



Fighting Child Poverty in Spain by Moving Towards European Standards: A Microsimulation-Based Case Study

Luis Ayala ^{a,b}, Olga Cantó ^{b,c,*}, Marina Romaguera-de-la-Cruz ^{a,b}, Dmitry Petrov ^{b,c}

^a Universidad Nacional de Educación a Distancia (UNED)

^b EQUALITAS

^c Universidad de Alcalá de Henares (UAH)

* Corresponding author – olga.canto@uah.es

Article info

Article history:

Received 22 February 2026

Revised 11 May 2026

Accepted 12 May 2026

Available online 19 May 2026

JEL classification:

H53

H23

I32

I38

Keywords:

Child poverty

Spain

Microsimulation

Universal transfers

Abstract

Poverty in Spain is widespread among children, and its incidence has recently shown a strong upward trend. The aim of this paper is twofold: to assess the impact of the Spanish tax and benefit system on current child poverty rates and, in that context, to simulate the potential distributive consequences of implementing a variety of family transfer schemes using an EU-wide static microsimulation tool (EUROMOD). We simulate and study the effects of choosing different policies: a redesign of the current means-tested child benefit in terms of amount and age distribution, a reform of the existing income tax relief making it refundable and the addition of a taxable Universal Child Benefit (UCB) to the system. Our results indicate that several of the proposed reforms could generate substantial reductions in child poverty.

To cite this article: Ayala, L., Cantó, O., Romaguera-de-la-Cruz, M., & Dmitry, P. (2026). Fighting Child Poverty in Spain by Moving Towards European Standards: A Microsimulation-Based Case Study. *Journal of Policy Evaluation*, 2, 1-26. <https://doi.org/10.4995/jpeval.2026.25696>

Journal of Policy Evaluation (JPEVAL) | e-ISSN: 3101-3805 |



Analistas Financieros Internacionales, S.A. (Afi) | Knowledge Sharing Network, S.L (KSNET) | Sociedad Española de Evaluación (SEE) | Universitat Politècnica de València (UPV)



<https://doi.org/10.4995/jpeval.2026.25696>

JPEVAL, 2, 1-26 | 1

1. Introduction

The persistence of high child poverty rates in several EU countries has increased interest in analysing recent trends across developed countries. Children in vulnerable households face serious limitations in education, employment and health that perpetuate social inequalities. Several studies confirm that children who grow up in poor families are most likely to experience disadvantages in adulthood, including lower-quality jobs, weaker academic outcomes, poorer health and worse overall social conditions (Figari et al., 2009; Ayala and Davia, 2025). Moreover, when poverty is intense and persistent, the family environment deteriorates because adults devote fewer time and resources to children, resulting in lower future social capital (Magnuson and Votruba-Drzal, 2009). This not only restricts access to skilled employment, adequate wages, and other dimensions of well-being but also weakens the country's social and economic fabric. Combating this situation from early childhood is therefore both matter of justice and collective intelligence, as breaking the cycle of poverty promotes equality and economic efficiency in the long term.

A groundbreaking study in Spain published in 2023 by the High Commissioner for the Fight Against Child Poverty (Cantó et al., 2023) showed that maintaining high levels of child poverty is socially and economically costly. It estimated that childhood poverty reduces adult labour income and worsens health outcomes, resulting in an annual cost of at least €63,079 million per year (approximately €1,300 per person), equivalent to 5.1% of Spanish Gross Domestic Product (GDP) in 2019, well above the country's average annual GDP growth rate.

Employment policies are central to reducing child poverty, given the strong correlation between child poverty and the proportion of households with low work intensity. European Union (EU) institutions have traditionally emphasised the need for promoting equal opportunities and increased parental labour market participation through improved work-life balance. However, many countries also provide monetary support through tax deductions, cash benefits or public childcare. Indeed, in most EU countries universal child benefits constitute the core of family protection systems. It is also important to highlight the significant contribution of other types of services to the reduction of child poverty. The EU Child Guarantee identifies a core set of services that every child in need should be able to access: early childhood education and care, education and school-based activities, healthcare, healthy nutrition, and adequate housing.

Spain differs from many EU countries for several reasons: the prevalence of low-wage employment, high household indebtedness, the high vulnerability of single-parent households and, above all, limited family benefits within an insufficient social protection system. Together, these factors place Spain among the EU countries with the highest child poverty rates. Can Spanish policies converge towards average European standards of child protection? Is universality in child benefits an effective strategy to reduce child poverty? How would higher benefits aligned with European standards affect poverty levels?

This study addresses these questions by evaluating alternative family benefit designs using the EU-wide static microsimulation model EUROMOD. We analyse three policy options: (i) redesigning the current means-tested child benefit by modifying its amount and age structure; (ii) reforming the existing income tax relief by making it refundable; and (iii) introducing a taxable Universal Child Benefit (UCB). We present a comparative ex-ante assessment of these family-policy designs within a common microsimulation framework for Spain. By simulating a wide range of alternatives to the current child poverty protection system, it constitutes a valuable complement to other studies that

have examined different aspects related to the protection of this age group. This is the case of Hernández et al. (2025), who found that Spain's child-contingent payments remained relatively stable over time and have historically benefited richer households through (non-refundable) tax reliefs, or Cruces et al. (2026), who carried out an ex-ante assessment of the work incentives embedded in the national minimum income benefit, finding that they have the potential to incentivize work for very low earners, particularly lone parents.

Our results indicate that several reforms could substantially reduce child poverty. A sufficiently generous UCB would generate immediate and significant declines in both poverty incidence and intensity, mainly by overcoming the high non-take-up associated with means-tested benefits. The effects are especially strong among vulnerable household types, notably single-parent households and large families with children aged 6 to 12. The estimated gross fiscal cost of the optimal UCB ranges between 0.7% and 1% of GDP, depending on whether benefit payments are treated as taxable income. A policy that increases the amount rather than expanding coverage of the current benefits, such as doubling the amount of the CAPI and reorganising payments by age, would be also very effective in reducing child poverty incidence among children.

Improving cash benefits could substantially reduce child poverty across different dimensions, although its impact and cost varies significantly depending on the reform proposed. While we focus on poverty reduction, it is also important to acknowledge the potential role of child benefits in addressing demographic challenges, particularly in countries such as Spain where fertility rates are especially low.

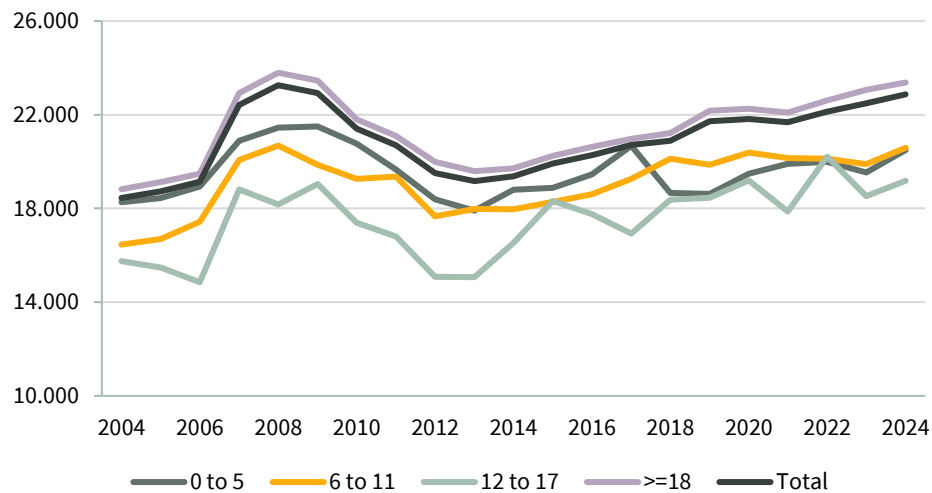
The rest of the paper is structured as follows. Section 2 documents recent trends in child poverty in Spain. Section 3 assesses the redistributive capacity of the Spanish tax–benefit system and examines the role of targeted and universal cash transfers in reducing inequality and poverty. Section 4 simulates six counterfactual reforms to child-related transfers modelled on institutional designs observed in selected EU countries. Section 5 concludes.

2. Child well-being in Spain

Using the Spanish version of the European Union Survey of Income and Living Conditions (EU-SILC), we analyse trends in mean equivalised disposable income by age group from the mid-2000s onwards. As shown in Figure 1, ever since 2005, the level of mean income for all individuals over 6 and under 18 years of age is well below the Spanish population average, just the opposite to adults. It can also be observed that the incomes of individuals under 18 years of age are more unstable, as previous studies have shown (Ayala et al., 2026).

Within childhood, important differences emerge: mean income declines with age, so that children aged 12–17 display the lowest levels (15% below the population average), while those below 6 are consistently in a relatively better position. The reduction in disposable income as children grow older can be explained by different reasons. The Spanish tax-benefit system is more generous for families with very young children, leading to relatively higher incomes at younger ages. In countries with universal child benefits or stronger income support for larger families, the drop in income as age increases is generally less pronounced. Nevertheless, the Great Recession reduced mean incomes across all groups, particularly among adolescents aged 12–17.

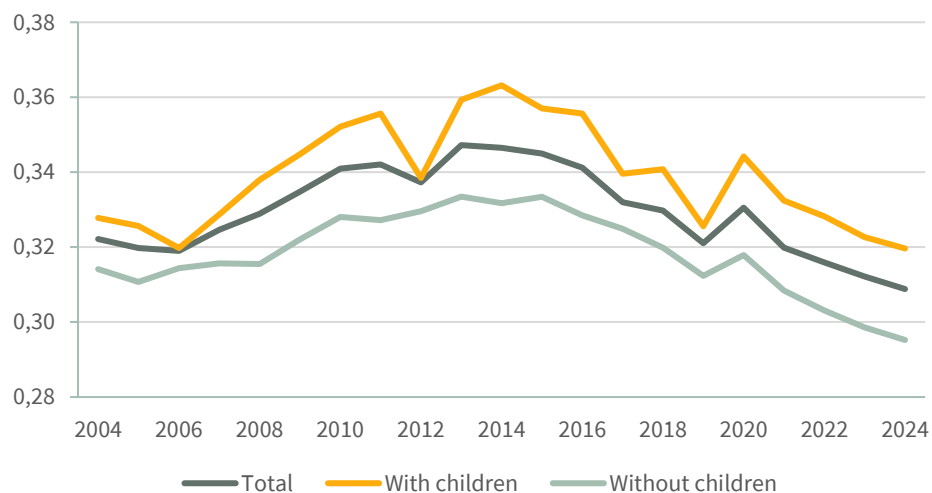
Figure 1. Evolution of mean real equivalent disposable income in Spain by age (in 2024 euro): 2005-2025



Source: Own construction using microdata from Encuesta de Condiciones de Vida (INE).

