Justice Under Austerity: The Impacts of Reduced Access to Legal Assistance in England and Wales

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Today's roadmap

Motivation

Institutional Context

Data

Empirical strateg(ies)

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Conclusion

What if you were evicted: What would you do?

52% of people with a legal problem receives professional help vs. 11% receives non-professional help - UK Legal Needs Survey (2023)

All evicted: What can policymakers do?

Amid Eviction Crisis, Organizers Win Right to Legal Representation for Tenants

When facing eviction, some D.C. renters will now get free lawyers

Why shall we care?

- **Market failure**: Demand for legal assistance ≠ Supply available

Why shall we care?

- **Market failure**: Demand for legal assistance $\neq$ Supply available
- **Welfare**: Costs of not resolving legal problems $>$ costs of subsidizing legal assistance

Why shall we care?

- **Market failure**: Demand for legal assistance ≠ Supply available
- **Welfare**: Costs of not resolving legal problems > costs of subsidizing legal assistance

2/3 of UK adults faced a legal problem in the last 4 years:
-> **1/3** welfare-related
-> **1/3** had an unmet legal need
UK Legal Needs Survey (2024) - Def: a problem that can be resolved or answered by law

⇒ **Room for policy intervention**

Prevalence of legal problems in England and Wales - Survey

What do I do?

This paper:

- Focuses on an **austerity-driven reform** that reduced public funding for legal assistance with **social welfare cases** in England and Wales *(eg. housing, debt, benefits)*

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- Focuses on an **austerity-driven reform** that reduced public funding for legal assistance with **social welfare cases** in England and Wales *(eg. housing, debt, benefits)*
- Exploits the **spatial** and **overtime** variation generated by the interruption of legal aid services
- Looks at the effects on **eviction** (+), debt (?), housing market (?), healthcare services (?), and **mortality** (+)

Literature and Contribution

- Effects of legal counsel on court outcomes: Greiner et al. 2011, 2013; Cassidy and Curie 2022; Ellen et al. 2021; Rafkin and Caspi 2024.

This paper provides national scale, outside-of-US evidence of a **negative** supply shock in legal assistance for **all** social welfare cases.

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- Legal assistance & poverty: Sandefur 2010, Houseman and Minoff 2014. & health status: Tobin-Tyler and Lanton 2011; Genn 2019; Leifheit et al. 2024. & welfare participation: Britto et al. 2025; Cunningham and Goodman-Bacon 2025

This paper explores the **safety net** role of legal assistance.

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This paper explores the **safety net** role of legal assistance.

- Welfare benefits/costs of legal counsel programs: Abel and Vignola 2010; Ross 2016, Schapiro et al. 2022; Abramson 2022; van Dijk et al. 2024. MVPF & austerity policies: Fetzer 2019; Fetzer et al. 2023; Hendren 2022; Facchetti 2024; Berman and Hovland 2024

This paper extends to the analysis of the Marginal Value of Public Funds of the legal aid reform.

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What is civil legal aid in England and Wales

- A **means-tested & publicly-funded** program
  Monthly disposable income <= £733, disposable capital <= £8,000

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- To resolve a **legal problem in scope** of the scheme
  eg. area of law, complexity of the problem, stage of the legal journey

Spending - overview Spending - US perspective Eligibility

Changes introduced by the 2012 LASPO reform

For beneficiaries:

- **Timing** of access to legal assistance:

Changes introduced by the 2012 LASPO reform

For beneficiaries:

- **Timing** of access to legal assistance: removal of funding for **early legal advice**

"He huffed and he puffed and he increased our rent."

Changes introduced by the 2012 LASPO reform

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- **Scope** shift to a **last-resort** scheme:

Changes introduced by the 2012 LASPO reform

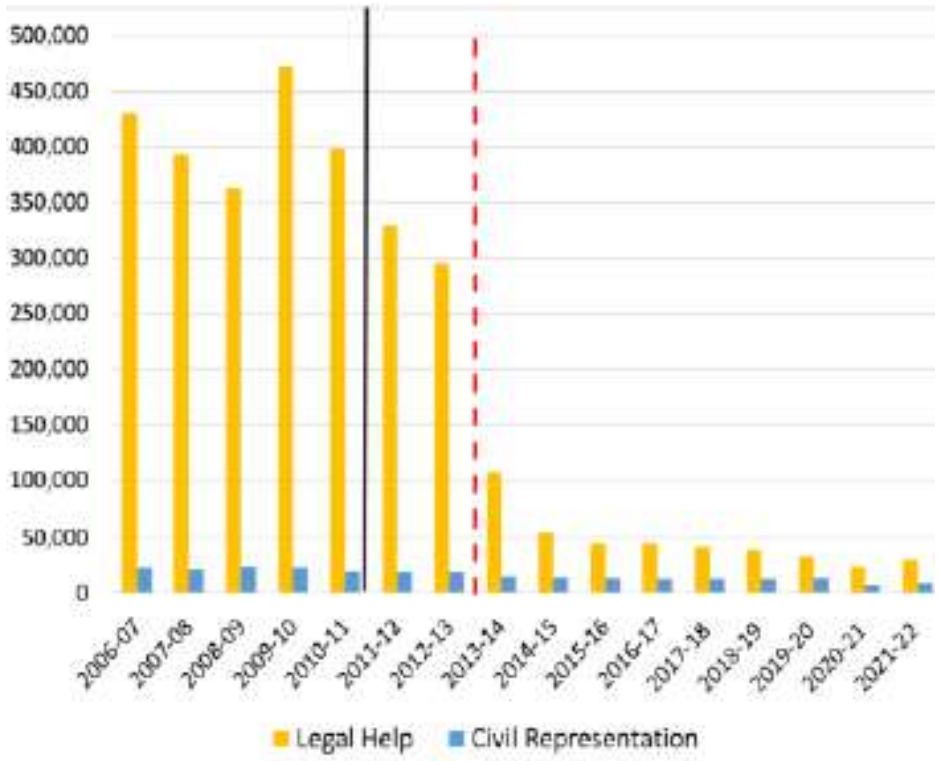
For beneficiaries:

- **Timing** of access to legal assistance: removal of funding for **early legal advice**
- **Scope** shift to a **last-resort** scheme: cases posing a "direct threat" to household health and housing security

Changes introduced by the 2012 LASPO reform

For legal aid providers:

- **Funding loss**: drop in the number of legal aid cases in social welfare laws (70% volume, 80% funding)



Details by areas of law | Details Family | Details Non Family | Drop in Funding

Changes introduced by the 2012 LASPO reform

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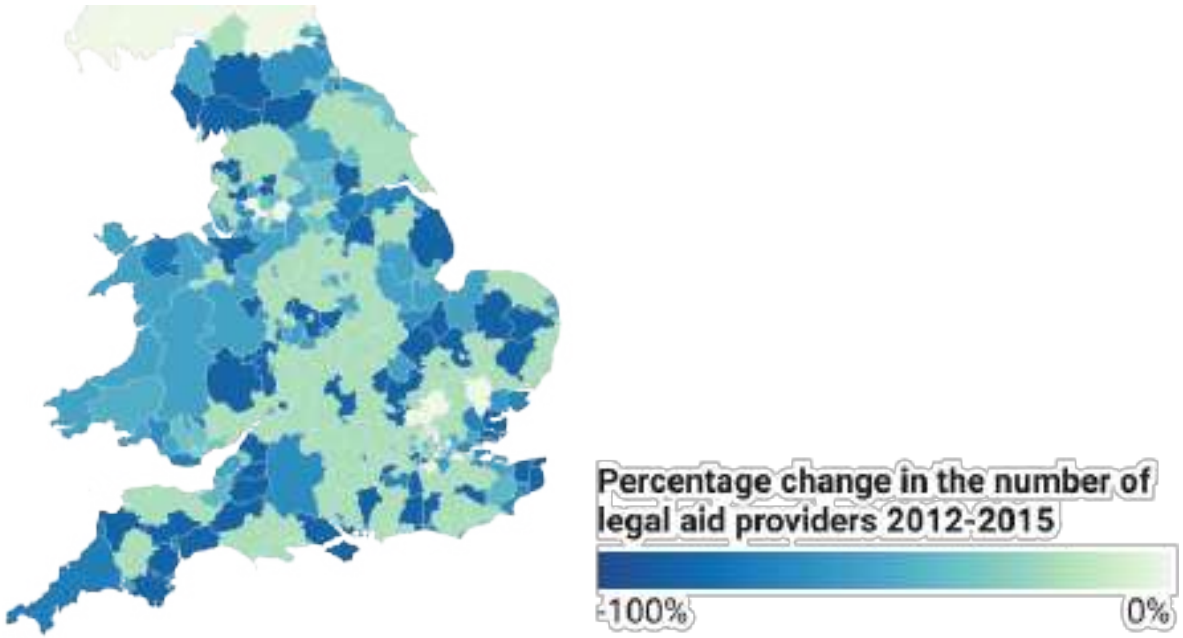
Changes introduced by the 2012 LASPO reform

For legal aid providers:

- **Funding loss**: drop in the number of legal aid cases in social welfare laws (beyond expectations)
- **Interruption of services**: drop in the number of providers taking on legal aid cases



Number of providers active over time | Family providers | Non-Family providers

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Data Overview - Impact Evaluation

- All of **England and Wales**: 56.5 mil inhabitants in 2011
- **Treatment** at the provider level (postcode)
  - **Legal aid providers activity**: Volume and value of cases by area of law (Quarterly 2009 - 2023)

Data Overview - Impact Evaluation

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  - **Legal aid providers activity**: Volume and value of cases by area of law (Quarterly 2009 - 2023)
- **First order: Population-Weighted Outcomes** at the 7,264 Middle Super Layer Outputs (MSOA)
  - **Court outcomes**: number of eviction & debt judgment cases and their outcomes

Data Overview - Marginal Value of Public Funds

- **Second order: MVPF Outcomes**
  - **Mortality data**: all deaths registered in England and Wales, yearly (age-adjusted)
    -> *Cost for the Community*
  - **Healthcare**: Hospital Beds occupancy, emergency attendances and use at the 204 NHS organizations level
    -> *Cost for the Healthcare system*
  - **Homelessness**: number of people assessed for homelessness prevention purposes, on social housing waiting lists, on temporary accommodations at the 348 local authority level
    -> *Cost for Local Authorities*
  - **Housing Market**: house prices, number of housing transactions, rental data at the property level
    -> *Cost for Tenants / Landlords*

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Empirical strateg(ies) in a nutshell

- **Approaches**:
  - 1. Generalized **Difference-in-Differences** with doubly robust estimators Sant'Anna and Zhao (2020)
  - 2. Bartik **shift-share instrument** Goldsmith-Pinkham, Sorkin and Swift (2020)

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- **Source of variation**: Change in spatial/overtime distribution of legal aid providers activity

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- **Source of variation**: Change in spatial/overtime distribution of legal aid providers activity
- **Treatment**: Access to legal aid providers
  - Change in **distance** to nearest provider *(DiD)*
  - Predicted shocks to provider's **supply** based on pre-reform caseload & funding composition *(Bartik IV)*

Generalized Difference-in-Differences

Simplified specification:

$$Y_{i,t} = \theta_t + \delta_i + \beta * Access_{i,t} + \epsilon_{LA,t}$$

$Y_{i,t}$: outcomes at the MSOA level i in the period t
θ_t: time-fixed effects, δ_i: MSOA-fixed effects,
$\epsilon_{LA,t}$: error-term clustered at the LA level
$Access_{i,t} = D * Post_t$: measure of legal assistance accessibility

Static definition:

Generalized Difference-in-Differences

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Static definition:

- $D = D_i$ **binary** [high change v. no change in 2 years post-reform] or **continuous** treatment [change in distance in km]
- $Post_t$ treatment timing: dummy after the reform

Staggered definition:

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Staggered definition:

- $D = D_{i,t}$ increase in distance v. no increase at time t
- $Post_t$ treatment timing: time-dummies

Static Specification Staggered Specification Map staggered definition

Concerns and Strategies

- **Austerity cuts & welfare system reform**
  - **Concern**: Spatial variation in the intensity of welfare cuts at the **local authority level** Beatty and Fothergill (2013), Fetzer (2019), Fetzer et al. (2023), Berman and Hovland (2024)
  - **Solution**: Exploit the variation in distance **within** local authorities & Interaction analysis

Pooled DiD - Heterogeneity | Change in Distance & Austerity | Event-study low vs. high austerity

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Pooled DiD - Heterogeneity | Change in Distance & Austerity | Event-study low vs. high austerity

- **Endogeneous change in distance**
  - **Concern:** Different resilience across providers due to their different **types** (not for profit v. solicitor) and mixed **portfolio** of cases (legal help v. representation / several areas of laws)
  - **Solution:** Predict change in capacity at the provider level using a **Shift-Share instrument**

Graph change in distance | Decile boxplot | Number of providers open

Shift-Share IV: Predicting a Supply-Shock

For an MSOA i and an area of law n,

$$Access_{i,n} = \sum_p \underbrace{\frac{1}{D^0_{i,p}}}_{\text{Distance}} \cdot \underbrace{\underbrace{F_{i,n}}_{\text{Legal Aid Funding}} \cdot \underbrace{S_{i,n}}_{\text{Specialisation}}}_{\text{Vulnerability to shock}} \cdot \underbrace{\frac{1}{P^0_i}}_{\textbf{Population}}$$

$$Instrument_i = \sum_n Access_{i,n} \cdot \underbrace{Shock_n}_{\text{Expected shock specific to case type } n}$$

Relevance of the instrument | First Stage | Percentage share

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Pooled DiD - Continuous Change in Distance

$$Y_{i,t} = \theta_t + \delta_i + \beta * Access_i * Post_{t>Reform} + \epsilon_{LA,t}$$

	Eviction claims		Eviction orders		Age-adjusted Mortality	
Change in Distance in km*Post_2012	**0.35*** (0.090)**		**0.179** (0.054)**		**0.646*** (0.182)**	
Mean at Baseline (rate per 100,000 inhab.)	76.34		53.86		961.23	
Average Effect (if linear) Mean Change in Distance: 3.2km / 4km	1.2		0.57		2.07	
MSOA + Time FE	Yes		Yes		Yes	
Local Authority FE	No	Yes	No	Yes	No	Yes
Nb. Observations	586,109		586,109		109,818	

Graph change in distance | Graph change in distance to Not-for-Profits | Decile distribution of change in distance | Number of providers open

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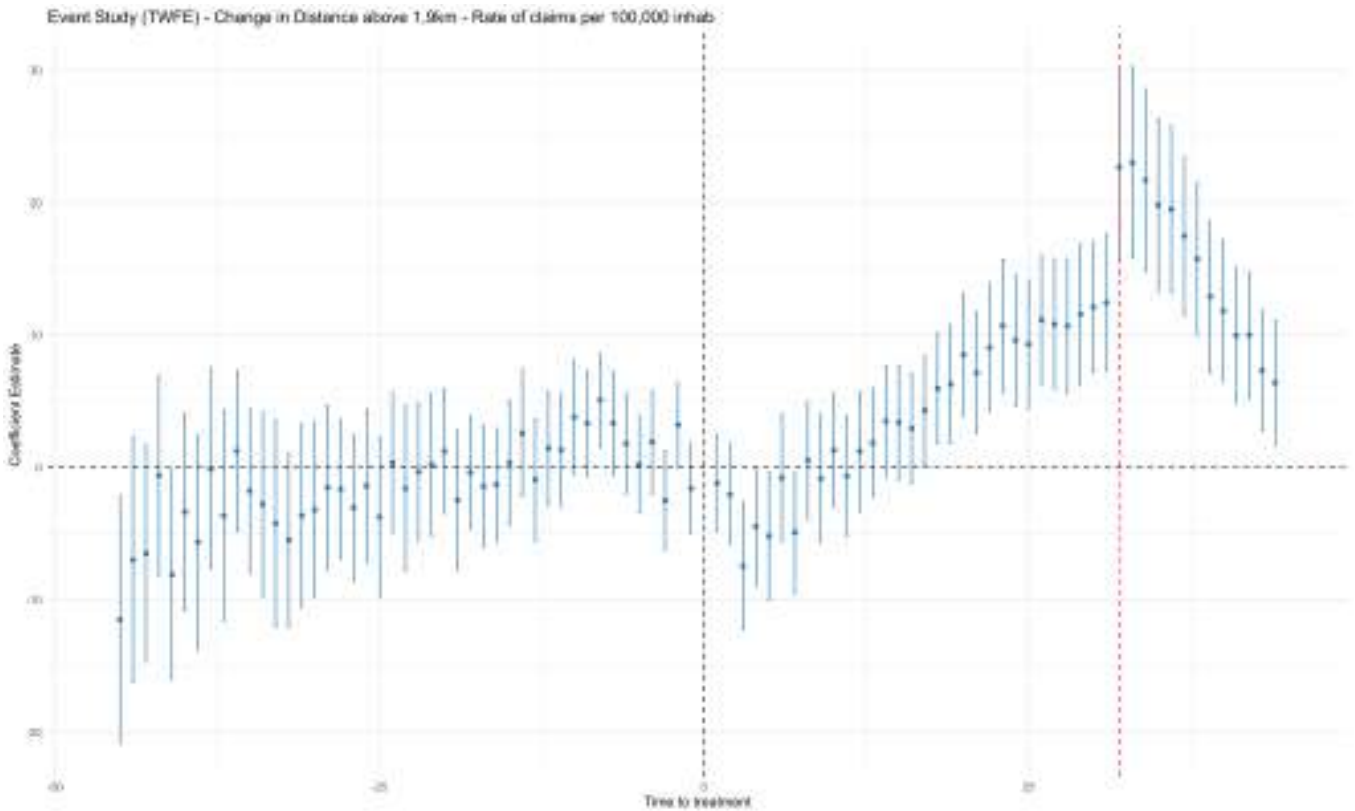
Mean at Baseline (rate per 100,000 inhab.)	76.34	83.67	53.86	58.62	961.23	974.85
Average Effect (if linear) Mean Change in Distance: 3.2km / 4km	1.2	1.54	0.57	0.8	2.07	2.74
MSOA + Time FE	Yes	Yes	Yes	Yes	Yes	Yes
Local Authority FE	No	Yes	No	Yes	No	Yes
Nb. Observations	586,109	494,468	586,109	494,468	109,818	92,664

Graph change in distance | Graph change in distance to Not-for-Profits | Decile distribution of change in distance | Number of providers open

Eviction court outcomes: claims - Change in Q5

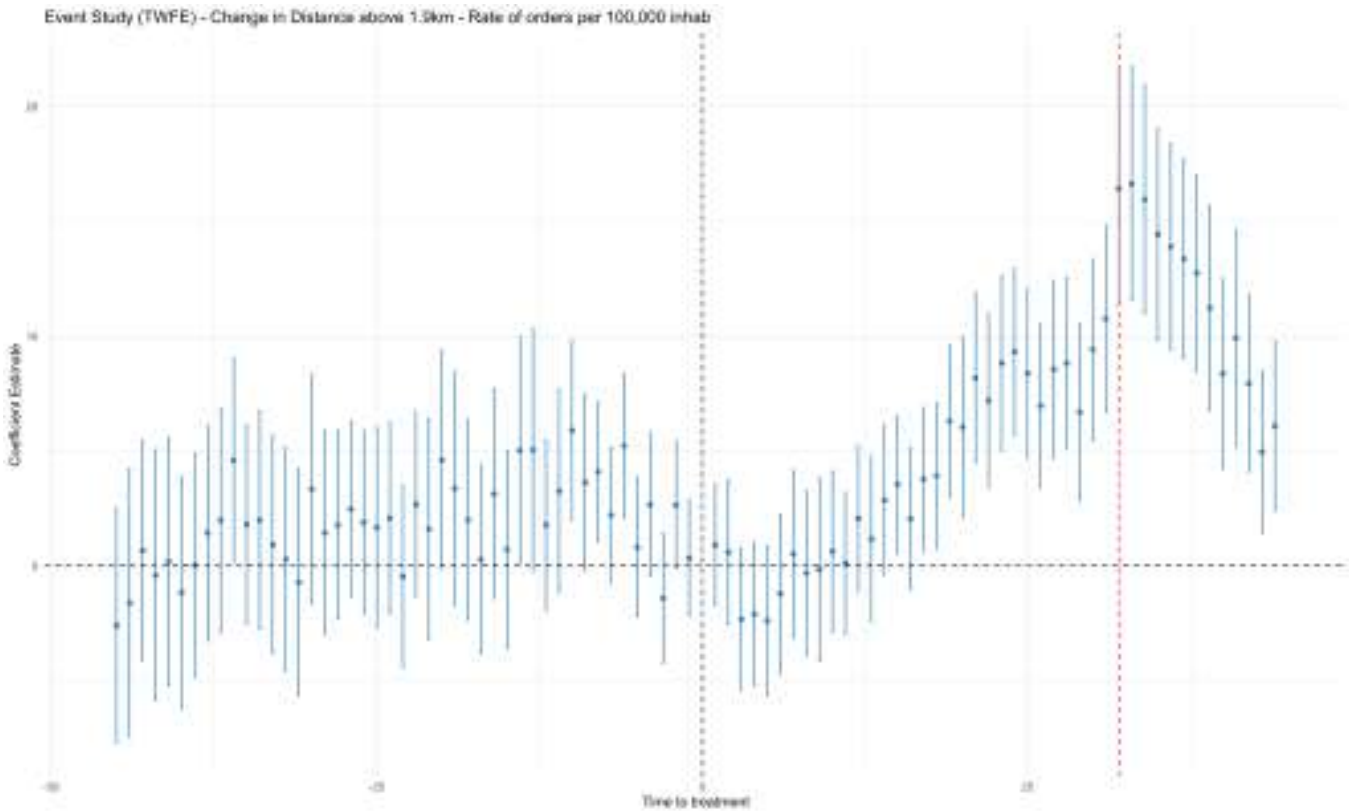
- **Objective**: *"discouraging unnecessary litigation"*
- **Outcome**: Increase in eviction **claims** (per 100,00 inhab)
- ATT: 8.7* (2.08) - 26% wrt. 2012 (baseline: 32.85)



With staggered definition | With continuous definition | Mechanisms

Eviction court outcomes: orders - Change in Q5

- **Objective**: *"remove unnecessary lawyer interventions"*
- **Outcome**: Increase in eviction **orders** (per 100,000 inhab)
- ATT: 5.61* (1.35) - 13% wrt. 2012 (baseline: 43.40)



