

A Welfare for the Truly Needy? Targeting, Conditionality and Non-Take up of Welfare Among the Homeless in Italy

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Acknowledging the collaboration of:



Acknowledgement of Country

The University of Queensland (UQ) and I acknowledge the Traditional Owners and their custodianship of the lands on which I work.

I pay my respects to their Ancestors and their descendants, past, present and emerging.

I recognise their valuable contributions to Australian and global society.



«Today we have abolished poverty»

Statement of the Italian politician Luigi Di Maio the approval of the Italian Minimum Income Scheme in the Budget Law 2019



...Meanwhile a night in Rome main train station in 2022.

Do anti-poverty measures actually reach the poor?

Context and main research question

Starting point: the Paradox of redistribution (Korpi and Palme 1998)

“The more we target benefits at the poor only [...] the less likely we are to reduce poverty and inequality” (pp. 681-682).

Mechanism hypothesized: targeted welfare is not supported by the middle class.

A complementary hypothesis: tightly targeted benefits might be less accessible due to increased stigma, bureaucratic complexity, and administrative errors (Van Oorschot 2002).

Targeting and behavioral conditionality might hinder more access to welfare precisely for those most vulnerable (Reeves and Loopstra, 2017; Reeve, 2017; Dwyer, 2019)

Main RQ: Do tighter targeting and behavioral conditionality hinder the take up of welfare among the homeless?

Welfare measures considered

- **Minimum Income Scheme:** antipoverty measure introduced in 2019, tightly targeted and conditional benefit (it has an ALMP component), highest generosity.
- **Disability Benefit:** long-standing welfare measure, among the three benefits, the one that carries the least stigma – in a framework of ‘deservingness’.
- **Covid-19 Emergency Payment:** introduced during the Covid-19 pandemic, most lenient targeting, no conditionality, least generous.

Detail of the welfare measures considered

Measure	Degree of stigma	Generosity	Targeting tightness	Behavioural conditionality
Minimum Income Scheme	High directed to the poor	Highest up to 6,000 euros a year	High <ul style="list-style-type: none"> • many different income and asset tests • targeted to poorer households • 10 years of residence in Italy required 	Yes requirement to participate in employment or social reintegration activities
Disability Benefit	Low directed to the disabled	Intermediate 3444 euros a year	High <ul style="list-style-type: none"> • two doctor visits required • yearly income below 4.931,29 euros 	No
Covid-19 Emergency Payment	High , directed to the poor	Lowest one shot payment up to 800 euros	Low <ul style="list-style-type: none"> • few documents required • richer households included 	No

Methodology

Mixed-method study:

- Explorative qualitative study. Qualitative interviews with 25 people experiencing homelessness in Rome in January 2021.
- Quantitative study. Survey on a probabilistic sample of the homeless population of Rome (N=557) collected in March 2021, including a survey experiment. Sampling frame built with time-location sampling.

Qualitative study results

- **Lack of a registered residence** is an important barrier to welfare take up, connect with circular situations especially for migrants