A key dimension of child well-being is not only average income but also inequality. Figure 2 shows both that inequality is higher in households with children and that the gap between these households and those without children has widened over the last two decades. The housing-bubble collapse and the contraction of the construction sector triggered a sharp increase in earnings differences at the bottom of the distribution (Bonhomme and Hospido, 2017) driven by changes in the occupational structure and a disproportionate rise in unemployment among households with children. Since 2020, individual income inequality has declined for both groups, yet the gap between individuals living in households with and without children persists and continues to widen.

Figure 2. Evolution of individual income inequality by household type using a Gini index: 2005-2025



Source: Own construction using microdata from Encuesta de Condiciones de Vida (INE).

Figure 3 confirms that children face a significantly higher risk of monetary poverty than adults in Spain.¹ Poverty among households with children slowly but steadily increased during the 1990s (Cantó and Mercader-Prats, 2002) and

¹ Estimating child poverty levels is largely dependent on certain methodological choices. For instance, the choice of equivalence scale directly affects the demographic structure of those in poverty so that the smaller the economies of scale assumed, the higher the

continued to rise during the employment expansion of the 2000s (Ayala et al., 2006). Therefore, children did not benefit proportionally (relative to other population groups) from the improvement in macroeconomic conditions and the substantial job creation experienced in the country. Moreover, poverty among households with children (and among children compared to adults) is not only more widespread and severe, but also more intense.

After the peak of the Great Recession, overall poverty rates declined. However, since 2018 adult poverty rates have fallen while child poverty has increased. The poverty rate among children of all ages is ten percentage points higher than among adults in 2024, one of the largest gaps observed in the series. This pattern reflects two structural features: persistently higher child poverty and a widening intergenerational gap. Both contrast with the strong post-pandemic economic recovery, characterised by high GDP growth, rising employment and an increase in permanent contracts, suggesting structural weaknesses in the Spanish social protection model. In previous expansions, labour market dynamism acted as the main source of security for households with children. Its current limited effect reveals shortcomings in the protection system.

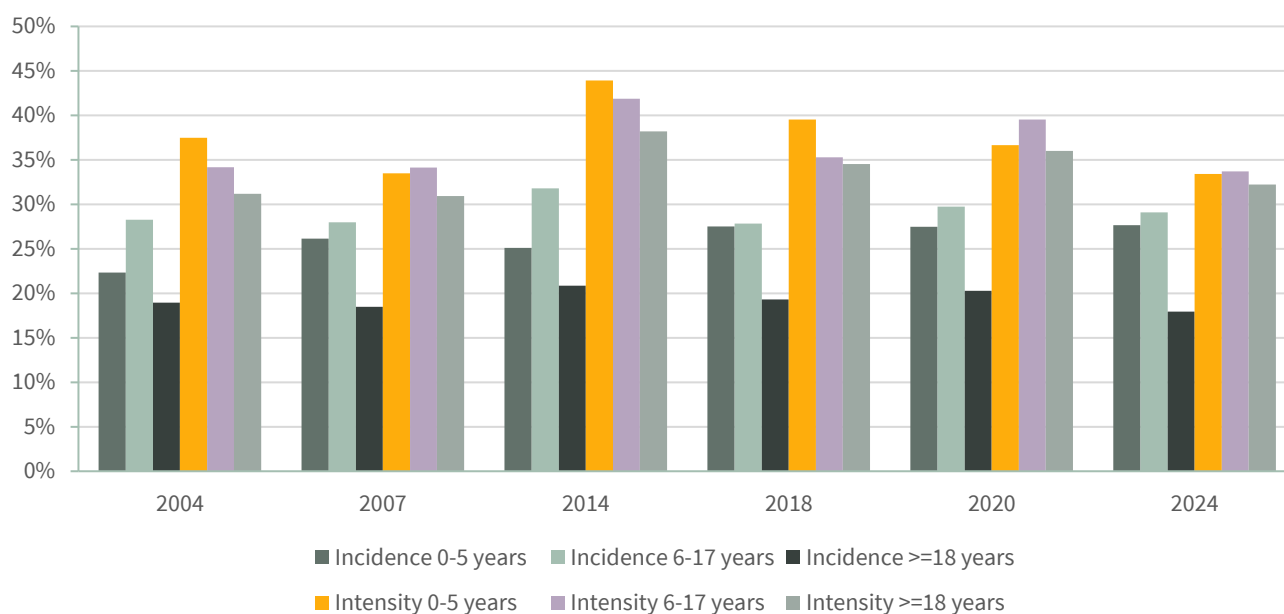
In addition to larger difficulties in reducing their vulnerability to poverty during economic expansions, households with children are also more sensitive to economic downturns (Ayala et al., 2026). Their greater cyclical vulnerability underscores the need for stronger protection mechanisms, as future slowdowns could disproportionately increase poverty indicators. Recent data also point to higher exposure to material deprivation, as rising housing, energy and food prices have intensified economic insecurity.

When the wealth distribution is considered, disparities are even more pronounced. In the Spanish Household Finance Survey (Encuesta Financiera de las Familias, EFF) households with children are underrepresented in the top wealth decile and overrepresented in the bottom half of the distribution. Clearly, housing access constraints further contribute to the concentration of wealth among households without children.

The problem of the notable extent of child poverty becomes even more significant when the indicators are compared with those of other European countries. In the early 2000s, Spain recorded the highest child poverty rate among EU-15 countries (Ayala et al., 2006). Two decades later, the pattern largely persists. Figure 4 presents poverty incidence rates using the standard threshold of 60% of median equivalized disposable income across EU countries, and Figure 5 shows its evolution in six large economies. The cross-country variation remains striking, and in 2024 Spain remains one of the EU countries with the highest child poverty rate.

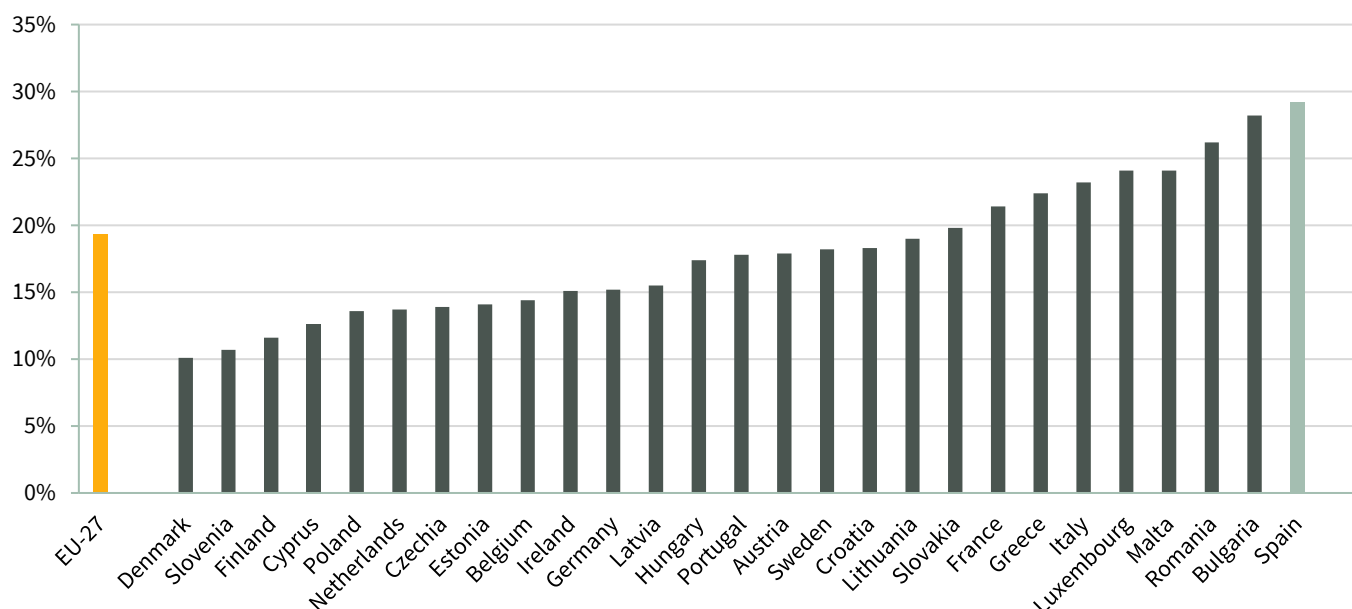
poverty rates in households with children. However, even if using other scales might lead to slightly different results, evidence in Ayala et al. (2006) shows that changing the equivalence scale does not seriously alter the essential conclusion about children in Spain suffering from higher levels of poverty (especially severe poverty) than adults. In this context, we use the methodological criteria of Eurostat for poverty measurement in our analysis of child poverty: the modified OECD scale and a 60 per cent of median disposable equivalent income as the poverty threshold.

Figure 3. Evolution of the incidence and intensity of monetary poverty in Spain by age groups: 2005-2025



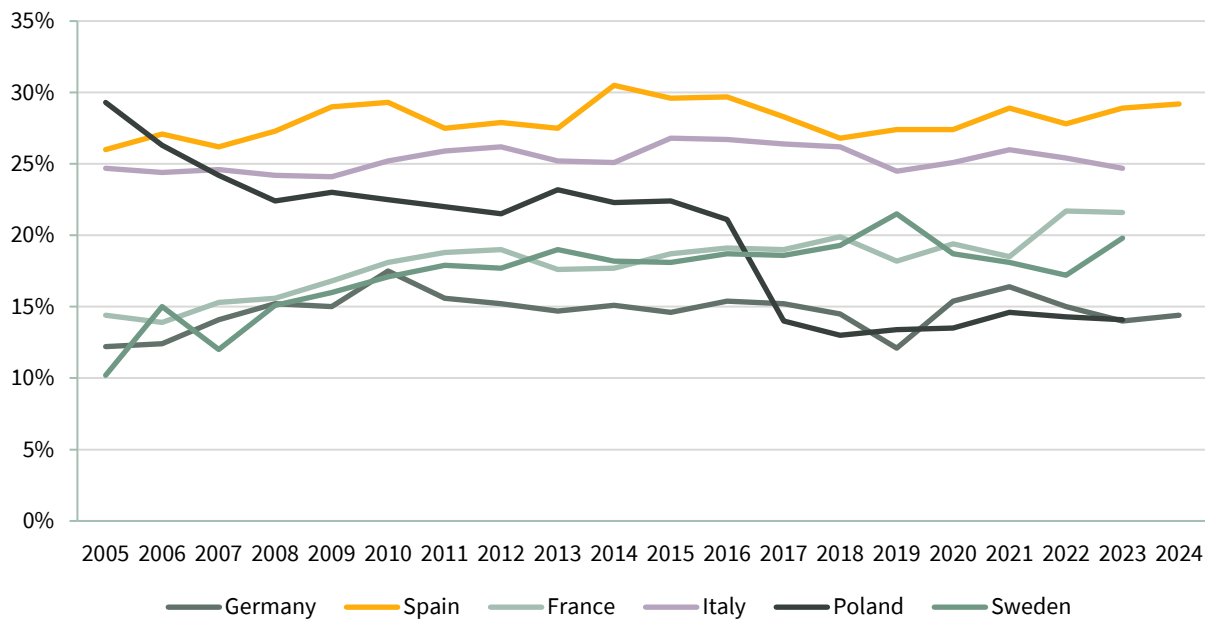
Source: Own construction using microdata from Encuesta de Condiciones de Vida (INE).

