential at autonomous community level.
- Shared social, technical and political leadership.
- Multidimensional law (partners and actions) which serves as a catalysing framework for coordination and generates rights and obligations concerning excluded persons. Its fulfilment is binding, and may be politically and socially sanctioned.
- Economic quantification of the stages in the Law, which scales the integration process, although it is not possible to step outside it if the processes are reduced in cost, even if this is done in terms of institutional efficiency.
- Sufficient budgetary allocation.
- Follow-up and monitoring (provision for review of the plan).
- Good general reception by the users.

## Problems

- Other autonomous community departments only “participate” formally.
- In many cases, the specific application only consists of Basic Income, the quantitative use of other measures being restricted, which once again emphasises the weight of the economic logic of financial control over the public budget.
- Limited vocational integration (integration enterprises still under-developed).
- Slow/late computerisation of data due to the Plan's complexity, although it may be exploited and streamlined to a greater extent in the mid-term.
- Territorial coordination teams in a very primary phase (pilot).
- Limited results in the elimination/reduction of the exclusion of the most difficult groups of severe poverty.

## CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS.

The principal objective of this research is to analyse how far coordination strategies to integrate social welfare policies and employment activation policies improve the living conditions of the working-age population living with inadequate income or in poverty. However, this report is only a qualitative approach to a very complex problem (especially in the case of Spain) which would need to be researched more extensively. In Spain this type of coordination is preconditioned by a series of structural factors. Complicating analysis of these factors and their impact on processes is the semantic dispersion which discursively and conceptually pervades the categories of analyses, definitions and meanings – always ideologised depending on the social group which uses them– of terms such as “non-contributory cash benefit” (extremely segmented territorially and socially), “activation policies” (different meanings at institutional, social, economic or political level), “integration” (logics which are to varying degrees productivist, temporally stable, horizontal or vertical), “coordination” (official and unofficial, with varying degrees of participation, vertical or horizontal), etc. To this is added the difficulty of finding homogenising elements in persons affected by deprivation, exclusion or marginalisation processes, apart from descriptive variables which depending on how they are applied can produce varying results.

Therefore, the conclusions and recommendations offered in this chapter are marked by contextual conditions affecting the research process itself. However we have attempted to make the best use of the structural openness afforded to the players involved, as a method to achieve the highest possible degree of significance to explain coordination, while at the same time leaving aside more exhaustive quantitative-descriptive analysis, which was impossible with the time and resources available. The most significant conclusions, ordered by subject, and their corresponding conclusions are the following.

### **CONCLUSIONS on coordination between active welfare and employment policies.**

#### *Spanish sociopolitical context.*

- The social policies system in Spain is the result of the **specific characteristics of the Spanish politically (transition to a State of Autonomous Regions) and socioeconomic (polarisation of development) situations which coincided with the crisis of the Welfare State model**: the development of the social economic benefits system and activation policies, has been conditioned by a very high employment rate with unequal territorial distribution (industrialised regions/rural regions) and significant gender divergence, due to the late integration of women in the labour market, which in practice has meant joining the unemployed and a compartmentalised employment structure which discourages the emergence of a culture insistent on its constitutional rights.
- **The results of economic restructuring and budget adjustment policies affected labour management and social policies by cutting back on their financing** and possibilities of access, thus accentuating differences territorially. State expenditure on social services has evolved to 2% of total Social Security expenditure, although there has been a progressive trend of transferring these resources to the Autonomous Communities

which meant that by 1999 the latter managed 57% of the budget, according to ESC (2000) (2000 report of the Economic and Social Committee).

- **Tensions generated in the consolidation process of the State of Autonomous Regions affected equilibrium and interregional solidarity:** The process of decentralisation in Spain and the lack of a sufficiently developed single system of centralised social security, as is common in other European countries, subject any possible extension of social protection to major political tensions and generate inequality in the right of access to social services between territories, both qualitatively and quantitatively. But, paradoxically, this has also generated a **political and institutional wealth and complexity, in diversity of institutions, greater than that of other countries** with more consolidated and bureaucratised systems.
- This situation should theoretically promote more formal coordination between the State institutions and the regional and local governments, but in practice, in **the current stage in the consolidation process of the Public Social Benefits Services and Employment system, it is extremely fragmented and unbalanced**. Considering this situation detrimental to the overall State system, various social and institutional agents are beginning to call for implementation of coordination mechanisms, which could lead to a change to a centripetal trend thereby enhancing the coordination and practices of the players involved.
- **Regulatory segmentation and institutional division of social security in Spain:** The diversity of causes of social exclusion and the lack of a single legal reference framework mean that **coordination tools between social policies and employment activation are organised at very different levels** and involve an enormous range of players, policies, structures and methodologies. However, apart from some specific autonomous region systems combating exclusion, such as in Navarre, the usual situation is **vertical coordination which is more formal than real, almost always derived from bilateral relations, based on the networks of the administrations with the widest powers, usually those making the greatest financial contribution.**
- Processes of inequality arising from the position in the national and international division of labour and from welfare policies in the territories of each citizen have historically favoured **different degrees of control over policies in each territory**, which affect the possibilities for real coordination to achieve a greater degree of social and economic integration of the populations of these territories.

*The labour market figures give a pessimistic assessment for women and the most economically peripheral territories.*

- From 1995 to 1999, although there was a 15% increase in employment, a decrease of 27% in unemployment and growth in official activity (partly the hidden economy emerging), most of this was accounted for by **tertiary sector jobs**, as agricultural employment continues to diminish, employment levels in the industrial sector do not reach pre-crisis employment levels and the 1999 unemployment rate is still 15.9%.
- The employment increase is unequally distributed gender-wise, quantitatively and qualitatively favouring men. **The differences, between men and women, regarding the preponderance of part-time work** as the only option due to the lack of full time employment and **temporary work** (almost half of all employed women have a temporary

contract; more than 90% of new hiring is on a temporary basis) **are vast and continue to widen.**

- **The unemployment rate fell** from 22.9% in 1995 to 15.9% in 1999. This means that there are still 2 605 500 unemployed, almost half long-term while a third have been out of work for more than two years (882 000 persons). More than half of the unemployed (68%) are women. **The reduction in unemployment continues to be selective socially and territorially: feminisation, high incidence of long and very long-term unemployment and persistent regional discrepancies.**
- The decrease in unemployment in this period has not been identical across the various regions, for **the relative differences between the Autonomous Communities have in fact increased, which clearly points to the increase in dependence** which economic restructuring programs are exercising on regions of the south, for whose citizens continuing with the same economic model based on the logic of growth poses a problem in terms of job creation, due to the internal dismantling and externalisation of their economy (Delgado Cabeza, 1995).

### *The Social Benefits.*

- **Inadequacies in the development of the regulatory framework for social benefits in Spain and ambiguity in the application of jurisprudence on social services** to guarantee the constitutional precept on the basic right to adequate social benefits across the complete State: Article 141.1.1º of the Constitution states that it shall be a responsibility of the State to introduce the necessary regulations to guarantee conditions of equality, when fundamental rights provided for in the constitutional text are affected, concerning adequate social benefits. Currently there is only legislation on social services at regional level.
- **The major central institutional system which provides financial benefits for precarious and excluded workers is the National Social Security System** which directs resources to the non-contributory pension system to meet contingencies which may be work-related or not, the non-contributory unemployment benefit system and the public social services system. Minimum income support is not provided for by the Social Security General System, but depends on the varying budget resources of the Autonomous Communities.
- **The Public System of Benefits and Basic Social Services in Spain** is formed by all the structures and public services of the State Administration, of the Autonomous Communities and Local Corporations, managed and “suitably coordinated” through the **Concerted Plan of Services and Basic Social Provisions** which serves as a basis for consensus on minimums, only contemplates the right to a minimum income ambiguously, by referring first to “emergency assistance” and, secondly, in the cofinanced benefits category, processing of minimum incomes is alluded to, although the latter are not budgeted for in any of the credits allocated to the public state system for social services. This is a relatively fragile consensus which is subject to annual budgetary review because of the **absence of a state law guaranteeing inter-territorial solidarity normalising equality of access rights across Spain.**
- **The lack of regulatory coordination affects the system negatively, causing a lack of information** on exclusion and the social schemes involved in intervention across Spain, with the end effect that the constitutional precepts are not observed. In addition there

continue to be problems for interdepartmental communication in all regions only mitigated in those cases in which because of the need for efficiency horizontal coordination has been introduced.

- The criteria for defining the **user groups respond to administrative criteria** which on occasions are an obstacle for access to benefits.
- **There has been a progressive decrease in recipients of unemployment benefits**, due to economic and regulatory causes. The non-contributory social benefit subsystems are highly segmented socially and territorially, which divides workers and their organisations when it comes to calling for collective improvements. These systems are: general unemployment subsidy, special unemployment subsidy for those over 45, special unemployment subsidy for those over 52, agrarian unemployment subsidy for workers in Andalusia and Extremadura, special agrarian subsidy for workers in Andalusia and Extremadura over 52. Active income for those over 45 (this does not form part of the law regulating benefits, but is an interim measure for 2000).
- **An inadequate unemployment social security model which penalises women and certain territories**: the number of statistically visible persons for whom the *Renta Mínima de Inserción* (minimum introductory wages) are potentially their ultimate protection system is enormous: in Spain there are 2605 000 unemployed, 30% of whom live in families in which no members work; more than a million and a half unemployed persons received no unemployment benefit in 1999. **The subsystems of unemployment non-contributory benefits mark off the fringes of deprivation and regulatory exclusion**. Women are in the weakest situation in all these subsystems, and enjoy less social and labour protection than men: unequal behaviour of unemployment cover for men and women registered as unemployed .
- The subsidy system for casual agricultural labourers can be described as really complying with its objective of being an **income supplement and a measure of stability** for workers in the rural environment, but it also has inherited vices involving **very significant costs in terms of social and political civic responsibility**.
- Of persons receiving unemployment benefit, almost 70 000 only receive a welfare subsidy (75% of the *salario mínimo interprofesional (SMI)* – national minimum wage), of whom, apart from the more senior who have a certain guarantee of continuity if they comply with a number of contribution requirements and have dependent relatives, **there are 556 000 persons who could lose their benefit at any moment**, due to the lack of security and precariousness of the work available to them, which itself determines whether they accede to social benefits enabling them to obtain the activation means needed to emerge from precariousness, so that the only resource left is family solidarity. Thus, subsistence is basically supported by private solidarity networks. The overall effect is that **in Spain there are more than 2 million “working age” persons who are unemployed and subject to a high level of labour and social security precariousness**, with the proviso that this calculation leaves out the more marginalised groups, who because of their lifestyle are generally invisible to conventional statistical measuring systems.

#### ***Minimum Income Support.***

- It can be stated that the duty to provide social protection does not create a correlative right to it and that grant of benefits is a voluntary option which does not therefore bind the authorities. Thus the **“Spain of the supporting family and Spain of welfare are the major**

*checks preventing extreme precariousness from becoming massive exclusion”* to quote Aguilar, Gaviria and Laparra (1995).

- The Non-Contributory Benefits System forms the central and most structured system guaranteeing a minimum income; however these non-contributory benefits have a national but not universal scope, they do not reach everyone who needs them. Therefore, the **lack of a general unitary system of non-contributory benefits including minimum income support and the accumulation of operational formulas**, requirements and disparate benefits, accentuates the disorder factor, and does not, despite everything afford security for all persons who are deprived of means (ESC, 2000). The limited personal scope of the measures provided for by the Social Security System, means that the introduction of the Autonomous Region Minimum Income Support is **a more than justified initiative**.
- The distinct rules regulating each of the autonomous region models and in particular the unequal availability of resources and funding in each case, means that the needs of citizens cannot always be attended in the same way; this could be considered a **renunciation by the State of the powers constitutionally assigned to it to preserve all its citizens' rights on equal terms** to a system of benefits and social services in case of need.
- The Minimum Income Support in the Autonomous Communities is the adaptation to their respective territorial areas of the idea of a last-resort non-contributory benefit for difficult situations (although providing allowances which are quantitatively and qualitatively distinct). Since the volume of dependent population is higher in poorer regions, with more unemployment and greater labour and benefit precariousness, the Autonomous Region's Minimum Income model also displays this difference quantitatively and qualitatively, when it has the role of a last-resort benefit: **there is an inverse correlation between the proportion of recipients of welfare or agrarian subsidies and the percentage-duration of the SMI represented by the Minimum Income**. Namely, in poorer regions the percentage of minimum income recipients in the total number of unemployed, the duration of Minimum Income and proportion of the minimum wage which is paid is less than in the richer regions.
- The definition and application of “specific needs” is in practice restricted to the disposable income factor as a discriminating criteria for access to Minimum Income (*to each person according to their needs*). When other factors are established, the standards which are considered “need” are extremely discretionary in each Autonomous Community.
- **It may also be stated that autonomous legislation avoids considering these benefits as long-term subsidies**, not only to not put a check on their recipients' social normalisation, which in the “State of Employment” involves activation and the reduction of passive policies, but above all, **to control the cost of their financing** (Estévez, 1998).
- The contradiction is that if there is no break in the poverty vicious circle, which emerges when the “needy” are provided with only an inadequate income (it is always below the minimum wage), through activation strategies which lead to independence and a degree of labour stability, **minimum income can become an extended reproduction mechanism of the precariousness situation**, which entraps the younger members of families, especially, when the only criteria considered is that of totalising incomes, as occurs with a number of non-contributory subsidies and some of the autonomous region minimum income systems.

- The Ministry of Work and Social Affairs, through the General Directorate of Social Action for Children and the Family, has broached the subject of harmonising the Minimum Income System in Spain with the Autonomous Communities, by specifying that the issue is one of financing the system of minimums. **The economic cost of harmonising the system with standards equivalent to those applied in the Communities most active in this respect and with relatively superior resources, such as the Basque Country and Navarre, would be around 120 thousand million pesetas.** This could be assumed without much strain due to the savings in unemployment benefits made in recent years. Another problem to resolve is how to compensate the territorial differences regarding the average income reference levels: the average disposable income in Navarre is substantially higher than that of Andalusia.
- The “**financial adjustment**” problem underlying the official discourse justifying the State’s **non-intervention** may be unconstitutional, if the State economic-fiscal system is considered as a whole (and not merely the Social Security system’s scope) and an anthropocentric philosophy of the model of solidarity and redistribution of the social product through the State is assumed, rather than the reductionist and abstract technocentric tendency pervading the State Budgets and Expenditure model, in which company economic activity is favoured at the expense of fulfilling civic rights.
- The system’s complexity and confusion greatly restricts its effectiveness as a tool for combating poverty. **Apart from a few exceptions, the requirements and conditions for receiving Minimum Income benefits are applied with a great deal of inflexibility**, so that they become barriers which are very difficult to overcome for many persons, even though they may be suffering situations of real need. Especially harrowing is the case of women who are separated, divorced or victims of domestic violence, when the husband despite having an obligation to assist financially does not comply with this, and due to the slowness of the legal system or fear of violence, these women do not have any way of demonstrating the situation they live in and so cannot receive Minimum Income.
- In the age requirement the spirit of the rule is to avoid duplication in benefit mechanisms, but in fact **this limit blocks access to Autonomous Region Minimum Income support for persons who for different reasons cannot receive other assistance**. For example, those who do not have a retirement pension or who do not live with their family and are under 25 and poor (the case of many drug addicts).
- The involvement of the social players with respect to Minimum Incomes has varied. The major trade union organisations, although they supported the introduction of Minimum Incomes, have done little to defend the interests of those affected by Minimum Incomes, and have not called for them to be included in the Social Security non-contributory system. They have been displaced as the main actor by non-governmental social organisations, which have put the most pressure on the authorities to obtain resources to combat exclusion, while business organisations consider the Minimum Income as only a “*a least bad solution for social harmony*”.
- The excess of bureaucracy which most of the Minimum Income systems involve, the lack of sufficient quality activation mechanisms, the differences between territories in requisites and in the resulting income and the complexity of the models have brought some solidarity platforms combating unemployment and poverty to propose **the minimum social wage for all citizens as a right regardless of any productive counterpart**.