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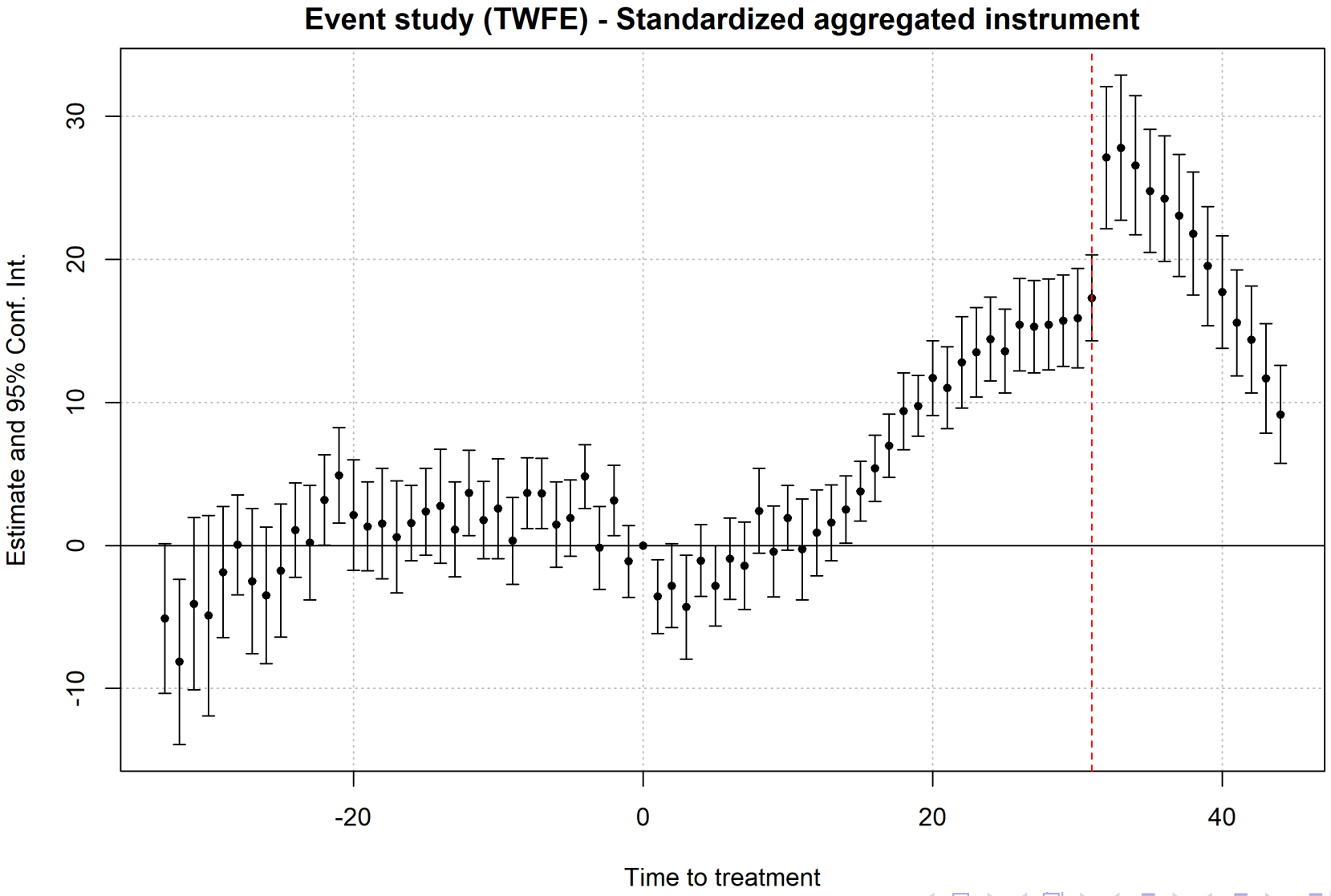
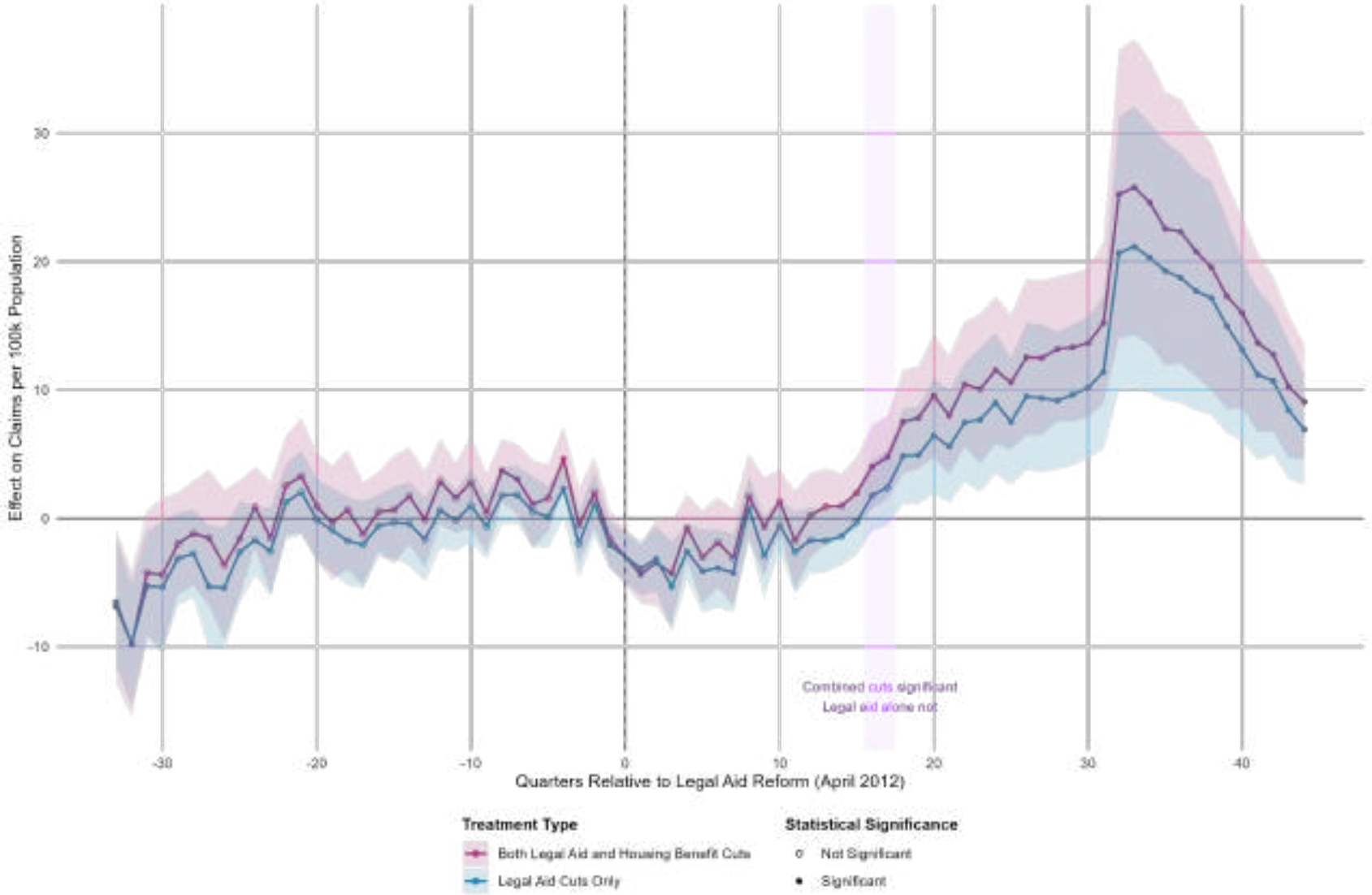
Eviction court outcomes: claims - instrument

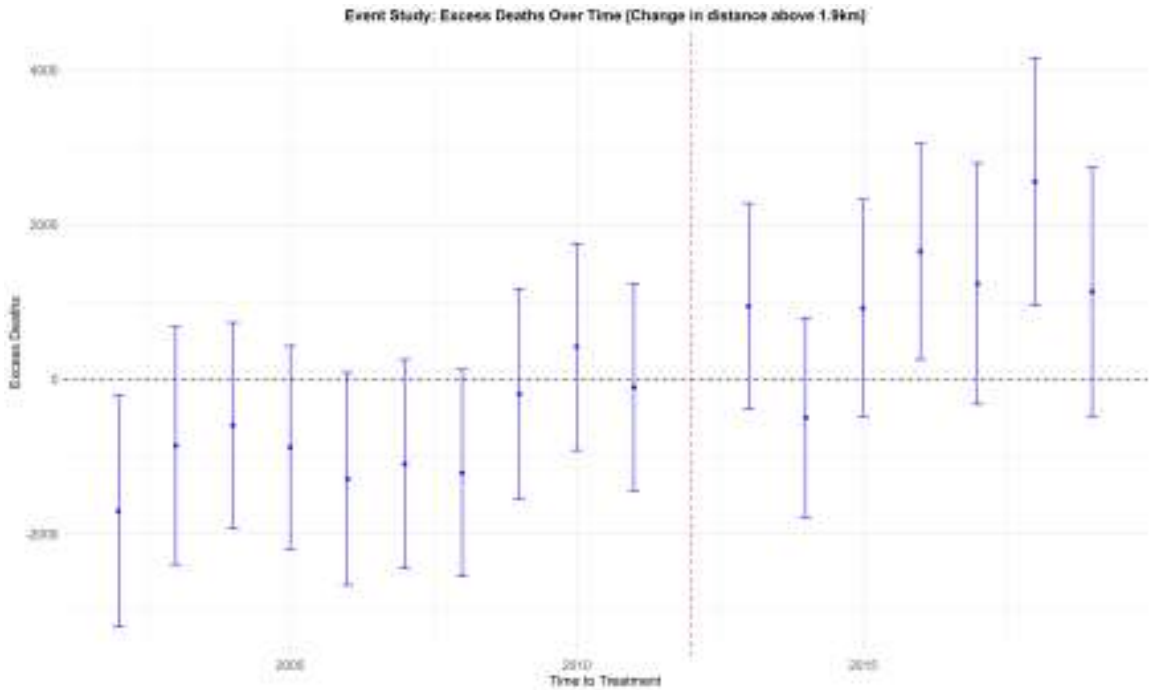


Eviction court outcomes: claims - austerity



Age-Adjusted Mortality and Excess Deaths

- **Unintended consequence**: Increase in the mortality rate **+ 7,950 deaths** 2012-2019 for the top quintile
- ATT: 7.12 (5.91) - 0.8% wrt. 2012 (baseline: 854.43)



Excess Death Definition | Excess Death by Age (Intensity) | Excess Death by Age (Continuous)

Staggered definition | Continuous definition Excess Death | Continuous definition Mortality

Binary definition Mortality

Mortality - an overlooked outcome

*"What impact do we have? We just keep our clients **alive**."*
Fieldwork at a Law Centre (England, 2023)


Exclusive: 55 homeless children have died in temporary accommodation since 2019

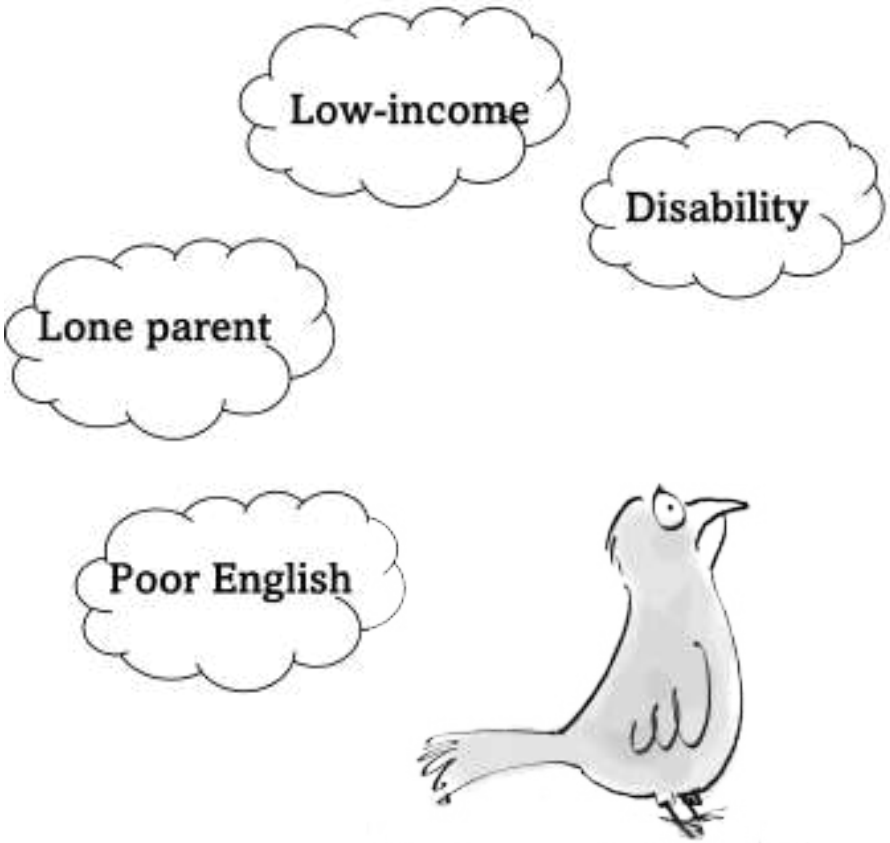
HOUSING POLITICS Monday 4 March 2024 at 4:48pm


Social housing shortage cited in prevention of future deaths report issued to MHCLG after homeless man takes own life

NEWS 27.01.25 8.00 AM
BY CHAMINDA JAYANETTI

Mortality - Mechanisms: systemic impact of housing insecurity

Mortality - Mechanisms: clustering of legal problems & vulnerabilities



Mortality - Legal assistance as an **entry gate** to the safety net

- **Holistic** assistance -> LT impact on stress & well-being
  Tobin-Tyler(2011); Genn (2019); Keene et al. (2024)

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- **Domestic violence**
  Hospital Bed occupancy data

Cause of death (continuous) Cause of death (binary)

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- **Cost-savings reform** at the **central** government level may have led to additional costs at the **local** authority level: **welfare effects of decentralizing policies** Agrawal, Hoyt and Ly 2022
  - Housing Market
  - Homelessness
  - Healthcare services
- Potential **multidimensional** and **cumulative** impacts of legal assistance deprivation
- Need to explore the **interconnectedness** between access to justice and **access to the safety net**, especially in times of austerity

Thank you!

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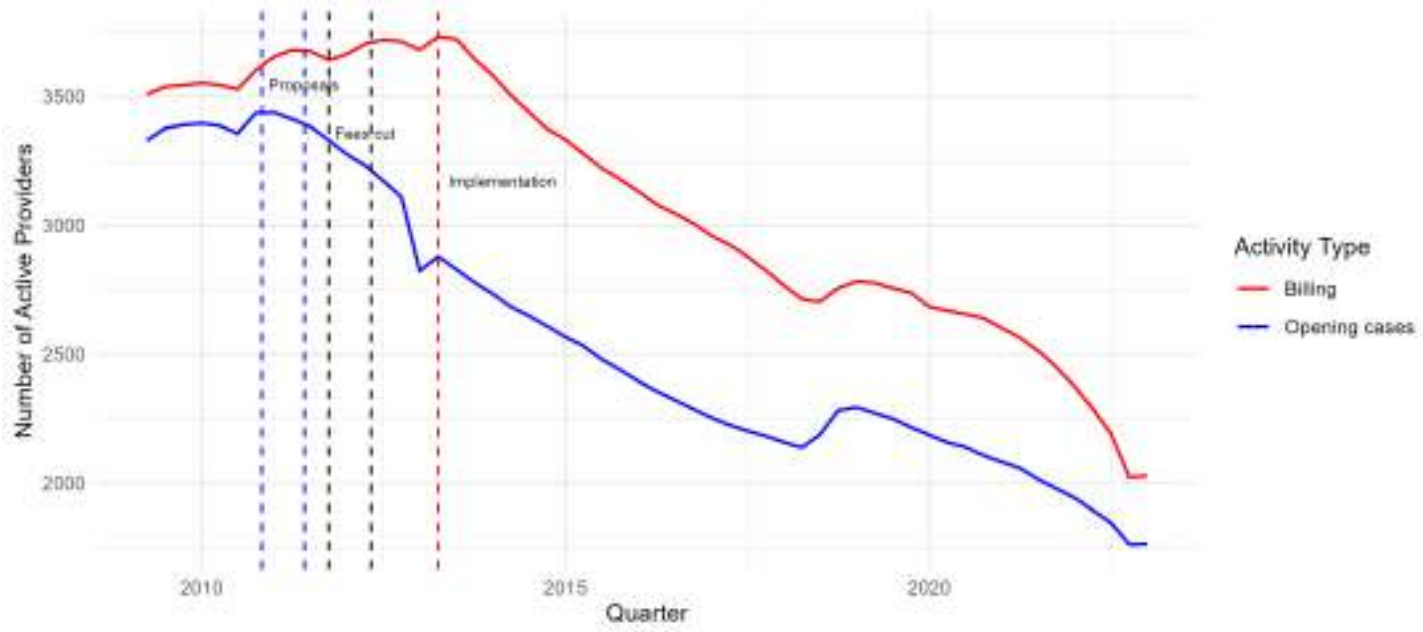
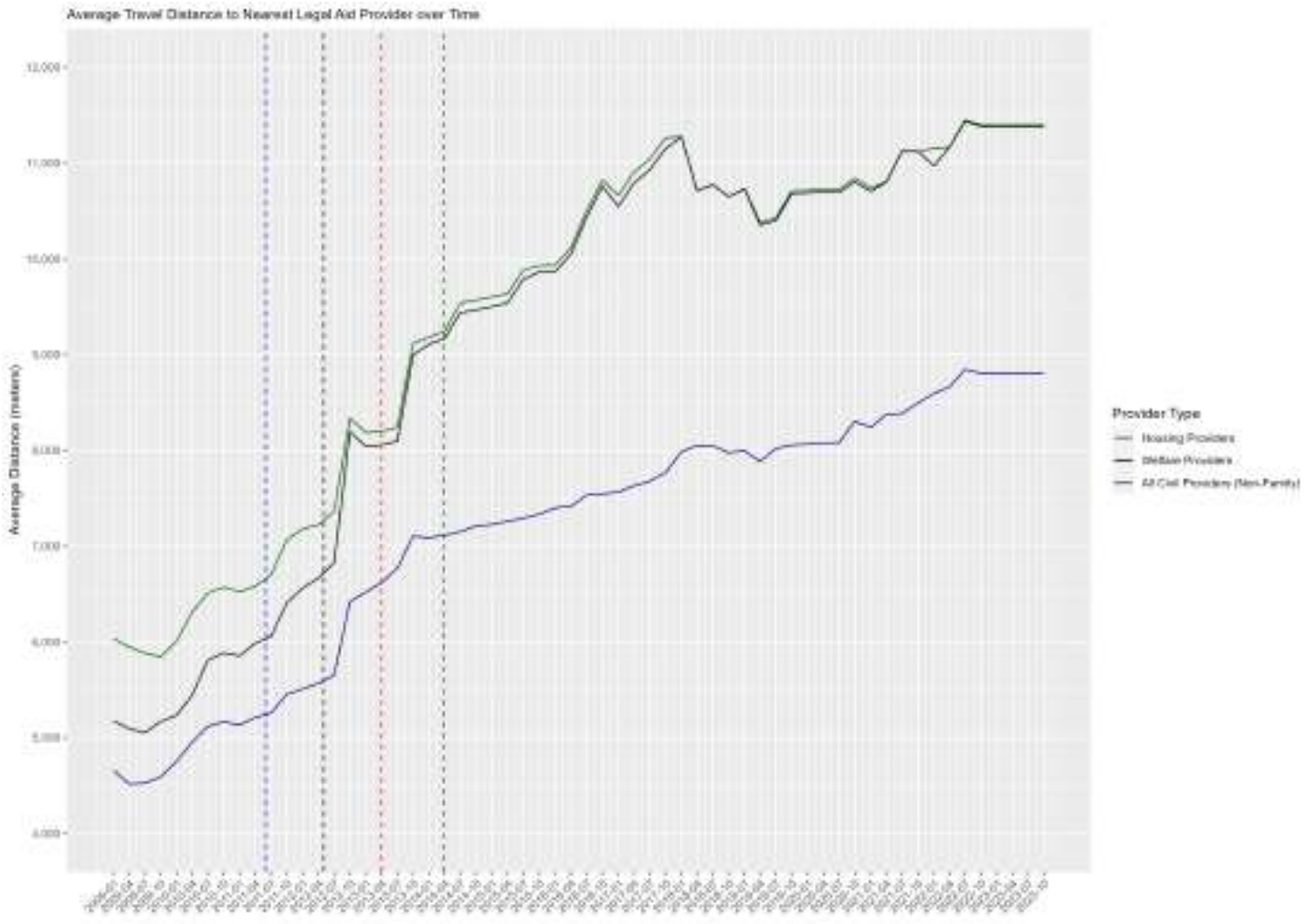
Number of Providers Billing versus Opening



Change in average distance over time



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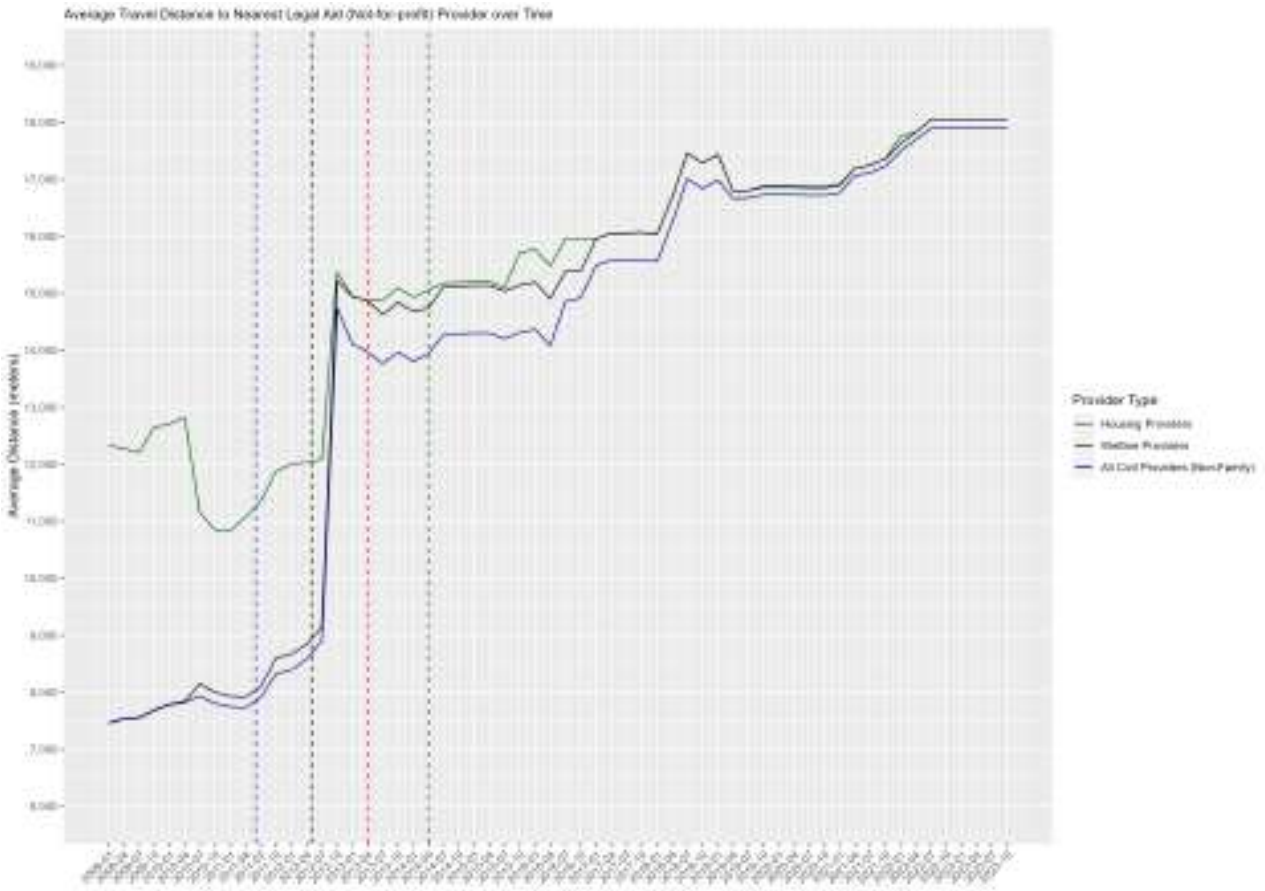
Change in average distance over time - to Not-for-Profits