Figure 4. Child poverty rates in the European Union countries in 2024



Source: EU-SILC (Eurostat).

Figure 5. Evolution of child poverty rates in six large European Union countries: 2005-2024



Source: EU-SILC (Eurostat).

Within the higher incidence of the problem among Mediterranean countries, Spain's high rates stand out. In addition to remaining above the rest of the countries for the last two decades, the differences have widened in the recent period due to the upward trend in figures during the latest stage of economic recovery. For instance, while the Spanish economy has grown six times more than the German economy in recent years, child poverty is more than 50% higher than that of Germany. Therefore, the Spanish situation is characterized by being one in which children experience large levels of economic vulnerability. As will be observed later, this result is linked to the limited resources invested in child protection and the shortcomings in tax and benefit systems to substantially mitigate those problems.

3. Public policies to fight child poverty

3.1 The evolution of family policies within the Spanish tax-benefit system

The Spanish tax and benefit system originated in the early 1960s with the establishment of a Social Security system of predominantly Bismarckian design, characterised by a strong contributory profile and limited redistributive scope (Rodríguez Cabrero, 2011). Within Esping-Andersen (1999) typology, Spain (together with Italy, Portugal and Greece) belongs to the Mediterranean or Familial welfare regime (Ferrera, 1996; Moreno, 2006; Guillén and León, 2011). This model is relatively small in terms of its total economic weight and heavily centred on pensions and contributory unemployment insurance. Therefore, families play a central protective role against risks such as unemployment, old age and childcare.

In this context, family policies have traditionally been scarce in Spain compared with other European countries. As Valiente (1996) and Cantó and Mercader-Prats (2002) pointed out, family policies in Spain were developed during the francoist dictatorship and reflected the prominent social role of families at the time. The *subsidio familiar* (family allowance) and the *plus de cargas familiares* (bonus for family responsibilities) for families with children were

introduced in 1938 and 1945, respectively. Self-employed workers were excluded from these benefits, which were primarily financed by employers. The benefits translated into salary increases for employees with dependent children and were historically linked to a male breadwinner model. This model, together with the shortcomings in social protection, reinforced the role of family networks in caring for dependents. Some additional measures aimed at encouraging childbirth were contained in the Large Families Act of 1943, which provided supplementary allowances and facilitated access to education, transport and housing for families with more than four dependent children. These wage-related cash benefits were initially indexed to prices. However, after the arrival of democracy in the second half of the 1970s, benefit amounts remained stable and the system was not reviewed or updated. In 1985, their weight in total family income was very small, accounting for approximately 2.8 per cent of the minimum wage at that time (Cantó and Mercader-Prats, 2002).

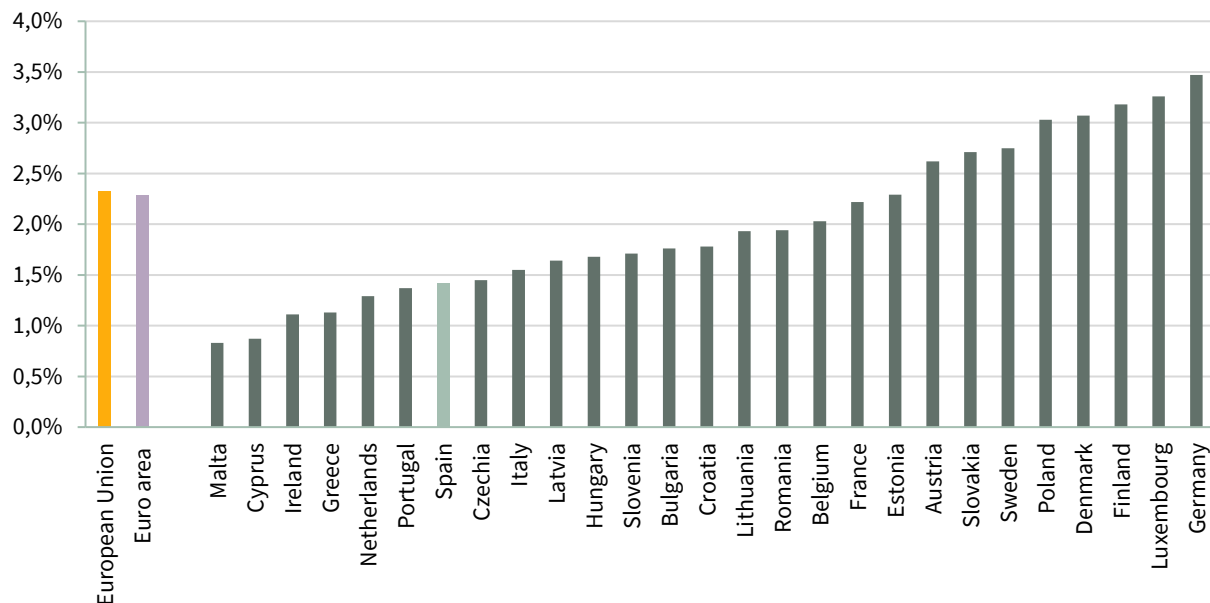
A means-tested child benefit was introduced in 1990 (*Prestación por Hijo a Cargo*), but it did not substantially improve the situation of poor families with children. Although the income threshold was not particularly low, the benefit amount was indeed small (about 5.6 per cent of the minimum wage) and thresholds were not updated in line with inflation. As a result, family policy hardly had any impact as a mechanism for social solidarity until the end of the last century (Meil, 2006).

In the subsequent period, family policies evolved primarily in line with social transfer policies. Between 2005 and 2008, economic growth and higher tax revenues allowed some expansion of coverage (Cantó, 2013). However, from 2008 onwards, the economic slowdown, combined with a sharp decline in tax revenues, led regional and central governments to pursue alternative fiscal consolidation measures.

Within that second phase, several reforms in cash transfer policies affected families. When the expansionary period was ending, a tax reform was implemented, mainly reducing income tax brackets and lowering the marginal rate in the highest bracket. The objective was to correct inequalities in the treatment of personal and family circumstances arising from the tax base reduction mechanism introduced in 1999. This reform also intended to update personal and family exemptions and tax thresholds and to transform family deductions from tax-base reductions into tax credits. Evidence on its distributive impact is mixed: Díaz de Sarralde et al. (2006) report improvements for workers and families with children, while Paredes (2006) and Sanz et al. (2008) find limited effects on all demographic groups.

In mid-2007, the government introduced a universal childbirth benefit consisting of a one-off payment of 2,500€. That same period, Social Security provision for maternity and paternity leave were extended. Some regional governments also developed their own family policies, creating new benefits related to childbirth, multiple birth, adoption and work-life balance. In addition, the government doubled the child benefit amount in 2008 for children under three years old and significantly raised the income threshold for eligibility.

Figure 6. Expenditure in family policies in European Union countries in 2023, in % of GDP



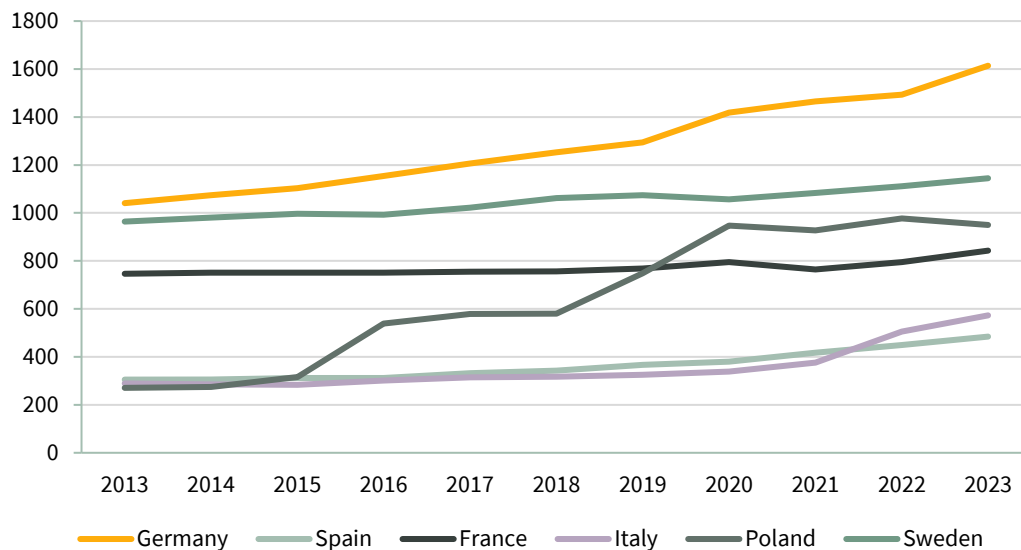
Source: Eurostat.

With the onset of the financial crisis, a fiscal stimulus package was initially approved. However, from 2009 onwards, fiscal consolidation measures dominated. Central and regional governments increased tax rates and cut benefits. Several regional family benefits were reduced or abolished. In June 2010, public sector wages were cut and froze pension indexation and the basic indicator for calculating a wide range of social benefits. Child benefits were almost halved, reversing the 2008 increase. In January 2011, the €2,500 universal childbirth grant was abolished.

From that year until 2018, the system remained largely stagnant, with the means-tested child benefit as the main instrument, characterised by a very low amount compared to other European countries and a loss of purchasing power due to inflation. In 2019, the benefits amount increased significantly. A major turning point occurred in 2020 with the creation of the Minimum Living Income (IMV), Spain's first nationwide minimum income scheme. The IMV incorporated specific child supplements and progressively absorbed the former child benefit. The creation of new family supplements within the IMV, such as the *Complemento de Ayuda para la Infancia* (CAPI), further strengthened support, particularly for children under 6, although benefit levels remain among the lowest in EU for older children.

As a result of maintaining for many years a system with limited generosity and coverage, social protection expenditure devoted to "family and children" in Spain remains low compared to the eurozone average (Figure 6). In 2001, family policies accounted for less than 5% of total social expenditure, well below the eurozone average. Even though this share increased temporarily in 2008 (from 4.7% to 6.3%), this trend reversed after the start of the Great Recession. In 2011, expenditure on family benefits was approximately 30% below the eurozone average, and in 2022 Spain remained among the EU countries with the lowest levels of such spending. The resources allocated to family policies are less than half that observed in several eurozone countries. Among the countries discussed in the previous section, Germany and Sweden stand out as the highest spenders on family policies in the EU-27, doubling Spain's investment.

