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**The effectiveness of minimum income protection in Catalonia.
The role of individual and institutional factors.**

Abstract

This article discusses whether activation policies have been positive for beneficiaries of minimum-income protection in Catalonia (Spain). The article first confirms that social assistance beneficiaries with higher levels of employability have more chances to find jobs. Second, the article studies different profiles of beneficiaries and those who did not find jobs in a favourable economic context. Results are explained in terms of personal problems acting as barriers. The article also examines the responsibility of public administrations in the results comparing administrative units and controlling for the characteristics of their clients. Finally, the article discusses whether it is realistic to condition social assistance to activation for a majority of beneficiaries with particularly difficult profiles and what administrations can do for those clients.

Introduction

The expectation that social assistance would not be necessary has not been realized in most European countries. Instead, the extent of means tested social assistance benefits has increased (Nelson, 2008) given the relatively high level of unemployment and the continuous transformation of family structures reducing the capacity of families to provide welfare to their members in difficulty. European social policy can be seen as the outcome of a convergence process since there is a high degree of emulation and “soft” policy coordination (Ferrera et al. 2002). In this process, two terms are at the root of a common normative framework: “activation” and “social inclusion”. But, at the same time, there are significant differences in the public effort to finance activation policies and in the benefit levels across European countries. This article is based on the analysis of a minimum income protection program in Catalonia (Spain) but it aims at producing evidence in relation to research questions that are of general interest.

The first research question is whether the extension of activation policies has been positive for those who were beneficiaries of minimum-income protection. Did they find jobs? Analysis of similar policies in other countries found that social assistance beneficiaries with higher levels of employability (Lødemel and Trickey, 2001; Torfing, 1999; Barbier 2001; Gilbert and Van Voorhis, 2001) had more chances to find jobs and make the transition to formal employment. In the case of Spain, the job market for people with a low level of qualification grew steadily for fourteen years, from 1993 to 2007. Jobs were created in construction, tourism, agriculture and domestic service. Therefore, it was relatively easy to make the transition to employment for people who could actually work. In this economic context, people in minimum income programs with high levels of employability should have reduced their level of dependency from social assistance and increased their capacity to be self-sufficient.

The second research question is related to the groups of beneficiaries that did not find jobs in a favourable economic context and continued to depend from social assistance. There are explanations of this result in the form of personal problems or family conditions acting as barriers to labour insertion (Danzinger *et al.* 2000; Ayala and Rodriguez, 2006 and 2007). The mediating role played by individual factors in the effectiveness of public intervention is an interesting issue that can be analysed looking

at the links between the socio-demographical and personal problems of social assistance recipients and their chances to get a job.

However, the lack of change in their personal situation could also be explained by the negligence or inefficiency of the administration in charge of their cases. A third question is therefore whether institutional factors could also have a mediating effect. There are many factors that could be taken into consideration such as the kind of program, its comprehensive structure, resources available or the use of partnership networks. In the case of the Catalan program, the administrative offices in the territory belong to the same administration, have similar resources and apply similar bureaucratic protocols but they differ in size. Given the data available, one way to control the effect of the institutional factor is controlling whether administrative units with similar clients in terms of their employability obtained similar results when the economic context for the whole region was facilitating to find low quality jobs. Moreover, it is possible to see whether the size of the administrative units could also have a role.

The final question points to the policy. The persistence of a significant number of beneficiaries with particular profiles in the minimum income programs in a context of economic expansion should be interpreted as an indication that, in the case of the Catalan program, the implementation of activation policies has not been effective for people with hardly any links with the labour market. The question is whether public administrations, and particularly the Catalan one, can help those households which are more difficult to activate to overcome the barriers they are experiencing. In a context of economic expansion, administrative units can reduce caseloads and dedicate more time and effort to each individual but, it is not clear that this may be sufficient.

The article is structured in four sections. The first section is used to ground the paper on contemporary European research on social policy and minimum income protection. The second section presents Spanish and Catalan particularities as an example of Southern European minimum income policy and justifies the choice of data from the Catalan administration. The third section proceeds with the analysis and main findings with regard to the hypothesis and research questions, having justified and presented before the interest of the case and the data used. The final section summarizes the findings and presents the basic conclusions and policy insights.