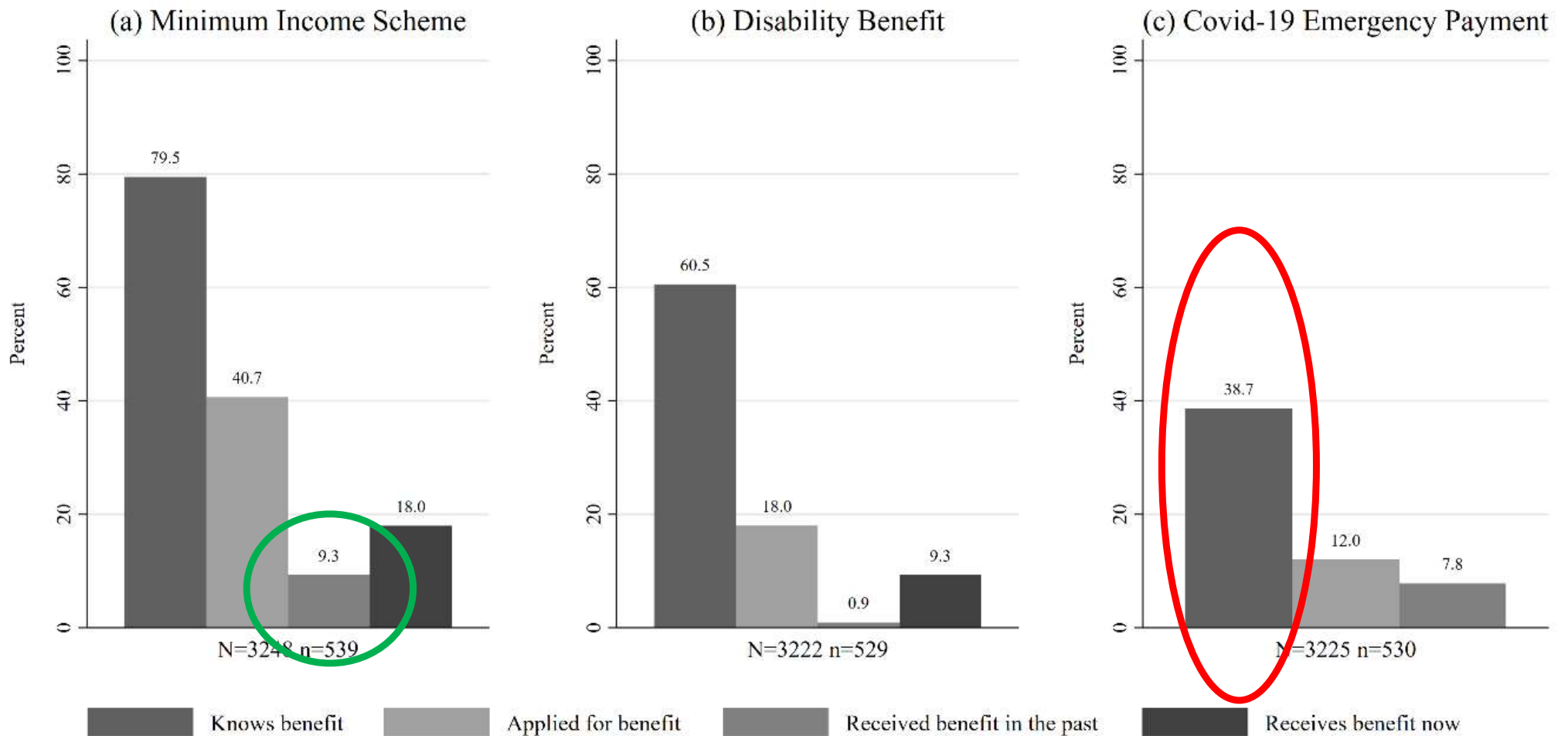
“I was trying to get a registered residence, but you cannot get a residence because you need a job, an employment contract, otherwise you cannot get the residence. Sometimes to get a job [an employment contract] they ask me for my residence, then things are like this ... I could never understand and at a certain point I gave up”

- **Homeless are positive towards work conditionality.** Recipients of Minimum Income Scheme expected to receive a job from the state and are annoyed by the inefficiencies of employment centres

“I have two hands two legs, I feel I can contribute through working, but you [referring to the state] have to give me [a job]because I can work from 5 am, from 6 am, I am willing to work, but the state does not give it to you.”

