

Report on the preliminary results of the B-MINCOME project (2017-2018)

Combining a guaranteed minimum income and active social policies in deprived urban areas of Barcelona

July 2019



Report on the preliminary results of the B-MINCOME project (2017-18). Combining a guaranteed minimum income and active social policies in deprived urban areas of Barcelona

Direction: Lluís Torrens and Josep Villareal (Planning and Innovation Direction, Social Rights Area, Barcelona City Council).

Edition and writing: Bru Laín (Social Rights Area, Barcelona City Council and the Barcelona Institute for Regional and Metropolitan Studies).

Research team: Laura Kirchner, Ramón Sabes and Federico Todeschini (IVÀLUA), Ismael Blanco, Charlotte Fernández and Sergio Yanes (IGOP-UAB), Amanda Hill-Dixon, Sergi Sánchez and Noemí Ayguasenos (The Young Foundation), Fabricio Bonilla and Filka Sekulova (ICTA-UAB), Sebastià Riutort and Albert Julià (Social Rights Area, Barcelona City Council and the Barcelona Institute for Regional and Metropolitan Studies).

Published by: Planning and Innovation Department
Area of Social Rights, Barcelona City Council
Valencia, 344, 6^a pl., 08009, Barcelona,
Tel.: +34 934 132 717
ajuntament.barcelona.cat/dretssocials/ca
ajuntament.barcelona.cat/bmincome/en

Barcelona, July 2019



With funding from the Urban Innovative Actions programme within the European Union's ERDF (UIA-01031-2016).



The content of this publication is subject to an Attribution-NonCommercial-ShareAlike (BY-NC-SA) licence for non-commercial purposes and with a derivative work. The material may be copied and redistributed in any medium or format, as long as such action is not for commercial purposes. The material may also be remixed, transformed and built upon, as long as such creations are distributed under the same licence as the original and appropriate credit is given, citing the origin and author.

'I finally felt like part of society. I was no longer isolated and could go out for a cup of tea, pay for medicine when I needed it and sleep without worrying. It was a feeling of confidence, of self-esteem'.

[Participant in the Ontario Basic Income Pilot, 2017]

**'It's difficult to see a way out when you can't cover your basic needs.
When somebody helps you, you start seeing things differently.
Your mentality changes if you're given a push.
No longer having to suffer so that your kids can eat allows you
to think about places you could send your CV to'.**

'Now I feel like I can be closer to people, talk to people, relate to them'.

[Participant in the Barcelona B-MINCOME project, 2018]

CONTENTS

- The B-MINCOME pilot project** 5
- Report introduction** 6
- 1. Participant population** 7
 - 1.1. Classification of households and participants 8
 - 1.2. Modalities of participation 10
- 2. Municipal Inclusion Support (SMI)** 14
- 3. Preliminary impact analysis** 16
 - 3.1. Initial and follow-up surveys 16
 - 3.2. Previous project context 17
 - 3.3. Impact results 18
 - 3.3.1. Impact on the deprivation and wellbeing dimension 18
 - 3.3.2. Impact on the financial dimension 21
 - 3.3.3. Impact on the employment dimension..... 22
 - 3.1.5. Impact on the health dimension 24
 - 3.1.6. Impact on the children dimension..... 25
 - 3.1.7. Impact on the community dimension 26
 - 3.4. Impact on the perceived happiness and satisfaction with life 27
 - 3.5. Results of qualitative and ethnographic research 30
 - 3.6. Results on the community participation policy 33
- 4. Executive summary** 37
- 5. Bibliography** 40

THE B-MINCOME PILOT

The *B-MINCOME*, *combining a minimum guaranteed income with active social policies in deprived urban areas of Barcelona*, is a pilot project that aims to fight poverty and social exclusion. It sits within the European Union's *Urban Innovative Actions* programme and is led by the Department of Planning and Innovation of the Barcelona City Council's Area of Social Rights.

The B-MINCOME project has an overall duration of 36 months, comprising 24 months of intervention and evaluation (from November 2017 to October 2019) and one year beforehand to prepare the pilot design, diagnose the situation, gather and display data, begun in November 2016.

The B-MINCOME project is aimed at up to 1,000 vulnerable households in ten neighbourhoods making up the Eix Besòs (Ciutat Meridiana, Vallbona, Torre Baró, Roquetes and Trinitat Nova in the Nou Barris district, Trinitat Vella, Baró de Viver and Bon Pastor in the Sant Andreu district, and Verneda i La Pau, and Besòs i el Maresme in the Sant Martí district), one of the most vulnerability areas of in the city.

The B-MINCOME project aims to test the efficacy (in relation to the results obtained) and the efficiency (in relation to the implementation costs) of an innovative and integral policy combining a monetary transfer – Municipal Inclusion Support or SMI – with four active policies of social and employment inclusion in the areas of training and employment, entrepreneurship in the social, solidarity and cooperative economy, housing reforms for refurbishing and renting rooms, and a community participation program.

By guaranteeing a minimum income, the B-MINCOME project seeks to allow participants to enjoy greater freedom of action that reinforce their decision-making skills so that they can design their own strategies for progressing out of the vulnerable situations they are currently in.

The project aims to create an ecosystem to fight poverty and exclusion so that, by reducing dependence on public and private subsidies, participants can potentiate their empowerment and independence.

REPORT INTRODUCTION

This report summarises the key results of the impact that the B-MINCOME project has had during its first year of implementation. The data presented are the result of a combination of quantitative and qualitative methods of analysis collected and used by the project's partners: Ivàlua - Catalan Institute of Evaluation of Public Policies, NOVACT - International Institute for Nonviolent Action, the Institute of Government and Public Policies (UAB), The Young Foundation, and the Data Management Group (UPC), alongside ICTA - Institute of Environmental Science and Technology (UAB). The report is divided into three sections:

- The first section analyses the participant population compared to the wider population of Barcelona and the population that uses social services. It also analyses the different groups or modalities of programme participation and the degree of follow-up of the people assigned to each.
- The second section tackles the way Municipal Inclusion Support (SMI) works and details the formula for calculating it, its characteristics, the development of the amounts, and the number of household recipients up to now.
- The third section shows the results in terms of project impact. Firstly, it analyses the two surveys conducted. It then goes on to show and describe the effects or impacts of the project on different categories and dimensions of analysis: deprivation and wellbeing, financial and employment situation, health, children and the community dimension. Thirdly, it presents the effects on the development of participants' perception of their own wellbeing and happiness. In the fourth section, it analyses the results of the general qualitative evaluation of the programme. It ends by looking at the situation of participants of the community participation policy.

This report only looks at data obtained during the first year of the programme. We will have access to more complete information once the project comes to an end, moment in which we will publish the final report of results.

This report is therefore subject to changes as a result of incorporating new sources of information, particularly those obtained from administrative records on health, social security, taxes, education and the job market.



1. PARTICIPANT POPULATION

Initially, a total of 5,000 households that could be potential candidates for taking part in the project were identified. After sending out letters and conducting 400 information sessions in September 2017, in October 2017 we received 2,525 applications,¹ of which 1,527 proved to fulfil the requirements. The final selection was made in November 2017 through a random and stratified draw² that chose the 1,000 households that would take part and the way in which they would do so (participation groups), the 383 households that would take part passively (control group), and the 144 ones that would be kept as a reserve to replace any who decided they did not want to or could not take part. All participant households were selected from people with open records in the centres of social services who had voluntarily submitted an application. In order to be selected, however, their household had to meet some additional requirements, as shown below:³

1. The households' members must be registered in Barcelona since 30 June 2015, live in one of the neighbourhoods in the Eix Besòs area and commit to do so until the end of the project.
2. At least one member had to be aged between 25 and 60 years old on 31 July 2017 in order to take part in the active policies (particularly in the training and employment one).
3. All households' members had to be living in effective co-existence, as legal or natural demographic changes (deaths, divorce, adoption, etc.) would change the amount of the SMI.⁴
4. To sign the document accepting the terms and conditions for the provision of the benefit in the modality awarded and to accept payment of 25% of the SMI with the new citizen currency (REC).
5. To sign a commitment agreement to take part in processes for directly obtaining information and consent in order for follow-up to be conducted through public administration databases.
6. Households whose assets exceeded the value of four years' worth of estimated SMI benefit, excluding debts, the main house and a parking space, were not included.

The application of these criteria meant that 51% of the applications were not eligible to take part in the draw, mostly due to the fact that they exceeded the maximum income threshold. These requirements resulted in a target population with a high level of vulnerability and with at least one member available to take part in the active policies.

¹ To analyse the possible reasons why some households did not apply to take part, despite the fact they would potentially meet the requirements, see the report on non-take-up prepared as part of the project at:

<https://ajuntament.barcelona.cat/dretssocials/sites/default/files/arxiu-documents/informe-casos-non-take-up-bmincome.pdf>

² Stratification was completed based on three criteria, creating seven different applicant strata: 1) The first was whether the household was eligible for housing grants policy for renting rooms out, i.e. if the property had an available room measuring at least 10 sq.m. The other two criteria were applied to the remaining households: 2) By value of SMI transfer divided into: 3) €1,100 or more; 4) between €600 and €1,100; and 5) less than €600. The third criterion was employability, i.e.: 6) If the household had at least one member, or 7) any member that could be employed to take part in the active training and employment policy.

³ All the requirements for choosing to take part in the programme can be seen in the Official Bulletin of the Province of Barcelona, from 10 August 2017, available online at: www.bop.diba.cat/scripts/ftpisa.aspx?fnew?bop2017&08/022017016002.pdf&1.

⁴ A household or unit of co-existence is made up people within the same residence with a matrimonial tie or other officially recognised stable connection and with blood ties up to the fourth degree or the second degree if the tie is by affinity, including the children of each of the parents living together as a result of reconstituted families. They must share (not divide) household expenses.

1.1. Classification of households and participants

Households that entered the draw demonstrated a more vulnerable socio-economic situation than the average household in Barcelona and than the average population at risk of poverty in the city (according to the Barcelona sample of the Spanish National Statistics Institute ‘Study into Living Conditions’, 2016), and also than the average user of municipal Social Services (according to the ECVUSS - ‘Study into Living Conditions of Users of Social Services’, 2016). In terms of this comparison, it is worth highlighting the following data:

1. The households taking part in B-MINCOME are larger (4.14 people) than the average household at risk of poverty in Barcelona (2.54 people) and the average of those using social services (2.6 people).⁵
2. The rates of material deprivation and severe material deprivation (93.45% and 68.98%, respectively) are significantly higher among those taking part in the B-MINCOME than among the population at risk of poverty in Barcelona (44.6% and 15.4%, respectively).
3. The average income of households taking part is €635.70 a month, whilst the average for those who use social services is €785.60. 1.9% of households do not declare their income in the ECVUSS, of which only 26% have an income of more than €1,000 a month. By contrast, B-MINCOME households show greater financial vulnerability, as 6.4% of them declare they have no income, whilst only 23.8% have over €1,000 a month.
4. The percentage of households renting is higher among project participants (57.7%) than among the population at risk of poverty in Barcelona (45.0%). In other words, whilst 36.6% of the vulnerable households in Barcelona own their flat with no outstanding payments, only 7.9% of those taking part in the B-MINCOME project own their own flat.
5. The most common social benefits among B-MINCOME participants are social care, family support, and school aid and childhood fund. Meanwhile, among the population at risk of poverty in the city, the most common are retirement pensions, unemployment benefits and the Catalan Guaranteed Citizen Income (RGC).
6. The digital divide is greater in participating households (39.8% have no internet connection) than in the population at risk of poverty in Barcelona (21.1%).
7. The percentage of applicants from the household with a poor state of health is higher in participants (51.5%) than in the population at risk of poverty in Barcelona (29.7%).
8. The proportion of participants (applicant and household members) not of Spanish origin (47.1%) is higher than among the population of Barcelona (23.57%).
9. The percentage of people living in households in which no member works or that report a low intensity of work is higher among B-MINCOME participants (38.1%) than among those at risk of poverty in the city (16.9%).

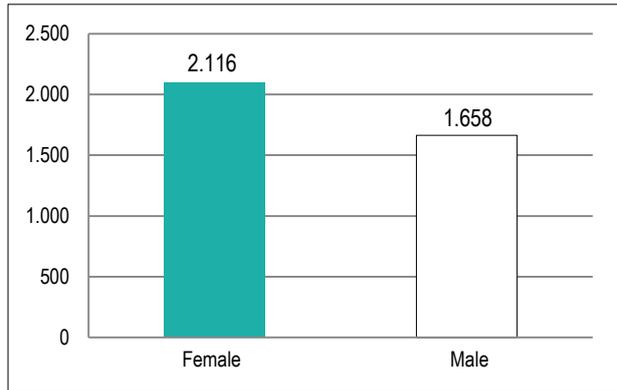
It can be found below some of the socio-demographic data more relevant of the households and people taking part in the project in order to get a more accurate idea of their characteristics:

⁵ As in the other indicators, this average is influenced by concentrating the project on households that are not exclusively made up of senior citizens.