1. European and southern European policies

During the late eighties and nineties, European countries followed different paths in social assistance. Some northern countries like Sweden eliminated the idea of social assistance and use the term “unemployment benefits” for any person with no previous work record (Nelson, 2008). Other southern countries like Spain completed their social protection nets with means-tested programs in the nineties and continued to offer minimum-income protection as a last resort to prevent social exclusion.

Comparative analysis of social policy in Europe tends to classify countries in different groups (Eardley, Bradshaw, Ditch, Gough and Whiteford 1996; Ferrera and Rhodes 2000; Ferrera, 2005). Southern European countries have similar institutional and administrative structures and they have developed similar policies to complete social protection with programs that are based on targeting certain groups. From this perspective, minimum income programs occupy a similar function in welfare provision according to various authors (Ferrera *et al.* 2005; Arriba and Pérez, 2007). They were introduced to close the system and offer protection to those that had the age to be working but did not have jobs or unemployment protection.

The relation between work and social assistance became one of the central issues in the government agendas of the nineties. The immediate effect was the tendency to condition aid to various levels of participation in activities theoretically leading to employment. The substitution of economic protection policies for measures designed to stimulate the return to work had been proposed by the OECD (OECD 2004). A second defining element of social policy in the nineties was the emphasis on “social inclusion” which was expected to happen through employment. Following the European Council of Lisbon (2000) EU national governments committed themselves to develop National Plans for Social Inclusion (Ferrera *et al.* 2002) which clearly showed that EU national governments had assumed the activation discourse and the need to improve individual capacities to overcome unemployment and poverty.

However, while there is convergence in various aspects of social policy and “Europeanization” without formal regulations (Radaelli 2000) there area also significant

differences in the financial effort and in the practical arrangements to provide poor and needy citizens with a minimum income protection across countries.

The level of public spending in activating policies varies substantially (OECD, 2005): countries with universalist systems of unemployment protection spend more public resources in activating strategies, continental countries with contribution systems of unemployment protection have an intermediate level of public investment, and southern European and Anglo-Saxon countries have lower levels of spending. As a consequence, there is also substantial cross-national variation in benefit levels (Nelson, 2008). Income protection in the most generous country is about twice that of the least generous country. Besides, in most countries, the rates of social assistance vary by family type as well as by the number and ages of children, and, there is not an overall pattern in the treatment that countries give to one particular family type.

Another source of variation is the intensity of the effort put by public administrations in looking for jobs, working with local associations and employers or, alternatively, helping beneficiaries to solve personal problems, to get training and adapt to the changing conditions of markets (Hvinden, 1999; Geldof, 1999; Moreira, 2008). From this last perspective, one of the key issues is to personalize treatment to each individual in order to improve the chances of success in the longer term. As opposed to more direct “workfare” approach, some beneficiaries need to climb up in the “ladder” towards self sufficiency solving first basic personal and family problems, developing new habits and competencies, and getting ready to jump later into the job market. This long term strategies require time and intensive tutoring on the part of the public services.

That is why, in practice, not all the administrations implement the same way the general ideas behind activation (Barbier, 2001). It is quite reasonable to assume that intensive strategies are not realistic with high ratios of beneficiaries per supervisor or when public administration have not developed sufficient contacts at the local level. The result, in those cases, is likely to be that beneficiaries stay in the minimum-income programs and develop a “chronic” condition. At the same time, as indicated by Arriba and Pérez (2007), if the policy changed and those “chronic” beneficiaries were penalized for not entering in the job market, the immediate result would be to increase vulnerability of a significant portion of the population in need of economic protection.

2. Spanish peculiarities

One of the Spanish peculiarities is that the central government manages pensions and non-contribution pensions while regional governments manage minimum income protection. They are both programs to guarantee minimum assistance and they are central elements to fight against poverty. The two programs can be considered as the last resort of a network of social protection (Arriba and Moreno, 2005) and guarantee a similar level of income that depends on family size but is clearly inferior to the minimum working salary.

