The Voices of Basic Minimum Income

Executive Summary
February 2020
The Young Foundation’s mission is to develop better connected and stronger communities across the UK.

As an UKRI accredited research organisation, social investor and community practitioner, we offer expert advice, training and delivery support to:

**Understand Communities**  
Researching in and with communities to increase your understanding of community life today

**Involve Communities**  
Offering different methods and approaches to involving communities and growing their capacity to own and lead change

**Innovate with Communities**  
Providing tools and resources to support innovation to tackle the issues people and communities care about

For more information visit us at: youngfoundation.org
This report explores the lives and experiences of residents in three neighbourhoods of Eix Besòs in North-Eastern Barcelona. Since December 2017 these communities have been part of a radical experiment – B-MINCOME – to tackle urban poverty and social exclusion in the city. B-MINCOME is a pilot study trialling a minimum income and, for some participants, active policy programmes (related to employment, community, social enterprise and housing) for approximately 900 people in 10 neighbourhoods for 24 months. This report tells the story of how people experienced B-MINCOME, the impact it had on individuals, families and communities and builds on previous ‘baseline’ research conducted by The Young Foundation in 2017, which detailed what life was like in the three neighbourhoods prior to B-MINCOME. While B-MINCOME has been positioned and discussed in relation to debates about basic income, as can be seen in Appendix 1, it only partially fulfils the characteristics of a basic income, like the vast majority of so-called ‘basic income’ trials, and can more accurately be described as a minimum income experiment. Nevertheless, this qualitative study of B-MINCOME reveals the lived experience of this type of trial, which is often overlooked, with implications for the design and implementation of future basic and minimum income trials and policies.

Our findings are based on in-depth ethnographic and participatory research which took place between July 2017 and April 2019. This included interviews with 190 households\(^1\) and countless observational and informal visits to places and events in each neighbourhood. To gain a longitudinal perspective, around 35 households were visited at three points in time. We engaged with each of the other 155 participants once. In addition, we facilitated a Participatory Video Most Significant Change process with 52 participants, which involved working with 10 groups to explore and share their stories, and to support them to produce films of 10 of the ‘most significant change’ stories shared. These stories have informed findings in this report and the films can be watched here. The fieldwork was conducted by a team of Barcelona-based researchers. The Young Foundation team worked closely with them to design the research, analyse the insights and distil them into this report.

It is important to remember that although the research was conducted over a period of almost two years, our observations represent only a moment in time for each participant. As with all qualitative research, they also cannot claim to be perfectly representative of all participants’ views, feelings or experiences. This is also not the ‘final say’ on people’s experiences of the pilot – the research in this report was completed eight months before the end of the experiment, and so participants lives will have continued to change, both as a result of and despite B-MINCOME, and the impacts of the trial ending are yet to be known. Nevertheless, as explored in this report, common and significant narratives and experiences of B-MINCOME did emerged through our research.

B-MINCOME is a collaborative project funded by the European Union through Urban Innovative Actions. The Young Foundation has worked in partnership with Barcelona City Council, as well as the other B-MINCOME project partners: The Universitat Autònoma de Barcelona (UAB), the Institut Català d’Avaluació de Polítiques Públiques (Ivàlua), Universitat Politècnica de Catalunya, BarcelonaTech (UPC), and the International Institute for Nonviolent Action (NOVACT).

---

\(^1\) Sometimes we spoke to more than one person in each household, whereas other times we spoke with just one person in each household and always explored their individual views and experiences as well as their views about their broader family’s experience of B-MINCOME.
With thanks to the European Union Urban Innovative Actions programme for generously funding this research as part of B-MINCOME.

Authors

Amanda Hill-Dixon, Hannah Davis, Gitanjali Patel and Victoria Boelman.

With significant contributions from the Barcelona based research team who conducted fieldwork, transcription and translation, and contributed to the analysis and reporting: Branka Gramic, Fernanda Pezzatto, Julia Roca, Dr Sergi Sanchez, Noemí Ayguasenosa, Ramón García Durán and Guadalupe Lucas.