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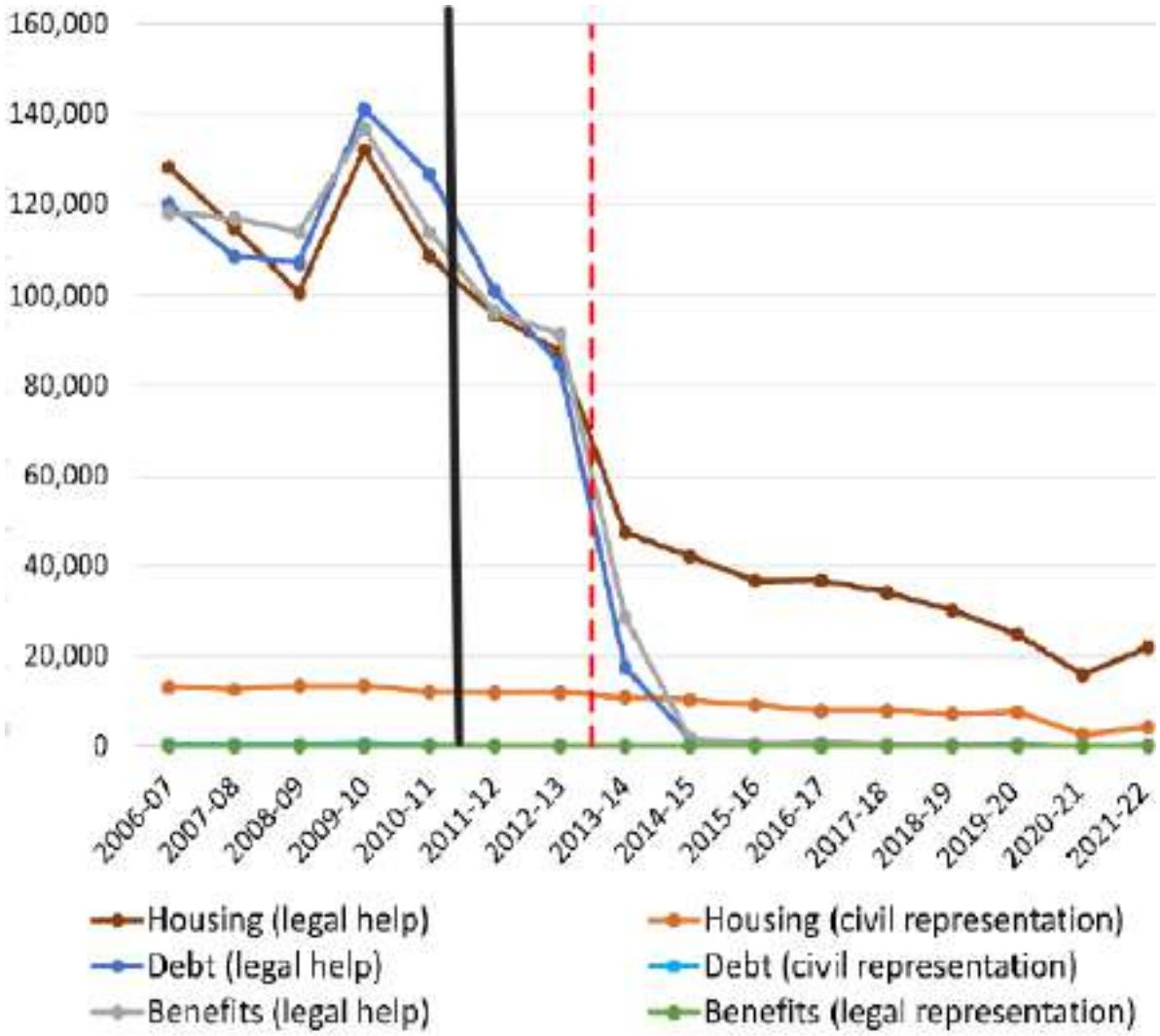
Drop in the number of legal aid cases



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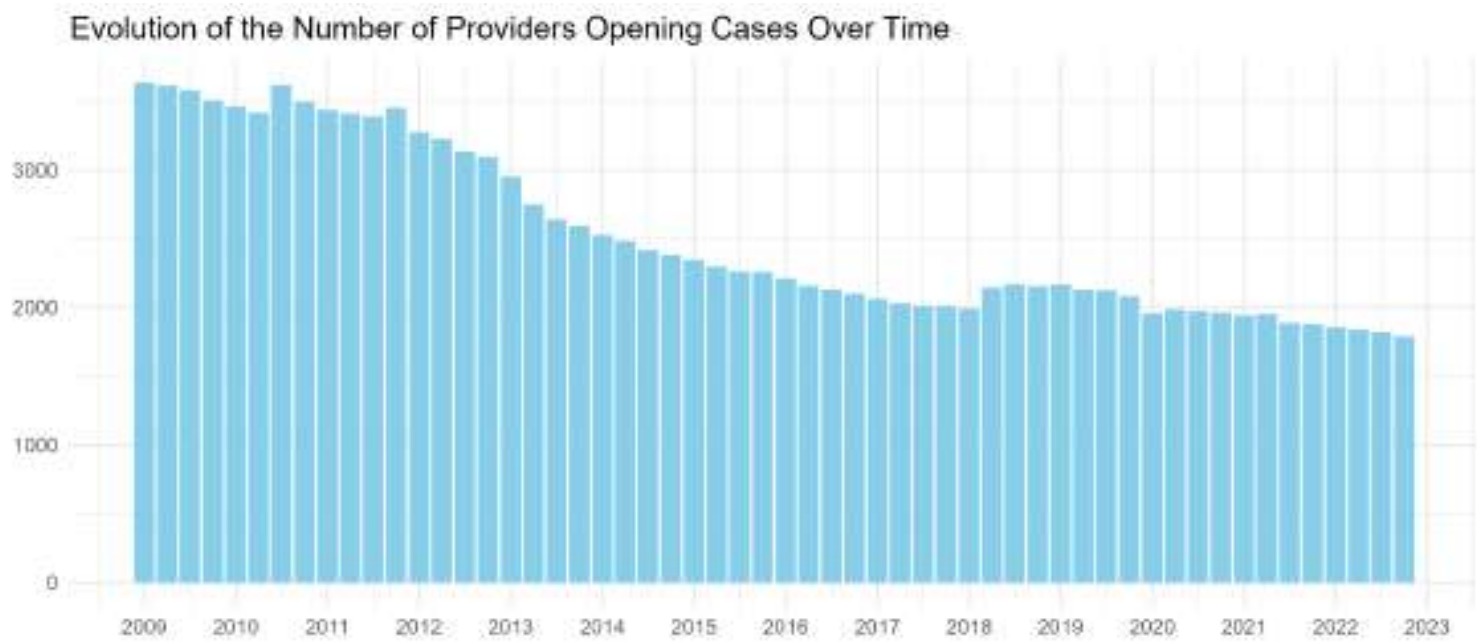
Drop in the number of active legal aid providers



Note: A provider is considered inactive if it doesn't take new cases for consecutive quarters.

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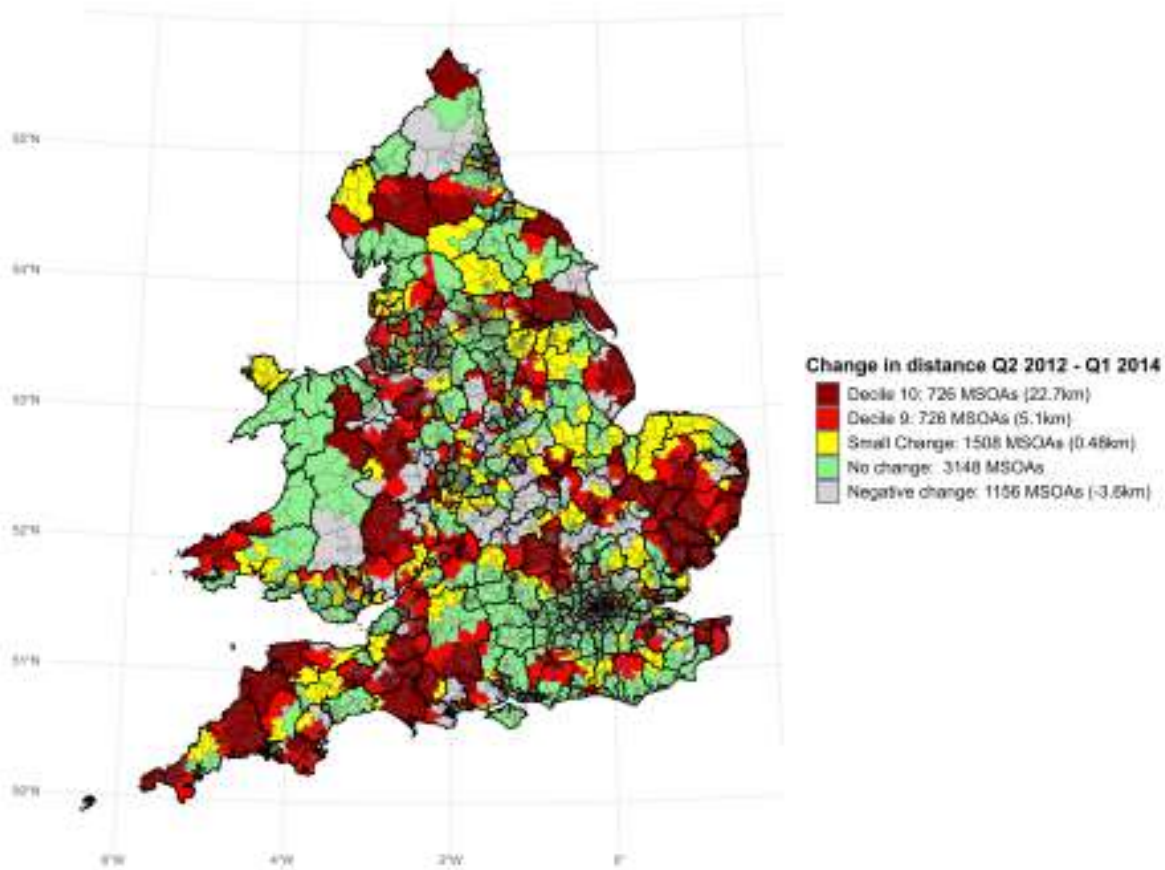
Static definition: intensity of change in the 2 years after the reform



Mean change for the top quintile: 13.9 km

Event-study with IV-Predicted Change in Access

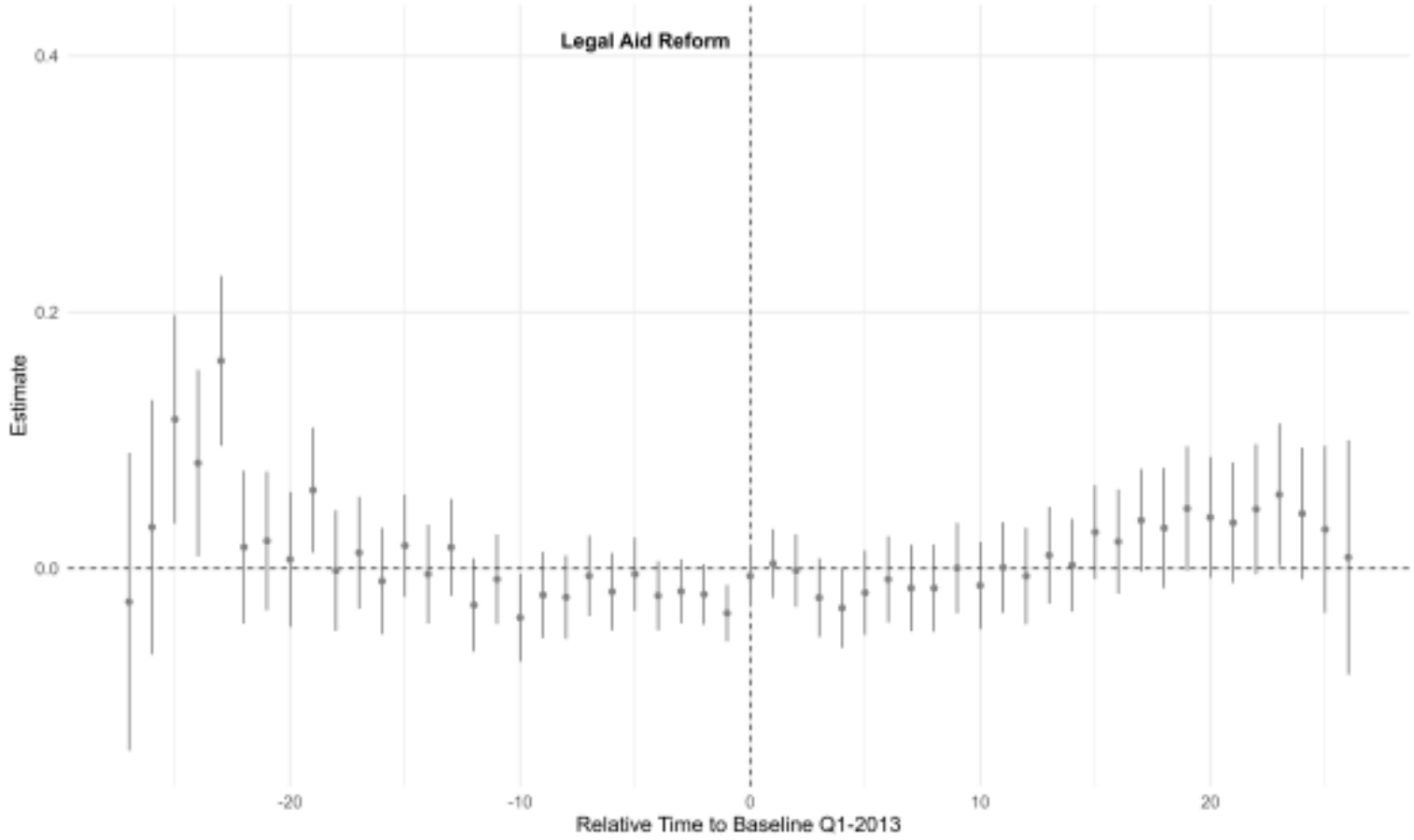
First Stage: $Access_{i,t} = \alpha + \gamma \cdot Instrument_i + \epsilon_i$

Second Stage:

$$Y_{i,t} = \sum_{q \neq 2012}^{T} \beta_q (\widehat{Access_{i,q}} \times Post_q) + \underbrace{\lambda^{LA}}_{\text{LA-specific austerity}} + \underbrace{\delta_i}_{\text{MSOA Fixed Effects}} + \underbrace{\theta_t}_{\text{Time Fixed Effects}} + \epsilon_{i,LA,t}$$

- for $q = t, ..., T$ and $t <$ Reform, $Post_q = 0$
- for $q = t, ..., T$ and $t >$ Reform, $Access_{i,q} = D_i \times Post_q$ with $Post_q$ a set of time indicators that equal to 1 if $q = t$, 0 otherwise

Event-study - Staggered definition - Eviction claim



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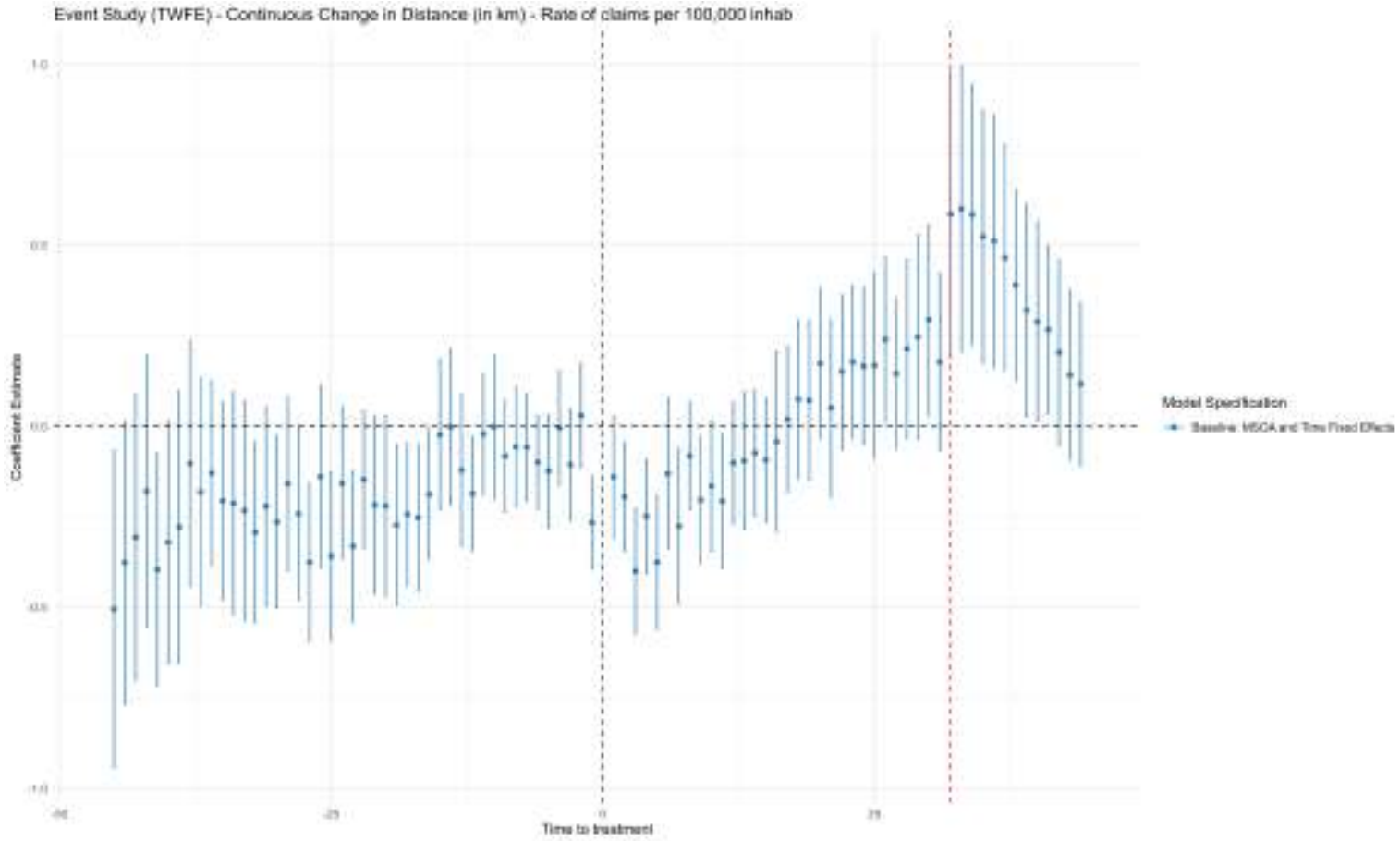
Event-study - Continuous definition - Eviction claim

Claims rate increases by 0.35(***) per increase in 1km - average linear effect of distance: 1.2



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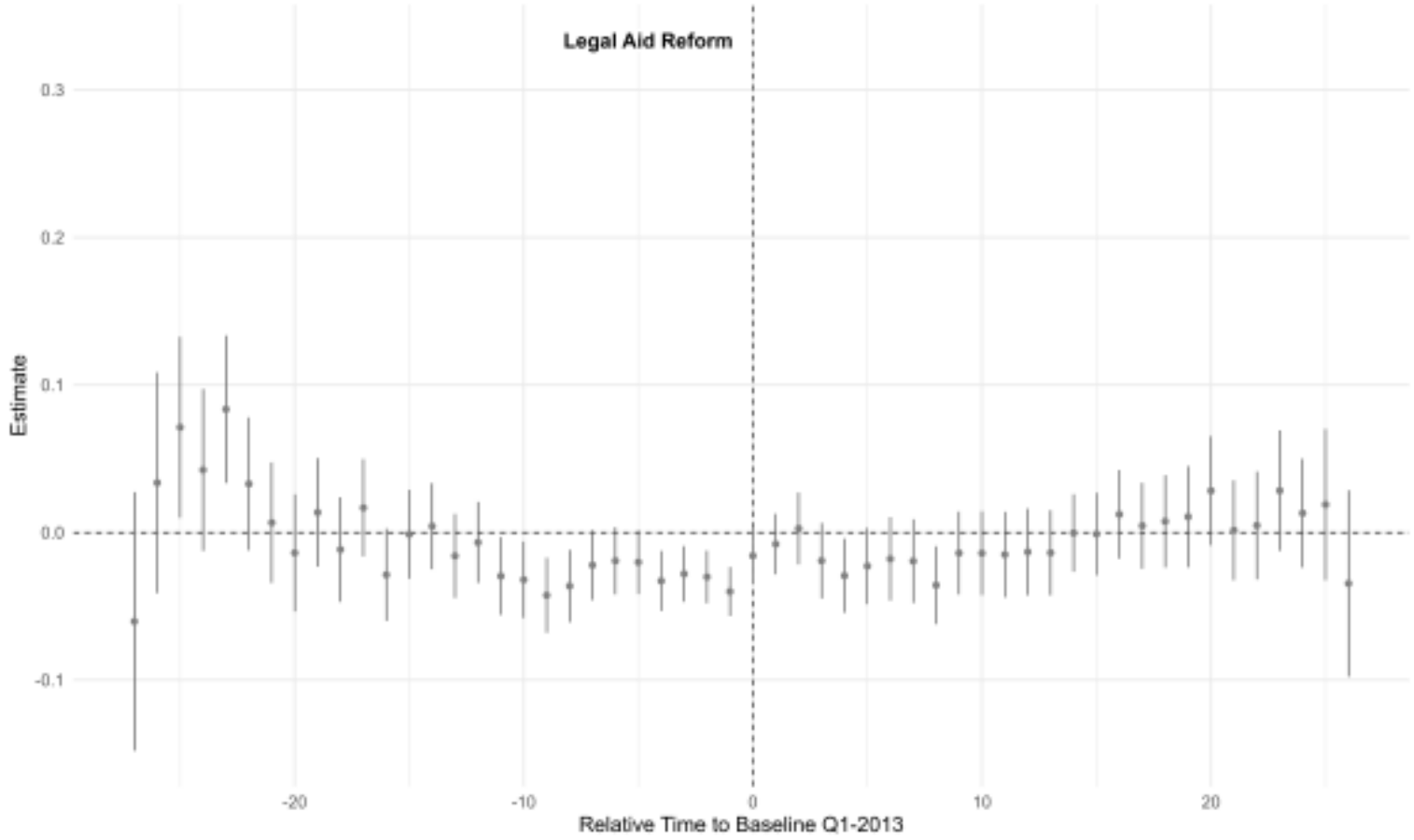
Event-study - Staggered definition - Eviction orders



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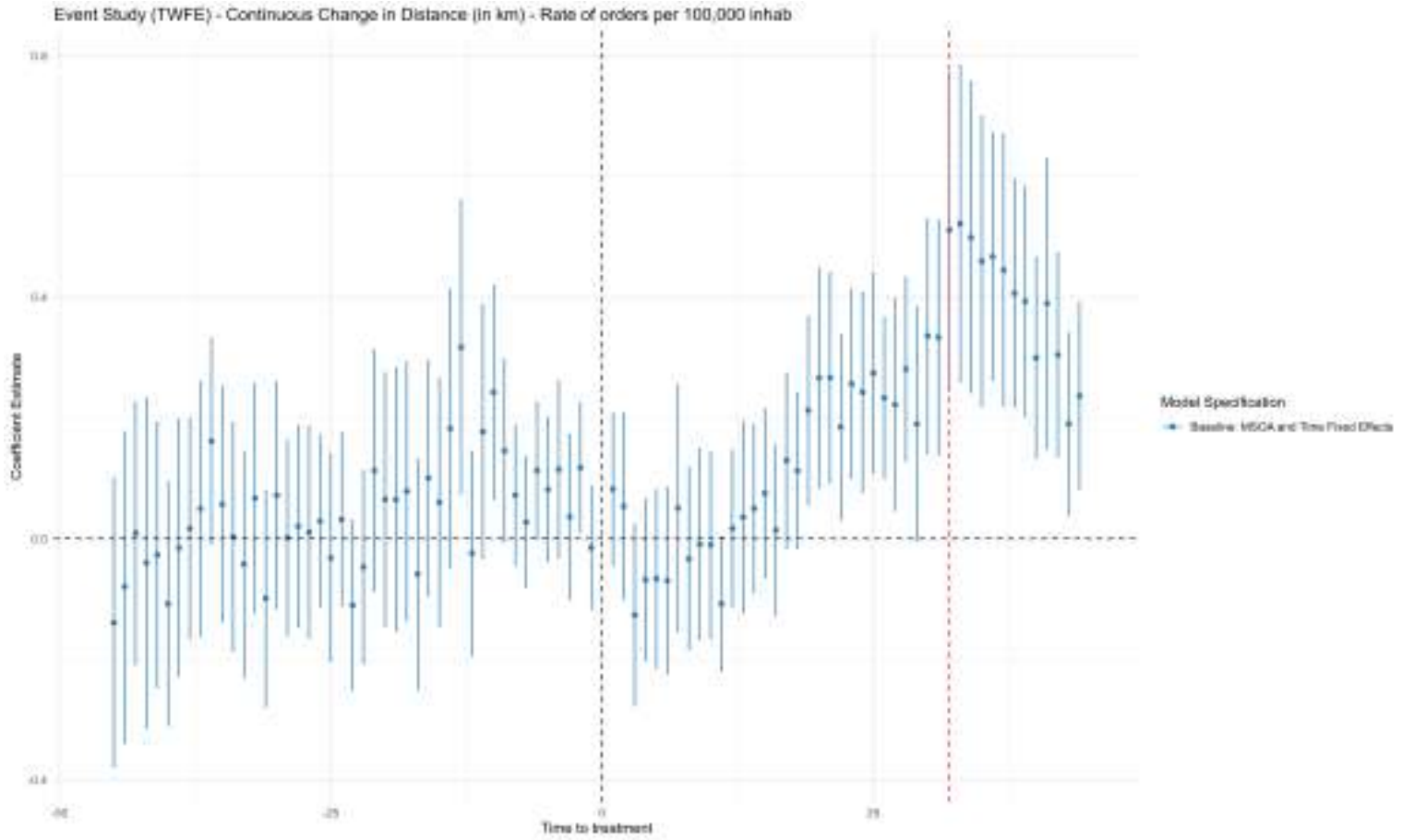
Event-study - Continuous definition - Eviction orders