### *Characteristics of the economic and territorial segmentation of Minimum Incomes.*

- **The monthly amount of the RMA (Autonomous Region Minimum Income) is quite low:** it varies between 50% and 75% of the Minimum Wage (1999 SMI = 69270 pesetas/month, so that the monthly allowance is between 35000 and 55000 pesetas, approximately) for the recipient (the total received by a family unit depends on the number of its members and becomes quite complicated in each case).
- **Minimum Incomes reach very few persons:** for all of Spain a figure of **70 000 RMA recipients can be estimated**, although this figure is derived from information obtained for this report from the Ministry of Work and Social Affairs, for there is no “official” information on Minimum Incomes for the whole of Spain. If this data is compared with the number of unemployed without employment cover, it is seen that **it only represents 4.4% of persons without unemployment cover**.
- From the user viewpoint the **principal differences between the different Autonomous Region Minimum Incomes, which discriminate between recipients** in access, process and results are the following.
  - The different personal and family requisites asked of the applicant in each case in order to receive the RMA.
  - The different conditions regarding facilities for making and processing the RMA application (information, accessibility, procedures, time for processing, etc.).
  - Guarantee to the benefit (the RMA may or may not be a right, it may be guaranteed in the budget or not, etc.).
  - The contents of the benefit provided by the RMA may be very diverse (in some cases it is only a financial allowance, others also involve the possibility of public employment, other activities for employment integration, etc.).
  - The amount of the RMA financial contribution may vary, depending on the territory. In this sense the following aspects should be emphasised (see also Table A2-12):
    1. The “monthly amount per claimant” is different in each case;
    2. The “monthly amount per other beneficiaries” is also different in each case;
    3. The “maximum monthly amount per family unit” is set using a multiplicatory factor of the monthly amount, which is likewise different in each case;
    4. The maximum number of months per year during which the RMA can be received is different in each case;
    5. When the four above points are considered together, we find **very diverse situations regarding the “maximum annual amount” which a family unit may receive** from Autonomous Region Minimum Incomes (Andalusia: 418 320 pesetas, Catalonia: 1 018 524 pesetas, Navarre: 1 039 044 pesetas. This is because in the four respects mentioned above, the figures for Andalusia are lower than those of Catalonia and Navarre, especially for the maximum number of months - which in Andalusia is half).
- Among the RMA cases studied, **Andalusia** only applies the income support measure; it has not applied activation since 1995. **The total annual budget of the Solidarity Programme for Andalusians has decreased**, contrary to what would be expected given the current structural situation. The quantitative dimension of labour exclusion and the

benefits levels reached in Andalusia is one of the major problems, and there are no state compensatory mechanisms to finance them. But there is no justification for the budgetary retreat, apart from lack of coordination and political interest in excluded groups on the part of those responsible for Andalusia's economic administration who control the Community's overall budget. In addition there are qualitative aspects regarding persons in need which should be improved, through increased and better advertising of the programme; for very few people in need know about it –the agrarian subsidy is much more popular.

- In **Catalonia**, the total budget for Minimum Income in 1999 was 5 706 million pesetas. A little higher than in Andalusia (4 483) which has a similar number of cases. There is an agreement negotiated by the Government of Catalonia with the social agents in which **the amount for Minimum Income is fixed in advance for a period of four years**.
- In **Navarre**, the law establishes Basic Income as a right whose financing is guaranteed by the budgets of the Community of Navarre. There have always been adequate financial resources available, so that administration of the benefit has never undergone financial problems. In fact, **the total annual budget for Basic Income has increased at a greater rate than the number of recipients** (in 1994 for 1 148 recipients there was an available budget of 272 million pesetas, in 1999 for 1 154 claimants 580 million pesetas were available).

*Active policies: activation in employment policies comes down to a descriptive category of an accounting application which saves benefits and lowers the unemployment statistics.*

- At State level the *Plan Nacional de Acción para el Empleo* (PNAE - National action plan for employment), together with the Stability Programme and the Progress Report on Structural Reforms in Goods, Services and Capital Markets are the basis of the strategy of the Spanish government's mid-term economic and employment policy. An additional factor are occasional negotiations with the social agents concerning policies such as employment stability.
- The 1999 PNAE puts forward as a general objective “*consolidating the strategy for action based on the development of active employment policies*”. **The measures directly used for integration may be summarised in four main groups**: Measures involving supporting search for or creation of employment through occupational integration pathways; training measures with work experience in cooperation with local non-profit bodies; policies directed at underprivileged or handicapped persons through vocational guidance and training and employment schemes: funds for the training of returned emigrants and foreign immigrants, active policies of positive discrimination by gender and for casual agrarian workers in Andalusia and Extremadura and those who live in underprivileged rural areas; and, finally, measures with a territorial base intended to dynamise employment from a wider perspective on local development: local employment initiatives and “Shock plans” by means of Local Employment Plans in towns with high unemployment rates.
- A series of **discrepancies in the application of the general framework of the PNAE in the Autonomous Communities** are emerging, due to heterogeneity in political competences, because of the various levels of legal capacity, political decision-making and social agreement models which give rise to differing pacts between governments and

social agents and due to diversity in implementation of the measures and types of intervention.

- **The movement towards decentralisation is exacting a toll in costs of information and its quality for the planning and management of these types of policies:** The problems experienced by the *Sistema de Información de los Servicios Públicos de Empleo* (SISPE - Public Employment Services Information System) devised and approved by the General Council of the *Instituto Nacional de Empleo* (INEM - National Institute for Employment), the body responsible for operating the *Servicio Español Público* (SEPE - Spanish Public Employment Service), clearly demonstrate the lack of coordination between central government and the autonomous administrations in active employment policies.
- **The meaning given to activation which is implicit in the processes and practices does not permit the empowerment of the users** through the application of integration policies which are usually directed to towards “adaptation” or “domestication” to what are considered to be the interests of business. In the State's general employment policy, there is no participation and consensus on a meaning for activation (other than that restricted to the financial arena as an expenditure label in the General Employment plan) which would enable it to become a coordinating mechanism for a State-wide employment policies system.
- **Access to activation policies is not a right the citizen can demand.** Among the State's employment activation policies, those intended to promote hiring through grants or reduction of the social cost of hiring for companies constitute a very substantial part of the expenditure. There are only limited funds aimed at activation of individuals in the sense of gaining more independence to confront the vagaries of the market, and although there has been an increase in the budget earmarked for activation policies in recent years, benefits continue to take up two thirds of the total expenditure with only one third left for active policies. The result is that there are not sufficient funds for all the unemployed, a point on which the trade unions agree.
- **Measures aimed at the most excluded groups have decreased compared to last year and the officially made proposal to legislatively regulate integration has not been fulfilled.** Neither have the agreements between the social agents and the government paid much attention to the excluded population.
- The **lack of evaluation** and descriptive information means that there is agreement between integration practitioners and social agents in that the follow-up to the actions does not enable the quantitative results of the impact of activation policies under the National Plan for Employment to be interpreted.
- In many cases, the awarding of these activation policies is highly **incidental** and **discretionary** both territorially and regarding administrating bodies and users, rendering professionalisation of the practitioners and coordination very difficult. The end result is that very academic, poorly-defined profiles dominate in many cases without the experience and real know-how which would enable them to compensate for the temporary nature of their contract.
- The **Territorial Facts promoting Employment** are a new ambit for the application of activation policies calling for an integrated and coordinated proposal, although with very heterogeneous results.

- **The Community Employment and Urban initiatives** give greater flexibility to local administrations for the application of activation policy strategies, from an **integrated viewpoint which requires the coordination of players and resources with a territorial base wider than the customary administrative units**.
- The only groups which the General System of Employment specifically targets because of precariousness and poverty are **casual agrarian workers and those over 45** (for 2000). The results are very relative, for they involve an activation model not involving training and which is very politicised, in the former case, generating conflicts between agrarian worker representatives.
- Operating outside the social services Concerted Plan and INEM are a series of activation policies against exclusion which allow for the inclusion of minimum income recipients: the Programme against Social Exclusion and the Programme for the Development of the Romany People. In addition, there is the cooperation programme with the social sector financed from the budget derived from donations of 0.52% of personal income tax. **These are all segmented into official vertical coordination networks.**
- **In the Autonomous regions, active policies and autonomous region-level employment agreements between governments and social agents involve a model which is convergent in form and divergent in application.** The application of the National Plan for Employment to the Autonomous Communities has been very uneven. Therefore, the political framework of the State of Autonomous Regions more than ever requires regularised strategies for participation and coordination of policies which today are very much restricted to token participation.
- The Autonomous Region Employment Agreements with the social agents in the Communities studied have overlooked excluded groups, save for the case of Navarre.

#### ***Activation policies linked to the development of Minimum Incomes.***

- Among the Autonomous Region Minimum Incomes, **specific regulatory measures for integration have only been developed for recipients in the Communities of the Basque Country, Catalonia, Madrid and Navarre.** The other models are restricted to starting up sheltered social employment programmes or mere regulated welfare subsidies.
- Specific measures for recipients of the minimum income programmes involved in coordination in order to facilitate their participation in the labour market are characterised by wide regulatory diversity with respect to activation and results. By these are meant a varied range of administrative, economic and operative mechanisms, which in isolation, coordination or as support to others are made available to bring about the social and vocational integration of given groups. They include general or common services (health, educational, etc.), various economic benefits (assistance, grants, subsidies), funding and equipment (housing, fitting out, etc.), basic social services (guidance, advice) and specific social services (technical support for the handicapped, refugees, etc.) and labour integration initiatives (social employment programmes, self-employment, etc.).
- **Activation measures are often presented as a duty or consideration** which is asked or required of the Autonomous Region Minimum Income recipient, but in many cases no resources are provided for these actions and so, despite the declared intentions, they do not go beyond the cash award.

- The possibilities of integration do not depend only on the personal effort and skills of the user. However, **it is very rare that the integration problem is approached from a structural perspective which holistically takes in the complete system.**
- The Minimum Income cases analysed show a series of key features which define their differences:
  - The existence or not of a **right to activation**.
  - **The type of measures and activation processes:** specialisation or not of the services depending on whether the users in question are precarious or excluded; greater or lesser degree of horizontal integration of other non-vocational areas; activation measures in cooperating institutions or commercial companies, or work integration through direct integration enterprises.
  - **The importance of the participation of the social sector** determines an innovative social economy structure organised in various networks which may or may not be competitive: debate concerning sheltered markets.
- Outside or in cooperation with the established minimum income programmes, the **social sector** is developing through organisations across Spain a series of models for personal integration pathways for minimum income recipients and excluded individuals in general, by facilitating **schemes, often novel and innovative, for direct employment integration, in coordination with various administrations and social agents**, of different types.
  - **Empresa de Inserción de transición** (transitional vocational development and rehabilitation centres), which complete the pathway by integrating the user in the normalised market.
  - **Empresa social solidaria** (cooperative or mutual firm in the non-profit sector) - which is an end in itself – enables excluded persons to work in it until they decide to leave it. Traperos de Emaus is one example.
  - **Empresa social de servicios e intercambio de tiempo** (non-profit services and time exchange enterprise), such as the case of a cooperative of single women with dependants in Seville.
  - **Empresa tutelada** (sheltered company), promoted by social associations or institutions, such as the Gaztelan Foundation in Navarre.
  - **Entidades de trabajo temporal de inserción** (Vocational development and rehabilitation bodies providing temporary employment), which is the case of associations such as PM-40 which works with over 40s in many municipalities in Spain.
  - **Empresas de trabajo temporal de inserción** (tempoary employment vocational development and rehabilitation companies) such as Lester ETT, which works in the untrained services market.
  - **Centros Especiales de Empleo para minusválidos** (special job centres for the handicapped).
  - **Empleo social protegido** (targetted sheltered employment) through special public employment schemes, such as the Plan for Promotion of Agrarian Employment.
  - **Occupational workshops and farm schools**, specially designed for groups with social therapy difficulties, exist in all the Communities studied. The characteristic of

these enterprises or institutions is that their principal activity is producing goods and services for the market.

### ***Theoretical/practical aspects of the coordination processes between benefit policies and active policies.***

- Coordination is an organisational strategy which is constituted in a sustainable system of information and multidimensional knowledge. This type of organisational model is a socially constructed model which requires:
  - A **factual level** (specific processes and projects with spatial and temporal dimension);
  - A **semantic level**, containing cultural meanings which are different for the various intervening players, giving rise to distinct criteria for the interpretation of information, projects and even coordination;
  - A **symbolic level**, constructed from the interests and desires of those involved, which can give a new identity to the structures and players involved and be used like a “trademark image” making it possible to “sell” (in the institutional market of access to resources, the professional work market or the electoral market).
- The three levels (factual, semantic and symbolic) need to be assumed by those involved through a logic of adjustment and progressive acculturation bringing about acceptance of the plurality of meanings and results which this new form of working can lead to. The bodies which initiate this coordination process create a series of links between their structures and players which result in a form of systemic work, with differing degrees of involvement, in which circulation of information within the system and between the system and the context, become the basic fuel for its survival. Hence the need to nurture a good basis for supplying information and knowledge on the contexts in which the linking mechanisms, the channels and procedures for transferring information operate, since this conditions the results.
- Sustainable coordination, decentralisation and institutional responsibility are terms which are interlinked. But decentralisation of part of the institutional-level work processes does not necessarily mean deconcentration of the power to take decisions, when referring to territorial or institutional decentralisation processes, at different levels down to local (understood as the level closest to the citizen), the margins for decentralisation-deconcentration are created by the degree of freedom, randomness and power afforded in assuming directives from other administrative levels or supra-local organisations. Information and knowledge about users and their needs are collected at local level and financial resources centrally. Thus, to analyse coordination the two levels present must always be combined: the explicit or manifest level of decision-making spheres and their relation with the deeper level of real interests and desires, only interpretable through the relation between discourse and practice which acquire a symbolic dimension.
- The “politecoeconomic order” generates an irregular territorial structure which is translated to the setting of institutions and policies, bringing about a coordination of different systems which function in practice “as an ultimate protection mechanism”, although with distinct logics and results: the richer urban-industrial regions use more horizontally coordinated minimum income models, while the poorer regions are structured through systems which are “complementary” to the Minimum Income system and are coordinated top-down vertically.

- **The minimum income system is a model fundamentally countering urban-industrial exclusion, in which horizontal coordination predominates over vertical.** The autonomous governments of the richer regions, first began to become aware of the need to cover this political segment when, suffering from the effects of unemployment and lack of sufficient social security after the industrial crisis, they realised they could make political capital in the electoral market with “the failures” of the State unemployment insurance and welfare policy, stemming from the State's greater commitment to adjustment policies, which were the order of the day in the Ministry of Economy's general budgets.
- Coordination of the minimum income system with the social sector **brings about other results which may be attractive for public administrations:** budgetary saving for autonomous region coffers, job creation in the sector and social and political capital.
- The co-responsibility of the municipalities for administration and the problem of autonomous decentralisation is another of the issues which has reopened the debate on “the local agenda” and the transfer of powers in this field when the autonomous region transfer model has not yet been completed. **The municipalities' limited financial and manoeuvring capacity is at the root of this situation.**
- The Rural Employment Plan is a system against exclusion in the rural environment, **which to a great extent replaces the Minimum Income system in the regions of the south.** It has favoured top-down vertical coordination insofar as it has emerged as “an ultimate protection system” to deal with the agrarian crisis.
- Apart from the Minimum Income systems there is a complex structure of schemes implemented by small and territorialised bodies through networks of institutions, social and commercial organisations in which **different types of coordination draw on the complementarity of programmes**, which barely enables them to subsist financially and serve users whom the administration does not reach. Conversely, **the large non-governmental organisations take up most of the funding, developing structures and networks of enormous strategic weight.**
- **The construction of wide-ranging coordination processes requires intermediaries without ideological or political baggage to construct the codes, the mechanisms of transparency and transfer.** projects which have achieved a higher degree of participation from different players and consensus, regarding coordination of practices, have been promoted by persons or institutions who do not form part of the political or administrative world, who have sufficient legitimacy to be accepted as generators or translators of codes, and give credibility to the expectation for the transparency, providing the confidence to take on a project in coordination. The partners in a coordination system need to have, at least, a directory of common codes to be constructed, and a specific time and place for preparing and regularising these codes, the procedures and their follow-up with transparency mechanisms.
- When there is a lack of resources, application of a coordination strategy for different stages of the problems is **socially and economically efficient**, for users, for society and for policy-makers.
- **Coordination as a strategy for innovation in promoting the new social economy:** Currently there is an interesting debate in Spain on the social and economic implications of opening up a “sheltered market”, which would offer new ways of approaching economic matters in the setting of the discussion on the role of vocational development

and rehabilitation company and the development of the social and non-profit economy . However, legal uncertainty persists, deriving from the fact that the concept of “social intervention” which can accompany the productive activity developed in processes of social integration through employment does not exist in the legislation of the State which has sole competence for employment contracts. The veto to the bill for a Socio-vocational rehabilitation Act by the Ministry for Economic Affairs and Finance and the social agents is, for the moment, definitive.