Quantitative results: descriptives

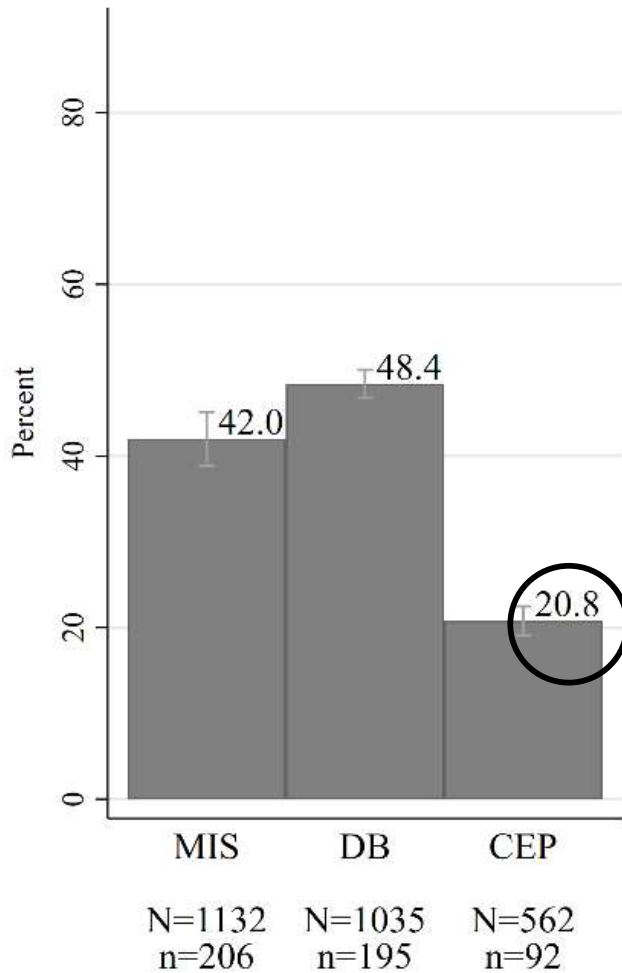
Figure 1. Awareness, application, past and present receipt of Minimum Income Scheme (a), Disability Benefit (b) and Covid-19 Emergency Payment (c).



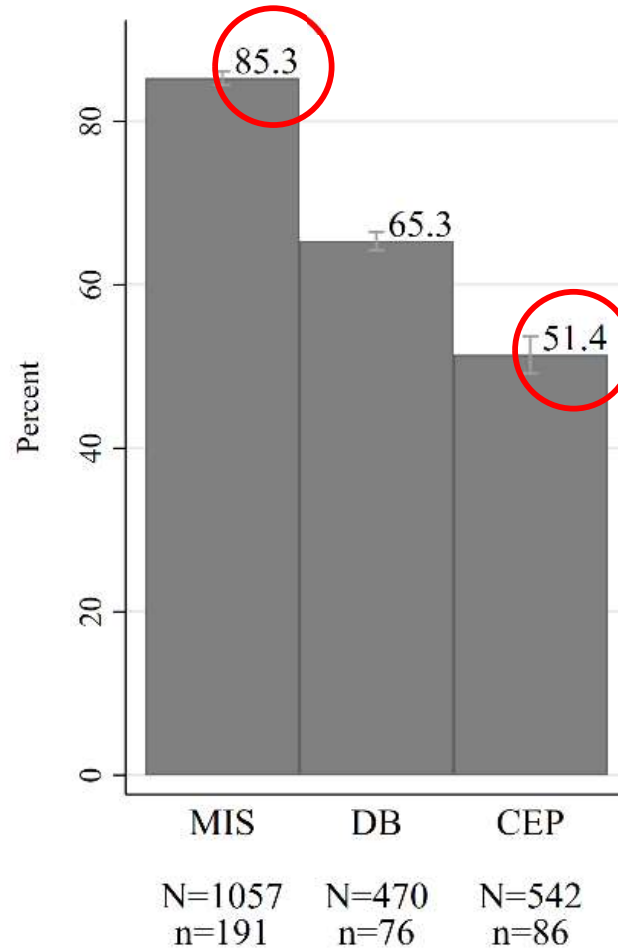
Note: n corresponds to simple size, while N is the total homeless population represented by the sample. Rates are weighted. Source: "InStrada, per conoscere chi è senza dimora" survey 2021.

