

Poverty risk related to the labour market

Executive summary



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POVERTY RISK RELATED TO THE LABOUR MARKET

REPORT

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1. Executive summary

1.1. Introduction and methodology

The context of international, economic and financial crisis has resulted in a significant increase of unemployment; the loss of job has led people who had never thought they would find themselves in this situation towards the poverty risk. On the other hand, although the fact of having a paid employment is a key factor to avoid poverty risk, in certain circumstances it is not enough to maintain a home, and this can also lead to situations of poverty risk in the workplace. Thus, to the traditional poverty risk profiles associated with old age, widowhood or inactivity new profiles have been added in relationship to the labour market, for example: households headed by an unemployed person, or households with presence of one job which is insufficient to maintain the family home.

The aim of this study is to analyze and assess the dynamics of the poverty risk related to the labour market and, specifically, the processes through which individuals and families fall into this situation, adapt to new circumstances, and finally are able to improve their position and distance themselves from the problems that affect them. The expected knowledge should provide interesting elements for the making of proposals which will guide public policies in the field of prevention and fight against poverty risk associated with the job market.

The methodological approach of this study is based on techniques of social research and it is divided into two parts:

On the one side, there is the document management: it consists of the bibliographical and documental analysis to discuss the hypotheses and deepen them, to develop the theoretical framework and describe the public strategies related to poverty and the labour market. It also includes an analysis of secondary data available, in particular, data from the Survey of Living Conditions (ECV), by the INE.

On the other side, there is the qualitative research: it includes conducting and analyzing in-depth interviews and biographical interviews, designed to meet the dynamics of the poverty risk related to the labour market from the experience of professionals who are working in the field of social action, on the one hand, and from the experience of individuals and families who live or have lived recentment this situation, on the other.

The analysis procedure involved the construction of a system of variables and categories based respectively in the questions and answers of the interview. Once this system is built, we emptied out the transcribed interviews according to the list of variables and the categories of analysis. Finally, we have made the qualitative interpretation of the interviewees' discourses, as well as the writing of the Report.

1.2. Theoretical frame

1.2.1. Conceptual framework

First, we review the concept of poverty and the methods used for its quantification on the basis of methodological approaches and the analytical perspectives that are available in the specialized literature in this field. Then we present the concept of poverty used in this study.

Concept of poverty in the frame of this study

In the present study, a person is considered poor if his/her income is below a certain threshold considered in a given society. This threshold is set from the analysis of the income distribution among all households and population studied. Currently, Eurostat sets the poverty line at 60 percent of median income per consumption unit. Some authors (Toharia, 2007) consider that this approach is arbitrary and there are no empirical or theoretical reasons to justify its choice, although it is accepted within the international community.

In the analysis of poverty other thresholds have been incorporated (extreme poverty, severe poverty, etc.), but in all cases, having income below these reference levels at one point in time tends to be regarded as a risk of poverty, rather than a situation of poverty. Longitudinal analysis distinguishes between situations in which individuals and households temporarily go through periods of low income and situations in which this circumstance is repeated and persists over time.

The indicator used conventionally to measure relative poverty is the poverty rate or the risk of poverty rate. It is defined as the percentage of poor people in relation to the total population, and it compares the income level of a person or household with the threshold value that has been established in the society to which it belongs.

The poverty risk and the labour market

Poverty can be analyzed following socioeconomic and demographic variables, one of which is the relationship of people to the labour market. First, the fact of being outside employment, that is to say, in a state of inactivity or unemployment is a significant risk of poverty. However, integration into the labour market does not guarantee certain people that they will get out of poverty. Terms such as “poverty in the workplace” or “situation of poor workers” are adaptations of the English “working poor”, which relates work and poverty.

In 2003 a new indicator was included in the European social indicators list: the poverty risk in the workplace (in-work poverty risk), defined as the rate of poverty risk of working people that is, the percentage of people who are working and have an available equivalent income below 60 percent of the median income of the reference society.

Eurostat points out that the construction of the indicator “risk of poverty in the workplace” is based on the combination of the features of an activity that is individual, and the measurement of income, which is calculated at the level of household (see Ponthieux, 2010). In this sense, it is shown that the statistics on poverty at work are difficult to analyze because the line between work and poverty is marred by the features of the household.

An important factor that shows the consolidation of the phenomenon of poverty in work in Europe is its appearance in European guidelines for employment, approved by the European Commission in 2003, where it is used as an operative concept and it is said that the Commission aims to reduce the number of poor workers in Europe. The latest orientations for employment (2010) establish, among other questions, that member States must combat poverty among workers.

1.2.2. Socio-economic context

Although the current economic climate plays an important role in the analysis of poverty related to the labour market, it should not be ignored that structural social changes of recent decades help to explain the increased risk of poverty related to the labour market.

Changes in the labour market

New production processes, changes in technology and relaxation processes in labour relations have had a major impact on the labour market and on labour relations. The consequences have been the appearance of new lines of inequality related to the labour market which are not limited to the scope of work as a means of survival, since work is also a mechanism for articulating social relations.

From a critical approach, it is stated that labour markets are increasingly segmented according to grades, safety and wages. This situation creates the risk that the most vulnerable social groups remain trapped in the alternation between low-skilled jobs and unemployment, a situation that can lead to poverty and social exclusion (Gallie, 2002; Marx and Verbist, 1998, Nolan and Marx, 2000, quoted in Caprile and Potrony, 2008: 119). The result is a dualization of opportunities and working conditions among a segment of workers who "are inside" (insiders) and another ones who have a weaker link with the labour market (outsiders). This situation may have repercussions on the present and future rights of individuals (for example, retirement pensions).

Changes in family

The impact of the crisis on the labour market "has generated significant economic disruptions in sustaining capital and maintenance of the households, and has led to increased difficulties to maintain the standard of living enjoyed so far [...] "(Martinez, 2011: 162). As expressed in the *Socioeconomic and Labour Report of Catalonia 2010*, "from the beginning of the crisis there has been a prominent increase in the number of foreclosures in the housing sector" (CTESC 2011: 466).

However, "it is not possible to speak of a uniform distribution of social costs" (Ayala, Canton and Martinez 2010: 23). Empirical evidence shows a very uneven distribution of the effects of the crisis as well as an increase of social inequality in recent years, particularly because of "the enlarged distance between low incomes [which have suffered larger income losses in relative terms] and the average, rather than because of the changes in the other part of the distribution "(Ayala, Canton and Martinez 2010: 49 and 55).

Knowledge of family coping strategies (in the field of customs, consumption and everyday coexistence) can give an idea of the size of changes that are affecting the welfare level of households. Moreover, compared to the images of poverty based on the inactivity, chronicity and even the "exploitation" of the social protection system, as well as the accommodation to it, empirical evidence shows a much more complex reality characterized by the update of "survival strategies and exit" by individuals and families who find themselves in this situation (Martinez, 2011).

Changes in the welfare state

Retirement pensions, unemployment and social exclusion benefits have been developed largely in Spain and in Catalonia since the mid 80's, but it is important to keep in mind that their coverage has been extended at the expense of "significantly reduced levels" (Laparra 2010b: 355, paraphrasing Arriba and Guinea 2008), often located below the poverty threshold.

In addition, at a time when the economic basis that the market provides for a sustainable society is weakened due to the unemployment rise, the buffering action of unemployment benefits and social services is clearly insufficient to prevent situations of increased risk of poverty and social exclusion in families that have suffered de commodification processes.

The traditional set of rules of the welfare state involved that people who were fully integrated into the labour market could not fall into poverty risk situations (Tejero and Suarez, 2009: 1). In this sense, the emergence of the figure of the "poor worker" in the context of economic globalization

and its subsequent recognition within the institutional and academic framework represents a challenge for social policies and, in a larger sense, for the European welfare states.

In this sense, the specialized literature repeatedly evokes two kinds of poverty risk situations that have to do with shortages in coverage and intensity, respectively, of the social protection system. One is the lack of specific measures in family households at risk of poverty with some of its members occupied (lack of coverage that sometimes makes that potentially improvable situations become chronic), and the other is the existence of households that, in spite of having received socio-economic transfers still remain at risk of poverty (lack of intensity is concentrated in a particularly revealing way in households with children).

These facts denote the existence of "structural fissures" related to the exhaustion of a welfare set of rules partially established, even today, on the basis of a model of family in decline ("male bread winner") in which the functions of "social reproduction" were confined to the area of privacy and femininity, quite the opposite of what happened in relationship to the functions of "social production", given by the state and the market, according to the traditional dichotomy.

1.2.3. Poverty risk and labour market

The centrality of work in our society is made evident by the fact that most of the institutions of the welfare state have been constructed in relationship to the people's labour career: labour is the source of present rights but also of future rights. For this reason, people's relationship with the labour market is a factor that can determine the exposure to poverty and social inequalities.

The Survey of Living Conditions (ECV) shows an increase in the poverty rate in Catalonia during the period of economic crisis. An increase in the intensity of poverty and increased inequality in income distribution in Catalonia are also observed, especially among the upper and lower parts of the distribution.

Similarly, the Survey of living conditions and habits of the population (ECVHP) shows the results of the aggregate AROPE rate: 29.5% of Catalonia's population are at risk of poverty and/or social exclusion ie, they are at least in one of the following three situations: at risk of poverty, in a situation of severe material deprivation and living in a home with a very low labour intensity.

The consequences that the crisis is having in social terms become more evident when analyzing the impact of unemployment on the households. First, households in which all members are unemployed have quadrupled between the third quarter of 2007 and the third quarter of 2011. Secondly, households in which the main breadwinner is unemployed have been multiplied by three. Thirdly, there is an increase in the number of households that do not receive any income from work or pension system and unemployment benefits (they have passed from 57,000 in the third quarter of 2007 to 91,100 in the third quarter of 2011).

The increase of households without any income has resulted in a rising demand for minimum income (RMI) in Catalonia (the beneficiaries of the RMI were 79,341 in 2010 , 44.4% more than the previous year and 150.5% more than in 2008). Similarly, social organizations have highlighted the social impact of the crisis by increasing the demands for social assistance.

Poverty risk and its relationship to the economic activity

From the information provided by the ECV for the year 2010 it can be drawn that, in relationship to the economic activity, the unemployed people are those that have a higher risk of poverty in Catalonia (30.3%), whereas this rate is 13.7% for the employed persons. In the most advanced social states unemployment rarely brings with it poverty and exclusion, since public policies provide support networks on an individual (non-family) basis and levers for social assimilation that prevent them.

The relationship between unemployment and poverty is conditioned by the presence of other persons in the home, either because they provide income or because they are economically dependent: the data for 2010 show that in households with dependent children where none of the adults in working age are employed, the risk of poverty is 59%, compared to 6.9% in households without dependent children where all adults in working age are employed. Both in-home labour intensity as the existence of economically dependent persons are associated with the probability of being in poverty.

Poverty risc and labour: the working poor

The labour market continues to fulfill the integrative function which corresponds to it, although with a diminishing effectiveness, as a result of the gradual disappearance of the stable, well-paid and legally protected employment, which is the basis of social citizenship (Rifkin and Helbroner and 1995, Beck 2000, cited in the Observatory for Social Inclusion, 2008). It is so much so, that the fight against poverty at work has become a priority of the European Union in the framework of the European Strategy for Employment.

According to Eurostat, 8.5% of workers are at risk of poverty in 2010 in the EU-27; however, significant differences can be observed among member states, and Spain is between those with a higher poverty rate at work (12.7%), second only to Greece and Romania.