- **Coordination between the traditional social agents, (unions and employers), and social NGOs is not always easy in the State's conciliation setting.** There are ideological barriers and interests which do not always converge to build a consensus. It is more feasible at local level, since there are more possibilities for setting and controlling commitments. Behind this disagreement is the trade union organisations' questioning of the collective dimension and the aims of coordination for integration, when it concerns particularist strategies more closely connected to a private solidarity model than to distributive criteria with a collective dimension.
- **To achieve successes in coordination for social and economic integration requires opening up to the real and informed participation of the users,** for which are needed appropriate methodologies, professionalisation of the practitioners facilitating the creation of collective participation: official participation is not always real participation, frequently participation is used rhetorically and participation forums are bureaucratised, at times caught up in the patronage system of the institution financing them.
- Participation of the users in coordination **requires qualitative interpretation of their needs, clearly expressed in the socio-vocational advice process.** The possibility of extending the participation of users in coordination depends on the type and degree of exclusion. Professional social mediators are also needed in order to achieve the necessary empowerment of users: group work can facilitate social and political empowerment.
- **Informal coordination** processes are very important for finding out the interests of the members of a partnership.
- **Financial logic inspires the reference framework for coordination of the General System of Social Protection:** The Pact of Toledo as a formal coordination strategy leaves a number of questions open, for it involves a regulatory rationale applied unilaterally to pensions, which only include Minimum Incomes theoretically among State competences, but not in practice. Meanwhile, the development by the autonomous regions of vertical coordination in Social Security and Social Services is diverse and uneven, impairing the economic adjustment objective behind the State's cost control action.
- **Top-down coordination occurs to meet politico-administrative criteria mainly related with fraud control mechanisms:** Top-down coordination occurs between administrations, agents and social NGOs intervening in the design and running of social benefit and activation policies.
- **Institutional horizontal coordination is not always sufficiently open:** In particular there is a complex relationship in the mechanisms for structuring collaboration between institutions and the social sector which tends to develop links with organisations in a bilateral form, not integrated with other State administrative departments.

### **Lessons from the cases analysed.**

- **The case of Valdocco** in Andalusia shows how in an environment in which there is a dearth of regulation and structural difficulties for integration because of the lack of available posts, high numbers of unemployed and an extreme lack of funding, social initiative is capable of attending to those areas not covered by the Administration.
- The basis of its work lies in its capacity to create legal forms and networks closely-linked to the territory, by developing with the aim of mutual solidarity a flexibly coordinated organisational system, adapted through its proximity to its users' needs.
- It also shows how, by linking up with research institutions such as universities, other neighbourhood participatory and recreational institutions, and policies in the city area, valuable results can be achieved, since strategies are developed very close to the ground, and are not merely abstract mechanisms.
- It also demonstrates how the success of a body is “tapped” by the administration, which when it tries to include it in a network which functions top-down in a bureaucratic way, creates dysfunctions and a degree of division.
- **The case of the Post'a Punt programme and the Neighbourhood Contracts of the Catalonia Government** are an example of socialisation instruments in the coordination strategy, which have emerged to meet the integration needs of Minimum Income groups and generate social innovation which they develop and extend through synergies in other territorial settings.
- Significant regulatory modifications, applicable at an autonomous region level, have been introduced, making it possible to introduce social clauses in public awards procedures, which is a first step at State level towards the creation of sheltered markets.
- The building projects within the Posta'a Punt programme have to include the hiring of a set percentage of disadvantaged persons and their corresponding individual integration pathways, which subsequently guarantees a minimum number of persons being hired. The need to improve the *ad hoc* work classification and training mechanisms generates a demand for coordination of training which leads to institutional acknowledgement of this problem.
- The Neighbourhood Contracts demonstrate the need to territorialise integration strategies completely and establish operating rules agreed to by a wide range of participating agents. They involve a strategy of local pacts allowing for formal participation of various local agents in the diagnosis, and through mutual coordination prioritise implementation of actions combating exclusion.
- **The case of Navarre's Plan to Combat Exclusion:** this shows that when there is an economic and institutional structure promoting socio-vocational and political identity, there is more likelihood of organised civic awareness of *sustainable social and institutional responsibility* (network combating poverty exclusion which includes the unions as well as NGOs) with less partiality than in other regions, which has generated participation and sufficient social pressure to promote a pioneering standard in the regulation of rights and obligations for the excluded, such as those derived from the Prevention of Exclusion Act, stemming from the Plan which embraces and integrates very diverse measures, institutions and players, and which is quite suggestive regarding the development process.

- The value of the existence of a very small area of very varied and committed civic experiences combating exclusion in which users take part in decisions such as Traperos de Emaús or others, contributes to creating a greater sensitivity to integrating strategies among politicians and social agents. Further factors are the use of public research structures, committed university specialists and political leaders aware of the weight this may have in the electoral market, all of which have made possible a “philosophy” or willingness for consensus between different parties.
- The starting point for devising the Prevention of Exclusion Act was preliminary knowledge of exclusion and of the policies existing and applied in area, treating them specifically, not through abstract and dislocated expert opinions and algorithms. This has lent legitimacy and realism to the negotiation processes.
- The planned measures and actions are performed in an integrated way by the non-governmental initiative (new bodies in the non-profit sector, commercial companies and their organisations, together with the unions) and by the public initiative (from local to state level, also using European policies for equality which are in the end incorporated) interdepartmentally. The specific scheduling of the actions of each department serves as a basis for follow-up structures, thus achieving greater transparency in awareness of the Plan's application, which favours control and accountability.
- The Plan's measures are not exclusively directed at Basic Income recipients, since it is understood that a strictly economic criteria is not sufficient for defining those persons in need of support for their social integration.

## **RECOMMENDATIONS on coordination between active welfare and employment policies**

- Halting exclusion processes and intervening in them efficiently does not only depend on coordination between social and protection policies. **It seems necessary to consider coordination strategy in a wider sense and to analyse to what point macroeconomic criteria and social cohesion criteria are involved in production policies** and in the policies of social reproduction which imply a wider perspective than achieved when the debate is focused only on the Social Security system. Here the position which the different territories have regarding the social and international division of labour plays a central role.
- The underlying idea of proportionality (each person gives or receives according to their specific needs at each moment) in which the State's fiscal policy system is inspired, which enhances the social cohesion of the model, may be strengthened in the case of the right to minimum income, as some European authors indicate, by proposing that if each citizen “contributes fiscally” according to the volume of the social product which he obtains, as the current economic system structurally generates increasingly exclusive inequality, **for this expropriation the excluded should be economically, socially and politically restored: give to each according to their needs which is the principle supporting the constitutional right to a minimum income**.
- Considering civic rights from this macrosocial perspective involves **adopting a change in the priorities of state policies**: leaving aside abstract algorithms which favour the

company as the privileged social body in economic activity in favour of the specific prioritising of citizens and observance of the rights expressed in the Constitution, which constitutes the basis for the State's role as the body administering solidarity.

- **Social protection systems must not be based solely on a cash income**: for exclusion is much more than lack of disposable money and when it is only understood as such the sense of the measure is perverted by increasing exclusion and its reproduction, converting it in precariousness and social, political and economic dependence, as has occurred with certain subsidies.
- **It is necessary to invest in activation policies for personal, social, economic and political autonomy involving quality strategies based on participation, transparency and control of practices.** This requires a pluridimensional coordination strategy catalysing the networks of political, technical and social mechanisms for information, advice, training and economic assistance existing in all the social and economic policy areas. Integral action across a territory has the most value. The Navarre experience, although very restricted in its application, indicates that good results can be achieved for the users when the territory's agents and institutions are interlinked and coordinated.
- The challenge for coordination is **to achieve greater clarity in the defining of jurisdiction and institutional actions**, while providing scope for flexibility to readjust any instances of rigidity which may occur.
- **A general unitary system of non-contributory benefits which includes minimum incomes**, is necessary to reduce the current extreme complexity and territorial inequalities.
- In view of the generalised demand for **an integrating harmonisation of the Minimum Income systems**, the possibility should be considered for a **State law** guaranteeing real coordination and cofinancing: the State, as guarantor of the equality of rights of all its citizens, could assume the cost of economic benefits across the whole national territory, while the Autonomous Communities would be responsible for its management and local decentralisation.
- **An income adequate for the needs of persons while the poverty situation lasts** should be guaranteed, without allowing the user administrative periods of cover irrespective of specific needs.
- It is necessary **to improve the channels and codes of information on programmes, by adapting them to their target users**. Facilitating the access and processing of applications, removing bureaucratic inflexibility based on descriptive labels and moving over to elements based on the user's real need to obtain the right: simplifying administrative processes, reducing processing time and avoiding incompatibility with other benefits when there is a situation of real need.
- There is a need for a **law comprehensively regulating the different public and private integration mechanisms**, governing labour relations, the ambitions for action and protection and the types of players which may constitute these.
- It would be advisable **to mark out the direction of a coordination strategy**, namely, to establish the organisational guidelines so that the coordinated organisations form a sustainable **qualifying and flexible communicational system** with a capacity for feedback and continuous updating.

- This sustainable **qualifying institutional system involves the possibility of establishing continual socialisation processes in negotiations between different players and vertical responsibility structures**: users must participate in order to be aware of the context and intervene responsibly in change; practitioners to administer, support and mediate efficiently with users, politicians and social agents; social agents to establish control and follow-up mechanisms; NGOs to intervene by contributing their experience; experts to establish the translation of the meaning of the codes and their updating in specific processes linked up with those of a wider scope; politicians to design processes to meet the needs of users and improve citizens' living conditions.
- Establishing **obligatory transparency mechanisms** which leave a record of incidents through formalisation of continuous and periodic monitoring, is one of the requisites, together with political will, which strategies for coordination of policies and institutions must comply with to avoid rhetorical use of participation and coordination. For this the role of **independent experts**, whose participation would be agreed by consensus by the agents involved, could be very important.
- **It is the responsibility of public institutions to assume and promote the leadership of coordination processes**, as a means of improving the performance of the different policies.
- **It is necessary to clearly define by regulation the objectives and precise dimensions of coordination**: the institutional leadership, space, time and content of coordination between policies. To do this the following should be defined: the structures involved (vertically and horizontally), their degree of competence and the resources they contribute; an information generation and support source accessible from different points of the network, which serves in a precise way to jointly define the objectives of the areas involved, to link up mechanisms for definition of coordination processes between players and structures and to perform continuous monitoring with feedback processes upstream and downstream, enabling follow-up and evaluation of results in accordance with the degrees of autonomy which are conferred to users, all with a perspective which is sufficiently flexible, professionalised and consolidated to be capable of surviving the contingencies of interim political change.
- **Informal negotiation of the codes** yields good results for formal coordination processes and efficient management of the time dedicated to coordination processes, in which new electronic and photonic technologies could be very useful.
- **Activation should be defined in clearly defined objectives** which advice and integration services should comply with to suit the user's needs, so that they facilitate **evaluation of the level of autonomy achieved** for self-management personally (housing, personal and children's education, personal care skills and socio-familial skills), vocationally (in the labour market and other ambits, aimed at achieving a certain stability), economically (capacity for administering and gaining resources), socially (capacity for promoting relationships and networks of different types) and politically (organisational capacity with a group or collective dimension).
- **Activation and income should be a right** which entails acknowledging users as citizens and these users acknowledging themselves as a member of the community to which they must respond actively, although not necessarily through work.
- It would be useful to include in socio-vocational integration processes **preventive strategies** involving all the members of the family unit in the risk groups, especially younger members.

- **Instruments and methods should be made available for communication and participation of the users in processes, enabling the user-institution authoritarian relation to be overcome in order to improve integration results.** The new methodology of motivational socio-dramatisation produces good results for generating non-behaviourist socialising dynamics in the participation of these types of users with social access difficulties for taking part in integration policies..
- The organisation of networks of NGOs in the non-profit economy should be encouraged by policy makers, although with the control measures required to ensure that **they do not supplant the users' interests** with those they at times represent. When these NGOs are coordinated in a territory, collective agreements should be proposed to support the activities lasting 4 or 5 years to facilitate consolidation of strategies and prevent the NGOs being subjected to the pressure of economic circumstances or local politics.
- The new exclusion problems require establishment of a battery of economic aids complementary to those already in place, such as subsidising the interest on mortgage loans, assisting solidary credit institutions, the creation of specific grants or various tax advantages, among others. Attention must also be paid to intervention on housing, which is one of the main problems of these groups. This will raise **the need to carry through coordinated and concerted action** with the participation of central government, the autonomous communities, town halls, social agents and social NGOs.
- The increasing volume of immigrants requires **regulatory measures with sufficient resources** to facilitate their socio-vocational integration through ordinary schemes which take into account territorial differences.
- In a coordinated system, **the classification of target groups for intervention should be based on the users' structural characteristics** through non-descriptive analysis and not by the descriptive-administrative features of the programmes, as the latter should be adapted to the users' needs and not the contrary.
- **New professional profiles** which are not corporately or academically categorised are required to administer the coordination of policies aimed at persons in need between different areas of services, territories and players:
  - **Profile of a “social mediator” 'translating' the different levels of meaning in the discourse between the players involved.** This requires multidisciplinary preparation combining social training and an overview of the specific economy of these groups, with capacity for creating methods to gain awareness of local situations, efficiently passing on to the different administrations the contents and interests of the various players and transferring these to the protocols they use in their ordinary institutional models.
  - **“Evaluator of coordination processes” profile**, whose role would be to establish consensuses concerning the evaluations appropriate for the different players involved. In addition, **adding multidisciplinary contents**, at a continuing training level, for the different types of practitioners involved in a coordination strategy administering the integration of excluded citizens, which avoids the prejudices of either welfarism or technocratic economism.
- The socio-vocational integration of excluded persons **requires greater involvement of the social agents in promotion, follow-up and control of coordination** of active

policies for welfare and employment and greater openness to collaboration with other social organisations involved in these integration processes.

- **Political decision-makers should take on the challenge of promoting the socio-vocational integration of excluded persons by organising coordination and participation strategies**, irrespective of party or factional political interests. This should bring them to set up solid structural mechanisms facilitating democratic coordination, no matter what the specific political climate.
- **Experts involved in coordination** should use open and participatory structural methods so as not to impose an instrumental technocratic logic far-removed from the interests of the other members participating in the process. Socio-analysis or institutional analysis is one of the practices which may be more effective and enriching for all the agents involved in coordination.
- **Organisation of the social sector in territorial networks** could be a valuable strategy for empowering the sector, leading to the social recognition of the problem of exclusion and the starting up of coordinated integration strategies.
- To combat exclusion processes comprehensively it is necessary promote in all territorial (from European to local) and institutional (from the general budgets to local welfare) ambits and through the agents involved, **a resocialisation of the rules, processes and values** fostered by the commercialist abstraction of life which has prevailed in recent times.

