

# **A Diversified Basic Income Scheme for Federal States and Multinational Communities**

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## Abstract

If we defend income security as a right, we have to procure at least a basic income that equals to poverty line (necessity minimum). But poverty line is different in every territory. This paper explores a diversified basic income scheme that adjusts basic income level to poverty line in every territory. This scheme is applied to Spanish empirical data and compared to a non-diversified basic income scheme in terms of equity, efficiency, economy and political feasibility.

We can conclude that a diversified scheme like this could be a useful reference for the forthcoming enlarged European Union.

**Key words:** Basic Income; Household Surveys; Poverty; Subjective Poverty Line; Poverty Thresholds, Poverty gap

**JEL classification:** D31, D63, H24, I32.

## Resumen

Si defendemos la seguridad económica como un derecho, tenemos que procurar, al menos, que la renta básica alcance el nivel del umbral de pobreza (mínimo de necesidad). Pero la línea de pobreza es diferente para cada territorio. Este trabajo estudia un esquema de renta básica diversificado que ajusta el nivel de renta básica al umbral de pobreza en cada territorio. Se aplica este esquema a los datos empíricos disponibles para España en comparación con un esquema de renta básica no diversificado en cuanto a equidad, eficiencia, economía y factibilidad política.

Concluimos que un esquema diversificado como el que se propone puede ser un referencia útil para la futura Unión Europea ampliada.

**Palabras clave:** Renta básica, Encuestas de presupuestos familiares, Línea de pobreza subjetiva, Umbral de pobreza, Brecha de pobreza

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The findings, interpretations and conclusions expressed in this paper are both of the author, and do not necessarily represent the views of Ministry of Public Affairs.

# 1. Introduction

Basic income should be an equal right for all citizens in a political community. But people usually belong to more than one political community. Furthermore, the level of basic income necessary to meet basic needs may be quite different in different countries or regions belonging to the same community. That is the case in large federal states and in multinational communities like the European Union. In these cases, when there is a high income inequality among the territories belonging to the same community, is particularly relevant to find a basic income scheme. That means equal right for all within every territory and represent equal necessity level in everyone. Which should be the basic income goal level? If we propose income security as a right, we have to assure at least a basic income that equals to poverty line or poverty threshold (necessity minimum).

These are the two principles we will follow to present a diversified basic income scheme: first, an equal basic income for all within every territory with a legitimated local or federal government; second, a level of basic income that equals to poverty line or poverty threshold in every territory. To illustrate this proposal, some schemes following these principles will be applied to Spanish empirical data of income distribution. This work will allow us to compare two basic income schemes diversified by two conceptually different poverty lines with a non-diversified basic income scheme in terms of equity, efficiency, economy and political feasibility.

Once adopted the double criteria of an equal basic income for all citizens within every political community and a basic income goal equal to necessity minimum in that community, we need to estimate the poverty lines. We need to choose a poverty line measure, a measure related with basic needs of people in every territory. This leads us to a difficult question; which poverty line should we choose?

Drawing any poverty threshold or poverty line will always be arbitrary to some degree, even if there is conceptual agreement on what poverty means. But in this case, even conceptual agreement is lacking. Usually, opinions differ to what extent poverty should be defined in absolute terms—inability to meet basic needs—or in relative terms—distance from the community norm. Social policy advocates have strongly defended a relative definition of poverty, but virtually all measures of low income are relative in a particular way. Thus, most poverty line definitions can be placed on a scale between purely absolute and purely relative; in other words, they will have an income elasticity between zero and one. The choice of a place on this scale has important implications, both for the extent of poverty that will be measured and for the policy implications for a reduction of poverty. Basic income policy is not an exception. If we draw a basic income scheme diversified by a poverty line, the choice of the poverty line may be quite relevant as we will see. For this reason we will design two basic income schemes diversified by two different poverty lines.

As **poverty line 1** we have chosen a food-ratio estimation method. This poverty line is effectively both a need measure and a relative income measure with an income elasticity of about 0.4.

As **poverty line 2** we have chosen a pure relative low income measure, the 50 per cent of mean per capita expenditure. This poverty line has characterised the classical approach to poverty in Spain. The income elasticity of this measure is evidently 1.

## 2. Methods and data

We use empirical data about expenditure distribution from the Household Budget Surveys micro data, as usual when estimating poverty lines. The best two available databases in Spain are:

- 1- *Encuesta de Presupuestos Familiares de 1980-81* (EPF80) with a sample of 23,849 households and 88,210 people.
- 2- *Encuesta de Presupuestos Familiares de 1990-91* (EPF90) with a sample of 20,972 households and 71.695 people.