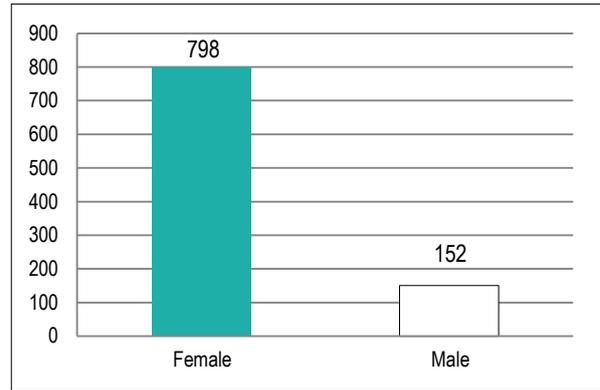
a) Gender: Of the 3,774 people making up all the participating households, 2,116 are female (56%) and 1,658 male (44%). On the other hand, of the SMI holder, 798 are female (84%) and 152 are male (16%).

This over-representation of the female group is due to the fact that most of the people seeking assistance at social service centres are female (71.8% compared to 28.1% male) and it is therefore those people who the B-MINCOME project took as their contact person by default.

Gender of household members



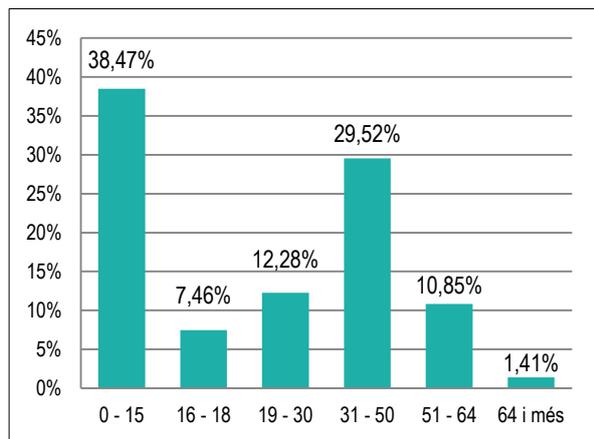
Gender of SMI recipients in the household



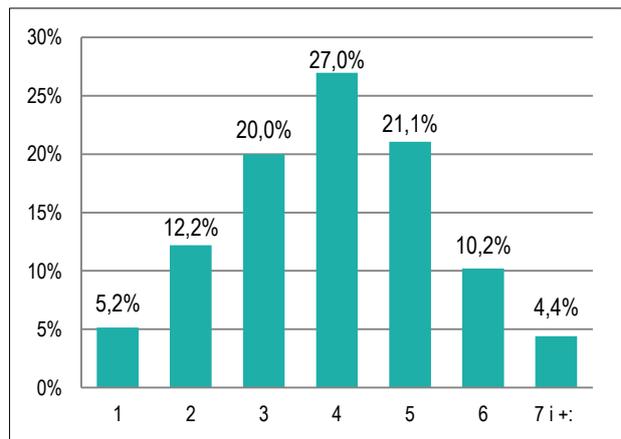
b) Age and size of households: The largest age range is the 1,453 children under the age of 16, whilst the second largest range is the 1,115 people between the ages of 31 and 50. People of working age, between 16 and 64 years, add up to 2,271, representing 87.73% of the total.

In terms of numbers of members, the most representative household are the 256 made up of 4 members (27%), followed by 200 made up of 5 members (21.1%) and 190 of 3 members (20%). In aggregate, 62.7% of households taking part in B-MINCOME have 4 or more members, whilst among households users of municipal social services this percentage is 26.8%.

Age of household members

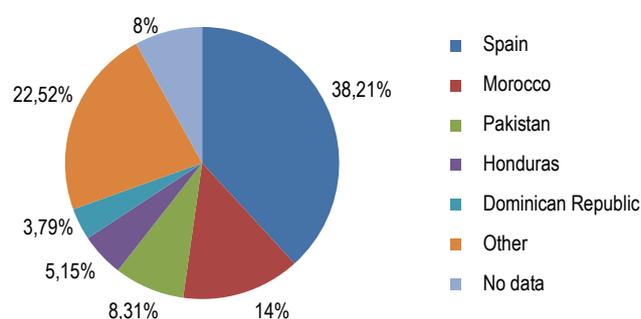


Number of members in each household



c) Country of origin: Most of the participants (SMI recipients and those who live with them) are of Spanish origin (363). The rest come from 35 different countries. Nationalities outside of the EU are the most numerous (47.1%), being Morocco (14%) and Pakistan (8.31%) the most representatives.

Country of origin	Number	Percentage
Spain	363	38.21%
Morocco	133	14%
Pakistan	79	8.31%
Honduras	49	5.15%
Dominican Republic	36	3.79%
Other	214	22.52%
nd	76	8%
Total	950	100%



d) Distribution by district: The distribution of people and households taking part in the three districts included in the project is similar to the demographic weight of these districts compared to the city as a whole.

District	Households	% of the total	Users	% of total
Nou Barris	448	47.2%	1,746	46.33%
Sant Andreu	220	23.2%	896	23.67%
Sant Martí	282	29.7%	1,132	29.99%
TOTAL	950	100%	3,774	100%

From the comparison between the results of the initial project survey and the sample from the Spanish National Statistics Institute's survey into living conditions (ECV) and Barcelona City Council's ECVUSS, households within the project have been shown to be over-represented in terms of vulnerability and severe vulnerability. The project focus has thus allowed us to reach a population experiencing a higher degree of socio-economic exclusion than the population at risk of poverty in the city and those users of social services. This group of people, therefore, shows a greater need to receive social benefits.

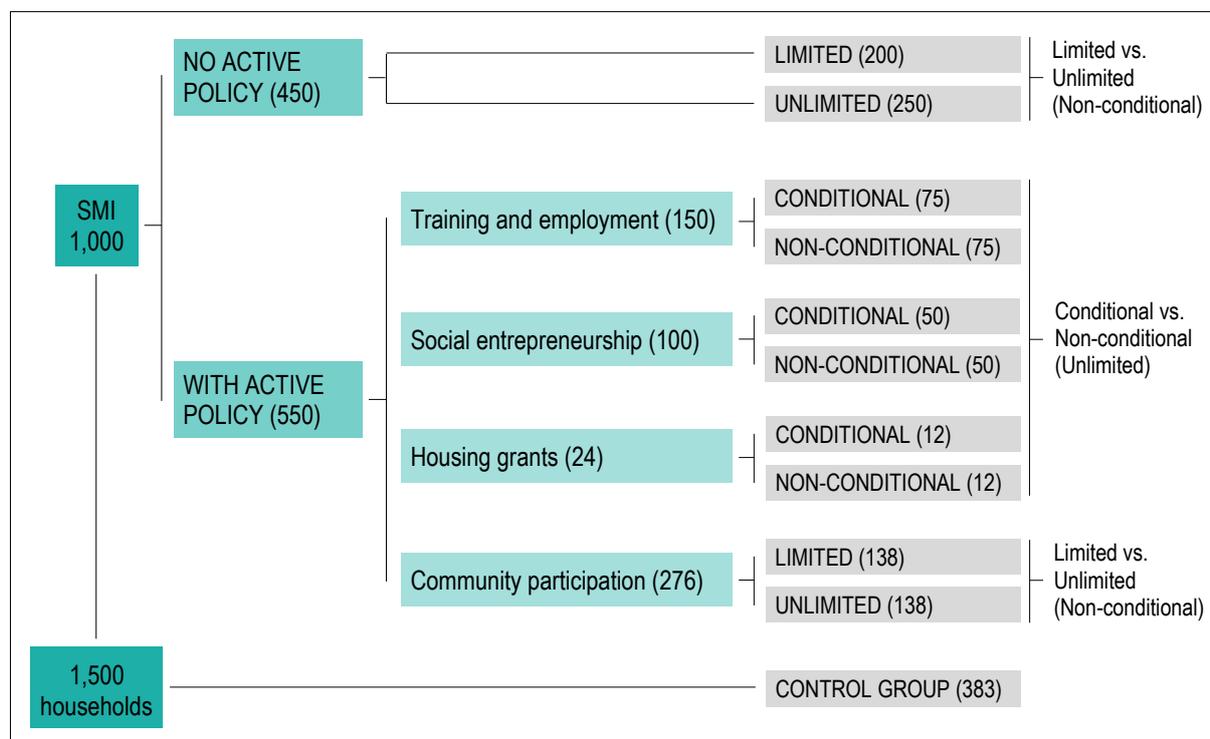
1.2. Modalities of participation

The beneficiary households within the project take part in different ways according to ten treatment groups that combine the following four types or modalities of participation:

1. Conditional: active participation in one of the active policies is compulsory in order to receive SMI.
2. Non-conditional: active participation in one of the active policies is not compulsory in order to receive SMI.
3. Limited: any additional income the household receives reduces the SMI amount in an inversely proportional manner.
4. Unlimited: any additional income the household receives does not reduce the SMI amount.⁶

⁶ The amount of aid thus partially reduces: 25% of the first €250 in excess of the basic threshold and 35% of the remaining amount. In some cases, it may be possible to reduce the SMI amount to nil.

Following the experimental model of the so-called *Randomised Control Trials* (RCTs),⁷ the project design defines 11 participation groups: 10 treatment groups (combining the four types of participation) and 1 control group, as shown in the following table:



The exact number of people assigned to each treatment group and to the control group has slightly changed compared to this initial design. Out of the total of 1,527 households that took part in the initial draw, 1,000 were chosen to form part of the ten treatment groups. For administrative reasons or due to changes in employment, residential situation, household composition or motivation of selected participants, some of these households could not go on to become beneficiaries. Some examples include having a too high asset value or because their income was higher than the established threshold. The following table shows these cases:

Observation of actual situation	Frequency	Percentage
Income threshold exceeded	21	9.42 %
Suspension due to non-fulfilment	3	1.35 %
Commitment agreement not signed	18	8.07 %
Outside of the 10 neighbourhoods	25	11.20 %
Technical assessment	1	0.45 %
Withdrawal	19	8.52 %
Did not attend	77	34.53 %
Asset threshold exceeded	34	15.25 %
Duplicate	3	1.35 %
Partner is already in the programme	1	0.45 %
Unemployable	1	0.45 %
Reserve	19	8.51 %
Asset threshold exceeded	1	0.45 %
Total	223	100 %

⁷ To find out more about the potentials and limitations of RCTs, see: White, Sabarwal and de Hoop (2014) and Cowen *et al.* (2017).

These households were replaced by people from households in the reserve group (although for the purposes of evaluation, they continue to count as part of the treatment groups). Once replaced, there were a total of 950 households remaining in receipt of SMI, of which 419 only receive SMI (186 in limited and 233 in unlimited modality) and 531 that also involved in the active policies (152 in training and employment, 99 in social entrepreneurship, 10 in housing subsidies and 270 in community participation). Overall, 129 people take part in the conditioned modality, 827 in the non-conditioned one, 319 receive the limited SMI and 631 who are receiving the SMI under the unlimited modality.

It is worth noting that only one member per household could take part in the active policies. The person taking part in the policy is therefore not necessarily the same as the SMI holder, as some people who received this benefit did not meet the requirements to be able to take part in the policies and, through a technical report made by social services professionals, it was decided that they should be substituted by another member of their household who were able.

a) Households currently active and non-active in the policies: For several reasons, including changes in employment activity, migratory or residential displacements, household composition or personal preferences, the number of people assigned to each active policy is higher than the effective number of people actually taking part in such policies.

Percentages of active persons (March 2019)

Training and employment policy				
	Total	Active participants	% active	% female
Conditional	76	60	78.95 %	79.13 %
Non-conditional	76	55	72.37 %	
TOTAL	152	135	75.66 %	

Entrepreneurship in the social and solidarity economy and cooperatives policy				
	Total	Active participants	% active	% female
Conditional	48	38	79.17 %	86.20 %
Non-conditional	51	20	39.22 %	
TOTAL	99	58	58.59 %	

Policy of financial aid for rehabilitation and room renting ⁸				
	Total	Active participants	% active	% female
Conditional	12	4	33.3 %	60 %
Non-conditional	12	6	50 %	
TOTAL	24	10	41.6 %	

Community participation policy				
	Total	Active participants	% active	% female
Non-conditional (all)	276	119	43.94 %	76.72 %

⁸ The active policy of grants for rehabilitation and room renting was designed and planned alongside the other three active policies from the outset. Various legal and administrative difficulties have, however, delayed the start of its implementation until spring 2019.

Percentages of non-active persons (March 2019): 212 households (21.2%) have taken part in the programme at some point, but are not currently active, a phenomenon in response to several factors, as laid out in the table below:

Reason for not taking part	Households
Improvement of their financial situation and they do not meet the financial requirements	7
Do not meet the minimum levels for taking part in the active policy in a conditional manner	10
Moved out of the 10 Eix Besòs neighbourhoods	10
Withdrawal or Abandonment	19
Technical assessment	2
Other reasons	164
TOTAL	212

2. MUNICIPAL INCLUSION SUPPORT (SMI)

Municipal Inclusion Support (SMI) is an economic benefit of ‘social emergency’,⁹ complementing the income of the people who make up a household and guaranteeing a basic threshold established by the project.¹⁰ This threshold is calculated as the sum of basic needs and housing needs, as shown in the table below:

SMI value and threshold

Amount for BASIC NEEDS (excluding housing and including basic energy and water utilities).	€402.60/month for the first adult person
	€148/month for each additional member
Amount for HOUSING NEEDS (minimum value between the real monthly expense and the objective indicator for housing expenses according to the number of people in the household).	€260/month for the first adult person
	€110/month for the second member
	€40/month for each additional member

Out of the total 950 households currently taking part, 915 (96.31%) have received at least one monthly SMI payment, and 35 (3.67%) have not received a single payment.