Figure 7. Evolution of the economic weight of family policies (PPP expenditure per inhabitant): 2013-2023



Source: Eurostat.

The evolution of expenditure across countries (Figure 7) highlights Poland's rapid expansion since 2015. From levels similar to that of Spain, Poland reached levels close to Sweden's in a very short period, the second-highest spender. Germany, which already had substantial investment, also increased the economic weight of family policies over the past decade. Empirical evidence generally finds an inverse relationship between child poverty risk and the budgetary effort devoted to family benefits: countries with higher child poverty tend to allocate fewer resources to family transfers.

Not only is the amount spent on family policies important, but also the type of policies that are implemented. In Spain, family policy relies heavily on tax relief at both national and regional levels, alongside targeted benefits for low-income households, such as the IMV, the minimum incomes of the autonomous regions, and the targeted benefit for dependent children (CAPI). In contrast, many neighbouring countries combine universal child benefits financed through general taxation (or social contributions) with refundable tax credits for families with dependent children.

Currently, tax relief constitutes a central pillar of child support in Spain (Hernández et al., 2025). Evidence shows that income tax allowances for children are economically more significant than direct cash benefits. Given that a substantial proportion of households with incomes below the poverty line are exempt from paying tax, these allowances have no impact on child poverty.

Nearly 8.5 million taxpayers receive the minimum income tax allowance for descendants, confirming its central role in the system. According to the White Paper on Tax Reform (2022) with the 2019 tax returns, 2,825,292 taxpayers with dependent children under 18 cannot benefit from this allowance due to insufficient taxable income. If this tax credit was converted into a refundable tax credit, its cost would amount to approximately €1.8 billion. Extending the measure to individuals not required to file tax returns but subject to withholding would add €320 million, bringing the total to approximately €2.1 billion, similar to the expenditure on periodic family benefits for low-income households (Prestación por Hijo a Cargo). Other family-related tax deductions, such as those for maternity or large families, involve significantly lower amounts.

Given regional differences in the amount and applicable rates to the calculation of these tax reliefs, only taxpayers with three dependent children under the age of three achieve monthly savings of around €100 per child. The most common tax saving is approximately €40 euros per child per month for children over three. It is important to note that, as these deductions are non-refundable, they do not increase the disposable income of poorer households.

3.2 The redistributive capacity of the Spanish tax-benefit system for household with children

Table 1 presents evidence on the current redistributive capacity of the Spanish tax-benefit system, measured by the reduction in the Gini index using EUROMOD, the EU-wide tax-benefit microsimulation model. The redistributive effect for households with dependent children in Spain is clearly weaker than in other large European countries, such as Germany, France or Italy. While Sweden, Germany and France reduce income inequality among families with children by between 32% and 35%, in Spain the reduction is 25%.

Without a stronger redistributive impact, improving child well-being remains difficult. It is therefore relevant to identify which policy components are most effective in reducing inequality among households with dependent children. In Spain, benefits other than pensions reduce income inequality in these households by just over 10 percentage points, less than half the effect observed in countries such as France and Sweden.

Table 1. Global redistributive capacity of the Spanish tax-benefit system by household type, 2024 (% of Gini reduction)

	Spain	Italy	Germany	France	Poland	Sweden
Household without children	-45,0 %	-45,9 %	-47,6 %	-54,6 %	-46,4 %	-53,4 %
Households with children	-25,4 %	-30,6 %	-34,3 %	-32,5 %	-29,6 %	-35,3 %
All households	-37,4 %	-40,9 %	-43,8 %	-46,6 %	-40,1 %	-47,4 %

Source: authors calculations using EUROMOD J1.0+, data: EUSILC 2022, policy year: 2025, uprating procedure: default.

The picture is similarly unfavourable when analysing the system’s capacity to reduce poverty rates in different types of households (Table 2). Once again, Spain shows the smallest reduction in poverty risk among the countries compared: less than 20 percentage points for households with children. This is well below Germany (52 points), France (42), Poland (43), Sweden (28) and Italy (29). It is noteworthy that, even within the Mediterranean welfare model, the effect is very small in the case of Spain.

Table 2. Capacity of the Spanish tax-benefit system to reduce poverty by household type, 2024 (% of poverty incidence reduction)

		% poor before	% poor after	% poverty reduction
Spain	Household without children	45 %	16 %	65 %
	Households with children	30 %	25 %	18 %
	All households	39 %	20 %	49 %
Italy	Household without children	49 %	19 %	60 %
	Households with children	29 %	21 %	29 %
	All households	41 %	20 %	51 %
France	Household without children	51 %	11 %	78 %
	Households with children	27 %	16 %	42 %
	All households	40 %	13 %	68 %
Germany	Household without children	43 %	18 %	59 %
	Households with children	21 %	10 %	52 %
	All households	35 %	15 %	57 %
Poland	Household without children	41 %	16 %	60 %
	Households with children	25 %	14 %	43 %
	All households	33 %	15 %	55 %
Sweden	Household without children	46 %	12 %	75 %
	Households with children	20 %	15 %	28 %
	All households	35 %	13 %	63 %

Source: authors calculations using EUROMOD J1.0+, data: EUSILC 2022, policy year: 2025, uprating procedure: default.

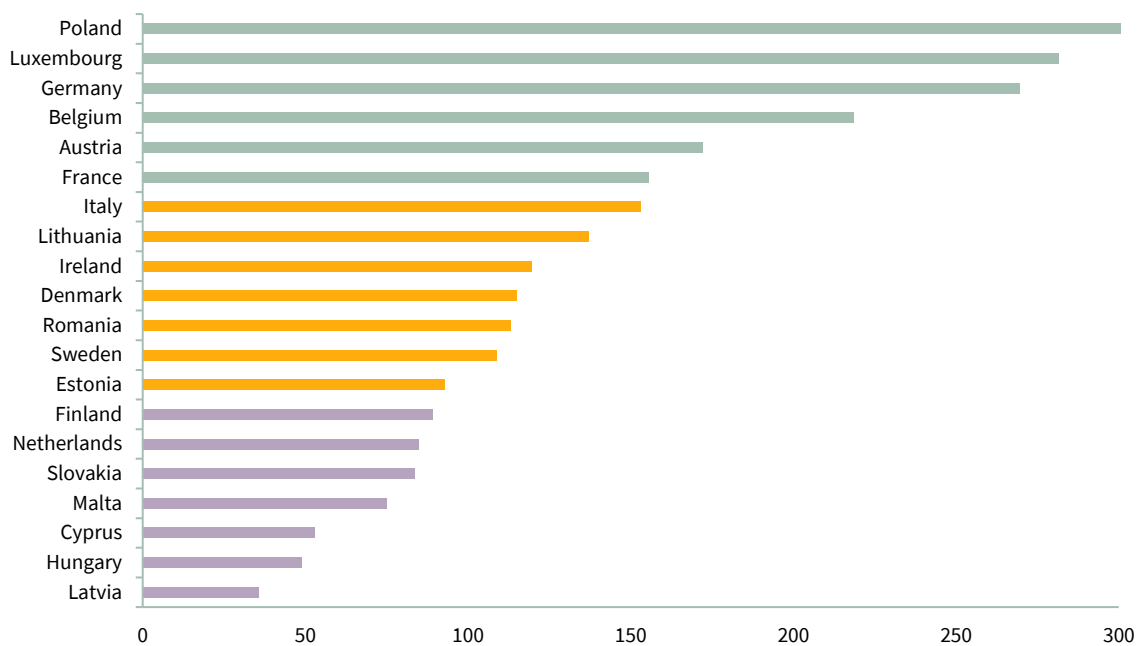
What reforms would bring Spanish child poverty closer to European averages? One approach is to examine differences between the current Spanish model and that of countries with lower child poverty rates. In Europe, universal child benefit schemes are the most widespread (Figure 8), typically financed through general taxation, although in some cases through social contributions. Only six out of the 27 EU countries lack a universal child benefit: three Southern European countries (Spain, Greece and Portugal) together with Lithuania, Slovenia and Romania.

Other institutional features also affect the redistributive capacity to improve income levels in households with children, such as eligibility age limits and variation in amounts depending on household incomes. In most countries, universal benefits do not vary with income but often differ by the number and age of children. Raising eligibility thresholds in Spain would extend coverage to more households. Some countries recognise the special need to protect families affected by unemployment but to a lesser extent than in the case of single-parent families.

Universal schemes are frequently combined with targeted benefits for low-income households. In France and Austria, these targeted benefits focus on groups most vulnerable to poverty, such as large and single-parent families. The Netherlands and Finland provide targeted benefits to cover specific expenses such as medical and childcare costs. Many countries also complement cash transfers with personal income tax deductions.

This is particularly common in countries that rely solely on targeted benefits, where tax measures supplement the income of families who exceed eligibility thresholds. Germany is a special case, allowing households to choose between receiving universal support as a cash transfer or as a tax deduction.

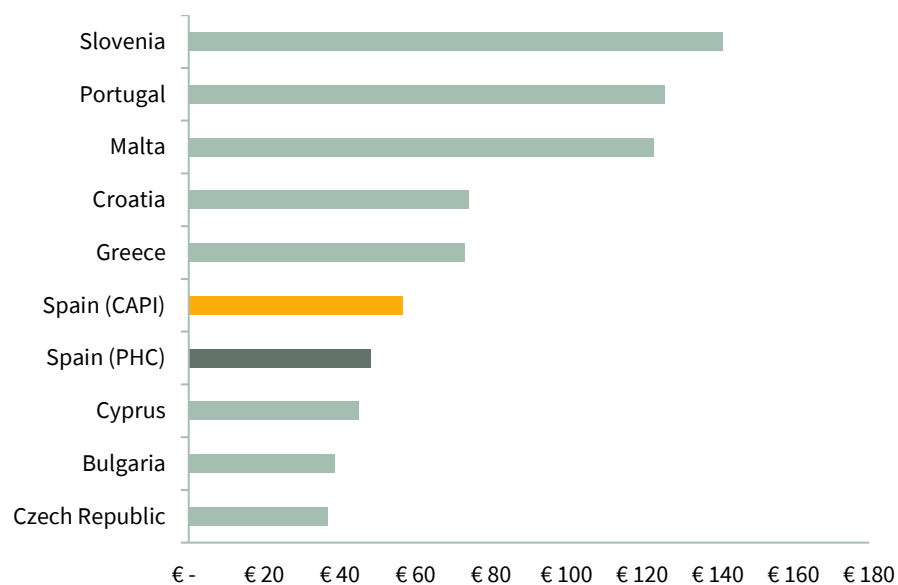
Figure 8. Monthly payments in PPP of Universal Child Benefit (UCB) schemes in the EU, 2024



Note: (1) The monthly amounts of these universal benefits are calculated as the maximum benefit payable to households with a single child under the age of 11. (2) Both the base amounts and the corresponding age supplements in each country are included. (3) All amounts are adjusted for Purchasing Power Parity (PPP) and expressed in EU-27 euros.

