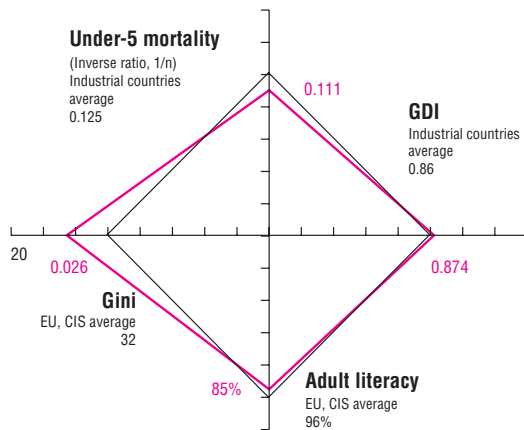


•GLORIA ANGULO

## PANORAMA OF INEQUALITY



The Equity Diamond: National values in terracotta compared to regional ones in blue.

*In the past ten years, Spain has undergone a visible process of reducing inequality. The degree of wealth concentration has diminished, social benefits have been extended to a wider range of recipients and poverty has been reduced; the increasing incorporation of women in the labour market has narrowed the gap between lifestyles of the two sexes; the extension of the welfare state and other politico-institutional and economic factors have improved social parameters and brought about a progressive reduction of inequality.*

However, tensions are expected to arise in the future as Spain is poised to enter the European Monetary Union. This objective dictates a severe budgeting policy, which will mean restrictions on public spending throughout the range of social policies.

### THE DISAPPOINTING SUMMIT FOLLOW-UP

The Spanish government's follow-up to Copenhagen Summit commitments is disappointing. Despite the declarations, there is no defined strategy to reduce poverty, although, in the most needy countries, this is the main objective of official development co-operation. Thus, in 1995, Spain dedicated only 13% of its official development aid (ODA) to basic social programmes and projects; in 1996, this was no more than 11%. Nor have commitments undertaken for the geographical distribution of aid been fulfilled, as only 0.04% of aid went to the less advanced countries.<sup>1</sup> Similarly, civil society follow-up carried out by NGOs has been insufficient and unsystematic. Even when NGOs presented claims on many of the commitments to the government, they had no strategy for social campaigning on the issues.

The verdict on follow-up to the Beijing Summit is more optimistic. The Ministry of Employment and Social Affairs, through the Institute of Women, was charged with promoting the commitments. This entity drew up the «III Plan for Equal Opportunities between Women and Men», which incorporates the conclusions reached at the Summit. Non-governmental women's organisations and civil society representatives worked in the production of this plan.

<sup>1</sup> Source: Report from «The Reality of Aid 1997» – INTERMON Foundation.

## STATE POLICIES

State action has had a key role in improving welfare and social equity. Activities that have helped to diminish social inequalities can be grouped into three main categories:

- The first includes the group of public policies on education, health, housing, social protection and social services. These policies develop the economic, social and cultural rights that are recognised by the Constitution. These policies have been useful instruments in the reduction of unequal access to certain goods and essential services by individuals and groups.
- The second refers to direct acts of income redistribution. These are basically carried out through taxation and involve positive transfers of income to poor households to help them cope with various situations of risk. Benefits paid by the social security system and subsidies for illness and unemployment are the main lines of protection, and those which have increased most in the last decade. Invalidity, maternity and family benefits have seen their leading role in the social protection system reduced.
- The third covers actions aimed at achieving better balance between the various territories. Here, the state creation and consolidation of independence has, without doubt, played a relevant role, as has Spain's entry into the European Community – a move that has allowed extra funds to be made available precisely for these ends. However, development in the last three decades has reinforced the hegemony of the cities and the metropolitan areas to the detriment of employment and income opportunities in the rural areas. Thus, in 1993, the independent communities with the greatest weight in the rural sector (Extremadura and Andalucía) had a per capita GDP of 66% and 69.2% of the national average respectively, a rate which stood at 142.1% for the richest area – the Balearics.