Monthly SMI payments received (May 2019)

Monthly SMI payments received	Households	% of total households	Average amount
1	9	0.98 %	€ 478.10
2	10	1.09 %	€ 379.66
3	12	1.31 %	€ 653.74
4	29	3.17 %	€ 252.32
5	21	2.28 %	€ 350.88
6	25	2.73 %	€ 580.98
7	28	3.06 %	€ 663.72
8	28	3.06 %	€ 552.00
9	8	0.84 %	€ 481.85
10	24	2.62 %	€ 350.82
11	29	3.16 %	€ 334.52
12	32	3.5 %	€ 479.03
13	33	3.6 %	€ 469.92
14	59	6.45 %	€ 510.15
15	49	5.34 %	€ 432.09
16	50	5.46 %	€ 536.11
17	135	14.74 %	€ 479.42
18	334	36.5 %	€ 604.72
TOTAL	915	100 %	€ 328.63

⁹ In accordance with Law 13/2006 of 27 July on financial social aid from the Government of Catalonia, economic aid responding to social emergency offers a mechanism for meeting ‘timely, urgent and basic’ subsistence needs (Article 5) and, therefore, not a subjective right, as ‘established by local entities, in accordance with their respective areas of competence in terms of primary social care’ (Article 6).

¹⁰ Given that the SMI amount varies depending on the circumstances and composition of each household, the distribution principle under which it operates is sufficiency (ensuring a financial minimum for everyone) and not egalitarianism (ensuring the same amount for everyone), as in the case of Finland, where all participants have been receiving €560 a month.

A total of 107 households (11.67%) out of the 915, have received the SMI for between 1 and 6 months, 256 (27.91%) have received it for up to 12 months, 692 households (75.59%) have received it between 12 and 18 months, and 469 (51.25%) have received between 17 and 18 months.

Both the number of households in receipt of SMI and the average value of SMI varied over the 18 project months. As shown in the table below, there was a major monthly variation in these two pieces of data. For example, in May 2018, the average monthly SMI amount reduced because some households received the Childhood Fund (which counts as household income and reduces the SMI amount).¹¹ In June 2018, due to recruitment through employment plans as part of the training and employment policy, the number of households receiving SMI also reduced, as well as their SMI amount.

Both the different benefits received by households during this first year and changes in their financial situation have therefore meant that the number of households oscillated from 614 in the first month (December 2017) to 877 in April 2018, decreasing again to 693 one year later, in March 2019. On average, between December 2017 and December 2018, 724 households received the SMI throughout the first 13 months of the programme, with a monthly average of €575.36 per household.

Development of households in receipt of SMI by month and by average amount (March 2019)

	2017	2018													2019		
	December	January	February	March	April	May	June	July	August	September	October	November	December	Average Dec. 2017 – Dec. 2018	January	February	March
Households	614	792	799	809	877	831	778	675	645	681	614	643	652	724	731	722	693
SMI average	553.16	575.57	580.57	592.75	588.33	569.56	518.89	462.05	494.60	501.38	479.36	486.65	501.48	575.36	541.09	540.91	521.82

¹¹ The Social Emergency Fund for families with children aged between 0 and 16 years is an extraordinary benefit granted by Barcelona City Council to vulnerable families to cover basic child and/or adolescent subsistence needs for young people aged between 0 and 16 years.

3. PRELIMINARY IMPACT ANALYSIS

3.1. Initial and follow-up surveys

In this section, we present and analyse the preliminary impact results of the project based on two surveys: the first conducted in September 2017 (initial survey)¹² and the second in November 2018 (follow-up survey). The analysis measures the way in which the SMI, which is in some cases complemented the active policies, impacts participants. The response rate for the second survey was 85% of the treatment group and 60% of the control group. The loss of cases is quite small and allows statistical significance to be maintained in all cases.

a) Responses to the follow-up survey (2018) depending on whether they responded to the initial survey (2017)

Initial Survey 2017	Follow-up survey 2018		
	Did not respond	Responded	Total
Did not respond	82	117	199
Responded	347	981	1,328
Total	429	1,098	1,527

b) Response rate for the follow-up survey (2018) depending on assigned group (treatment and control)

	Follow-up survey 2018					
	Control group		Treatment group		Total	
	N	%	N	%	N	%
Did not respond	152	39.7%	133	13.3%	285	20.6%
Responded	231	60.3%	867	86.7%	1,098	79.4%
Total	383	100%	1,000	100%	1,383	100%

b) Response rate for the follow-up survey (2018) depending on participation type assigned

Participation modality or group	Follow-up survey 2018				
	Did not respond		Responded		Total
	N	%	N	%	
SMI + Housing benefit - Conditional	6	50.0 %	6	50.0 %	12
SMI + Housing benefit - Non-conditional	1	8.3 %	11	91.7 %	12
SMI + Social Entrepreneurship - Conditional	7	14.0 %	43	86.0 %	50
SMI + Social Entrepreneurship - Non-conditional	7	14.0 %	43	86.0 %	50
SMI + Training and Employment - Conditional	12	16.0 %	63	84.0 %	75
SMI + Training and Employment - Non-conditional	6	8.0 %	69	92.0 %	75
SMI + Community Participation - Limited	14	10.1 %	124	89.9 %	138
SMI + Community Participation - Unlimited	21	15.2 %	117	84.8 %	138
Limited SMI	32	16.0 %	168	84.0 %	200
Unlimited SMI	27	10.8%	223	89.2%	250
Total	133	13.3%	867	86.7%	1000

¹² The initial survey was conducted before the draw was completed in November 2017 to avoid participants changing their answers once they knew whether they had been selected or not.

3.2. Previous project context

The experimental design of the pilot with its random selection and assignment of participants was key to be able to respond in a valid and rigorous way to the questions posed about the impact and cost-effectiveness of the project.

The programme impact analysis has been conducted in line with the following categories:

- a) Treatment group (Treatment) in relation to the control group.
- b) The groups of people with active policies (Active Pol.) and those with no active policies and only receiving the SMI (SMI), in relation to the control group.
- c) The groups of people with conditional active policies (Condit.) and those with non-conditional policies (Non-Condit.), in relation to the control group.
- d) The group of people with limited SMI (Limited) and those with the unlimited SMI (Unlimited), in relation to the control group.

Beyond the participation categories into which the impact assessment was split, the following factors should also be considered:

- The dimensions analysed in this report are those relating to material deprivation and wellbeing, finance, employment, health, children and community participation.
- The sources of information are the initial survey (conducted in September 2017) and the follow-up survey (conducted in November 2018).
- Those questions for which the use of administrative records was required (for example, use of healthcare or education services) are not included.
- It is important to bear in mind the context in which the assessment of the two waves of survey unfolded, taking into account above all the evolution of the control group. On the one hand, during this first year, a slight increase was recorded in people in the control group who state that they are working, and on the other hand, the general economic context has experienced a certain improvement, albeit moderate, which should be taken into account.
- In relation to the general satisfaction reported by people in the control group, there has also been a slight increase. Both trends should be taken into account, as the effectiveness of a policy like the B-MINCOME would probably differ in a context of greater economic downturn.
- In the following report of pilot results, the impact results on these and other outputs will be certainly even greater, and will also show more significant differences between the different participation groups, as well as between them and the control group.

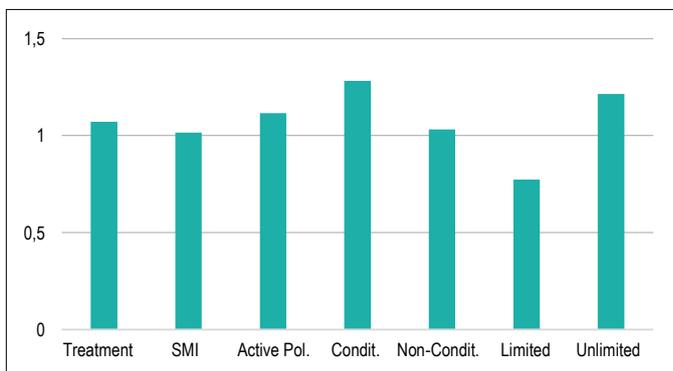
3.3. Impact results

The impact results on the dimensions analysed are shown below: material deprivation and wellbeing, finance, employment, health, children and the community. The charts are accompanied by a brief explanation and, at the end of each section, there is a brief summary of the most prominent results.

3.3.1. Impact on the deprivation and wellbeing dimension

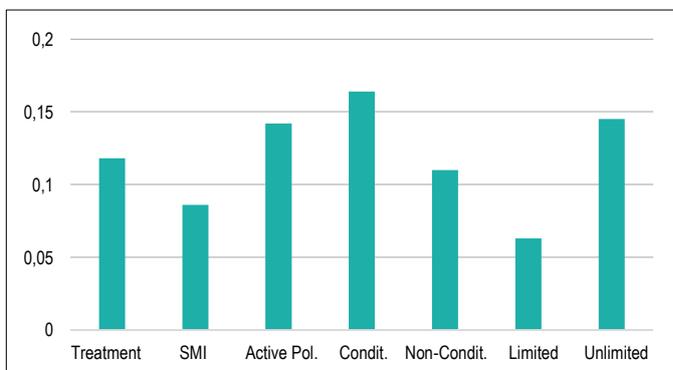
In terms of the material deprivation and wellbeing, the following outcomes were explored: a) general wellbeing; b) wellbeing with financial situation; c) severe material deprivation; d) energy poverty; e) food insecurity; and f) housing insecurity.

Chart 1. Effect on the level of general wellbeing reported (absolute values)¹³



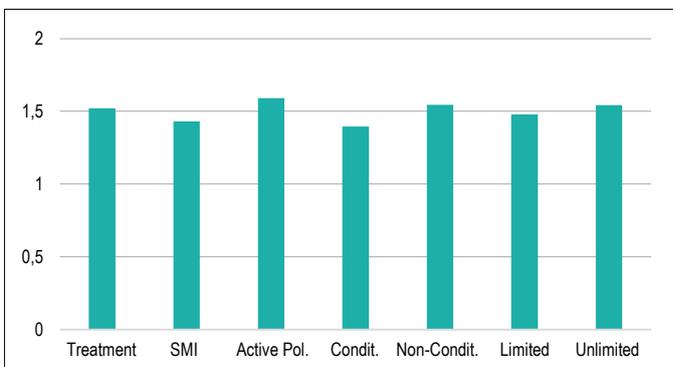
B-MINCOME increases the levels of general wellbeing with a significant effect in all participation modalities or groups. The effect increases in groups with an active policy and further still in the conditional modality. The effect is higher if the SMI is unlimited.

Chart 2. Effect on the probability of high wellbeing (basic points)



Similarly, the probability of reporting a high level of wellbeing of 7 or more out of 10 increases by 11 percentage points on average. In this case, the differences between participation groups are more pronounced, with the conditional and the unlimited SMI group being the ones that show the best results.

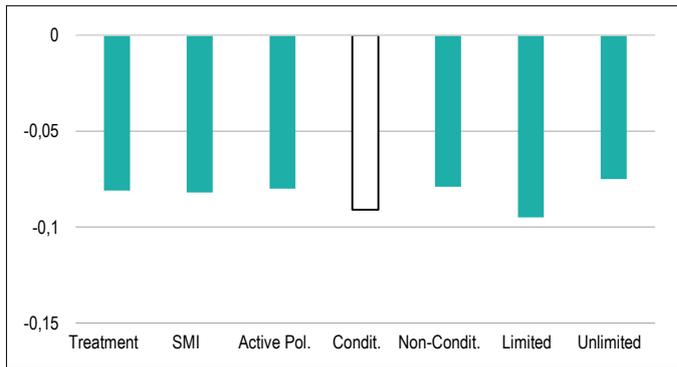
Chart 3. Effect on financial wellbeing (absolute values)



When it comes to financial wellbeing or satisfaction, as expected, participation in the B-MINCOME also has a positive and significant effect of close to 1.4 points, albeit in this case little difference is observed between the different participation modalities or groups.

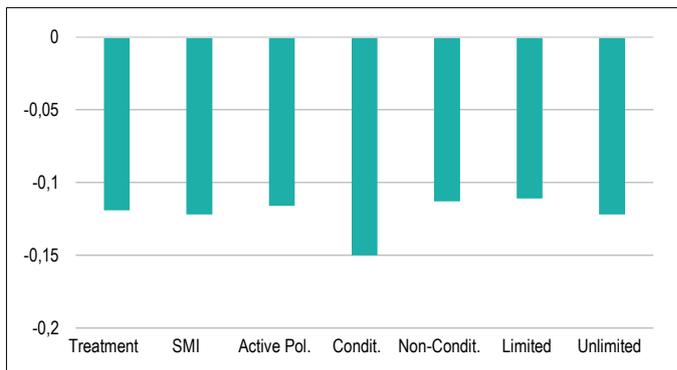
¹³ With a confidence interval of 95%, the columns in dark green indicate that the effect is 5% statistically significant (the null hypothesis that B-MINCOME has no impact can be rejected). The white columns indicate that the effect is not significant.

