



COUNTRY
REPORT
FOR
SPAIN

A photograph of a woman holding a young child in her arms, walking down a narrow brick alleyway. The entire image is overlaid with a semi-transparent red filter. The woman is looking down at the child, and the child is looking towards the camera. The brick walls of the buildings are visible on both sides of the alleyway.

EUROPE 2020
SHADOW REPORT 2014

PROPOSALS FOR THE ANNUAL GROWTH SURVEY,
COUNTRY SPECIFIC RECOMMENDATIONS AND NATIONAL POLICIES.
CARITAS RECOMMENDATIONS FOR EUROPE 2020 MID-TERM REVIEW.

01 Poverty

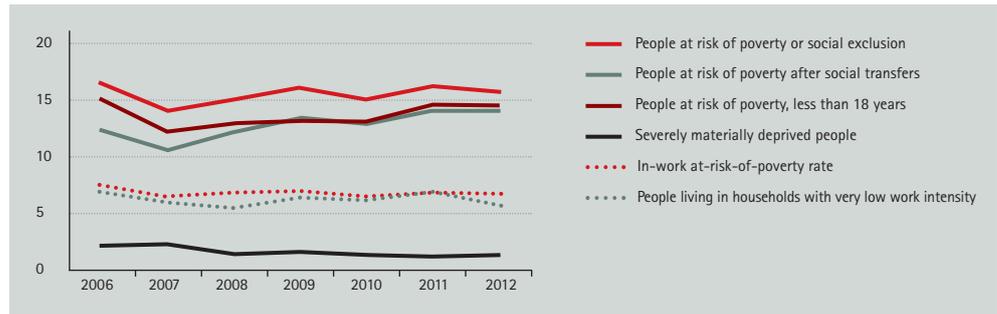
1.1

Recent trends

Development of poverty and social exclusion indicators in Spain (2009-2012) based on Eurostat:

- The highest relative and absolute increase occurred in the rate of people living in households with very low work intensity, which almost doubled from 7.6% in 2009 to 14.3% in 2012, one of the highest in the EU (average: 10.3%).
- It is worth noting that child poverty is the highest in the EU, which continues to rise: between 2011 and 2012, there was an increase of 0.4%. Children remain at a higher risk of poverty than the total population.
- In-work poverty has also been on the rise since 2009, reaching a rate of 12.3% in 2012, also one of the highest in the EU (average: 9.2%).
- It is worth noting, however, that although the rate of severely materially deprived people is also increasing, 5.8% in 2012 compared to 4.5% in 2009, it remains below the EU average of 9.9%.

Eurostat (% of population)	2009			2010			2011			2012			EU average
	M	F	T	M	F	T	M	F	T	M	F	T	
Spain													
POVERTY													
People at risk of poverty or social exclusion	-	-	24.5	-	-	26.7	-	-	27.7	-	-	28.2	24.8
People at risk of poverty after social transfers	19.1	21.1	20.1	19.1	21.1	20.1	21.6	22.7	22.2	22.2	22.1	22.2	17.0
People at risk of poverty. less than 18 years of age	-	-	29.2	-	-	29.2	-	-	29.5	-	-	29.9	20.8
Severely materially deprived people	-	-	4.5	-	-	4.9	-	-	4.5	-	-	5.8	9.9
In-work at-risk-of-poverty rate	12.6	10.5	11.7	13.7	11.6	12.8	13.4	10.6	12.2	13.5	10.8	12.3	9.2
People living in households with very low work intensity	-	-	7.6	-	-	10.8	-	-	13.4	-	-	14.3	10.3



Additional national data shows the severity of the problems reflected by the above Eurostat data:

- ➔ The social situation in Spain is deteriorating and reaches across broad sectors of the population.¹ According to a survey carried out in 2013 only 1 out of 3 people in Spain feels fully integrated, 34,3% p.p. In addition, the survey shows that in 2013, 5 million people were affected by severe forms of exclusion. The survey also shows an impoverishment of people at risk of poverty and social exclusion: 54% of households at risk of poverty and social exclusion were below the poverty threshold (14 p.p. more than in 2007) and 23.8% were in severe poverty (an increase of 4.7 p.p.). Caritas observes a growing distrust of public policies, which often creates a greater sense of alienation of the most vulnerable groups: they lose interest in participating in public affairs (elections, civil society, etc.).
- ➔ Problems related to limited access to employment, housing and health are those that are having a greater impact on poverty's increase. In fact, the effort that families are making to maintain their homes is extremely worrying as many households live in severe poverty situations after paying housing costs, while also taking into account the fact that social protection has been reduced, especially in the areas of health, education, social services and long-term care.
- ➔ It is worth highlighting that the average income is decreasing at the same time as inequality is increasing (it is one of the highest in the EU): 20% of the richest population has 7.5 times more wealth than the poorest 20% (normally comprising households with very low work intensity, non-EU immigrants, single-mother households, homeless people, etc.).
- ➔ The number of people seeking support from Caritas has tripled since the beginning of the crisis (1,300,914 people in 2012, out of whom 30% seeking support for the first time. A high proportion of these people are women, the long-term unemployed, young couples (20-40 years) with children, single women with children, people in long-term care, households with very low work intensity, non-EU immigrants but (increasingly) also Spanish people. There are 2 groups that are worth highlighting: (1) older people, when compared with the rest of the population, have improved their situation although many families are living off their parents' pensions; and (2) people under 45 years old with children and with low educational qualification levels.
- ➔ Child poverty is particularly worrying as shown in the Eurostat data. According to the Caritas database, families with children represent 43% of Caritas's beneficiaries and single-parent families another 18%.
- ➔ Nonetheless, it is remarkable that social and family relationships have not experienced greater deterioration: it appears that people have reacted to the economic difficulties by strengthening their links and social relations.

¹ Caritas Española (Foessa Foundation), (publication foreseen at the end of 2014), *Survey on Integration and Social Needs in Spain 2013*

Impact of cuts and austerity measures on access to social services and social protection

- ➔ **Health care:** families are unable to cope with the costs of medicines and therefore do not often take the necessary medication. In some cases, as a consequence of the Royal Decree Law 16/2012 of 20 April and subsequent legislative developments, some particularly vulnerable groups do not have access to the public health system: irregular immigrants, families with EU members and legal immigrants with family reunification (for example, older people who cannot or do not work, or Spanish citizens that travel abroad for a consecutive period of more than 90 days per annum).
- ➔ **Education:** families are unable to cope with some educational costs as scholarships have been restricted and cuts have been made in other areas, such as special educational needs and situations of inequality.
- ➔ **Social services and social protection:** there have been changes in the functioning of the administrative requirements to access certain benefits, namely, new fees for applications, more documents, stricter rules, delays, and budget cuts. In addition, social services have difficulty adapting to current social problems. Furthermore, unemployment benefits and family support have been reduced leading to further impoverishment of people who are unemployed.
- ➔ **Long-term care:** there has been a considerable reduction in economic support to families with members under long-term care. Many families have lost their benefits or are experiencing significant reductions or delays in payments.

EXAMPLES OF THE IMPACT OF HEALTHCARE REFORM

- ➔ Man between 36 and 65, non-EU citizen, administrative situation pending, went to the hospital emergency department due to lower back pain. Once treated, the hospital contacted Caritas to pay the invoice.
- ➔ Pregnant women between 36 and 65, non-EU citizen, was denied health care despite having a health card under the argument that she is not currently working.
- ➔ Boy, 5 years old, EU citizen in an irregular administrative situation: he goes to the health centre for a vaccination; they deny the service until he can present a document proving they are covered by their country of origin. The child was born in Spain (and has Spanish citizenship) to Romanian parents (the parents are not entitled to Spanish nationality and the child has no Romanian passport as it is difficult to get this document). Ultimately the child cannot be vaccinated until the required documentation is submitted.
- ➔ Woman between 36 and 65, non-EU citizen, extra-legal status: she is suffering from breast cancer and goes to the hospital for a check-up; she has to take medication that costs €92 and needs to pay 100% of the medication charges, which she cannot afford and therefore is not taking the medication.