Quantitative results: take up analysis

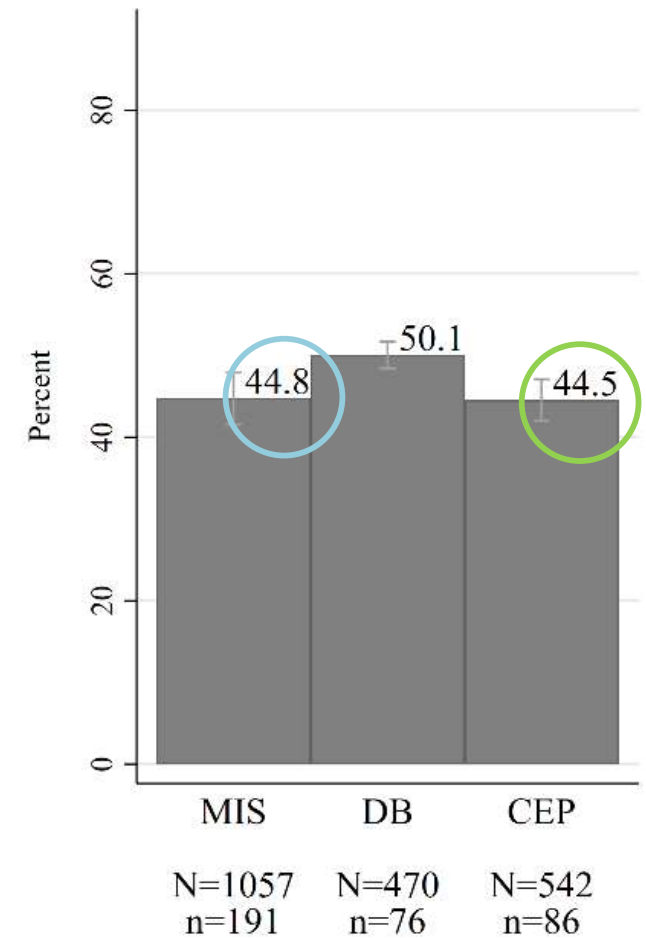
(a) Take up among perfectly eligible



(b) Application rate among perfectly eligible and informed



(c) Take up among perfectly eligible and informed



+ benefit generosity - benefit generosity

Minimum Income Scheme (MIS) = $44.8/85.3 = 52.5\%$

Disability Benefit (DB) = $50.1/65.3 = 76.7\%$

Covid-19 Emergency Payment (CEP) = $44.5/51.4 = 86.6\%$

Applications success rate

- This benefit interruption rate for Minimum Income Scheme is much larger than in the general population in the same region and year (24.1% in Lazio Region in 2021 vs around 33% among the homeless in Rome).



The homeless are 41.5% more exposed to benefit interruption compared to the general population, despite living in extreme poverty.