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## LIST OF ABBREVIATIONS

AEPSA:	<i>Acuerdo para el Empleo y la Protección Social Agrarios</i> (Agreement for Agrarian Employment and Social Protection)
AES:	<i>Acuerdo Económico y Social</i> (Economic and Social Agreement)
AIEE:	<i>Acuerdo Interconfederal para la Estabilidad en el Empleo</i> (Inter-confederation Agreement for Employment Stability)
ANE:	<i>Acuerdo Nacional de Empleo</i> (National Employment Agreement)
APE:	<i>Asesoramiento de Proyectos Empresariales</i> (Advice for Business Projects)
ASAJA:	<i>Asociación de Jóvenes Agricultores</i> (Association of Young Farmers)
BOE:	<i>Boletín Oficial del Estado</i> (Official State Gazette)
BOJA:	<i>Boletín Oficial de la Junta de Andalucía</i> (Andalusian Government Official Gazette)
CCAA:	<i>Comunidades Autónomas</i> (Autonomous Communities)
CC.OO:	<i>Comisiones obreras</i> (Workers' Commissions)
CE:	<i>Constitución Española</i> (Spanish Constitution)
CEOE:	<i>Confederación Española de Organizaciones Empresariales</i> (Spanish Confederation of Employers' Organisations)
CEPYME:	<i>Confederación de Pequeñas y Medianas Empresas</i> (Confederation of Small and Medium-sized Enterprises)
CERMI:	<i>Confederación de Asociaciones de Minusvalidos</i> (Confederation of Disabled Persons Associations)
CES:	<i>Consejo Económico y Social</i> (Economic and Social Council)
COAG:	<i>Confederación de Empresas Agrarias</i> (Coordinating Committee of Farmer and Stockbreeder Organisations)
EGB:	<i>Enseñanza General Básica</i> (Basic General Education)
EidA:	<i>Asociación de Empresa de Inserción de Andalucía</i> (Andalusia Association of Integration Enterprises)
ELA-STV:	Trade Union of Basque Workers
EPA:	<i>Encuesta de Población Activa</i> (Active Population Survey)
ESO:	<i>Enseñanza Superior Obligatoria</i> (Compulsory Secondary Education)
ETT:	<i>Empresa de Trabajo Temporal</i> (Temporary Work Enterprise)
FEDEI:	<i>Federación Española de Empresas de Inserción</i> (Spanish Federation of Associations of Integration Enterprises)
FIP:	<i>Plan Nacional de Inserción y Formación Profesional</i> ( National Plan for Integration and Professional Training)
FTT-UGT:	<i>Federación de Trabajadores de la Tierra</i> (Land Workers' Federation)
FECAMPO-CC.OO:	<i>CC.OO Confederación del Campo</i> (CC.OO Countryside Confederation)
IMFE:	<i>Instituto Municipal de Formación y Empleo</i> (Municipal Training and Employment Institute)
IMSERSO:	<i>Instituto de Migraciones y Servicios Sociales</i> (Institute for Immigration and Social Services)

INEM:	<i>Instituto Nacional de Empleo</i> (National Institute for Employment)
INSALUD:	<i>Instituto de Salud</i> (National Institute for Health)
INSS:	<i>Instituto de la Seguridad Social</i> (National Institute for Social Security)
IPC:	<i>Indice de Precios de Consumo</i> (Consumer Price Index)
IRPF:	<i>Impuesto sobre el Rendimiento de las Personas Físicas</i> (Personal Income Tax)
ISM:	<i>Instituto Social de la Marina</i> (Marine Social Insurance Institute)
I+D:	<i>Innovación más Desarrollo</i> (Innovation plus Development)
I+E:	<i>Innovación más Empleo</i> (Innovation plus Employment)
LISMI:	<i>Ley de Integración Social de los Minusválidos</i> (Disabled Persons (Social Integration) Act)
LOGSE:	<i>Ley de Ordenación General del Sistema Educativo</i> (Organic Law on the General Organisation of the Education System)
MTAS:	<i>Ministerio de Trabajo y Asuntos Sociales</i> (Ministry of Labour and Social Affairs)
MTSS:	<i>Ministerio de Trabajo y Seguridad Social</i> (Ministry of Labour and Social Security)
OPEA:	<i>Orientación para el empleo y asistencia para el autoempleo</i> (Guidance for employment and assistance for self-employment)
ONCE:	<i>Organización Nacional de Ciegos</i> (National Organisation for the Blind)
ONG: NGO)	<i>Organización No Gubernamental</i> (Non-Governmental Organisation –
PER:	<i>Plan de Empleo Rural</i> (Rural Employment Plan)
PFEA:	<i>Plan de Fomento del Empleo Agrario</i> (Plan for the Promotion of Agrarian Employment)
PIB:	<i>Producto Interior Bruto</i> (Gross Domestic Product- GDP)
PIRMI:	<i>Programa Interdepartamental de Rentas Mínimas de Inserción</i> (Interdepartmental integration income support)
PM-40: over-40)	<i>Asociación de Parados Mayores de 40 años</i> (Association of unemployed
PNAE:	<i>Plan Nacional de Acción para el Empleo</i> (National Action Plan for
Employment)	
RD:	<i>Real Decreto</i> (Royal Decree)
RDN:	<i>Renta Disponible Nacional</i> (National Disposable Income – NDI)
REASS:	<i>Régimen Especial Agrario de la Seguridad Social</i> (Social Security Special Agrarian Regime)
REPRIS:	<i>Red Española de Promoción e Inserción Social</i> (Spanish Network of Promotion and Social Integration)
RMA:	<i>Renta Mínima Autonómica</i> (Autonomous Community Minimum Income)
RMI:	<i>Renta Mínima de Inserción</i> (Minimum Integration Income)
ESSPROS:	<i>Sistema Europeo de Estadísticas integradas de Protección Social</i> (European System of Integrated Social Protection Statistics)
SEPE:	<i>Servicio Español Público de Empleo</i> (State Public Employment Service)

SIPE:	<i>Servicio Integrado para el Empleo</i> (Integrated Service for Employment Promotion)
SISPE:	<i>Sistema de Información de los Servicios Públicos de Empleo</i> (Public Employment Services Information System)
SMI:	<i>Salario Mínimo Interprofesional</i> (National Minimum Wage)
SOC:	<i>Sindicato de Obreros del Campo</i> (Rural Workers Trade Union)
STC:	<i>Sentencia Tribunal Constitucional</i> (Constitutional Court Ruling)
UGT:	<i>Sindicato Unión General de Trabajadores</i> (General Workers Union)

## **ANNEX 1: METHODOLOGICAL ASPECTS AND BIBLIOGRAPHY.**

### **METHODOLOGICAL ASPECTS**

The methodology for carrying out this research was initially the result of the consensus achieved by the multinational team of researchers from the proposals presented by project leaders at the European Foundation for the Improvement of Living and Working Conditions.

**- We opted for a qualitative methodology:** Starting from the scant and disperse information available, we tried to examine in detail, from a structural viewpoint, the significance and motivations of the players involved in the processes of design, management and control of social policies, both economic benefits and activation measures and their potential coordination around the reference group.

**- The reference group for this research:** Given the characteristics of this *ultimate protection system in Spain*, we did not restrict ourselves to persons benefiting from minimum income programmes, due to the limited quantitative impact of Minimum Income on situations of exclusion and the existence of welfare systems which may to some extent cover the minimum income objectives. Therefore, this report refers to the sector of the population who are of working age, who have inadequate resources or is impoverished, due to its employment status (work which is unofficial, occasional, poorly paid, etc.) and/or due to other social factors (families with multiple problems, poor qualifications, failure at school, having to assume family responsibilities without having sufficient assistance, etc.), or run the risk of social exclusion, and which may or may not meet the official requirements (different in each Spanish region) for entitlement to minimum income programmes and may or may not really be included in any of these minimum income programmes.

This reference population is an attempt to encompass precariousness which generates a risk of exclusion, exclusion which leads to a risk of marginalisation, and marginalisation itself stemming from other factors or from the lack of access to employment in its various forms (irregular, part-time employment, underemployment, underpaid work, self-employment, etc.) and which relates to more than the labour market itself, which is very limited in some regions.

**- The key objectives of this analysis:** were to define and identify the coordination strategies between cash benefit policies and policies of activation through work.

**- The research strategy:** We gave preference to significant relevance rather than quantitative representation. However, given the complexity of the subject under study and its transnational perspective, we decided to follow a model of first describing the processes before going on to interpret them and draw conclusions from them.

**- The unit for analysis:** is Spain, although due to the autonomous community system and the transitional process towards the State's decentralisation into the State of Autonomous Communities, and especially given that Minimum Income is an autonomous community-based measure, our method was first to analyse the general Spanish context, before examining in depth the specific situation in three Autonomous Communities. On the basis of **case studies**, we carried out more detailed field research, to extract significantly relevant criteria. Also, from the analysis of these autonomous community contexts, we examined at micro level

three cases of coordination constituting best practices, which involve different coordinating processes.

**- The selection of these three communities:** This was based on the structural position they occupy in their degree of regulatory development of coordination policies corresponding to different structural positions within the Spanish socio-economic and institutional system.

The first case is Andalusia. According to the report of the Banco Bilbao-Vizcaya Foundation (1999), it is, after Melilla, the area which is furthest below the Spanish average disposable family income, with only 58.86% of income as compared with the European average. Its family income level is the second lowest in Spain (78.43% as compared with the national average) and unemployment rates are the highest. Despite gaining autonomy on the fast track, it still has not obtained powers over employment policies, due to the confrontational politics which have prevailed between central government and its autonomous government, while many other autonomous communities which were constituted under Article 143 (the slower option) have had these powers for some time. In this Community, rural populations are still significant, so that the system of non-contributory benefits specifically for rural areas is widely applied. There is no Minimum Income legislation in this region. The programme is part of another of wider scope, the “Solidarity Programme of the Andalusians”. This lack of a regulatory framework does not however prevent the development of bottom-up coordination initiated by NGOs and which involve a wide spectrum of players and institutions.

Catalonia has been chosen since it is a region with a high degree of autonomy as one of the historic regions. The economic dynamism of this Community is considerable: it ranks second in disposable family income (119%), although since 1955 it has fallen back almost 30 points in its position as compared with the Spanish average. Its unemployment rate is below the Spanish average. All this has its influence on its civil society and institutions, and gives it a key role in the national context. It has a Minimum Income system regulated by law and interesting experiences regarding extension of potential for integration in partnership with the social sector by applying “social provisions”, which entails the recognition of sheltered markets.

The third case is Navarre. Together with the Basque Country, Navarre has the highest level of decentralisation. They are the only Communities which have devolved taxation powers – the case in Navarre even under Franco, which should not be overlooked when examining the financial and institutional system which is currently being developed. Therefore this case has been selected as typical of a territory with a dynamic economic structure: as a Community, it ranks third with regard to family income, 114.4% of the national average, a position it has maintained over recent years. Its unemployment rate is far below the national average and it has extensive political and financial autonomy. This Autonomous Community, which only has one province, may provide indications on the management of the needs of those who have insufficient income, in an environment characterised by a dynamic market and substantial economic resources. Together with the Basque Country, it has one of the most advanced Minimum Income coordination and legislation systems, and has implemented a legal initiative to combat exclusion which may be an important benchmark.

For each of these Communities, we have examined in detail a “**best practice**” case of coordination, considering both quantitative and qualitative factors regarding access, processes and results of coordination for the players involved. Thus, the cases have been selected on the basis of coordination experiences (see Chapter 4) which respond to different analysers and variables, with a view to bringing together a wide variety of elements illustrating the very diverse and complex forms of coordination currently in operation.

**The socially constructed territory.** Spain has 17 Autonomous Communities, which enjoy different degrees of autonomy. To undertake a more detailed study, we decided to select three of them which are representative of very different socio-economic models and contexts. It therefore seemed logical, in the wake of this territorial selection, that the case studies should focus on examples in these three Autonomous Communities.

**The players.** There is a wide variety of public and private players and organisations involved in combating exclusion. We have tried to select examples which include different types of players, with a special emphasis on the participation of NGOs, which, quite apart from taking on a growing role in these matters, are, in a number of cases, the mouthpieces of excluded groups.

**The scope of coordination.** Depending on the players involved and the content and objectives of coordination, the sphere which the coordination affects may be very different (within a same organisation or between organisations, at local, district, provincial, regional, national or European level). We have tried to select cases which illustrate this point.

**The Processes.** Given that the proposals and strategies put forward are very diverse and that coordination may be a key element in their various stages, we have tried to select examples which illustrate coordination in the various steps in processes (planning and design of policies, management and application of specific programmes, etc.).

**Coordination types and objectives.** We have tried to ensure that the cases selected show, insofar as possible, the varied range of types of coordination which may occur (horizontal/vertical, official/unofficial, etc.). And the financial, political and efficiency objectives and the quality of their results, etc.

- **The analysis process:** Both descriptive variables and qualitative analysers were considered:

**Descriptive variables analysed include the following:** Formal conditions for entitlement (age, residence, degree of targeting and generalisation of the right to minimum income); period(s) of cover and obligations as regards activation; the existence of mechanisms which facilitate information to potential users; relationships between potential/attended users; the relationship between the number of users and type(s) of service or benefit; possibilities for physical access (location of activation practices and management of policies); formalised spheres of competence and times for the participation of users in the coordination processes of policies.

**Qualitatively, the central analysers for interpretation were:** Restrictions regarding the socio-economic and institutional context in which coordination between policies is generated (degree of socio-economic dynamism of the region and resources for integration); degree of adaptation of the communication codes and processes in the political practices to the users which make it possible for them to participate in the definition of their needs; mechanisms which promote participation through the users' active civic responsibility (injecting autonomy through the acquisition of social skills and skills for decision-making in the processes of informing, training, guidance, support for employment or the creation of businesses); creation of transparency mechanisms for the processes, evaluation and results.

- **The instruments used for carrying out the research** were, first, compilation of the maximum documentary and bibliographical information on the study theme. Second, holding

of open detailed interviews with qualified sources at different territorial levels and depending on their structural positions on the theme of the study: administrators, practitioners directly involved in processing, politicians, social partners and non-governmental organisations officials. To summarise, by positions, the interviewees were from the following strata.

**Public administrations:**

- 6 politicians at autonomous community level;
- 2 local politicians;
- 9 national technical administrators;
- 14 technical administrators at autonomous community level;
- 8 local technical administrators.

**Social partners and experts:**

- 2 university experts on combating exclusion;
- 1 employers' organisation official;
- 3 trade union officials.

**NGOs involved in combating exclusion and Users**

- 8 managers of NGOs carrying out socio-vocational integration of minimum income recipients;
- 6 practitioners of NGOs carrying out socio-vocational integration of minimum income recipients;
- 10 users (minimum income recipients involved in integration actions or programmes).

Group interviews were also held with a view to avoiding individual bias and to transcend to group level in structural form. The discussion group gives a critical-dialectic perspective which is open to the participants. Therefore these interviews were aimed at groups of users (2 group interviews) and practitioners responsible for direct management (1 group).

**- Structure and contents of the report:** This report is organised in 5 chapters and 3 annexes.

We must point out that segmented territorial and political organisation generates a very complex model of administrative organisation and that the unequal development of Welfare and Employment active policies, and the role of coordination between them, represent a panorama which is not easy to describe, explain and analyse, but which must be examined in order to understand what is happening in the State as a whole. This is why we chose, in Chapters 1 and 2, to superficially explain the Spanish context, the structure of the labour market and the content of social and welfare policies. This has meant that these chapters of the final report are much more lengthy than initially foreseen by the Foundation, despite the description of policy measures and the statistical support being included in the annexes in table form.

Chapter 3 is an approach to the concept of coordination, setting out an analysis of the factors which favour it and those which limit it, and a description of the central institutional coordination systems in Spain.

Chapter 4 is concerned with the analysis of the best practices selected, on the basis of scheme for analysis outlined in Chapter 3.