These large samples allow us to estimate poverty lines for every Autonomous Community. The similar methodology in both surveys allow us to understand the evolution along time.

We are interested in a poverty line related to basic needs. EPF90 survey includes a set of subjective questions that allow us to estimate the Subjective Poverty Line (SPL). Following the Basque Country method of poverty measurement (Sanzo-González, 2002) we use individuals' answers to the

minimum income question: which family income would, in the present circumstances, be the absolute minimum for you? This minimum level is associated with family size and family income and the relation is log-linear. According to SPL method, the poverty line may be estimated for every family size where minimum income and real income have an effective coincidence. The SPL method uses this log-linear regression model:

$$\text{Ln}(y_{\min}) = \alpha_0 + \alpha_1 \ln(fs) + \alpha_2 \ln(y_c)$$

Where  $fs$  is the family size,  $y_c$  is the real income of the household and  $y_{\min}$  the needed income defined through the minimum income question. The SPL method defines for each household size the poverty threshold in function of the equation:

$$\text{Ln}(y_{\min}) = \frac{\alpha_0 + \alpha_1 \ln(fs)}{1 - \alpha_2}$$

The SPL approach gives us an “objective” way of constructing poverty thresholds using the subjective perceptions of needs by the population. This method has also the positive aspect of establishing the equivalence scales through empirical data. But we only have been able to estimate SPL in the EPF90 because EPF80 did not include any minimum income question. For this reason, we have estimated poverty line 1 (PL1) through a food-ratio method as we explain below. SPL poverty line may work as a criteria to decide the food-ratio cut-off and as validity contrast to LP1 (see Table 1).

**Poverty line 1 (PL1)** has been estimated through a food-ratio method. One might derive a poverty line from the Engel function by setting a maximum value for the ratio of food expenditures to total income. The food ratio method uses another similar log-linear regression model adapted to different family sizes:

$$\text{Ln}(f_{\text{exp}}) = \beta_0 + \beta_1 \ln(fs) + \beta_2 \ln(y_c)$$

Where  $fs$  is the family size,  $y_c$  is the real income of the household and  $f_{\text{exp}}$  is the food expenditure of the household. We seek the income level that equals food ratio income of the household with the food income ratio  $k$  characteristic to the poverty line. The food ratio method defines for each household size the poverty threshold in function of the equation:

$$\text{Ln}(y) = \frac{\beta_0 + \beta_1 \ln(fs)}{k - \beta_2}$$

If  $k$  were constant, we would obtain an absolute poverty line, but we could set  $k$  as relative to food ratio average  $c/y$ . This way, we have decided to set  $k$  15 percentage points more than  $c/y$  average in the community of reference. Table 1 shows  $R^2$  and income elasticity of SPL and PL1 estimated through food-ratio method for every Autonomous Community in Spain. As we can see, all elasticities are significantly different from zero and the  $R^2$  are very high. In general, PL1 elasticity is higher than SPL one showing that PL1 is between absolute (elasticity equal to zero) and pure relative (elasticity equal to 1) poverty lines.

**Poverty line 2 (PL2)** has been calculated as 50 per cent of mean expenditure. This has been the classical approach to poverty in Spain and it has been estimated for comparative purposes as a pure relative poverty line.

### 3. Results

Tables 2 and 3 show the Basic income scheme diversified through poverty lines 1 and 2 applied to empirical expenditure distribution data of EPF80 and EPF90. In every case, the citizens of “rich” Autonomous Communities would receive more basic income with a diversified scheme than they would do with a non-diversified one. And, the other way around, happens in “poor” Autonomous Communities. The difference between a basic income scheme diversified by poverty line 1 and non

diversified one is illustrated in Figure 1 for the 1980 distributional data. With a non diversified scheme all people in Spain would receive the same basic income. With a diversified scheme citizens of different Autonomous Communities would receive different basic incomes. Is this distribution fair? Can we justify these differences between citizens belonging to the same country? The key point is who pays the basic income. Figures 2 and 3 show that a diversified basic income has two fractions. One fraction at State expense (about 70 per cent of total basic income) that is equal for all citizens in Spain and the other fraction at Autonomous Communities expense (about 30 percent of basic income in average) that is different in every one but is equal for all citizens within every Autonomous Community. The State's basic income fraction represents State income redistribution and Autonomous Communities' basic income represent redistribution within every Autonomous Community. If we accept the necessity minimum as distributive justice criteria, the difference between basic income in both schemes (see column Difference in tables 2 and 3) means an excess and a deficit of redistribution. An excess of redistribution at State level, in the sense that poor people of a rich Autonomous Community transfers income to poor people of a poor Autonomous Community. A deficit of redistribution at Autonomous Community level, because, in the rich Autonomous Communities, rich people transfers less income to poor people than they would do in a diversified scheme. In a multinational community with large income differences among nations, a non diversified scheme of basic income could eradicate poverty in poor nations and, paradoxically, maintain residual poverty populations in rich nations.