Following the model of the French *Revenu Minimum d'Insertion* (RMI), the general objective of the regional programs is the social insertion of families with very low or no income. Like the French RMI, Spanish programs combine subsidies with social integration actions based on the signature of an insertion contract between the social worker and the recipient.

The first region to start such a program was the Basque Country in 1988. More than twenty years after the creation of the first program, there are significant regional differences in benefit levels, in the scope of the programs or in the treatment of beneficiaries. The Basque Country and Navarra offer higher benefits. In the case of Catalonia, which is the object of analysis, there is an effort to adjust the measures to the personal situation and employability of the beneficiary.

In the case of Spain, the resources targeted to minimum income beneficiaries are much less than in Nordic or Continental European countries. Following the French example, however, some local governments and economic and social agents have developed projects with the aim of creating employment for the beneficiaries of minimum income at the local level. Some of the beneficiaries, for example, are trained and employed in local social services for the elderly and families with dependency problems.

Why this case and data

The analysis uses data from a program that is now close to twenty years old - created in 1990 - which has gone through few reforms and which can be seen as representative of the southern European version of minimum income protection. The case is interesting to study the consequences of activation policies on those at risk of social exclusion for various reasons:

First, as other similar programs in France and Spain, it provides universal coverage, differentiated benefit amounts and formal activation procedures. However, the program classifies minimum income recipients in two groups: those that are ready to work and those that need to solve personal problems before the administration considers they are ready to enter the job market. This double itinerary is interesting since it is the expression of a more direct “workfare” approach and a more indirect “personal development” approach to activation.

Second, the researchers had access to the administrative records of the whole population receiving minimum income protection in the region for three years, from 2003 to 2005 (more than 18.000 administrative records). Counting with a large number of observations makes it possible to observe distributions across associations and consider the generalization of findings to other regions in Spain and countries with similar institutional and administrative structures in the South of Europe.

Third, the program is managed by the Catalan government through a network of 456 local offices. The distribution of the program over the territory provides an opportunity to examine whether administrative effectiveness plays a role in the success of beneficiaries. Unexpected good results in offices with “difficult” cases can be interpreted as a sign of better implementation. Differences in caseload size also offer an opportunity to check the effect this variable on results.

Basic regulations, benefits and data

Minimum income protection in the region of Catalonia is reserved for those who are poor and were never entitled to unemployment benefits or used up unemployment and are no longer eligible for other forms of income protection. Eligibility is limited by age with an upper limit of 65 and a lower limit of 25 to households officially registered in

the region and formed some time before applying to the program. There are no welfare migration problems in Spain because of similar regulations, low benefits and strict residence requirements.

Individual beneficiaries receive an amount of less than 400 € which is increased with a flat amount per child and for complying with certain obligations. Average benefits are below the official administrative poverty line but big families can reach amounts that are close to the lower working salaries. Benefits are compatible with earnings for some months and are automatically renewed on a year basis with no time limit for households that continue to earn insufficient resources and comply with their obligations.

Recipients who fail to comply with the insertion contract or fail to attend interviews can have their benefits suspended or cancelled. On the contrary, beneficiaries may have informal earnings or work temporarily.

Administrative records include information on socio-demographic characteristics of households (age, sex, family size, education level, nationality, mobility). They also include information on the various kinds of problems recipients may have, some health related (physical, mental, drugs, alcohol) others with an economic or social dimension (debt, prostitution, begging, homeless).

The database also offers information on the measures taken by the administration. Case workers have the discretionary power to decide whether beneficiaries follow a short term working strategy or a longer term treatment including social, health or educational measures. Beneficiaries ready to work take training courses and receive supervision in their job search. Some have the opportunity to have a real work experience through an internship.

In this study we classify each case as a “success” if the recipient ceased to receive public aid due to his or her earnings through work. It is considered a “failure” if the household continues in the program because the person did not manage to find a job. Cases are considered “neutral” when they were closed for reasons other than work such as reaching the age of 65, moving outside the region or having access to some other income.