Source: MISSOC, EUROMOD Country Reports y EUROSTAT

Figure 9. Monthly amount of the means-tested child benefit per dependent child in Purchasing Power Parity (PPP), 2024



Source: MISSOC, EUROMOD Country Reports y EUROSTAT.

Eight EU countries rely primarily on cash benefits targeted at families with the lowest incomes (Figure 9), including Slovenia, Portugal, Croatia, Greece, Spain, Cyprus, Bulgaria and the Czech Republic, while Malta operates a single hybrid scheme. Despite recent reforms, Spain's targeted benefits *Prestación por Hijo a Cargo (PHC)* and *Complemento de Ayuda para la Infancia (CAPI)* are still among the lowest in countries where family protection is mainly based on such schemes.

It is important to emphasise that targeted benefits with high income thresholds can achieve redistributive effects similar to universal schemes. Conversely, when thresholds are low, their poverty-reducing impact can be very limited, even if benefit amounts are relatively generous. In countries such as Slovenia, Portugal, Greece and Croatia, benefits operate through multiple income thresholds, with amounts decreasing gradually as family income rises.

3.3. Universalism or focus on the poor: Which is best?

The literature has documented that countries with higher tax burdens and broader social policies (essentially the Nordic and continental countries) exhibit stronger redistributive effects, which helps to explain their lower levels of inequality and poverty. Despite this connection between child poverty risk, the redistributive capacity of the tax-benefit system, and the scope of family policies, identifying the most effective policy design for each socioeconomic context remains challenging.

A central debate concerns whether universal or targeted cash benefits are more effective in reducing poverty and inequality. However, there is still no sufficient consensus on which alternative is clearly better. In the late 1990s, Korpi and Palme (1998), analysing more than a dozen OECD countries, concluded that more extensive welfare states with universal benefits achieved greater reductions in inequality and poverty. Their conclusions are consistent with Tawney's (1952) argument in favour of universal transfers funded through general taxation to ensure an adequate standard of living for all citizens. Subsequent studies suggest that the positive association between universal benefits and redistribution weakens over longer time horizons (Kenworthy, 2011; Marx et al., 2014). Means-tested transfers, although typically reducing poverty less overall, tend to be more efficient per euro spent (Tullock, 1983; Goodin and Le Grand, 1987).

More recent cross-country evidence indicates that targeted policies can reduce child poverty more than universal ones, particularly when benefit amounts are high (Thévenon et al., 2018). Universal schemes, however, offer other advantages, such as administrative simplicity, lower monitoring cost and a greater ability to guarantee effective coverage of potential recipients (Urban and Perez, 2018).

As previously noted, one of the most widespread family policies in European countries is a universal child benefit financed through general taxation or social contributions (Levy et al., 2013; Cantó and Ayala, 2014). In most cases, this benefit is paid monthly until age 18, although one third of countries set the age limit at 16 and, in a few cases, extend it up to age 20. In almost all universal systems, payment continues beyond the standard age limit if beneficiaries remain in education, with upper limits typically ranging between 19 and 27 years. Moreover, many countries remove age limits altogether when children are unable to work. In Spain, this situation is only covered in the case of dependent children with disabilities. In most EU countries, the amount does not vary by household income, but it often depends on the child's age and the number of children. Some systems also provide additional support to unemployed families, although

this consideration is generally less prominent than the recognition of single parenthood as an additional vulnerability factor.

The introduction of a transfer of a certain economic size, regardless of its specific design, may generate positive effects beyond reducing the risk of poverty. The literature generally finds that these effects are primarily associated with demographic changes, such as higher fertility rates, lower abortion rates and, in some countries, reduced school dropout among teenage mothers (Gauthier, 2007; González, 2013). At the same time, potential negative effects have been identified, including increased labour market participation costs for women and the risk of dependency traps, whereby individuals who exit unemployment may lose benefits as their income rises.

However, the empirical consensus is that the labour supply disincentives associated with this type of benefit are limited. Estimated responses in labour participation decisions are small and tend to decrease over time (Paniagua and Ayala, 2019). This sensitivity varies by gender and marital status, with married women showing the strongest response in income changes, although this effect has weakened as their participation in the labour market has increased. In Spain, González (2013) found that the introduction of a universal lump-sum benefit in 2007 led more mothers to extend their maternity leave, thereby increasing the time newborns spent with their mothers during their first year of life. While this may have had positive effects on children's cognitive development, it could also have reduced mothers' likelihood of returning to employment.

Studies analysing how to achieve larger reductions in child poverty in Southern European countries advocate combining a medium-sized universal benefit with a targeted policy and complementary fiscal measures. This policy mix is presented as the most effective strategy for substantially lowering child poverty rates in Mediterranean countries (Matsaganis et al., 2006, 2007; Cantó and Ayala, 2014; Hernández et al., 2025). Ferrarini et al. (2012) similarly point out that countries adopting a mixed approach (integrating both tax and benefit instruments) tend to provide families with greater protection than those relying exclusively on fiscal tools.

Several specialised studies conclude that personal income tax in Spain has only a limited impact on child poverty, despite its central role in redistribution (Cantó et al., 2014; Cantó and Sobas, 2020; Hernández and Picos, 2021; Hernández et al., 2025). Among state fiscal instruments, the income tax allowance for dependants is the most important in terms of potential beneficiaries and expenditure, making it the cornerstone of Spain's family support system.² Converting this allowance into a refundable tax credit could strengthen the progressivity and redistributive effect of the tax system, helping reduce child poverty rates.

4. A microsimulation exercise for Spain

The aim of this paper is to analyse how alternative policy designs could reduce both the incidence and intensity of child poverty in Spain. To this end, we simulate several reforms of existing instruments and introduce new policy

² According to Paniagua y Frutos (2026), aggregate spending on monetary support for families with children reached €8.7 billion in 2022 (0.65% of GDP). Of that spending, fiscal instruments accounted for 81% of the total, while direct transfers represented 19%.

options. The exercise consists of evaluating the effectiveness and efficiency of each reform relative to the current system and to assess whether more ambitious family benefits could be implemented at a fiscally sustainable cost.

To quantify the distributive effects of each policy designs, we use the EUROMOD microsimulation model. This tool allows us to compare each reform with the baseline scenario while fully accounting for interactions with the existing tax and benefit structure.³ The flexibility of this tool enables us to estimate changes in household disposable income and to assess the redistributive impact of both existing and newly simulated policies in a consistent framework.

The main limitation of this type of simulation is its static nature. It does not incorporate potential behavioural responses, such as changes in labour supply resulting from higher disposable income, particularly among groups whose labour supply decisions are highly income-sensitive. Previous studies for Spain have found significant labour supply responses to changes in the IMV (Cruces et al., 2026). Regarding the simulated reforms, Bruckmeier et al. (2022) found for Germany that universal child benefits have broader distributional effects, but may also weaken labour supply incentives among middle- and higher-income households. Agúndez and Christl (2023) show for Hungary that shifting support from family tax relief to universal family transfers reduces inequality but may also generate non-negligible negative labour-supply effects, especially for women in couple households. However, the analysis for Spain of other types of benefits shows a sizeable positive impact of an hypothetical in-work benefit on women's labor market participation (Ayala and Paniagua, 2019). In any case, this literature suggests that behavioral effects on labor supply may be significant.

As shown in Table 3, we simulate three types of policies: an income tax reform that makes the minimum allowance for dependents refundable (Policy 1), two reforms of the targeted IMV child supplement (CAPI) (Policies 2 and 3), and four simulations introducing a universal child benefit with different amounts and tax treatments (Policy 4). The first two simulations of the targeted policy double the existing amount and modify its age distribution to better protect children aged 6 to 18, who face higher risk of poverty. The simulations of a universal child benefit introduce monthly benefits of €100 and €200, either non-taxable and taxable (part of the transfer returns to the State through taxation).

These simulations seek to answer three main questions: What reduction in child poverty incidence and intensity can be expected if the minimum income tax allowance for dependents becomes refundable? Would reforming the targeted benefit be more effective than introducing a universal child benefit similar to those operating in other European countries? What would be the budgetary cost of each policy option?

³ Gorjón et al. (2026) provide a very interesting exercise on the impact of Universal benefits on child poverty in Spain. Differences in results with their study may arise given that we use a microsimulation tool that considers the impact of each potential policy on other tax or benefit tools using EUROMOD.

Table 3. Policy in 2025 and different simulations of potential policies for the same year.

	Baseline policy 2025	Policy 1: Refundable family minimum	CAPI 2025	Increase in quantity and age distribution		Policy 4: Universal benefit			
				Policy 2: X2	Policy 3: X2 Change ages	100€ Non- Taxable	100€ Taxable	200€ Non- Taxable	200€ Taxable
Monthly quantity per child (€)	IMV	IRPF	0-3 100€ 3-6 70€ 6-18 50€	0-3 200€ 3-6 140€ 6-18 100€	0-3 100€ 3-6 140€ 6-18 200€	100€	100€	200€	200€
Maxium threshold (€)	Guarante ed income	Non tax filers	300 % Guaranteed Income (1 adult)	300 % Guaranteed Income (1 adult)	300 % Guaranteed Income (1 adult)	-	-	-	-