Orders rate increases by 0.18(**) per increase in 1km - average linear effect of distance: 0.62



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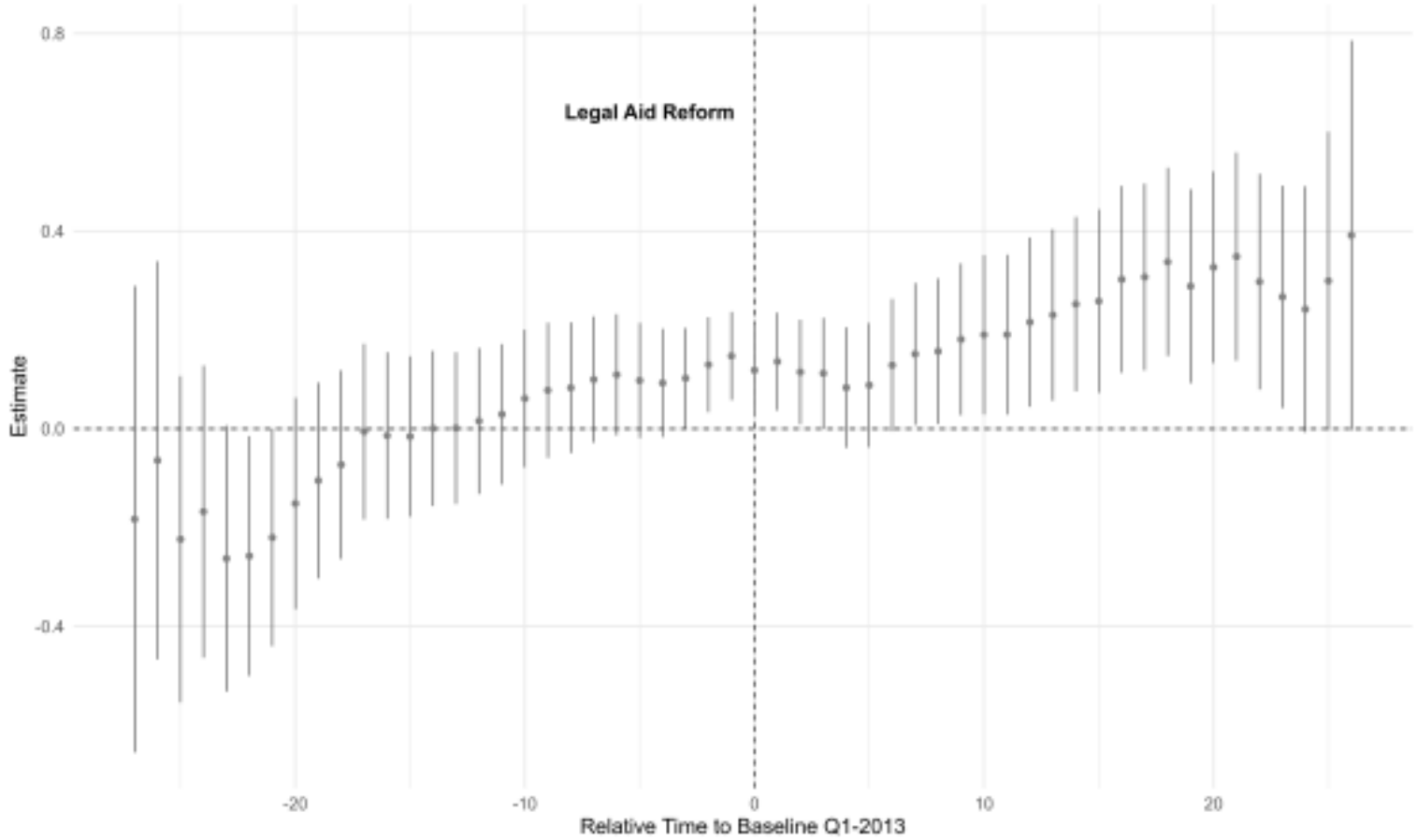
Event-study - Staggered definition - Mortality rate (non-adjusted)



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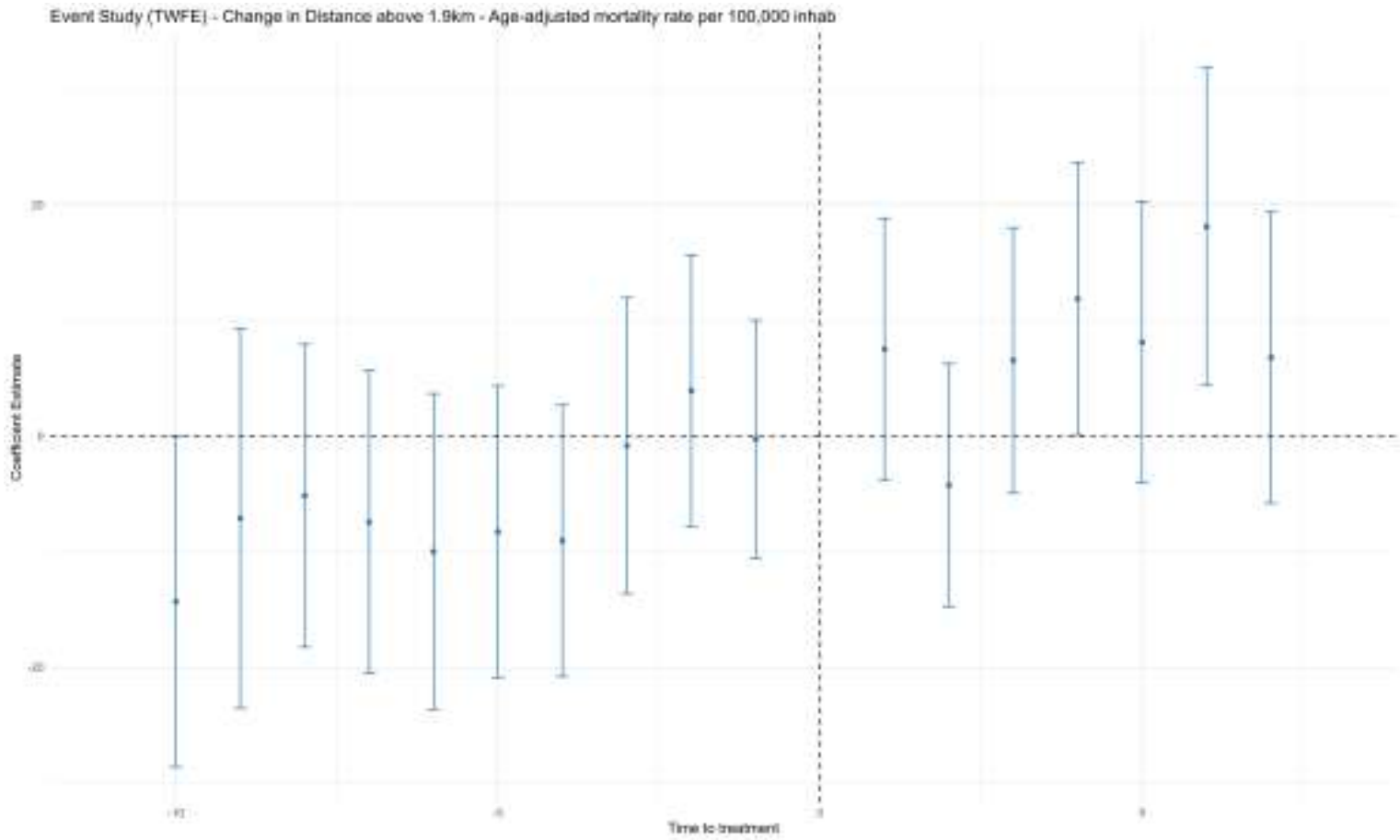
Event-study - Binary definition - Age-adjusted Mortality rate



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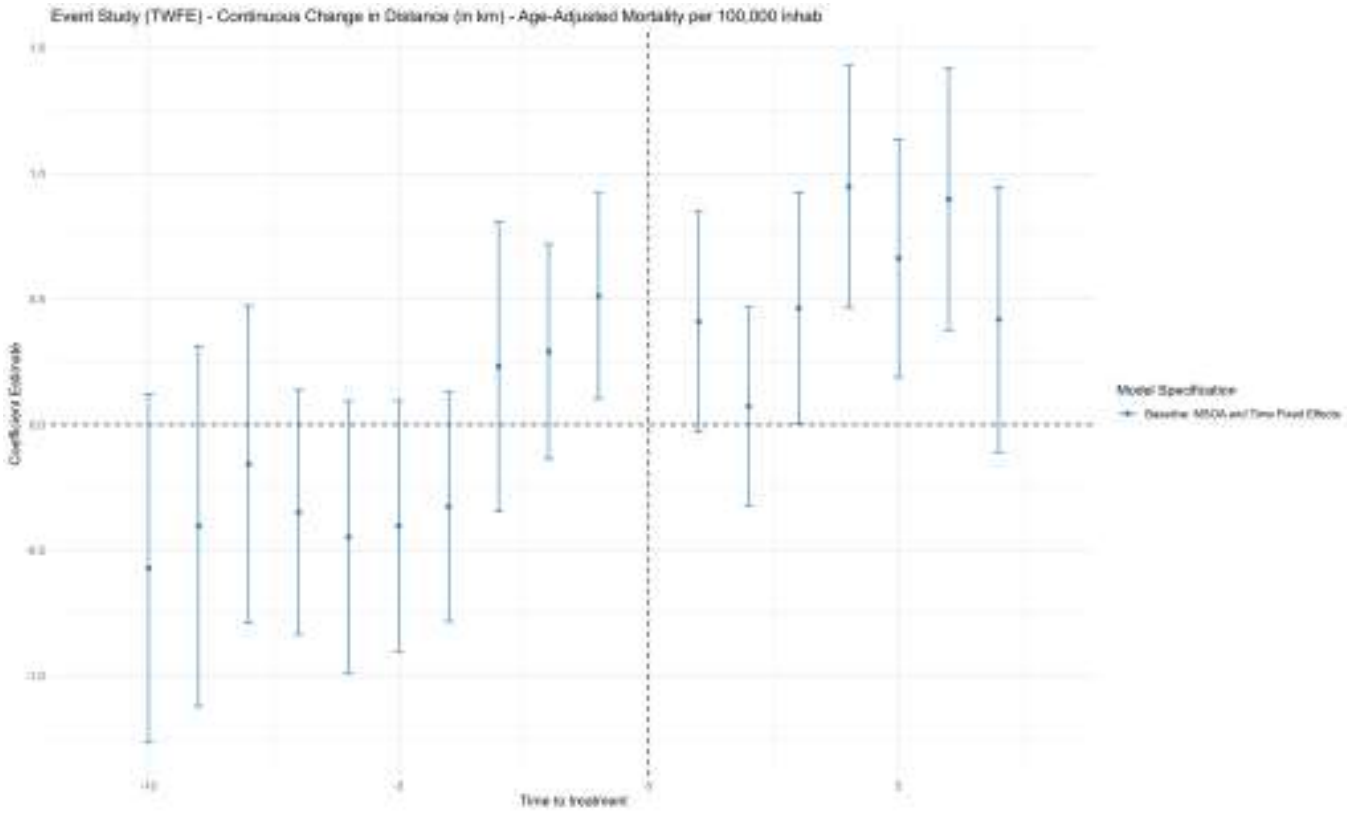
Event-study - Continuous definition - Age-adjusted Mortality rate

Mortality rate increases by 0.65(***) per increase in 1km - average linear effect of distance: 2.22



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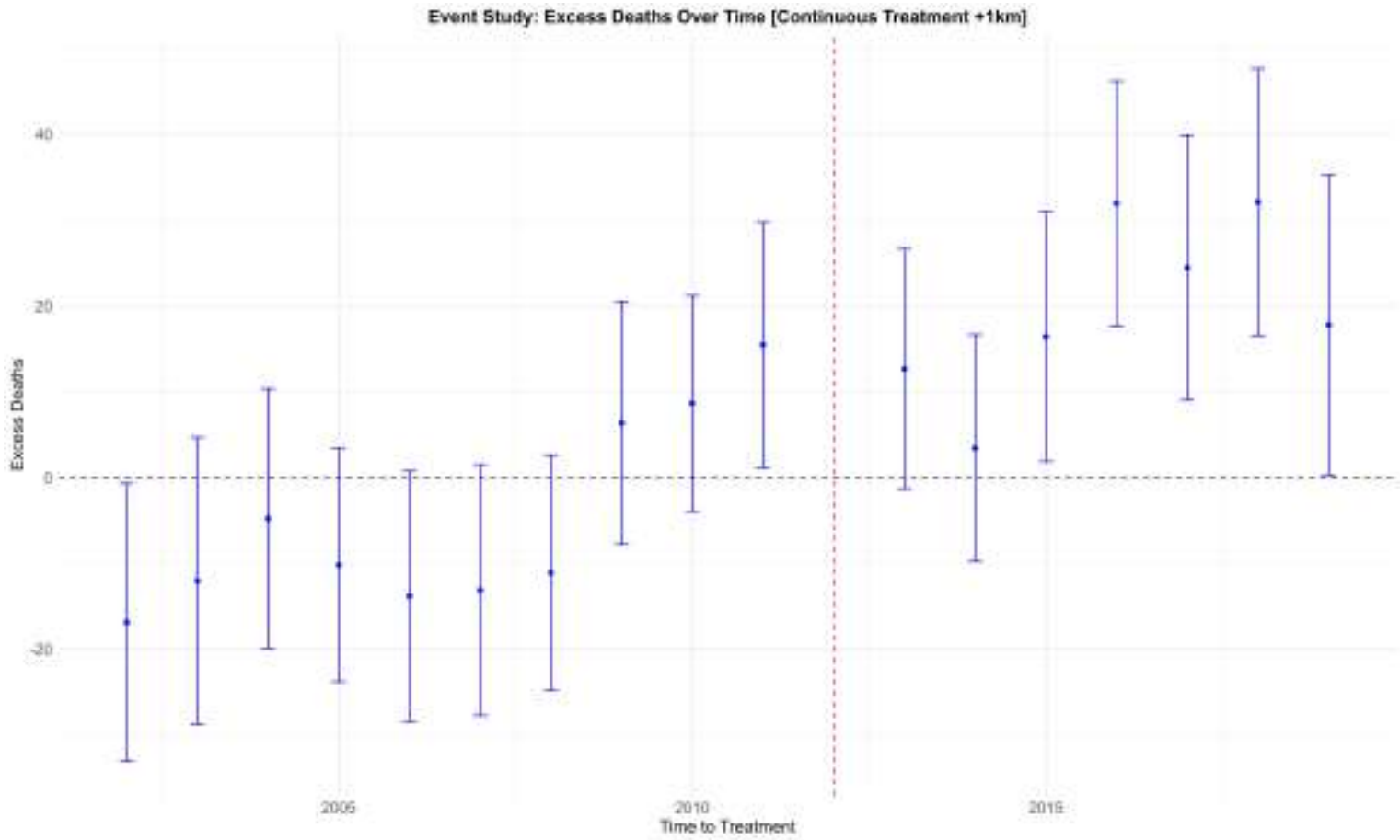
Event-study - Continuous definition - Excess Deaths



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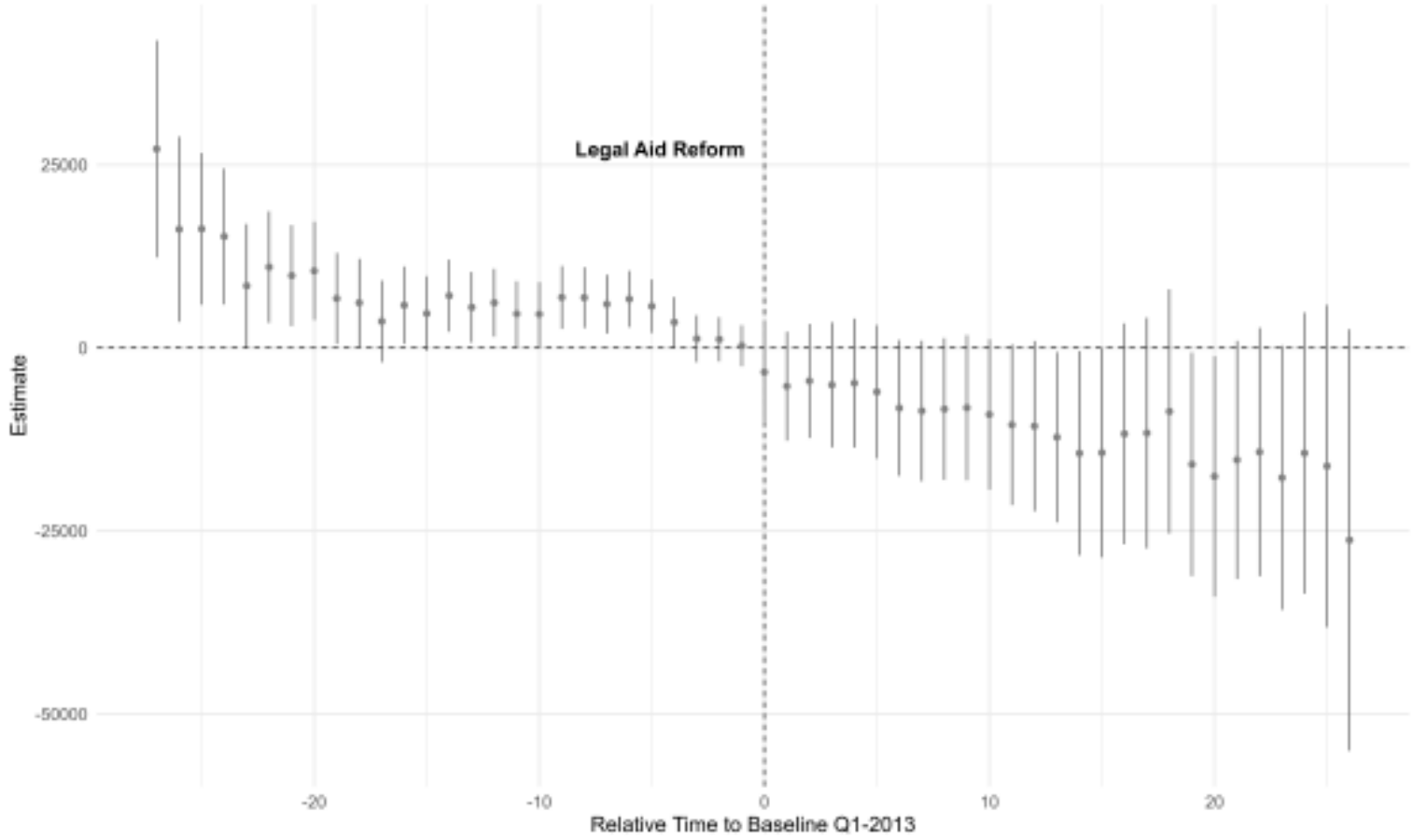
Event-study - Staggered definition - House prices rate



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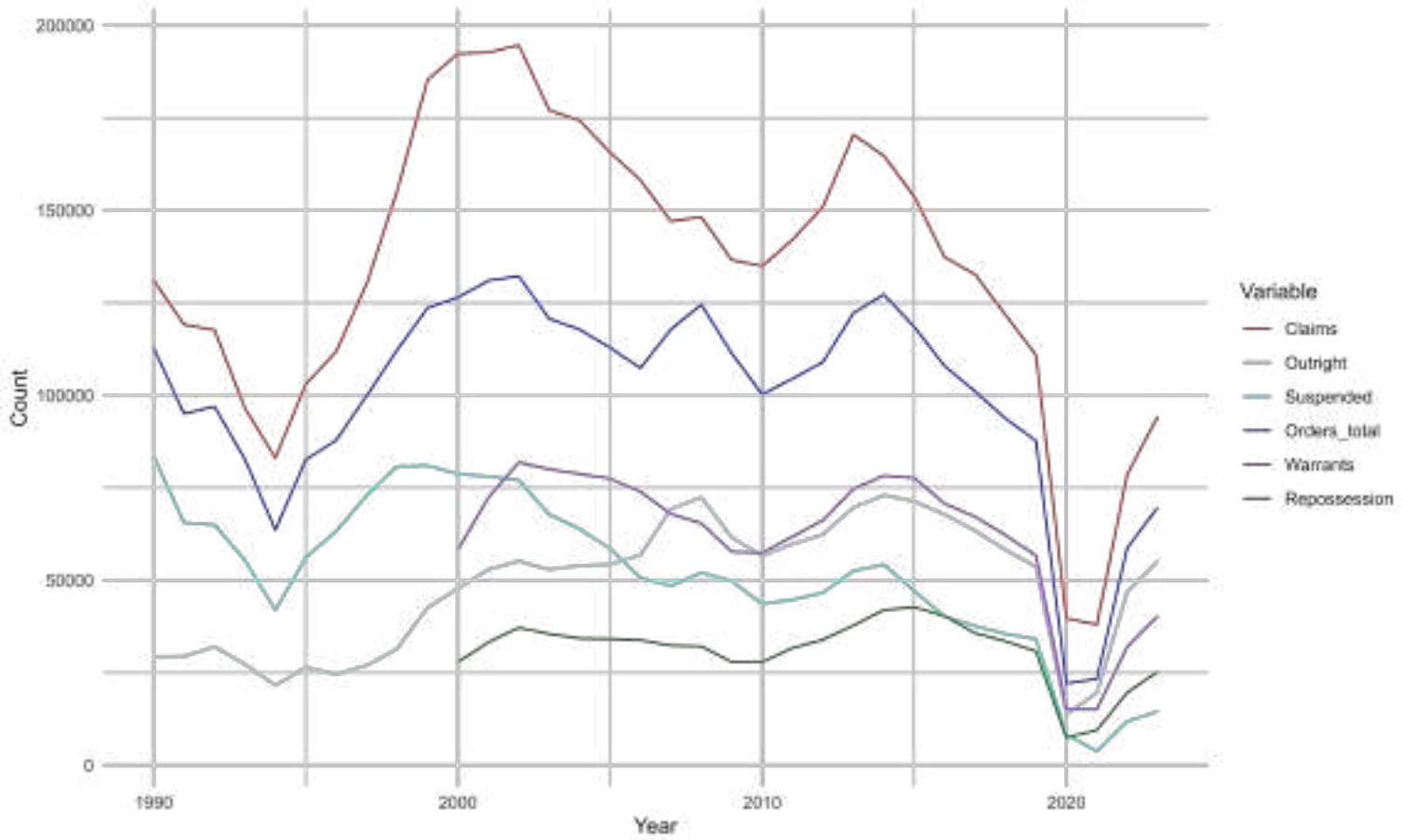
Number of eviction proceedings over time - England and Wales