## UNEQUAL ACCESS TO THE LABOUR MARKET

A broad spectrum of demographic and socio-economic phenomena have produced important changes in the labour market, both in the size and composition of the economically active population and in employment opportunities and working conditions. One notable factor is the job market's inability to absorb all of the people who are seeking employment. The baby boom children of the sixties – who have been entering the labour market since the eighties, increased access of women to the job market, and the

transfer of workers from the agricultural sector have caused an expanding demand for work. However, the productive system, conditioned by structural change and labour-saving technological modernisation, is incapable of generating sufficient jobs for all these people. Exclusion from the labour market therefore constitutes one of the most serious and persistent sources of social inequality in Spain.

If we compare data from the last two Censuses (1981–1991), the economically active population in Spain grew by about 20%, assuming a net incorporation of 2.5 million people into the work market; 80% of these are women and more than a million are aged between 20 and 30. The contrast between the increase of potential workers on the one hand, and the lowered capacity of the production sector to generate jobs on the other, has resulted in a large increase in the number of unemployed. Unemployment increased substantially in the last 20 years. From the 120/130 thousand unemployed in the sixties, the number rose to nearly 3 million in 1985 and to more than three and a half million in 1996. **In 1997, 21.5% of the economically active population in Spain were unemployed.**

In general, rates of unemployment in the less specialised socio-economic categories are double those of workers with greater training and experience. Also the less specialised occupations have greater rates of seasonal and casual labour. Young people are in the most unfavourable position, despite their higher levels of qualifications, with unemployment rates far higher (39.3%) than the average.<sup>2</sup> Breaking into the employment market is especially hard, with many people seeking a first job. The young also suffer the highest proportion of long-term unemployment, insecure jobs and irregular contracts. The situation at the other end of the age range is equally difficult, especially in the population aged over 50, who have a hard time reentering the job market.

TABLE 1.

Employment and unemployment rates according to age and sex 1996 <sup>3</sup>							
Employment Rates				Unemployment Rates			
	Total	Men	Women		Total	Men	Women
Total	49.6	63.1	37.0	Total	22.2	17.6	29.6
From 16 to 19	24.3	26.6	21.8	From 16 to 19	50.8	44.2	59.4
From 20 to 29	69.6	74.5	64.3	From 20 to 24	39.2	33.7	45.7
From 30 to 39	78.9	95.3	63.1	From 25 to 29	29.3	24.5	35.5
From 40 to 49	71.9	94.0	50.4	From 30 to 34	18.5	13.6	26.0
From 50 to 59	55.4	81.1	31.1	From 45 to 54	13.4	11.4	17.7
From 60 to 69	16.3	24.4	9.3	From 55 on	10.9	10.8	11.2

Source: Survey of the Working Population, INE 1996.

<sup>2</sup> Percentage of unemployed aged under 25 years old. Source: Eurostat.

<sup>3</sup> The employment rate is the percentage of people aged 16 or over in any given week providing labour for the production of goods and services or available for work and going through the process of incorporation. The unemployment rate is the percentage of potentially active people who were not employed or had not worked in the reference week.

Like young people, women also occupy an unfavourable position in the labour market with very high unemployment rates. In 1996 the rate was 29.5%, 12 points above the corresponding figure for males, with similarly elevated rates of casual work and irregular contracting. Marginalised minorities like the Gypsies or immigrants suffer from irregular integration in the job market. Gypsies tend to carry out marginal tasks in return for subsistence income. Immigrants take the hardest, worst paid jobs, those that are normally rejected by national workers (day labouring, domestic labour) and they frequently lack social protection.

Lastly, there are territorially dependent inequalities in the labour market that are linked to the sectoral specialisation of the regions. The highest levels of unemployment correspond to agricultural areas (Extremadura and Andalucía) and those with sectors in crisis (Asturias and the Basque Country).

