

The creation of the IMV and the recalibration of the means-tested income support system in Spain

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After three decades of relying on regional minimum income schemes, Spain introduced in 2020 its first nation-wide minimum income scheme, the IMV (Ingreso Mínimo Vital or minimum living income). A renewed interest in issues of inequality and poverty brought proposals for a nation-wide minimum income into the political agenda for the first time in 2015, triggered by the lasting effects of the Great Recession, criticism by the European institutions on the ineffectiveness of the complex and varied set of regional schemes, and a legislative initiative supported by trade unions to establish a national scheme. The new progressive coalition government (formed by the Socialist Party and Unidas Podemos) agreed to design a national minimum income that should be ready for implementation in 2023, but the Covid19 pandemic accelerated the process and the IMV was established in June 2020. During 2020 and 2021 several adjustments were made, and by December 2021 the final IMV Act was passed with some new additions, especially a means-tested child benefit as a part of the IMV itself.

The scheme has been working for three years and it has introduced some significant changes in the field. Regional schemes were expected to adapt and become supplementary programs that might enhance protection (by offering a higher benefit amount, especially in richer regions with higher cost of living) and extend it to some groups excluded from the IMV. However, the evolution of regional schemes has been very varied, with some regions trying to adapt to this new supplementary role and others simply shutting down their schemes.

The IMV was presented as a first step of a much more ambitious recalibration of means-tested benefits in Spain. This ambition hasn't materialized as yet, partly due to the limited size of the IMV itself, partly to the existence of conflicting views and projects in this field. The Spanish Recovery and Resilience Plan includes at least two conflicting initiatives, one following the initial ideas around the IMV as a sort of single means-tested benefit and another one redefining the unemployment assistance system without integrating it into the IMV.

In this paper we present:

- a) The key features of the IMV that explain its development and its limits during the last three years.
- b) How regional schemes have adapted to the new situation.
- c) The key problems of the multilevel governance of means-tested income support and their effects on the development of the IMV.
- d) The key elements of the alternative lines of development of means-tested income support in Spain.