For Allègre (2008) poverty at work is the result of the interaction between three institutions: the labour market, the structure of the home and the social protection system. For Spain, Rodríguez Cabrero (2010) considers that the existence of a poverty risk rate at work which is so high in Spain is the result not only of the revenue model prevalent in the labour market, but also of the existing social protection model.

Rodríguez-Piñero (2009) believes that the causes of poverty at work are the reduction of the protection levels for workers as a result of the evolution of labour law, as well as the lack of efficiency and effectiveness of its regulations; the individual and relational situation of people; and the role of social transfers, of social services and the services of childcare and elderly, dependent persons.

The European Economic and Social Committee (EESC) has also come out in relationship to poverty at work and it has declared that one of the contributing factors is the uncertainty of the status of workers; business organizations highlight the complexities surrounding "active poverty"¹ and put stress on the link between poverty risk and the educational level. The EESC also shows that "active poverty" has its origin in the low level of remuneration of labour and the changes in the family model and highlights until which extent "active poverty" is a determinant of childhood poverty. "Active-poverty" may be the consequence of low skills or training of a person, of his/her lack of the skills needed for a job with a proper wage or of not adapted working conditions. More deeply and frequently, "active poverty" is a result of underemployment.

Poverty risc of the occupied population

The ECV data for Catalonia show that in 2010 the poverty rate of occupied people stood at 13.7%, 1.7 percentage points higher than in 2009, and won the highest percentage since 2004, the first year of the ECV production.

The situation of occupied persons in relationship to the poverty risk depends to a great extent on the labour intensity at home. In 2010, the poverty rate that presented Catalan households with de-

¹ Equivalent to the concept of poverty at work (for further information see section 3.1. "Framework" of the Report).

pendent children where some of the active people are occupied (34.2%) should be emphasized. Child poverty actually has been increasing gradually to the point that nearly one in four children are at risk of poverty in Catalonia in 2010.

According to data from ECV for 2009, the fact of being self-employment, having a temporary contract or working in part-time employment, having an unqualified occupation or a qualified one in the agriculture and fisheries sector, working in a small business and in certain sectors (such as real estate, in agriculture or construction) means a higher risk of poverty in Catalonia. This situation, along with an increased weight of some of these features in overall employment, could aggravate employed people's poverty.

Finally, with regard to situations of deprivation (ie difficulties for reaching the end of the month), it is necessary to remark that people who work in family support are the ones who have most problems to make ends meet, followed by wage earners, whereas self-employment and employers show lower values of this indicator. These results contrast with the previously discussed ones with respect to the poverty risk according to the professional status, whose value is high in the case of self-employment, while salaried workers show the lowest value of this indicator. This could be explained on the basis of the hypothesis that informal economy would have a higher incidence in self-employment. The European Union said in a study in 2007 that the two categories mostly identified in the informal economy are unemployed and self-employed people (Moyano Jurado, 2010:175).

1.3. Public strategies related to poverty and the labour market

1.3.1. Main EU initiatives

Poverty and social exclusion are issues that have been studied in public and social European debate repeatedly and constantly, as evidenced by the legal texts and the founding treaties of the European Union (EU). In the EU discourse is not unusual to find documents that relate poverty and social exclusion to the labour market. This association stems from two fundamental facts: first, the evolution experienced by social policies along the EU path and, secondly, the evidence of an increased risk of poverty as consequence of the lack of employment or an unstable employment that does not provides sufficient income to the individual or household.

At first, the European speech focuses on the concept of poverty due to the resurgence of this phenomenon since the 1973 crisis. However, it was not until the signing of the Single European Act of the Treaty establishing the EEC (1986) that the notion of "economic and social cohesion" was introduced. This new concept takes more importance in the EU Treaty of Maastricht (1992), specifically in article 2. In this context, it begins to take hold the reference to "social exclusion" along with its antidote, the "social inclusion", which has more positive connotations. Nonetheless, the articulation of common European instruments to deal with this reality is very limited and the Commission's lack of legitimacy to intervene in social policy by the principle of subsidiarity becomes quickly apparent.

The chosen way to solve this difficult obstacle is to influence on social protection through the employment of people at risk of poverty, relating both terms: employment and poverty risk. This solution, reflected in the Treaty of Amsterdam paves the way so that the European employment policies start their voyage together. Since then, European recommendations urge member states to maintain incentives for work research and to facilitate people's participation in training actions oriented towards integration or reintegration in professional activities. Similarly, the Treaty of Amsterdam includes the Agreement on social policy which states which are the issues of social importance: the fight against exclusion, the integration of people excluded from the labour market and the need for "cooperation and coordination" among member states in social policy matters.

The orientation towards "coordination and cooperation" among member states together with the promotion of social inclusion and later of active inclusion (as ways to combat poverty and social exclusion) constitute the main axes of European social policies in the first decade of the XXI century. Among the development measures of the three strategic lines of the Lisbon Strategy (economic pillar, social pillar and environmental pillar) the modernization of social protection and the promotion of social integration are also included. As a result of these measures, a set of common EU objectives have been articulated in order to struggle with poverty and social exclusion; the development of biannual national plans against poverty and exclusion is promoted; it is decided to define a set of common indicators and to elaborate regular reporting and evaluation; a Community action program strengthens the process.

At the conceptual level, there was a change in 2007 as a result of an extensive public consultation made by the European Commission. So, after this consultation, a new strategy is established, called "active inclusion", which aims to help to mobilize people fit to work and to provide appropriate assistance to those who are not.

However, the effects of the international financial and economic crisis, as the increase of unemployment, with a more or less intense impact in European countries, the difficulties of access to the labour market and the income reductions of many households imposed on this orientation. Thus, although the occupation of people who are far removed from the labour market is still pursued through various active inclusion measures, a process has been initiated in order to defend the right to receive benefits or minimum income, to promote actions addressed to the most vulnerable people and to establish a minimum wage as a way to improve the working conditions of poor workers.

In this regard, the Strategy Europe 2020 (2010) sets among its main objectives to reduce 25% of the population at risk of poverty and establishes the European platform against poverty and social exclusion in order to tackle the multiple dimensions of poverty and exclusion, to act on poverty throughout the cycle of life and deal with serious exclusion, new vulnerabilities and specific disadvantages.

In addition, the European Council, in the Decision 2010/707/UE, adopted a series of guidelines for the employment policies of the member states in order that the people who are far removed from the labour market or who are having more labour difficulties can reverse this situation by means of the strengthening of social protection systems, lifelong learning and active labour market policies. No less important, it is proposed to act on the segmentation of the labour market with measures to find solutions to the precarious employment, the unemployment and undeclared work.

1.3.2. Main initiatives in Spain

The social protection policies in Spain have undergone a significant evolution in a relatively short period of time. Charity and welfare that still prevailed in the seventies have given way to social protection benefits and allowances based on Social Security, the development of social services in the autonomous regions and local organizations and determining guaranteed minimum resources. The model, which is based on the 1978 Spanish Constitution (CE), is committed to a clear division of powers between the Social Security central level (Art. 149.1.17 EC) and social assistance in an autonomous, regional level (art. 148.1.20 EC). In addition to the distribution of powers and conceptual levels of social protection, the EC is considered to be the turning point of the new concept of social services in Spain, where, between 1982 and 1992, the regional laws of social services / social assistance were approved almost in the whole State.

The other main axis of social protection, closely linked to activity in the labour market, are the unemployment benefits, which appear in Title II of the Basic Law of Employment (1980). Thereafter has its origin the modern system of protection against unemployment, with the unemployment benefit and the supplementary benefit or allowance also for this reason.

Since Spain's entry into the EU (1986), a new phase began, which is characterized by the adoption of a series of social policies measures that are articulated in the National Action Plans for Employment (PNAO) and in the National Plans for Social Inclusion (PNAIS). These plans follow the European guidelines, which list the possible ways out of poverty by means of employment. Therefore, the actions aimed at employment and the development of active policies are promoted and they take on a crucial role in front of the passive ones.

This guidance sets out the National Employment Plans (the first of which was approved in 1998), pursuing social integration through measures such as the Employment Promotion Program for workers at risk of social exclusion and the Program for an Active Insertion Income within the protective unemployment action (2000). Later in 2001, employment plans coexist with biannual PNAIS, which include the priorities and efforts of member states to promote social inclusion and combat poverty. The incardination of initiatives between the employment and the inclusion plans should not be surprising if one considers that they share goals such as promoting access to employment or activities on behalf of specific groups of vulnerable people, although it is true that they have been criticized because of the many planned measures without any link to measurable objectives or the repetition of measures on different levels.

We should highlight the V PNAIS (2008-2010), which is produced in a context of economic and financial crisis. This plan for social inclusion aims to prevent the impact of the crisis on employment and to the access to social benefits by promoting active inclusion from a triple perspective: access to employment, ensure minimal financial resources and achieve a quality education with equity.

The economic and social context of Spain, marked by an acceleration of job loss and an increase of vulnerability situations, determines that the medium-term social policies are geared towards the achievement of two very specific goals: creating jobs and reducing the number of people at risk of poverty. To achieve these objectives, measures arise from the perspective of employment policies as well as from the perspective of combatting the poverty risk. In this regard, we should stress the labour reform, the reform of active labour market policies, the improvement of the system of vocational training for employment and the undeclared work outcrop.

Meanwhile, other measures are proposed to ensure household incomes by access to benefits and subsidies, either linked to active training policies (Prodi program) or independent ones (provision for cessation of activity of people affiliated to the special self-employment regime). Other measures are promoted in order to foster stable employment and professional retraining of unemployed people (ie PREPARE program) or aimed at specific groups such as young people (ie contract for training and apprenticeship), people with non accredited professional skills (ie T-accredite program) and older workers (ie "Strategy 55 and more").

1.3.3. Main initiatives in Catalonia

In Catalonia the rules governing the social action policies and, therefore, all actions relating to poverty, social inclusion and integration, marginalization and social services, are contained in the constitutional mandate that transfers to Catalonia the exclusive competence in matter of social assistance and is included in the Statute of Autonomy of Catalonia (EAC) of 1979. Moreover, the EAC of 2006 emphasizes the will that Catalonia is a cohesive and inclusive society and gives the public powers the mission "to ensure full social, economic and labour integration of people and groups who are most in need of protection, especially those who are in a situation of poverty and social exclusion". It also urges "to promote preventive and community policies and [...] to ensure the quality of service and the free character of those social services that laws consider to be basic" (art.42 EAC). It also regulates, for people or families who are in a poverty situation, the right to have access to a guaranteed citizenship income that ensures the minimum of a decent life in accordance with the conditions laid down by law "(art.24.3).

The main public Catalan strategies in the field of social action are contained in the four social action plans (as instruments of policy planning for social services); in Law 13/2006, on social benefits of economic character; in Law 12/2007, on social services; in the Plan for inclusion and social cohesion in Catalonia (2006-2009); in the Programme for developing local plans for social inclusion 2006; in the Support Plan to the Third Social Sector 2008-2010, and in the Estrategic Plan for social services.

In addition, the paths where Catalan actions have a key importance and where the labour relationship is implied are the minimum income (hereinafter RMI) and the active labour market policies (from now on PAO); for this reason we have considered appropriate to mention them with more detail. Both actions are associated with the pursuit of a common goal (ie to ensure access to the labour market of groups which are more distant and / or vulnerable), and they coincide with the European criteria of social and employment policy coordination.