## INEQUALITY IN ECONOMIC RESOURCES

Comparing distribution of expenditure by household between 1980/81 and 1990/91 shows a slight reduction in inequality. In fact, the Gini<sup>4</sup> spending index for this period goes from 0.3724 to 0.3593. This trend continued in the early nineties (1991–94): households in the lower tenth percentile slightly increased their participation in total spending, while the spending of the richest tenth remained practically unchanged. As a result, the ratio between the average spending per household of the last and first tenths in the 1991–94 period dropped from 5.7 to 4.8. The most vulnerable households, those with the lowest level of income and expenditure, are single parent homes with a female head of household in 94% of cases, or those made up of an old couple and bigger families. Despite increases in benefits, households where the main earner is aged 65 or over have a lower level of resources.

**The young, mainly women –as they are more likely to be out of work, have less secure contracts and be less well paid– are equally poorly off.**

Educational level, far more than socio-economic category, turns out to be the most discriminating variable in relation to household incomes. Spending in those homes with a higher educational level is three times that of households headed by someone who is illiterate or uneducated.

## EDUCATION, HEALTH AND HOUSING

The effective implementation of compulsory education and its extension to middle school was a great advance on the equality front.<sup>5</sup> Inequalities can now be seen only in reference to non-com-

pulsory levels of education. However, there are minority groups – Gypsies and immigrants– who do not complete their compulsory education, often leaving school early. The greatest inequalities in educational level are age related. The average number of years of schooling is a clear indicator: the years studied have increased from an average of five for people over 70 years old, to eleven for those aged 20 to 30 today.

TABLE 2.

Population aged 10 years and over by sex by level of education % 1991			
	Total	Men	Women
Total	100.0	100.0	100.0
Illiterate	3.3	1.8	4.6
Uneducated	21.6	20.3	22.9
First grade	34.1	34.1	34.0
Second grade	34.2	36.2	32.2
Third grade	6.9	7.6	6.3

Source: 1991 Population Census, Tome I, National Results, INE.

There are significant inequalities in people's educational levels according to the socio-economic category of their parents. Thus, the proportions of the population with no education oscillates between 0.4 and 13.7%, depending on whether their parents were expert employers or unqualified employees respectively. However, there are significant indications of social mobility, at least amongst the younger generations. Certain territorial inequalities also persist, as the situation is worse in regions with greater rural area and lower incomes. Place of residence also plays a role in the continuation of non-compulsory studies. In general, this implies that people change residence in order to study, something only families with a comfortable income can afford. The recent extension of universities, university centres and departments across the country outside the traditional university cities has improved this situation.

Life expectancy (76.81 years in 1994) continues to lengthen and mortality rates are falling (869 persons per 100,000 inhabitants in 1993). Among the elderly, this reduction in mortality means an increasing number of people who are disabled or unable to carry out day to day activities. **Among the young,**

4 The Gini Index is one of the most used measurements of inequality. It is obtained from the sum of the different absolutes between each pair of incomes of the distribution without needing to refer them expressly to a measurement of position. Source: *Inequalities in Spain*. Fundación Argentaria (1995).

5 Another important step forward has been the integration of special needs students with either physical or mental disabilities.

**traffic accidents, drug addiction and AIDS are growing causes of death.**

The improvements introduced by the Public Administration have reduced social inequality. However, some level of social inequality is maintained since services not totally covered by Social Security –like dentistry, preventive medicine and mental health care– have to be paid for privately. Another important aspect of inequality in health care is the waiting time suffered by a good part of the population treated under the public health system. From the territorial perspective, the inequalities are fundamentally reflected in the availability of doctors, beds and health provisions. All of these are less accessible to those living in outlying areas, and this is even more so where specialised medicine is concerned.