With thanks to the European Union Urban Innovative Actions programme for generously funding this research as part of B-MINCOME.
Contents

Foreword 3
Executive Summary 4
Overview 4
Experiences of change and continuity 5
Design and implementation of B-MINCOME 7
Policy Implications 8
This backdrop of socioeconomic change and widening inequality brought with it a growing distrust of the established political order. Barcelona's administrative elections of May 2015 brought housing activist Ada Colau and her party 'Barcelona en Comú' (Barcelona in Common) to power.² Her administration’s policy agenda has been explicit in its aims to tackle inequality in the city. As part of this agenda, the idea of B-MINCOME (Barcelona Minimum Income) was born.

B-MINCOME aimed to test the efficiency and effectiveness of combining ‘passive’ economic aid, in the form of Municipal Inclusion Support (MIS i.e. a guaranteed minimum income)³, with active social policies (related to employment, social economy, community participation and housing) in ten neighbourhoods in Barcelona's Eix Besòs area in the north east of the city. The MIS was provided to 915 households⁴, which were randomly selected from eligible applicants (see appendix 1). A control group of around 500 comparable households was also randomly selected from the same eligible applicants.

To test how different versions of MIS affect people’s behaviour and outcomes, some of the participants received their MIS conditionally, others unconditionally, while some people’s income was capped, others’ wasn’t.

The B-MINCOME pilot also tested MIS payments in a new digital, local, social currency (RealEconomy Currency, REC) distinct from Euros, with the intention of promoting local commerce and strengthening community ties.

This report tells the story of how people experienced B-MINCOME, the impact it had on individuals, families and communities and builds on previous ‘baseline’ research conducted by The Young Foundation in 2017, which detailed what life was like in the three neighbourhoods prior to B-MINCOME. Our findings are based on in-depth ethnographic and participatory research which took place between July 2017 and April 2019.

While B-MINCOME has been positioned and discussed in relation to debates about basic income, as can be seen in Appendix 1 it only partially fulfils the characteristics of a basic income; like the vast majority of so-called ‘basic income’ trials, it can more accurately be described as a minimum income experiment. Nevertheless, this study of B-MINCOME highlights learning for future basic and minimum income trials and policies.

---

ii Throughout this report we refer to this element of the programme as the B-MINCOME income.

iii As of December 2018.
Experiences of change

Experiencing financial change

Almost all participants enjoyed a greater sense of financial and material wellbeing as a result of receiving the B-MINCOME income and were better able to meet their household’s material needs, for example for food, clothing, household essentials and paying rent and bills. It also allowed some people to pay off some or all of their debts, although it was not sufficient over a 14 month period for those with the highest levels of debt to clear them all.

The majority of families prioritised using the income to improve their children’s lives, to meet their basic needs such as clothing, toys, or stationery, to pay for tuition and semi-private schools, or to cover the cost of extra-curricular activities.

People also used the income to ‘get out’ and participate in social activities such as going to the cinema or eating in restaurants, which had previously been out of reach. These everyday activities all indicate an enhanced level of social inclusion and a quality of life more commensurate with the average in Barcelona.

However, while the additional income improved people’s situation, it did not necessarily result in financial and material security – with some still having to make difficult choices or compromise on essential outgoings. Some people, for example, remained trapped in poor quality housing and the income was not sufficient for them to be able to alter their accommodation, or there were other barriers to moving. Others experienced a continued sense of precarity due to fluctuations or delays in their income, arising from an irregular wage from employment and/ or the administration of B-MINCOME.

Health & wellbeing

For many people, enhanced material security translated into less stress, worry and anxiety, with a resulting improvement in wellbeing and mental health. For some, participation in active policy programmes supported this trajectory of improved wellbeing by providing an opportunity to connect with new people, learn skills and to enjoy new experiences.

On the other hand, for those who continued to face material and financial precarity, the stress and connected mental health challenges of struggling to get by persisted.

Some participants used the income to pay for care services and medication which were otherwise inaccessible to them, due to gaps in public provision or due to immigration status. This is likely to have positive implications for physical health in the medium to long term.

However, there is minimal evidence that B-MINCOME resulted in improved physical health during the study period. This is unsurprising and is likely to be because: a) some household incomes continued to be insufficient to address key drivers of poor health, such as poor quality housing; b) increased income may have limited impact on people who have already developed poor health or among people with chronic health conditions less directly affected by issues that can be tackled through improved personal finances; and c) it is likely to take longer than the trial period to observe the impact of increased income on physical health outcomes.
**Work & employment**

The impact of B-MINCOME on both levels of paid employment and perceptions of work is confounded by the nature of the trial.