1.2

Recent policy developments

The policy developments between 2013 and 2014 have focused on various adopted action plans, such as:

- ➔ The action plan of the Spanish Disability Strategy 2012–2020 and the compilation of the regulation of the Law of Right of People with Disabilities and their Social Inclusion.
- ➔ The National Action Plan for Social Inclusion 2013–2016.
- ➔ The II Action Plan for Children and Young People 2013–2016
- ➔ The Comprehensive Plan for Family Support
- ➔ The Plan for Action on Drugs 2013–2016

Social investment package: investing in children²

ASSESSMENT OF PROGRESS

The Spanish Government has started the implementation of the European Commission's recommendation through various action plans:

- ➔ It has mainstreamed child poverty in the **National Action Plan for Social Inclusion 2013–2016**³ (strategic objective 1 and 2), which represents a step forward in recognizing the problem of child poverty in Spain, although in our opinion, which is also shared by UNICEF⁴, the Plan lacks sufficient financial resources and the identification and implementation of measures specifically aimed at children.
- ➔ The Recommendation's perspective is also being included in the **Second National Strategic Plan for Children and Adolescents 2013–2016** (II PENIA) currently being drafted.

As a highlight we would like to make reference to the **Extraordinary Fund against child poverty and social exclusion of 17 million Euros** recently approved by the national government on 16th July. Despite the criticism it has received from various regions and the Social Sector regarding its distribution criteria (based only on the AROPE rate without taking into account the population in each region), this fund is a step forward. It is worth mentioning that 1.4 million Euros of the total amount will be dedicated to measures aimed at tackling child and family poverty among the Roma.

² European Commission, 2013, Recommendation *Investing in Children: Breaking the Cycle of Disadvantage 2013/112/EU* approved under the Framework of the Social Investment Package

³ https://www.msssi.gob.es/ssi/familiasInfancia/inclusionSocial/docs/PlanNacionalAccionInclusionSocial_2013_2016.pdf

⁴ La infancia en España 2014. El valor social de los niños hacia un pacto de estado por la infancia. UNICEF ES http://www.unicef.es/sites/www.unicef.es/files/infancia-espana/unicef_informe_la_infancia_en_espana_2014.pdf

Assessment of Spain's Country Specific Recommendations (CSRs) adopted in 2014:

There are certain adopted CSRs that may have a negative impact on the situation of poverty and social exclusion in Spain:

CSRs that could have a negative impact	Observations
<ul style="list-style-type: none"> ➔ CSR 1 on the dis-indexation law to reduce the degree of price inertia in public expenditure and revenue 	<ul style="list-style-type: none"> ➔ This measure represents a loss of purchasing power, which can lead to further impoverishment (e.g. in pensions).
<ul style="list-style-type: none"> ➔ CSR 1 on ensuring the correction of the excessive deficit 	<ul style="list-style-type: none"> ➔ The policy of reduction in social spending is causing an increase in structural poverty rates.
<ul style="list-style-type: none"> ➔ CSR 1 Comprehensive Tax Reform 	<ul style="list-style-type: none"> ➔ The Government is processing fiscal reform that favours primarily higher income earners and large enterprises.
<ul style="list-style-type: none"> ➔ CSR 1 on further limiting tax expenditure through direct taxation 	<ul style="list-style-type: none"> ➔ Tax collection measures are effective tools to combat inequality through the development of social cohesion policies. A reduction in tax collection systems carries the risk of social polarisation in a country that is moving towards dualisation.
<ul style="list-style-type: none"> ➔ CSR 2 on completing the reform of the savings bank sector. 	<ul style="list-style-type: none"> ➔ Recapitalising banks and measures to reduce the public deficit will ultimately be borne by the entire population. The non-accountability of companies causing financial problems is producing more harm to the system than delivering a solution.
<ul style="list-style-type: none"> ➔ CSR 5 Implement the 2013-2016 National Action Plan on Social Inclusion 	<ul style="list-style-type: none"> ➔ For the first time, the Specific Recommendations include a recommendation on social inclusion comprising two important elements: (1) coordinating employment services and social services; 2) support programmes for families and quality services. Despite this, the Recommendations should have addressed the two pillars of active inclusion in a more strategic way.
<ul style="list-style-type: none"> ➔ CSR 7 effective elimination of the deficit in the electricity system as of 2014 	<ul style="list-style-type: none"> ➔ The continued increase in tariffs for the supply of gas and electricity has very serious consequences for poor families: energy poverty.
<ul style="list-style-type: none"> ➔ CSR 7 on non-profitable transport infrastructure. 	<ul style="list-style-type: none"> ➔ Budget cuts in transport will impoverish rural areas that have no other alternatives.
<ul style="list-style-type: none"> ➔ CSR 8 on reforming local administration. 	<ul style="list-style-type: none"> ➔ The local government reforms will worsen access to social services by poorer people. If municipalities lack resources, their services are doomed to become mere informational services, which may lead to the abandonment of many people who need the support of social services to meet their basic needs.