Living conditions have improved and over-crowding has been reduced in the past few years. Buildings that do not meet the minimum housing standards are few and their number is falling. However, lower income homes (the first quarter) and a large part of the ethnic Gypsy and immigrant population still put up with uncomfortable conditions. These conditions are worse in the more rural, less developed zones. Meanwhile, the problem of access to housing has increased, mainly due to the large increase in prices in the second half of the eighties. Although homes are the most widely owned type of property among Spaniards, home ownership often entails a long period of indebtedness, which swallows up a large amount of the available resources. The young face the greatest difficulties in setting up homes, something which is even harder in the urban areas.

**POVERTY AND SOCIAL MARGINALISATION**

In the last 20 years, inequality and poverty have fallen on all levels, both moderate and severe, and the profile has changed. The poverty rate<sup>6</sup> has dropped by around two percentage points from 19.5% of Spanish homes in 1981, to 17.5% ten years later. Poverty is hardest on people aged over 65 –who generally are poorly educated– but their proportion has also fallen in recent years. Meanwhile, the amount of poor secondary school leavers has increased.

On the gender front, although most poor households are headed by men, **the number of poor households headed by women, especially young women, has increased.** Some 5.6% of households in this last group were in a situation of relative poverty in 1981, with the figure rising to 18.1% in 1991; in the severe poverty category the proportion has risen from 16% to 25%. Along with education, the lack of a well-paid job or a decent income from benefits explains poverty in some homes. The most rural areas (Extremadura) suffer the highest incidence of this poverty.

**UNEQUAL OPPORTUNITIES FOR MEN AND WOMEN**

Inequality is still large, despite the progressive narrowing of the gap between the sexes.

The increasing inclusion of women in the labour market has been encouraged by the increase in services, mainly in the public sector. Women are freer from reproduction linked tasks and a wide labour market has been generated in traditionally female ambits: care for children, old people, etc.

However, in 1996 the rate of female employment was still 26 points behind that of men. The difference is present for all the age groups but is lower for younger women, increases up the age scale and drops again near retirement age. Marital status and educational levels are determining factors. One in every three married women is economically active; so are more than half of single women aged 25, and three-quarters of separated or divorced women. At higher education levels, the female employment rate is higher than that of the men.

Women are clearly worse off in terms of income from salaries, earning around 27% less than men at the same professional level. These differences are more accentuated at higher-qualified professional levels.

TABLE 3.

Rate of employment according to sex by level of education and marital status (%) 1996			
	Total	Men	Women
Total	49.78	63.2	37.24
Educational level:			
Illiterate and uneducated	9.41	16.89	6.33
Primary	22.11	33.49	13.75
Secondary or higher	42.97	61.56	25.71
Technical professional	80.9	83.48	77.09
University and other	69.47	71.23	68.17
Marital status:			
Single		58.04	39.39
Married		66.58	35.57

Source: Working Population Survey IV Quarter 1996, INE.

The birth rate has fallen drastically and women are having their first child later. The average number of children has continued to

<sup>6</sup> The poverty rate is the percentage of the population earning less than half the average per capita income. Source: *Inequalities in Spain*. Fundación Argentaria (1995).



fall, reaching 1.21 children in 1994. Nevertheless, Spanish women reduce the amount of time they dedicate to studies or paid work when they get married or have children.<sup>7</sup> This is due in part to unpaid housework, which appears exclusively in the female biographies: women do seven times more housework than men, although the difference is slowly diminishing.

Discrimination against women in education was an important factor until the sixties, but gender differences have now practically disappeared. Thus, for people under 30 years old there are barely any differences in gender related illiteracy and the average level of education is even somewhat higher among women. But in the population as a whole there are still differences, thus, 5.39% of Spanish women class themselves as illiterate, compared with 2.32% of men, and the proportion of women with more than a first degree is lower than that of men, 6.3 to 7.6%.<sup>8</sup> However, the drop-out rate is higher among men at all levels of education. The persisting gender differences are more related to the type of studies carried out than the level achieved. There are few women in technical studies (either professional or university), while in the traditionally female professions, where pay and status are lower, women still hold most of the posts.

