

Twenty-two

---

# **Social policy against poverty in the Basque Country**

*Fernando Fantova*

---

## **Introduction**

This brief chapter provides some basic information about the development, instruments and effects of the anti-poverty policies implemented in the Basque Country, seen in the context of the empowerment process carried out in this autonomous region over the last thirty years.

It also aims to offer a critical and constructive overview of these policies, as well as to explain how they interact with the structuring strategies in that region, in order to enable some of the lessons learnt to be extrapolated to other contexts.

---

## **The autonomous region of the Basque Country**

The Basque Country (or *Euskadi* as the Basques call it) is an autonomous region with a population of 2,174,000 located in Spain, a member state of the European Union (EU). Castilian Spanish is the common language spoken by the whole population, although half of those over the age of 16 also speak *Euskera* (the Basque language).

Unlike most other autonomous regions in Spain, the Basque Country (like Navarra) establishes and collects its own taxes and then pays an agreed sum (reviewed and updated periodically) to the central government. Some experts have calculated that the Basque Country is over-funded at a rate of about 60 per cent per capita in comparison with the mean level found in other autonomous regions in Spain.<sup>1</sup> All the major political parties in the Basque Country defend this system, affirming that it is not a privilege, but rather a shouldering of greater responsibility and risks.

The autonomous region of the Basque Country has a health service and education system, as well as an employment service and a police

force (in compliance with the basic common legislation for Spain as a whole). It also has exclusive devolved power in the field of social services. However, the pension and unemployment benefit services are integrated within the Spanish national social security department. This pays care allowances or non-contributory benefits (retirement pensions, unemployment benefit and disability pensions) that have a major impact on the fight against poverty.<sup>2</sup>

Of the population of the Basque Country, 21.1 per cent is aged 65 or over. This percentage is higher than in any of the other 28 EU states. The birth rate is 9.7 births per one thousand inhabitants per year, as opposed to 10.7 in the EU. Life expectancy at birth is 79 years for men and 85.7 years for women, figures which are, again, higher than in any other EU state. Foreign immigrants account for 6.9 per cent of the Basque population (the figure for Spain is 12.1 per cent). The per capita GDP is 132 (with 100 being the mean for the EU), and the unemployment rate is 15.46 per cent (approximately half the mean rate for Spain as a whole). Per capita expenditure on social protection is €6,320 (a little over the EU mean of €6,209). Therefore, we find ourselves in the position of having a relatively older, more industrialised and richer society than those around us.<sup>3</sup>

Currently, the two political parties with the most seats in the Basque Parliament are committed to Basque nationalism (one has moderate Christian Democrat roots and the other is a radical left-wing party which was historically linked to the terrorist activities of ETA, active until 2011). The other two parties, which have fewer seats, are the two main parties active in Spain (socialists and conservatives).

---

## **Anti-poverty policies over the last thirty years**

Structured public policies for fighting poverty in the Basque Country were first introduced through the *First Comprehensive Plan for Fighting Against Poverty in the Basque Country*,<sup>4</sup> which was drafted following the first *Survey of Poverty and Social Inequality*.<sup>5</sup> The Basque region then became the first autonomous region in Spain to establish a public income guarantee system, with a subjective (enforceable) right to a periodic subsistence benefit from very early on. Up until that time, almost all economic aid to the poor was provided by the Catholic charity *Cáritas* and other voluntary organisations, as well as any other pre-existing social welfare or aid organisations.<sup>6</sup>

This change in policy stemmed from the confluence of a number of

different factors: the existence of an economic surplus in the Basque government coffers, growing social awareness by those in government at the time (the Basque Nationalist Party) and the influence of experiences, such as the French RMI (minimum guaranteed income), and the recommendations of the common European institutions.<sup>7</sup>

From that time onwards, successive laws have been enacted to further structure and restructure the fight against poverty in the Basque Country through guaranteeing income (1990, 1998, 2000, 2008 and 2011). In general, these laws have enjoyed widespread political support, based mainly on agreements signed between the Basque Nationalist Party (PNV) and the Basque Socialist Party (the Basque wing of the Spanish Socialist Party). Another party which has played a key role in this process is *Eusko Alkartasuna*, a party which ended up joining the radical nationalist left-wing coalition. The conservative Popular Party has, in general, also supported these policies.