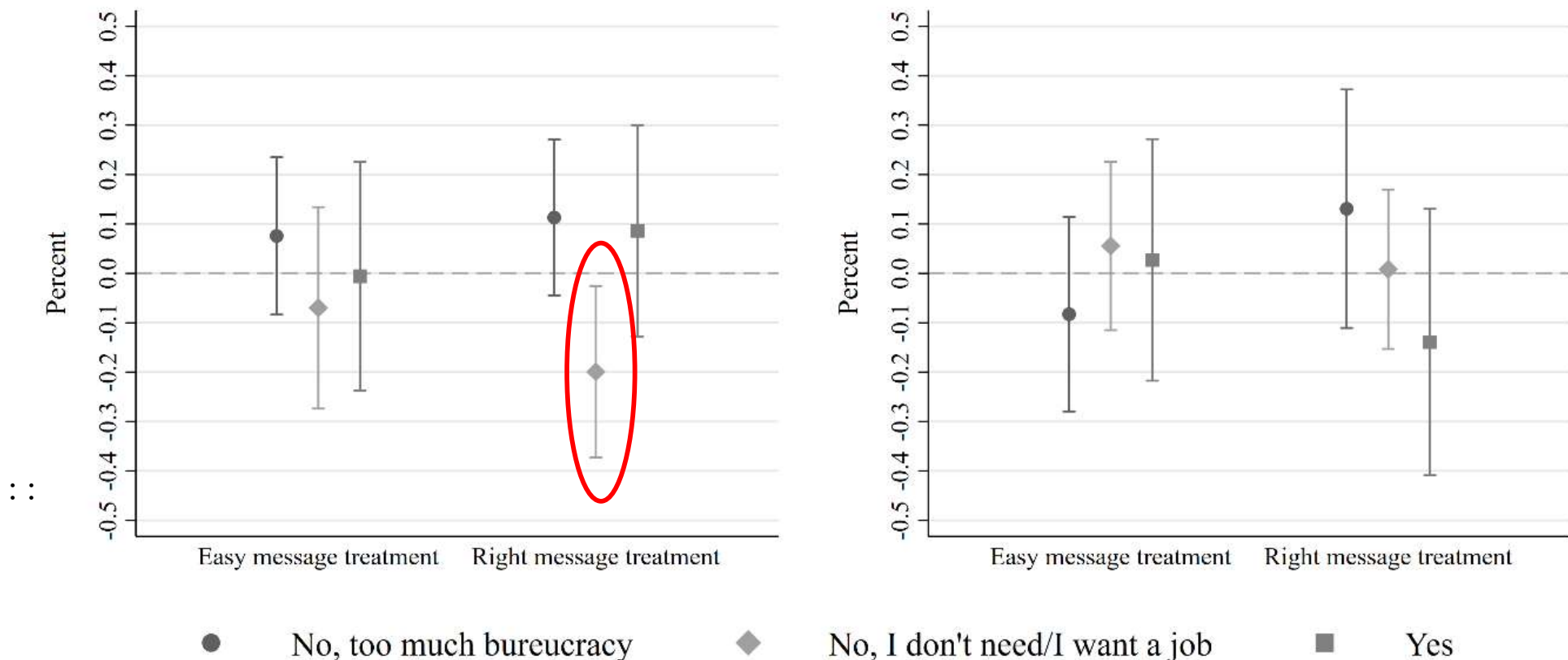
Quantitative results: survey experiment

Control group	«Would you be interested in applying for *name of benefit*?»
Right message treatment	« Requesting this benefit is your right. Would you be interested in applying for *name of benefit*?»
Easy message treatment	« Applying for this benefit may be easier than what you think. Would you be interested in applying for *name of benefit*?»

Figure 3 Average marginal effect from multinomial logit of treatments on willingness to apply. 95% CI

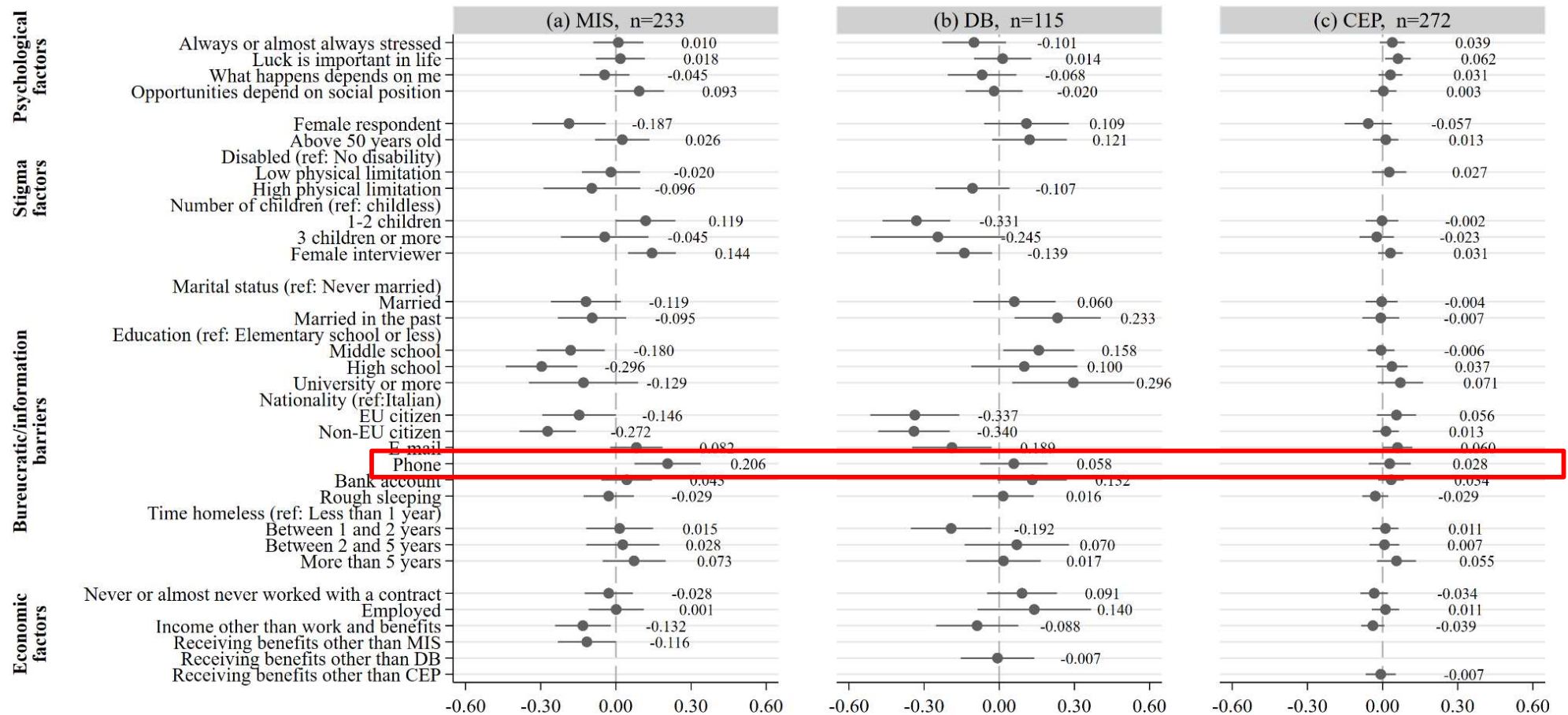
(a) Willingness to apply to Minimum Income Scheme