The RMI is configured as a benefit linked to a commitment for labour and social insertion; so its users have to follow custom itineraries of insertion (Individual Insertion Plan and social and labour reinsertion, PIR). In Catalonia the first preceding action of this income is the Interdepartmental RMI Program, 1990 (PIRMI), which is modified several times and leads to the adoption in 1997 of Law 10/1997, July 3, on the minimum income. By this law, the income becomes widespread and a comprehensive treatment is given to the instruments of social and labour insertion to try to avoid situations of poverty and exclusion.

In the decade between 2000 and 2010, the RMI is strengthened and then a phase of rapid expansion begins with the aim of extending its coverage, the intensity of the provision and to promote measures for employment. The start of the global economic and financial crisis in 2007 reinforces even further the role of the RMI as a last resource of the "social safety network". In this sense, actions are planned to improve coverage, to optimize its management, to extend and adapt the labour insertion measures and, in any case, to increase the effectiveness of this provision. However, budgetary constraints in 2011 force the entry of the RMI in a more restrictive phase.

The substantial changes in the RMI regulated in Law 7/2011 of 27 July, on fiscal and financial measures, make it necessary to pass the Decree 384/2011 of 30 August, implementing Law 10/1997, July 3, on the minimum income. This new conception of RMI emphasizes, among other things, the accreditation of continued residence in Catalonia at least two years, the need to remain in the territory while perceiving benefit (absence of maximum a month), the extension in the period for the household income calculation (twelve months), the reduction in the amount of the benefit (not exceeding SMI), limiting the collection period to sixty months, the restriction access to those who do not demonstrate a social or labour insertion problem (excluding only those problems associated with the lack or loss of job); and finally, the income is subject to the budgetary context losing the condition of civil right. Currently, there is a paradigm shift in other similar income as the Basque or the French ones, which transfer this benefit to the employment services in order to establish a closer link between perception and job search . Hopefully the RMI will not stay out of this general trend.

The employment policies are another mechanism for enhancing the employability of people, the maintenance of employment and the improvement in the professional field through activities such as orientation, income, training, reskilling and promotion and job creation. In this case, the public initiatives of the Catalan Government and its management are very important, but they are subject to national employment policies: in spite of the transfer of the occupational training competence in Catalonia in 1991 and its management recognition as an autonomous competence in the articles of the EAC in 2006 (Article 170), the EC confers the exclusive jurisdiction to the State in the field of labour law.

The first Catalan initiatives are based on the idea that training combined with employment programs are one of the best ways to facilitate the labour insertion of the unemployed people. Not

surprisingly, since the early nineties we see a growing trend towards the inclusion of such measures, together with the provision of welfare nature in plans to combat poverty and social exclusion. Since the adoption of the Lisbon Strategy, and throughout the 2000s to 2010, active policies have been gaining prominence in front of the passive ones. This process raises the need to redefine the PAO, which are managed by the Employment Service of Catalonia (SOC), established in 2002 with the aim of developing a decentralized model that facilitates personalized attention.

At a later stage, from 2010, the boost of training and retraining takes relevance, as well as the preparation of the PAO development plans. In this line, measures to regulate vocational training for employment and to improve the status of people who are unemployed are set in motion; the aim is to increase the level of employment and encourage professional mobility starting from the skills achieved during the working life. In parallel with it the Development Plan of the Active Employment Policy 2010-2011 (PDPO) is approved in the framework of the General Employment Plan of Catalonia from 2006 to 2011.

Later, the strategic and regulatory context in which the PAO are formulated experiences major changes. We should remark, on the one hand, the substantial modification of the State Employment Act; on the other, the approval of the Spanish Employment Strategy 2012-2014 and the Catalan Strategy for Employment 2012-2020, that define the scope for the design and deployment of PAO in Catalonia. In this context, the Government of the Generalitat approved on 16 February 2012 the Development Plan for active policies 2012-2013, with a budgetary endowment of 420 million euros; it is structured on the basis of a Letter of the SOC's generic services and on several specific services aimed at social groups, regions and productive sectors, as well as in fostering innovation and modernization. However, the containment measures applied by the Spanish Government budget in the Annual Plan for employment policy 2012 endanger the deployment plan, since they imply a 57% reduction in state funding. It should be added that this budget reduction may jeopardize the prospects of employment for many people.

Finally, various measures and initiatives to combat poverty related to the labour market have been implemented (see section 4.3.3. of the Report for the actions of 2012) that are related to guaranteed income, to the recruitment encouragement, the promotion of self-employment and entrepreneurship, the improvement of people's employability (ie orientation, training and accreditation), and the promotion of international mobility. Despite the diversity that characterizes these measures and initiatives, it is also true that in many cases their intensity and/or coverage suffer from significant limitations.

1.4. A qualitative approach to poverty risk related to the labour market

In this Report, the study of poverty related to the labour market has also been approached from a qualitative perspective on the basis of information provided by empirical fieldwork (twelve in-depth interviews with professionals and six biographical interviews to people who have experienced this problematic situation). First, we have studied some of the most important aspects related to the development and evolution of the poverty risk in the biography of individuals and families. Secondly, we have analyzed the role of institutions in terms of tackling the poverty related to the labour market. Third, we have presented the recommendations made by the interviewees in order to improve the effectiveness of the tools and resources that have been analyzed and to facilitate that people get out of situations of poverty risk in which have been involved.

1.4.1. Economic crisis and poverty risk related to the labour market

The economic background and the poverty risk related to the labour market

The impact of the financial and economic crisis on people's lives is one of the most recurrent themes in the interviews with professionals. These professionals confirm a trend of a gradual increase in the risk of poverty related to the labour market, not just resulting from loss of work but also of the deterioration of working conditions. The cracks in the welfare regime (Esping-Andersen 2003, Beck 2003) resulting from this expansive trend of risk are noted in almost all areas of economic and social structure, from the social cohesion in general, to the labour market in particular. As for social cohesion, housing appears in the background of many positions and integrates a relational analytical approach where the risk of poverty correlates with an expensive housing market with little public housing. Regarding the labour market, it is considered that the weakening or dissolution of the bond with the labour world brings with it an increased risk of poverty for individuals and families, or, at least, an aggravation of the economic problems that have already been experienced.

The most vulnerable profiles

The impact of the international financial crisis on the economy and the job market has worsened the effects of the employment crisis in Catalonia to the point that virtually everyone is exposed to the risk of falling into poverty related to the labour market. However, many people share the idea that the social costs of the crisis are not distributed evenly (Ayala, Canton and Martínez 2010) and that there are more vulnerable profiles in terms of origin, age, relative debt, occupational category and health condition. Thus, in relation to the question "Which are the most vulnerable profiles in the current socioeconomic context?", the interviewed professionals mentioned the people of immigrant origin, adult people (mainly men over forty-five years who have / have not worked only in one profession), young people (particularly when referring to young men and women who belong to a dysfunctional family), individuals and families who contracted debts during the growth cycle and now have difficulties to pay to financial institutions and, as for the occupational category, people of lower grade, administrative office workers and individuals engaged in research.

The new profiles

Most professionals respond to the question about the new poverty risk profiles associated with the labour market with a reflection on the spread of risk and, more specifically, on the extension of vulnerability to socioeconomic areas previously considered middle-class. The professionals are concerned with what Laparra (2010a) describes as socialization of vulnerability and point out as new profiles of poverty risk related to the labour market the "work cases", ie people who have lost work and/or families who have seen how their labour intensity has been reduced. The new profile associated with poverty risk related to the labour market includes, among other examples, middle-class families which have difficulties for paying the mortgage, adult people with retraining difficulties, youth with low levels of education and women with additional risk factors (ie single women in charge of dependents and immigrant women who have difficulties for communicating in Spanish or Catalan).

1.4.2. The entry in the poverty risk related to the labour market

The labour market as a guarantee

Most professionals agree that currently the job market is not a guarantee against the risk of poverty of individuals and/or families. The fundamental argument expressed in this sense (coinciding with Rifkin and Helbroner 1995 and Beck 2000 -cited in the Social Inclusion Observatory, 2008- and with the Social Protection Committee, 2009) is the gradual disappearance of quality employment as the basis of social citizenship. The speech of the interviewed people abounds in comparisons with the more or less recent past and, consequently, in the deterioration of working conditions in the post-industrial society. At the same time, however, there are many analytical perspectives that interpret the production of certain living conditions as a result of a wide variety of factors, including the social protection system, the debts around the house, or the labour intensity of the family home. The consideration given by the interviewed professionals to several explanatory factors has primarily to do with the recognition of the labour market as a guarantee against a much more multifaceted phenomenon that the poverty risk: the risk of social exclusion, the fact of being left out of the social rights granted by paid and formal work. Regarding the characteristics of the labour market associated with the risk of poverty for people and families, the professionals mentioned wages mostly in the first place. Second, the progressive worsening of working conditions in general. Finally, some minority contributions indicate temporality as an explanatory factor in the risk of poverty associated with the labour market, given the long periods of unemployment and the consequent reduction in income that they may involve.

The personal reality and the poverty risk related to the labour market

Professionals interviewed acknowledge the involvement of personal factors in the construction of the poverty risk related to the labour market, but they do mostly putting these factors in relation to a particular context. That is, as a group, these professionals believe that personal reality can not be separated from the social and institutional factors in which it is inserted. Thus, the labour market, the social welfare system, the family and social capital, among other aspects, are interspersed in the professionals discourse regarding the role of personal factors in shaping the risk of poverty related to the labour market. On the other hand, however, some minority voices attribute to the behaviour of people the explanatory power of the observed variability in relation to the exposure to the poverty risk associated with the labour market. The most notable aspects of these speeches are, on the one hand, the consideration of people's agency to build up a favorable environment, and, on the other, the lack of consideration of some features such as age, sex, education level, origin or health status that may condition downward the chances that people have to prevent the poverty risk situations or to cope with them.

The circumstances of the entry in the poverty risk related to the labour market

Looking at it in retrospect, the interviewed persons tend to consider that the process that has led to a situation of poverty risk associated with the labour market begins at the moment when they lose their job. The stagnation in economic activity and the consequent closure of companies are behind the loss of work and the exposure to the risk of poverty related to the labour market. However, working conditions, on the one hand, and personal and family circumstances, on the other, are also present in the speech of the people interviewed about the poverty risk. Regarding the first factor, people who have worked or are working in the informal economy feel especially vulnerable in the area of labour relations (ie lack of contract and Social Security) and from the moment the loss of work occurs (ie, lack of unemployment benefit). As for the personal and family situation, it should be noted that the health state and the life cycle condition workers' exposure to poverty. The fact of suffering an illness can become a risk factor related to the labour market; in the same way, pregnancy can become, under certain circumstances, a factor of labour risk for women workers.

1.4.3. The impacts of the poverty risk related to the labour market

The economic impact

The intensity with which the poverty risk related to the labour market affects or has affected the daily life of the interviewed people varies depending on factors such as total time passed in an unemployment or job insecurity situation, the social capital available (ie family, friends, etc.) or the ability to implement strategies to adapt to new circumstances, without prejudice to the role played by social protection. In at least two cases, the interviewees have experienced situations of poverty risk related to the labour market with very negative consequences on the welfare of the families who have been forced to resort to charity to meet some basic needs. The circumstances that characterize the situation of these people and their families are close to the scene of social exclusion, but not inside, thanks to the cushioning effect caused by the activation of the social and family network, as well as the provision of social grants for specific emergency. However, during the period of performance of the biographical interviews (from 28 October 2011 to 27 February 2012), the majority of those people consulted had been able to deal with the risk of poverty related to the labour market without resorting to charity, or even to social services. It has also been shown the existence of some specific situation of material deprivation, typical of chronic or structural poverty, practically unthinkable by the persons who have suffered it. Only in one case the risk of poverty associated with the labour market could be managed without adjustments and without that it affected the most basic needs of the family unit.