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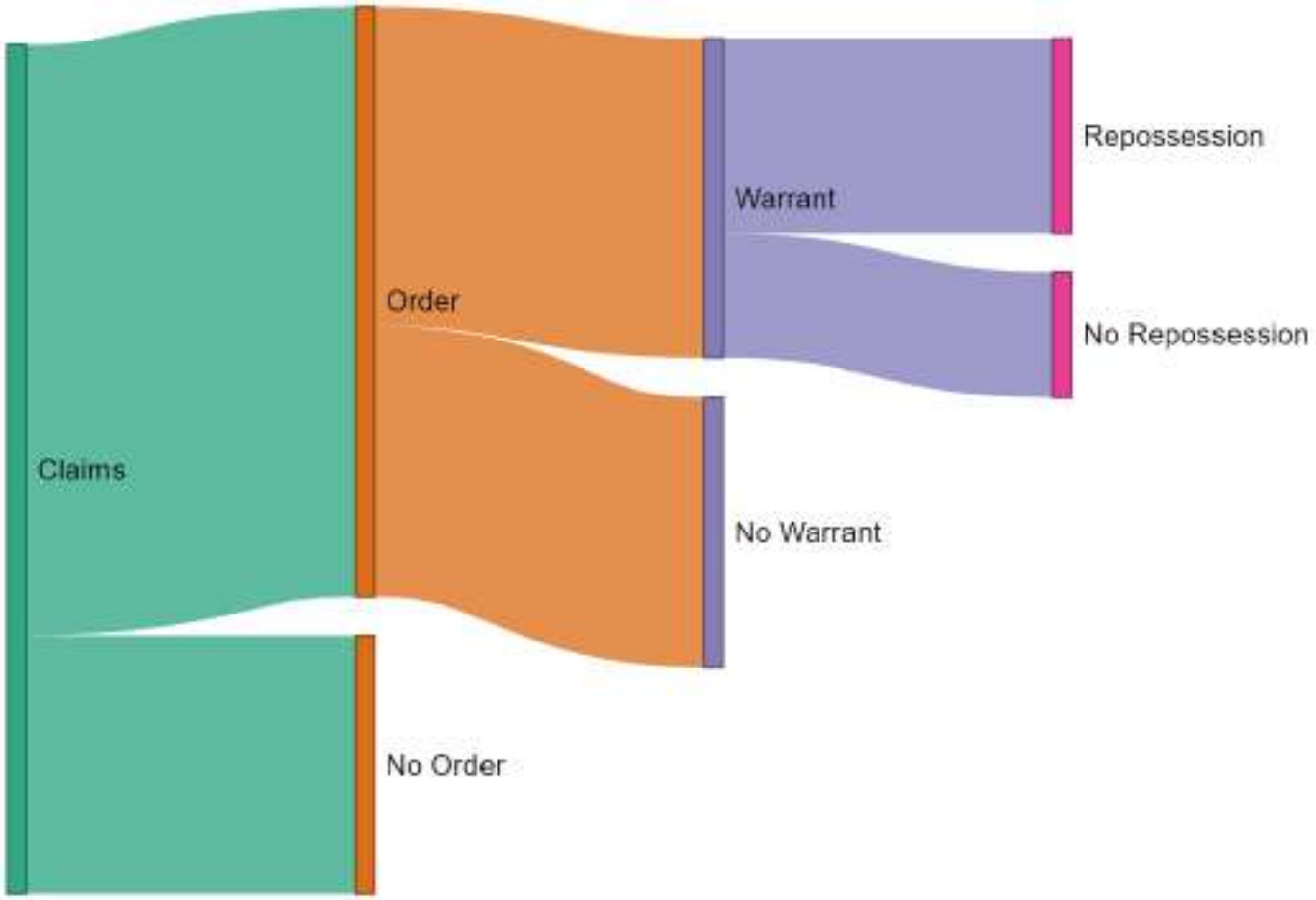
Eviction court outcomes - Flowchart



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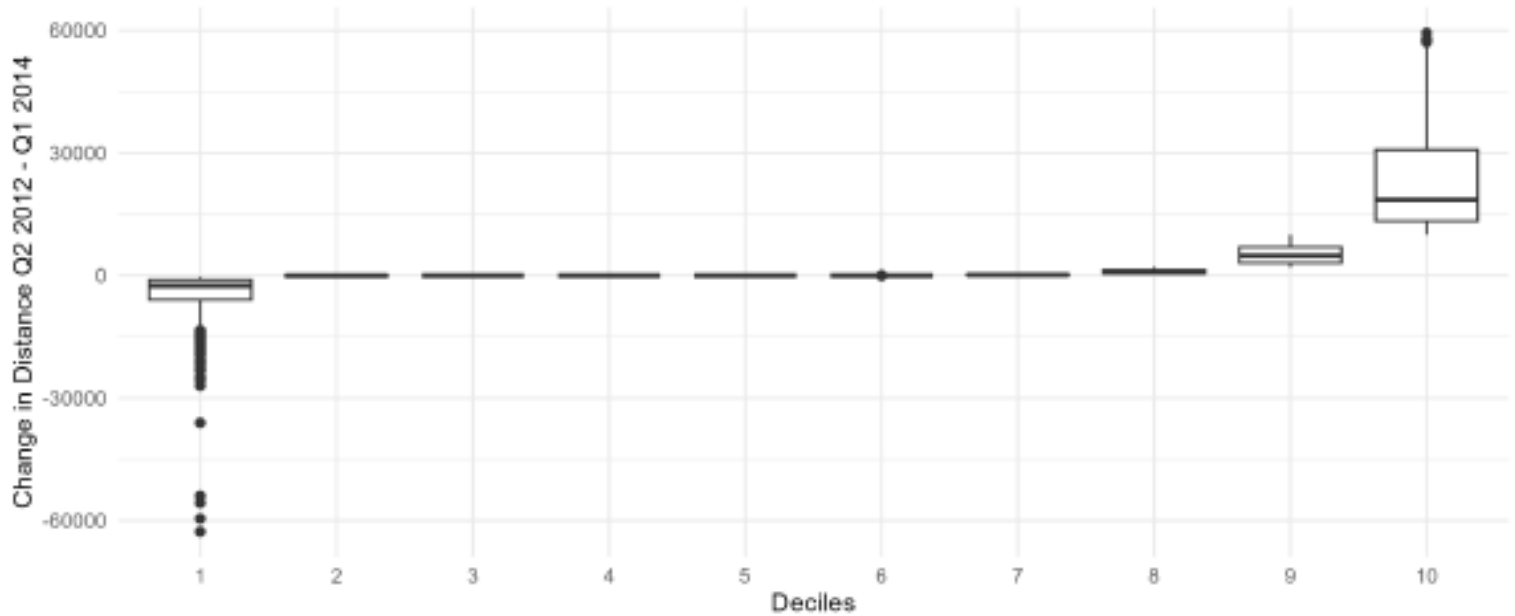
Average change in distance Q2 2012 - Q1 2014 - Boxplot



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Average change in distance with STATIC Treatment

Decile	Min	Q1	Mean	SD	Q3	Max
1	-62761.43	-7073.71	-5650.43	7083.28	-1255.05	-441.40
2	-440.35	-187.51	-101.56	126.92	0.00	0.00
3	0.00	0.00	0.00	0.00	0.00	0.00
4	0.00	0.00	0.00	0.00	0.00	0.00
5	0.00	0.00	0.00	0.00	0.00	0.00
6	0.00	0.00	0.78	2.98	0.00	18.48
7	18.75	72.06	143.38	80.66	213.43	298.41
8	298.66	476.08	839.31	447.70	1190.77	1882.37
9	1893.09	2964.20	5057.14	2358.67	6809.72	9854.95
10	9855.69	13394.09	22736.86	11857.61	30040.77	59392.54

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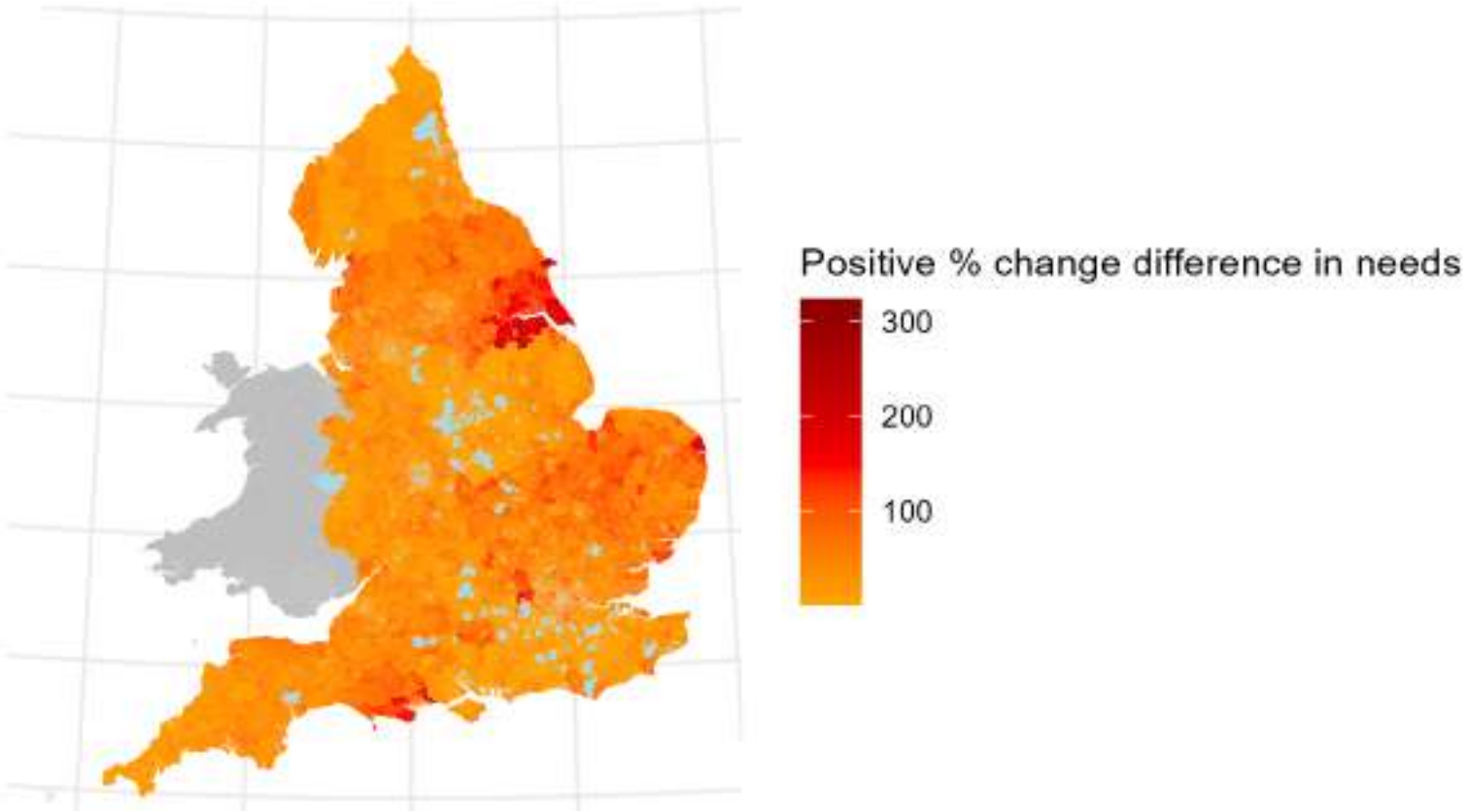
Evolution of housing legal needs over time



Needs proxy: facing a possession claim, being in fuel poverty, or having been assessed for homelessness prevention/relief by LA

Specification - details / STATIC

$$Y_{i,t} = \sum_{q=t}^{T} \mu_q Post_q + \sum_{q=t}^{T} \beta_q^{TWFE}(Access_{i,q} \times Post_q) + \theta_t + \delta_i + \epsilon_{iLA,t}$$

$$\text{for } q = t, ..., T \text{ and } t < \text{Reform}, Post_q = 0$$

$$\text{for } q = t, ..., T \text{ and } t > \text{Reform, with } Access_{i,q} = D_i \times Post_q$$

with $Post_q$ a set of time indicators that equal to 1 if $q = t$, 0 otherwise

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Specification - details / STAGGERED

$$Y_{i,t} = \sum_{q=t}^{T} \mu_q Post_{i,q} + \sum_{q=t}^{T} \beta_q^{TWFE}(Access_{i,q} \times Post_{i,q}) + \theta_t + \delta_i + \epsilon_{iLA,t}$$

$$\text{for } q = t, ..., T \text{ and } t < F_i, Post_{i,q} = 0$$

$$\text{for } q = t, ..., T \text{ and } t > F_i, Access_{i,q} = D_{i,q} \times Post_{i,q}$$

with $Post_{i,q}$ a set of time indicators that equal to 1 if $F_q = F_t$, 0 otherwi

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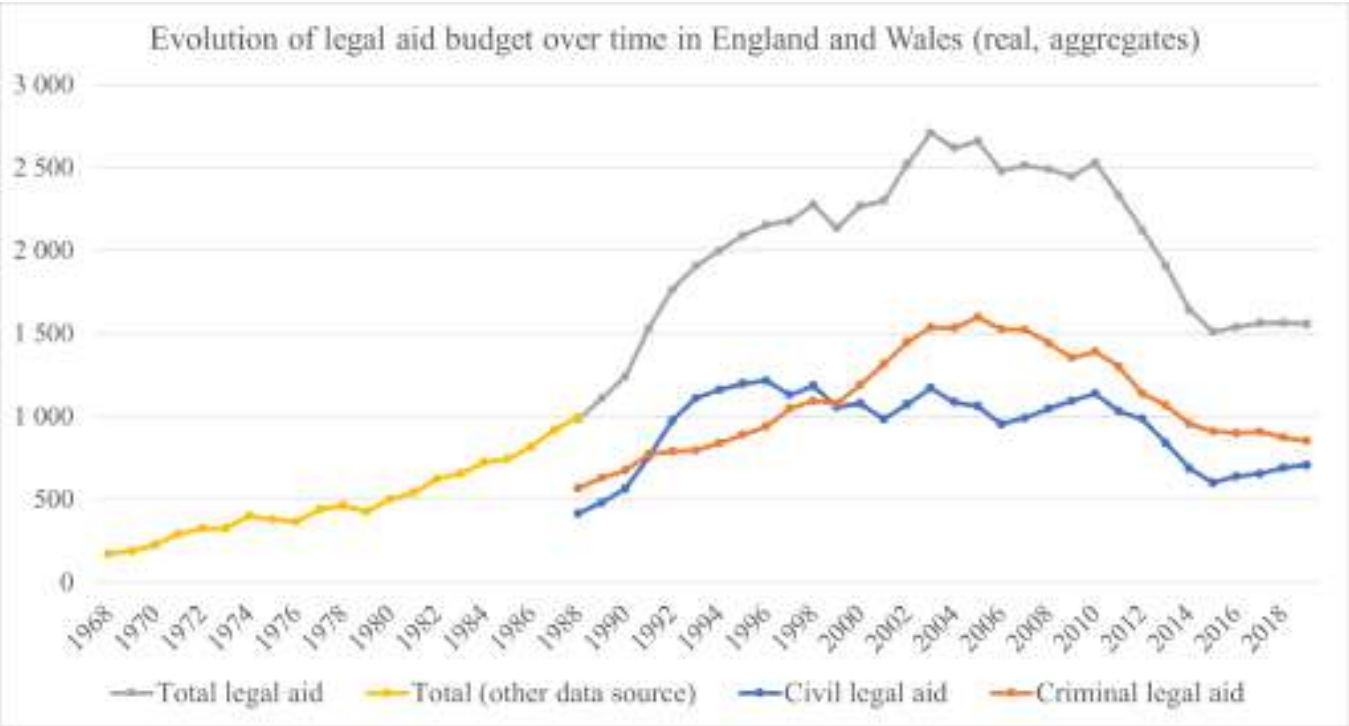
Legal aid spending in England and Wales over time



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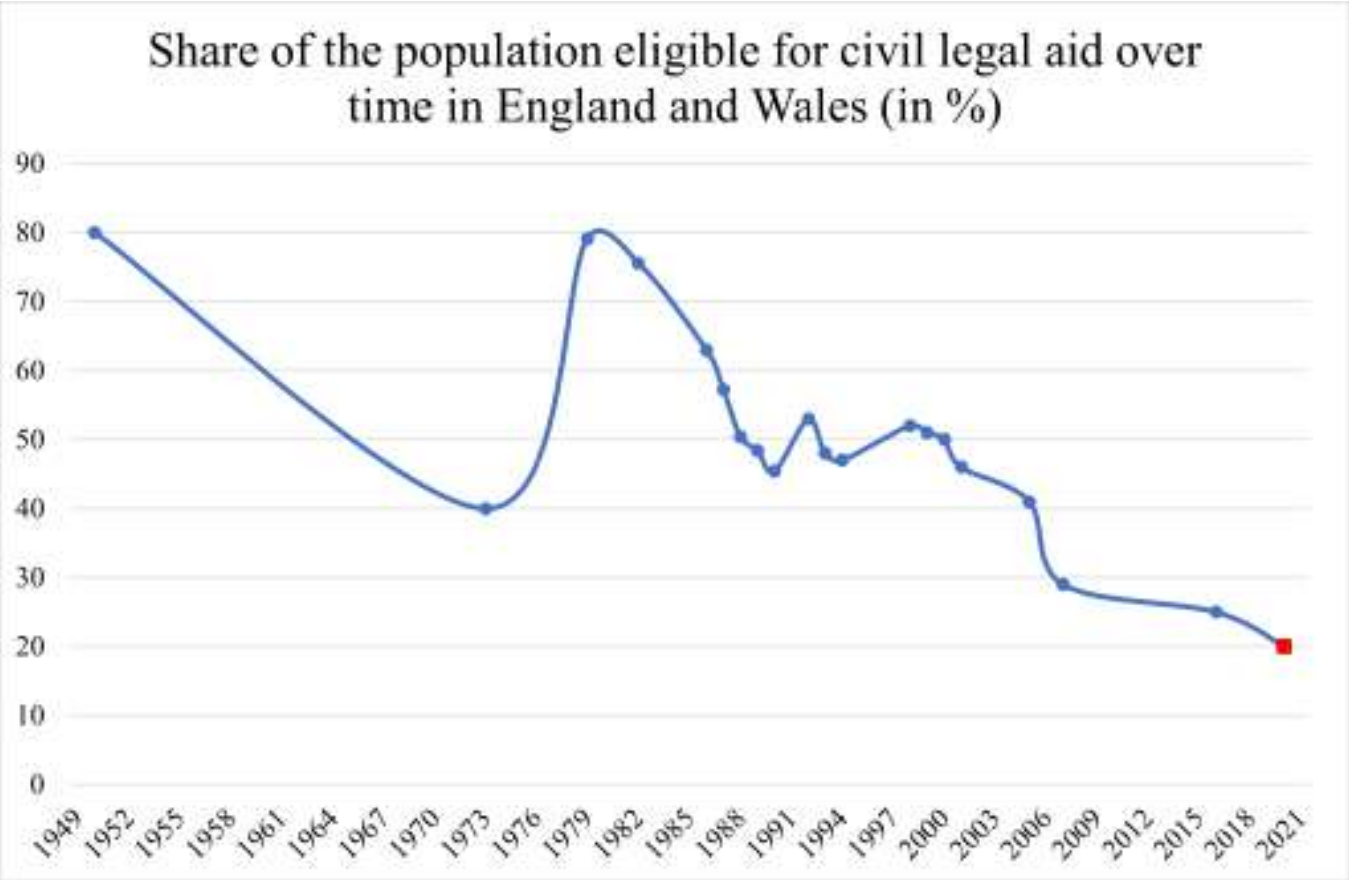
Eligibility for legal aid in England and Wales



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Summary Statistics - Treated group STATIC

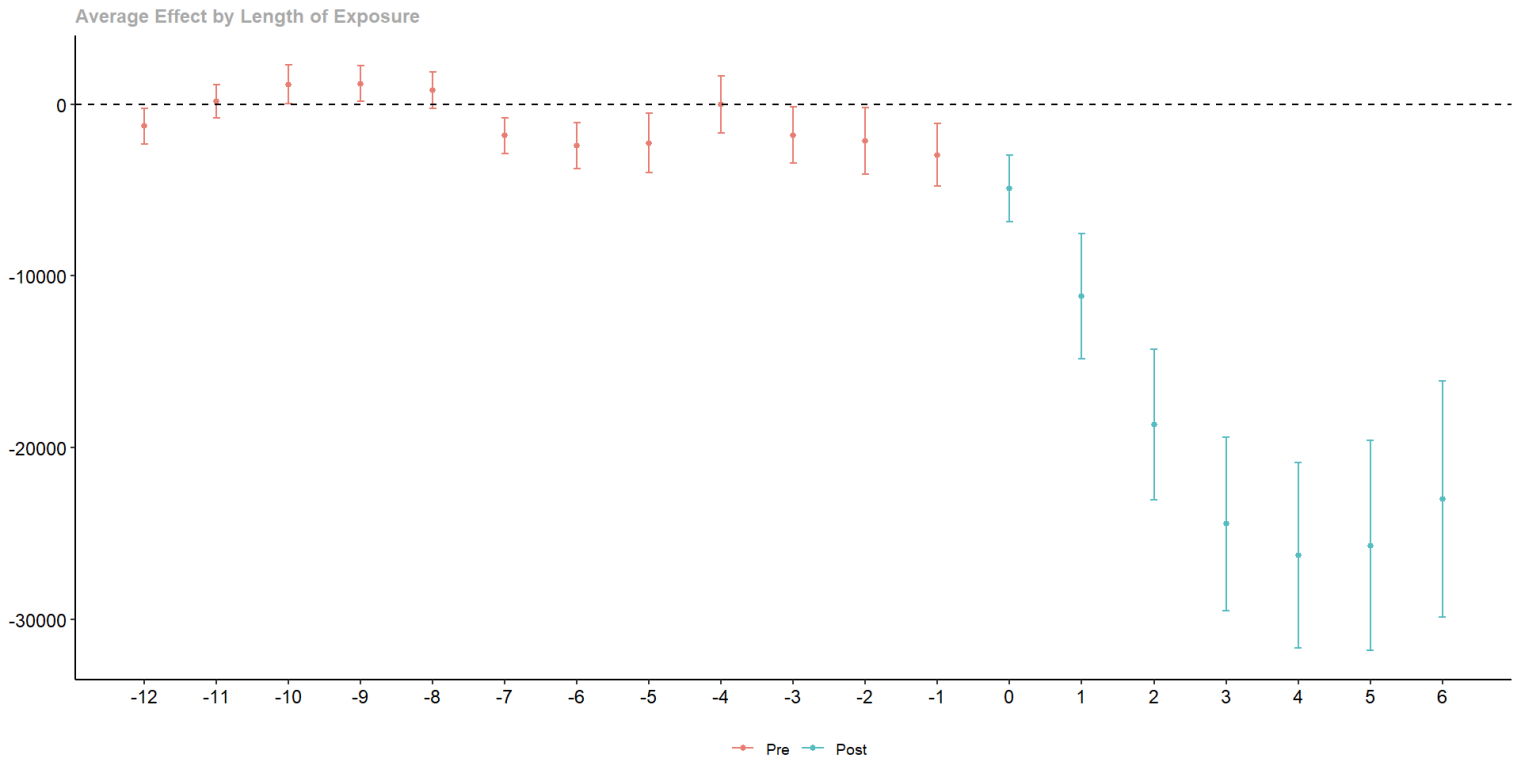
Variable	Min	Q1	Mean	Q3	Max	SD	N_obs
Change_in_distance	620.84	2081.96	9131.33	12808.63	53889.25	9617.10	1452
Baseline_distance	41.79	1566.14	6463.19	9652.55	37854.71	6723.97	1452
Change_in_distance_h	-216.90	74.12	7124.24	10169.20	57571.13	10314.60	1452
Baseline_distance_h	67.82	2236.85	8863.27	12915.84	54851.84	8344.22	1452
Change_in_distance_c	-23631.73	0.00	4557.84	5788.49	62889.01	8517.88	1452
Baseline_distance_c	41.79	1320.10	6259.02	8636.66	59716.35	7516.14	1452
Rate_claims_per_1000	0.00	0.69	2.12	2.82	20.31	2.20	1452
Rate_SPO_per_1000	0.00	0.17	0.79	1.02	8.16	0.95	1452
Rate_OO_per_1000	0.00	0.25	0.77	1.04	7.34	0.82	1452
total_death_s	0.72	7.59	9.81	11.65	24.52	3.23	1452
fuel_poor_s	12.08	32.79	43.83	51.25	139.22	15.74	1452
overcrowded_s	2.66	12.92	34.71	40.43	312.52	35.23	1452
hh_benefit_s	4.70	38.05	70.88	94.37	325.27	44.37	1452
hh_waiting_msoa_s	0.12	19.64	31.51	38.51	161.83	19.76	1452
homeless_msoa_s	0.10	0.84	1.66	2.07	10.84	1.21	1452
share_poverty	7.10	14.80	21.22	25.92	55.70	8.48	1452
house_price	38199.10	143875.69	208879.67	248260.50	1680953.96	107572.20	1452
income_bf_hh	17160.00	24960.00	28692.04	31200.00	54600.00	5325.76	1452
providers_welfare_la	0.00	0.00	0.34	0.54	3.94	0.46	1452
providers_civil_la	0.00	0.20	0.77	1.16	5.21	0.76	1452
providers_housing_la	0.00	0.00	0.30	0.47	3.71	0.43	1452