The modification to the law approved in 2000 mainly came about as the result of a popular legislative initiative, promoted by social movements and trade unions, which collected over 82,000 signatures and which constituted the first initiative of its kind in the history of the autonomous region of the Basque Country.<sup>8</sup>

The first decade of the twenty-first century saw a major improvement in benefit access levels. This evolution is linked to a growing acceptance of immigrants' rights to access the system (including illegal immigrants), the application of employment stimulus packages, the increase in pension payments to pensioners and the substantial progress made in relation to minimum guarantees.

This piece of legislation is based on the Basque Country's exclusive devolved power in the field of 'social aid', although some clashes have occurred with the central Spanish government, especially when a supplement for small social security pensions was introduced as part of this policy, and it was to come out of the Basque budget.

It is striking that the 2008 modification was made possible by a consensus between Basque nationalists and Spanish socialists, despite the fact that the political context at the time was not an easy one, since the modification was proposed towards the end of a term of office in which the political agenda had been dominated by a proposal by the PNV to organise a referendum based on the Basque Country's right to decide (right to self-determination). A new law prohibited the radical nationalist left from participating in the 2009 elections (due to its collusion with ETA terrorists) and a pact was made between the two Spanish parties (the

Popular Party and the Socialist Party) to oust, for the first time ever, the PNV from its seat of power in the Basque government.

Currently, benefits are set at 88 per cent above the minimum professional wage, although in 2012 they were cut by 7 per cent, a reduction that will hopefully be recovered in the future once the economic situation improves. Depending on recipients' housing requirements, the size of their family and other circumstances, the sum in question can be as high as 200 per cent of the minimum wage. In this sense, the situation in the Basque Country is far superior to that of the majority of Spain's other autonomous regions, and this has led to some criticism from certain sectors (employer organisations, for example), with claims that amounts are too high and act as a disincentive for people to look for work. The coverage rate for all recipients (both direct recipients and users) per 1,000 inhabitants is very high in the Basque Country (71) when in other regions it reaches figures as low as 2.89 in Extremadura or 3.17 in Murcia.<sup>9</sup> In 2010, the Basque Country accounted for 42 per cent of all expenditure in Spain related to these programmes, despite the fact that it had no more than 2.6 per cent of the population estimated to be living in poverty. Today, due to much greater cuts in other regions, the data for the Basque Country are undoubtedly even more favourable, with data for 2012 indicating public expenditure on these programmes of over €432 million.

As regards the impact of these actions, we should highlight that, at least until the middle of 2012, the poverty rate remained similar to those recorded during earlier years, characterised by a much higher level of economic growth in the region. Moreover, this rate is clearly lower than that recorded from 1986 to 1996 (the period before the economic crisis and recession). Largely thanks to its protection system, the situation in the Basque Country is clearly different from that of the rest of Spain, even when we take into account other areas of comparable economic development, such as Catalonia. Unlike this last region, which currently has comparatively high poverty rates within the European context, the Basque Country is at the other extreme, and is counted among those regions with the lowest risk of poverty.<sup>10</sup>

Furthermore, and as stated earlier, the unemployment rate is not as serious in the Basque Country as it is in Spain as a whole. However, this was not the case in 1988, prior to the establishment of the income guarantee policy, when the Basque Country's unemployment rate was 2.7 per cent higher than the Spanish mean, 3.7 per cent higher than in Catalonia and 6.7 per cent higher than in Madrid.<sup>11</sup> Again, this could indicate that the minimum guaranteed income policy has had some influence.