3. Analysis

The economic literature on minimum income protection provides evidence on the effects of the market in the duration of dependency. Findings suggest that the impact of the market is less decisive than it was thought since coefficients tend to be lower for market related variables than for demographic characteristics or time already spent on welfare. O'Neill, Bassie and Wolf (1987) found a negative relation between earning opportunities and time spent on social programs. Other studies in the nineties (Hoynes and MacCurdy 1994; Sandefur and Cook (1997) observed how variations in market conditions had an impact on welfare dependency but concluded that they were less important than demographic variables or the duration in the programs. Similar results were found in Canada by Fortin, Lacroix and Thibault (1999). Stronger evidence of a link between a strong economy and exit from welfare was found for the US (Grogger, 2004).

On the other hand, there is evidence on the effects of socio-demographic characteristics of households but less on the personal problems of welfare beneficiaries (Ayala and Rodriguez, 2006, 2007). It seems evident that the chances of entering the labour market increase with education levels or labour experience. Along the same lines, certain characteristics of households like being a single parent with dependent children tends to make the transition to employment more difficult (Moffit, 1992). However, only a few studies have looked into personal problems acting as “barriers” to employment. This kind of problems can be related to a criminal background, drug or alcohol abuse, health or mental health weaknesses. According to Danzinger et al.(2000) and Ayala and Rodriguez (2006, 2007) the incidence of those problems explains more time spent on welfare and the failure to find jobs.

Since the analysis is limited to a single region and macroeconomic conditions did not vary across individuals, our analysis does not include measures of the economic environment. Instead, we concentrate on the effects of individual and institutional factors. Thus, we first look at whether minimum income beneficiaries who were considered ready to work by social workers and put in a “labour insertion itinerary” actually succeeded and left dependency behind. Second, we look at the characteristics and personal problems that acted as barriers to employment for the beneficiaries that

continued to depend from social assistance. Third, we consider the hypothesis that administrative efficiency could be a critical factor and, therefore, we check whether administrative units have a rate of success that is explained by the complexity or number of cases they manage. The last part of the analysis is centred on the profiles of beneficiaries and on the profiles that tend to become chronic. Our point is that, for some group profiles, conditions and obligations included in individual contracts should be oriented towards personal development. The same way, administrative units should be judged on personal development progress instead of job placements when beneficiaries are not ready to work.

Quick descriptive analysis

The descriptive analysis of the cases gives a quick picture of the beneficiaries of the Catalan minimum income. In terms of gender, women account for a big majority (around 66.7%). The data on age shows a larger presence of middle-aged individuals. Regarding family structure, a huge number (77.6%) corresponds to people living alone, (43.5% without dependent children, and 34.1% with dependent children). They are mostly nationals and they have low levels of formal education (only 17% reached secondary education or higher). The percentage of households from other nationalities is small except for recipients born in the north of Africa (Maghreb countries, 11.2%).

The reason for their precarious situation is often a labour, health or drug consumption related problem. Mental health accounts for 10% of all cases. The administration applied supervision procedures to almost all the cases. A big majority (71%) was subject to labour activation measures, more than half were subject to health related measures and around 40% to social and education measures. The duration in the program is quite significant (54.4% of the active cases in 2003-2005 had been there between one to three years, and, 43.1% more than three years). During their stay in the program, two thirds had not worked one single day.

The determinants of success

In order to explain the “success” cases and quantify the factors which determine success in probability terms, we used a model of logistic regression. Success is defined in our

study without looking at any other relevant outcome other than labour insertion. At this level, the analysis is done in two steps. Firstly, we look at the characteristics of the households and individual beneficiaries (model 1) and secondly at the effects of the program (model 2). The analysis focuses on the measures taken by the administration, the time spent in the program and whether the beneficiary has worked at least one day during all the time he or she was active in the program. The results of the analysis are presented in table 1¹.

¹ Although the database contains all the active beneficiaries between 2003 and 2005, we interpret the models using significance tests because we are interested in the possibility to infer the results to the population of beneficiaries in other time periods or similar programs.