An interesting result is the comparison between poverty line 1 (a relative and absolute measure of poverty) and poverty line 2 (a purely relative measure of poverty). Poverty line 1 draws basic income goals lower than poverty line 2 in diversified schemes as well as in non-diversified schemes and in 1981 as well as in 1991 (tables 2, 3 and 4). The difference also increases between 1981 and 1991 (compare tables 2 and 3).

In table 4 we update monetary values to the 2001 euro for better evaluation of real basic income value. The difference between both poverty lines is quite big in diversified and in non diversified scheme. This difference means that the choice of a poverty line method matters.

Table 5 shows the basic income percentage over the Gross Domestic Product (GDP) with every poverty line goal and the evolution in time. We can see that with poverty line 1 the poverty eradication goal is more and more feasible while GDP increases. This is not the case if we set the basic income goal through poverty line 2. But for budgetary purposes the relevant magnitude is not gross percentage over GDP, but the percentage over the GDP of the net increase in public budget that we need to eradicate poverty. That is presented in table 6. The key point in table 6 is the last row that shows that a diversified basic income scheme is 20 to 25 per cent cheaper than a non diversified scheme and the save increases along time.

Finally, in table 7 we present GDP impact of poverty eradication goal with a diversified basic income scheme compared to a non diversified scheme (a strong basic income scheme). In this case, the non diversified goal must equal poverty line level in the richest Autonomous Community. With 1991 distributional data a non diversified basic income scheme would represent an over cost of about 12 per cent of GDP if we compare it with a basic income scheme diversified with poverty line 1, and the difference seems increasing along time.

## 4. Discussion

If we propose income security as a right, we have to assure at least a basic income that equals to poverty line or poverty threshold. As Poverty thresholds are different in different communities we have to follow two principles to design a basic income scheme: first, an equal basic income for all within every territory with a legitimated local or federal government; second, a level of basic income that equals to poverty line or poverty threshold in every territory. We have applied these principles to Spanish empirical available data of income distribution. This way we have compared two basic income schemes diversified by two conceptually different poverty lines with a non-diversified basic income scheme.

In terms of **equity**, we must remember Amartya Sen's question: equity of what?. It is self evident that a diversified scheme could be considered better than a non diversified one if we adopt basic needs of distributive justice criteria because a non diversified scheme ignores need differences among communities.

In terms of **economy** we have seen that a diversified basic income scheme could be cheaper than a non diversified one. Both would be true, if we diversified basic income scheme by means of a pure relative poverty line and if we diversified basic income scheme by means of a partial absolute poverty line. But this last poverty line is cheaper than the pure relative one. These findings are not unexpected. Nevertheless in order to reach economic feasibility for basic income schemes we would need much more quality research about absolute poverty measurement, specially in Europe. European research about poverty has been derived more and more to inequality research and relative poverty concept. This tendency fits quite well for academic purposes. It allows us to manipulate millions of data with computer programs and estimate exotic indexes, but is not very clear how this research benefits poor people in Europe or in any other continent. Poverty research is probably less glamorous but helps us to set concrete goals and draw specific social policies like basic income schemes.

In terms of **efficiency** the adjustment of the basic income goal to necessity minimum in every territory is very relevant for several reasons. Obviously, it is the cheapest way to achieve the goal. But, more important than that, a diversified scheme is better in terms of freedom and economic incentives. The necessity minimum is the least income that people need to reach economic freedom and over necessity minimum, the incentive to work for more money tends to decrease. While basic income is lower than necessity minimum or poverty line, there are people without real economic freedom. If basic income increases much over necessity minimum, economic productivity could be damaged. In consequence, the subjective concept of necessity in a concrete community is a very relevant reference to set a basic income goal economically sustainable.

The **political feasibility** of a basic income scheme depends on two major arguments, social justice and economic feasibility. From the social justice point of view, a diversified basic income scheme is easier to defend than a non diversified one because more and more people find unacceptable the persistence of poverty. The fight against poverty has a broader political support than the fight against inequality. From the economic feasibility point of view we have seen that a non diversified scheme is more expensive in budgetary terms and that a diversified scheme could maintain a better incentives structure being more easily sustainable. Finally, the adjustment of basic income level to real necessity minimum in every territory could reach a balanced equilibrium between the absolute and relative (over GDP) dimension of aggregate basic income. With a diversified scheme the rich communities would pay more basic income in absolute terms than poor communities, but in relative terms the poor communities receive more basic income than rich communities.