Currently, nearly 60,000 households receive benefits and income support. Nevertheless, the latest change to the law (2011) established stricter access criteria (as the result of a proposal by the Popular Party, accepted by the Socialist Party). The main difference is that while previously, recipients were only obliged to have been registered with a town council for one year before applying for benefits, they are now required to have been on the register for three years and to prove actual residence (although not legal residence).<sup>12</sup>

Since its return to power in 2012, the PNV has been striving to maintain the income guarantee system with no cutbacks, arguing that social policy is vital to the future of the region. In 2013, the two issues dominating the political agenda are the economic recession and social policy. Thus, the debate on a new political status for the Basque Country has been postponed until the end of the current term. This stands in sharp contrast to the situation in Catalonia, where the referendum on self-governance is top of the agenda, and the social cutbacks being implemented are far greater than those being introduced in the Basque Country.

Data provided by the Basque government's Immigration Observatory in June 2013 reflect an increase in social unrest about, for example, the payment of social benefits to illegal immigrants:<sup>13</sup>

Almost six out of every 10 people interviewed (57.6 per cent) said they believed that the arrival of more immigrants would make it harder for the native population to access social aid. Concern has increased significantly – in 2008, this percentage was 41.6 per cent.

Nevertheless, so far at least, these social murmurings have yet to find or articulate a stable technical or political voice in the public debate.

The truth is, however, that we do not know how long the current economic recession is going to last, nor can we foresee the social and political phenomena that may occur in the near future. The comparatively better economic situation in the Basque Country than in the rest of Spain, the nationalist or communitarianist elements existing in the articulation of social cohesion and the political commitment to maintaining the basic pillars of the income guarantee system and social policy in general, together form an unstable trio which may, nevertheless, begin to fall apart at any moment.

---

## Conclusions and lessons learnt

The Basque Country has used its devolved powers to develop a noticeably more robust and ambitious anti-poverty policy than the other autonomous regions in Spain, and indeed the central government itself. This policy has, in general terms, enjoyed a broad consensus among the region's leading political parties, and has never been the subject of large-scale controversies or corrections. Even in moments of intense political tension caused by debates on national identity (and particularly in relation to the terrorist acts committed by ETA), the fight against poverty has remained a firm regional policy and a clear area of consensus.

Alongside other social and cultural policies and initiatives to foster economic and industrial expansion and research, development and innovation activities, the fight against poverty has become a hallmark of Basque society – a society that enjoys a high level of cohesion and which has a more competitive economic model than the majority of other Spanish autonomous regions. It is perhaps important to point out here that the Basque Country is characterised by firm family and community values and a strong sense of solidarity, with definite Christian roots (common to all parties to a certain extent), which may partly explain the emergence of certain other phenomena also, such as the large-scale co-operative movement located in Mondragón.

Whatever the case, we can see it is vital to improve co-ordination between the minimum income guarantee policy and other social policies (social services, pensions, employment), and it is necessary to recuperate and reinvent the role of the family and community networks in social protection and development at different scales. It is also very important to strengthen continuous (and accurate) assessment, participatory governance (with the third sector) and effective management (making efficient use of technology), to ensure that policies designed to fight against poverty avoid the risks of clientelism and paternalism, and are as flexible and stimulating as possible.<sup>14</sup>

### Notes

- 1 Á De la Fuente, *La Financiación Territorial en España: situación actual y propuestas de reforma*, CEOE, 2010, p2
- 2 M Laparra, 'El sistema de garantía de ingresos mínimos en España: un 'sistema' poco sistemático', en G Jaraiz, *Actuar Ante la Exclusión: análisis, políticas y herramientas para la inclusión social*, Fundación FOESSA/Cáritas Española, 2009,