1.3

Recommendations

Given the above assessments, Caritas recommends the following policy measures be introduced in order to address the challenges related to poverty and social exclusion:

Approve a plan for combating severe poverty that could:

➔ In the short term:

- Guarantee a minimum income: a system of minimum income, state-wide, would be an effective measure against poverty in general and especially against severe poverty. Along with this initiative, it would be advisable to implement policies to reduce household costs.
- Promote measures to combat situations of severe deprivation through an income-based approach.
- Guarantee housing (understood as a 'home'): adopt measures that go beyond giving a simple "roof" to sleep under.

➔ In the mid-term:

- Reinforce access to education and combat early school leaving.
- Reinforce social services and support as a tool to combat social exclusion.

02 Employment

1.1

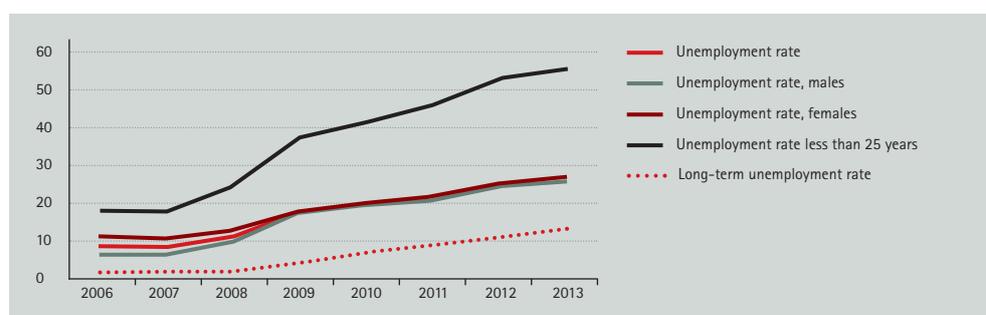
Recent trends

Development of employment indicators in Spain (2009-2013) based on Eurostat:

- ➔ All unemployment indicators worsened between 2009 and 2013, especially the unemployment rate of people under 25 years of age and the long-term unemployment rate:
 - The highest absolute increase occurred in the unemployment rate of people under 25 years of age, which rose from 37.7% in 2009 to 55.5% in 2013, more than doubling the EU average of 23.4%. In fact, it is the second highest in the EU. This means that every second person under the age of 25 is unemployed.
 - The highest relative increase can be observed in the long-term unemployment rate which increased to 13.1% in 2013 compared to 4.1% in 2009, the second highest in the EU (average: 5.1%).

- ➔ While there is practically no gap between men and women in the unemployment indicator, it is worth highlighting that in 2013 there was a difference of almost 10 p.p. between men and women (men: 63.3%; women: 53.1%) in the employment rate. In fact, the employment rate of women in Spain is almost 10 p.p. below the EU average of 62.5%.
- ➔ It is also very worrying that the employment rate of 58.2% (in 2013) has decreased considerably since 2009 when it stood at 63.7%.