Summary Statistics - Control group STATIC

Variable	Min	Q1	Mean	Q3	Max	SD	N_obs
Change_in_distance	0.00	0.00	0.00	0.00	0.00	0.00	4435
Baseline_distance	45.04	1317.74	5098.39	6299.73	62836.73	5983.21	4435
Change_in_distance_h	-6311.42	0.00	225.18	0.00	63924.05	2523.74	4435
Baseline_distance_h	45.04	1347.11	5306.37	6773.84	62836.73	6087.60	4435
Change_in_distance_c	-16466.81	0.00	155.54	0.00	40305.94	2277.39	4435
Baseline_distance_c	45.04	1068.02	4229.65	4946.95	62661.71	5383.03	4435
Rate_claims_per_1000	0.00	0.97	3.14	4.30	23.27	3.07	4435
Rate_SPO_per_1000	0.00	0.20	0.94	1.28	14.26	1.13	4435
Rate_OO_per_1000	0.00	0.35	1.32	1.72	21.05	1.54	4435
total_death_s	0.18	6.26	8.68	10.65	30.43	3.44	4435
fuel_poor_s	10.78	32.28	43.44	50.33	154.45	16.08	4435
overcrowded_s	2.66	12.94	34.26	40.75	258.16	33.65	4435
hh_benefit_s	4.32	41.94	83.13	113.97	453.46	52.30	4435
hh_waiting_msoa_s	0.08	18.24	32.86	41.35	217.54	22.40	4435
homeless_msoa_s	0.07	0.93	2.31	3.12	12.07	1.85	4435
share_poverty	5.10	14.80	21.62	26.70	59.80	8.97	4435
affordability	2.52	5.22	7.43	8.51	90.17	3.86	4435
house_price	42903.56	130857.70	233098.14	276031.81	4735734.28	188610.96	4435
income_bf_hh	15600.00	24440.00	29290.71	33280.00	57720.00	6398.22	4435
providers_welfare_la	0.00	0.30	0.81	1.03	53.89	1.09	4435
providers_civil_la	0.00	0.65	1.38	1.75	190.68	3.03	4435
providers_housing_la	0.00	0.28	0.76	0.99	49.74	1.03	4435

Housing Market

Pooled-ATT: decrease in the yearly mean house prices by an average of £19,161 (8.5% wrt. 2013)



With staggered definition

Housing Market - Mechanisms?

- **Rich people moving out**? Higher supply of housing available but less demand for it?
- **A sign of area-level deprivation**? Does it correlate with other changes in public facilities access? eg. healthcare deserts, school closures
- Is there a hidden **debt story?** that further suppresses the demand?

Housing Market - Mechanisms: Macroprudential policy and the debt story

$\downarrow$ Less debt advice $\Longrightarrow$
$\uparrow$ more debt judgements $\Longrightarrow$
$\downarrow$ lower credit score $\Longrightarrow$
$\downarrow$ access to loans/mortgages in the context of macroprudential measures (eg. loan-to-income ratio introduced in 2014) $\Longrightarrow$
$\downarrow$ Demand
Stay tuned for more ...

Eviction claims - Mechanisms?

- **Motivation** of the reform (i): "discouraging unnecessary litigation"
- **Rationale**: *greedy* lawyers, lack of incentives to reach compromises
- **Observation**: Higher number of claims in most affected areas
- $\downarrow$ access to legal assistance $\Longrightarrow$
  $\downarrow$ fewer cases settled **outside** of courts $\Longrightarrow$
  $\uparrow$ higher number of claims

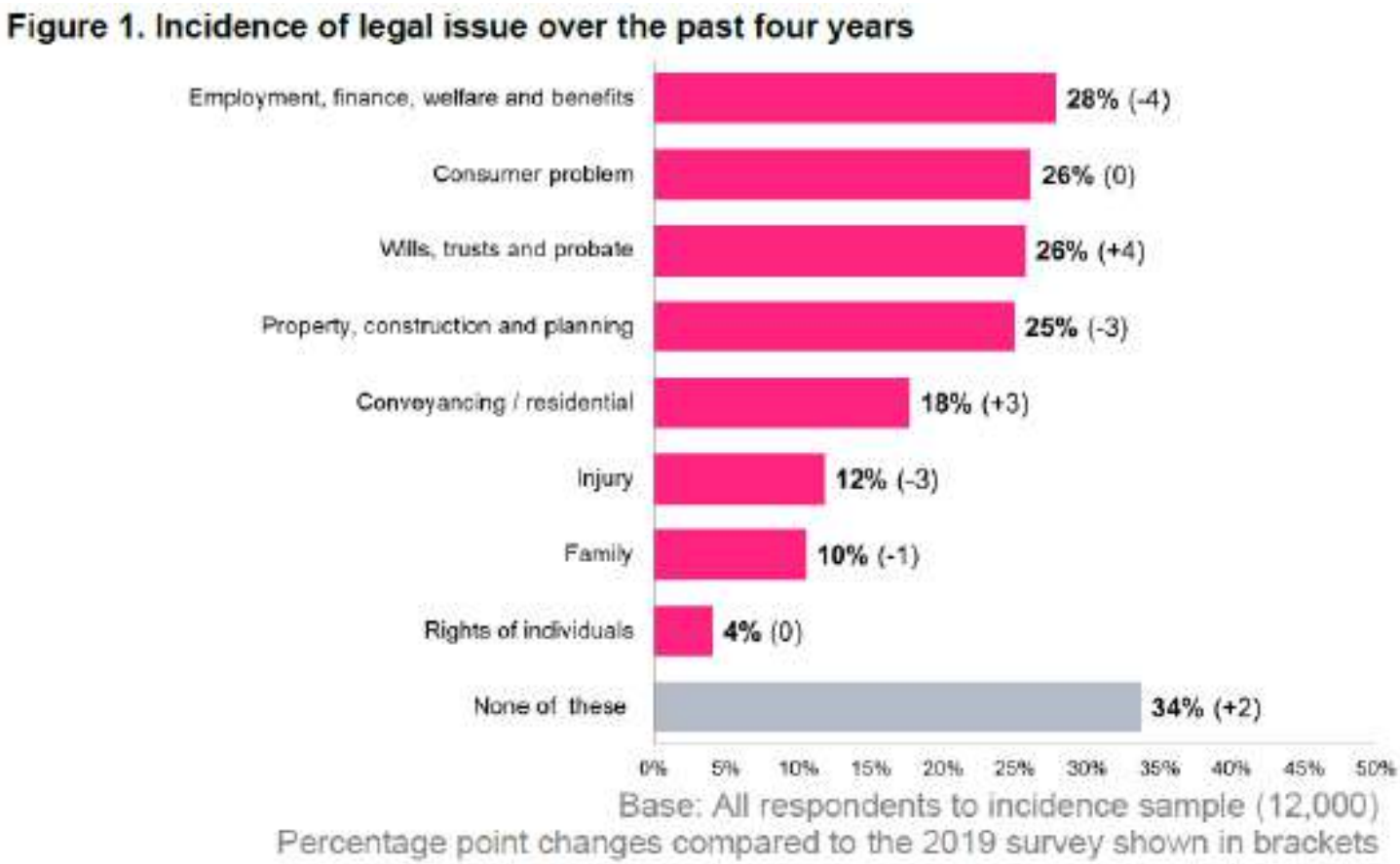
Magnitude: nb of evictions | Mechanisms: orders | Back

Eviction orders - Mechanisms?

- **Motivation** of the reform (ii): "lawyers do not matter"
- **Rationale**: *useless* lawyers, do-it-yourself as effective
- **Observation**: Higher number of orders in most affected areas
- $\downarrow$ access to legal assistance $\Longrightarrow$
  $\downarrow$ legal **representation** and/or too late in the process $\Longrightarrow$
  $\uparrow$ higher number of orders

Flowchart eviction process | SPO event-study | Back

Prevalence of Legal Problems in England and Wales



Source: Legal Needs of Individuals in England and Wales, The Legal Services Board / The Law Society (2024)

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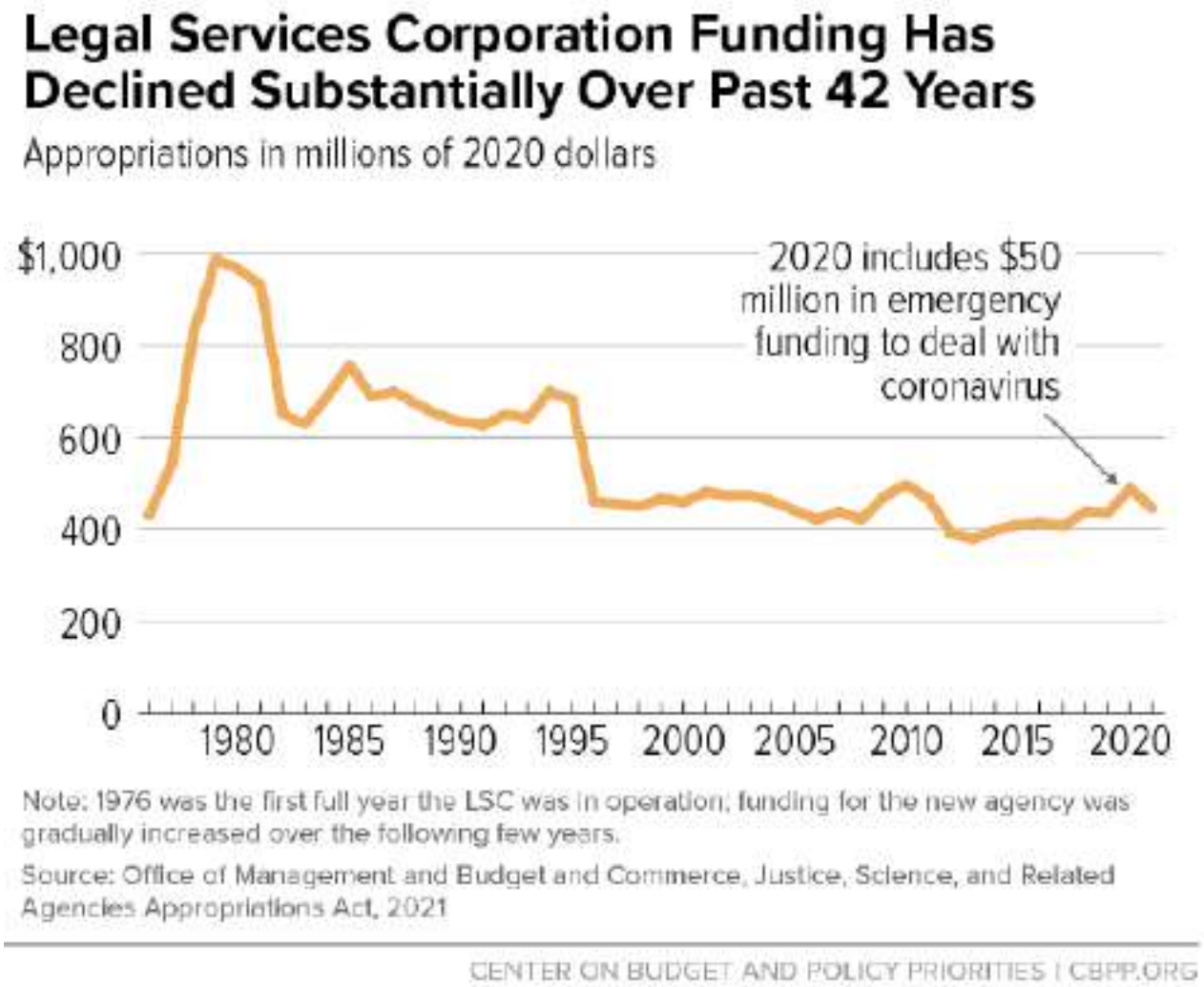
Legal aid spending in the US over time



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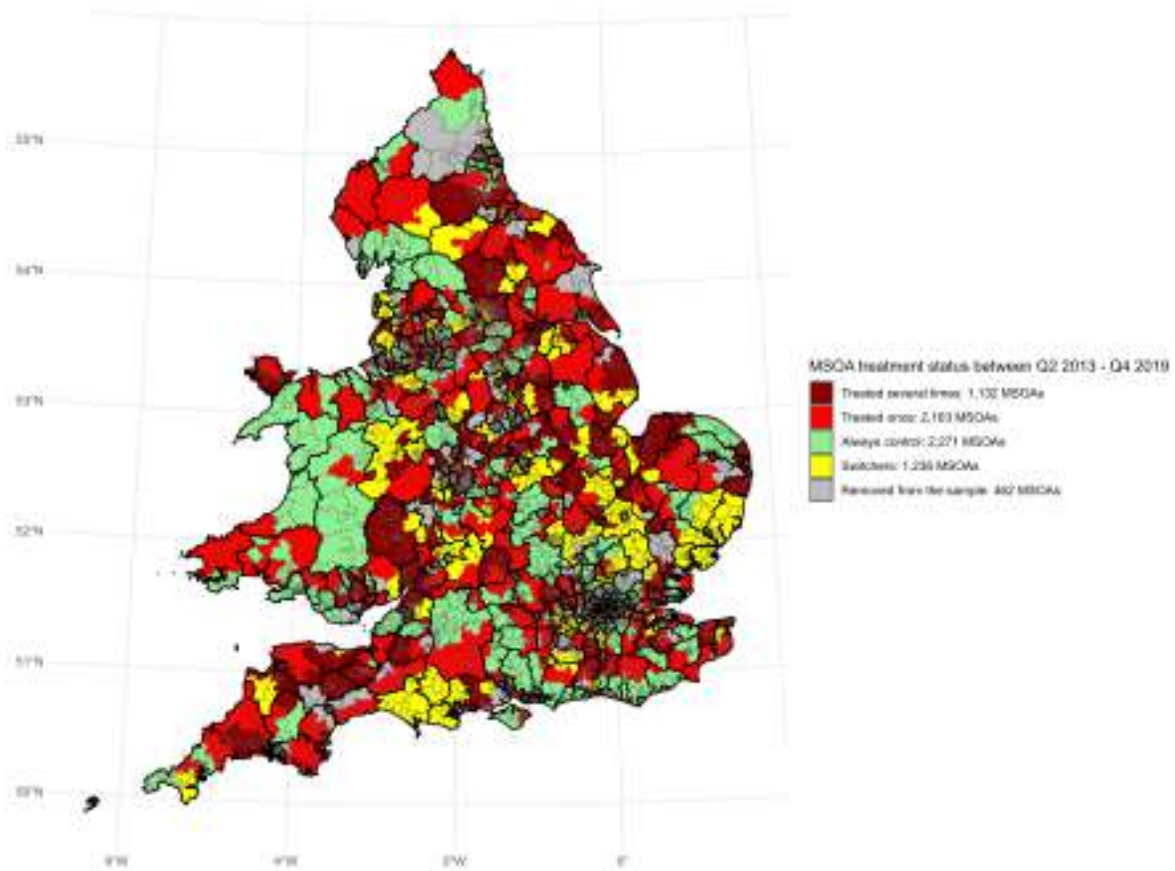
Staggered definition: increase at any point after 2013



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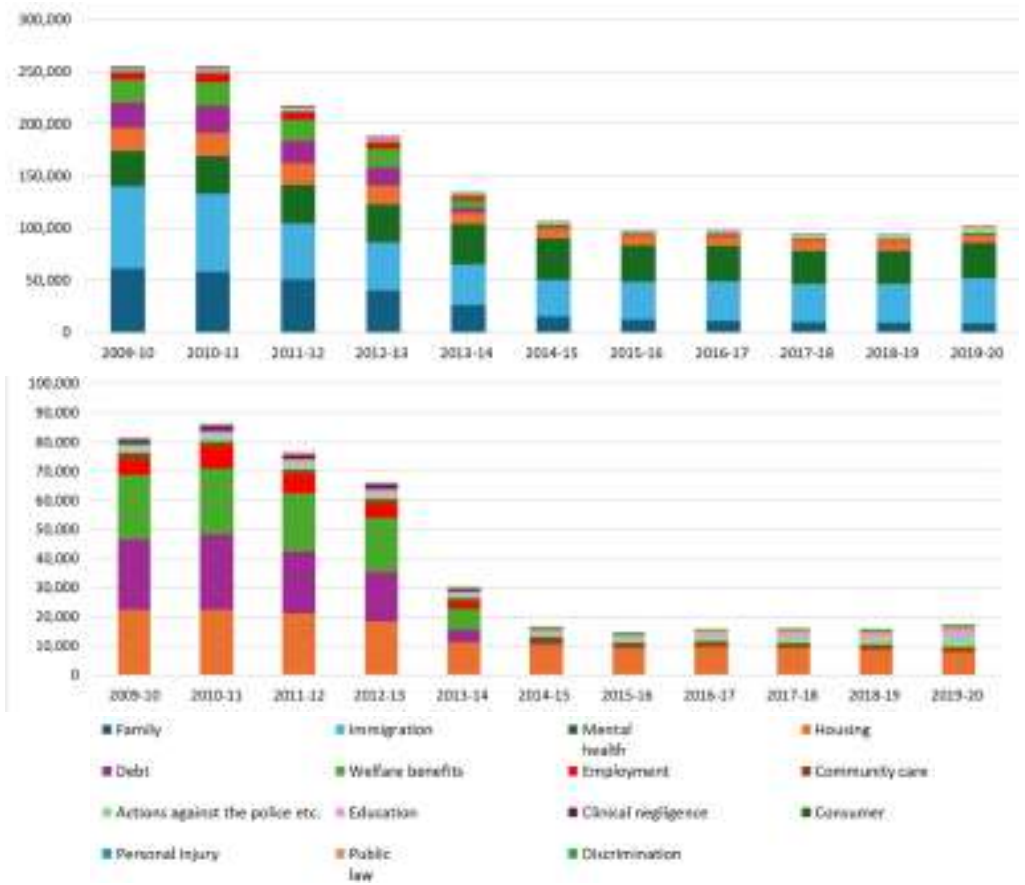
Loss in Funding by areas of law - LASPO



Evolution of the annual value of legal aid claims (in £) by area of law

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Heterogeneity analysis - Austerity Exposure

	Eviction claims	Eviction orders	Age-adjusted mortality
Mean at Baseline (rate per 100,000 inh.) [Pre-reform average outcome level]	67.12	48.40	944.2
Change in Distance * Austerity [Pre-reform differences in levels]	-0.593*** (0.169)	-0.320** (0.112)	-0.704 (0.411)
Austerity exposure [Effect of austerity alone]	22.18*** (2.897)	15.02*** (1.659)	78.55*** (7.197)
Change in Distance *Post [Main treatment effect]	**0.246**** (0.082)	**0.124*** (0.052)	**0.655***** (0.171)
Austerity *Post [Effet of austerity alone after reform]	-8.679*** (1.469)	-5.023*** (0.837)	1.519 (2.808)
Change in Distance * Post * Austerity [Heterogeneous effect by austerity]	0.362*** (0.079)	0.174*** (0.051)	0.581** (0.221)
Nb. Observations	562,516	562,516	105,390
MSOA + Time Fixed Effects	Yes	Yes	Yes

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Excess Deaths definition

$$\text{Excess Deaths}_t = \sum_{\text{Age}} (\hat{\delta}_t^{\text{Age}} \sum_i \Delta\text{Distance}_i \times \text{Pop}_{i,t}^{\text{Age}})$$

$$\text{Excess Deaths}^{\text{Age}} = \sum_{t>2011} (\hat{\delta}_t^{\text{Age}} \sum_i \Delta\text{Distance}_i \times \text{Pop}_{i,t}^{\text{Age}})$$

$$\text{Excess Deaths}^{\text{Total}} = \sum_{\text{Age}} (\sum_{t>2011} (\hat{\delta}_t^{\text{Age}} \sum_i \Delta\text{Distance}_i \times \text{Pop}_{i,t}^{\text{Age}}))$$