In the context of a time-limited minimum income trial, paid employment continued to be seen as the most promising route to financial security. People also sought the cultural and social capital and recognition associated with work, and often the boost to their own self-esteem. This contrasted with widely shared negative perceptions of ‘benefits’ (as B-MINCOME was perceived, stemming from its targeting at low income households), which were often experienced as stigmatising. In this sense, there are limitations in the extent to which B-MINCOME can reveal how people’s attitudes and behaviours towards work (and public cash transfers) might change in the context of a lasting (or more universal) minimum income.

Nonetheless, some people felt that B-MINCOME had put them in a better position to get a job, due to the extra time, resource and ‘mental bandwidth’ for job searching and training/education which th income provided. There is also evidence that a minority of people were able to take advantage of the increased financial security provided by B-MINCOME to search or train for better quality work.

However, evidence of people moving into work during the first 14 months of the programme as a result of participation in B-MINCOME is limited. Many participants continue to face structural barriers to employment, such as education and skill level, language ability, immigration status and age. They also face a reality of a shortage of secure and fairly paid employment opportunities in Barcelona.

In addition, while the employability and social economy active policy programmes were felt to provide useful skills by some, many felt that they had been randomly assigned to a programme which did not align with their skills and interests, or that the training or work opportunity was not aligned with the real labour market. This sense of a mismatch was particularly evident in relation to the social economy programme, which many participants felt was unsuitable for them, often because of the level of risk that setting up a social enterprise presented.

For a minority of participants, employment was not and was unlikely to become a realistic possibility or goal either due to poor health, or due to caring responsibilities, especially among single mothers. For these people B-MINCOME provided a much needed financial safety net.

**Family & community dynamics**

The income appears to have strengthened many family relationships, by reducing stress and allowing families to spend more quality time together.

While most households in receipt of B-MINCOME did not see significant changes in existing family dynamics, a minority of women felt empowered were able to gain power within the family unit. A few were able to use the income, often in combination with the support gained from participation in an active policy, to challenge or leave an abusive partner.

While the income clearly had an impact on family and household relationships, people’s broader social and community connections were more affected by their participation in the active policy programmes, particularly the community active policy.

These activities brought together people who would not normally have met, including from other cultural backgrounds, with positive implications for local social cohesion. Many participants greatly valued these new friendships and connections, explaining that they felt happier, stronger and more resilient as a result.

On the other hand, the income played into, and at times exacerbated, existing community tensions, often along lines of ethnicity or nationality and sometimes fed into xenophobic narratives. In particular, people felt the amounts given did not always fairly reflect level of need or that some recipients were not spending the income ‘appropriately’.
Design and implementation of B-MINCOME

Communication and understanding of B-MINCOME

Many participants struggled to understand the information they received about the project. This was due to a mixture of factors, including limited literacy, limited Catalan and Castellano language skills, inaccessible communication materials and competing priorities (such as caring responsibilities) which left participants with limited time for exploring the information shared with them.

This led to confusion and misunderstandings about B-MINCOME, especially in the earlier stages. In particular, misunderstandings included: the length of the project and when the income would end; the nature of the ‘cap’ on the income and consequences of increased earnings; what the income could be spent on; how much income they were entitled to and if it fluctuated, by how much and why; and what the outcome of the active policy programmes would be for them. This misunderstanding and confusion created a sense of uncertainty and anxiety among some participants, most of whom suffered from precarity and insecurity before B-MINCOME.

As such, most people were acutely aware of the need to spend the income in ‘the right way’ and to save receipts to justify their spending choices, although many felt unclear around the specific terms and conditions surrounding this. While some considered this fair, others found it frustrating. Either way, this meant that most people experienced B-MINCOME in conditional terms, comparable with other forms of ‘welfare’, rather than as something altogether more freeing.

Part of the B-MINCOME income was distributed in the form a digital local currency – the Real Economy Currency (REC). The REC, which could only be spent in local shops and businesses, was intended to revive the local economy and facilitate enhanced neighbourhood solidarity. Some participants enthusiastically supported this ambition while others were frustrated as it was not cashable and/or they faced technical or language barriers.

Experimenting with help

The random allocation of B-MINCOME to eligible households meant that many people experienced it as a lottery, with winners and losers. While some people felt that randomly distributing the income was a fair way of distributing limited resource, others felt that it was unfair and unconnected to level of need or of being deserving. The fact that B-MINCOME was limited to two years had implications for people’s experiences of the policy. While many were glad to participate for two years, than not at all, many also felt concerned that they would return to previous or worse experiences of financial precarity when the trial ended. Only a minority of people, mainly those in active policy programmes, felt that they were better equipped for the long-term beyond the trial.