Table 1 Probability of labour insertion
Logistic regression coefficients (active beneficiaries between 2003 and 2005)

Characteristics of beneficiaries	Models	
	1	2
Sex		
Man	0.23 ***	0.14 ***
Starting age		
Per additional year of age from 16 to 49	-	-0.01 ***
Per additional year of age older than 49	-0.01 ***	-0.02 ***
Education level (reference category: primary)		
Incomplete primary or less	-0.52 ***	-0.33 ***
Secondary	0.45 ***	0.41 ***
University	0.29 ***	0.27 **
Nationality (reference category: Spanish)		
Maghreb	0.45 ***	0.22 ***
Sub-Saharan	1.00 ***	0.73 ***
Latin American & Caribbean	0.40 ***	0.21 *
Asian	1.16 ***	0.81 ***
Eastern-central European	0.50 *	-
Household characteristics		
Having a partner	0.12 **	-
Having dependent children	0.24 ***	0.21 ***
Internal mobility		
Living in the same municipality where born	-0.13 ***	-
Size of the living municipality		
100.000 inhabitants or more	-0.08 *	-
Problems when entering the program		
Social isolation	-0.50 ***	-0.43 ***
Homeless	-0.56 ***	-0.47 **
Unemployment	0.24 ***	-
Prostitution	-0.51 **	-0.36 **
Drugs	-0.12 *	-
Mental Health	-0.53 ***	-0.35 ***
Physical Health	-0.39 ***	-0.12 *
Actions by the program		
Labour insertion		0.33 ***
Supervision		-0.21 **
Time spent in the program		
Less than one year		1.58 ***
Per additional year (between 1 and 3)		-
Per additional year (4 or more)		-0.15 ***
Labour experience during the program		
Worked while in the program		2.10 ***
Constant	-0.66 ***	-0.93 ***
N	18.818	18.813
R ² de Nagelkerke	0.10	0.33
Percentage of success correctly predicted	65.9%	68.2%
Percentage of cases correctly predicted (Cutting value = 33%)	60.2%	74.9%

*** significant at $\alpha = 0,001$; ** significant at $\alpha = 0,01$; * significant at $\alpha = 0,05$.

- Variables which were not included in the final estimation of the model for being not significant.

Preliminary exploratory analysis showed that the relation between the time spent in the program and the probability of success is not straightforward. In fact, while staying in the program a small number of years is associated with labour insertion, staying too long appears as a negative factor for escaping dependency. Following this idea, we have decomposed the time spent in the program into three variables.² This strategy made possible to estimate the effect of less than one year in the program, and the effect of one additional year spent for two different groups: those who spent between 1 and 3 years and those who spent more than three years as beneficiaries.

A similar strategy has been applied for estimating the effect of the starting age. Since it was likely that the chances of labour insertion for people of age 50 or more were lower than those of younger people, we have decomposed the starting age into two variables to test the effect of one additional year for each one of the two groups of beneficiaries: those with ages less than 50 and those of 50 or more.³

According to model 2 in table 1, several factors are associated to the desired outcome of minimum income recipients going from receiving public aid to making their living through work. Three of the main positive factors are related to the basic hypothesis on dependency and employment: having spent less than a year in the program - or between one and three years -, having had some labour experience during the program, and having entered the program because of unemployment. Regarding the duration, once recipients spent more than three years, each year in minimum income tends to reduce their chances to exit with labour integration. To interpret this result correctly, it must be taken into account that the economic environment was particularly good at the time and that many low paid jobs were available for people who had previous labour experience.

Other relevant factors are related with the various socio-demographic variables and the measures taken by the administration. In the first place, the characteristics of the beneficiaries and their families show results along the lines of what was reasonable to expect. Men have a bigger probability than women to find jobs, age becomes a barrier

² The first one is a dummy variable (less than 1 year = 1); the second is the interaction of the time spent in the program with a second dummy variable (between 1 and 3 years = 1); and the third is the interaction of the time spent in the program with a third dummy variable (more than 3 years = 1).

³ The first one is the interaction between the age when entering in the program and a first dummy variable (age less than 50 = 1). The second one is the interaction between the age when entering in the program and a second dummy variable (age equal to 50 or more = 1).

to employment from 50 and those with better studies have a better chance to exit the program. It is interesting to observe how immigrants were more associated with success than nationals. Among nationals, results were better for people who had moved and were actually claiming minimum income in a different place from the one where they were born. Regarding household size and location, having a family – that is a partner and dependent children - is associated with success while living in an urban populated zone could, on the opposite, be a disadvantage to leave minimum income.