We have adopted the double criteria of an equal basic income for all citizens within every political community and a basic income goal equal to necessity minimum in that community, to draw a diversified basic income scheme. The more different are levels of necessity among different territories the more relevant is diversification of basic income levels. For that reason, a diversified scheme like this could be a useful reference for the forthcoming enlarged European Union. Some candidate countries to European Union have a per capita income quite low; about one quarter of European average. Although it is probable that necessity minimum differences would be smaller than income differences. This facts are both relevant. If differences were bigger, it would be more important to design a diversified scheme. If necessity differences were smaller than income differences, it would be important to diversify the basic income scheme by means of a poverty line related to necessities. This is better than using a relative poverty line because this last one could sub estimate necessity minimum in poor countries and over estimate it in rich ones.

We can conclude that when there is a high income inequality among the territories belonging to the same political community, it is particularly relevant to design a diversified basic income scheme. The best instrument to diversify a basic income scheme is to measure a poverty line related to necessities of life. Nevertheless, the EUROSTAT method to estimate poverty indicators is based on pure relative measures of inequality. This kind of statistics are practical for academic purposes and international comparisons, but they are not very useful for social policy design. For drawing basic income proposals and social policy in general we need to develop practical poverty measures related to social perception of necessity. The Basque Government Method is a good example that we can learn from. A subjective poverty line is possibly one of the best poverty concepts that we can think of to estimate the basic income goal in a country or region. If subjective poverty line is not possible to calculate, we could use a food-ratio poverty line as poverty line 1 (PL1) in this paper.

At the moment, basic income is probably the best idea to eradicate poverty and increase economic freedom for all. Basic income is an excellent proposal, but we need to improve concretion

and feasibility of basic income proposals. One fundamental question would be to identify the level of basic income we want to achieve in every country. I propose to answer this question measuring social perception of necessity. The results presented show that it is possible and convenient to set a basic income goal adjusted by necessity minimum evolution in every territory. It would be very interesting to replicate this approach to draw a diversified scheme of basic income in other countries, especially in other countries of Europe. The Luxembourg Income Study (LIS), which contains information on the distribution of disposable income for many (wealthy) countries over a period of 20 years would allow us the elaboration of a diversified basic income scheme for Europe. Perhaps BIEN organization could lead or coordinate a collaborative group of research to elaborate a diversified basic income proposal for Europe based on empirical data. I think the results of a research like that could help present the basic income idea as a feasible goal to achieve in a nearby future.

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## 6. Tables

**Table 1. Subjective Poverty Line and Food-ratio Poverty Line (poverty line 1) results: elasticity and R<sup>2</sup>.**

1990-91	Subjective Poverty Line		Poverty Line 1 (% food +15)	
Territory	Elasticity SPL	R2 SPL	Elasticity PL1	R2 PL1
Andalucía	0,36	0,96	0,44	0,92
Aragón	0,40	0,99	0,49	0,99
Asturias	0,33	0,72	0,51	0,69
Baleares	0,36	0,88	0,36	0,67
Canarias	0,35	0,96	0,47	0,90
Cantabria	0,21	0,87	0,45	0,89
Castilla y León	0,34	0,99	0,41	0,98
Castilla La Mancha	0,29	0,99	0,47	0,98
Cataluña	0,37	0,996	0,33	0,99
C. Valenciana	0,34	0,98	0,44	0,97
Extremadura	0,32	0,99	0,45	0,96
Galicia	0,31	0,98	0,47	0,97
Madrid	0,40	0,85	0,34	0,73
Murcia	0,32	0,95	0,48	0,91
Navarra	0,36	0,98	0,33	0,96
País Vasco	0,31	0,98	0,37	0,95
La Rioja	0,26	0,78	0,40	0,81
Ceuta y Melilla	0,14	0,88	0,75	0,62
España Total	0,39	0,99	0,41	0,99

**Table 2. Basic Income Scheme diversified by poverty line 1 and poverty line 2 according to 1981's household expenditure distribution in current 1981 pesetas.**