Chart 4. Effect on severe material deprivation (basic points)



A reduction of 8 percentage points on average is observed here. No differences between groups were detected, although the effect on the conditional group is not significant. No changes in energy poverty were detected, although when the survey was conducted, it was not very cold which made it difficult to distinguish the impact between groups.

Chart 5. Effect on going to bed hungry (basic points)



In terms of food insecurity, the B-MINCOME achieves a reduction in both the probability of going to bed hungry (Chart 5), and of doing so often (Chart 6), at around 10 and 8 percentage points on average respectively, with the conditional group experiencing the best results.

Chart 6. Effect on going to bed hungry often (basic points)

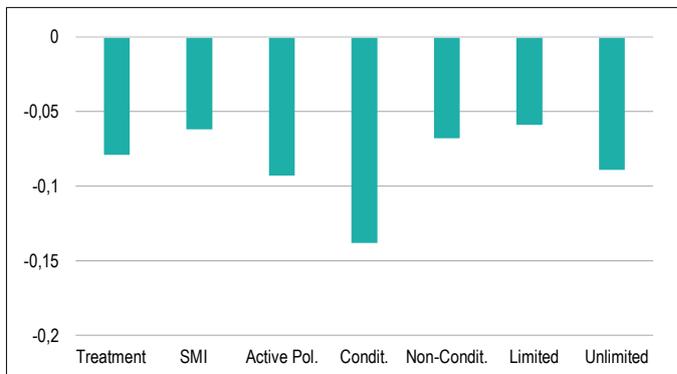
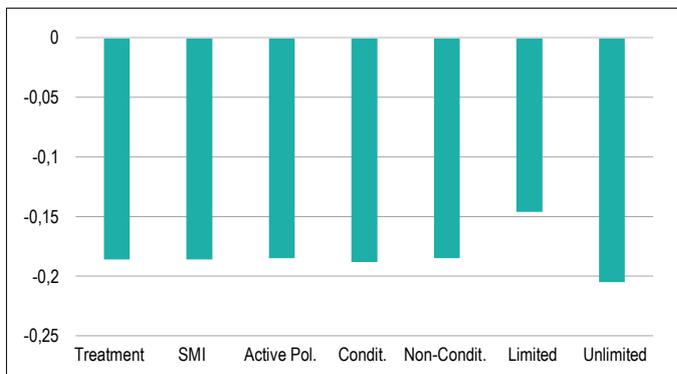
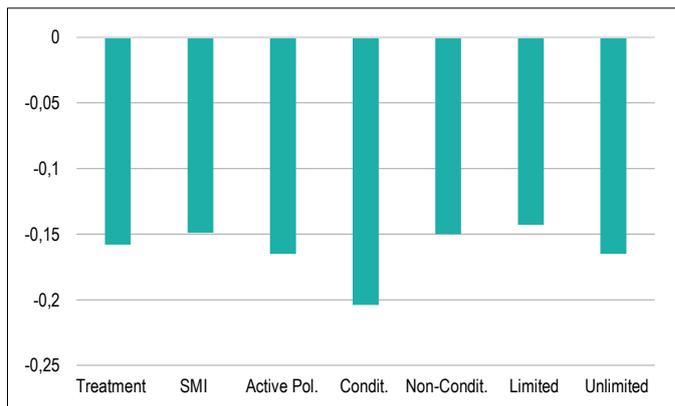


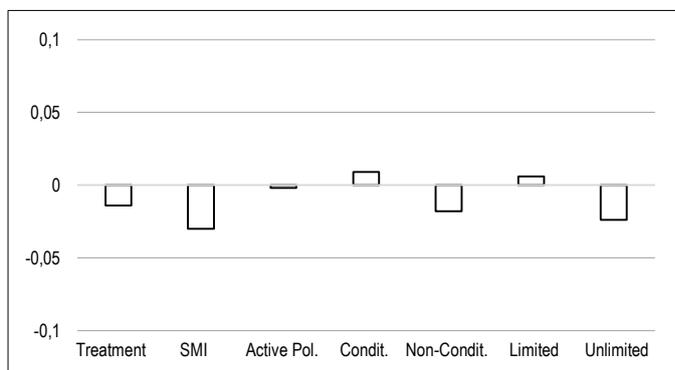
Chart 7. Effect on being worried about eating (basic points)



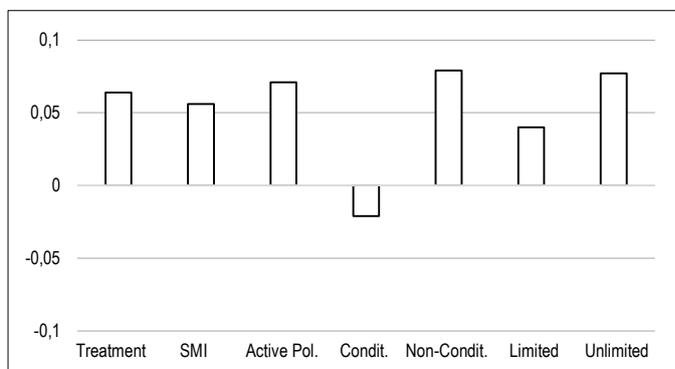
The B-MINCOME also achieves a reduction in worry about not having enough food and not having it often (Charts 7 and 8, respectively). There are no particular differences between the different groups or modalities, but the effect is substantial, at between an 18 and 16 percentage point reduction, respectively.

Chart 8. Effect on being worried about eating often (basic points)

In all the outcomes related to food (Charts 5, 6, 7 and 8), the B-MINCOME reduces food insecurity. Although no huge differences are observed between different participation groups, better results are observed in general in those people assigned to conditional active policies.¹⁴

Chart 9. Effect on housing insecurity (basic points)

When it comes to housing insecurity, no significant results are observed for any of the participation modalities. As seen in the Section 3.5, 'Preliminary results of qualitative research', housing insecurity continues to be one of the main worries for participating households.

Chart 10. Probability of not having any outstanding housing payments (basic points)

Although the impact on the probability of not having any outstanding housing payments follows the expected trend, the change is not statistically significant in any of the participation groups or modalities.

Summary of the deprivation and wellbeing dimension

- As expected, taking part in the B-MINCOME project has a positive and significant effect on the level of material deprivation and wellbeing in households, measured in terms of general satisfaction and financial satisfaction.
- In line with the hypotheses, a positive impact is detected in helping households to cover their basic needs: the rate of severe material deprivation and the different indicators of food insecurity are reduced noticeably as a consequence of participating in the pilot
- No statistically significant changes however, have been observed in the situation of energy poverty or housing insecurity attributable to the B-MINCOME.

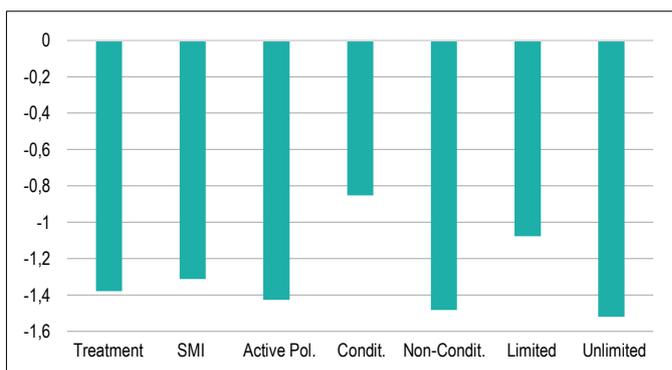
¹⁴ The impact on food security indicators is in line with the results of the Ontario pilot (OBIP, 2019: 18).

- In general, the effect is usually relatively uniform among the different participation modalities or treatment groups.
- In the majority of outputs analysed, the conditional type records better results than the other groups. This phenomenon may be attributed to the fact that people obliged to take part in the active policies strengthen their social relations, group cohesion, individual and collective confidence and trust, their social and communication skills, and many more. The social and psychological ties fostered through the active policies could be the “hidden” variable that might explain the more positive results in this group.¹⁵

3.3.2. Impact on the financial dimension

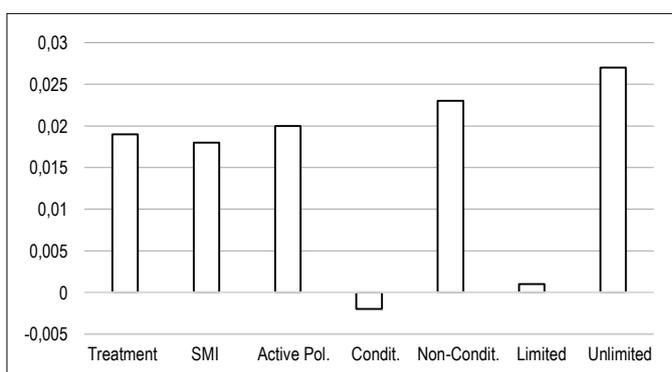
The study of the impact on the financial dimension of households covered three outcomes: a) financial uncertainty; b) ability to cover an unexpected expense; and c) the need to generate additional income by other means (mainly through renting out available rooms in the household).

Chart 11. Effect on financial uncertainty (absolute values)



Participation in B-MINCOME reduces the financial uncertainty of households significantly by 1.2 points on average.¹⁶ The reduction is more pronounced in the non-conditional modality and in the group with unlimited SMI.

Chart 12. Probability of being able to pay an unexpected expense (basic points)

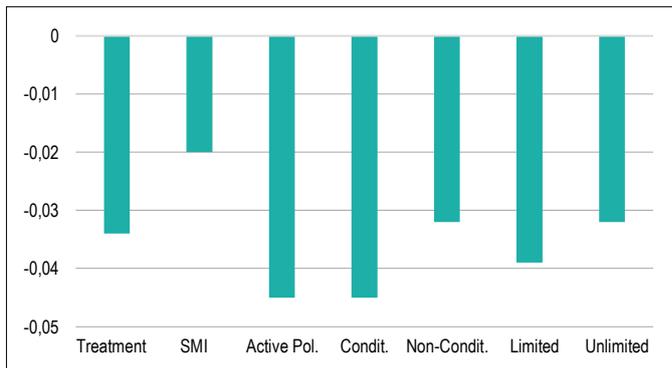


No significant improvement was observed in households in terms of being able to pay an unexpected expense (of €750) with their own resources. The effect is of a very small magnitude and is not statistically significant in any of the participation groups.¹⁷

¹⁵ This phenomenon must be understood within the framework of a policy with a collective scope. For a look at the different effects of financial transfer policies when applied to a disparate population or when applied in certain areas with more geographically saturated samples, see: Santens (2019), Simpson *et al* (2017) and Hum & Simpson (1991).

¹⁶ Financial stress has a major impact on subjective wellbeing (Lazarus, 1999), health (Kahn & Pearlin, 2006) and cognitive skills (Mani *et al*, 2013). The results observed are in line with those obtained in the Basic Income Experiment in Finland (Kangas *et al*, 2019) and in Ontario, where financial stress reduced by 88% (OBIP, 2019: 25).

¹⁷ It is worth noting that, in the surveyed population, 1,228 people responded that they would not be able to pay an unexpected expense of this amount with their own resources. Only 73 people said they would be able to do so. This is not an unexpected result, as SMI is an ‘emergency support’ mechanism and is not designed to be able to save money, but to pay basic normal expenses.

Chart 13. Probability of making money by renting out a room (basic points)

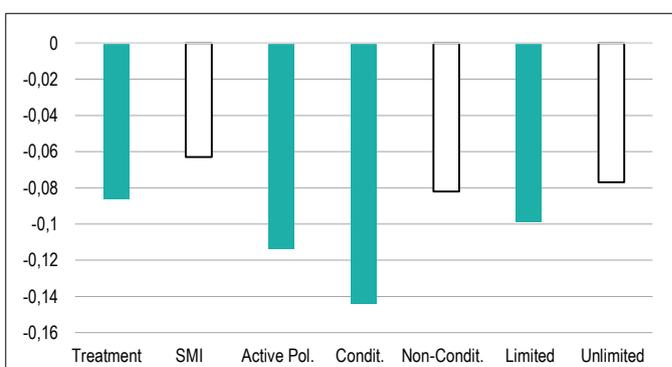
The need to make money in ways not related to employment, mostly through renting out rooms, is also reduced. The effect, at around 3 points on average, is small, but statistically significant in all participation modalities, particularly in the conditional active policy groups.¹⁸

Summary of the financial dimension

- As might have been expected, taking part in B-MINCOME reduces the feeling of financial uncertainty, especially in the non-conditional and unlimited groups. This is one of the most apparent results of all the dimensions assessed.
- No significant improvement was observed in terms of being able to pay an unexpected expense of €750 with their own resources. This is, however, an expected result, as SMI is designed to cover basic needs and not to save money.
- The need to make money in ways not related to employment, such as renting out rooms, decreases significantly. This result indicates the preferences of households not to have to choose this option if it is not strictly necessary, and would explain the number of voluntary drop-offs of households assigned to this policy.