Chapter 5 gives the most interesting conclusions and recommendations which arise from the report.

These chapters are complemented with 3 annexes. Annex 1 gives the methodology, the most frequently used abbreviations and the bibliography. Annex 2 lists and describes social benefits and Annex 3 is made up of tables on labour markets and activation policies.

We have tried to avoid excessive use of abbreviations, but it is necessary to bear in mind that their use is very common in Spain and for most Spanish readers the abbreviations frequently make more sense than the complete term.

The first appearance of an abbreviation is always accompanied by its meaning. However, since many of these abbreviations are repeated throughout this report and it is not reasonable to add the complete name in each case, we have decided to include in this Annex a list of abbreviations which appear most frequently, as a guide for readers who are not familiar with them.

## ANNEX 2: SOCIAL POLICIES AND BENEFITS

### **1. The general benefit titles according to ESSPROS**

#### ***1.1. SICKNESS AND INVALIDITY***

Type by contributory and welfare causes:

- For common contingencies and non-work-related accidents.
- For professional contingencies: distinguishing between the general regime (industry, construction and services workers) and special regimes (non-agrarian self-employed, coal mining, agrarian and sea workers and domestic employees).

Type by cause generating the contributory benefit

- Permanent incapacity (partial, total, absolute and grave invalidity)
- Old age and retirement (for those over 65; these affect family strategies regarding work and pro-active policies).
- Death and survivors (widowhood, orphanage and in favour of dependants).

Type by cause generating **non-contributory benefit, provided that the recipient does not meet a set income threshold (when the sum of annual income is less than that of the benefit)**<sup>60</sup>:

- Idem contributory
- Disabled persons qualifying under the LISMI:
  - Subsidy guaranteeing minimum income<sup>61</sup>.
  - Subsidies for assisting third persons.
  - Mobility and compensation for transport costs subsidy.
  - Health assistance and pharmaceutical subsidy.

Note: These are administered by central government (the National Institute for Social Security, INSS and the *Tesorería General de la Seguridad Social* (General Social Security Treasury) manage contributory benefits and the Institute for Immigration and Social Services, IMSERSO, the non-contributory ones), but Social Security administration is devolved to the Autonomous Communities to different degrees. There are 7 Communities which have full powers in this respect.

#### ***1.2. SURVIVORS PENSION***

These are benefits paid because of the death of the original claimant, provided that the beneficiary is less than 65 (National Institute of Social Security, INSS).

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<sup>60</sup> The principal characteristic of both the LISMI subsidy guaranteeing minimum income and welfare pensions, both of identical amount, is that they have remained unchanged since 1992 at 24 935 pesetas monthly, so that if then it was 44% of the minimum wage, in 1999 it was only 36%.

<sup>61</sup> The monthly average for 1998 was 24 723 pesetas for the State (not including Navarre and the Basque Country).

### **1.3. FAMILY BENEFITS FOR DEPENDENT CHILDREN**

These may be contributory or non-contributory and are a central administration competence (the National Institute for Social Security and the *Instituto Social de la Marina* (ISM - Marine Social Insurance Institute) for workers under this Social Security regime, administer the benefits and in the case of disabled persons or chronic illness the Institute for Immigration and Social Services or the Communities with these powers; they have to certify the degree of disablement, incapacity or need of a third person) but their administration is devolved to different degrees to the Autonomous Communities:

- Maintenance of income during maternity.
- Family allowance for dependent child: for children under 18. These are subject to restrictions conditioned by the income threshold established in each annual budget (1 237 899 pesetas for 2000), which is increased by 155% after the second child, apart from the case of disabled children which is also granted for dependants over 18. Also orphans under 18, irrespective of whether they have an orphanage allowance or not and abandoned children under 18 irrespective of whether they are fostered or not. It may be contributory or non-contributory
  - Benefit for child under 18: 36 000 ESP/year
  - Benefit for child under 18 with more than 33% invalidity: 72 000 ESP/year
  - Benefit for dependent child over 18 with more than 65% invalidity: 447 360 ESP/year
  - Benefit for dependent child over 18 with more than 75% invalidity: 671 040 ESP/year.
- Concession of entitlements for large families: Gives entitlement to exemptions or reduction of academic and administrative taxes and preference, all other factors being equal, in access to centres, transport, access to publicly subsidised housing, loans and tax exemption, etc.
  - 1<sup>st</sup> category large family: from 2 to 6 children.
  - 2<sup>nd</sup> category large family: from 6 to 9 children.
  - Exemplary large family: 10 or more children.

### **1.4. HOUSING BENEFITS**

These are benefits subsidising interest rate payments for families purchasing housing. At State level, the support framework is the programme implemented each year on the basis of the 1998-2001 Housing Plan. There are publicly subsidised housing policies applied by the Autonomous Communities. Municipalities depending on their political bias may also reserve a part of their land for building subsidised housing for families with inadequate incomes. The protection measures may range from the subsidising of interest, options to purchase or rent at low prices or capital grant. Some autonomous communities have launched a special programme of subsidised housing for minimum income recipients (see Chapter 1, Minimum autonomous community incomes section).

### **1.5. UNEMPLOYMENT**

The entitlement conditions depend on the contribution period, age, and type of work which entails different Social Security regimes.

\* **Contributory level:** Benefits targeted at non-agricultural workers which are intended to replace waged income when unemployed and having previously contributed to Social Security for this contingency for at least 12 months which gives entitlement to 4 months' benefit, stratified to a maximum of 6 contribution years which gives entitlement to 2 years of cover. The benefit may in no case be higher than 170% of the National Minimum Wage (SMI), and may be increased to 220% of the National Minimum Wage depending on the number of children, the lower limit being 75% or 100% of the SMI, depending on whether one has children or not. It may be total or partial. For part-time work it depends on the hours worked. Entitlement to it is not lost if the claimant takes work for a period of less than 12 months.

\* **Welfare level:** The welfare level benefit is referred to as unemployment subsidy, consisting of a cash benefit and payment to Social Security of the contribution for health care benefits, family protection and where applicable retirement. The duration, quantity and contribution to Social Security depends on the type of subsidy to which there is entitlement. There are two types: the subsidy for non-agricultural workers and the special subsidy for casual agricultural workers. These depend on assignments from the social partners and the State to Social Security:

#### **A. Unemployment subsidy for non-agricultural workers**

This is a cash allowance amounting to 75% of the minimum wage, without counting extraordinary payments [two additional monthly payments per year, usually in July and December], for workers who have an income which does not exceed this minimum, are unemployed, "registered as jobseekers and have not refused any offer of appropriate employment, nor have refused to participate, save with justified reason, in actions of promotion, training or retraining, within a month, from the exhaustion of the contributory benefit, or of 'special subsidy for workers over 45 who have exhausted a 24-month unemployment benefit'".

The access and duration conditions are modified by having family dependants or not. Family responsibilities are understood as a dependent spouse, and/or children under the age of twenty six or older disabled children, and fostered children under 18, when the income of the family unit thus constituted, including the claimant, divided by its number of members, does not exceed 75% of the Minimum Wage, excluding the proportional part of extraordinary payments.

The following are not considered dependants for purposes of dividing the income of the family unit among its number of members: any spouse, children, or fostered wards with income of any nature over 75% of the Minimum Wage, excluding the proportional part of extraordinary payments.

There is also entitlement to the subsidy in any of the following situations:

- Having exhausted contributory benefit and having family dependants or being aged over 45.
- Not having covered the minimum contribution period for entitlement to a contributory benefit and having contributed for 3 months in the case of having dependants or 6 months without dependants; being a returned emigrant and having worked 6 months outside Spain.
- Having been released from prison after more than six months; being declared fully capable or partially invalid as a result of review of an invalidity case.

- Being over 52 and having contributed for 3 months and 6 years in your working life.
- Being over 45 and having exhausted a benefit of 720 days and having no entitlement to any other benefit.

The duration of the subsidy is six months, which may be extended to 18 months, at different levels depending on circumstances (generally whether there are dependants or not).

**There are two types of “special” subsidies dependent on age** whose duration subject to these conditions is in the case **workers over 45**, 6 months, after exhaustion of their 180 day contributory benefit, if it is requested within the set period. Once this “special subsidy” is exhausted, workers may claim the corresponding “unemployment subsidy”, which may last up to 30 months if they also have family dependants.

For **workers over 52**, the subsidy lasts until the worker reaches the age which gives him entitlement to the contributory retirement pension in either of its forms (normal or early).

If the subsidy is obtained from part-time work it will be proportional to the working day contributed for.

Recognition of the “unemployment subsidy for workers over 52”, has preference over any other subsidy. Recognition of the “special subsidy for workers over 45 who have exhausted a 24-month unemployment benefit”, has preference over subsidies provided for “Workers who exhausted contributory unemployment benefit and who have family dependants” and “Workers over 45 who have exhausted an unemployment benefit of at least 12 months and who do not have family dependants”.

Acceptance of a job lasting less than 12 months, during the waiting period does not affect entitlement to the subsidy, which will be suspended until this period ends.

The subsidy is incompatible with drawing of a pension or cash benefits from the Social Security, apart from where these had been compatible with the work which justified the unemployment benefit, provided that their amount is less than 75% of the minimum wage, excluded the proportional part of extraordinary payments, and the receipt of income of any nature in excess of 75% of the minimum wage, excluding the proportional parts of the extraordinary payments.

Suspension of entitlement involves the interruption of cash benefits and of insurance contributions, and the grounds for this are as follows.

Moving abroad for work or professional training for a period less than 6 months.

Fulfilment of military service or alternative social service, or completion of a sentence involving loss of liberty, save where the worker has family dependants and does not dispose of any family income, the total of which exceeds the minimum wage, in which case the subsidy will continue to be received subject to the claimant's applying.

Working as an employee for less than 12 months.

- Performing work which does not have unemployment cover for less than or more than 12 months.
- Penalty for minor infringement: not appearing, when required, before the Administrative Body for unemployment benefits, Employment Service or non-profit placement agencies, without due cause; not renewing the employment claim in the form and on the dates set by the Administrative Body, using the claim renewal document, save with due cause; not

returning to INEM, Marine Social Insurance Institute or, where applicable, to the non-profit placement agencies, within 5 days the relevant proof of having appeared in the place and on the date indicated to cover the employment offers provided by them; suspension in cases of penalisation will be for one month and will also entail the reduction of the entitlement period by the same time.

## **B. Subsidy for casual agricultural workers**

This unemployment subsidy has two forms: general unemployment subsidy for casual workers under the Special Agrarian Regime and special subsidy for casual workers aged over 52 under the Special Agrarian Regime.

It may be claimed by casual employees who meet the following conditions. They must be included in the Social Security Special Agrarian Regime census, reside in Andalusia or Extremadura, have income less than 75% of the current minimum wage, excluding extraordinary payments; neither they nor their spouses may be proprietors, lessors, sharecroppers or titleholders, or similar, of agricultural or livestock holdings income from which exceeds the set amount, and they must be up-to-date in their payment of the set quota for common contingencies to the Social Security Special Agrarian Regime in the twelve calendar months before applying for the subsidy or, where applicable, in the lesser period in which they have been contributing.

As a transitory provision for 2000 (until 31 December 2000) for workers who were beneficiaries of Community Employment in 1983 and recipients of the subsidy in the year immediately before the application, the minimum number of full working days contributed for to the Special Agrarian Regime will be 20. For the crediting of these working days contributions made to the Social Security General Regime during the 12 months immediately before the unemployment situation during work done in projects under the Rural Employment Plan or attached to the Programme for Promotion of Agrarian Employment may be applied in the following conditions: in order to attain this minimum of 20 working days all those days contributed for to the Social Security General Regime may be credited; to set the subsidy's duration, of the days contributed for under the General Regime, a maximum number is applied which is equal to the actual working days contributed for under the Special Agrarian Regime and in these cases, the duration of the subsidy is special.

In the 12 months before becoming unemployed, workers who have also worked in other sectors must have covered the established minimum number of actual working days worked and contributed for under the Special Agrarian Regime, and are categorised in target groups depending on whether they have dependants or not, are aged under 25, between 25 and 52 or 60 or more. The maximum time for which the subsidy is received varies with these claimant characteristics:

### **A) Workers with 35 or more full days contributed for under the Social Security Special Regime for agricultural workers**

**Workers under 25 without family dependants:** The duration of the subsidy will be 3.43 days of subsidy for each day contributed for, computing fractions equal to or greater than 0.50 as another day giving entitlement, with a maximum of 180 days of subsidy.

**Workers over 25 and under 52 and those younger than 25 with family dependants:** The duration of the subsidy will be 180 days.

**Workers over 52 and under 60 (not complying with the prerequisites of the category below):** The subsidy's duration will be 300 days.

**Workers over 52 who have the necessary contribution period for recognition of an employee's contributory retirement pension under the Social Security Special Regime for agricultural workers:** The subsidy's duration will be 360 days.

**Workers over 60:** The subsidy's duration will be 360 days.

**B) Workers who transitorily (until 31 December 2000) collect unemployment subsidy who have less than 35 actual working days contributed for under the Special Agrarian Regime because they have been recipients in 1983 of community employment and the subsidy in the previous year:** The subsidy's length in these cases depends on age, periods contributed for to the Social Security under the Special Agrarian Regime and under the General Regime with the set limitation (See "Minimum Contribution Period").

**Workers who accredit a minimum number of twenty contributory days:** 100 days.

**Workers who accredit more than 20 contributory days and less than 35:** For each contributory day in excess of twenty, the minimum duration of 100 days, will be increased by the following days of subsidy:

Workers over 29 and less than 52: 5.33 days of subsidy for each contributory day.

Workers over 52 and less than 60: 13.33 days of subsidy for each contributory day, with a maximum duration of 300 days.

Workers over 52 who have the necessary contribution period for recognition of a retirement pension under the Special Agrarian Regime: 17.33 days of subsidy for each contributory day, with a maximum duration of 360 days

Workers over 60: 17.33 days of subsidy for each contributory day, with a maximum duration of 360 days.

Fractions which equal or exceed 0.50 are computed as an additional day giving entitlement.

The benefit is 75% of the SMI, which for workers under 52, may be extended for a maximum of 180 days annually, and is stratified depending on the number of days of work done, with a general minimum of 35 and of 20 for entitlement to the benefit. This circumstance changes depending on whether the claimant has dependants or not and is older or younger than 35.

For those over 52, the real duration may be 300 or 360 days (early retirement), depending on having received subsidy for the last 5 years, having contributed to the Social Security Special Agrarian Regime for at least years and having made sufficient contributions for retirement.

360 days of subsidy are established for workers over 60, which are maintained depending on whether they work or not up to retirement.

If there are other members of the family unit over 16, the total which is considered for determining the income threshold will be based on the minimum wage including extraordinary payments and depending on the number of members equals:

Number of family members over 16	Income threshold
2 members	2.00 times the SMI.*
3 members	2.75 times the SMI.*
4 members	3.50 times the SMI.*
5 or more members	4.00 times the SMI.*

\* National Minimum Wage = Minimum Wage

If the family members are younger, a corrector index is applied depending on the number of younger members, as far as second-degree kinship, dependent on the claimant to calculate the family income generating entitlement

**- “Special subsidy for Special Regime for casual agricultural workers over older than 52”**

Those workers of this age-group will be entitled to this subsidy who, apart from meeting the general contribution requirements indicated above, comply with the following conditions:

- Having made contributions to the Social Security Special Agrarian Regime as casual employee workers and having been recipients of the subsidy uninterruptedly during the last five years, and who justify, at the time of application, the necessary contribution period for the award of any type of contributory retirement pension in the Social Security system.