The impact on health

The biographical interviews include the testimony of several people who have seen how their health and/or their self-esteem were deteriorating, as they have had to make major sacrifices (ie mouth and sight care, acquisition of articles for personal hygiene, access to a healthy diet, etc.) as they attempted to adapt themselves to the poverty risk situation. The loss of labour, the reduction of labour intensity in the family home, or the worsening of working conditions may affect adversely people's mental health. The psychological impact generated by the loss of the previous social and occupational status can lead to chronic diseases and even to self-destructive behaviours. It is not about having feelings of guilt for the loss of job, but about much more severe stress characterized by the inability to relax or even the absence of horizons where one can project oneself constructively. Most of those interviewed people, however, have defeated the reactions of surprise, blocking and/or denial of facts and circumstances they have had to experience and, in this sense, the professional services have become one of the best rated institutional services, if not one of the detonators out of a deadlock or impotence situation.

The impact on family relations

The family and the social network support as well as the professional accompaniment in the case of job loss or poverty risk at work can be key in order to avoid more complicated situations related to the breaking of social ties and the fall in social exclusion (Paugam 2007, cited in Martinez 2010: 170). In fact, the difficulty to meet some needs can push people at risk of poverty linked to the labour market to seek emotional and material support among their friends. This adaptation strategy sometimes progress to a formal request for help in social services or the Third Sector, probably because the new condition of poverty of most of the people who have been interviewed in this study acts as a discouraging element when requesting help to services or organizations which are socially connoted. However, most of those interviewed reported a worsening of the domestic environment ranging from comparatively favorable situation due to the activation of family solidarity and

support mechanisms to unfavorable situations as a result of the fact that relations deteriorate between members of the family home.

1.4.4. The turning point and the improvement of the poverty risk situation related to the labour market

The exit strategies

The poverty risk related to the labour market is a relatively new situation to most of the interviewees, who try to break away through the development of personal exit strategies and/or through the access to services and resources more or less institutionalized. Regarding the "external" strategies, half of the interviewees initially give priority to the job search in order to get out of unemployment situations or of job conditions which are insufficient to meet the basic needs of the family home. The access, sooner or later, to institutional resources (public of the Third Social Sector and, to a lesser extent, private ones) represents, in many cases, the introduction of planning elements in the job search strategy. In the context of this study, entrepreneurship appears only once as a strategy for overcoming the poverty risk related to the labour market. Access to training solutions is the "outside strategy" that the other half of the interviewed people initially prioritize. Participation in training actions becomes a strategic response to a labour context with growing demands and expectations regarding the workers' level of training and competence. At the same time, the benefits of education extend to other areas such as the psychological well-being (ie to keep busy or occupied) and/or the social capital (ie the establishment and expansion of contacts, including even friendships).

As for the "internal strategies", the most important for respondents, apart from controlling expenditures (ie food, clothing, entertainment, etc.) is the reduction of housing costs through the optimization of its use (ie to rent a room to someone). It should be noted that, despite the seriousness of some situations reported, respondents do not mention the use of savings or the sale of properties as "internal strategies" of adaptation and improvement. Finally it will suffice to say that the results of the fieldwork question the prejudice of inaction and adaptation to the system of social protection of the people and families who are at risk of poverty related to the labour market.

The catalyst for improvement

The situation of people at risk of poverty related to the labour market may begin to experience positive changes from the time when they access to resources and services aimed at supporting and accompanying the process of job placement. What respondents identify as the trigger of a process of change and, in the best cases, the way out of the poverty risk is the reconstitution of the link with the world of work, either through an itinerary of job placement or through a more or less direct access to the labour market or to the business activity (direct insertion without job training, loans for entrepreneurs, etc.). As for the job placement itineraries, we should highlight their internal diversity in terms of structuring in phases and in terms of flexibility, according to the institutional resource to which they belong. However, the job placement itineraries include diagnosis and support mechanisms (education, mediation, etc..) that facilitate the process of job placement of workers in a poverty risk situation. Although less often, there are also comparatively rapid improvement processes in which the step by the institutional resources and services is almost anecdotal, although crucial in order to start the process of improvement.

The close relationship with professionals

The "structural" dimension (ie resources and services) and the "human" dimension (ie staff and professionals) are closely linked in the discourse of the interviewees on the functioning of the institutional resources of which they have been or are still users. As in many other cases related to the promotion of improvement processes and the overcoming of adverse circumstances (ie, school

failure, disease, delinquency, etc.), also in the poverty risk situation associated with the labour market the presence of profiles with which to establish a relationship of trust and closeness is a key factor. In many cases, the professionals represent the last hope that workers in a poverty risk situation have to address the economic, relational and existential problems that besiege them as a result of the job loss or of having labour conditions that are insufficient to meet the basic needs of their family home. The close work of professionals gets a very good reception among the interviewees, who show clearly through their assessments the relevance of the professional treatment customized to strengthen self-esteem and activation of proactive attitudes against the risk of poverty. The boost provided by the close and personal relationship with professionals can generate positive inertia even in extreme situations, in which the person at risk of poverty does not articulate successfully their integration into the labour world.

1.4.5. The role of institutions

The social protection system as a guarantee

Most of the interviewed professionals believe that the social protection system is a guarantee to tackle the poverty risk related to the labour market, but they consider that this warranty is limited: they argue that the social protection system is useful against most forms of severe poverty, but it shows a deficit in its protective strength. Three of the interviewed professionals (out of twelve) declare that the social protection system is not a guarantee against the poverty risk related to the labour market. It is argued that the benefits are not an instrument that allows, in the case of the unemployed people, to rejoin the active life. They indicate that the financial aid received does not allow people to get over the poverty threshold. At the same time, the unemployment benefit is highly valued by the interviewees as a tool to face up to the poverty line.

On the other hand, the fieldwork allows to identify some groups who, according to the experience of the interviewed persons, are most unprotected by the coverage of the social protection system: people who, even working, have an income that allows them not to overcome the poverty threshold and people who have exhausted all benefits and allowances to which they were entitled after losing the job. These cases are those that can be described as new poverty and that now "compete" in terms of resources with traditional or chronic groups. Other groups that are considered as more unprotected in relation to the coverage of the social protection system are: families with sons and/or daughters, single mothers with sons and/or daughters, the population of immigrant origin, people from 16 to 45 without children and young people who come from juvenile justice, among different profiles.

The different level of response provided by the social protection system to the risks that come up throughout the life cycle of individuals can be explained by the logic applied in the construction of the welfare state in Catalonia, which focuses on protecting risks arising from people's relationship to the labour market, mainly due to interruption or termination of the labour life and which results in the provision and unemployment benefits and in the disability pensions and retirement, to the detriment of the protection of other hazards.

Tools, resources and public sector programs

As for tools, resources and programs of the public sector in the field of preventing and combating poverty risk related to the labour market, the vast majority of professionals interviewed (nine out of twelve) have referred to the **tools and resources in the field of professional qualifications**, with three types of actions: first, the training, qualifications and professional development actions, and secondly, the accreditation of labour experience, non-formal and informal training, and thirdly, the actions that combine professional expertise with training.

As for the training, qualification and professional development actions, they include actions related to professional training, basic skills training (job search, Catalan, Spanish, computer skills, etc.)

and training in transverse skills (referring to the set of abilities, skills and attitudes needed in the development of most professions). In the public sector, the professionals mention that training is offered through employment services and economic development services of local organizations, sometimes by derivation of the Generalitat Labour Offices (OTG) or of the social services. Also, the Minimum Income Program (PIRMI) has its own courses. As for actions aimed at accrediting work experience, non-formal and informal training, reference is made twice to the "Acredita't" and "Qualifica't" programs, which allow the certification of acquired professional competences through professional practice or non formal training pathways. This facilitates the workers' labour integration and their professional promotion. As for the instruments that combine education with professional practice, two of the interviewees referred to the Suma't Program, which combines undertaking orientation, training and acquisition of experience in companies (under contract for training), and is aimed at unemployed young people who have left the educational system prematurely. Reference has been made three times to the Initial Professional Qualification Programs (PCPI), whose purpose is to provide basic professional training to the young people who have not obtained a degree in secondary education, in order to facilitate their incorporation in a workplace or the continuity of the educational program.

On the other hand, most of the interviewed professionals (eight out of twelve) have referred to **the activity carried out from the public sector in the field of information, mediation and professional guidance**. In this context, we should mention the activities undertaken by the Generalitat Labour Offices (OTG) and local organizations, through the areas of employment and economic development and, more specifically, through the guidance and labour intermediation System (Galileo), which implies cooperation between all authorities and organizations involved in the process of counseling and guidance, as well as the subsequent monitoring of the pathway followed by users. Reference should be made also to the employment services and the economic development areas of the local organizations, since they offer several resources for unemployed people in order to search job. Both the services that depend from the Government Administration and the services of the municipal field declare the importance of carrying out the activity of prospective analysis of the labour market, regardless if they conduct it or not.

Another public sector resource mentioned in most speeches of the professionals interviewed (in particular, on seven occasions) are **the instruments of a guaranteed income: the provision and unemployment insurance and the minimum income (RMI)**. The economic situation has had negative consequences on this provision, since as many as twenty thousand people have accumulated on the waiting list for employment measures, and the number of users has tripled in a context in which the resources (centers and places) remain constant. Regarding the amendments to the provision in 2011, that restrict the access criteria and set limits on the amount, the dominant perception among the interviewed professionals who have adopted an attitude on this issue is that the reform may have negative consequences: the exclusion of labour cases may unprotect people who have exhausted unemployment benefits, as well as their families; the difficulties in accessing the program can aggravate the poverty situation of persons and families, pushing them towards social exclusion, etc.

Moreover, **the actions of social services** appear in the speech of the interviewed professionals six times and **the public sector measures in the field of entrepreneurship** appear three times. Despite the reluctance shown by some individuals and/or families in a poverty risk situation related to the labour market to address social services, the number of actions of this latest stage in the social protection has increased significantly, while the resources have not increased in the same way.

Strengths and weaknesses of the public sector

The professionals and the users who have been interviewed² attributed the following strengths and weaknesses to the instruments, resources and programs of the public sector (in a descending order of importance):³

- Maintaining only a professional reference for the user. Most of the interviewed users reveal that there is a positive change in his/her career when they contact a professional who serves as a benchmark and monitors his/her entire process of employment.
- Activity tracking and monitoring of users in their career. Specifically, the interviewed professionals of the OTG give a positive valuation of the Galileo System (Galileo System is a tool that facilitates the tracking of the route followed by the users).
- The activities of prospecting, which are associated with the proximity between the tools and resources on the one hand, and the territory in which they are incorporated, on the other.
- The existence of resources embodying, on the one hand, a training component, and on the other, internship in companies. In relation to specific resources, the "Suma't program is mentioned.
- Other strengths mentioned by the interviewed professionals are: commitment and awareness of the technical team with their project, coordinated work between the different administrations, the transverse character of the actions and the versatility and adaptability of administrative actions to the specific case (ie personalized relations).