3.3.3. Impact on the employment dimension

The impact analysis on the employment situation was conducted on the following outcomes: a) if the participant works; b) if they do so full time and unlimited; c) if they are looking for work; d) if they are thinking of setting up a business (or they have done so recently); e) if they are receiving some training aimed at adults; and f) if any other member of the household works.

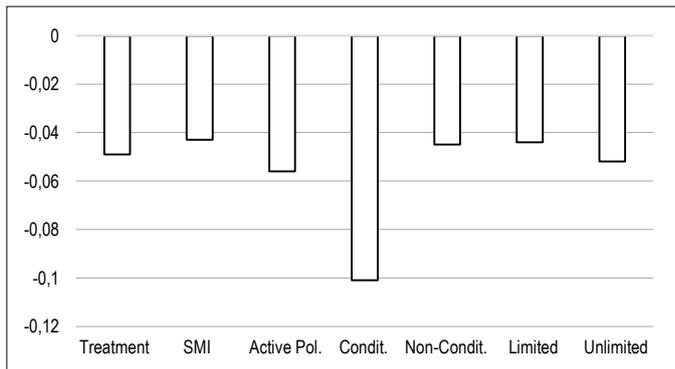
Chart 14. Probability of working (basic points)

The probability of working in 2018 is 8.6% lower in the treatment than in the control group. The effect is not significant in the SMI, the conditional and the unlimited groups. In the active policy and the conditional groups, the effect is significant and more pronounced, probably due to lack of time from taking part in the policy (*lock-in effect*).¹⁹

¹⁸ This result is important because it indicates that renting out rooms is not a desired activity and that it is done out of necessity. This implies that the housing policy needs to be rethought and agrees with the results obtained from active and non-active participants in this active policy (see Point 1.2, Households currently active and not active in the policies', p. 12).

¹⁹ For more information on the lock-in effect, its causes and different ways of tackling it, see: Wunsch (2016) and Van Ours (2004).

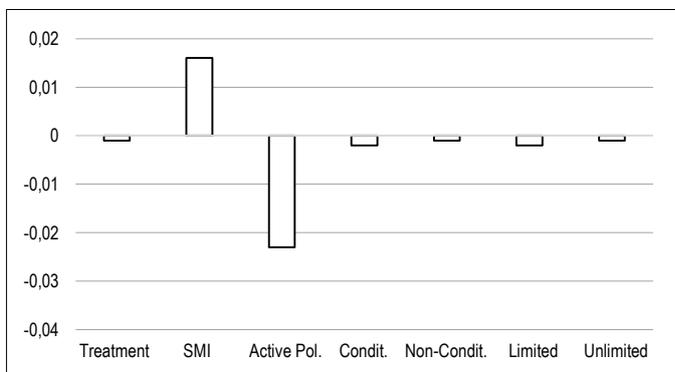
Chart 15. Probability of working in an open-ended contract and a full-time contract* (basic points)



The probability of having a higher quality job is lower than in the control group, although it is not significant. Employment participation reduces, as in the US and the Canada pilots, although only slightly.²⁰ The disincentive is greater in the conditional group, as taking part in an active policy might take time away from looking for work.

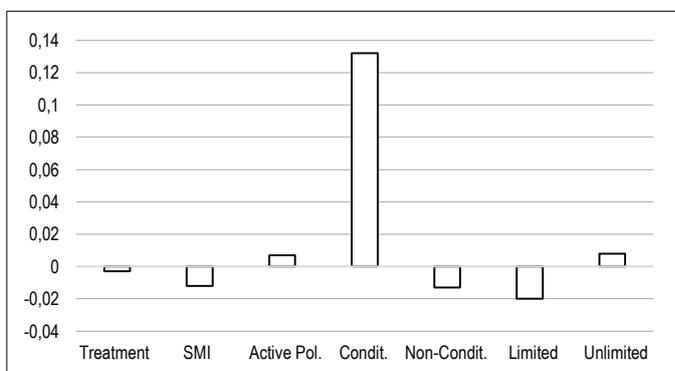
* Self-employed work is considered full-time.

Chart 16. Probability of looking for work (basic points)



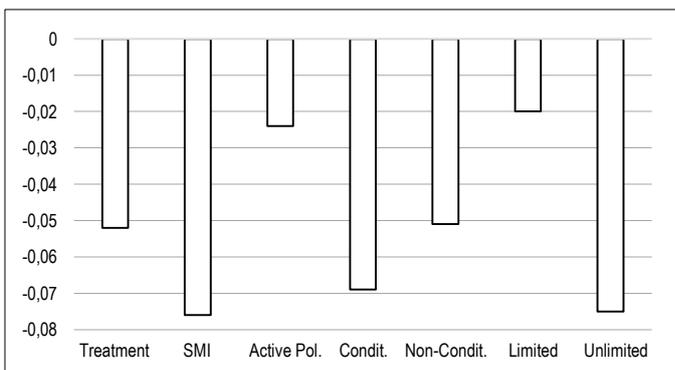
Unlike what is observed in the previous cases, those who only receive SMI have a 1.5% greater probability of looking for work than those who take part in an active policy, a result that confirms the hypothesis of the *lock-in effect* mentioned above, although the effect is very small and not statistically significant.

Chart 17. Willingness to embark on an entrepreneurial project (basic points)



The probability of becoming involved in an entrepreneurial project is not significant in any case, although the highest probability is among the conditional group due to the effect of the policy relating to entrepreneurship in the social, solidarity and cooperative economy. In this case, the effect is positive and almost significant.

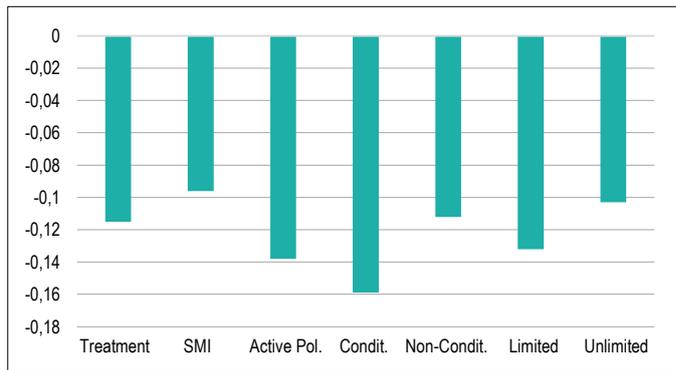
Chart 18. Probability of undergoing training (basic points)



The negative effect on the probability of a member of the household undergoing training, although not statistically significant, is surprising. The *lock-in effect* seems to persist in the conditional group, in which lack of time due to taking part in a policy may disincentivise training.

²⁰ Forget (2011), Simpson *et al.* (2017) and Hum & Simpson (1993). Hum & Simpson (1991) detected that in the MINCOME pilot in Manitoba (Canada) from 1974 to 1979, males reduced their working time by 1% and females by 3%.

Chart 19. Probability that at least one member of the household will be in work (basic points)



The probability that at least one member of the household is working is also negative and statistically significant. The difference is close to 10 points on average, i.e. the consequence of receiving B-MINCOME, regardless of the modality assigned, leads to a lower probability that at least one member of the household will be working.

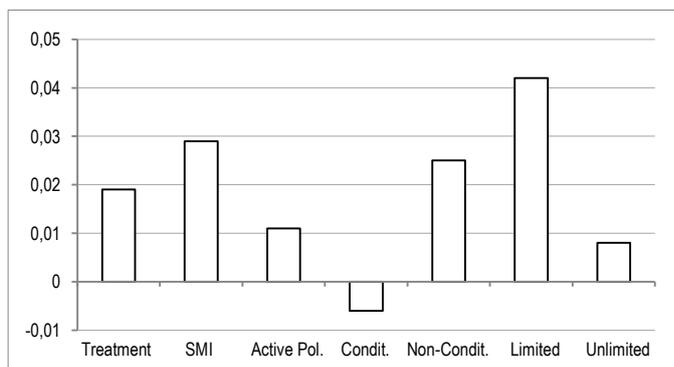
Summary of the employment dimension

- Receiving SMI reduces participation in employment of the recipient compared to the control group. This reduction, however, is very small in magnitude and in line with the evidence gathered in previous international pilots.
- The disincentive to work is higher among people in the conditional groups. The disincentive is also greater in the non-conditional and unlimited groups, although in both cases the effect is not statistically significant. Among other reasons, this result could be due to the conditionality of the policy, as taking part may take time away from looking for work, which translates into a *lock-in effect* for the conditional group.
- No significant impact is observed on the probability that the applicant may have quality work, be actively looking for work, decide to open their own business or be undergoing training for adults.
- Similarly, the probability that at least one member of the household will be in work is reduced, with all groups showing a statistically significant effect here.

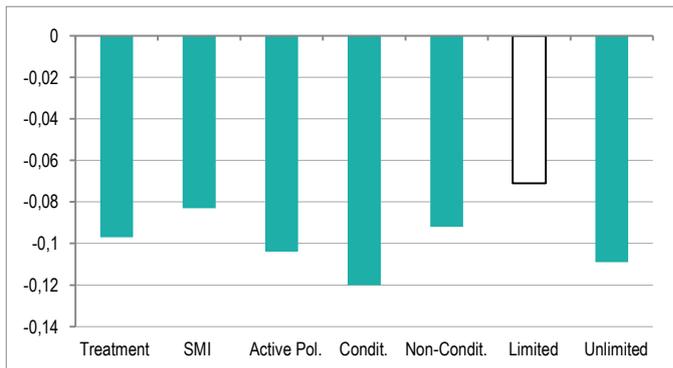
3.3.4. Impact on the health dimension

In the case of health outcomes of applicants, we explore three here: a) self-perceived health; b) risk of developing mental illnesses; and c) quality of sleep.

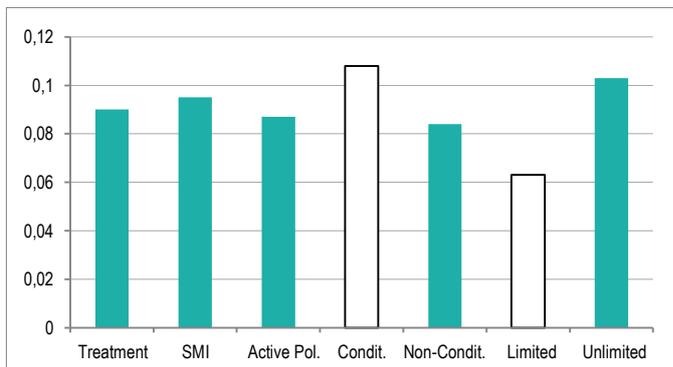
Chart 20. Probability of reporting good self-perceived health (basic points)



The probability of reporting a good, very good or excellent state of health is positive by 2 points on average, although not significant. The only group with a negative effect is the conditional group, although it is not statistically significant either. It is worth to recall that only 43% of the control group declared a good or very good state of health.

Chart 21. Probability of developing mental illness (basic points)

B-MINCOME is effective in reducing the probability of developing mental illness. On average, a reduction of 9.6 points is observed, although a greater effect is detected in the conditional and unlimited groups. It is worth noting that 83% of the control group had a risk of developing mental illness.

Chart 22. Probability of having quality sleep (basic points)

When it comes to quality of sleep, a positive effect is also observed and is similar in all participation groups (between 0.8 and 1 point positive), with the exception of the conditional and limited groups, in which the effect is not statistically significant.²¹

Summary of the health dimension

- No statistically significant changes are observed in the self-perceived health of applicants as a consequence of taking part in B-MINCOME.
- In contrast, an impact is detected in reduction of the risk of mental illness by 9 points. Bearing in mind that a very high percentage of this population has a risk of developing a mental illness (83% of the control group), this effect could lead to direct and indirect savings for public resources in healthcare, hospital and pharmacy services.
- Similarly, it is also observed that the quality of sleep improves substantially in households actively taking part in the project.
- These last two results could be due to the reduction in the level of stress associated with a reduction in financial difficulties in covering basic needs.

3.3.5. Impact on children dimension

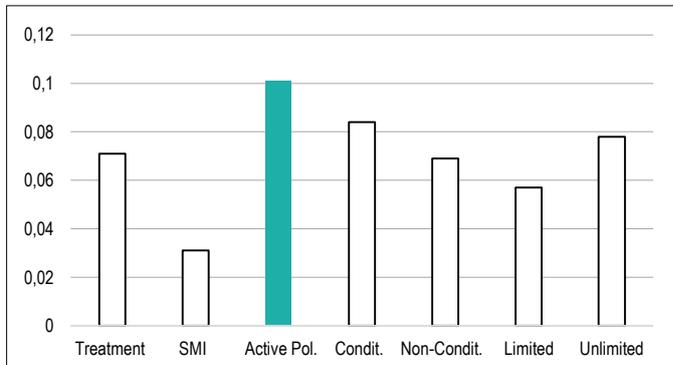
For homes with children, the impact on the following outcomes was observed: a) education and children's health; and b) training for people over the age of 16. In terms of repeating school and children's health, no statistically significant changes were observed. It is worth noting that in drafting this report, data was not available from the Barcelona Education Consortium, the body in charge of compulsory education in Barcelona. The results for this dimension are hence incomplete.