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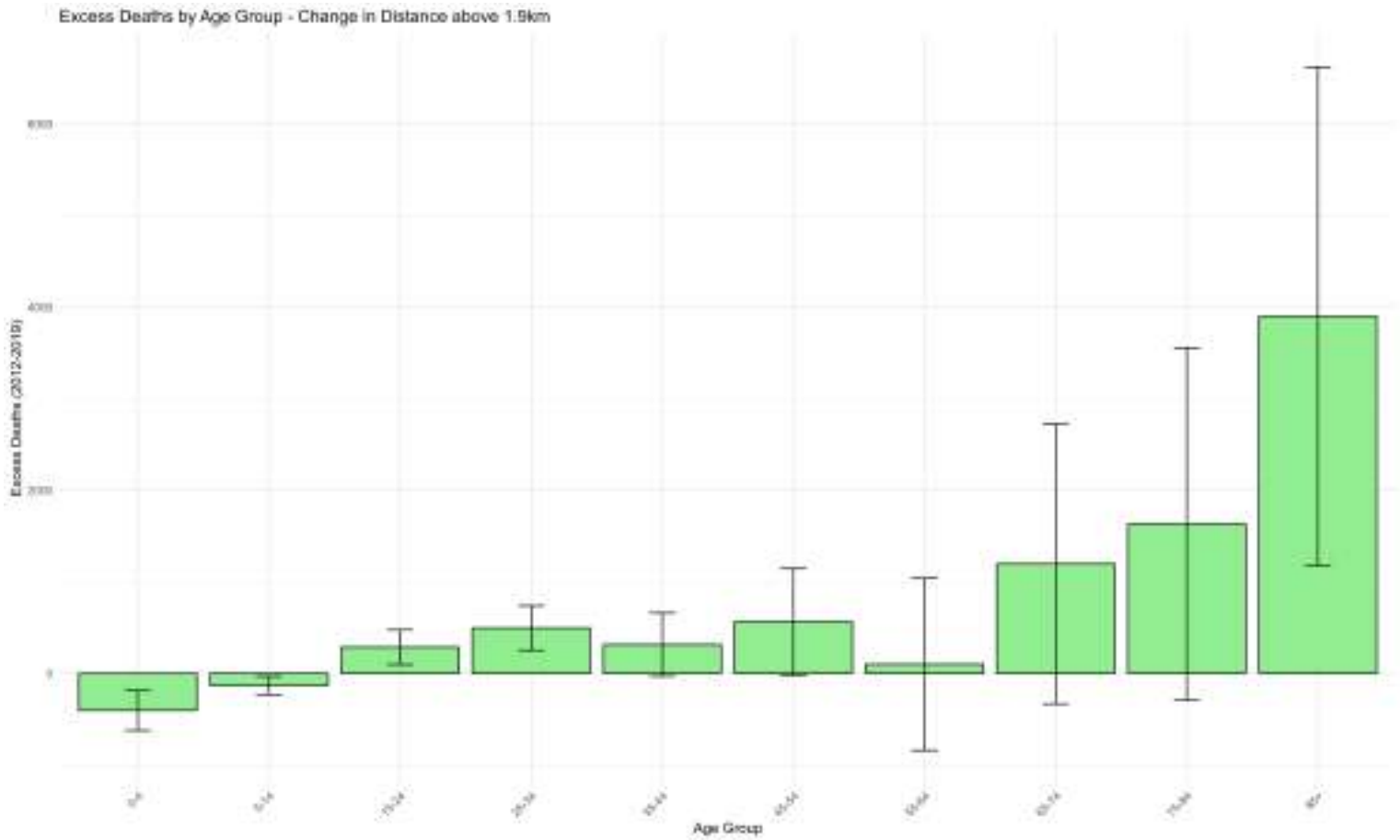
Excess Deaths by Age Group - for Change in Distance > 1.9km



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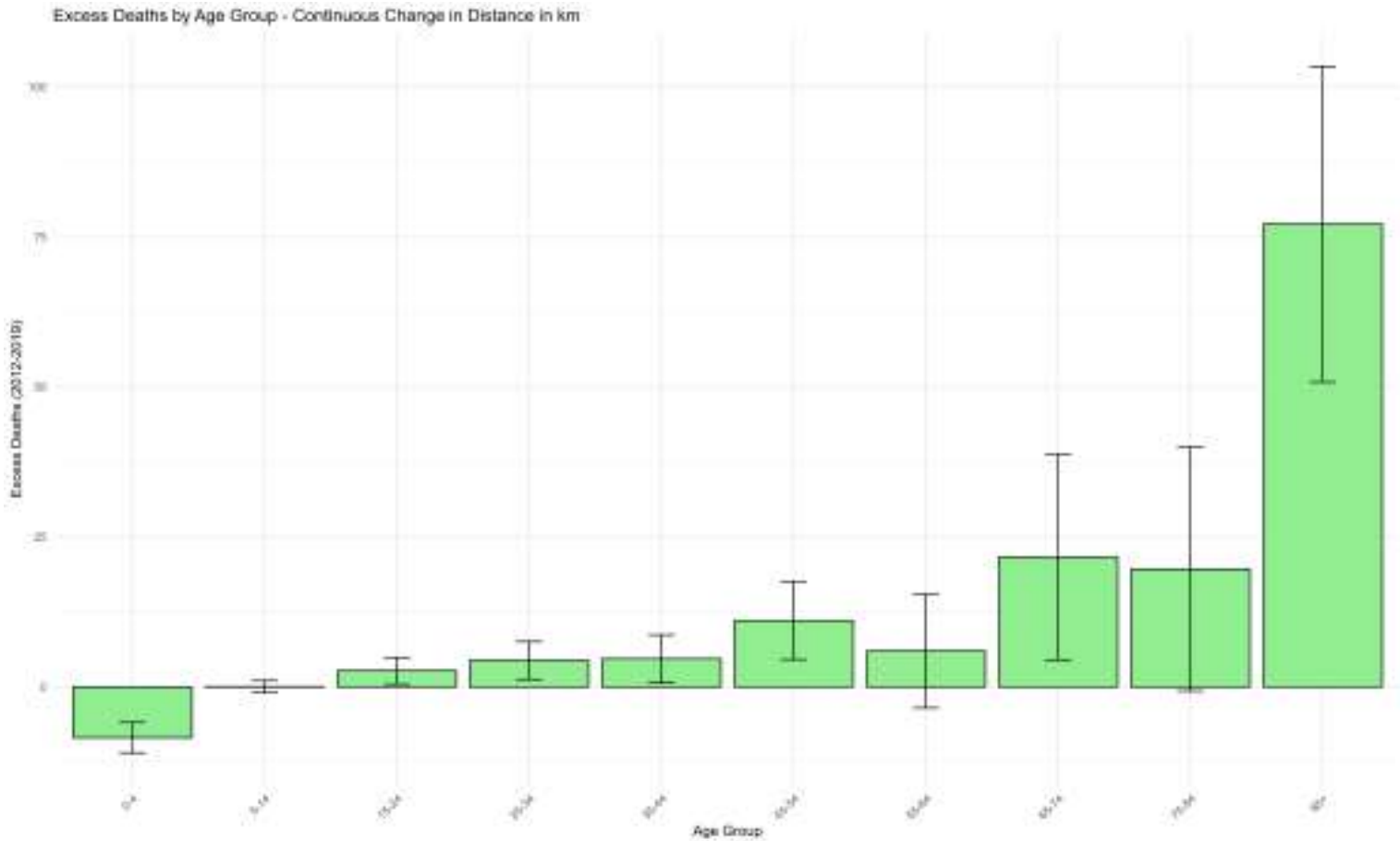
Excess Deaths by Age Group - per km of Change in Distance



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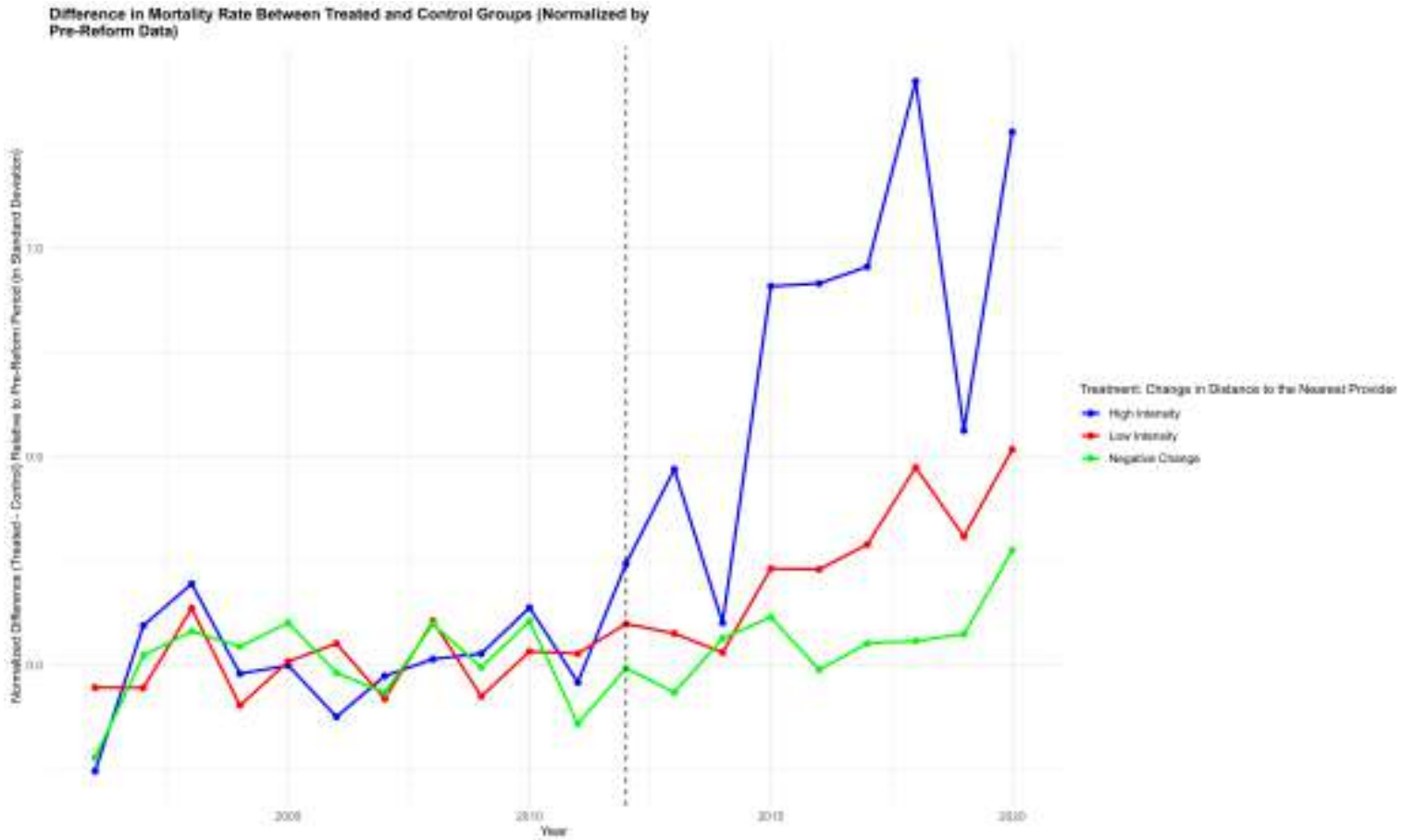
Difference in Raw Data - Death Rate



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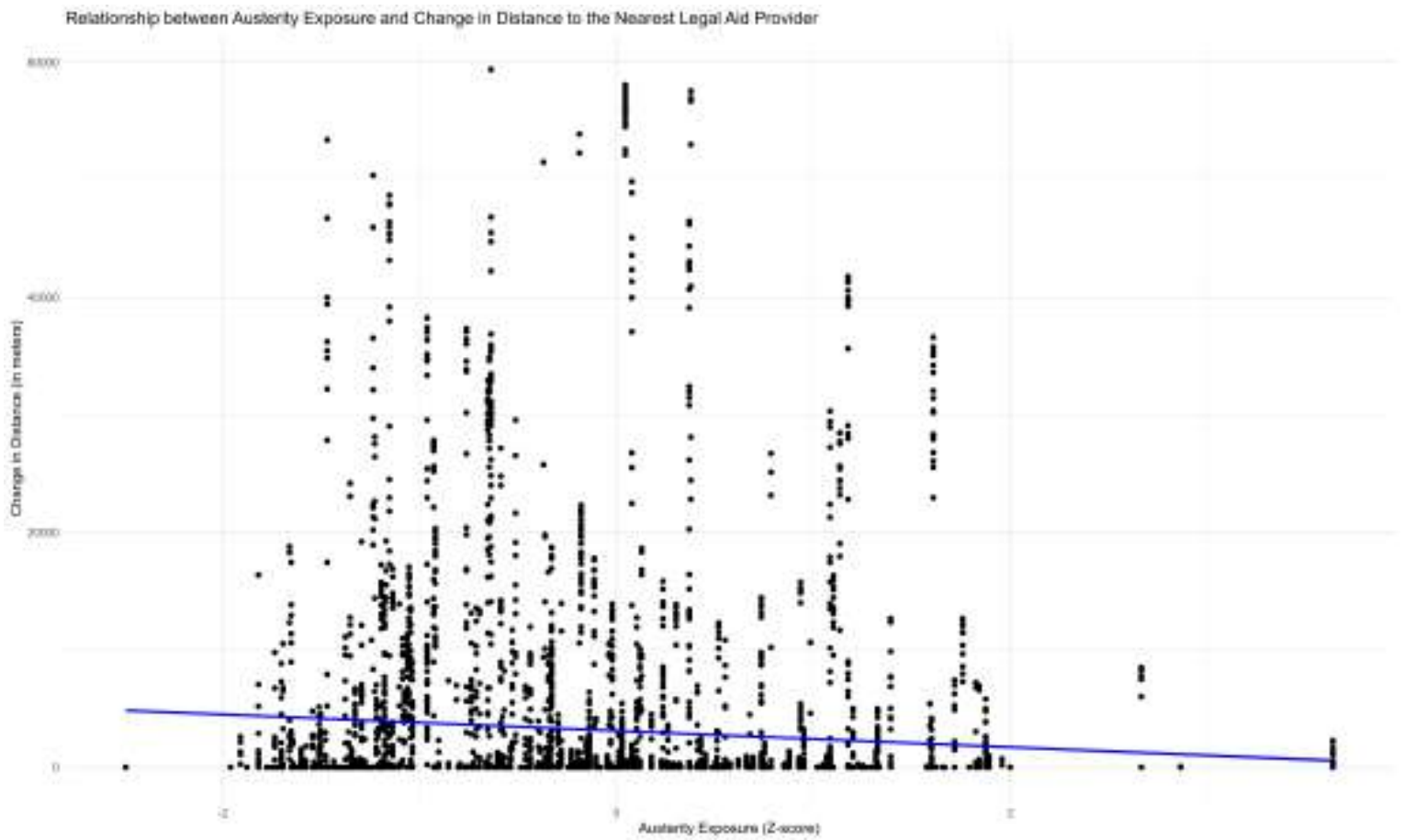
Relationship between Change in Distance and Austerity Exposure



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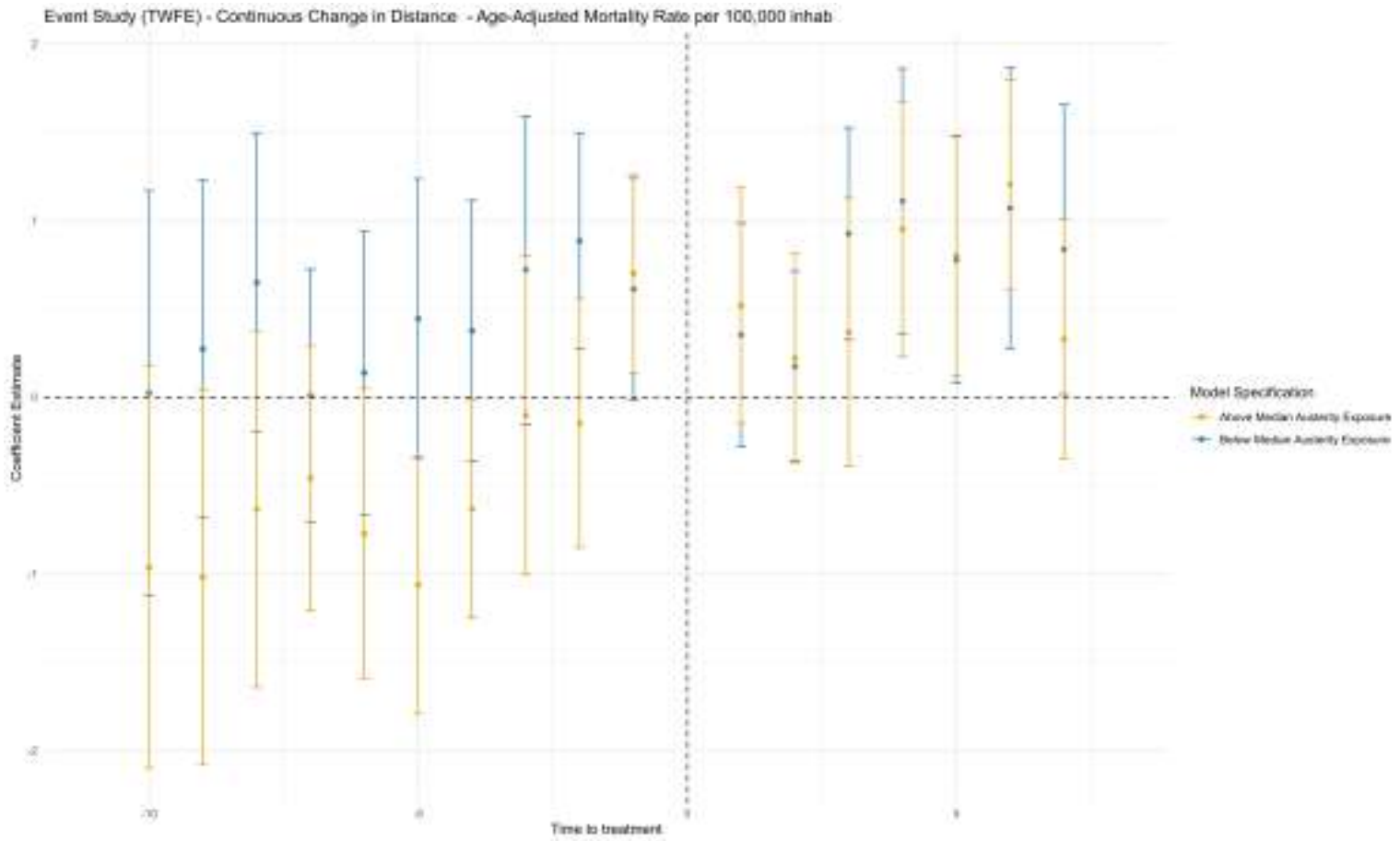
Event-Study Low vs. High Austerity Exposure



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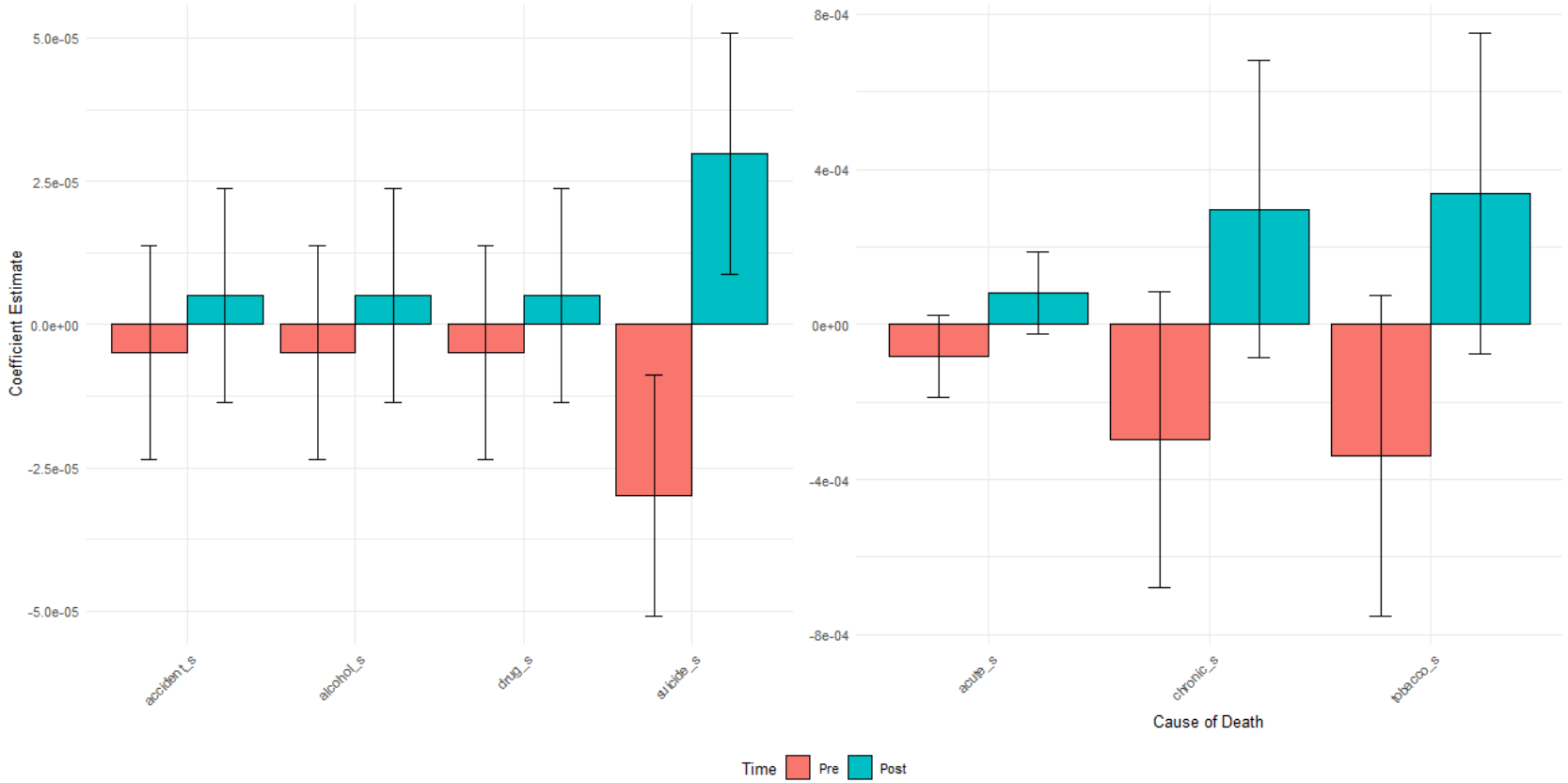
Cause of deaths pooled pre-post reform - Continuous Change in Distance



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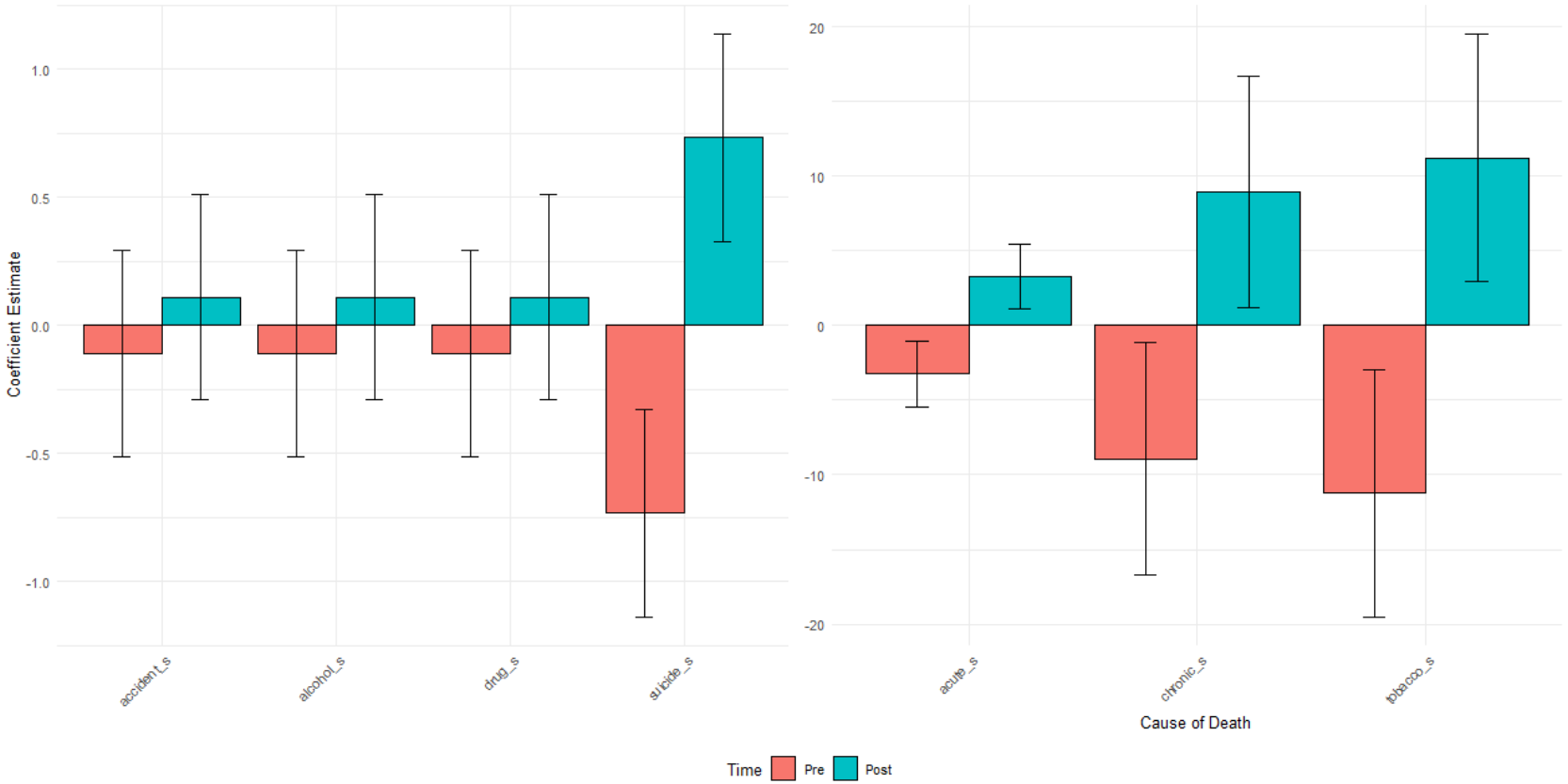
Cause of deaths pooled pre-post reform - Change in Distance above 1.9km