Moreover, the interviewed professionals and the users have pointed out the following weaknesses in relation to the functioning of tools, resources and programs in the public sector (in order of descending importance):

- The shortage of resources to meet demand. Specifically, the fact that certain actions depend on obtaining a grant means that people who are carrying out these actions are in a situation of instability in their workplace and this can affect the development of their work.
- The overcrowding of services. Professionals believe that the increasing number of users does not find an adequate response in the services of the public sector (particularly in social services), which are overwhelmed and can not properly develop their tasks of attendance.
- The quality of the attention received by users, which has been damaged by the crowding of services. In this sense, half of the interviewed users rated negatively the personal attention they received.
- The fact that the Government is not agile enough and includes excessive bureaucracy in their processes. Sometimes this leads to the dislocation between administrative actions and social reality

² By "interviewed users" we understand individuals who participated in the biographical interviews of this study and who, therefore, have recently experienced or are still living poverty risk situations related to the labour market. Contact has been made through the professionals, who had been previously interviewed, and all of them have a relationship, as users, with the services or entities where these professional profiles are working.

³ It should be explained that, in general, when the interviewed professionals are asked about the strengths of the public sector, they tend to value specifically the resource or the instrument that they are managing.

- The coordination difficulties among the various Administrations and the administrative bodies which are working in the field of prevention and combating the poverty risk. This issue can lead to duplications and gaps in action.
- The poor adaptability of public sector actions to the diversity of problems that people who contact the Administration are having. The rigidity and inflexibility of the performances are issues that are plain to see, both for professionals and for those users who have been interviewed.
- The fact that the system resulting from the application of policies in the area under study is complex and opaque. This situation can lead to the users' disorientation.
- Deficits in prospecting activity, considered necessary by the interviewed professionals, in order that the mediation tasks in the labour market that have been carried out from the public sector are successful.
- The absence of a culture of evaluation of public policies in order to assess the degree of effectiveness and efficiency of tools and resources.
- The lack of adequate support tools to improve emotional self-esteem of people who are in a situation of poverty risk or exclusion, as many people in this situation develop mental health problems that affect adversely their chances of employment.
- The rift between the political field, on the one hand, and the technical and professional one, on the other in the design of prevention policies for combating the poverty risk.

Tools, resources and programs of the Third Social Sector

The Third Social Sector brings together a variety of organizations working for social inclusion and social cohesion with a focus on the most vulnerable persons. Here are the actions that these organizations are carrying out for people who are in a poverty risk situation related to the labour market and who have difficulties in finding a job and/or maintain a quality job.

Firstly, **training, guidance and job placement actions** are mentioned, which have adapted their approach and operation in accordance with the reality of each moment. For example, some services have returned to provide vocational training as well as courses in Catalan and Spanish, given the current demands of the labour market.

There are also job placement pathways, which are based on a methodological model shared broadly by all organizations: they start doing job orientation, afterwards job training and, finally, insertion. Some organizations do a route module, which is designed as a flexible instrument that can be adapted with different actions to the reality of each person, without having to go through each of the phases that make up the route. Moreover, the personal itinerary insertion (IPI) is a service funded by the Employment Service of Catalonia (SOC) that facilitates insertion into the labour market of unemployed people who are derived from an OTG.

The Third Social Sector organizations also collaborate in managing RMI pathways. For example, the municipal social services are actively involved in the proceedings of the minimum wage, while the job placement firms have available, in their pathways, some places for RMI users.

Other tools and parallel and complementary resources related to job placement also require addressing the poverty risk in relation to the labour market. Specifically, one of the interviewed organizations said that they have launched a mediation service for issues related to housing (ie unpaid rent, mortgage, etc.), while two more organizations belonging to the Third Social Sector say they provide financial assistance to cover basic needs.

Actions to encourage entrepreneurship, which are also carried out from the Third Social Sector. This is the case of one of the interviewed organizations, that grants interest-free loans to finance entrepreneurs projects. According to the standpoint of the interviewed professional, there are good ideas and entrepreneurs willing to throw them out, but they lack funding.

Insertion companies are another Third Social Sector instrument, which has as its main objective the labour insertion of people at risk of social exclusion. According to one of the interviewed professionals, the procedure is to seek public offers related to the management of new services to any municipality, with a commitment to reserve a certain number of places for people at risk of social exclusion. If it is awarded with the service, the integration company will get in contact with the social services or with the economic development centers of the municipality in which they are asked to employ these people.

The interest-free loans granted by one of the interviewed organizations as part of a project to fight poverty could be considered as a tool to fight poverty risk associated with the job market, since it is addressed to people who, despite working, have great difficulty for getting loans, such as immigrant people with wages below the thousand euros.

The "Customer service to new poverty", mentioned by one of the interviewed professionals and which deals with people who have run out of resources because they have exhausted all benefits to which they were entitled and have no access to the labour market.

Finally, **the sensitizing and complaint actions** made by one the interviewed companies, aimed to combat the speech whereby individuals are solely responsible for their life, underlining some of the structural causes of poverty or the poverty risk.

Strengths and weaknesses of the Third Social Sector

The interviewed professionals and users mentioned the following strengths in the case of tools, resources and programs of the Third Social Sector (in a descending order of importance):

- The adaptability of actions to the specific case. Personalized action based on a flexible procedure is positively valued. At the same time, the interviewed users value very positively the personal actions of organizations belonging to the Third Social Sector, without imposed obstacles on the path set by application of some kind of rigid administrative procedures.
- Monitoring and assistance in job placement paths is positively highlighted in the speech of the majority of the interviewed users, who see this type of relationship as a sign of involvement that characterizes the people who guide the improvement process against the poverty risk and/or social exclusion.
- Professionalism in the treatment received was also highlighted by the majority of the interviewed users, since it generates trust towards the institution, the personal goals, and the availability of professional help.
- Coordinated work carried out by the public sector with the Third Social Sector organizations is mentioned twice. In the same way, the public sector also noted that the Third Sector organizations do a comprehensive job of caring people.
- The autonomy of action and decision of one of the organizations are indicated by two interviewed workers as a favorable condition, and they are explained by the fact that in this case most of the funds coming from private donations.

Moreover, the interviewed professionals noted the following weaknesses in relation to tools operation, resources and programs of the Third Social Sector (in descending order of importance):

- The difficulties of coordination between the government and the Third Social Sector organizations working in the field of prevention and combating poverty line. Sometimes the referral criteria between agencies and organizations which make up the network service to users is not adequate. This situation can be explained by their own ignorance about the role of each agency or organization.
- The fact that funding for some activities depends on the achievement of certain results can cause that people with more difficulties remain unattended because they have less chance of achieving the objectives set out in theoretical evaluations of efficiency and/or effectiveness.
- Other weaknesses that were revealed are: excessive rigidity in the application of the personal itineraries of insertion and the lack of employment prospecting and monitoring.

1.4.6. Recommendations

We present below the recommendations raised by the interviewees (both professionals and users) to improve the effectiveness of the tools, resources and existing programs in the field of prevention and combating poverty risk situations related to the labour market and to facilitate the way out of these situations. Interviewees referred primarily to the general aspects of policies in the field of poverty risk and social exclusion and to the institutional aspects arising from the implementation of these policies. There are also specific proposals related to the intervention on those factors that affect the poverty risk related to the labour market. In descending order of importance, these recommendations are:

- **To improve resources.** It is recommended to increase resources, both human and material, to combat poverty risk and social exclusion. In particular, reference is made to the access to entrepreneurship, the new poverty and the social network promotion. Another recommendation is the improvement in resource management, particularly through the prioritization of active policies (guidance, training, mentoring, monitoring the job placement pathways) as a resource destination, instead of devoting them to the benefits control. Moreover, one consequence of the scarcity of resources is the services overcrowding and the increased waiting times. In this regard, the private sector recommends all stakeholders to be more aware about the importance of the outplacement programs through the companies social plans, which could help to relieve the pressure on the public sector.
- **To coordinate services.** It is recommended to clarify the responsibilities of various institutions and organizations involved in the process and to establish cooperation and coordination channels in order to do the comprehensive proceedings and at the same time, avoid duplication and waste of resources.
- **To simplify and streamline administrative processes.** It is recommended that the Administration should be more flexible and with a less rigid bureaucracy in their procedures. It is also said that the institutional system should be more transparent and reduce the process complexity. Also, related to the Social Security system it is stated that all the programs and benefits (unemployment, Active Insertion Income (RAI), Prepara Program etc..) should be unified to a more comprehensive environment.
- **To ensure a decent minimum income to citizens in order to avoid falling into poverty and social exclusion.** Interviewees suggested some ways to guarantee a minimum income; specifically two of the respondents recommended the establishment of a universal benefit. Related to these recommendations, it is also noted the importance of not falling into welfarism.

- **To ensure social cohesion.** In this regard, it is recommended to invest in activities which do not have only an economic component, but that also contemplate the possibility of implementing support processes support among individuals, families, neighbours, etc.. to strengthen community links. Meanwhile, it is recommended to develop projects to fight against prejudices and stereotypes that affect certain social groups.
- **To act on the social and labour factors** that lead to the poverty risk related to the labour market in order to prevent such situations. Specifically, we are referring to the phenomenon of child poverty, since it is related to the bond that parents have with work. Also, part-time work is considered a risk factor on which intervention is necessary because of the conciliation difficulties that it generates and the discontinuity in the income perception.
- **To adapt instruments based on the personal situation of users.** It is recommended to be flexible in the pathways application and to avoid generalizations and rigidities in both the time and in phases, in order to be more efficient in achieving the objectives.
- **To perform labour market surveying tasks.** It is recommended to establish a relationship with local businesses that will allow a more efficient brokerage from the public sector.
- **To evaluate the process and outcomes of policies and establish lines of action.** It is considered that the existence of a stable system of assessment would be more efficient in combating the poverty line.
- **To improve emotional support,** since tools of employment may not be sufficient by themselves when dealing with personal situations that sometimes are very damaged.
- **Transversal actions.** It is recommended that actions in the field of poverty risk and social exclusion integrate the efforts of various sectoral areas related to these issues, given its multidimensional nature.
- **To act through proximity.** It is recommended that actions should be done in conjunction with the local reality.
- **To define the model of employment policy.** We recommend a clear definition and a clear design of the action model in the field of employment policy, which establishes the employment service model and the role of the different administrative levels in it.
- Finally, it is necessary to be realistic with the goals set out in policies to combat poverty line according to the resources that are available to carry them out.

1.5. Considerations and recommendations

The CTESC, from the theoretical framework of the study, the analysis of public strategies and qualitative research with professionals and people who have experienced situations of poverty risk associated with the job market, wishes to present the following considerations and recommendations.

1.5.1. The risk of poverty related to labour market

On the concept

In this study the concept of poverty is understood as a deprivation of economic resources. Specifically, as the level of deprivation of financial resources considered necessary to have a minimally adequate standard of living in a given society. Hence we talk of "relative poverty." This concept of poverty is directly related to the notion of social inequality, since a person's poverty is defined in relation to other people around him. Having income below a certain threshold at a given time is considered a risk of poverty, rather than a situation of poverty.

As discussed in the Report, poverty can be analyzed taking into account various demographic and socioeconomic variables, one of which is the relationship of people to the labour market. Specifically, this Report has defined the scope of the study around the ones who are most vulnerable to the risk of poverty given their links to the labour market.

Thus, the fact of being out of occupation, that is, in a state of inactivity or unemployment has been traditionally a comparatively high risk of poverty. In addition, time spent in these situations is relevant: the longer the inactivity or unemployment, the more likely to fall into poverty.

However, integration into the labour market doesn't guarantee to certain people that they shall avoid the risk of poverty or overcome poverty. According to Eurofound, the European Union agency that works to improve the life and labour conditions, poor working people are defined as those with an equivalent available income that brings them at risk of falling to poverty. On the question above, the European Economic and Social Committee (EESC) speaks of "active poverty."