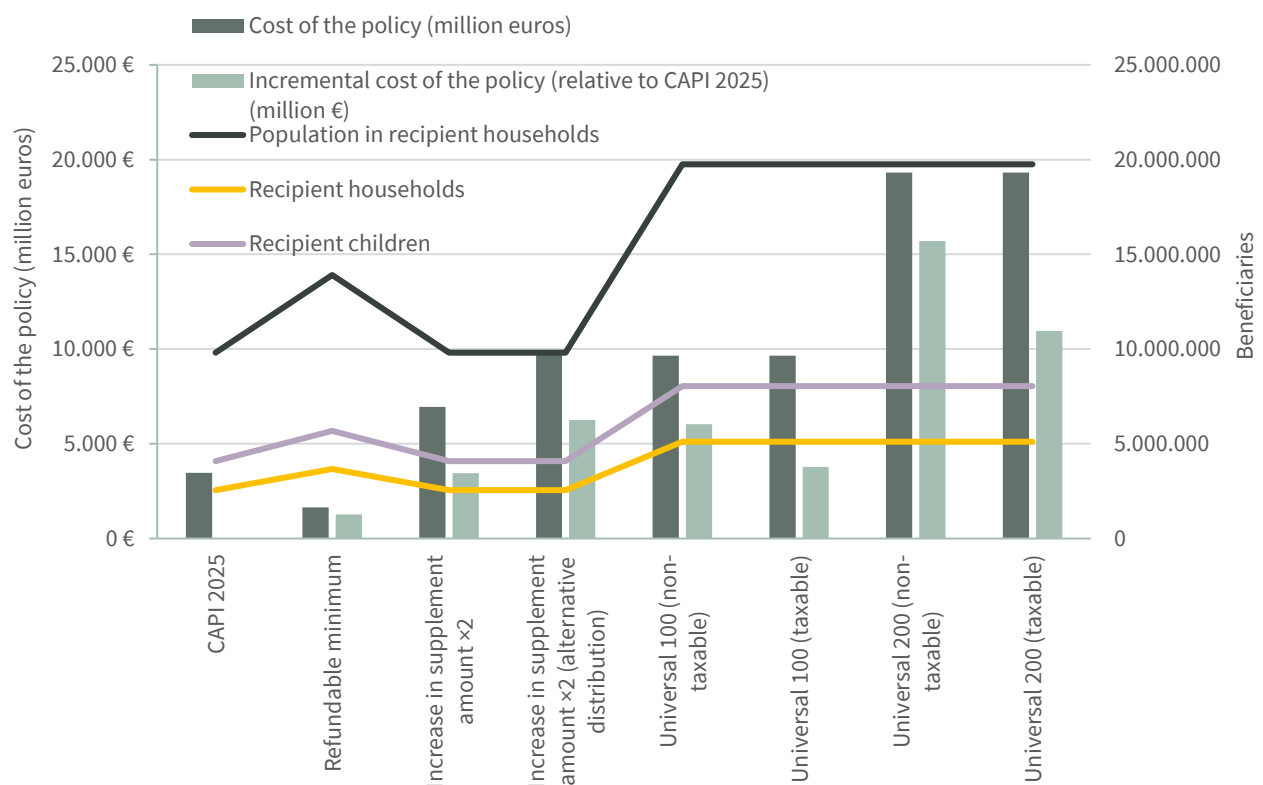
To assess the effectiveness of the various reforms, we measure changes in both poverty incidence (the proportion of children below the poverty line) and intensity (percentage of the income gap up to the poverty threshold) by family type and age of children. We follow the standard EU methodology, defining children as poor if they live in households with disposable income below 60% of the median equivalised income. Poverty intensity is measured as the distance between the income of the poor and that threshold.

Figure 10 presents the results of the simulations in terms of the number of potential recipients and the estimated additional budgetary expenditure associated with each policy. It should be noted that the CAPI simulations are affected by two different constraints. First, they only consider the guaranteed income threshold to access these benefits but cannot approximate the asset test. There is empirical evidence showing that the asset test has a substantial impact on the number of potential IMV beneficiaries in Spain. In 2022, 230,000 households met all eligibility criteria except that of the asset test (Petrov et al., 2026). Second, EUROMOD assumes a 100% take-up rate for this benefit, which differs substantially from the much lower levels suggested by some estimates, such as those from AIREF (2024). This means that our estimates place the effects of the CAPI at an upper bound. The simulated cost of the CAPI in 2025, assuming full take-up, would amount to €3,473 billion and would reach 2.5 million households.⁴

The reforms reaching the largest number of beneficiaries are the conversion of the minimum income tax allowance for descendants into a refundable allowance (5.6 million children living in 3.6 million families) and the universal benefits (8 million children in more than 5 million families). In contrast, increasing the amount of the CAPI or changing its age distribution does not affect the number of eligible households, but only the level of support.

⁴ According to AIREF (2024), the number of potential CAPI recipients in December 2023 would be 1.8 million households, of which only 338,000 would actually be receiving it, meaning that actual take-up would be 19% of potential beneficiaries. The differences with the simulation carried out in EUROMOD are due to several factors, the two most important being that we do not consider the second wealth limit and that it is based on income data from the Living Conditions Survey (ECV), while AIREF uses administrative data from the Tax Agency.

Figure 10. Recipients (number of households and individuals) and potential annual expenditure on each policy (millions of euros), 2025^a

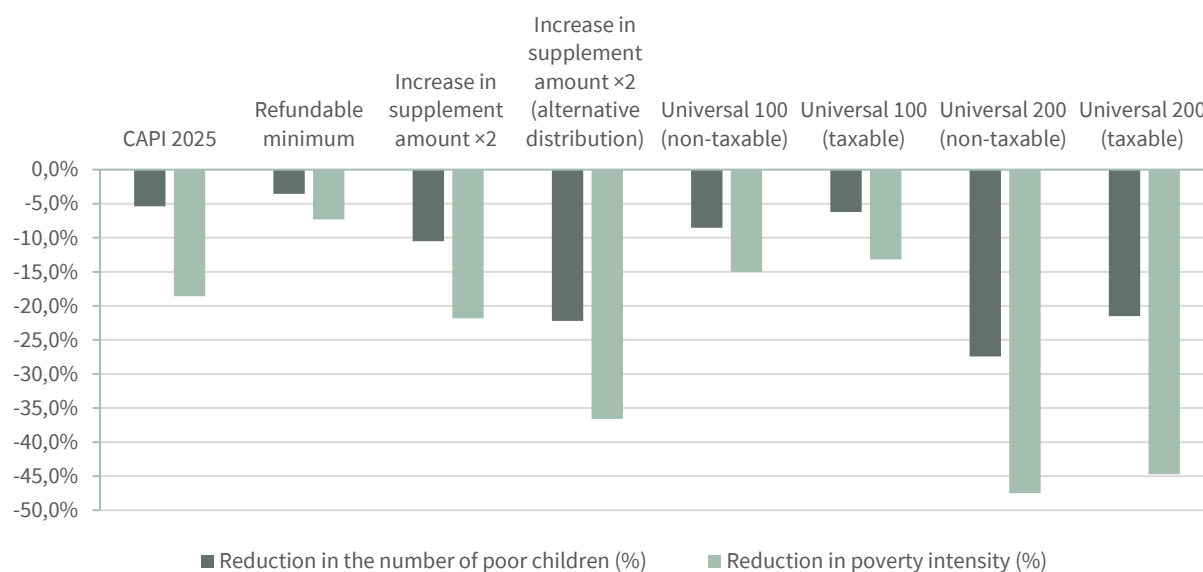


^a Recipient children are included in 'population in recipient households'.

Source: authors calculations using EUROMOD J1.0+, data: EUSILC 2022, policy year: 2025, uprating procedure: default

Figure 11 shows the reductions in poverty incidence and intensity resulting from each policy. If the CAPI achieved full take-up, poverty incidence would decline up to 5.4% and poverty intensity by 18.6%. Converting the minimum allowance for dependants into a refundable credit would further reduce the incidence of child poverty by 3.6% and its intensity by 7.3%. The poverty-reducing effect of the CAPI, if it reached households that are potential beneficiaries, is therefore larger than that of the refundable tax credit, particularly in terms of intensity.

Figure 11. Reduction in the number of children below the poverty line and the degree of child poverty intensity after each policy (in %)



Source: authors calculations using EUROMOD J1.0+, data: EUSILC 2022, policy year: 2025, uprating procedure: default

Both the increase in the amount of the CAPI and changes in its age distribution would have a very high potential to reduce both the incidence and intensity of child poverty. Doubling the amount would reduce the incidence of child poverty by 10.5%, approximately twice the reduction achieved under the baseline design (5.4%), while intensity would decline about 22%. If this increase were combined with a revised age structure (€100 for children aged 0–3 and €200 for those aged 6–18) the potential impact of the policy would be much more significant: the incidence of child poverty would fall by 22% and its intensity by 36%. Universal benefits, whether taxable or non-taxable, also show strong effects, especially at €200 per month. A universal taxable benefit of this amount would reduce poverty incidence as much as a targeted benefit (21.5% versus 22.2%) but would reduce intensity more substantially (45% versus 36%). However, the additional cost would be around €11 billion, compared with approximately €6 billion for the improved targeted scheme.⁵

Table 5 summarizes the results of the different options, taking into account the fiscal cost, both in absolute terms and as a percentage of GDP, the reduction in poverty incidence, the reduction in poverty intensity, and the cost-effectiveness of each reform. Both universal policies would substantially reduce the incidence and intensity of child poverty in Spain and would be the most appropriate if the objective is to compensate all families for the cost of raising children. However, as the number of recipients of child benefits increases, the cost of each reform rises accordingly, making universal policies more expensive than the alternatives. To assess more accurately the costs of implementing each option (particularly the targeted alternatives) it would also be necessary to account for administrative and

⁵ The incremental cost is not simply the difference in total cost, since EUROMOD also takes into account other fiscal factors. For example, in the case of the universal taxable benefit, part of the transfer returns to the state through taxation. Therefore, the net increase is not equivalent to “universal taxable cost minus CAPI cost”. Instead, the fiscal revenue recovered by the state must also be considered, and the differential cost is obtained after accounting for this effect.

monitoring costs, the potential extent of fraud in declaring income, and differences in effective access arising from practical difficulties in applying for benefits. In the case of the CAPI, such difficulties have created significant obstacles to expanding its effective coverage.

Broadly speaking, the most expensive policy is the universal benefit of €200 per month that would be received by all households with children (5 million households), which would entail an additional cost of €15 billion compared to the current CAPI. If this benefit were taxable, the cost would be lower (around €11 billion).

Table 5. Reduction in poverty incidence and intensity

	Cost	Δ cost	Cost (%GDP)	Δ cost (% GDP)	▽ poor children	▽ poverty intensity	▽ poor children per €	▽ intensity per €
IMV	2.327 €		0,2%					
CAPI 2025	3.474 €		0,2%		-5%	-19%		
Ref.Minimum	1.636 €	1.277 €	0,1%	0,1%	-1%	0%	3,1	5,5
×2 sup.	6.947 €	3.444 €	0,5%	0,2%	-10%	-22%	2,9	6,4
×2 red.	9.770 €	6.249 €	0,7%	0,4%	-22%	-37%	3,5	5,9
Univ. 100 (NT)	9.654 €	6.040 €	0,6%	0,4%	-9%	-15%	1,5	2,5
Univ. 100 (T)	9.654 €	3.764 €	0,6%	0,3%	-6%	-13%	1,6	3,5
Univ. 200 (NT)	19.309 €	15.695 €	1,3%	1,0%	-27%	-47%	1,7	3,0
Univ. 200 (T)	19.309 €	10.957 €	1,3%	0,7%	-21%	-45%	1,9	4,1

Note: T: taxable.