1980-81	POVERTY LINE 1					POVERTY LINE 2				
	Diversified Scheme			Non Diversified		Diversified Scheme			Non Diversified	
Territory	BI 1 month	State	AC	BI	Difference	BI 2 month	State	AC	BI	Difference
Andalucía	7.134	6.100	1.034	8.807	1.673	7.927	6.600	1.327	9.699	1.772
Aragón	10.501	6.100	4.401	8.807	-1.694	10.336	6.600	3.736	9.699	-637
Asturias	6.140	6.100	40	8.807	2.667	9.654	6.600	3.054	9.699	45
Baleares	9.374	6.100	3.274	8.807	-567	11.460	6.600	4.860	9.699	-1.761
Canarias	6.937	6.100	837	8.807	1.870	8.142	6.600	1.542	9.699	1.557
Cantabria	10.627	6.100	4.527	8.807	-1.820	11.329	6.600	4.729	9.699	-1.630
Castilla y León	8.391	6.100	2.291	8.807	416	9.100	6.600	2.500	9.699	599
Castilla La Mancha	6.672	6.100	572	8.807	2.135	7.348	6.600	748	9.699	2.351
Cataluña	10.386	6.100	4.286	8.807	-1.579	10.752	6.600	4.152	9.699	-1.053
C. Valenciana	8.908	6.100	2.808	8.807	-101	9.789	6.600	3.189	9.699	-90
Extremadura	6.233	6.100	133	8.807	2.574	6.674	6.600	74	9.699	3.025
Galicia	9.067	6.100	2.967	8.807	-260	9.252	6.600	2.652	9.699	447
Madrid	10.854	6.100	4.754	8.807	-2.047	11.928	6.600	5.328	9.699	-2.229
Murcia	6.115	6.100	15	8.807	2.692	8.887	6.600	2.287	9.699	812
Navarra	9.353	6.100	3.253	8.807	-546	11.662	6.600	5.062	9.699	-1.963
País Vasco	10.839	6.100	4.739	8.807	-2.032	11.362	6.600	4.762	9.699	-1.663
La Rioja	9.291	6.100	3.191	8.807	-484	9.884	6.600	3.284	9.699	-185
Ceuta y Melilla	8.219	6.100	2.119	8.807	588	8.688	6.600	2.088	9.699	1.011

**Table 3. Basic Income Scheme diversified by poverty line 1 and poverty line 2 according to 1991's household expenditure distribution in current 1991 pesetas.**

1990-91	POVERTY LINE 1					POVERTY LINE 2				
	Diversified Scheme			Non Diversified		Diversified Scheme			Non Diversified	
Territory	BI 1 month	State	AC	BI	Difference	BI 2 month	State	AC	BI	Difference
Andalucía	18.745	15.900	2.845	22.442	3.697	24.599	23.000	1.599	30.164	5.565
Aragón	19.976	15.900	4.076	22.442	2.466	28.784	23.000	5.784	30.164	1.380
Asturias	20.392	15.900	4.492	22.442	2.050	32.680	23.000	9.680	30.164	-2.516
Baleares	21.296	15.900	5.396	22.442	1.146	31.880	23.000	8.880	30.164	-1.716
Canarias	15.967	15.900	67	22.442	6.475	25.026	23.000	2.026	30.164	5.138
Cantabria	20.860	15.900	4.960	22.442	1.582	29.800	23.000	6.800	30.164	364
Castilla y León	22.714	15.900	6.814	22.442	-272	28.392	23.000	5.392	30.164	1.772
Castilla La Mancha	19.408	15.900	3.508	22.442	3.034	26.587	23.000	3.587	30.164	3.577
Cataluña	29.130	15.900	13.230	22.442	-6.688	36.231	23.000	13.231	30.164	-6.067
C. Valenciana	20.014	15.900	4.114	22.442	2.428	26.828	23.000	3.828	30.164	3.336
Extremadura	16.659	15.900	759	22.442	5.783	23.073	23.000	73	30.164	7.091
Galicia	21.757	15.900	5.857	22.442	685	27.894	23.000	4.894	30.164	2.270
Madrid	27.619	15.900	11.719	22.442	-5.177	38.043	23.000	15.043	30.164	-7.879
Murcia	17.975	15.900	2.075	22.442	4.467	25.826	23.000	2.826	30.164	4.338
Navarra	28.557	15.900	12.657	22.442	-6.115	36.800	23.000	13.800	30.164	-6.636
País Vasco	25.470	15.900	9.570	22.442	-3.028	34.051	23.000	11.051	30.164	-3.887
La Rioja	23.013	15.900	7.113	22.442	-571	28.552	23.000	5.552	30.164	1.612
Ceuta y Melilla	6.981	15.900	0	22.442	15.461	21.680	23.000	0	30.164	8.484

**Table 4. Basic Income Scheme diversified by poverty line 1 and poverty line 2 according to 1991's household expenditure distribution in current 2001 Euro.**