(b) Willingness to apply to Disability Benefit



Quantitative results: multivariate analysis

Figure 4 Determinants of take of Minimum Income Scheme (MIS) (a), Disability Benefit (DB) (b), and Covid-19 Emergency Payment (CEP) (c) among the eligible.



Note: Average marginal effects from logistic regression. 90% confidence intervals showed.

Quantitative results: ineligibility analysis

Ineligible to Minimum Income Scheme = **53%**

Ineligible to Disability Benefit=77% (non disabled)

Ineligible to Covid-19 Emergency Payment = **40%**

Main causes of ineligibility:

- Lack of a registered residence (1/3 of the sample) for all the three benefits
- For Minimum Income Scheme **51%** of those that did not have 10 years of registered residence **have been in the country for more than 10 years in reality, but cannot demonstrate it** due to frequent homelessness spells and lack of residence registration over time

Confirming the results from the qualitative study....Documental issues are crucial for the homeless



Conclusion

- Lengthy residence requirements and lack of information limit the opportunity to even attempt applying
- We are not going to solve non-take up by nudging. Survey experiment shows that low take up of welfare is not driven by psychological biases in the process of cost-benefit evaluation of applying

Results show **agency from the side of the homeless**, that attempt to apply for highly targeted and conditional benefits but with little success.

- **Why?** Most likely due to **administrative errors and benefit sanctions**:
 - Take up of Minimum Income Scheme (highly targeted, conditional benefit) increases by 20 pp when the respondent has a phone
 - Employment centres and social services report impossibility to get in touch with recipients as first problem in the enforcement of conditionality

Quantitative results: ineligibility analysis

	n obs	N homeless	Weighted proportion
Eligibility status to Minimum Income Scheme			
Ineligible	518	3,093	0.53
Imperfectly eligible	518	3,093	0.10
Perfectly eligible	518	3,093	0.37
Eligibility status to Covid-19 Emergency Payment			
Ineligible	514	3,028	0.40
Imperfectly eligible	514	3,028	0.25
Perfectly eligible	514	3,028	0.34
Eligibility status to Disability Benefit			
Ineligible	522	3,198	0.77
Imperfectly eligible	522	3,198	0.06
Perfectly eligible	522	3,198	0.18

Note: n corresponds to sample size, while N is the total homeless population represented by the sample. Rates are weighted using weights for the probability of inclusion in the sample. Source: “InStrada, per conoscere chi è senza dimora” survey 2021