As stated by Rodríguez-Piñero, the relativity of the concept "working poor" allows an open legal approach, which connects the phenomenon of poverty at work with social inequalities and obstacles or difficulties to access the labour market and stay in it, but considering, along with the field of employment, the vital organization of a person who works mainly in his family circle, as the notion of poor worker cannot be separated from the personal and family circumstances.

2003 a new indicator was included in the European social indicators list: the poverty risk in the workplace (in-work poverty risk), that is defined as the poverty rate for people who are working, that is, the percentage of people who work and have an equivalent available income less than 60% of the median income of the society in question. This indicator is built, therefore, based on the combination of the characteristics of an activity, which are individual, and the measurement of income, which is calculated at a household level (see Ponthieux, 2010).

According to Eurostat, 8.5% of workers were at risk of poverty in 2010, while in Catalonia 13.7% of employed people were in this situation. Eurofound shows that certain people are more likely to suffer high poverty risk in the workplace based on their personal characteristics (sex, age and educational level), their home (size and having or not dependent children), employment factors (months worked in a year, professional status, working hours and contract type) and their immigration status.

As for Spain, literature indicates that the poverty risk shows some singularities from a comparative perspective: it must be highlighted the risk of poverty in employees on their own (which could be explained assuming the hypothesis of the highest incidence of the informal economy) and in companies with five employees or less and, consequently, in the branches of activity in which there is a greater presence of self-employment and microenterprises, such as agriculture, hotel business and construction (the number of companies with five or fewer employees in Catalonia in 2012 was

202,671 and it represents a significant percentage in Catalan production, 34.2% of all companies⁴; likewise, it should be noted that, at 2011, December, 31st, in Catalonia there were 532,058 self-employed people affiliated to Social Security, representing 17.7% of the total membership in Catalonia).⁵ Regarding household characteristics, we can see that Spain is the country where the risk of poverty is higher in the workplace for all households with dependent children. Crossing the composition of the household with the labour force participation, the risk of poverty is particularly high at work in households with only one wage-earner, even more if the household includes a couple with more than one child. Regarding the immigration factor, the poverty risk at labour of people from non-European countries is three times bigger than that from Spanish nationals.

These data confirm that the poverty risk at work is the result of the interaction between three elements: the labour market, the structure of the home and the social protection system. The results of the qualitative analysis go in the same direction: the stagnation of economic activity (lack of work), the closure of enterprises, the working conditions and personal and family circumstances caused the collapse of many people and families at poverty risk. And in a period of budgetary restrictions, the imposition of more restrictive criteria to grant the benefits provides the existence of large areas where social protection is missing, with an absence of adequate social services, which pours many people in serious situations of vulnerability.

Given the information available, the CTESC recommends:

1. It is desirable that the departments with responsibility for employment and social welfare make public through their web sites, updated, regular, detailed data about the risk of poverty related to the labour market, specifically on poverty at work and new poverty.
2. An effort should be done to improve the available data on the processes that lead to individuals and families at risk of poverty linked to the labour market and at the same time to improve these situations and to get out of them.

Changes in the labour market

In the transition to post-industrial society, words such as flexibility, adaptability and mobility have replaced others as expertise, stability and continuity. While these changes have been positive for some groups, the risk of vulnerability of certain sectors has also increased, as a result of the characteristics of this new production model. The requirements to access to the labour market are different (level of education, adoption of ICT, versatility ...), as well as the fact of being in the labour market. This process can lead to an increase in social inequalities as a result of the creation of new spaces of social exclusion related to work. Following the argument put forward by Brugué, Gomà and Subirats (2002), we can observe new realities that can lead to poverty risk related to the labour market: youth unemployment, structural and long-term unemployment, low-quality jobs without training and low wages.

The European Commission has proposed that the so-called flexicurity constitutes the main instrument to combat long-term unemployment and labour market segmentation. The aim is to tackle simultaneously the flexibility of labour markets, of work organization, labour relations and security, conceived as a guarantee of job security, not in the workplace, which, as is becoming clearer, it is not for life.

In this context, attempts have been made to encourage part-time work at a European and national level, as a way to fight against unemployment and in order to incorporate certain groups into the labour market. However, the percentage of people employed part-time in Spain was 14.1% and

⁴ Source: INE, Central enterprise directory (DIRCE), 2012.

⁵ Source: Ministry of Employment and Social Security.

13.7% in Catalonia, while the EU average stands at 19.6%. The truth is that barriers seem unbroke to turn this contractual way into an option of value, and inequalities still exist, sometimes indirectly, in the part-time work, when we compare it with the full-time work: difficult wage situations and unstable working conditions, minor rights and promoting difficulties in the professional career and in access to vocational training (Albarracin, 2004). Part-time work, in many cases, increases the worker's economic dependency on their home, in order to avoid the risk of falling into poverty. In addition, part-time contracting is characterized by its feminization in almost all countries, with the negative consequences that this entails in terms of gender equality.

Given the previous statements, it is recommended

3. As indicated in the *Report on access and integration of youth into the labour market of Catalonia*, prepared by the CTESC, the organization of working time is critical to achieve the competitiveness of our companies and economy. Flexibility should be positive for both companies and working people. In this sense, a more flexible management of working hours (bag of hours and variable days...) could be a good entry bridge to the labour market. This system would allow companies to adapt to the demands of markets and customers and it would facilitate the employees that they meet their personal and educational needs.
4. It is necessary to foster an incentive structure in order to improve voluntarily part-time employment, eradicating the current penalty in social protection (unemployment, pensions, etc.). This instrument would be a factor in generating employment, especially for SMEs.

Changes in family

Regarding the familiar structure and its internal dynamics, it should be emphasized the process of women incorporation into the labour market and their social individualization process, through which affinity relations between people are set in an increasingly autonomous and independent way, even regarding the family ancestry. Some of the most visible effects of this process of change have been the nuclearization of the family and the rise in family break-ups and reconstructions, as well as in single parents.

In the current economic crisis, with a very negative effect on employment rates, it is predictable that the affected families are consistently more dependent on wages and with lower levels of social coverings. In addition, the masculinization of unemployment observed in recent years in Catalonia is leading to an unprecedented increase in the number of unemployed people who are main breadwinners of the household, which is weakening the model of "male bread winner".

Timing and the logic of the social protection system does not necessarily go hand in hand with the socio-economic changes that are taking place in the labour market and the family. This situation is showing the limitations of a fragmented system of social protection which has difficulties to protect families who exhaust unemployment benefits. The lengthening of the economic crisis has been a tightening in the living conditions of households. Empirical evidence shows a very uneven distribution of the effects of the crisis and an increasing social inequality in recent years, mainly due to the increase in the gap between low and middle incomes. Beyond the impact on the material level, the loss of employment and socioeconomic status can affect people's self-esteem and create a progressive deterioration of family relationships, and even in the social cohesion.

In this situation, the CTESC has the following proposals,

5. Some measures should be taken to prevent that family composition in Catalonia has an impact so significant on the poverty risk, especially among families with children. The reason is the weakness of this type of aid for families and the insufficient wages. In this sense, those aids and necessary services should be oriented to answer to new realities and new family risk profiles of poverty.
6. In order to facilitate the job placement, as recommended in the *Sindic's Report on child poverty in Cata-*

lonia, the reconciliation of work and family life should be promoted, primarily through a rationalization of working hours, and using educational and care services and also supplementary services to support reconciliation (picking up and support to school, etc).

Changes in the welfare state

The origin and evolution of the European welfare states are intimately connected to the dual management of risks arising from the relationship of employees with the labour market (fundamentally, because of completion of working life or interruption of employment) and the condition of dependency (especially in old age, but also during childhood or for reasons of illness or disability).

The traditional regime of the welfare state meant that people fully integrated into the labour market could not risk falling into poverty. In this sense, the emergence of the figure of the poor worker represents a challenge for the social policy, and more broadly, for the European welfare states.

In Spain, the social protection system and, more specifically, the topic of income security, has continually transformed itself since the mid 80's. However, its development has been so modest, as seen in the normally very low amounts of benefits. All of this means that its ability to respond to urgent situations is limited. At a time when the economic basis that the market provides for a sustainable society is weakened due to the increase in unemployment, buffering action of unemployment benefits and social services are insufficient to avoid the increase of poverty risk situations and social exclusion in families that have suffered decommodification processes. In fact, the welfare state in Catalonia is articulated into almost universal policies in the areas of health, old age and unemployment and, at the same time, into assistentialist policies derived from a social spending with a comparatively low level in the field of income maintenance and protection of families and children. The limitations on the implementation of Law 39/2006 for the promotion of personal autonomy and care for dependent people, currently in the process of being subjected to new budget cuts, have not had the desired effect to become an antidote against this situation.

Literature repeatedly evokes two poverty situations involved with poor coverage and intensity of social protection system. The first one is the lack of specific measures in family households at risk of poverty with a member employed (lack of coverage). The second one is the existence of homes that, despite having received socioeconomic transfers, are still at risk of poverty (lack of intensity).

Sticking to this discussion, it is proposed:

7. The idea of social spending as an investment must be retaken and to ensure social cohesion, especially in the current time, where the increase of vulnerability situations requires investment in social policies as a necessary condition to cover the needs of citizens and to ensure a more egalitarian cohesive society.
8. Efforts must be made to reach, as soon as possible, a national pact against poverty and social exclusion.
9. It is necessary to improve the existing protection systems, often aimed at protecting the unemployed person but not the person that may be at risk of poverty, even working or having exhausted all benefits and allowances. Giving limited economic aid incompatible with work, can open the door to informal economy. In this regard, we should consider the creation of a safety net for family situations with lack of resources, that are compatible with low incomes.
10. According to the *Sindic's Report on child poverty in Catalonia*, it would be necessary to incorporate and/or improve progressive criteria, both in the income threshold entitling the provision, as in the intensity of the benefit granted.

The poverty risk related to the labour market

The crisis has had very negative consequences in the field of employment in Catalonia, more intense than in other countries in the European context. The result of the job loss has been a significant increase in unemployment.

The consequences that crisis is having in social terms can clearly be seen when analyzing the impact of unemployment at home in Catalonia: from 2007 to 2011 the households in which all adult members are unemployed have increased fourfold (from 48,000 to 194,000). In the same period, the households where the main breadwinner person is unemployed have multiplied by three, from 89,000 to 281,000 households. A third indicator is the increase in the number of households that do not receive any income from work or the pensions system nor unemployment benefits: from 57,000 in 2007 to 91,000 in 2011.

According to data from the Survey of living conditions (ECV), there is an increase in the poverty rate in Catalonia during the period of the economic crisis: this indicator rose from 16.6% in 2008 to 19.9% in 2010. An increase in the intensity of poverty and an increased inequality in income distribution in Catalonia has also been observed. We must emphasize that to the groups that are classified as vulnerable people have joined so far people little accustomed to use public or private assistance as a result of losing their job: in this sense, the crisis has given rise to new forms of poverty and strengthened the existing ones. As indicated in the qualitative research of the Report, the perception is that the dominant poverty risk is widespread and almost anyone can fall in poverty related to the labour market. So vulnerability has spread to socioeconomic areas previously considered middle class and relatively "safe."