In the second place, the analysis includes information on health and social problems and confirms previous research on personal barriers to employment for people experiencing physical or mental health problems or having a history of social isolation, begging or prostitution. The analysis of the actions taken by the administration shows positive results for the “labour insertion” measures taken by the administration, and negative results for other action paths not related with employment. This result could be expected and confirms the idea that the intensity of some personal problems makes some of the recipients “difficult cases” for the administration, while, on the opposite, those with less intense health or social problems and more job experience should be “easy cases” in a context of economic growth.

One way to examine the incidence of health and social problems taking into account the relatively small number of cases is to define the standard case and see the probability of labour insertion for the beneficiaries fitting the standard case, thus, having the most frequent characteristics. In the Catalan program, the standard case corresponds to a woman, who was 37 years old when she entered the program, spent in the program more than one year but did not have any actual work experience during the program. She has primary education, is not an immigrant, lives with descendents in the household, had no intense problems diagnosed and is subject by the administration to supervision, social and labour integration measures.

According to the model 2 in table 1, the standard case has a probability of insertion of 26.1%. This probability changes with changes in the characteristics of the case. That is, other things being equal, if it were a man instead of a woman, the probability increases 2.8 points. If, on the contrary, that woman was 50 years old instead of 37, the probability decreases 10.3 points. The most interesting result is, however the 48.2 points

increase of the probability of insertion if that woman had labour experience during her stay in the program, and the 37.1 points of increase in the same probability if she had stayed in the program less than one year.

Table 2 Variation in the probability of insertion with respect to the standard case (Based on model 2)

Characteristics of beneficiaries	Standard Case	Variation from standard case	Probability of success (in percent points)	Variation in the probability of success from standard case (in percent points)
Sex				
Man	No	Yes	28,9	+2,8
Starting age				
Per additional year of age from 16 to 49	37	38	25,9	-0,2
Per additional year of age older than 49		50	15,8	-10,3
Education level				
Incomplete primary or less	No	YES	20,3	-5,8
Secondary	No	YES	34,8	+8,7
University	No	YES	31,6	+5,5
Nationality				
		YES		
Maghreb	No	YES	30,6	+4,5
Sub-Saharan	No	YES	42,3	+16,2
Latin American & Caribbean	No	YES	30,4	+4,3
Asian	No	YES	44,3	+18,2
Household characteristics				
Dependent children	YES	No	22,3	-3,8
Problems when entering the program				
Social Isolation	No	YES	18,7	-7,4
Homeless	No	YES	18,1	-8,0
Prostitution	No	YES	19,8	-6,3
Mental Health	No	YES	19,9	-6,2
Physical Health	No	YES	23,9	-2,2
Actions by the program				
Labour insertion	YES	No	20,3	-5,8
Supervision	YES	No	30,4	+4,3
Time spent in the program				
More than one year		<1	63,2	+37,1
Per additional year (4 o more)		10	7,3	-18,8
Labour experience during the program				
Worked while in the program	No	YES	74,3	+48,2
Probability of success of the standard case			26,1	

These findings confirm some of the basic theories on the relation between dependency and employment and should make public administrations think about the need to find enterprises that can actually offer real work experience through internships or other means to minimum income recipients not experiencing intense health and social problems. Another finding is that Sub-Saharan and Asiatic nationalities have a substantially bigger impact than Latin American or Maghreb nationalities.

The role of the administration

Besides personal characteristics and group profiles, individual case management should have an impact on the fate of minimum income beneficiaries. While this general point may be valid, it is difficult to examine the relation between micro management of each case and performance across a large number of cases. Defining “quality” management for this specific program is complex and a subject to intense discussion by sector professionals. But it is possible to examine the extent that basic administrative units achieve a level of success which deviates from the level that could be expected according to the characteristics of the population they attend.

The distribution of minimum income recipients is not homogeneous in the territory. Their personal characteristics differ in the various counties under the responsibility of different units. There is, for example, a concentration of immigrants in rural zones or in the social services of some urban areas. A majority of territorial units manage a small caseload while a few manage many individual cases. Is this heterogeneity in the size of the administrative units important? Does it make any difference in the quality of the work that the social services do? In other words, does the size of the administrative units have an impact on the probability of labour insertion of the beneficiaries under their responsibility?