Actualized to 2001€	Diversified by poverty line 1			Diversified by poverty line 2		
	BI 1 month	Estate	AC	BI 2 month	State	AC
Territory						
Andalucía	161,57	137,05	24,52	212,03	198,25	13,79
Aragón	172,19	137,05	35,14	248,11	198,25	49,86
Asturias	175,77	137,05	38,72	281,69	198,25	83,44
Baleares	183,56	137,05	46,51	274,79	198,25	76,54
Canarias	137,62	137,05	0,57	215,71	198,25	17,46
Cantabria	179,80	137,05	42,75	256,86	198,25	58,61
Castilla y León	195,78	137,05	58,73	244,73	198,25	46,48
Castilla La Mancha	167,29	137,05	30,24	229,16	198,25	30,92
Cataluña	251,08	137,05	114,03	312,29	198,25	114,04
C. Valenciana	172,51	137,05	35,46	231,25	198,25	33,00
Extremadura	143,59	137,05	6,54	198,88	198,25	0,63
Galicia	187,54	137,05	50,49	240,43	198,25	42,18
Madrid	238,06	137,05	101,01	327,91	198,25	129,66
Murcia	154,94	137,05	17,89	222,61	198,25	24,36
Navarra	246,14	137,05	109,09	317,20	198,25	118,95
País Vasco	219,54	137,05	82,49	293,50	198,25	95,25
La Rioja	198,36	137,05	61,31	246,11	198,25	47,86
Ceuta y Melilla	137,05	137,05	0,00	198,25	198,25	0,00
Non diversified	193,44	193,44	0,00	260,00	260,00	0,00

**Table 5. Poverty Line Percentage over Gross Domestic Product (GDP) with every basic income goal and evolution in time.**

% GDP	1980-81		1990-91		1991-1981	
	PL 1	PL 2	PL 1	PL 2	PL 1	PL 2
Andalucía	24,26	26,95	20,56	26,98	-3,70	0,03
Aragón	25,02	24,63	14,57	21,00	-10,45	-3,63
Asturias	15,86	24,94	18,42	29,53	2,56	4,58
Baleares	16,65	20,35	10,88	16,29	-5,77	-4,06
Canarias	18,16	21,32	13,27	20,81	-4,89	-0,51
Cantabria	25,54	27,23	17,64	25,20	-7,90	-2,03
Castilla y León	24,43	26,50	20,41	25,51	-4,03	-0,99
Castilla La Mancha	21,74	23,94	19,12	26,19	-2,62	2,25
Cataluña	20,77	21,50	18,39	22,87	-2,38	1,37
C. Valenciana	21,66	23,80	15,22	20,40	-6,44	-3,40
Extremadura	25,11	26,89	19,18	26,57	-5,93	-0,32
Galicia	28,05	28,63	20,57	26,37	-7,49	-2,26
Madrid	20,75	22,80	17,05	23,49	-3,70	0,69
Murcia	18,73	27,23	17,08	24,54	-1,65	-2,68
Navarra	21,37	26,65	19,19	24,72	-2,19	-1,92
País Vasco	23,78	24,93	18,10	24,20	-5,68	-0,73
La Rioja	21,17	22,53	16,11	19,99	-5,06	-2,54
Ceuta y Melilla	26,84	28,38	7,10	22,04	-19,75	-6,34
España Total	21,99	24,22	17,69	23,78	-4,30	-0,44

**Table 6. Poverty gap percentage over Gross Domestic Product (GDP) with every basic income goal and evolution in time.**