From our analysis of the data provided by the ECV for the years 2009 and 2010, we can draw the following important aspects:

- According to the terms of the economic activity, unemployed people are those that have a higher rate of poverty risk (30.3%).
- Regarding to the relationship between the household and the economic activity, the rate reached 47.7% in households where all active people are unemployed. In this sense, the labour intensity of the home becomes a major factor in explaining the poverty risk related to work.
- In households with dependent children in which neither of the adults work, the risk reaches 59%, and 34.2%, when any of these is active. Therefore, the existence of economically dependent people and work intensity at home would also be a factor at explaining the poverty risk related to work.
- In relationship to the professional situation, poverty rates are higher among people who work in family support (38%) and in the case of self-employed people (31.9%), although we cannot forget the significant impact that the informal economy has in these groups.
- All data indicate that there is an inverse relationship between working hours and poverty. At less working hours, the risk of poverty is higher.
- The poverty rate is higher in the case of workers with a temporary contract than in the ones with a permanent contract.
- Regarding the occupation group, qualified workers in agriculture and fishing (30.8%) and unskilled ones (21.4%) have a higher risk.
- Regarding the sector, the risk is higher in real-estate activities, in the fields of agriculture, livestock, forestry and fisheries, in construction and in the households sector as domestic staff employers. We also observe an increased risk among people who work in small firms, especially micro-enterprises.

As complementary profiles, cited in the qualitative research, we should mention people of immigrant origin, especially in the cases they have lost the employment contract and work and/or residence permit; adults between forty five and sixty years old having always worked in a particular area and having lost their jobs in industrial and masculinized fields; young people, especially when they belong to dysfunctional families or when they have not yet reached to a first job; people and families that had incurred into debts during the growth cycle and now have difficulties in paying them, lower grade profiles, and finally, individuals or families at risk of social exclusion, as the most vulnerable.

Given these considerations, the CTESC recommends:

11. We should not ignore the need for adequate remuneration, based on a strengthened social dialogue.
12. We should promote active inclusion strategies, quality jobs, including salary and benefits, working conditions, health and safety, access to ongoing training and career prospects, especially in order to prevent the poverty risk for people who have a job.
13. If we want to reduce significantly the poverty risk linked to the labour market, it is essential to increase the labour market participation of adults belonging to households with low work intensity.⁸
14. Tackling undeclared work is an important tool, among other things, to fight against the poverty risk related to the labour market and to promote the sustainability of public policies. But the structure of tax and social contributions should be improved in order to avoid discouraging formal work.

1.5.2. The impact of the poverty related to the labour market

As evidenced by the qualitative analysis, the intensity which the poverty is related with the labour market affects or has affected the daily life of the people interviewed varies depending on several factors such as the duration time unemployed and the labour uncertainty, the characteristics of the family home (ie dependents, labour intensity, etc.), available capital, the ability to implement strategies to adapt to new circumstances, or the role played by social protection.

In some cases, the circumstances that characterize the situation of these people and the families are located very close to the scene of social exclusion, but not inside, so it is worth to highlight the cushioning derived from the family and social network and / or the granting of financial assistance of specific social emergency. We can't forget that access to social services and organizations in the Third Social Sector is often delayed in time, particularly in the new poverty profile, given the social stigma attributed to this type of resource.

Another consequence of the increase in the poverty rate, the intensity of poverty and inequality in income distribution is the deterioration of people health directly affected by these adverse circumstances and confirms the qualitative research report. Quite often physical health problems are related to working conditions, with special attention when working in the informal economy. In addition, it shows some progressive deterioration of physical health related to the reduction or even elimination of basic expenses (ie a healthy diet, personal hygiene, care of mouth, etc..) And/or erosion of personal self-esteem. In some cases, loss of job, reduces the labour intensity of the family or worsening working conditions may adversely affect the mental health of people.

As for the family, the qualitative analysis reflects, in most cases, a deterioration of the home environment and in the relational network. The need or desperation may force people at risk of poverty or to request support material affects to immediate family and friends. However, in a situation of deep economic crisis and widespread sense of vulnerability, it is not surprising that the social network of individuals and families at risk of poverty tends to debilitate with time in the field of economic solidarity.

⁸ The indicator of the work intensity at home, adopted in 2004 and developed in 2010 in the framework of the Europe 2020 Strategy. It is defined as the ratio between the number of months that all the members of the household in working age have been working, compared with the total number of months that could theoretically work. The value of labour intensity (IT) = 1 indicates that all the persons in working age of the household have worked throughout the year. At the other end of the IT value = 0 indicates that none of the household members in working age have been occupied during the period. Households with low work intensity are those in which its adult members (people aged 18 to 59, excluding 18 to 24 years studying) have worked less than 40% of their total working time during the 12 potential months.

1.5.3. Improvement/exit strategies in poverty risk situations

As it has already been noted in the qualitative analysis of the Report, the poverty risk in relation to the labour market is relatively new to most people interviewed and, simultaneously, it is an adverse scenario in relation to which progressive distance is established by developing personal exit strategies and/or the access to resources and services more or less institutionalized.

As for the "external strategies", job search is initially prioritized by half of those interviewed, often without a minimal guidance due to ignorance of the available capital. In this regard, access to institutional resources sooner or later represents, in most cases, the introduction of planning elements in job search strategy, particularly through the paths and the job placement orchestration of educational measures that in some cases also serve to strengthen the self-esteem of the person at risk. It must be said that participation in training becomes a strategic response amid a labour context with growing expectations regarding the level of training and competence of employees. Moreover, the benefits of training are amplified to other areas, such as psychological well-being and social capital.

Although occasionally, entrepreneurship appears as a strategy for overcoming poverty risk associated with work. Other "external strategies" named are access to part-time jobs or access to the informal economy.

As for the "internal strategies," the most highlighted one by the interviewees, apart from the regular cost control, is the fact of reducing housing expenses by optimizing its use.

The qualitative study shows that the catalyst of change processes and, at best cases, the possibility to go out of the poverty risk is the restoration of the link with the world of work, either through insertion, or through more or less direct access to the labour market or business activity (ie insertion without additional training, entrepreneurship loans, etc.).

It is important to note that the itineraries of insertion, despite their diversity in terms of structure and flexibility in phases, have common mechanisms including diagnosis, guidance and/or training that provide an access to the labour world to the workers who are in a poverty risk situation.

At the same time, it should be noted that the "structural" dimension (ie programs and services) and the "human" dimension (ie staff) are closely linked in the speeches of interviewed people related to resources and services used. As in many other cases related to the promotion of improvement processes and the overcoming of adversity (ie, school failure, crime, disease, etc.), also in the poverty risk situation related to the labour market is key the presence of reference figures to establish an empathetic relationship which facilitates the management of an emotional situation that often is experienced with anguish. Thus, local work deserves a very positive evaluation and confirms the relevance of personalized service to strengthen self-esteem and proactivity among people at risk of poverty related to the labour market, regardless of whether counseling has been received in the early stages of insertion itineraries.

Given these considerations, the CTESC proposes:

15. Given the consensus existing regarding the benefits of support and guidance, a single labour reference should be maintained with tasks of professional guidance and labour support and should be present from the start.
16. Empowerment should be a key element in the occupational guidance process and support to people. In this regard, it is relevant the relationship of proximity and empathy between professionals and people at risk of poverty in order to enhance self-esteem, empower users and make them jointly responsible for its insertion itineraries.

17. Mechanisms conducive to entrepreneurship and self-employment should be strengthened. So, it would be necessary to encourage entrepreneurship and entrepreneurial capacity in post-compulsory and compulsory education stage, ensuring the perception of entrepreneurship and the role of the company. It would be also necessary to provide the necessary knowledge and take appropriate measures for each stage in the process of creating a new company with the objective of minimizing the risks inherent in entrepreneurship, especially in vulnerable groups.

1.5.4. Tools and resources to combat the poverty risk related to the labour market

It is complex to separate policies to combat poverty related to the labour market from the ones related to combat poverty and social exclusion. Actually, from the European Commission Communication, October 2007, 17th entitled "Modernising social protection for greater social justice and economic cohesion: taking forward the active inclusion of people furthest of the labour market", a holistic strategy called "active inclusion" is constituted, aimed to assist member states to mobilize people able to work and provide appropriate assistance to which that are not. The objectives of this strategy seek to strengthen the links between job placement, the guarantee of a minimum income and access to social services of general interest. This strategy reiterates the recommendations of the European Commission in 2008 about the active inclusion of people excluded from the labour market. However, due to the effects of the economic crisis, from 2009 there is a dissociation between social and active inclusion reflected in a legislative resolution by the European Parliament on the active inclusion of people excluded from the labour market on the understanding that active inclusion cannot replace social inclusion. However, some policies face directly the poverty related to the labour market in the form of cash transfers and social benefits such as tax measures, the establishment of minimum wages, unemployment benefits, active labour market policies, family policy or a combination of these measures.

In Spain, with high unemployment, Government policies have focused on protection for the unemployed people and in promoting integration into the labour market. In short, there is no specific protection for the poor workers, excepting the Basque case where law rules the income guarantee protection specifically against poverty associated with low wages. Through the analysis of this Report two key instruments are considered specifically as ways out to poverty risk: the Minimum Insertion Income (RMI) and Active Employment Policies (PAO). These two instruments fit into the European speech that combines minimum income and PAO in understanding integration primarily as an access to the labour market. Thus, we see that in Europe most governments are making an effort to coordinate social policies and employment in order to ensure access to the labour market through activation policies addressed to groups that are at the margin. Also, with regard to income guarantee instruments, we cannot set aside provision and unemployment benefits. Finally, the actions of social services are also an instrument that could be described as the last step in the fight against poverty resulting from the labour market.

The global management system of pathways for getting out of poverty risk situations related to the labour market includes tools and resources that may be typical of the public sector, the Third Social Sector or the private sector. Based on the Report findings, among other things, the lack of resources in growing demand is shown as well as the difficulties in meeting it, with an overflow perception in professionals and in users. Difficulties in coordination are also showed, both between different Government administrative agencies (which sometimes can result in duplicities and gaps), and between the Government and the Third Social Sector organizations. Similarly, in the case of the public sector, there is also a lack of flexibility and the inclusion of excessive bureaucracy and processes that can lead sometimes to the dislocation between administrative actions and social reality.

But there are issues that are high valued: on the one hand, the adaptability of the actions taken to the case; on the other, personalized orientation, based on a single user reference, enabling a more

profitable activity of tracking and monitoring. When there is not a personalized treatment, users of these services miss sorely this element.

Given the above considerations, the CTESC recommends:

18. Some resources should be increased to fight poverty risk associated with work, both human and material, as well as improve their management through better coordination of existing services and promoting shared and accessible information to all those who work in this field. In any case, we should set the objectives of poverty reduction in accordance with the allocated resources and the operating system.
19. We should clarify the skills and services offered by various institutions and organizations involved in the fight against poverty processes. A greater coordination and cooperation between authorities, administrative agencies and social organizations in the field of combating poverty and social exclusion is also recommended, with the dual goal of achieving more effective actions and to avoid duplication and waste of resources.
20. The Government should be more flexible, more transparent and try to reduce bureaucracy in procedures. It would be necessary to overcome definitively the "dislocation" between the administrative and the social reality. Thus, the current supply of services does not guarantee its stability over time. Simplifying the process can help avoid difficulties for people who are at risk of poverty related to the labour market.
21. It would be also positive to make more flexible and adapt the available tools depending on the social situation and the needs of users, thinking in the ultimate goal better than tracking rigid actions.
22. We should improve the transversal character of activities by incorporating the efforts of various sectors involved in the areas of poverty related to the labour market, given its multidimensional nature (social policies, education, health, housing, etc.).
23. We should move more decisively and effectively in the prospective analysis of the labour market, both in Catalonia and in the local areas, and to inform companies about the labour mediation tools and resources.
24. We must demand to governments and all stakeholders to establish evaluation mechanisms. In this regard, it is recommended to introduce a stable evaluation system of resources, processes, tools, results and impact of policies for job placement and for combating the poverty line. The results of these assessments should be used to guide public action to combat the risk of poverty and social exclusion, develop improvement measures to provide allocation of resources and encourage the adoption of best practices.
25. All stakeholders should be aware of the importance of the relocation programs in the social plans of the companies. This tool can help to optimize resources.
26. The preventive action against the risk of poverty related to the labour market should be one of the major functions of social protection in order to avoid that the risk of poverty takes a non reversible path and gets cronical in the form of social exclusion.