Eurostat (% of population)	2009			2010			2011			2012			2013			EU average
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	
Spain																
EMPLOYMENT																
Employment rate	71.0	56.3	63.7	69.1	55.8	62.5	67.6	55.5	61.6	64.5	54.0	59.3	63.3	53.1	58.2	68.3
Unemployment rate	17.7	18.1	17.9	19.6	20.2	19.9	21.1	21.8	21.4	24.6	25.1	24.8	25.6	26.7	26.1	10.8
Unemployment rate, under 25 years of age	-	-	37.7	-	-	41.5	-	-	46.2	-	-	52.9	-	-	55.5	23.4
Long-term unemployment rate	3.7	5	4.3	7.1	7.7	7.3	8.6	9.5	9	10.8	11.6	11.1	12.6	13.7	13.1	5.1



Data from Caritas Spain confirm Eurostat's data⁵

People involved in employment and training activities between 2009 and 2013 are mostly:

- ➔ **Women:** on average they represent 65% of the total, compared to 35% of men, although this percentage decreased in 2012 compared to previous years.
- ➔ **Spanish or foreign-born people in employment and training activities show a similar percentage:** whereas in 2009, the percentage of foreign-born people was 75%, it reduced considerably in 2013 to 45%. In terms of country of origin, the trend has also changed: while in 2009, 51% were of non-EU origin, this percentage reduced to 37% in 2013.
- ➔ **Relatively young:** the majority of people are aged between 25 and 36 years (31%) and between 36 and 45 years (30%). A marked increase is also observed in the population over 45, for which the rate increased from 19% in 2009 to 26% in 2013.
- ➔ **Of low educational level:** 51% completed primary education, 22% completed secondary education.

From the work Caritas has been carrying out in the employment sector, we observe that personal employment trajectories are getting longer and more intense in resources (counselling support, training, mediation, etc.). This has a negative impact not only on the people faced with the need to find a job but also on organisations like Caritas that see an increase in demand for their services and for a longer period; therefore increasing the costs despite the budget cuts faced by the Social Sector.

⁵ Caritas Española: informes de empleo: http://www.caritasespanola.es/memoriaempleo/documentos/memoria_empleo_2013.pdf

Testimony

I have been separated for more than 6 years. I had five children, but one of my daughters died when she was barely a year old. All of us live in a slum, 25 metres from the Guadarrama River (Region of Madrid). Our house is made of a few bricks, recycled windows and corrugated roofs of cardboard and plastic. Our income for years, even before the crisis, has been the RMI⁶ support programme provided by the Region of Madrid and the aid for dependent children from Social Security. In total, we live with on 420 Euros per month. The parish church gives us food once a week. In addition, I sell garlic at the door of a supermarket.

Every day I wake up early to help my 4 children get ready for the day and take them to the school bus route. The worst are the rainy days because the road to the bus stop is full of puddles. When we get there, I have to help them change their shoes in order not to get the coach or the school full of mud.

In April 2011, I heard about SENDERO, a project for women developed by Caritas Getafe. At the beginning, I was reluctant to participate, but I thought my RMI benefit depended on it, so I started to attend. In March 2012, I started a training course to be a waitress. I was very excited because I wanted to work, dreamed of having a job and being able to rent an apartment in central Móstoles, with the school and the doctor nearby; I also wanted to get my driver's licence in order to be more independent. My joy was short-lived as I got ill just a month after the course began and could not attend. I spent several months on medical leave, hoping to improve again and have the opportunity to apply for the course the following year. In March 2013, I started the course again with great enthusiasm: I had to complete it and get my diploma in order to "be someone"; to have a job, a resume, and show my children what I was capable of and how our lives could change.

It was not easy, I could barely read or write, but after many early mornings I managed to finish the course. My traineeship began in a luxury hotel in central Madrid. The rooms, with modern amenities, were bigger than my house. I knew that was my chance, I wanted to stay working there so I had to do my best to get the job - and I got it! When the traineeship was over, I was offered a position to cover another employee's medical leave and, despite it not being a permanent job, I felt that this opportunity was the beginning of my new life. Occasionally I carry on covering for those on medical leave or working during peak periods.

Today I know I still have a lot of difficulties to overcome but now I've already worked, I know I can. Of course, I keep dreaming every night of a rented apartment, with my four children, near the medical centre, and the school; being just like any other family.