²¹ These last two indicators are found to be fully in line with the impact recorded in the Ontario pilot (OBIP, 2019: 25).

3.3.6. Impact on the community dimension

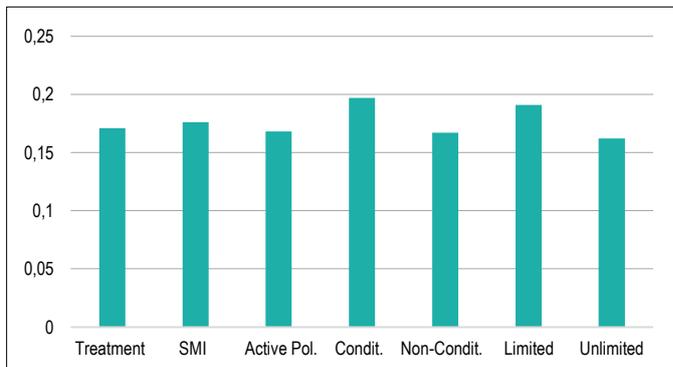
In the case of the community dimension, the outcomes analysed were: a) the probability of undertaking volunteering; b) the probability of undertaking social leisure activities; c) the probability of actively taking part in social activities; and d) the probability of completing household tasks.

Chart 23. Probability of undertaking volunteering (basic points)



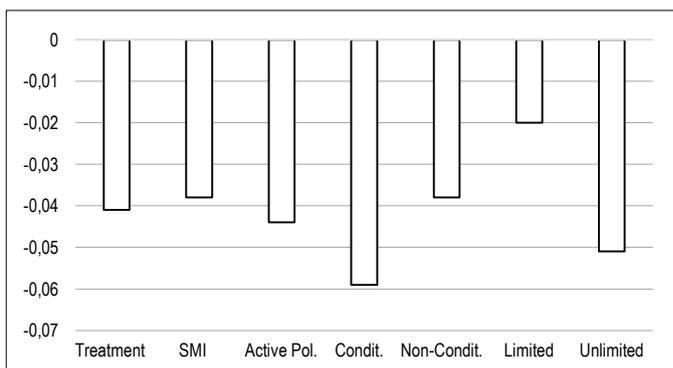
The probability of undertaking social volunteering is positive although not significant, with the exception of the active policy group, probably due to the effect of the community participation policy. Differences are observed in the magnitude of the effect between those who receive SMI and those who also take part in the active policies.

Chart 24. Probability of enjoying social leisure (basic points)



When it comes to enjoying social leisure activities, the effect of the B-MINCOME project is positive (around 0.15 to 0.2 points), similar and statistically significant in all participation modalities and groups.

Chart 25. Probability of social participation (basic points)



For active participation in a social group, organisation or initiative within civil society, as well as completing household tasks and care work, there are no statistically significant changes in any participation modality or group.

Summary of the community dimension

- A positive effect is observed on the probability of undertaking volunteering in households taking part in a policy, probably due to the effect of the community participation policy.
- Among the households taking part in B-MINCOME, the probability of enjoying social leisure activities also increases compared to the control group.
- No significant changes were observed, however, in the probability of taking part in groups, organisation or initiatives of civil society as a consequence of B-MINCOME.

3.4. Impact on perceived happiness and satisfaction with life

The variables taken into account to assess subjective wellbeing and degree of happiness consider the modality of participation, the neighbourhood in which the household is situated, financial situation, economic activity and state of health.

It is worth noting that scientific literature does not differentiate between concepts such as 'happiness', 'satisfaction with life' or 'subjective wellbeing' (Van Praag & Ferrer-i-Carbonell, 2011). We have therefore opted to use the term 'satisfaction with life' as it captures a greater number of domains of life (Rojas, 2016).

The assessment of subjective wellbeing covers general satisfaction with life and its determining factors. Everyone is capable of expressing their own happiness, and is the only person with the knowledge to do so. This is why we found so important to understand personal perspectives, desires or hopes surrounding the impact that the project might have on their lives.

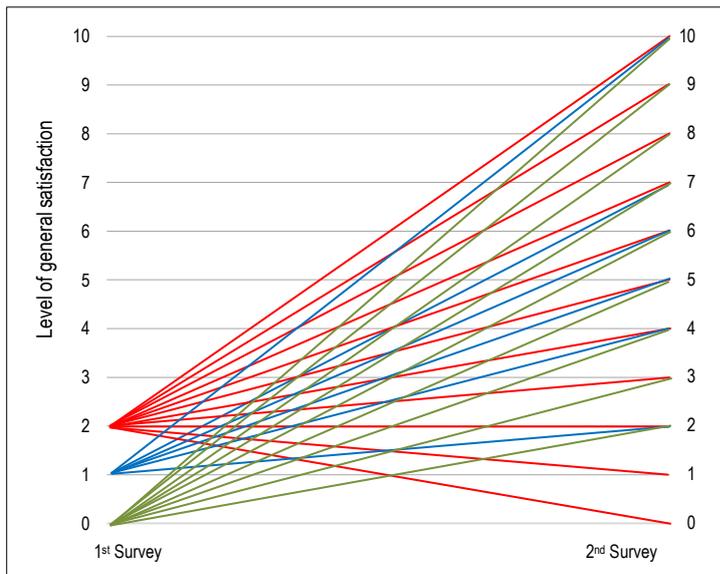
In order to measure the level of 'satisfaction', we used the question 'looking at your life on balance, how satisfied are you right now?'. As the table below shows, people attributed a value to their happiness or satisfaction on a scale of 0 (completely unsatisfied) to 10 (completely satisfied). There were 669 responses in the two waves of the survey in September 2017 and November 2018, respectively.

Change in levels of general satisfaction with life according to B-MINCOME participation type				
Participation type or group	Responses	Average level of general satisfaction		Variation
		Survey 1	Survey 2	
Unlimited SMI	174	4.80	6.39	33.1 %
Limited SMI	128	5.13	6.29	22.7 %
SMI + Community participation (Unlimited)	99	5.62	6.73	19.8 %
SMI + Community participation (Limited)	94	4.85	6.09	25.4 %
SMI + Training and Employment (Non-conditional)	52	5.27	7.02	33.2 %
SMI + Training and Employment (Conditional)	43	4.77	7.07	48.3 %
SMI + Social entrepreneurship (Non-conditional)	34	5.09	6.35	24.9 %
SMI + Social entrepreneurship (Conditional)	37	5.03	6.30	25.3 %
SMI + Room rental aid (Non-conditional)	5	4.80	7.00	45.8 %
SMI + Room rental aid (Conditional)	3	3.00	2.67	-11.1 %
Total	669	5.04	6.45	27.97 %

According to the European Social Survey, the average level of satisfaction with life across Spain was around 7.46 points in 2016. In Eix Besòs, though, the average was 5.04 points in October 2017. In November 2018, however, it had increased to 6.45, an annual increase of 27.97%.

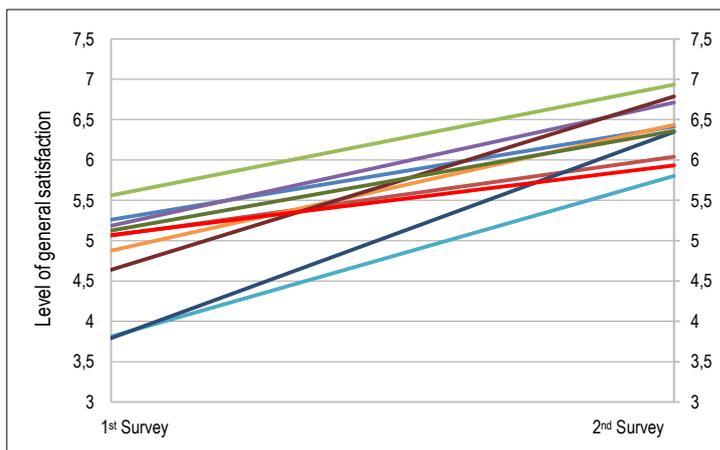
The increase in general satisfaction was common to all participation groups, with the exception of the conditional group assigned to the housing grants policy. Some of the most prominent results are shown below, accompanied by the corresponding charts.

Chart 26. Development in participants' level of general satisfaction (responses between 0 and 2)



The chart includes individuals who reported lower levels, between 0 and 2 points, in their degree of general satisfaction with life, as well as their year-on-year development. In general, the chart shows a positive trend in the majority of cases, particularly in those who responded between 0 and 1 in the first survey.

Chart 27. Development of general satisfaction with life by neighbourhood



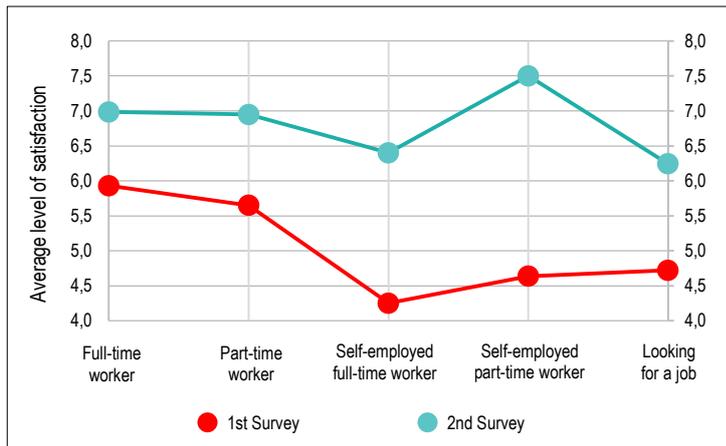
Looking at the 10 neighbourhoods and collecting together all levels of general satisfaction with life, general satisfaction has followed two major trends: on the one hand, the average increased in all neighbourhoods and, on the other, the difference between the results among these neighbourhoods has reduced by 17.2% in total.

- Roquetes —●— Torre Baró —●— Vallbona —●— Baró de Viver —●— Verneda i la Pau
- Trinitat Nova —●— Ciutat Meridiana —●— Trinitat Vella —●— Bon Pastor —●— Besòs i el Maresme

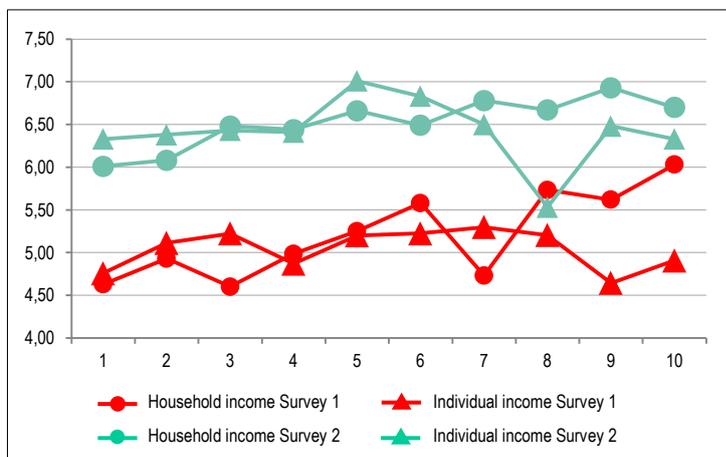
Chart 28. Average level of satisfaction in line with self-perceived state of health



Between the first and second wave of the survey, an increase in average value of satisfaction with life is observed when compared to self-perceived health. In both cases, there was a preponderance of good and very good states of health. In the second survey, a general increase in satisfaction with life is observed for all self-perceived states of health.

Chart 29. Average level of satisfaction in line with economic activity


With regard to self-perceived state of health in relation to economic activity, better levels of health are observed as the financial situation improves (better salaried or full time workers than those looking for a job, etc.). A general increase in state of health is also observed compared to the time passed between the two waves of the survey.

Chart 29. Average level of general satisfaction according to income brackets for households and their members


When it comes to income level, both of households and of their individual members, a significant increase in satisfaction is observed between the first and second survey, at around 2 points. In both cases (households and members), more negative results are seen in the low-income bracket and more positive in the upper bracket.

Summary of the impact on subjective wellbeing and happiness

- Average satisfaction with life increased by 27% from the start of the project to December 2018, going from 5.00 to 6.45 out of a scale of 0 to 10 points.
- Those in the training and employment active policy, regardless of whether participation was conditional or not, show an average happiness of 9.5% higher than the general average.
- No significant difference is detected between conditional and non-conditional participants within the three active policies in which conditionality is applied.
- The limited SMI group shows an average satisfaction with life of 5% lower than for those with unlimited SMI, although the difference is not significant. This includes people with no active policy and those with the community participation active policy.
- In terms of financial situation, before the project, those employed full time showed a higher average happiness (5.93). In December 2018, part-time self-employed people showed a greater average level of satisfaction (7.50), 16.5% over the general average.
- The factors that most improve satisfaction with life are income, working full time and financial stability. The most negative factors are age, poor health, reserved or introverted personality and limited SMI.