In addition, the time-bound nature of B-MINCOME, and people’s responses to it on this basis, mean that we are limited in our understanding of how a long-term or lasting policy might affect people’s behaviour and lives.

Participant experiences and concerns highlight how important it is for temporary trials of this kind to be fully transparent about the timeframe of the programme, to remind participants about this and to put in place measures to prepare and support people around the withdrawal of this kind of policy. This is particularly important when such policies are directed at vulnerable groups already experiencing precarity.

Design and administration of the income

Fluctuations in the amount of income received each month from B-MINCOME was a source of difficulty for many participants. While this was by design for those who were receiving the income on a ‘capped’ basis, it seems that this was not always communicated effectively to participants, and that in some cases it was administered incorrectly or applied to participants in the ‘uncapped’ group. The effect is a continuation or compounding of the experiences of precarity and insecurity which characterised the lives of participants prior to B-MINCOME. This suggests that means-testing a cash-transfer for people whose employment is ad hoc, informal and unreliable, may be both administratively unfeasible and also an ineffective way of reducing insecurity.

Although the B-MINCOME cards were designed for participants to be able to withdraw cash as well as to pay electronically in shops, many found that their card couldn’t withdraw cash, limiting their ability to make full use of their B-MINCOME income or to use it in the ways they wanted to because, for instance, they could not use the money to pay for rent, bills or small purchases under €5.

Participants were required to document all expenses using the B-MINCOME income and to limit spending to ‘food, clothing, maintenance and access to housing’.
Policy Implications

At the end of this report we set out a detailed set of implications for the design and implementation of future cash transfer policies in developed contexts. In summary, our research suggests that:

- Given that work, especially for the poorest, is so often and increasingly temporary, ad hoc and informal, it is unlikely to be possible for any public administration to effectively and efficiently fully means-test cash-transfers on an ongoing basis, in a way which is communicated and managed fairly with recipients.

- Conditionality can give some people the motivation they need to gain training, support or to participate in other ways. However, for many receipt of a cash transfer on the condition of participation in a programme, fails to acknowledge the competing commitments and responsibilities that they may have, or the alternative routes to personal or professional development that may be available.

- In principle, there are advantages to offering people the opportunity to participate in active policies (alongside the ‘passive’ cash transfer), especially in the context of a time-limited trial. However, this study highlights some important reflections regarding the design and implementation of such policies:
  - The design of these programmes need to be based on a deep understanding of the local population and labour market requirements. It should ideally be designed in partnership with participants;
  - Participants should be allocated to programmes on the basis of their preference and needs, rather than randomly;
  - Barriers to participation should be addressed, for example through the provision of childcare or translation/language support, and it should be recognised that some people won’t be able to participate (for example due to poor physical or mental health).
  - The means and technology for spending a cash transfer have a significant impact on participant ability to make full use of this resource, particularly if it restricts spending to electronic payments. Full or partial payment in a social currency is likely to limit the capacity of recipients to fully and freely deploy this resource, and certainly while a social currency is in the early phases of implementation.

- Avoid the requirement for participants to document and justify their expenditure of a cash transfer, or of stipulating what they can/cannot spend it on; this limits recipient sense of agency, freedom and control and can limit their ability to maximise the resource for their household.

- Where cash-transfer policies are complex (for example, including conditionality, means-testing, or active policy programmes) it is important to ensure accessible, varied and clear means of communication between policy administrators and participants.

For future trials of cash-transfer policies, our research suggests that:

- Robust and regular qualitative feedback loops should be embedded so that issues with implementation can be addressed as quickly as possible.

- It is important that the longer-term impact of the trial on participants is thoroughly considered. In particular, participants need to be supported to achieve sustainable change in their lives (for example through 1:1 support, advice and guidance) and support put in place around the withdrawal of the income.

- Evaluations need to be designed such that they do not undermine the potential success of an intervention. While randomisation is necessary to attribute causality within a trial, this should not be applied to the detriment of likely intervention impact.

- Policies and interventions being trialled should be co-designed in partnership with potential participants and local communities to maximise their impact.
Endnotes