A priori, one could think that in an urban environment and with a big caseload it is not possible to have a high degree of personal relations between professionals and beneficiaries. In this situation, it should be difficult to personalize insertion on the basis of the best specific strategy for each case. But, on the other hand, it is also possible that big administrative units have more experience and, because of that, a better capacity to apply adequate measures to recipients.

In order to test if the size of the units in charge of the program has an impact on the success of the beneficiaries they attend, we estimate a regression model in which the percentage of labour insertion of each unit depends on its caseload. In addition of this variable, we have introduced as a control variable the percentage of predicted success according to estimations on the basis of Model 2 in Table 1. The reason for doing this is

that the percentage of success of an administrative unit depends on the characteristics of the population that it has to deal with. In difficult areas where there is a concentration of population with specific social or health problems there are fewer probabilities to be successful in their goal of labour insertion. Introducing the expected probability of success calculated through the model that takes into account the personal characteristics of the population, we are controlling the level of difficulty of each zone. As a result, we can estimate the effect of administrative unit size in the probability of success that is independent of the specific beneficiaries that each administrative unit has in charge.⁴

Certainly, there are unit characteristics other than size that can have an impact in the percentage of success they achieve. Management quality is related with the number of professionals working in the units, their experience and organization. Unfortunately, we do not have specific information about the way they work in each office. However, whether there is a “caseload effect” can be of great interest for policy makers and central managers responsible of implementing minimum income policy programs.

The analysis on this section is based on the 456 administrative units managing the program. The dependent variable is the percentage of success. That is, the percentage of cases that left the program due to labour insertion. The independent variable is the number of cases managed by the unit. In addition, for each unit we have computed the mean of the predicted probability of success for all beneficiaries using Model 2 of Table 1 which is used as a control variable.

Caseloads range from 1 to 280. The results of the estimation of the OLS regression model using all units are shown in the first column of Table 3.

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Table 3. Effect of the size in the administrative units performance
 Dependent variable: percentage of labour insertion (OLS regression coefficients)

	All administrative units (1 to 280 cases)	Administrative units with more than 1 case
Number of beneficiaries attended (size of the unit)	-0.04 **	-0.04 **
Predicted percentage of labour insertion (calculated from Model 2 in table 1)	1.22 ***	1.31 ***
Constant	-1.34	-6,65 *
N	456	440
Adjusted R ²	0.34	0.41

*** significant at $\alpha = 0,001$; ** significant at $\alpha = 0,01$; * significant at $\alpha = 0,05$.

- Variables which were not included in the final estimation of the model for being not significant.

The model is significant and explains 34% of the total variance of administrative unit success. The main finding is that the caseload affects negatively the administrative unit performance although the effect is rather small.⁵ The model performs quite well according to the model diagnosis but there are a small number of cases which can introduce bias in the estimated coefficients. Almost all these cases correspond to administrative units dealing with one case.⁶ Since it was sensible to exclude those cases from the analysis, the second column of Table 3 presents the estimation of the same model excluding the administrative units with only one case. The quality of the model improves and the coefficient, significance and sign of the administrative unit size variable are maintained showing the robustness of the results.

Successful and unsuccessful profiles

Given the relevance of personal characteristics and the influence that initial characteristics have on the two factors that are more closely related to success - duration in the program and labour experience of the recipients while in the program – this section addresses whether some characteristics tend to happen simultaneously in a way that it is possible to identify basic groups of recipients. Through cluster analysis it is

⁵ One hundred more cases decreases 4 points the expected percentage of success.

⁶ In administrative units of size one, the percentages of success vary radically from 0 to 100 with only one change in the labor insertion of one individual.

possible to classify individual cases in a number of groups according to their most characteristic trait. The resulting profiles are useful to have a more precise idea of the degree of heterogeneity in the caseload, the different level of association of each group with success and the difficulty of managing various groups for the social services.