3.5. Results of qualitative and ethnographic research

The process of analysis incorporated qualitative research techniques in order to find out at first hand the subjective impact that the B-MINCOME project has had on participants from the three neighbourhoods involved: Besòs i el Maresme, Bon Pastor and Ciutat Meridiana. In order to complete this qualitative research, the following research activities were conducted:

- 77 semi-structured interviews with potential B-MINCOME users, before incorporating them into the programme and before beginning SMI payments.
- Ethnographic research interviews with 40 households, with three rounds of interviews each.
- 75 in-depth interviews with participants.
- Production of videos in which 52 participants explain their experience.²²

Below we present a summary of the most significant testimonies that best reflect the situation of participants before and after the project was implemented.

Situation before taking part in B-MINCOME and receiving Municipal Inclusion Support (SMI)	
Precariousness	‘On the 15th of the month, I’ve got nothing, and I pay for everything bit by bit... Do you know how I feel? I have a tight noose here [points to throat], I feel deflated, but I have to be strong’.
	‘There’s no work, we have a huge need for work. There are a lot of unemployed people. There are young people who can work, like my husband, who’s 23 years old and he can’t find a job. And, of course, everyone has the right to work’.
	‘I’ve always got something with me to try to sell and get a bit of money to eat. Some days I earn €15, other days €200... What else am I supposed to do?’
Housing	‘I don’t like this building: it’s really damp and my daughter has bronchitis. She gets ill every winter and has to go to hospital [...] The room [in our flat] is too small and only fits the bed that we sleep in.’
	‘I had a flat, but as I didn’t have a job I couldn’t keep paying for it. And as I didn’t pay for it, the bank took it. They got a flat and I got debt’.
Employment	‘My husband was unemployed for two years and he had always worked in construction... Now he’s working. He’s poorly paid, but at least he’s working. Right now, well, it’s the 4th of the month and they still haven’t paid him. And we don’t know when... you can’t rely on money’.
	‘Now I have a job for six hours. Before I had one for four hours. Once I had almost three months of full-time work, but that changed... The contract ends on 30th November. I don’t know if they’ll renew it or not, or if they’ll tell me there’s no more work, or they’ll come back in January, or February’.

²² All the videos are available on the website: <https://youngfoundation.org/stories-of-change-struggle-and-resilience/>

Situation after the introduction of B-MINCOME and Municipal Inclusion Support (SMI)		
Material changes	Material deprivation has reduced in the majority of the participant population:	‘With B-MINCOME, I can pay for the school now. We can buy food, we can buy clothes, things for the children... Everything is a little bit better now’. ²³
		‘It has brought variety to our lives. Now the children don’t have to eat lentils and beans every day. Sometimes we can eat meat’.
		‘We were able to buy coloured pens, books and crayons for our children’.
		‘Now that I have this financial support, I can pay all my debts’.
	Some families still suffer insecurity and financial uncertainty related to housing and debts:	‘I spoke to the B-MINCOME team because I thought they’d also help me to pay my rent. But they only gave me enough to pay for food and nappies. I explained that I also have other expenses: electricity, gas... the bills are too expensive’.
		‘When you’re still in debt, you’re still stressed [...] This month I have to pay for the children’s summer camps. Some things still need to be organised. We’ll have to see what we can pay in the end. We can’t pay for everything’.
Employment	Some people feel that they now have a better chance of getting a job.	‘Now I’m in a better position to look for work. I can pay to print my CV or to take public transport. I couldn’t do any of that before’. ²⁴
		‘It’s difficult to get yourself out of a hole when things are going badly, when you can’t cover your needs. When someone helps you, you start to see things differently. Your mentality changes, you can think: ‘I’m going to look for work, because my food’s paid for, and I can pay my rent, the bills...’ You get a push that allows you to improve. No longer having to suffer so that your kids can eat the next day allows you to think about places you could send your CV to’.
	Few participants got a job. The difficulties in entering the labour market continue:	‘I am 44 years old and I’ll be 45 this coming year. If a 30-year-old is keen to get a job, do you think someone would give it to me? I’ve started dyeing my hair to hide the grey [...] It would be good if there was a [municipal] job bank for older people’.
		‘They tell us to go to INEM [the job centre]. But, why? There are no jobs! There’s a bench, but no jobs.’
Wellbeing and health	The levels of wellbeing and quality of life of many participants have improved:	‘Now I have more time to spend with my children. They say: ‘You get home from work earlier now!’ I’m also happy because I’m not so tired. Now that I have free afternoons and I’m at home when the children get back from school, they say: ‘Oh, Mummy’s home already!’ For my youngest daughter, it’s great when I can go and pick her up from school. She loves it when I go and pick her up’.
		‘Yesterday I went to the dentist and I paid with the B-MINCOME card’.

²³ The people interviewed when the Ontario pilot project ended responded in a similar way, for example, ‘[basic income] changed my life, I could pay my rent and costs for the children much more easily’ (OBIP, 2019: 17).

²⁴ One of the other people interviewed said, ‘with [a basic income] I could pay for transport to work’ (*Ibid.*)

Community impact	There is a positive impact in community relations and an increase in access to social activities. The active policies have promoted new relations, often between people of different origins:	‘Now I feel like I can be closer to people, talk to people, relate to them.’
		‘[My friends in the active policy] are my “family” now. I love them. They give me so much security. They give me confidence [cries explaining it]. They are my “family”’.
		‘Everything has changed. I’ve met people thanks to B-MINCOME. I didn’t talk to Muslims or Pakistanis before...’
	Some people who were not selected to take part in the project may feel helpless:	‘I know a gypsy woman whose husband is in prison and she’s got four or five children and no [B-MINCOME] card. I feel sorry for her. She says: ‘I haven’t got it, I don’t know why they didn’t give it to me, because I need it. I’ve got four children’.
	There are certain tensions surrounding SMI not always being distributed fairly:	‘Some people spend that money on unnecessary things, whilst there are others who really need it. A prepaid mobile, for example, doesn’t really seem necessary to me’.
Looking towards the future	Some people feel more prepared for the future once the project comes to an end:	‘I’m hopeful for the future. I’m very grateful to B-MINCOME’. ²⁵
	There are, however, some people who do not feel prepared for the project to end and are worried about the future:	‘I’m scared of being without money again! I don’t ever want to be in that situation again. I don’t want to go back to where I was. I want to keep moving forwards!’
		‘After the project, it won’t be how it was before. How could it be the same having nothing after receiving support every month? It’s not the same’.
	Many participants would like the project to continue or go on for longer:	‘I’d like to say to the people who organised this project that it was a very good idea, because the truth is there are a lot of people like me who are greatly benefiting from it. If there’s any way of continuing it, you have to do it, because this type of project is very much needed in Spain and around the world’.

²⁵ You can see similar responses in relation to ‘plans for the future’ in the Ontario pilot (OBIP, 2019: 20-21).

Main conclusions of qualitative research

- B-MINCOME has improved the quality of life and wellbeing of most participants, and it has also offered new hope for the future.
- This improvement is explained above all by the reduction of stress as a result of having more resources, the possibility of spending time with family and improving social relations.
- Sometimes, the active policies have proved to be as positive as the financial support (although receiving SMI was essential to be able to take part in them). The aspects of the active policies that stand out the most are the acquisition of knowledge and skills useful for the labour market, access to educational and cultural experience and establishing new relationships (many of them with people of different origins).
- Experiences of financial and housing insecurity persist for some participants. This is explained by previous situations of debt or circumstances related to implementing SMI (reduced amount, coming to an end or fluctuating). For a minority, the changes in the amount of their SMI have intensified pre-existing feelings of insecurity and uncertainty and may have increased distrust and frustration.
- Some participants think that B-MINCOME (especially through SMI and the training and employment policy) could help them to find a job. On the contrary, others do not think that their prospects have improved much. Some people think they were assigned an active policy that does not match their skills or interests, and so the measure does not seem attractive for their future access to the job market. The majority of participants would like the SMI to continue so that they do not once again find themselves in situations of insecurity and material deprivation. They would also like the project to be extended to the other people in situations of financial vulnerability.

3.6. Results on the community participation policy

Out of the total of 276 participants in the community participation policy, 159 were interviewed as part of workshops organised by Barcelona City Council's Department for Community Action in April 2018. Aside from the general survey, ten semi-structured interviews were conducted with municipal technical and community staff, eleven semi-structured interviews with representatives of different social organisations in the neighbourhoods and a discussion group with the team of social workers assigned to the B-MINCOME project.

Based on the initial or base survey, aspects or dimensions such as attitudes in relation to social participation, social networks, confidence, neighbourly solidarity and perception of local public services were also assessed. The main hypothesis was to respond to the question of whether the community participation policy has had a positive effect on the following three spheres or dimensions:

- a) Attitudes and behaviour of families towards community participation.
- b) Association dynamics in neighbourhoods.
- c) Relations between the social fabric and the public administration.

Key results of the first community participation policy survey

Indicator	Result	Comment
Gender	71.5% are female.	Significant sex bias: females seem more inclined to engage in community activities than males.
People born outside the EU	66%.	Potential of B-MINCOME to weave intercultural relations among the neighbourhoods.
Most common countries of origin	Morocco (28.3%) and Pakistan (20.2%).	Potential of B-MINCOME to weave intercultural relations among the neighbourhoods.
View of the neighbourhood	56.6% 'like their neighbourhood a lot'. 26% like it 'quite a lot' and 15% 'a bit'.	Quite positive view of the neighbourhoods.
View of relations between neighbours	55.1% say that relations between neighbours in the neighbourhood are 'very good' and 35.8% say they are 'good'. Only 8.8% say that they are 'poor'.	Quite positive view of relations between neighbours.
Social trust	Average response of 2.79 out of 5 in: 'In this neighbourhood, neighbours work together and help one another when there are issues.' Average response of 2.72 out of 5 in: 'Most neighbours in this neighbourhood are people you can trust'. 70% are completely disposed to help other people and 56.6% really like taking part in anything that allows life in the neighbourhood to improve.	Certain lack of social trust in neighbourhoods.
Self-confidence	'Relatively low' when it comes to public-speaking and leading collective projects. 47.1% see their skills as limited. 28.9% express low levels of self-confidence. 84.1% say they feel completely secure in themselves and consider themselves able to make decisions based on their criteria. 53.5% express high levels of confidence in leading collective projects.	The B-MINCOME programme may contribute to improving self-confidence, as happened in the Finnish experiment (Kangas <i>et al.</i> , 2019: 20).
Participation	62.3% have not taken part in any entity or organisation in the last few months.	Entities in which participation is most common: AMPA and neighbourhood associations.
Spaces for socialising	Schools and public spaces are the most used.	Schools and public spaces are very important for socialising.
Problem solving	Mostly through family support and the support of social services.	More value should be given to social organisations and community participation.

Summary of the main trends identified in the community participation active policy:

Trends in the impact on families	
Neighbourhood and community	<ul style="list-style-type: none"> • In general, there is a positive view of the neighbourhood and relations between neighbours. • Good personal willingness to help other people. • Trust in people closest to them, but decreases significantly when rating the solidarity of unknown people. • Positive assessment of cultural diversity (not so much between those born in Catalonia and those born elsewhere in Spain).
Micro-factors	
Individuals and families	<ul style="list-style-type: none"> • Moderate levels of confidence in own participation skills and aptitudes, in line with the results obtained in Ontario (OBIP, 2019: 5). • People relatively satisfied and secure in themselves in their private lives, but they do not feel like they are as well equipped to take part in collective projects. • Levels of confidence are lower among people with a lower level of education, females, unemployed people and those who live alone.
Meso-factors	
Social networks and groups	<ul style="list-style-type: none"> • Social trust is often lower when it comes to rating unknown people. • On average, the degree of participation in social networks or groups is quite low. • The knowledge and interest expressed towards neighbourhood organisations is quite low and the perception about the degree of associative activism in the neighbourhood is quite moderate. • Those who participate do so primarily in neighbourhood, cultural and school organisations and there is a large percentage of females.
Macro-factors	
Institutional stakeholders	<ul style="list-style-type: none"> • Moderately positive assessment of the presence of the public administration in neighbourhoods and their openness to residents. • Among the stakeholders considered by the people interviewed as the most important in resolving social and financial issues, the role of Social Services particularly stands out, just after people's own families. • The most frequented public spaces are (in this order): squares and streets, schools, health centres and Social Service Centres.

Impact on community stakeholders			
Socio-community reality	<ul style="list-style-type: none"> • Diverse and unequal: participatory diversity. • Ambivalent perceptions in relation to the City Council The local is rated positively, but there is a certain feeling of frustration. • Perception of over-use of technology and over-complexity of certain municipal projects. 		
Implementation process	<ul style="list-style-type: none"> • Key role of community techniques in connecting community stakeholders. • Importance of involving community facilities. • To improve: communication, integration of B-MINCOME into community life, initiative in leadership. 		
Impacts of the community participation policy	Families	Community life	Facilities and services
	<ul style="list-style-type: none"> • B-MINCOME and the community participation policy, as new spaces for relating, especially for more isolated individuals. • Having basic needs covered enables participation. 	<ul style="list-style-type: none"> • It is able to revitalise community life, complement existing projects and relaunch projects. • It can achieve great involvement and participatory education. 	<ul style="list-style-type: none"> • Locating facilities in a place that is easy for new groups to get to. • It motivates to move from an ‘assistencialist’ approach of Social Services to a community participation and of greater emphasis on the local.