- The prerequisite of uninterrupted contribution to the Social Security Special Agrarian Regime will be deemed complied with when in each of the months of the five calendar years immediately before the application the worker has been in any of the following situations: effectively contributing to the Social Security Special Agrarian Regime as an employee worker; exercising a representative public duty or trade union duties at provincial or higher level, in the terms provided in the labour legislation, provided that in the twelve calendar months before the first month applied in this situation he had effectively contributed to the Social Security Special Agrarian Regime as an employee worker; completing a sentence involving deprivation of liberty with the same prerequisite as established in the previous case; contributing to another Social Security regime as a consequence of occasional non-agricultural work, or contributing to the Social Security Special Agrarian Regime as an employee worker, provided that the total of these situations within the period of five years did not exceed 24 months in the case of the Social Security General regime or 12 months in the other cases.

The prerequisite of uninterrupted collection of the subsidy will be deemed met when in each of the five calendar years immediately before the application the worker has been in one of the following situations: collecting the subsidy at any time during the year; in a situation of temporary incapacity, maternity, transitory working incapacity or provisional invalidity, or exercising a representative public duty or trade union duties at provincial or higher level, in the terms provided in the labour legislation, provided that the duration of this situation during the year was greater than seven months and that in the calendar year before the first year in which these situations are taken into account the claimant has received agrarian subsidy or benefited from community employment; completing a sentence involving deprivation of liberty with the same prerequisite as established in the above case; although not having received the subsidy because the family income threshold was exceeded, having met the other requirements which would have made its award possible.

The subsidy's duration is 360 days.

The peculiarity of this subsidy is, that when entitlement to the applicable subsidy exhausted, entitlement to it will be renewed annually, from the beginning of the first entitlement, without any need to prove sufficient actual contributory working days to generate another entitlement. These annual renewals will take place until the worker reaches the age to gain entitlement to any type of retirement.

**Table A2-1**

**Evolution (1984 - 1999) of beneficiaries of casual agricultural worker subsidy.**

Year	ANDALUSIA			EXTREMADURA			ANDALUSIA + EXTREMADURA		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>1984</b>	139517	16624	156141	32312	3851	36163	171829	20475	192304
<b>1985</b>	128929	23386	152215	31249	740	31989	160178	24126	184304
<b>1986</b>	154915	38779	193694	36838	1534	38372	191753	40313	232066
<b>1987</b>	156427	57449	213876	35502	2565	38067	191929	60014	251943
<b>1988</b>	159731	81301	241032	37004	4318	41322	196735	85619	282354
<b>1989</b>	149938	106470	256408	33524	6630	40154	183480	113100	296580
<b>1990</b>	132771	124887	257658	28031	8987	37018	160802	133874	294676
<b>1991</b>	96604	109644	206248	19330	10749	30079	115934	120393	236327
<b>1992</b>	79550	94304	173854	18908	8610	27518	98458	120914	219372
<b>1993</b>	90213	106058	196271	18916	8738	27654	109129	114796	223925
<b>1994</b>	90046	108899	198945	18112	9158	27270	109158	118057	227215
<b>1995</b>	85295	102899	188184	18899	9006	27905	104194	111905	216099
<b>1996</b>	76365	91032	167397	17156	7724	24880	93521	98756	192277
<b>1997</b>	75491	93114	168605	16421	7712	24133	91912	100826	192738
<b>1998</b>	77227	100183	177410	16007	8178	24185	93234	108361	201595
<b>1999</b>	77000	107403	184403	17045	9562	26607	94045	116605	210650

Source: Ministry of Labour and Social Affairs. Madrid.

**Table A2-2**

**Unemployed population by benefits, (1995 – 1999) evolution in Spain and in the three Autonomous Communities analysed.**

Unemployed population	1995	1996	1997	1998	1999
<b>ANDALUSIA:</b>					
Unemployed without benefits	52.3 %	56.3 %	58.0 %	56.4 %	54.7 %
Benefit recipients:	47.7 %	43.7 %	42.0 %	43.6 %	45.3 %
Contributory unemployment	9.8%	9.6%	8.7%	8.2%	8.6%
Unemployment subsidy	16.7%	14.9%	14.0%	13.7%	12.5%
Casual agricultural subsidy	21.2%	19.1%	19.3%	21.7%	24.2%
<b>CATALONIA(*):</b>					
Unemployed without benefits	58.9 %	61.7 %	62.7 %	62.2 %	53.3 %
Benefit recipients:	41.1 %	38.3 %	37.3 %	37.8 %	46.7 %
Contributory unemployment	25.3%	22.9%	22.0%	22.2%	28.7%
Unemployment subsidy	16.1%	15.4%	15.3%	15.5%	18.0%
<b>NAVARRE(*):</b>					
Unemployed without benefits	50.4 %	48.7 %	50.3 %	55.2 %	47.4 %
Benefit recipients:	49.6 %	51.3 %	49.7 %	44.8 %	52.6 %
Contributory unemployment	28.9%	32.4%	30.8%	27.1%	32.0%
Unemployment subsidy	20.7%	18.9%	18.9%	17.7%	20.6%
<b>SPAIN:</b>					
Unemployed without benefits	59.3 %	62.1 %	63.0 %	63.1 %	59.6 %
Benefit recipients:	40.7 %	37.9 %	37.0 %	36.9 %	40.4 %
Contributory unemployment	17.5%	16.7%	15.8%	15.1%	16.9%
Unemployment subsidy	17.2%	15.7%	15.4%	15.2%	15.4%
Casual agricultural worker subsidy	6.0%	5.4%	5.7%	6.6%	8.1%

(\*) The Casual Agricultural Worker Subsidy does not exist in Catalonia or Navarre.

Source: Active Population Survey. Ministry of Labour and Social Affairs.

**Table A2-3**

**Total expenditure and mean expenditure per beneficiary for contributory and welfare unemployment benefits and Social Security Special Agrarian Regime (REASS) subsidy, period 1994 – 1999 (in pesetas).**

Concepts	1994	1995	1996	1997	1998	1999
1. Total expenditure: benefits and subsidies (in peseta thousand millions)	2 029.6	1 680.3	1 574.2	1 474.6	1 373.6	1 322.2
2. Total beneficiaries: contributory, non-contributory and REASS subsidy (in thousands)	1 759.4	1 458.5	1 342.1	1 240.8	1 130.1	1 051.9
<i>Total average expenditure per beneficiary: 1 / 2 (in peseta thousands)</i>	<i>1 153.6</i>	<i>1 152.1</i>	<i>1 173.0</i>	<i>1 188.6</i>	<i>1 215.7</i>	<i>1 257.0</i>
A. Expenditure on contributory benefits (in peseta thousand millions)	968.8	807.8	767.9	709.8	628.2	616.9
B. Contributory benefit recipients (in thousands)	739.1	626.6	592.4	530.7	462.2	440.8
<i>Average expenditure per beneficiary: A / B (in peseta thousands)</i>	<i>1 310.8</i>	<i>1 289.2</i>	<i>1 296.3</i>	<i>1 337.4</i>	<i>1 359.1</i>	<i>1 399.5</i>
C. Expenditure on non-contributory benefits (in pesetas thousand millions)	472.4	373.9	339.1	319.2	296.9	266.8
D. Recipients of non-contributory benefits (in thousands)	793.1	615.8	557.4	517.4	466.2	400.4
<i>Average expenditure per recipient: C / D (in pesetas thousands)</i>	<i>595.7</i>	<i>607.2</i>	<i>608.4</i>	<i>616.8</i>	<i>636.8</i>	<i>666.2</i>
E. Expenditure on REASS subsidy (in peseta thousand millions)	105.5	121.7	126.1	128.8	138.1	143.7
F. REASS subsidy recipients (in thousands)	227.2	216.2	192.3	192.7	201.6	210.7
<i>Average expenditure per recipient: E / F (in peseta thousands)</i>	<i>464.3</i>	<i>563.0</i>	<i>655.9</i>	<i>668.8</i>	<i>684.9</i>	<i>682.2</i>

Sources: INEM and Ministry of Labour and Social Affairs. 1999 CES Report.

## 1.6. SOCIAL EXCLUSION

This section lists the minimum income or integration wage benefits for low-income groups analysed in Chapter 1 of this report, and also benefits in kind and services targeted at the most vulnerable through the Social Services, mainly managed by the autonomous communities and local organisations, of which some come within the “Concerted Plan” described below and others are derived from Ministry of Labour and Social Affairs programmes (specifically under the Directorate General for Social Action, Children and the Family). As they are already examined in Chapter 1, all of the measures are not described here. The autonomous communities and non-profit organisations contribute most of the funding in Spain, although the Ministry of Labour finances part of the actions.

**2. Catalogue of primary welfare facilities based on the Concerted Plan between the Ministry of Labour and the Autonomous Communities**

**Table A2-4**

**Information AND GUIDANCE**

AIMS	NEEDS COVERED	ACTIONS AND ASSISTANCE PROVIDED	USERS
1. To ensure access to social resources. 2. To provide information on the system's functioning	<p><b>Individual or group:</b></p> <ul style="list-style-type: none"> <li>- Access to the Social Services System (SSS).</li> <li>- Awareness of the SSS and the access procedures.</li> <li>- Awareness of other resources of the Social Protection System.</li> <li>- Guidance and advice.</li> </ul> <p><b>Social Services System:</b></p> <ul style="list-style-type: none"> <li>- Detection of needs and social resources available for planning and evaluating.</li> <li>- Identification of groups at risk.</li> <li>- Coordinating actions with other systems</li> </ul>	<ol style="list-style-type: none"> <li>1. Individual, group and community information on dissemination activities and on specific information projects targeted at prevention, public awareness or others.</li> <li>2. Guidance for developing capacity to use information appropriately.</li> <li>3. Advice/support in resolving problems.</li> <li>4. Assessment depending on the origin of the user applications (personal, group or community) or from another organisation or institution (Specialised Social Services, NGOs or other social protection systems at the primary or secondary welfare level): Social Report.</li> <li>5. Channelling.</li> <li>6. Diversion.</li> <li>7. Processing</li> </ol>	- All persons, groups and the community of the territory to which the services are assigned.

Source: Catalogue of Primary Welfare Facilities of the Social Services (1998). Ministry of Labour and Social Affairs. Madrid. Our composition.

**Table A2-5****PREVENTION AND SOCIAL INTEGRATION.**

AIMS	NEEDS COVERED	ACTIONS AND ASSISTANCE PROVIDED	USERS
<p>1. To improve the welfare and quality of life of persons and groups.</p> <p>2. To act on personal, behavioural, situational and social factors associated with the genesis of social problems or needs in order to prevent their emergence or worsening.</p>	<ul style="list-style-type: none"> <li>- Prevention of social exclusion and its causes.</li> <li>- Facilitating processes of participation and social integration of the most disadvantaged.</li> </ul>	<ol style="list-style-type: none"> <li>1. Prevention and promotion of social networks targeted at the complete population and at specific population sectors with social problems present in the reference community through motivation, training-education or cultural actions.</li> <li>2. Integration through rehabilitation and social reintegration in order to minimise physical, psychological and social consequences.</li> </ol>	<ul style="list-style-type: none"> <li>- The total population of a set geographical area.</li> <li>- Risk groups established according to isolation and identification of risk indicators statistically linked with a set of problems.</li> </ul>

Source: Catalogue of Primary Welfare Facilities of the Social Services (1998). Ministry of Labour and Social Affairs. Madrid. Our composition.

**Table A2-6****SUPPORT FOR THE SOCIAL UNIT AND HOME HELP.**

AIMS	NEEDS COVERED	ACTIONS AND ASSISTANCE PROVIDED	USERS
<ol style="list-style-type: none"> <li>1. To prevent and avoid unnecessary admissions.</li> <li>2. To attend crisis situations.</li> <li>3. To promote social integration of the person and his family group in community life.</li> <li>4. To assist families when they are not able to attend fully to the needs of their members.</li> <li>5. To support family groups in their daily responsibilities.</li> <li>6. To facilitate development of personal skills and appropriate living habits.</li> </ol>	<ul style="list-style-type: none"> <li>- Social imbalances.</li> <li>- Limitations on personal autonomy.</li> <li>- Solitude or isolation.</li> </ul>	<ol style="list-style-type: none"> <li>1. Home help.</li> <li>2. Technical aids.</li> <li>3. Personal support outside the home.</li> <li>4. Social and educational support.</li> <li>5. Support to family structure and family dynamic.</li> <li>6. Socio-community support.</li> </ol>	<ul style="list-style-type: none"> <li>- Persons or families which have dysfunctions which can be improved with assistance.</li> <li>- Elderly persons with a certain level of dependence without sufficient support.</li> <li>- Disabled or ill persons.</li> <li>- Minors who require care.</li> <li>- Specific risk or socially excluded groups.</li> <li>- Where there is technically assessed social or family neglect justifying intervention.</li> </ul>

Source: Catalogue of Primary Welfare Facilities of the Social Services (1998). Ministry of Labour and Social Affairs. Madrid. Our composition.

**Table A2-7****ALTERNATIVE ACCOMMODATION.**

AIMS	NEEDS COVERED	ACTIONS AND ASSISTANCE PROVIDED	USERS
1. Inclusion of the person in other forms of family life, when it becomes inviable either because it does not exist or is so deteriorated that it impairs the person's development and welfare.	<ul style="list-style-type: none"> <li>- Solitude, isolation, neglect and abandonment.</li> <li>- Delocation, destitution, exclusion and poverty.</li> <li>- Psycho-social problems, loss of personal autonomy, personal shortcomings or grave deterioration of socio-familial ties.</li> <li>- Cover of basic necessities (housing and maintenance) in emergency situations due to specific social problems.</li> </ul>	<ol style="list-style-type: none"> <li>1. Temporary accommodation in emergency situations.</li> <li>2. Accommodation as support in integration processes: fostering, stays in public or private centres of the Social Services Network (hostels, centres, residence, temporary sheltered housing).</li> <li>3. Permanent accommodation in residential centres, sheltered centres and housing for adults or disabled persons.</li> </ol>	<ul style="list-style-type: none"> <li>- Those who find it impossible to see to their basic needs by themselves.</li> <li>- Those who lack or have gravely impaired socio-familial ties.</li> <li>- Lack of decent housing and stable setting for family life.</li> </ul>

Source: Catalogue of Primary Welfare Facilities of the Social Services (1998). Ministry of Labour and Social Affairs. Madrid. Our composition.

**Table A2-8****PROMOTION OF SOLIDARITY.**

AIMS	NEEDS COVERED	ACTIONS AND ASSISTANCE PROVIDED	USERS
<p>1. To stimulate civic participation in transformation and improvement of the community's quality of life through raising of social awareness and encouragement of solidarity in forms of social cooperation.</p> <p>2. To promote community organisation of social initiatives, voluntary sector, self-help and mutual help groups, working at the same time in structuring social coordination, through: the promotion of participation bodies for community development, promotion of initiative and forms of social partnership, including social, economically and culturally disadvantaged persons and groups in participatory processes, to fortify community identity and the community's organisation to prevent exclusion processes and improve quality of life.</p>	<ul style="list-style-type: none"> <li>- Need for civic participation for transformation and improvement of quality of life and to intervene in the solution of problems affecting these.</li> <li>- Need for organisation and coordination of the participation of private and public bodies in the resolution of social problems.</li> <li>- Need of public administrations for rapid awareness of community concerns, social participation being the transmission channel.</li> </ul>	<ol style="list-style-type: none"> <li>1. Collaborating with social initiative in social service programmes.</li> <li>2. Promotion and organisation of the voluntary sector.</li> <li>3. Promotion and organisation of self-help groups.</li> <li>4. Community interventions through coordination of activities which the various administrations and NGOs perform.</li> </ol>	<ul style="list-style-type: none"> <li>- Non-profit organisations.</li> <li>- Voluntary sector associations.</li> <li>- Formal groups set up within the community for specific purposes (neighbourhood, parents' associations, women's groups, self-help groups).</li> <li>- Informal groups (young people, elderly persons).</li> </ul>

Source: Catalogue of Primary Welfare Facilities of the Social Services (1998). Ministry of Labour and Social Affairs. Madrid. Our composition.