p177

- 3 Eustat (Basque Statistics Institute), *The Basque Country in the UE-27*, Basque government, 2012, [http://www.eustat.es/document/epubs/publicaciones/euskadienlaue27\\_ce/files/3dissue.swf](http://www.eustat.es/document/epubs/publicaciones/euskadienlaue27_ce/files/3dissue.swf)
- 4 Basque government, *Primer Plan Integral de Lucha Contra la Pobreza en el País Vasco*, Vitoria-Gasteiz, 1988
- 5 Basque government, *Encuesta de Pobreza y Desigualdades Sociales*, Vitoria-Gasteiz, 1986
- 6 Basque government: *1984–2008: 25 años de estudio de la pobreza en Euskadi*, Vitoria-Gasteiz, 2008
- 7 I Uribarri, 'Historia y futuro de las rentas mínimas en Euskadi', in *Cuadernos de Trabajo Social*, 25(1), 2012, p75
- 8 G Moreno, 'Veinte años de rentas mínimas de inserción autonómicas: el caso vasco dentro del contexto español y europeo', in *Revista de Fomento Social*, 2010, pp471–90
- 9 CCOO (Comisiones Obreras), *Pobreza y Rentas Mínimas en España y en la Unión Europea*, 2013
- 10 Basque government, *Encuesta de Pobreza y Desigualdades Sociales 2012: principales resultados*, Vitoria-Gasteiz, 2012, [http://www.gizartelan.ejgv.euskadi.net/r45-docuinfo/es/contenidos/informe\\_estudio/epds\\_2012/es\\_epds2012/adjuntos/EPDS\\_2012es.pdf](http://www.gizartelan.ejgv.euskadi.net/r45-docuinfo/es/contenidos/informe_estudio/epds_2012/es_epds2012/adjuntos/EPDS_2012es.pdf)
- 11 L Sanzo, *Nuevas Propuestas Para Nuevos Tiempos*, 2012, p15, <http://www.nodo50.org/redrentabasica/textos/index.php?x=998>
- 12 Basque government, *III Plan Vasco de Inclusión Activa*, Vitoria-Gasteiz, 2012
- 13 Basque Immigration Observatory, *Barómetro 2012: percepciones y actitudes hacia la inmigración extranjera*, Vitoria-Gasteiz, 2013, p34, [http://www.ikuspegi-inmigracion.net/documentos/barometros/2012/bar\\_2012\\_cas\\_ok.pdf](http://www.ikuspegi-inmigracion.net/documentos/barometros/2012/bar_2012_cas_ok.pdf)
- 14 L Moreno, *La Europa Asocial*, Península, 2012

# Poverty in Scotland

The independence referendum and beyond

2014



Edited by: John H McKendrick, Gerry Mooney, John Dickie, Gill Scott and Peter Kelly

# **Poverty in Scotland**

---

**2014**

**The independence referendum  
and beyond**

**Edited by: John H McKendrick, Gerry Mooney,  
John Dickie, Gill Scott and Peter Kelly**

CPAG • 94 White Lion Street • London N1 9PF

CPAG promotes action for the prevention and relief of poverty among children and families with children. To achieve this, CPAG aims to raise awareness of the causes, extent, nature and impact of poverty, and strategies for its eradication and prevention; bring about positive policy changes for families with children in poverty; and enable those eligible for income maintenance to have access to their full entitlement. If you are not already supporting us, please consider making a donation, or ask for details of our membership schemes, training courses and publications.

Published by the Child Poverty Action Group, in association with The Open University in Scotland, Glasgow Caledonian University and the Poverty Alliance

The views expressed are those of the authors and do not necessarily represent the views of the Child Poverty Action Group.

94 White Lion Street  
London N1 9PF  
Tel: 020 7837 7979  
staff@cpag.org.uk  
www.cpag.org.uk

© Child Poverty Action Group/The Open University in Scotland/Glasgow Caledonian University/the Poverty Alliance 2014

This book is sold subject to the condition that it shall not, by way of trade or otherwise, be lent, resold, hired out or otherwise circulated without the publisher's prior consent in any form of binding or cover other than that in which it is published and without a similar condition including this condition being imposed on the subsequent purchaser.

A CIP record for this book is available from the British Library

ISBN: 978 1 906076 94 8

Child Poverty Action Group is a charity registered in England and Wales (registration number 294841) and in Scotland (registration number SC039339), and is a company limited by guarantee, registered in England (registration number 1993854). VAT number: 690 808117

Cover design by Devious Designs  
(based on an original design by John Gahagan)  
Typeset by Devious Designs  
Printed in the UK by Russell Press  
Cover photos by Paul Box/Reportdigital; Jess Hurd/Reportdigital