Public sector

Guaranteed income instruments

Based on the results of the Report, the guarantee income instruments to fight against poverty risk situations related to the labour market are the aids and the unemployment benefits, the Active Insertion Income (RAI) and minimum income (RMI). There is also the professional retraining program based on PREPARA employment policies actions and the perception of economic aid support. The job losses resulting from the financial and economic crisis makes these instruments become more critical in ensuring a minimum income. Also, note that the link between the passive policies and the active employment policies is increasingly reinforced.

From the literature and qualitative analysis conducted in this Report, it is clear that there are situations that are not covered by the social protection system. In particular, there is a lack of specific measures in homes that are at risk of poverty even though some of their members is working (pov-

erty at work); the situation of lack of coverage is also showed respect of those who have exhausted all benefits and allowances to which they were entitled after losing his job (long term unemployment). In addition, it is detected the need to clarify the scope of coverage for each benefit and establish mechanisms to facilitate the transition between them (RMI, non-contributory pensions and other benefits).

In this regard, the CTESC recommends:

27. A minimum income should be guaranteed to avoid falling into poverty and social exclusion for vulnerable groups. In this sense, after having exhausted the benefits and/or unemployment benefits, people should have access to a guaranteed income for subsistence related to training and employment, participation in social, occupational insertion itineraries, etc. to enhance the positive aspects of the person and avoid isolation and personal disorganization caused by inactivity.
28. We should develop policies that provide adequate income support to workers when they are at risk of poverty.
29. We should improve information to users about various services and support to see the suitability and possibility to its access and, in turn, facilitate the transition between them (non-contributory minimum income pensions and other benefits).
30. The criteria to access to the economic benefits for the most vulnerable groups should be improved and/or redefined. Thus, for example, households with low work intensity (especially households with dependent children) are among the groups that are not sufficiently covered by the provision of social protection.
31. As stated in the Síndic's *Report on child poverty*, we should establish procedures to access to flexible features in order to encourage proper adaptation to changes in the socioeconomic status of the population in time and also to promote the ability to adjust the intensity of the aid to the actual conditions of users at any time. For the same purpose, we should reduce the timeframe for the resolution and payment, speeding up the process.

Minimum Insertion Income

The RMI is considered the "last network" of social protection and now part of the economic benefits detailed in the Letter of services established in Law 12/2007, on Social Services.

The most characteristic feature of this benefit is the commitment acquired by insertion holders, according to the individual plan of social and occupational integration and reintegration (PIR), which is linked to activation policies as a way to avoid social exclusion. However, evaluations indicate that, although the ending result is a social improve of the users situation, they are still largely vulnerable, which often leads people to return receiving the benefit.

As for the RMI in Catalonia, after a period of expansionary policy of the service, from 2011 onwards it enters a restrictive stage affected by budgetary constraints, despite the increasing demand of the public social policies. A redefinition of the RMI program that was approved has resulted in, among other things, a reduction in benefits and the target group who has access to them. Probably one of the most controversial changes, affecting especially the area analyzed in this Report, is the inability to provide access to people who are presenting a problem due to lack or loss of job and do not demonstrate social or job placement difficulties added.

The current trend in terms of the minimum income is the gradual transfer of its management to the employment services. An antecedent is the French income of active solidarity that, from 2009, transfers people receiving the RMI services to private agencies or job placement. Something similar happens in the case of the Basque Income guarantee pursuing a closer connection with the provision of job search, the reason for which Basque employment services (Lanbide) have taken full management of benefits. Actually, in Catalonia, a similar process is viewed by the Decree

60/2012, 29 May, in which the technical administrative body of the Interdepartmental Commission of the Minimum Insertion Income came under the attachment of the Department of Enterprise and Employment.

In this situation, there are the following proposals from the CTESC,

32. Given the restrictions on access to RMI for people who are at risk of poverty related to work, in accordance with the Dictamen 6/2011 prepared by the CTESC, the Government of Catalonia should maintain a final financial safety network for people without access to income, as noted in recommendation 27, without prejudice to the need for finding solutions to the problem of the Administrations responsibility. Otherwise, we should incorporate again the group of people at risk of poverty related to the labour market in the RMI.
33. We should allow simultaneity between work and the perception of the RMI. Actually, in the Catalan case, it would suffice if the job placement complement is recovered with a new design, discounting the undesirable effects of these types of measures.
34. It would be necessary to make more flexible the time limits on the RMI provision and link them to the objectives and the time horizon of insertion itineraries.
35. Following the line advocated by the Catalan Federation of Social Action (ECAS) and the Catalan Institute for Public Policy Evaluation (Ivàlua) measures should be strengthened to support and accompany the social and labour route during the first six months of entry into the program, since this period is critical for its users.

The active employment policies

The active labour market policies (PAO) aim to promote the employment of people seeking access to the labour market, and to promote the maintenance and improvement of employment of those who are already occupied. Actions linked to PAO can be classified into three groups: guidance, brokerage and placement, training and retraining, and finally, promotion and job creation.

As for guidance, brokerage and placement, interviewees emphasize the importance of prospecting, as it gives the possibility to know well the territory, the resources of the area and everything that has an impact on the quality of brokerage services. This survey is considered one of the strengths of local economic promotion services, when they do this task. In qualitative research it is showed that the Galileo Occupational Guidance Platform used by the SOC to monitor the routes is a tool that receives a positive rating.

In qualitative research, in terms of professional qualifications, there are three types of actions: first the training qualifications on professional development, and secondly, the accreditation of professional skills, formal and informal education, and finally, actions combining professional expertise with training. It must be said that the last action is the best valued by the interviewees, especially highlighting the "Suma't" project.

Recently the Catalan Strategy for Employment 2012-2020 has been approved; it is becoming the strategic plan that takes into account the lines which are being promoted in the areas of employment, skills and social cohesion as well in the European as in the Spanish field. As part of this strategy, in February 2012 the Development Plan of Active Policies 2012-2013 has been approved, structured in a generic Letter of generic services of the Employment Service of Catalonia (SOC),

over a range of services targeted at specific groups, sectors, and regions for innovation and modernization.

The European Union, in its recommendations to Spain, highlighted the importance of PAO and the need to increase efficiency. Recent budgetary constraints can limit the choices of people who need training and orientation to join the labour market and, in turn, can produce higher costs in other social protection services in the medium and long term. In late 2011, when the fieldwork of qualitative research was done it was indicated that the existing training in those days was not enough to absorb all the requirements.

The CTESC recommends

36. Efforts should be expended to improve the links between active and passive policies of occupation. Some evaluated experiences confirm the efficiency of effective policy coordination between the two areas.
37. The link with the labour market is the key to reverse the situation of social exclusion. Due to the importance of insertion pathways, it is considered that public policy should prioritize active labour market policies (guidance, training, support training, mentoring and monitoring insertion paths...).
38. It is necessary to implement actions to promote job placement as quickly as possible since it produces unemployment and it favors the return to work.
39. We should think upon the content, methods and strategies in the activity of guidance and support. In this regard, additional efforts should be made to provide all the necessary means to a proper professional guidance and support: adequate initial and continuing training, resources availability and tools, information on the labour market and so on.
40. It is necessary to continue adapting professional training to the needs of the production system, although often training implementation is still determined by the institutional framework and the management dynamics of schools and teachers and, therefore, tends to exist a certain distance from the business.
41. Commitment to programs combining education with experience is clearly correct in certain profiles. Consequently, it is a way that should be promoted in professional training and training for employment.
42. According to the previous recommendation, we should clarify the purpose and concept of practices, and thus advance in the educational quality, since they cannot be confused with paid work.
43. It might be advisable to speed up the accreditation of professional skills acquired through experience in those people who, although they present a low qualification, have already work experience.
44. It might be advisable to ensure active employment services offered throughout the year.
45. It is appropriate to continue investing in new technologies to improve the efficiency of active policies. As indicated in the Catalan Strategy for Employment, it might be advisable to prioritize the implementation of an information system which allows, among other things, to the network of occupational operators that they incorporate information and knowledge on different territories and facilitate innovation in management processes, such as the existence of a shared history or an integrated tool orientation.

Social services

Social services, as the last step in people's welfare, have increased significantly the number of actions, while the available resources have not increased in the same way. According to the qualitative analysis, social services are overwhelmed and at times they are a barrier to the crash severity of the economic situation of many families, which is evident by the increase in urgency performances, which are aimed mostly to cover costs of food and housing.

It is necessary to highlight the importance of community services across the territory on the basis that solutions to individual problems can be found in a collective approach. There is work to make around the concept of social capital, defined by the network of family, neighborhood and solidarity.

The Report finds some resistance from people to address social services, especially by people who respond to the new profiles of poverty, because services are being poorly seen in society. Moreover, the lack of experience of individuals and families who have fallen for the first time at risk of poverty related to the labour market can be a hindrance when moving in the field of social care.

Sticking to this discussion, it is proposed:

46. We should ensure coverage of basic needs to individuals and families living in poverty and/or social exclusion: food, clothing, housing, school services (transportation, dining, books, materials, and leisure activities, etc.).
47. In order to avoid a multiplicity of professional references and ensure continuity in the users' attention and monitoring, it might be appropriate to measure adequately the strength of financial and human resources of social services in accordance to the provisions on the Social Services Law.

Third Social Sector tools

The Third Social Sector encompasses a diversity of organizations working for social inclusion and social cohesion with a focus on the most vulnerable people.

Its main instruments are, firstly, training, counseling and labour insertion actions; secondly, routes of insertion, a fairly common methodological model: first a task of orientation, then job training and finally, insertion. However, people are now considering more flexible and tailored routes to the specific needs of users when building integration. Finally, there are a number of additional services and assistance in job placement: housing mediation service, financial assistance to meet basic needs, loans without interest.

These organizations also collaborate in the management of RMI itineraries, which include job placement companies.

We consider as an added value the Third Social Sector financial autonomy and, therefore, its independent action and decision. This autonomy and its size allows greater adaptability of the actions to be undertaken as appropriate. And this adaptability is based on a tracking task and personalized support.

But the Third Social Sector also suffers from difficulties in coordination, especially with administrations, which often end up affecting the quality of tracking routes to users. The need to meet targets set by the Government which finances certain programs can, in some cases, skew the profile of potentially eligible persons, with the risk that the most vulnerable groups remain neglected.

As indicated in the plan to support the Third Social Sector, the CTESC recommends

48. We should establish measures to ensure sufficient income to the Third Social Sector, given its financial vulnerability as a result of an excessive reliance on public funding.
49. It might be advisable to improve the training of the professionals of the organizations, with the aim of improving their management skills.

50. Some measures should be established to simplify procedures and relations with the Government as a way to facilitate the activities of social organizations.