

NEWS

PROJECT

B-MINCOME -
Combining guaranteed
minimum income and
active social policies in
deprived urban areas

📍 Barcelona, Spain

TOPIC

Urban poverty

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EXPERT

The B-MINCOME scheme during the heights of the pandemic

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What happened to B-MINCOME during the pandemic when people lost their jobs or had their incomes cut? In September 2021, the Barcelona City Council and the Ministry for Inclusion, Social Security and Migration agreed to go ahead with a two-year pilot project to test a social and labour insertion model for people receiving guaranteed minimum income. It will have a ten-million euros budget coming from the Next Generation EU funding. Bastià Riutort of the Institut d'Estudis Regionals i Metropolitans de Barcelona says: "This new project would not have been possible without Barcelona's experience with the B-MINCOME project."

While we might describe surprising changes in public administrations as unexpected political twists in the decision-making process, this new investment in the pilot project does not appear out of the blue but it has deeper roots. These are to be searched in the commitment and the work of the Barcelona municipality's Area of Social Rights, Global Justice, Feminism and LGBTI, masterminding the planning and implementation of the UIA project B-MINCOME. Closed at the end of 2019, about a year later in early 2021, I interviewed some B-MINCOME's representatives in the municipality to better understand what happened after the project closure and how the pandemic had affected the further implementation of the B-MINCOME.

The 2019-2020 closure and the political decision to end the B-MINCOME pilot

B-MINCOME has invested five million ERDF and almost three times the same amount from local authorities. After this generous investment, the independent evaluation of B-MINCOME has shown that the granting of income not only reduces the risk of poverty and improves the life satisfaction of recipient families, but also the complementary implementation of active and community policies in the granting of these incomes further increases the fulfillment of the beneficiaries. After a press conference in October 2020 explaining the results to the public, the project was considered ended also at the political level. The Department of Social Rights communicated to the beneficiaries that the project would not continue, and families receiving the municipal inclusion support - a significant number of families living in poverty situations - have been put in contact with relevant departments which would guarantee necessary support as the Municipal Housing Institute. This Institute, providing subsidies to people at risk of housing exclusion, ensured support in paying their rents. "Results show that over than one third of the B-MINCOME aid was addressed to pay the rents; being rental payment one of the

main burdens for the B-MINCOME families, we tried to make the shock of the B-MINCOME closure as minimal as possible", says Lluís Batlle Bastardas, Head of the Department of Basic Social Services, Directorate of Social Action Services, Barcelona City Council.

The first attempt to keep the B-MINCOME up and running was to secure a safety net for the families already receiving the monetary support. The idea was to launch an extension plan to reach 8000 families in four years, having in mind that the statistics showed that each year 25% of the families improved their situations by finding a job and/or getting access to other types of aid such as the regional guaranteed minimum income (*Renta Garantizada de Ciudadanía de la Generalitat*). *"This would have allowed an interesting cycle: each year, of 8000 families, about 2000 find another solution to improve their conditions, therefore as Department of Social Rights, we could include in our help mechanism 2000 new families. We keep a permanent system securing continuous support and improving the situation of low-income families on a longer term"*, continues Bastardas. Politically, it was decided to continue exclusively with the *Renta Garantizada de Ciudadanía de la Generalitat*, meaning the anti-poverty measure at the regional level. Local elections in Spain took place in May 2019 and there were the general elections in November the same year. During this important political phase, there was the proposal to create another minimum income at the national level called *Ingreso Mínimo Vital* (IMV - Minimum Vital Income). This showed that there was no hope for the planned extension of the UIA pilot project, because the political debate denied continuous aid at local/city level such as B-MINCOME, counting on the support at the national and regional level.

However, there were two arguments in favour of the continuation of B-MINCOME to which the Department of Social Rights was standing behind: **first, with B-MINCOME the amount of the families living in poverty decreased by 2% per month, or 25% per year; second, without the B-MINCOME project these low-income families would have demanded new subsidies to the social services** as the support to cover the rents and utilities costs. These arguments were not considered and political decisions eventually opted in favour of the *Ingreso Mínimo Vital* and the *Renta Garantizada*.

Early 2020 - Outset of the pandemic and emergency supports

The ending of the B-MINCOME project in 2019 and the beginning of 2020 represented a special period due to the outbreak of the pandemic, which indeed exposed the gaps of the social protection system putting at further risk the fragile conditions of low-income families and individuals as those previously covered by B-MINCOME. The transition from the B-MINCOME to other support mechanisms has not been easy, as the instruments foreseen were not fully in place (the *Ingreso Mínimo Vital* was not active until its approval in June 2020).

At that time, the *Ingreso Mínimo Vital* began with the high expectation, stated by the Madrid government, to reach approximately 850.000 families in six months. However, the objective was not reached because of issues with the distribution procedures. All was done with a digital system, based on digital certificates that few had. Moreover, this new support left out many low-income people, especially those without papers and/or working in very precarious conditions. The *Ingreso Mínimo Vital* and the *Renta Garantizada* are based on citizenship status, while the Municipality offers social services also to those who do not have a citizenship status but are registered as residents at the municipal level (*empadronamiento*). Barcelona allows what is called the *Social arraigo*, namely the regularisation procedure by which a foreigner who has lived in Spain continuously for three years can obtain the residency in the Spanish territory. This residency allows them to reside and work in the country for one year, with the possibility of renewing or modifying it to another type of residence later on. Because of these reasons, Barcelona's social services have a large number of individuals registered at municipal level without a recognised legal status at the state level, who happen to live in economic and socially precarious conditions. *"We have calculated that in Barcelona, there are more than 100.000 adults who do not have legal papers. There are thousands of asylum seekers to which the Spanish state only grants regular status in a low percentage, circa 3-4%"* - Lluís Torrens Melichn, Director of Social Innovation, Area of Social Rights, Global Justice, Feminism and LGBTI, Municipality of Barcelona.