The analysis shows that there are two majority groups accounting for more than 60% of the cases: women with low levels of studies and single women with labour problems. Another two groups account for 15.4% of the cases (recipients whose main trait is having a poor physical health) and 10% of the cases (recipients originally from northern African countries). Six smaller groups represent, altogether, over 10% of the cases. Among these groups there are immigrants (from Latin America, Sub-Sahara countries and Asia) and nationals (older people living alone in bigger towns that we identified as “chronics”, youngsters with a low level of studies identified as “casuals”, and university graduates with employment problems). Table 4 presents the nine profiles ranking them according to the percentage of success in labour insertion for each group.

Table 4. Profiles of beneficiaries according to success in labour insertion

Profile	Main characteristic	% Success	% Cases
1	“Casuals” (youngsters with a low level of studies)	62,7	2,0
2	Asian	56,8	0,5
3	Sub-Saharan	55,1	1,4
4	Latin American	45,4	3,7
5	University graduates with labour problems	44,8	1,5
6	Maghrebean	40,3	10,1
7	Women alone with labour problems	38,7	29,3
8	Women with no studies	25,9	32,4
9	“Chronics” (older people living alone)	25,0	3,7
10	Poor physical health	24,5	15,4

Looking at the relation between profiles and labour insertion, some groups clearly achieve better results than others. Three of the smaller groups are the least difficult for the administration since they stay little time in the program and exit quickly because they find jobs in a favourable economic environment. They are the young claimants with low levels of education, the ones from Asia and from Sub-Sahara. On the contrary, the two major groups of women, the “chronics” and the group having a “poor physical health” as a distinctive trait, had placement levels between 38 and 24 per cent in a

context of economic expansion. These results may give some insights to policy makers and central managers of similar programs since they confirm the existence of a majority of beneficiaries with personal characteristics which make them less likely to be able to undertake labour insertion activities right away.

4. Conclusions

Minimum income programs have a majority of beneficiaries which can be considered “difficult” cases for various reasons. In the Catalan case, most of the households receiving this type of “last resort” social assistance protection could not be activated by the administration in a time of economic expansion because beneficiaries were facing personal barriers or because the actual implementation of the activation policy was not effective.

This result poses the question of whether the policy discourse is adequate for a significant portion of the caseload given the resources and ability of the administration. As seen before, the Catalan program separates minimum income recipients in two groups: those who are more “ready to work” and those who need to solve personal problems before the administration considers they can enter the job market. This double itinerary made the Catalan case interesting since it is the expression of a flexible response to individual characteristics.

According to the analysis, the first group is vulnerable to job instability given the low quality of the jobs they can find but it can be activated in a context of economic expansion. Our analysis has shown that the critical factors for public administrations managing unemployed people receiving minimum income support are: a) the time spent in the program, and, b) the possibility to have a real working experience during the stay in the program. The time limit to exit the program as a success is around 3 years. More than three years in the program put people at risk of not leaving it.

The second group is much more numerous, heterogeneous and difficult to manage. In the Catalan case, the beneficiaries that have more difficulty to leave the program sum 77% of the cases. Our analysis confirms prior research on personal barriers to employment and identifies the following characteristics as the highest barriers:

homelessness, social isolation, prostitution, having mental health limitations or a poor physical health condition. Migrants can not be considered “difficult” cases in the Catalan region according to our analysis but there are differences among them being those from northern African countries and Latin America the ones who had more difficulty to exit the program and find jobs.

The separation of beneficiaries in ten cluster groups is useful to take into account the variance between caseloads and that success criteria should be adjusted to the characteristics of each group. The analysis confirms that some client profiles should be oriented towards a long term personal development itinerary and that the administrative units in charge of them should have incentives to work intensively on their personal problems.

According to our analysis, the size of the caseload has an effect – although small - on the performance of administrative units. In practical terms, however, reducing the caseload of administrative units to dedicate more time to each individual case may not be the solution. At the same time we cannot conclude that activation policies are not appropriate for “difficult” cases. The study shows that Catalan schemes were not appropriate to facilitate labour integration of specific categories of beneficiaries, but they could have been more efficient if they had had more resources or the ability to work with local governments or voluntary associations to place the beneficiaries in activities that made them live a working experience.

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