Source: authors calculations using EUROMOD J1.0+, data: EUSILC 2022, policy year: 2025, uprating procedure: default.

Given these differences in the costs of each alternative, it is important to assess their effectiveness by considering how many euros it would cost to reduce each poverty indicator by one percentage point. If the primary objective is to reduce poverty incidence, the most cost-effective option would be to reform the targeted benefit by doubling its amount and adjusting payments by age, increasing them as children grow older. For every additional billion euros spent, child poverty incidence would fall by 3,5% and its intensity by 5,9%. This policy would reach 4 million children in 2,5 million households. However, if the priority is to reduce the intensity of poverty as much as possible, doubling the existing amount of the targeted policy would be the most effective option. For each additional billion euros spent, the incidence of child poverty would be reduced by 3% and its intensity by 6,4%.

Each of the proposed policies would affect different types of households and children of different ages in distinct ways. Depending on their design and families' position in the income distribution, the policies may reduce the incidence and/or intensity of poverty more for some groups and less for others. The results confirm that, in terms of incidence, all policies—except for converting the minimum allowance for descendants into a refundable credit—would particularly reduce poverty among single-parent households (Table 6). For this group, both the universal €200 benefit and the targeted policy that increases the amount and restructures payments by age would be particularly effective.

When focusing on poverty intensity, single-parent households would also benefit to a considerable extent. Nonetheless, households with two adults and three or more children would experience the largest improvements alongside them. Both the universal €200 benefit and the redesigned targeted policy (with higher amounts and an age-based reallocation) would be particularly effective in reducing poverty intensity for these two household types. Universal benefits also

show significant potential to reduce poverty intensity among households with two adults and one or two children, which constitute the most common type among households with dependent children.

Table 6. Reduction in poverty incidence and intensity after each policy, by household type and child's age (in %).

	CAPI vs IMV	Refundable minimum	×2 supplement	×2 redistribution	Universal 200 (NT)
Two adults, 1–2 children	-8.8 / -19.6	-0.5 / -3.0	-7.6 / -17.8	-19.2 / -29.0	-23.9 / -41.5
Two adults, 3+ children	-10.0 / -25.0	-4.1 / -5.1	-4.9 / -30.1	-14.1 / -49.0	-21.9 / -63.2
More than two adults	-11.4 / -21.3	-0.7 / -9.2	-11.5 / -12.4	-17.8 / -25.2	-22.7 / -27.7
Single adult with children	-15.5 / -27.5	-2.6 / -11.4	-11.4 / -27.4	-33.3 / -54.6	-42.1 / -67.1
Age 0–3	-7.1 / -24.4	-8.3 / -8.7	-14.8 / -29.9	-13.5 / -26.4	-25.9 / -42.9
Age 4–6	-2.1 / -19.9	-1.8 / -7.9	-9.5 / -25.2	-15.8 / -32.2	-25.4 / -51.4
Age 7–12	-6.8 / -18.4	-2.4 / -7.2	-11.4 / -21.2	-29.3 / -43.5	-31.4 / -51.7
Age 13–17	-5.2 / -13.9	-1.6 / -5.2	-6.4 / -15.6	-22.9 / -38.0	-23.4 / -42.7

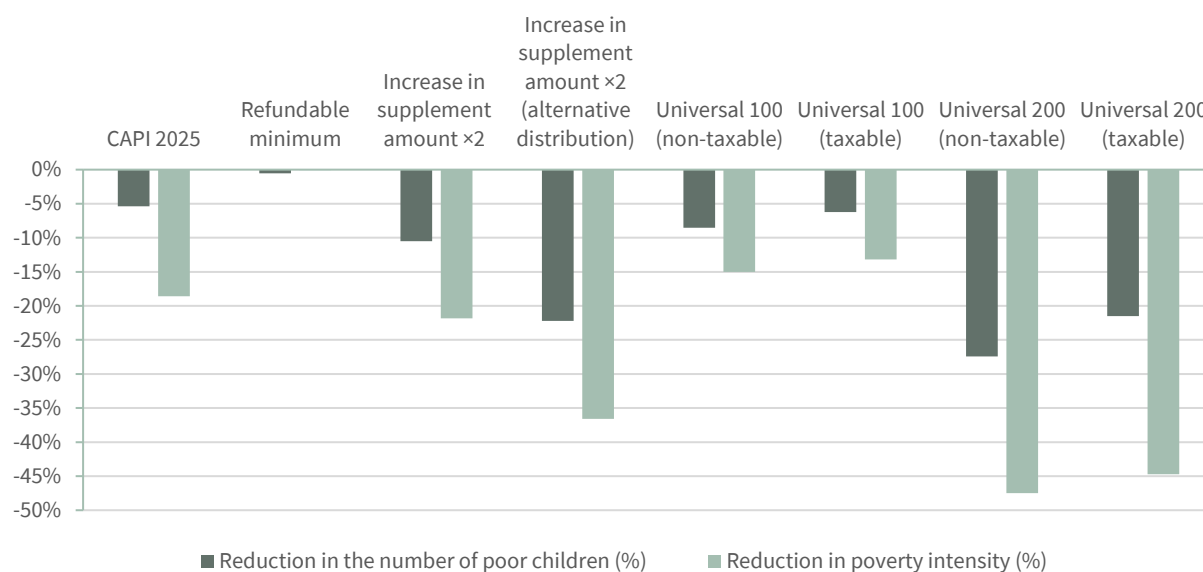
Note: Each cell reports: first value = reduction in the number of poor children (%), second value = reduction in poverty intensity (%).

Source: authors calculations using EUROMOD J1.0+, data: EUSILC 2022, policy year: 2025, uprating procedure: default.

Finally, the impact of these policies can also be analysed by the age of the children. The results indicate that a universal benefit of €200 would be the most effective option across all age groups. Nevertheless, a policy that increases the amount rather than expanding coverage, such as doubling the amount of the CAPI and reorganising payments by age, would be very effective in reducing child poverty incidence among children aged 7 to 12, but less so among younger children aged 0 to 3. In contrast, converting the minimum allowance for dependants into a refundable credit would mainly reduce the incidence among younger children. Universal benefits would also significantly reduce the incidence of poverty among children aged 0 to 3 and 4 to 6, more than targeted benefits.

The results for poverty intensity by age are broadly consistent with those for incidence. The refundable minimum per child and the targeted benefit that doubles the amount while maintaining the current age-based structure show greater potential to reduce the intensity of poverty among younger children. Meanwhile, the targeted benefit that both doubles the amount and modifies the age structure is more effective for children aged 7 to 12. Overall, universal benefits produce larger and more evenly distributed reductions in both poverty incidence and intensity across all age groups.

Figure 12. Reduction in the number of children below the poverty line and the degree of child poverty intensity after each policy (in %) with the current take-up



Source: authors calculations using EUROMOD J1.0+, data: EUSILC 2022, policy year: 2025, uprating procedure: default

As previously noted, the results are conditioned both by their static nature and by the assumption of full take-up of benefits, including existing ones. As a sensitivity analysis, we simulated the different reforms assuming an IMV take-up rate equal to that estimated by AIReF for 2024 (41.8%), randomly distributed. The results are very similar to those obtained under the assumption of 100% take-up (Figure 12), confirming the previous conclusions.

5. Conclusion

In this paper we evaluate the capacity of alternative family benefit designs to reduce child poverty incidence and intensity in Spain, a country that registers persistent high levels of child poverty within the EU-27 since the 1990s. Using the EU-wide static microsimulation model EUROMOD we simulate counterfactual reforms to child-related transfers modelled following those in place in other EU countries.

With all the caveats imposed by the fact that this is a static simulation and based on certain assumptions, our results indicate that several reforms could substantially reduce child poverty. A sufficiently large Universal Child Benefit (UCB) would generate immediate and significant declines in both incidence and intensity of child poverty, mainly by overcoming the high non-take-up associated with means-tested benefits. The effects are especially strong among some vulnerable household types, notably single-parent households and large families with children aged 6 to 12. The estimated gross fiscal cost of the optimal UCB ranges between 0.7% and 1% of GDP, depending on whether benefit payments are treated as taxable income.

Nevertheless, it is important to note that combining a medium-sized universal benefit with a targeted policy and in coordination with complementary fiscal measures could be the best policy mix. Indeed, the literature shows that countries adopting a mixed approach (integrating both tax and benefit instruments) tend to provide families with greater protection than those relying exclusively on fiscal or targeted benefit tools.

It should also be noted that although the effects of a universal benefit on the incidence and intensity of poverty would be the largest among the alternatives analysed, so would its cost. Doubling the level of the current benefit and modifying its age distribution to better protect children aged 6 to 18 could also be an advisable option if the key parameter for public policymakers is the cost-effectiveness of the different options.

In summary, the most advisable option based on the simulations carried out and the existing evidence from other countries is a mix of targeted and universal policies that would significantly improve the current levels of protection and close the gaps in the system.

Acknowledgements

The authors would like to thank the Editor and two anonymous referees for their comments and suggestions that have significantly improved the final version of the manuscript.

Funding

Olga Cantó, Marina Romaguera-de-la-Cruz and Dmitry Petrov acknowledge financial support from Junta de Comunidades de Castilla-La Mancha Grant SBPLY/24/180225/000210 and from the Ministerio de Ciencia e Innovación Grant PID2022-137352NB-C42 funded by MCIN/AEI/10.13039/501100011033 and by “ERDF A way of making Europe”.

Conflict of interests

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Author contributions

Luis Ayala: Conceptualization, Supervision, Formal analysis, Writing – review & editing.

Olga Cantó: Conceptualization, Supervision, Formal analysis, Writing – review & editing.

Marina Romaguera-de-la-Cruz: Conceptualization, Data curation, Formal analysis, Writing – review & editing.

Dmitry Petrov: Conceptualization, Data curation, Formal analysis, Writing – review & editing.