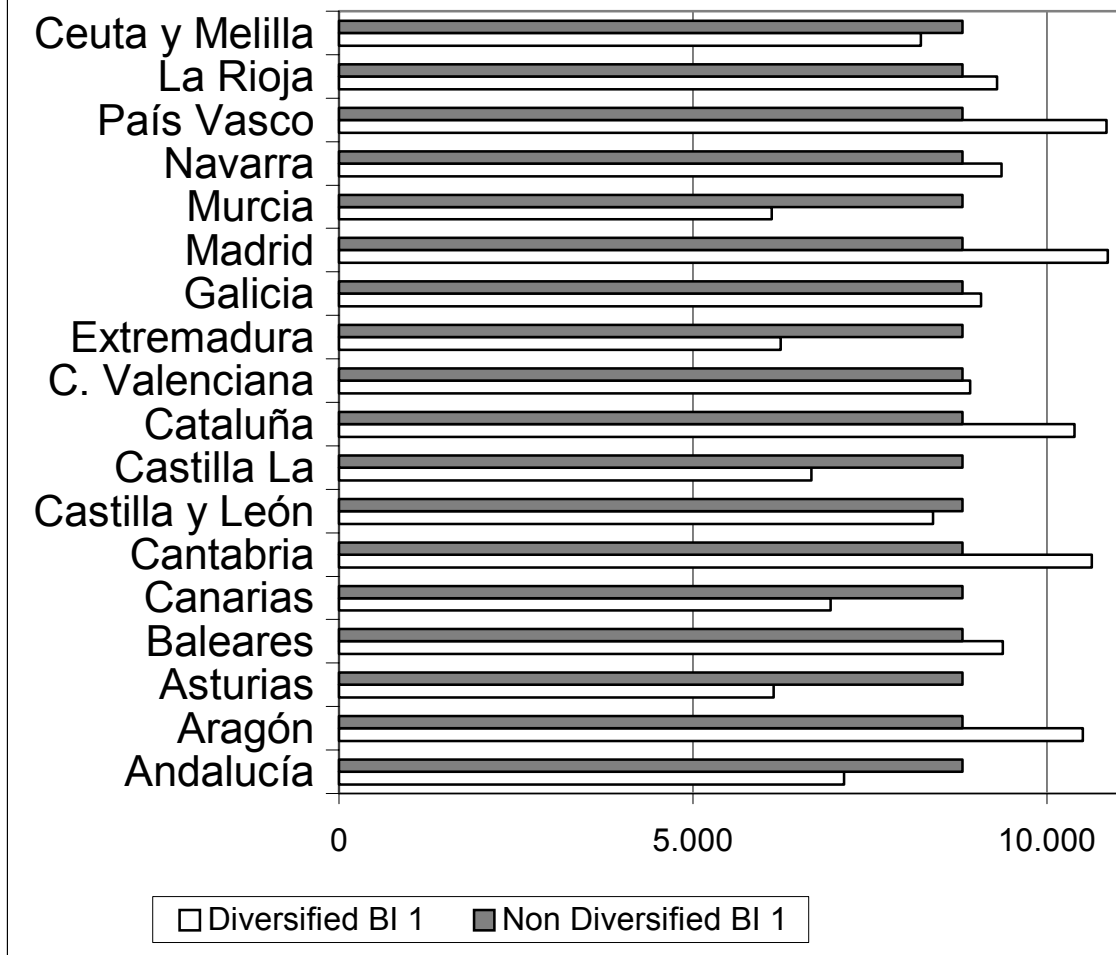
Bl gap % over GDP	1980-81		1990-91		1991-1981	
	gap PL 1	gap PL 2	gap PL 1	gap PL 2	gap PL 1	gap PL 2
Andalucía	0,921	1,511	0,245	1,026	-0,676	-0,485
Aragón	1,008	0,968	0,133	0,756	-0,875	-0,212
Asturias	0,315	1,490	0,077	0,939	-0,238	-0,551
Baleares	0,447	1,050	0,080	0,436	-0,367	-0,614
Canarias	0,383	1,090	0,198	1,101	-0,185	0,011
Cantabria	0,900	1,516	0,118	0,688	-0,782	-0,828
Castilla y León	0,904	1,221	0,397	1,014	-0,507	-0,207
Castilla La Mancha	0,711	1,076	0,260	0,932	-0,451	-0,144
Cataluña	0,540	0,715	0,255	0,826	-0,285	0,111
C. Valenciana	0,550	0,915	0,141	0,561	-0,410	-0,354
Extremadura	0,945	1,335	0,375	1,283	-0,571	-0,052
Galicia	1,231	1,437	0,349	1,013	-0,883	-0,424
Madrid	0,502	0,919	0,091	0,661	-0,411	-0,259
Murcia	0,257	1,294	0,226	0,994	-0,031	-0,300
Navarra	0,317	0,831	0,159	0,534	-0,158	-0,297
País Vasco	0,409	0,552	0,150	0,616	-0,259	0,065
La Rioja	0,384	0,626	0,139	0,397	-0,245	-0,228
Ceuta y Melilla	0,485	0,577	0,029	0,781	-0,456	0,204
España Total	0,776	1,240	0,253	1,016	-0,522	-0,225
CCAA sum	0,646	1,030	0,204	0,812	-0,442	-0,217
Diversification Save	0,130	0,210	0,049	0,203	-0,081	-0,007
% Save	20,08	20,44	23,98	25,01	3,897	4,572