**Table A2-9****BREAKDOWN OF USERS BY BASIC BENEFITS AND AUTONOMOUS COMMUNITY. 1997.**

AUTONOMOUS COMMUNITIES	Information AND GUIDANCE		SUPPORT TO THE BASIC SOCIAL UNIT AND HOME HELP		ALTERNATIVE ACCOMMODA-TION		SPECIFIC ACTIONS PREVENTION AND INTEGRATION	
	Number	%	Number	%	Number	%	Number	%
<b>ANDALUSIA</b>	<b>372 010</b>	<b>5.36</b>	<b>24 284</b>	<b>0.35</b>	<b>42 405</b>	<b>0.61</b>	<b>299 786</b>	<b>4.32</b>
ARAGON	90 739	7.70	6 143	0.52	7 537	0.64	11 680	0.99
ASTURIAS	42 419	3.88	5 216	0.48	2 428	0.22	3 847	0.35
BALEARIC ISLANDS	18 448	1.89	4 806	0.49	1 259	0.13	14 121	1.45
CANARY ISLANDS	136 237	9.00	11 507	0.76	669	0.04	74 361	4.91
CANTABRIA	28 200	5.35	1 324	0.25	97	0.02	2 702	0.51
CASTILE-LA MANCHA	153 477	14.53	9 978	0.94	5 072	0.48	192 440	18.21
CASTILE-LEON	217 386	8.54	31 165	1.22	9 546	0.37	123 365	4.85
<b>CATALONIA</b>	<b>282 313</b>	<b>4.64</b>	<b>16 880</b>	<b>0.28</b>	<b>12 590</b>	<b>0.21</b>	<b>110 021</b>	<b>1.81</b>
EXTREMADURA	187 440	17.67	8 854	0.83	2 649	0.25	9 649	0.91
GALICIA	336 032	12.18	11 232	0.41	336	0.01	32 164	1.17
LA RIOJA	268 414	51.69	1 485	0.29	246	0.05	7 350	1.42
MADRID	146 132	2.95	12 835	0.26	402	0.01	33 260	0.67
MURCIA	55 145	5.28	6 156	0.59	4 749	0.45	7 768	0.74
VALENCIA	124 305	5.18	13 512	0.56	609	0.03	97 993	4.09
<b>TOTAL</b>	<b>2 458 697</b>	<b>7.10</b>	<b>165 377</b>	<b>0.48</b>	<b>90 594</b>	<b>0.26</b>	<b>1 020 507</b>	<b>2.95</b>

Source: The Public System of Social Services (1997-1998). Ministry of Labour and Social Affairs. Madrid. Our composition.

### **3. List of programmes of welfare and activation hybridisation policies**

These are carried out by Spanish Red Cross and national NGOs and are financed from 0.52% of Personal Income Tax:

#### **Programmes for children and the family:**

Programmes intended to facilitate conciliation between family life and working life

Programmes for the promotion of children's quality of life

Programmes for residential facilities for minors in social difficulties.

Programmes for residential facilities and/or measures other than boarding for socially disrupted minors.

Programmes to promote fostering for minor wards of the Administration

Programmes for the prevention and treatment of child abuse

Programmes for the prevention and eradication of child labour

Programmes for intervention with families in social difficulty or threatened by social exclusion

Programmes for intervention with families which are victims of violence

Welfare programmes for families in situations of special difficulty

#### **Programmes for young people:**

Training and employment assistance programmes

Programmes for raising awareness aimed at education in personal and social-living values and the promotion of healthy living habits

Social integration programmes

Programmes targeted at young people and adolescents with social adaptation difficulties

#### **Programmes for women:**

Literacy and education programmes.

Programmes which facilitate women's social integration.

Programmes targeted at women from the rural and fisheries sectors.

Programmes intended to encourage employment and self-employment among women.

Programmes intended to prevent violence against women and to provide comprehensive welfare.

Programmes intended to co-finance projects presented to EU Initiatives which provide for equal opportunities between men and women.

#### **Programmes for elderly persons:**

Programmes of personal attendance and home adaptation

Programmes of promotion and adaptation of subsidised places in residential centres

Daily attendance programmes

Support programmes for families responsible for dependent or semi-dependent elderly persons

**Programmes for disabled persons:**

Personal attendance and independent life programmes

Programmes for promotion and adaptation of residential centres and sheltered housing

Programmes for promotion and adaptation of day care centres

Support programmes for families caring for disabled persons

**Programmes for persons with drug addiction problems:**

Support programmes for the maintenance of welfare and integration resources

Prevention programmes in marginalised high-risk areas

**Programmes for persons affected by AIDS:**

Home help programmes

Programmes for setting up and maintaining of reception hostels

Programmes for creation and maintenance of shortstay accommodation for persons in social emergency situations

Support programmes for the families of persons affected by AIDS

**Programmes for other socially disadvantaged groups:**

**Programmes for the Romany people**

Vocational integration programmes

Social integration programmes

Promotion and support programmes for the development of Romany women

**Programmes for prisoners and ex-prisoners**

Programmes for the rehabilitation of persons deprived of liberty with drug dependency problems

Programmes for persons deprived of liberty affected by AIDS

Programmes intended for the completion of measures alternative to prison

Programmes for the intervention and social integration of prisoners and ex-prisoners

Programmes intended for the care of women prisoners with dependent children

Programmes for rehabilitation of mentally handicapped persons and persons suffering from chronic mental illnesses completing a sentence in a penitentiary centre.

**Programmes for migrants, asylum seekers, refugees and displaced persons:**

Temporary reception programmes

Programmes for return and resettlement in third countries

Programmes for the care of foreign minors

Support programmes for access to housing and accommodation

Programmes for the consolidation and extension of the network of information, guidance and legal support for immigrants

Assistance programmes for returned Spanish emigrants

**Programmes against social exclusion:**

Integral programmes in neighbourhoods, urban areas and territories with specific integration difficulties

Integral programmes intended for the social integration of transient and homeless persons

Integral programmes targeted at the disadvantaged rural population

Programmes intended to promote employment for socially excluded persons

**Programmes for the promotion of the voluntary sector:**

Promotion and awareness-raising programmes

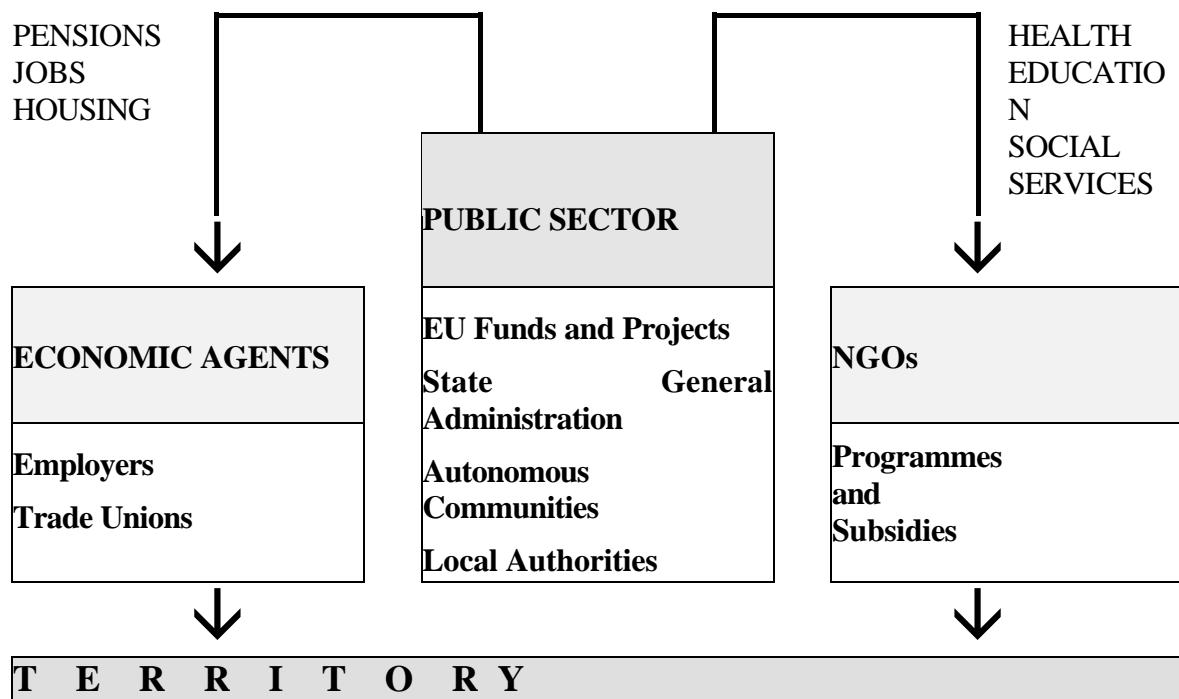
Support programmes for the voluntary sector

**Fund intended to mitigate social emergency situations:** These funds are earmarked for mitigating emergency situations which may occur due to the appearance of unforeseeable risks or analogous natural phenomena giving rise to social needs which are urgent or must be dealt with immediately.

#### **4. Comprehensive programmes in a territory**

**Table A2-10**

**COMPREHENSIVE PROGRAMMES APPLICATION SCHEME**



Source: The Public System of Social Services. Ministry of Labour and Social Affairs.  
Our composition.

## **5. Autonomous Community Minimum Income Programmes**

**Table A2-11**

**Autonomous Community Minimum Income Programmes Access Requirements (June 1999).**

Auton. Community	Residence	Age (*)	Minimum time of formation of the claimant unit	Maximum number of application annually	Period of entitlement	Emergency Social Assistance
Andalusia	1 year	Min. 25, Max. 65	1 year	—	Max. 6 months	No
Aragon	1 year	Min. 18, Max. 65	Not required	unregulated	Max. 1 year	Yes
Asturias	2 years	Min. 25, Max. 65	1 year	4	Min. 3 months, Max. 2 years	No
Balearics	2 years	Min. 25, Max. 65	18 months	unregulated	unregulated	No
Canaries	3 years	Min. 25, Max. 64	not required	2	Max. 6 months	Yes
Cantabria	1 year	Min. 18, Max. 65	6 months	1	Max. 12 months	Yes
Castile – La Mancha	2 years	Min. 25, Max. 64	1 year	unregulated	Min. 6 months Max. 2 years	Yes
Castile – Leon	2 years	Min. 25, Max. 64	6 months	unregulated	Min. 6 months Max. 3 years	No
Catalonia	1 year	Min. 18, Max. 65	1 year	unregulated	unlimited	Yes
Extremadura	18 months	Min. 18, Max. 65	—	2	Min. 6 months Max.unlimited	Yes
Galicia	1 year	Min. 25, Max. 65	not required	unlimited	unlimited	Yes
Madrid	1 year	Min. 25, Max. 65	not required	unlimited	Min. 6 months Max.unlimited	Yes

					ed	
Murcia	1 year	Min. 25, Max. 65	1 year (18-25 years)	1	Max. 1 year	Yes
Navarre	<b>2 years</b>	<b>Min. 25, Max. 65</b>	<b>Not required</b>	<b>not applicable</b>	<b>not applicable</b>	<b>Yes</b>
Basque Country	1 year	Min. 25, Max. 65	1 year	unlimited	unlimited	Yes
La Rioja	3 years	Min. 25, Max. 65	1 year	unlimited	Min. 3 months Max.unlimited	Yes
Valencia	1 year	Min. 25, Max. 65	not required	—	Min. 6 months Max. 3 years	—
Melilla	1 year	Min. 25, Max. 65	not required	—	Min. 6 months Max. 1 year	Yes

Source: Data supplied by the Autonomous Communities. Our composition.

**Table A2-12**

**Principal characteristics of the Autonomous Community Minimum Incomes (Autonomous Community Minimum Income) in the three Communities analysed (1999 data).**

<b>AUTONOMOUS COMMUNITY MINIMUM INCOMES</b>	<b>ANDALUSIA</b>	<b>CATALONIA</b>	<b>NAVARRE</b>
Exact denomination	Solidarity Minimum Income	Minimum Income	Basic Income
Autonomous legislation	Decree no. 400/1990 Decree no. 2/1999	Decree no. 144/1990 Law no. 10/1997	Decrees nos 168/1990, 169/1990 and 170/1990 Law no. 9/1999
<b>ENTITLEMENT REQUIREMENTS:</b>			
Age	Min.25, Max. 65 (A)	Min. 18 <sup>62</sup> , Max. 65	Min. 25, Max. 65
Minimum time of residence	1 year	1 year	2 years
Minimum time for formation of the claimant unit	1 year	1 year	Not required
Maximum income level/month	Autonomous Community Minimum Income amount	Autonomous Community Minimum Income amount	Autonomous Community Minimum Income amount
Period of entitlement	Maximum 6 months a year	Not regulated	6 months, which may be extended
Number of direct claimants	9 914	9 672	1 154 (B)
Number of total beneficiaries	24 785	20 090	Not applicable
Annual Autonomous Community Minimum Income Budget (pesetas)	3 816 134 000	5 706 313 236	580 595 093 (C)
Annual average expenditure/claimant (pesetas)	384 910	556 061	503 072
Autonomous Community Minimum Income monthly amount (pesetas)	42 947 (62% SMI)	47 506 (68% SMI)	51 592 (75% SMI)
For an additional member	5 542 (8% SMI)	6 418 (9% SMI)	10 391 (15% SMI)

<sup>62</sup> Since January 1999 the minimum age for entitlement to PIRMI was lowered from 25 to 18.

For 2 <sup>nd</sup> and 3 <sup>rd</sup> additional member	5 542 (8% SMI)	5 349 (8% SMI)	6 927 (10% SMI)
For final additional member	5 542 (8% SMI)	4 279 (6% SMI)	6 927 (10% SMI)
Monthly minimum amount (pesetas)	10 391 (15% SMI)	11 168 (16% SMI)	4 849 (7% SMI)
Maximum monthly amount (pesetas)	69 720 (100% SMI)	84 877 (122% SMI)	86 588 (125% SMI)
Annual maximum amount (pesetas) (D)	418 320	1 018 524	1 039 044

SMI = Minimum Wage. For 1999, National Minimum Wage = 69 270 pesetas/month.

- (A) Also entitled are young people from 18 to 25 who have dependants or leave programmes of protection for minors.
- (B) This figure includes handicapped persons who do not have exclusive protection from the Government of Navarre.
- (C) This figure represents exclusively Basic Income payment. If expenditure for other actions were included (Social Employment, Housing, etc.) the total is 1 001 million pesetas.
- (D) Calculation done by multiplying the maximum monthly amount by the maximum number of possible months (6 in Andalusia and 12 in Catalonia and Navarre).

Source: Data supplied by the Autonomous Communities. Our composition.

**Table A2-13**

**Type of benefits received by poor household depending on habitat (in vertical %).**

TYPE OF BENEFIT	RURAL	SEMI-URBAN	URBAN	MEGA-URBAN
Retirement	37.0%	34.6%	32.6%	36.9%
Widowhood	37.0%	13.9%	16.5%	17.1%
Orphanage	-	0.2%	0.4%	0.3%
Invalidity	3.7%	12.5%	12.2%	13.2%
Unemployment	7.4%	14.6%	13.4%	9.5%
Family assistance	-	12.8%	10.9%	7.8%
Non-contributory pensions	-	4.4%	5.5%	5.9%
Cash contribution per child	7.4%	0.9%	1.1%	0.4%
Social wage [minimum income]	-	0.8%	2.0%	3.2%
Municipal assistance	-	1.2%	1.8%	3.3%
Rural employment plan	-	2.3%	0.9%	0.1%
Others	7.4%	1.8%	2.7%	2.3%
<b>TOTAL</b>	100%	100%	100%	100%

Source: Report on the Living Conditions of the Poor in Spain (1998). EDIS. Madrid

Table A2-13 sets out the types of benefits which poor households receive monthly depending on their habitat type. From it we see that rural areas have less access to benefits for the situations of most vulnerability and social disadvantage (widowhood, orphanage, invalidity, non-contributory pensions, social wage and municipal assistance) and better access to retirement benefits (in non-rural areas they are around one third of benefits and in rural areas almost half).