4. EXECUTIVE SUMMARY

Although it is true that this report only assesses the results collected during the first year of project implementation, the fact that a significant impact on certain dimensions has already been detected leads us to think that, on finishing the project, the results will be even more significant. In line with the hypotheses posed, positive impacts are observed in the majority of indicators and dimensions analysed, as summarised below.

4.1. Material deprivation and wellbeing

B-MINCOME has led to a reduction in material deprivation indices and, consequently, increased satisfaction with the financial situation of households. As was to be expected, the project has contributed to reducing the rate of severe material deprivation and food insecurity. No significant results are observed, however, when it comes to reducing housing insecurity, a problem especially incident in the participating households. Although the impact is relatively uniform across most participation modalities, the group of conditional SMI often shows slightly better results compared to the others. One possible explanation may be the conditional nature, which obliges participation in one of the active policies, leading to an increased density and intensity of social relations between participants. These relations may act as a ‘hidden’ variable in explaining the more positive results in the conditional group when compared to the other modalities.

4.2. Financial situation

Again, in line with the expected results, B-MINCOME has reduced the sensation of financial uncertainty, as was seen in the Finnish experiment (Kangas *et al.*, 2019: 24). It should be taken into account that the starting position of participating households was one of high financial vulnerability, and it is therefore logical to expect a significant impact from the first receipt of an SMI payment. On the other hand, no increase in the ability to pay an unexpected expense with a household’s own resources is detected, as SMI is not designed to save money but to meet basic costs. Very significant results are detected in the reduction of the need to obtain income in ways not related to employment, such as renting out rooms. It is for this reason that the non-conditional and unlimited participation modalities show better results on average than others. In effect, the freedom to make one’s own decisions can be understood as ‘a form of wealth that translates into poverty when this capacity substantially reduces or disappears entirely’ (Dadwal, 2018).

4.3. Employment situation and behaviour

The impact on the employment situation is very small and, in the majority of cases, not statistically significant. In line with other work insertion programmes, there is a slight negative impact on finding employment, especially in the conditional participation groups. According to the literature (Sianesi, 2008; Wunsch & Lechner, 2008; Lechner & Miehler, 2011; Gerfin & Lechner, 2002; Schochet, Burghardt & McConnell, 2008), this phenomenon (*lock-in effect*) may

respond to the fact that taking part in the active policies (or in similar programmes) takes time away from and modifies people's preferences, expectations and strategies when it comes to looking for work in the short and medium term. No significant impacts are observed either on the probability that the SMI holder may have a quality job, be looking for a job, decide to open their own business or be undergoing training. It is, however, necessary to indicate two fundamental factors: a) the little time elapsed does not allow for participants to have been able to change their employment situation in a substantial way; and b) B-MINCOME and 'all the money transfer pilots have shown that a certain number of participants reduced their job prospects in the short term' (Simpson *et al.*, 2017: 97). It is not surprising that participants in such programmes 'show lower rates of finding employment during their participation than those who do not take part' (Wunsch, 2016: 2).

4.4. State and development of health

In relation to the health dimension, and while lacking the necessary administrative data, no significant changes are observed in the self-perceived health of the SMI recipients. Nevertheless, a reduction of 9 percentage points is detected in the risk of contracting mental illness, as well as a major improvement in quality of sleep. These two results could be due to a reduction in the level of general stress associated with reducing financial difficulties in meeting basic needs, as detected in the Finnish (Kangas *et al.* 2019: 25) and in the Ontario pilots (OBIP, 2019: 23). It should be noted that these results are found to be in line with the recommendations made by the World Health Organization in its latest report on the relationship between public health and the different basic income programmes and, particularly, on the role played by the municipal and local governments (WHO, 2019: 21).

4.5. Community engagement and participation

In relation to the community dimension, a positive effect is observed on the probability of undertaking volunteering among those taking part in an active policy, although subsequent analysis must determine if this impact is mediated by the effect of the community participation policy. Along the same lines and corroborating initial hypotheses, an increase in the probability of enjoying activities related to social leisure is also observed. No significant changes were observed, however, in the probability of taking part in groups, organisations or initiatives in civil society. Any changes that may occur in these dimensions are not, however, easy to capture since it also requires a longer period of time for the households and people involved in the project to make significant changes in this area, given the high degree of vulnerability, exclusion and social isolation from which many of them set out.

4.6. Perceived happiness and satisfaction with life

In aggregate across the ten participant neighbourhoods, general satisfaction with life has increased by 27%, going from 5 to 6.45 points, a result that coincides with those obtained in most similar projects (Kangas *et al.*, 2019: 18). Differing by participant modality, those participating in the active training and employment policy, report happiness 9.5% higher than the general average, while the limited SMI group shows a 5% lower response than the unlimited one. As we expected, more positive responses are observed when participants have a better financial and employment situation. In general, it seems that the factors with the most positive impact on

satisfaction with life and general happiness are income, being in full-time employment and having financial stability, while those that have a more negative impact are age, poor health and reserved or introverted personality. It should be noted that the impact of B-MINCOME and most similar programmes ‘is more internal, in terms of happiness and wellbeing, than external, in terms of influencing labour market supply and demand’ (Barnés, 2019).

4.7. Qualitative and ethnographic research

Qualitative and ethnographic research has been conducted through interviews both with potential participants before the project began and with participating individuals and households once the project had already begun. The development of these feelings, with a strong increase in wellbeing and confidence for the future standing out in particular, was thus observed. As in other similar projects (OBIP, 2019: 5), the improvement in these indicators could be explained by three factors: a) reduced stress as a result of having more resources; b) the possibility of spending more time with family; and c) improving social relations. It is also observed that the impact of the active policies is as positive as SMI, although the latter is still essential. Unfortunately, situations of financial and housing instability endure due to the existence of previous debts. Recalculation of SMI might have also intensified the insecurity or frustration of some participants. Despite this, the majority of those interviewed believe that the project increases their expectation of finding work, although not everyone feels comfortable with the participation modality they were assigned. Overall, the people interviewed would like the project to be extended and offered to others in a situation of vulnerability.

4.8. Community participation active policy

In order to analyse the impact of the community participation policy, interviews and discussion groups were conducted with participants, council staff and neighbourhood organisations. The aim was to find out the impact the project has on: a) attitudes and behaviour towards community participation; b) association dynamics; and c) relations between the social fabric and public administration. Greater collective involvement of females has been observed in community life. The project has also been shown to contribute to forging intercultural ties and local relations between individuals, who express quite a positive view of their neighbourhoods and the relations that unfold there. Although the degree of interpersonal trust is quite low, the pilot has a positive impact on reinforcing feelings of social trust and individual confidence, and in fostering a predisposition towards helping one another. Levels of social participation have been detected, but parent’s associations and neighbourhood associations are the organisations receiving most participation. The people interviewed moderately value the role of the public administration, although the project has increased the degree of proximity and knowledge. In general, health centres, educational centres and social service centres are the most well-known and used. Despite the complexity of B-MINCOME, it should be noted that the community participation policy has provided new spaces for socialising for both households and participants. This policy has been shown to be able to help revitalise other social projects, as well as boosting the degree of social participation in neighbourhoods. The project has also been observed to be able to contribute to strengthening the use and knowledge of local amenities and equally enabling an improvement in relations and the type of user care on the part of social workers and education professionals.

5. BIBLIOGRAPHY

- Barnés, H. (2019). Más felices aunque no lleguen a fin de mes: los efectos de la renta básica finlandesa, 15 April 2019. *El Confidencial*. Available online at: www.elconfidencial.com/alma-corazon-vida/2019-04-15/finlandia-renta-basica-relajados-llegar-fin-mes_1930254.
- Cowen, N., Virk, B., Mascarenhas-Keyes, S. and Cartwright, N. (2017). Randomized Controlled Trials: How Can We Know ‘What Works’? *Critical Review. A Journal of Politics and Society*, 29(3): 265-292.
- Dadwal, V. (2018). *4 reasons cities should embrace Universal Basic Income*, World Economic Forum Blog, 12 July 2018. Available online at: www.weforum.org/agenda/2018/07/why-cities-should-embrace-universal-basic-income/
- Forget, E. (2011). The Town with No Poverty: The Health Effects of a Canadian Guaranteed Annual Income Field Experiment. *Canadian Public Policy-Analyse de politiques*, 37(3): 283-305.
- Gerfin, M. and Lechner, M. (2002). A microeconomic evaluation of the active labor market policy in Switzerland. *The Economic Journal*, 112(482): 854-893.
- Hum, D. and Simpson, W. (1991). *Income Maintenance, Work Effort, and the Canadian MINCOME Experiment. A Study prepared for the Economic Council of Canada*. Ottawa: Canadian Communications Group.
- Hum, D. and Simpson, W. (1993). Economic Response to a Guaranteed Annual Income: Experience from Canada and the US. *Journal of Labor Economics*, 1(1): 263-296
- Kahn, J. R. and Pearlin, L.I. (2006). Financial strain over the life course and Health among older adults. *Journal of Health and Social Behaviour*, 47(1): 17-31.
- Kangas, O., Jauhiainen, S., Simanainen, M. and Ylikännö, M. (eds.) (2019). *The Basic Income Experiment 2017-2018 in Finland. Preliminary results*. Reports and memorandums of the Ministry of Social Affairs and Health, 2019: 9. Helsinki. Available online at: www.julkaisut.valtioneuvosto.fi/handle/10024/161361.
- Lazarus, R. S. (1999). *Stress and Emotion: A New Synthesis*. New York, Springer Publishing Co.
- Lechner, M. and Wiehler, S. (2011). Kids or courses? Gender differences in the effects of active labor market policies. *Journal of Population Economics*, 24(3): 783-812.
- Mani, A., Mullainathan S., Shafir, E. and Zhao, J. (2013). Poverty Impedes Cognitive Function. *Science*, 341(6149): 976-980.

- Ontario Basic Income Pilot (OBIP). 2019. *Signposts to Success: Report of a BICN Survey of Ontario Basic Income Recipients*, Basic Income Canada Network (BICN), Available online at: www.assets.nationbuilder.com/bicn/pages/42/attachments/original/1551664357/BICN_-_Signposts_to_Success.pdf
- Porcel, S., Navarro-Varas, L. and Pons, M. (2017). *Survey on Living Conditions, 2016. Resultats sintètics*. Quaderns Espai Metròpoli 02, Àrea metropolitana de Barcelona, Institut d'Estudis Regionals i Metropolitans de Barcelona, November 2017. Available online at: <https://iermb.uab.cat/ca/iermb/quadern-delespai/enquesta-de-condicions-de-vida-2016-resultats-sintetics-area-metropolitana-de-barcelona/>
- Rojas, M. (2016). Happiness, Research and Latin America, in *Handbook of Happiness Research in Latin America. Handbook of Happiness Research in Latin America*, Amsterdam, Springer: 1-13.
- Santens, S. (2019). What is There to Learn From Finland's Basic Income Experiment? Did It Succeed or Fail? Evaluating the Preliminary Results of a Partial UBI and Slightly Less Bureaucracy. *Medium.com*. 14 February 2019. Available online at: <https://medium.com/basic-income/what-is-there-to-learn-from-finlands-basic-income-experiment-did-it-succeed-or-fail-54b8e5051f60>.
- Schochet, P., Burghardt, J. and McConnell, S. (2008). Does Job Corps work? Impact findings from the national Job Corps study. *American Economic Review*, 98(5): 1864-1886.
- Sianesi, B. (2008). Differential effects of active labour market programs for the unemployed. *Labour Economics*, 15(3): 370-399.
- Simpson, W. et al. (2017). The Manitoba Basic Annual Income Experiment: Lessons Learned 40 Years Later. *Canadian Public Policy-Analyse de politiques*, 43(1): 85-104.
- Van Praag, B. M. S. and Ferrer-i-Carbonell, A. (2011). Happiness Economics: A New Road to Measuring and Comparing Happiness. *Foundations and Trends in Microeconomics*, 6(1): 1-97.
- White, H., Sabarwal S. and de Hoop, T. (2014). Randomized Controlled Trials (RCTs). *Methodological Briefs: Impact Evaluation 7*, UNICEF Office of Research, Florence.
- World Health Organization (WHO). (2019). *Universal basic income policies and their potential for addressing Health inequalities. Transformative approaches to a healthy, prosperous life for all*. WHO Regional Office for Europe, Copenhagen. Available online at: www.euro.who.int/pubrequest.
- Wunsch, C. (2016). How to minimize lock-in effects of programs for unemployed workers. *IZA World of Labor* 2016: 288. Available online at: www.wol.iza.org/uploads/articles/288/pdfs/how-to-minimize-lock-in-effects-of-programs-for-unemployed-workers.pdf?v=1.
- Wunsch, C. and Lechner, M. (2008). What did all the money do? On the general ineffectiveness of recent West German labour market programmes. *Kyklos*, 61(1): 134-174.

Report on the preliminary results of the B-MINCOME project (2017-2018)

Combining a guaranteed minimum income and active social policies in deprived urban areas of Barcelona



Social Rights Area, Barcelona City Council
ajuntament.barcelona.cat/bmincome/en



Barcelona, July 2019