-- María, 35 years old, Getafe

⁶ Active Inclusion
Income for unemployed
people

2.2

Recent policy developments

During 2013, the focus was put on implementing the strategies adopted in the previous years: the Employment Strategy 2012-2014 and the Strategy for Entrepreneurship and Youth Employment 2013-2016. The main measures put in place have been:

- ➔ Planning, coordinating and evaluating active employment policies.
- ➔ Disseminating best practices between public employment services, identifying the most successful measures and promoting technical cooperation between different services.
- ➔ Funding of vocational training for employment, with a new model that seeks to increase the quality of training through competition between training providers and to prioritize credible training through professional certificates.
- ➔ Implementing new tools to improve employment services: first, by assessing the effectiveness of private employment agencies in matching supply and demand; on the other hand, the focus has been put on integrating all information onto one single web portal.
- ➔ Making progress in the educational reforms aimed at improving the employability of youth by designing stages and attractive learning paths that are tailored to the needs of the labour market.
- ➔ Implementing progressively the dual training model, with measures that increase the number of people who combine studies and training with work experience.
- ➔ Implementing measures to promote life-long learning.

EU Initiative: youth guarantee⁷

ASSESSMENT OF PROGRESS

On 20th December 2013, the Government adopted the National Plan of Implementation of the Youth Guarantee in Spain. This Plan responds to the guidelines contained in the Council recommendation referred to as the Youth Guarantee. This plan is also consistent with the Strategy for Young Entrepreneurship and Employment 2013-2016.

However, for adequate development of this plan, it is necessary to have skilled, professionally guided actions, taking into account the diversity of situations and appropriate routes possible. Unfortunately this question is not clear throughout the document. We consider that, when implementing this Plan, more effort should be put into adopting adequate regulations which ensure that young people are provided with real training and guarantees to avoid replacing jobs with poor contractual relations.

Assessment of Spain's Country Specific Recommendations (CSRs) adopted in 2014:

Caritas welcomes the following CSRs which will most probably have a positive impact on the employment situation in Spain

- ➔ CSR 4. Implement the 2013-2016 Youth Entrepreneurship and Employment Strategy and evaluate its effectiveness.
- ➔ CSR 5. Implement the 2013-2016 National Action Plan on Social Inclusion and assess its effectiveness covering the full range of its objectives.

⁷ Council of the European Union, 2013, *Recommendation on establishing a Youth Guarantee* (2013/C 120/01)

There are certain CSRs adopted that may have a negative impact on the employment situation in Spain:

CSRs that could have a negative impact	Observations
<p>➔ CSR 4. Implement the 2013-2016 Youth Entrepreneurship and Employment Strategy and evaluate its effectiveness. Provide good quality 'offers of employment' opportunities, apprenticeships and traineeships for young people and improve the outreach to non-registered unemployed young people, in line with the objectives of the youth guarantee. Effectively implement the new educational schemes to increase the quality of primary and secondary education. Enhance guidance and support for groups at risk of early school leaving. Increase the labour-market relevance of vocational education and training and of higher education, in particular by enhancing cooperation with employers and supporting the training of trainers and tutors.</p>	<p>➔ Although this is seen as positive, the Strategy depends on a legal framework that has limited the access to certain rights. This is having a negative impact on the most vulnerable groups. Furthermore, this strategy includes policies that stifle economic growth.</p>

2.3

Recommendations

Given the above assessments, Caritas recommends the following policy measures be introduced in order to address the challenges related to the employment situation:

- ➔ Put in place effective, active inclusion policies with enough economic resources focused on re-qualification of the work force, measures to avoid segregation in the labour market, measures that promote labour responsibility from employers but also on improving the access to the labour market of vulnerable groups, especially young people (who are less qualified), people over 45, people with less family and social network support, and migrants.
- ➔ Promote personal employment trajectories as a method to promote the access to employment of vulnerable groups, that is, to design a cycle where the person receives training that is adapted to labour market demand, support and assessment throughout the entire process.
- ➔ Raise the minimum wage in order to eradicate what is known as 'the working poor'. The nature of competitiveness, exclusively via salary reductions, is leaving many workers in extreme situations or directly in poverty.

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