REFERENCES

- Agúndez, A. & Christl, M. (2023). Hypothetical tax-benefit reforms in Hungary: Shifting from tax relief to cash transfers for family support. *Eastern European Economics*, 61, 723–746. <https://doi.org/10.1080/00128775.2023.2221231>
- Autoridad Independiente de Responsabilidad Fiscal (AIReF). (2024). Tercera opinión sobre el IMV. AIReF. https://www.airef.es/wp-content/uploads/2024/07/IMV/20240724_IMV_Opinion3_01Estudio.pdf
- Ayala, L., Cantó, O., Fernández-Salgado, M. & Romaguera, M. (2026). Do children suffer more from recessions? (mimeo).
- Ayala, L., & Davia, M. A. (2025). Desigualdad y estructura social. IX Informe FOESSA. <https://www.caritas.es/main-files/uploads/2025/10/IX-INFORME-FOESSA.pdf>
- Ayala, L., Martínez, R., & Sastre, M. (2006). Familia, infancia y privación social. Fundación FOESSA. <https://www.caritas.es/main-files/uploads/2006/01/EST00014-Familia-Infancia-y-Privacion-Social.pdf>
- Ayala, L. & Paniagua, M. (2019). The impact of tax benefits on female labor supply and income distribution in Spain. *Review of the Economics of the Household*, 17, 1025–1048. <https://doi.org/10.1007/s11150-018-9405-5>
- Bonhomme, S., & Hospido, L. (2017). The cycle of earnings inequality: Evidence from Spanish Social Security data. *The Economic Journal*, 127(603), 1244–1278. <https://doi.org/10.1111/ecoj.12368>
- Bruckmeier, K., d'Andria, D. & Wiemers, J. (2022). Universal, targeted or both: Effects of different child support policies on labour supply and poverty: A simulation study. *Journal of Contextual Economics–Schmollers Jahrbuch*, 142, 159–206. <https://doi.org/10.3790/schm.2024.372970>
- Cantó, O. (2013). La capacidad redistributiva del sistema español de prestaciones e impuestos. *Papeles de Economía Española*, 135, 140–152. https://www.funcas.es/wp-content/uploads/Migracion/Articulos/FUNCAS_PEE/135art10.pdf
- Cantó, O., & Ayala, L. (2014). Políticas públicas para reducir la pobreza infantil en España: Análisis de impacto. UNICEF. https://www.unicef.es/sites/unicef.es/files/unicef_politicas_para_reducir_pobreza_infantil_espana_baja.pdf
- Cantó, O., Ayala, L., Adiego, M., Levy, H., & Paniagua, M. M. (2014). Going regional: The effectiveness of different tax-benefit policies in combating child poverty in Spain. In G. Dekkers, M. Keegan, & C. O'Donoghue (Eds.), *New pathways in microsimulation* (pp. 183–202). Ashgate.
- Cantó, O., González, L., Adán, R., Ayala, L., Fernández, M., Martínez, A., Romaguera, M., Sánchez, M., Vall, J., & Victoria, C. (2023). El coste de la pobreza infantil en España. Alto Comisionado para la Lucha Contra la Pobreza Infantil. https://www.comisionadopobrezainfantil.gob.es/sites/default/files/2023-09/AF%20Pobreza%20Infantil%20Resumen%20Ejecutivo%20v5_low.pdf
- Cantó, O., & Mercader-Prats, M. (2002). Child poverty in Spain from the 70s to the 90s: A static and dynamic approach. *Journal of Applied Social Sciences Studies (Schmollers Jahrbuch)*, 121, 543–578. <https://doi.org/10.3790/schm.122.4.543>
- Cantó, O., & Sobas, A. (2020). Los efectos redistributivos de las políticas familiares. Observatorio Social La Caixa. https://elobservatoriosocial.fundacionlacaixa.org/documents/242020/263837/CantoSobas_PoliticasFamiliares_CAST_20MG.pdf/b80aab04-f3be-5a03-c4b5-608aa3ff41e3?t=1592268107864
- Cruces, H., Hernández, A. & Narazani, E. (2026). Escaping the inactivity trap? The work incentive of the Spanish minimum income. *Journal of Policy Modeling*, 48, 107–129. <https://doi.org/10.1016/j.jpolmod.2025.09.010>

- Díaz de Sarralde, S., Picos, F., Moreno, A., Torrejón, L., & Antiqueira, M. (2006). La reforma del IRPF de 2007: Una evaluación de sus efectos (Papeles de Trabajo del Instituto de Estudios Fiscales No. 26/06). https://www.ief.es/docs/destacados/publicaciones/papeles_trabajo/2006_26.pdf
- Esping-Andersen, G. (1999). Social foundations of postindustrial economies. Oxford University Press. <https://doi.org/10.1093/0198742002.001.0001>
- Ferrera, M. (1996). The southern model of welfare in social Europe. *Journal of European Social Policy*, 6(1), 17–37. <https://doi.org/10.1177/095892879600600102>
- Ferrarini, T., Nelson, K., & Hoog, H. (2012). The fiscalization of child benefits in OECD countries (Gini Discussion Paper No. 49). https://gini-research.org/wp-content/uploads/2021/03/DP_49_The-Fiscalization-of-Child-Benefits-in-OECD-Countries.pdf
- Figari, F., Paulus, A., & Sutherland, H. (2009). Measuring the size and impact of public cash support for children in cross-national perspective (EUROMOD Working Paper No. EM6/09).
- Gauthier, A. (2007). The impact of family policies on fertility in industrialized countries: A review of the literature. *Population Research and Policy Review*, 26(3), 323–346. <https://doi.org/10.1007/s11113-007-9033-x>
- González, L. (2013). The effect of a universal child benefit on conceptions, abortions, and early maternal labor supply. *American Economic Journal: Economic Policy*, 5(3), 160–188. <https://doi.org/10.1257/pol.5.3.160>
- Goodin, R. E., & Le Grand, J. (Eds.). (1987). Not only the poor: The middle classes and the welfare state. Routledge.
- Gorjón, L., Romero, G. & Lizárraga, I. (2026). Universal child benefits as a tool for poverty reduction: A Microsimulation-based case of study of Spain, In: *The Palgrave Handbook of Global Social Problems*. Palgrave Macmillan, Cham. https://doi.org/10.1007/978-3-030-68127-2_695-1
- Guillén, A. M., & León, M. (Eds.). (2011). The Spanish welfare in European context. Ashgate.
- Hernández, A., Cantó, O. & Picos, F. (2025). Two decades of child-contingent policies and redistribution in Spain. *The Journal of Economic Inequality*, 24, 183–206. <https://doi.org/10.1007/s10888-025-09670-z>
- Hernández, A., & Picos, F. (2021). Income support to families with children in Spain (JRC Working Papers on Taxation and Structural Reforms No. 10/2021). European Commission. <https://publications.jrc.ec.europa.eu/repository/handle/JRC125829?mode=full>
- Kenworthy, L. (2011). Progress for the poor. Oxford University Press. <https://doi.org/10.1093/acprof:oso/9780199591527.001.0001>
- Korpi, W., & Palme, J. (1998). The paradox of redistribution and strategies of equality: Welfare state institutions, inequality, and poverty in the Western countries. *American Sociological Review*, 63(5), 661–687. <https://www.jstor.org/stable/2657333>
- Levy, H., Matsaganis, M., & Sutherland, H. (2013). Towards a European Union child basic income? Within and between country effects. *International Journal of Microsimulation*, 6(1), 63–85. <https://doi.org/10.34196/ijm.00077>
- Libro Blanco. (2022). Libro blanco sobre la reforma tributaria. Instituto de Estudios Fiscales. https://www.ief.es/docs/investigacion/comiteexpertos/LibroBlancoReformaTributaria_2022.pdf
- Magnuson, K., & Votruba-Drzal, E. (2009). Enduring influences of childhood poverty. In M. Cancian & S. Danziger (Eds.), *Changing poverty, changing policies* (pp. 153–179). Russell Sage Foundation.
- Marx, I., Nolan, B., & Olivera, J. (2014). The welfare state and anti-poverty policy in rich countries (IZA Discussion Paper No. 8154). IZA. <https://doi.org/10.2139/ssrn.2432438>

- Matsaganis, M., O'Donoghue, C., Levy, H., Coromaldi, M., Mercader-Prats, M., Rodrigues, C. F., & Toso, S. (2006). Reforming family transfers in Southern Europe: Is there a role for universal child benefits? *Social Policy and Society*, 5(2), 189–197. <https://doi.org/10.1017/S1474746405002873>
- Matsaganis, M., O'Donoghue, C., Levy, H., Coromaldi, M., Mercader-Prats, M., Rodrigues, C. F., Toso, S., & Tsakloglou, P. (2007). Child poverty and family transfers in Southern Europe. In A. Spadaro (Ed.), *Microsimulation as a tool for the evaluation of public policies: Methods and applications*. Fundación BBVA.
- Meil, G. (2006). The evolution of family policy in Spain. *Marriage & Family Review*, 39(3–4), 359–380. https://doi.org/10.1300/J002v39n03_07
- Moreno, L. (2006). The model of social protection in Southern Europe: Enduring characteristics? *Revue Française des Affaires Sociales*, 5, 73–95. <https://doi.org/10.3917/rfas.cn605.0073>
- Paniagua, M., & Ayala, L. (2019). Impact of in-work benefits on female labor supply and income distribution in Spain. *Review of Economics of the Household*, 17(3), 1025–1048. <https://doi.org/10.1007/s11150-018-9405-5>
- Paniagua, M. & Frutos, R. (2026). *Pobreza infantil y reforma del mínimo por descendiente en el IRPF*. Madrid: Fundación Alternativas. https://fundacionalternativas.org/wp-content/uploads/2026/03/memorando_pobreza_infantil_reforma_minimo_descendiente_IRPF_FA.pdf
- Paredes, R. (2006). Efectos de la reforma del IRPF sobre el tratamiento de la familia. In M. T. López (Ed.), *Familia y economía* (pp. 221–258). Colección Acción Familiar.
- Petrov, D., Ayala, L. & Cantó, O. (2026). Eligibility under the lens: Asset thresholds and targeting efficiency in the Spanish Minimum Income Scheme. *EQUALITAS Working Paper No. 91*. <https://equalitas.es/sites/default/files/2026-01/WP-91.pdf>
- Rodríguez Cabrero, G. (2011). The consolidation of the Spanish welfare state. In A. M. Guillén & M. León (Eds.), *The Spanish welfare in European context*. Ashgate.
- Sanz, J. F., Romero, D., & Álvarez, S. (2008). *La protección de la familia en la Unión Europea: Análisis comparado y simulación de reformas aplicadas a España*. Fundación BBVA. https://www.fbbva.es/wp-content/uploads/2017/05/dat/DE_2008_proteccion_familia.pdf
- Tawney, R. H. (1952). *Equality*. George Allen & Unwin.
- Thévenon, O., Manfredi, T., Govind, Y., & Klauzner, I. (2018). Child poverty in the OECD: Trends, determinants and policies to tackle it (OECD Social, Employment and Migration Working Papers No. 218). OECD Publishing. <https://dx.doi.org/10.1787/c69de229-en>
- Tullock, G. (1983). General welfare or welfare for the poor only. In *Economics of income redistribution*. Springer. https://doi.org/10.1007/978-94-015-7253-8_6
- Urban, I., & Pérez, M. (2018). *Microsimulation of child benefits: A review of studies*. Croatian Science Foundation.
- Valiente, C. (1996). Olvidando el pasado: La política familiar en España (1975–1996). *Gestión Y Análisis De Políticas Públicas*, (5-6), 151–162. <https://doi.org/10.24965/gapp.vi5-6.74>