Particularly striking in this study's results (which although published in 1998 refer to 1996) is the minimal proportion of the social wage, despite the political pressure for its introduction. It represents only 0.6% of total benefits in rural areas; 0.8% in semi-urban areas; 2% in urban areas and 3.2% in the major cities.

This table clearly shows the complementarity between incomes derived from the Rural Employment Plan subsidy and the social wage [Autonomous Community Minimum Income]: while the former is a percentage which increases as the area becomes more rural, the social wage is exactly the reverse, in a practically equivalent proportion it increases to a level of 3.3% in the major cities. In any case, both are surpassed by the proportion of non-contributory pensions.

## ANNEX 3: LABOUR MARKET AND PRO-ACTIVE EMPLOYMENT POLICIES

### *EVOLUTION OF THE LABOUR MARKET STRUCTURE*

**Table A3-1**

**Evolution of the structure of the population aged 16 and over, by activity, employment and unemployment in Spain and Autonomous Communities analysed (1995 – 1999)**

Population aged 16 and over	1995	1996	1997	1998	1999
<b>ANDALUSIA:</b>					
Total population (000s)	5 522.8	5 591.1	5 641.7	5 707.6	5 758.8
Active population (000s)	2 619.9	2 697.6	2 754.2	2 779.4	2 829.7
Employed popul. (000s)	1 731.5	1 822.3	1 879.6	1 961.0	2 070.2
Unemployed popul. (000s)	888.4	875.3	874.6	818.5	759.2
Activity rate	47.4%	48.2%	48.7%	48.7%	49.1%
Unemployment rate	33.9%	32.4%	31.8%	29.5%	26.8%
<b>CATALONIA:</b>					
Total population (000s)	5 053.2	5 053.2	5 074.5	5 090.2	5 101.2
Active population (000s)	2 665.2	2 663.6	2 691.0	2 701.0	2 683.6
Employed popul. (000s)	2 127.6	2 159.1	2 231.2	2 312.7	2 398.8
Unemployed popul. (000s)	527.6	504.5	459.8	388.3	284.8
Activity rate	52.7%	52.7%	53.0%	56.1%	52.6%
Unemployment rate	19.8%	18.9%	17.1%	14.4%	10.6%
<b>NAVARRE:</b>					
Total population (000s)	431.2	437.7	440.9	443.7	446.1
Active population (000s)	206.5	214.5	223.8	226.6	224.2
Employed popul. (000s)	179.8	190.2	201.5	203.9	205.8
Unemployed popul. (000s)	26.7	24.3	22.3	22.7	18.3
Activity rate	47.9%	49.0%	50.8%	51.1%	50.3%
Unemployment rate	12.9%	11.3%	10.0%	10.0%	8.2%
<b>SPAIN:</b>					
Total population (000s)	31	32	32	32	32
	880.1	125.2	345.1	534.0	695.9

Active population (000s)	15	15	16	16	16
	625.4	936.1	121.0	265.2	422.9
Employed popul. (000s)	12	12	12	13	13
	041.9	396.0	764.6	204.9	817.4
Unemployed popul. (000s)	3 583.5	3 540.0	3 356.4	3 060.3	2 605.5
Activity rate	49.0%	49.6%	49.8%	50.0%	50.2%
Unemployment rate	22.9%	22.2%	20.8%	18.8%	15.9%

Source: Active population survey. Ministry of Labour and Social Affairs. Our composition.

## EMPLOYMENT POLICIES IN THE AUTONOMOUS COMMUNITIES

**Table A3-2**

### 1998 Measures for Employment Promotion in the three Autonomous Communities studied.

EMPLOYMENT MEASURES	PROMOTION	ANDALUSIA	CATALONIA	NAVARRE
PROMOTION OF RECRUITMENT:				
•Indefinite full-time contract	X	X	X	
•Conversion of temporary contract in indefinite	X		X	
•Training/work practice contract	X			
•Temporary contract	X			
•Replacement contract	X			
•Relief contract				
•Contract linked to reduction/reorganisation of work time	X	X		
•Part-time indefinite contract	X			
SELF-EMPLOYMENT/BUSINESS CREATION:				
•Promotion of self-employment	X	X		
•Promotion of new employment sources			X	
•Social economy promotion		X		
•Other support measures for businesses		X		
TRAINING/MEDIATION:				
•Vocational guidance and mediation	X	X	X	
•Training	X		X	

Source: Pacts and measures for employment promotion in the Autonomous Communities. 1<sup>st</sup> May Foundation. 1999, Madrid. Drawn up from the Official Gazettes of the Autonomous Communities.

**Table A3-3****PACT FOR EMPLOYMENT AND ECONOMIC DEVELOPMENT OF ANDALUSIA (1997 - 2000).**

<b>PROMOTION OF RECRUITMENT</b>	
<b>Measure</b>	<b>Intervention type</b>
* Creation of stable employment (new contracting or conversion of temporary contracts to indefinite).	* General subsidy of 300 000 pesetas per contract which may rise to 500 000 for starting contracts, in the following cases: 1 <sup>st</sup> recruitment by the company; unemployed person who has completed a vocational training activity of the Andalusian government; unemployed women who have interrupted their professional activity for two years or who are taking jobs in which they are under-represented; long-term unemployed aged over 40; disabled and persons threatened by social exclusion.
* Creation of stable employment for young people (new contracting or conversion of temporary contracts to indefinite).	* General subsidy of 500 000 pesetas which may rise to 700 000 for starting contracts in the following cases: 1 <sup>st</sup> recruitment by the company; young long-term unemployed person; young person who has completed a vocational training activity in the previous three years; unemployed women who have interrupted their professional activity for two years or who are taking jobs in which they are under-represented.
* Creation of stable employment for women (new contracting or conversion of temporary contracts to indefinite).	* Subsidy of 400 000 pesetas per contract, which may rise to 600 000 for starting contracts in the following cases: 1 <sup>st</sup> recruitment by the company; long-term unemployed woman; woman who has completed a vocational training activity in the previous three years; unemployed women who have interrupted their professional activity for two years or who are taking jobs in which they are under-represented; long-term unemployed women aged over 40.
* Temporary recruitment (minimum 1 year) of: disabled; disadvantaged persons; over 40s; long-term unemployed.	* Subsidy depending on contract duration: 1 <sup>st</sup> year: 70 000 pesetas 2 <sup>nd</sup> year: 80 000 pesetas 3 <sup>rd</sup> year: 100 000 pesetas
* Young persons' training contract (16-21 years).	* Subsidy for 1-year contracts: 70 000 pesetas * Subsidy for 2-year contracts: 80 000 pesetas the first year and 100 000 pesetas the 2 <sup>nd</sup> year.
* Replacement or relief contracts.	* Subsidy of up to 50% of the employer social security costs, which may be increased in the following cases * Up to 100% in cases of replacement due to maternity or completion of military service or equivalent, in which a woman or young person is employed respectively. * In the rest of cases 10% may be added if persons under 30 are employed.
* Creation of	* Subsidy of up to 50% of employer social security costs, which

employment reorganising time.	by work	may be increased by 10% if persons under 30 are employed.
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## **SELF-EMPLOYMENT/BUSINESSES**

<b>Measure</b>	<b>Intervention type</b>
* Promotion of self-employment of young people, women and long-term unemployed.	* Capital grant for Start-up of the Business Activity: 500 000 or 700 000 pesetas in the case of young people aged under 30. * Subsidies to discount interest rates. * Subsidy for Assistance, Technical Advice and Training. * Repayable grant for local impact projects.
* Promotion of self-employment among young people	* "Young Enterprise" Programme
* Promotion of self-employment for women.	* Capital grant for Start-up of the Business Activity: 500 000 or 700 000 pesetas in the case of women aged under 30 or who are long-term unemployed. * Subsidies to discount interest rates.. * Subsidy for Assistance, Technical Advice and Training. * Repayable grant for local impact projects.

## **TRAINING AND EMPLOYMENT MEDIATION**

<b>Measure</b>	<b>Intervention type</b>
* Mixed training and work experience for young people under 25.	* Subsidies to local authorities for: training costs, increase in teaching material and grants.
* Vocational training.	* Development of vocational trades training programmes for young people, women and other groups with special difficulties in entering the labour market
* Guidance and employment intermediation in the labour market.	* Labour market research system. Andalusian Placement Service. Network of Employment Promotion Units and Agents

Source: Pacts and measures for employment promotion in the Autonomous Communities. 1<sup>st</sup> May Foundation.

**Table A3-4****PACT FOR EMPLOYMENT IN CATALONIA (1998 - 2000).**

<b>PROMOTION OF RECRUITMENT</b>	
<b>Measure</b>	<b>Intervention type</b>
* Actions supporting recruitment and employment plans.	* Subsidy of unspecified amount.
* Programme supporting indefinite employment of disabled persons.	* Subsidy: 500 000 pesetas/person.
* Decree provision for encouraging job creation as a result of reorganising of employment and reduction of working time and overtime.	
* Contracts for training of apprentices and young people	* Subsidy of unspecified amount.
<b>SELF-EMPLOYMENT/BUSINESSES</b>	
<b>Measure</b>	<b>Intervention type</b>
* Subsidies for actions of advice and promotion for self-employment.	* Subsidy: 31 250 pesetas/person.
* Subsidies for persons who set up as self-employed.	* Subsidy: 492 308 pesetas/person.
* Drafting of a White Book on new employment sources.	
* Recruitment for a minimum period (6-9 months) in activities linked with new employment sources, provided that administration stable work is not replaced.	
* Subsidies for job creation in those social economy and/or self-employment initiatives associated with new employment sources.	
* Subsidies for projects of local employment initiatives associated with new employment sources.	
* Advice and training for entrepreneurs involved in business projects related with new employment sources.	
* Subsidies intended to mobilise economic activities in regions with problems, through local catalysts.	
* Promotion of the social economy, through assistance to cooperatives, worker-owned private companies and worker-owned limited companies.	* Subsidies of unspecified amount.
* Introduction of administrative simplification in all processes and actions, especially regarding SMEs.	
* Credits for small and medium-sized (SMEs) investment projects, leading to a net creation of jobs, of which a part are sustainable.	* Amount: up to 85% of the investment before VAT, with a threshold of 120 million pesetas per company, extendible in special cases.
<b>TRAINING AND EMPLOYMENT MEDIATION</b>	

<b>Measure</b>	<b>Intervention type</b>
* Subsidies to the EU initiative NOW, intended to reintegrate women in the labour market	
* Subsidies to the EU initiative INTEGRA, intended for working integration of persons with special difficulties for entering the labour market.	
* Subsidies for reinforcing local employment initiatives by means of local development agents.	
* Information, classification, mediation, guidance and jobsearch actions for the unemployed.	
* Subsidies for the training the unemployed.	
* Support actions for young people who do not pass compulsory higher education (ESO).	* Vocational training courses, vocational workshops, craft guild schools, etc.
* Subsidies for combined training and recruitment actions (vocational workshops, craft guild schools, etc.)	
* Subsidies for shared work practice in companies of regulated professional training (FP) trainees.	
* Subsidies for encouraging training actions combined with international exchanges, forming part of the EU HORIZON initiative	
* Creation of a Labour Market Observatory.	

Source: Pacts and measures for employment promotion in the Autonomous Communities. 1<sup>st</sup> May Foundation.

**Table A3-5****NAVARRA EMPLOYMENT PLAN (1999 - 2001).**

<b>RECRUITMENT PROMOTION</b>	
<b>Measure</b>	<b>Intervention type</b>
* Promotion of sustainable employment.	* Commitment from the Government of Navarre to reduce the current percentage of temporary recruitment in its administration, by converting it into stable employment through the Public Employment Offer. Also, commitment to reduce temporary employment in all public companies in Navarre by promoting sustainable employment.
* Indefinite recruitment of unemployed persons.	* Subsidy. Amount not specified.
* Indefinite recruitment of unemployed young persons who participate with the required dedication in professional initiation programmes.	* Deduction provided for under point 1 of Article 71 of Companies Tax Act. Amount: 900 000 pesetas.
* Indefinite recruitment of long-term unemployed women in professions and trades they are under-represented in.	* Deduction provided for under point 1 of Article 71 of Companies Tax Act. Amount: 900 000 pesetas and 350 000 pesetas respectively.
* Indefinite recruitment of long-term unemployed over 40.	* Deduction provided for under point 1 of Article 71 of Companies Tax Act. Amount: 1 000 000 pesetas and 400 000 pesetas respectively.
* Conversion of temporary or training contracts into indefinite contracts.	* Deduction provided for under point 1 of article 71 of Companies Tax Act. Amount: 900 000 pesetas and 350 000 pesetas respectively.
* Temporary recruitment of persons belonging to especially disadvantaged groups.	* Subsidy. Amount not specified.
* Work experience contracts.	* Subsidy. Amount not specified.
* Relief contracts, due to early retirement or any other formula.	* Subsidy. Amount not specified.
* Promotion of job creation through formulas which make organisation and flexibilisation compatible with the reduction of the working day, and which must be supported in agreement with the social partners. The Pact's signatories undertake to likewise attempt to reduce overtime in order to create employment.	
* Recruitment of graduates without experience in occupations related with their qualification or	* Subsidy. Amount not specified.

speciality, in line with the proposals of the Employment Observatory.	
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## **SELF-EMPLOYMENT/BUSINESSES**

<b>Measure</b>	<b>Intervention type</b>
* Promotion of self-employment for the unemployed.	<ul style="list-style-type: none"> <li>* Technical assistance.</li> <li>* Professional training.</li> <li>* Subsidy of a minimum income in the initial start-up period. No amount specified.</li> </ul>
* Promotion of new employment sources.	<ul style="list-style-type: none"> <li>* Research of the “market niches” which may hold potential new sources of employment in Navarre.</li> <li>* Drawing up of model business plans and definition of the professional profiles needed for developing different activities.</li> <li>* Establishing a support structure for the creation of businesses: creating an exchange of business ideas and projects; establishing a system of business information and advice for the process of setting up the business and forming the business plan; creating a Launch Capital Fund with access for viable projects by means of interest-free loans without need for guarantees or endorsement; follow-up after the start-up of the business.</li> <li>* Promoting local employment initiatives.</li> <li>* Local development agents programme.</li> </ul>
* Recruitment of unemployed persons for Social or General Interest Building projects, promoted by public bodies.	<ul style="list-style-type: none"> <li>* Subsidy. Amount not specified..</li> </ul>
* Promotion of social economy enterprises facilitating: financing of projects, training of members and managing teams, etc.	<ul style="list-style-type: none"> <li>* Subsidy for employment of unemployed workers as members of cooperatives and worker-owned companies. Amount not specified.</li> <li>* Financing of projects.</li> <li>* Training of members and managing teams.</li> </ul>

## **TRAINING AND EMPLOYMENT MEDIATION**

<b>Measure</b>	<b>Intervention team</b>
* Guidance and employment mediation.	<ul style="list-style-type: none"> <li>* Organisation of an efficient system of guidance, information and follow-up of all unemployed persons, interrelated with work integration actions which facilitate employment.</li> <li>* Creation of the Employment Observatory, within the activities of the Navarrese Employment Service.</li> <li>* Establishment of a series of Territorial Units strategically located throughout Navarre, carrying out the employment mediation functions entrusted to them by the Navarrese</li> </ul>

	Employment Service.
* Training linked with employment.	<ul style="list-style-type: none"> <li>* Vocational training courses.</li> <li>* Employment workshops for unemployed over-25s.</li> </ul>
* Training linked with employment for young people under 25.	<ul style="list-style-type: none"> <li>* Vocational workshops and craft guild schools</li> <li>* Occupational workshops for training professionals depending on specific and precise needs of different sectors.</li> <li>* Implementation and promotion of the EU initiative YOUTHSTART.</li> </ul>
* Training linked to employment for women.	<ul style="list-style-type: none"> <li>* Implementation and promotion of the EU initiatives NOW and HORIZON.</li> </ul>

Source: Pacts and measures for employment promotion in the Autonomous Communities. 1<sup>st</sup> May Foundation.