In other words, there are many people from all over the world living in Barcelona who are left in a legal limbo and do not have the right to access help from either the Generalitat or the State. Therefore, the Department of Social Services at the municipal level is at the frontline, helped by other organisations such as the Red Cross, Caritas, and others. *"There are families who don't come to social services to ask for help because they are afraid that we will take their children away. Then, there is a part that we don't know, which is the solidarity network between the members of the different nationalities who help each other, etc."* B-MINCOME covered circa 40% of Spanish born and 60% non-Spanish born inhabitants. B-MINCOME was not a project direct to people with migrants' background, but generalised to the population most in need residing in Barcelona with conditions set by the project itself.

Beside the *Ingreso Mínimo Vital* and the *Renta Garantizada*, there were other supports put in place helping many low-income families such as the *Expedientes de Regulación del Empleo Temporal* (ERTE - Temporary employment regulation files), a subsidy given when workers receive unemployment benefits while being maintained in their jobs. The ERTEs were provided by the state of emergency mainly during April and May 2020, when the country

was locked-down, and four to five million people were receiving it. This subsidy went through a progressive reduction with the expected economic recovery. However, the ERTes only covered those people who had an employment contract at the time of the decree of state of emergency; the self-employed were left out, and all the "irregular" people without work permits as well.

In the housing sector, measures such as rent assistance and moratorium from the Government of Catalonia contributed to minimising the economic and social impact during the heights of the pandemic. Emergency assistance could only be given in equal amounts to everyone requesting it to the department of housing and social services. Yet some of these measures only reached people who had a rental contract or a mortgage with the bank and not those who had verbal agreements or non-registered contracts to live in a single room. Therefore, as Bastardas states, "*as social department] we had a very big social crisis to the point that the city council multiplied by six times the number of aids we gave, which included food, and various support to people living in rented houses, etc.*"

Second half of 2020 - The shock social plan

When it became clear that the pandemic and the relative social crisis were going to take a longer time than expected, the City Council launched the [shock social plan](#) to tackle the effects of the pandemic. Therefore, in the second half of 2020, an emergency fund was created to give stronger aid to families in the city who had run out of resources, and the experience of B-MINCOME turned out to be useful in this case of emergency. The social department extracted data from the social services records, from the people who had received some welfare support the previous year, et al. and it was proposed that 9.000, almost 10.000 families, received B-MINCOME style aid for six months. "*In other words, what was spent on B-MINCOME the previous year was multiplied by six. With a forecast of 18 million euros spending, this was an emergency measure for families who had been collecting the B-MINCOME or the children's fund, or who had come to ask for help during the first six months of 2020. These 9.000-10.000 families received an SMS saying that, if they met four requirements (living in the city, having been asking for aid, etc.) they could get an aid, in relation to the number of the members of the family, between 1200-1500 euros for six months (200 euros per month) and 2850 euros for six months (475 euros per month) for a 4+ members family*", recalls Lluís Torrens. The limit set for this emergency aid managed by the municipality is 3000 euros, and beyond that amount it would not be the municipality but the Generalitat or the State's competence.

The challenge was great because the local economy, especially the tourism sector, was brought to its knees, many lost their jobs and many were in need of help or had to get further training to transform their job and competencies to fit in other sectors.

The future of B-MINCOME into a new pilot project

In this panorama, B-MINCOME would have been of great help, considering that the combination of the Ingreso Mínimo Vital and the Renta Garantizada, and other economic supports left and still leave many people out. At the end of 2021 the Ministry of Inclusion, Social Security and Migration and the Barcelona City agreed on a [new pilot project](#) involving the participation of approximately a thousand people which will be funded with ten million euros from the Next Generation EU funds. Similar to B-MINCOME, this new pilot project tackles community integration towards jobs creation together with monetary support, in this case the Ingreso Mínimo Vital. The promoters consider that the chances of employment can be increased with actions of social and community inclusion. Therefore, individual and specialised support will be offered to all beneficiaries, basic training and qualification, training oriented to labour sectors, employment, entrepreneurship, community participation and support. The pilot project will last two years (eighteen months of execution and six months of evaluation) and it will be the first pilot to be implemented with the funding provided by the Ministry through Component 23, which includes the Recovery Plan. The Ministry of Inclusion has 298 million euros from the Recovery Plan to carry out this type of project during the years 2022 and 2023. Within Component 23, the plan includes this investment for the deployment of inclusion itineraries, in collaboration with other public entities and third sector organisations.

The project will basically consist in the creation of an office that will help the development of active policy itineraries suitable for each person's profile, combined with the economic benefit of the Ingreso Mínimo Vital to strengthen the socio-labour inclusion of the participants. In addition, the strengthening of relational and community ties will be specifically considered so that inclusion goes beyond the guarantee of income or access to the labour market. Thus, the more than 1000 beneficiaries who take part in the project will receive the appropriate training and the necessary follow-up by the Social Rights Department of the Barcelona City Council.

While the new pilot project does not intend to fully tackle the socio-economic challenges highlighted by the pandemic such as the incongruences in the welfare support between local, regional and state level, nor to ease the burden of housing costs and rental payments with growing risk of eviction many among the poorest are obliged to deal with, Barcelona's experience with the B-MINCOME project has shown that direct income support can indeed facilitate and improve life conditions of the poorest. The experiment of B-MINCOME supported by the European Union, together with the Labour Program in favour of the employment of people at risk of exclusion, have been decisive in making new collaborations between national and local administrations happen, by

improving the lessons learned with the B-MINCOME project, which showed the worthiness of experimenting innovation as promoted through the UIA.

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