**Table 7. GDP impact of poverty eradication goal. Diversified and non diversified basic income schemes.**

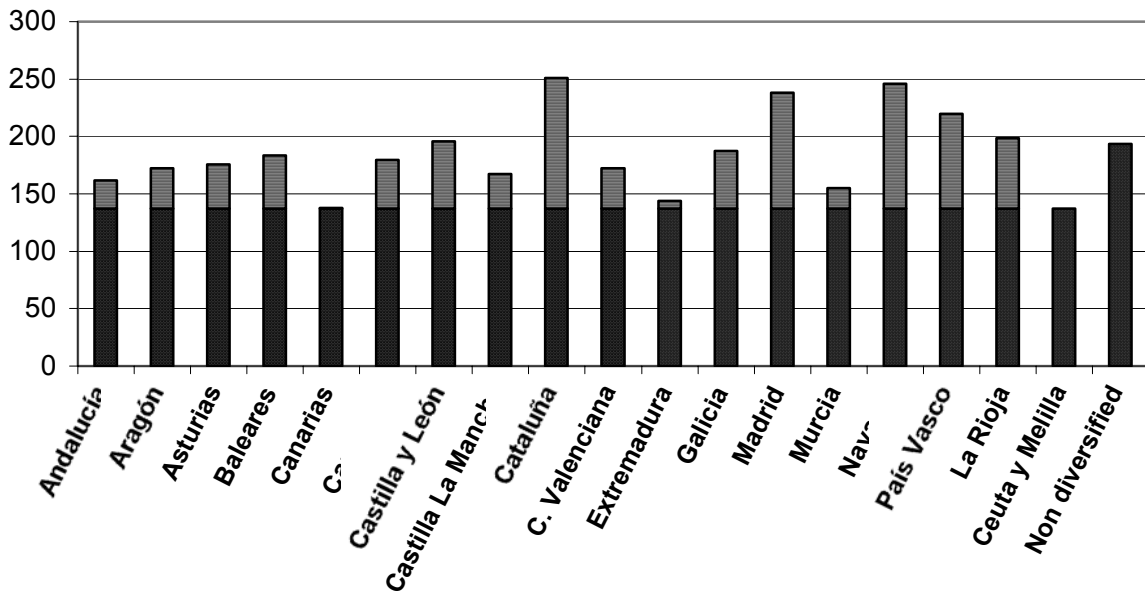
Territory	Poverty eradication goal 1981. Millions pta				Poverty eradication goal 1991. Millions pta			
	Poverty Line 1		Poverty Line 2		Poverty Line 1		Poverty Line 2	
	Diversified	Non diversified	Diversified	Non diversified	Diversified	Non diversified	Diversified	Non diversified
Andalucía	553.124	841.529	614.583	924.758	1.579.000	2.453.813	2.072.179	3.204.634
Aragón	150.931	156.003	148.554	171.432	287.444	419.156	414.185	547.410
Asturias	83.190	147.067	130.802	161.612	269.939	385.596	432.594	503.581
Baleares	73.899	85.567	90.342	94.029	183.625	251.177	274.888	328.032
Canarias	114.159	178.616	133.990	196.282	290.067	529.201	454.651	691.126
Cantabria	65.599	67.002	69.935	73.629	133.154	185.943	190.221	242.839
Castilla y León	260.288	336.714	282.308	370.015	699.322	896.857	874.153	1.171.279
Castilla La Mancha	132.153	214.991	145.544	236.254	390.422	585.983	534.825	765.283
Cataluña	742.548	776.015	768.684	852.764	2.137.301	2.137.303	2.658.334	2.791.278
C. Valenciana	390.899	476.322	429.559	523.431	936.799	1.363.481	1.255.763	1.780.681
Extremadura	79.716	138.810	85.350	152.539	214.235	374.609	296.725	489.233
Galicia	305.701	365.954	311.940	402.148	719.612	963.450	922.580	1.258.248
Madrid	612.013	612.013	672.542	672.542	1.655.689	1.746.245	2.280.564	2.280.563
Murcia	70.386	124.945	102.306	137.303	228.217	369.837	327.898	483.001
Navarra	57.229	66.413	71.358	72.982	179.530	183.133	231.353	239.168
País Vasco	278.816	279.202	292.260	306.815	648.574	741.764	867.078	968.730
La Rioja	28.428	33.212	30.243	36.496	73.411	92.923	91.081	121.356
Ceuta y Melilla	11.728	15.487	12.397	17.019	10.519	43.892	32.667	57.322
CCAA sum	4.010.808	4.915.863	4.392.692	5.402.048	10.636.860	13.724.362	14.211.734	17.923.764
% Over GDP	22,11	27,10	24,22	29,78	17,79	22,96	23,78	29,99

## 7. Figures

**Figure 1. Poverty line 1, 1980. 1981 pta.**



**Figure 2. Basic Income Scheme diversified by poverty line 1.  
1991 distribution. 2001 Euro.**



**Figure 3. Basic Income Scheme diversified by poverty line 2.  
1991 distribution. 2001 Euro.**