Women's life expectancy is significantly higher than that of the men – in 1994 it was 81.03 years for women and 73.28 for men. More men than women die in all age groups, with the greatest differences in the 20 to 35 age group. The different habits and ways of life – more tobacco and alcohol use and an increasing number of traffic accidents – help explain the greater physical vulnerability of males. However, in the younger age groups, lifestyle and behaviour are more equal.

Female participation is still low in social representative bodies. Although the number of women in the Parliament more than doubled between 1977 and 1996, the percentage of female representatives is still less than 15%. Similar proportions can be seen in independent parliaments and local administrations.

TABLE 4.

Evolution of female participation in the Congress of Deputies and the Senate by different legislatures (%) 1977–1996						
	1977-79	1979-82	1982-86	1986-89	1989-93	1996-2000*
Congress of Deputies	6.3	6.0	6.3	6.5	14.6	22.0
Senate	2.4	2.9	4.3	5.6	10.8	14.9

Source: *Inequalities in Spain. Statistical synthesis. Fundación Argentería, 1995.*

\* This figure could be overvalued. Source: *Women in Figures 1997*, Institute of Women.

Since 1987, the Spanish government, through the Institute of Women, has introduced various measures to encourage equal opportunities between men and women. These measures have been consolidated in three projects lasting several years each. They were developed with the participation of various institutions and social agents that had campaigned for legislative reforms, including: measures to encourage the integration of women in public policies; support for women undertaking reproductive tasks; programmes fighting discrimination in education and the labour market; specific programmes to support poor women; programmes fighting the violence against women; public information campaigns, etc.

## OUTLOOK

The outlook for social inequality in Spain is ambiguous, with positive and negative aspects to be taken into account. There are two positive aspects which must be highlighted here. The first is the structural effect that better education of younger age groups has on the behaviour and values of the social fabric. This improvement in education is a necessary basis for planting the values needed for a more equitable and supportive society. The second positive aspect, advances made in the regulation of the employment market, is more debatable. Two deep reforms have achieved greater levels of flexibility, a reduction in job insecurity and more active job creation. It is too early to judge the effects of these measures, although there has been a slight increase in the number of people hired in recent months. However, the level of unemployment is so high that more far-reaching measures may be necessary, something the current government has not wanted to discuss up to now.

As for the negative aspects, there are also two worth stressing. The first is related to the special situation of the Spanish economy in view of its commitment to join the European Monetary Union. This objective dictates a severe budget policy, which will necessitate limitations on public spending for all the social policies. Also, the greying of the population and the large number of unemployed has put the Social Security department, charged with funding the vast majority of social benefits –pensions and unemployment benefits, among others– in a delicate financial situation in terms of the future. The debate over the financial sustainability of the welfare state undoubtedly includes a large factor of uncertainty over the future social conditions of the most vulnerable sectors of the population.

- INTERMON is an independent, non-profit organization working since 1956 towards eradicating poverty in the south.

<sup>7</sup> Men spend an average of five hours/day on average doing professional or academic work compared with 2.2 hours for women.

<sup>8</sup> Source: *Women in figures, 1997*. Institute of Women. Ministry of Employment and Social Affairs, 1997.

### Basic Bibliography

Consejo Económico y Social: *La pobreza y la exclusión social en España. Informe n: 8*. Consejo Económico y Social, 1997  
Fundación Argenteria: *Las desigualdades en España. Síntesis Estadística*. (II Simposio sobre Igualdad y Distribución de la Renta y la Riqueza). Visor, 1995

Fundación Foessa: *V Informe sociológico sobre la situación social en España* (2 tomos). Fundación Foessa 1994  
INE: *Encuesta de presupuestos familiares. Desigualdades y Pobreza en España*, 1996  
Ministerio de Trabajo y Asuntos Sociales: *La mujer en cifras 1997*. Instituto de la Mujer, 1997  
V.V.A.A: *Lecciones de economía española*, 2ª edición. Director: José Luis GarcíaDelgado. Civitas, 1995.