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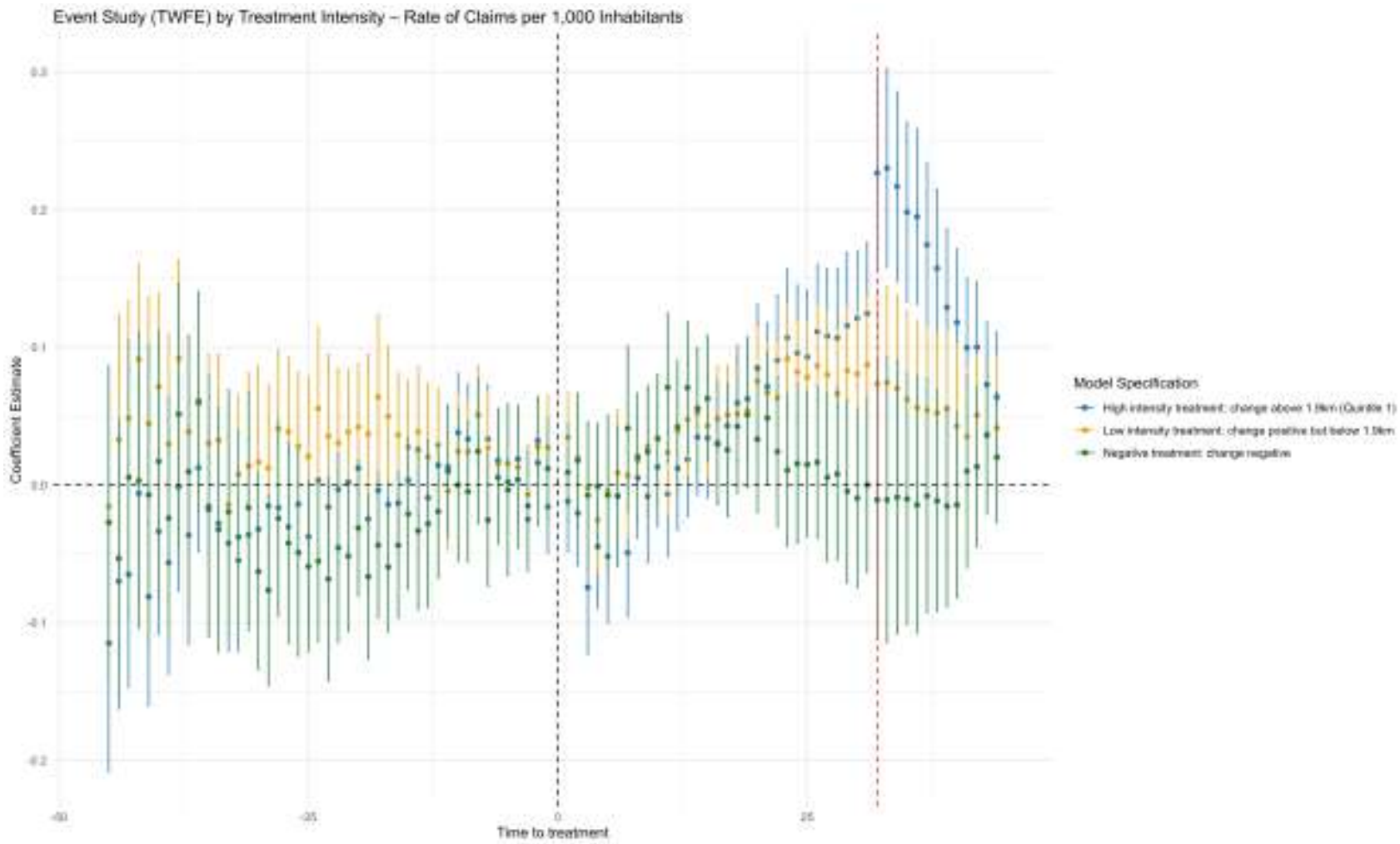
Event-study Claims - Intensity



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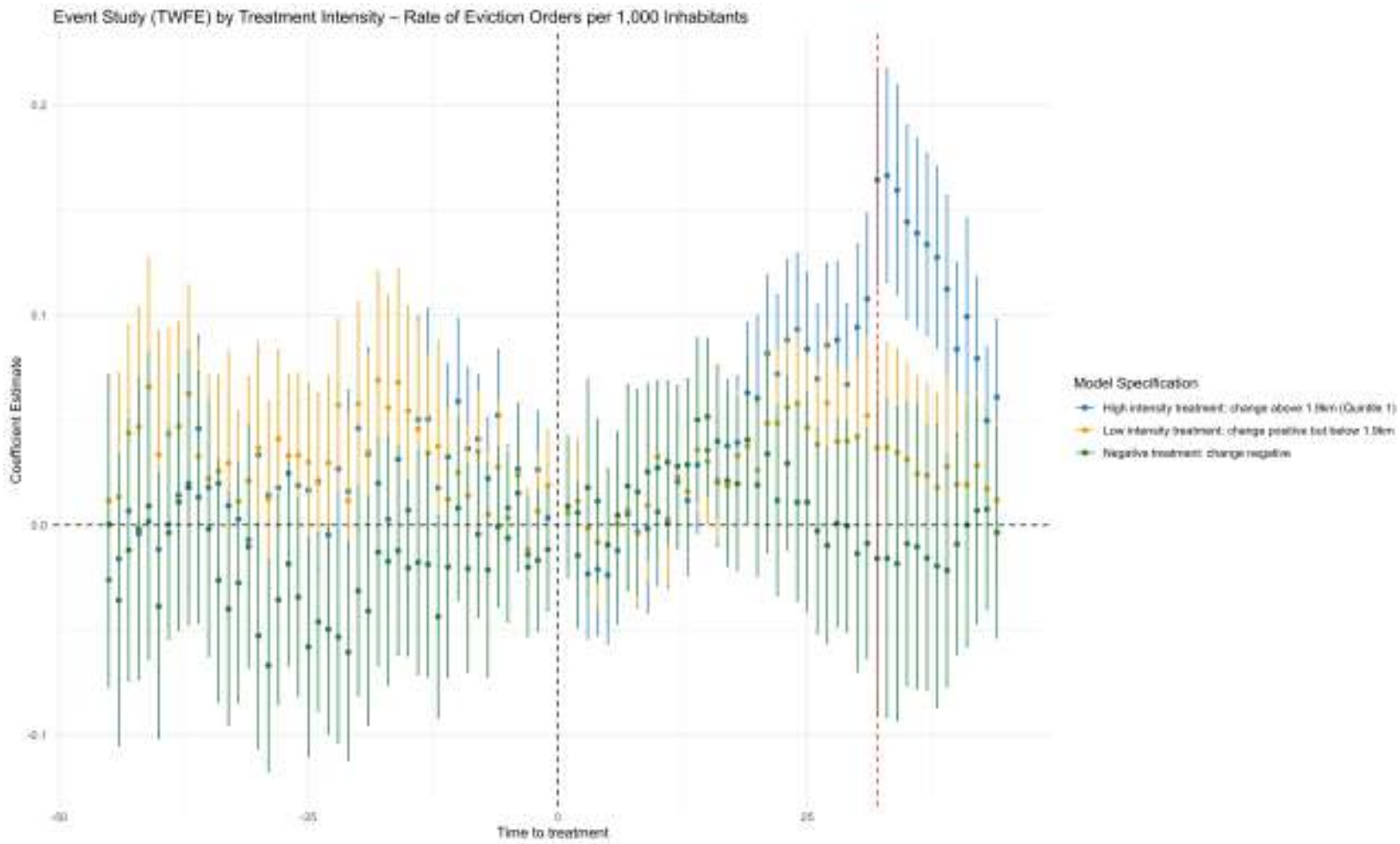
Event-study Orders - Intensity



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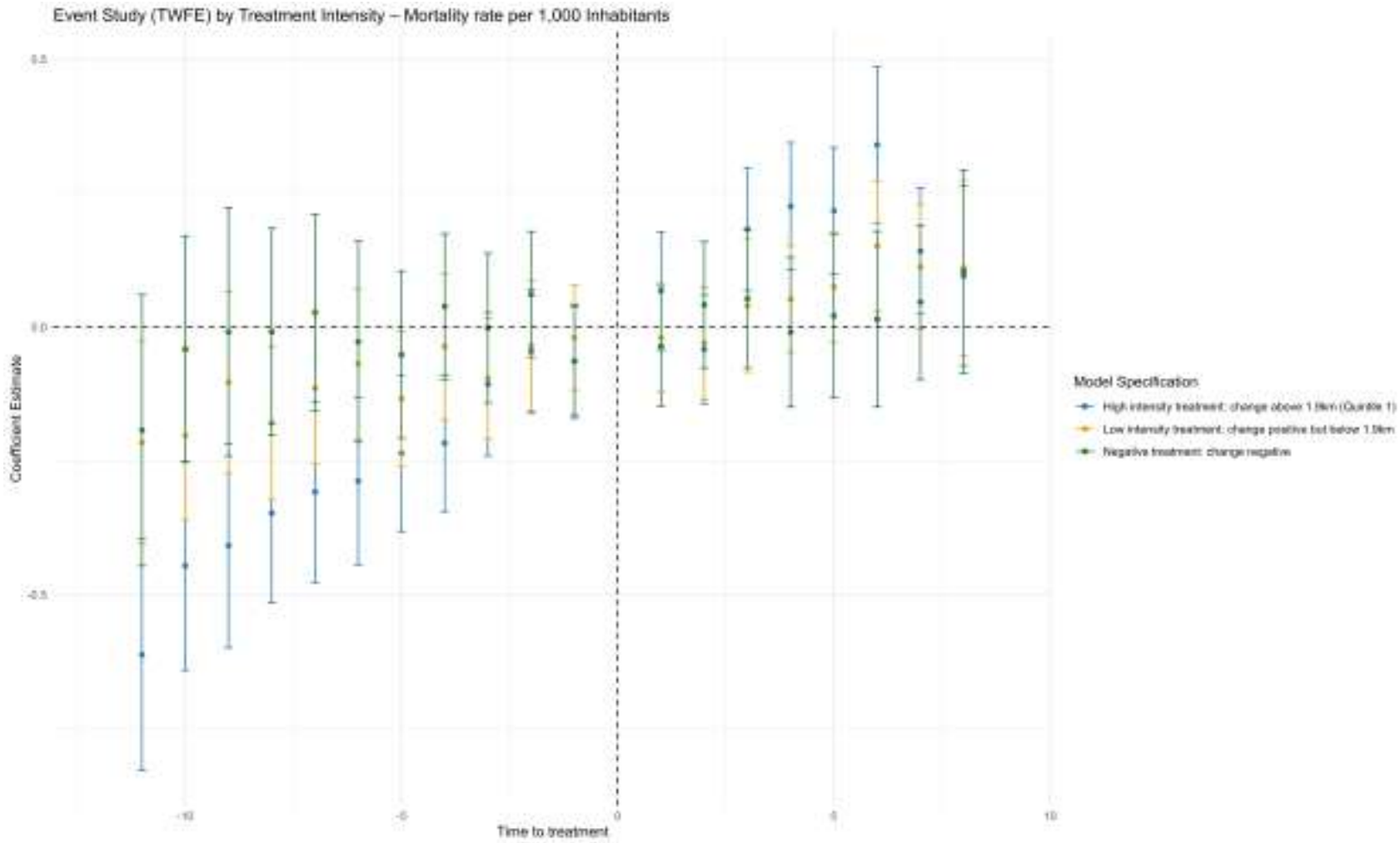
Event-study Death Rate - Intensity



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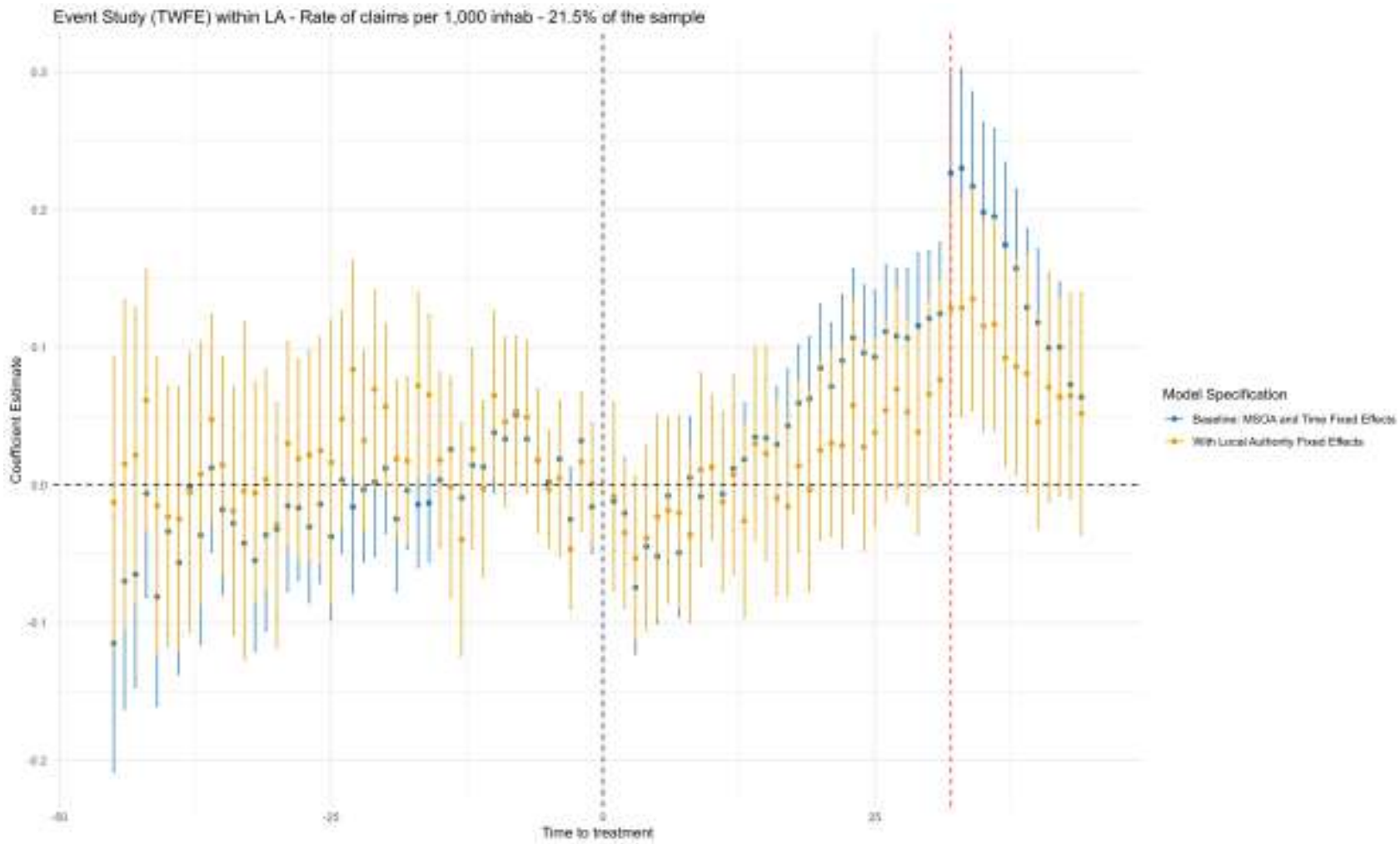
Event-study Claims - with/without LA fixed effects



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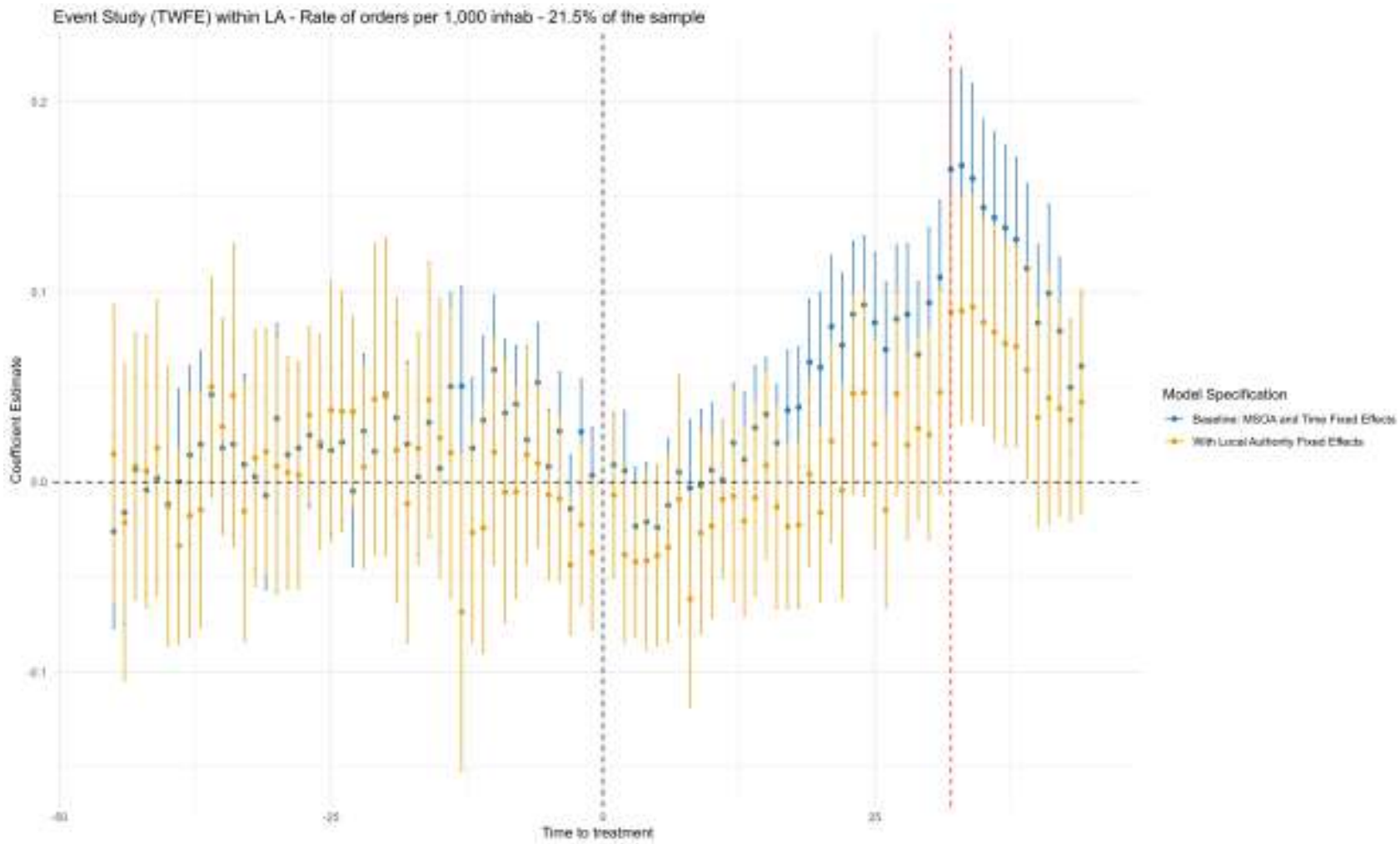
Event-study Orders - with/without LA fixed effects



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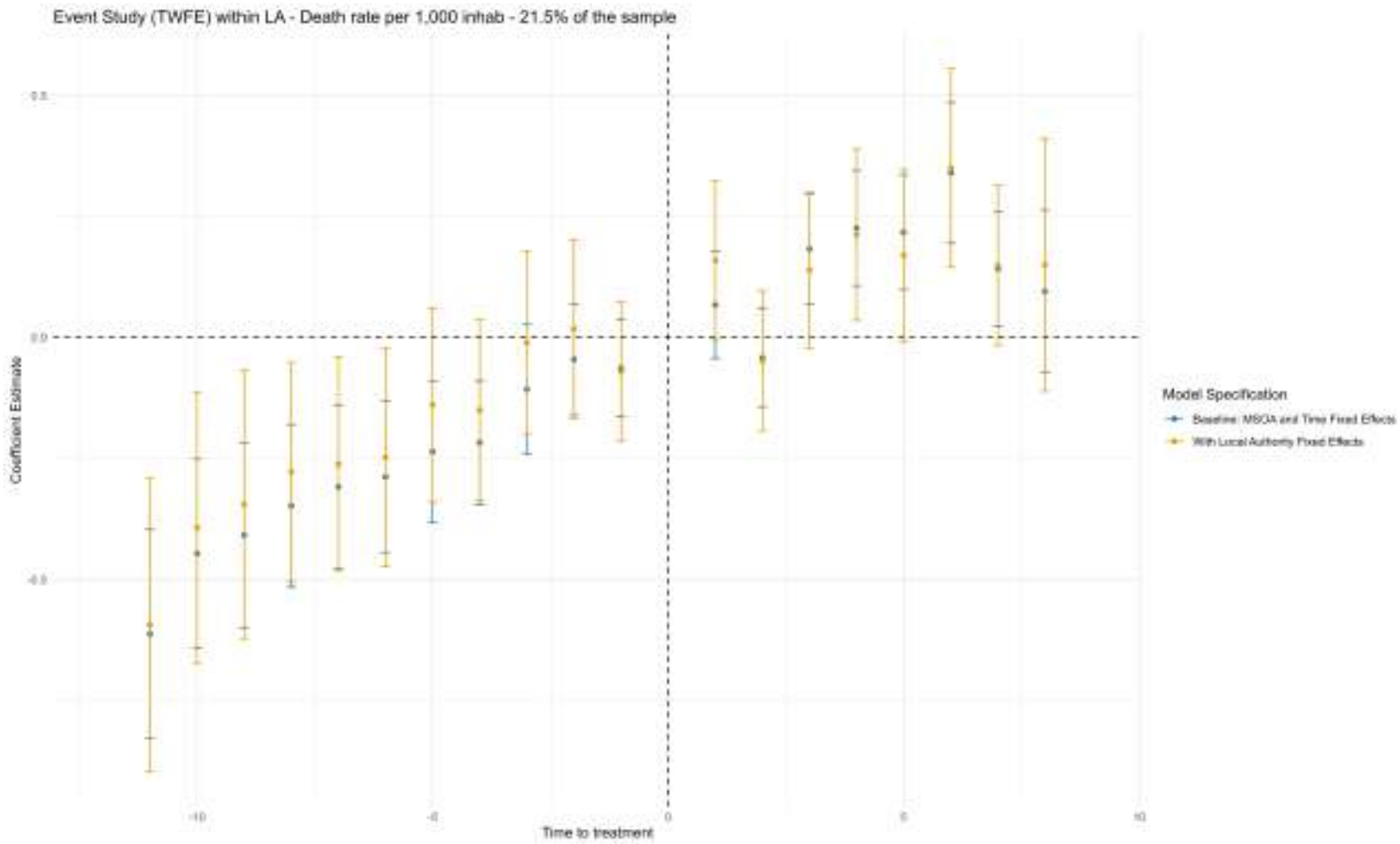
Event-study Death - with/without LA fixed effects



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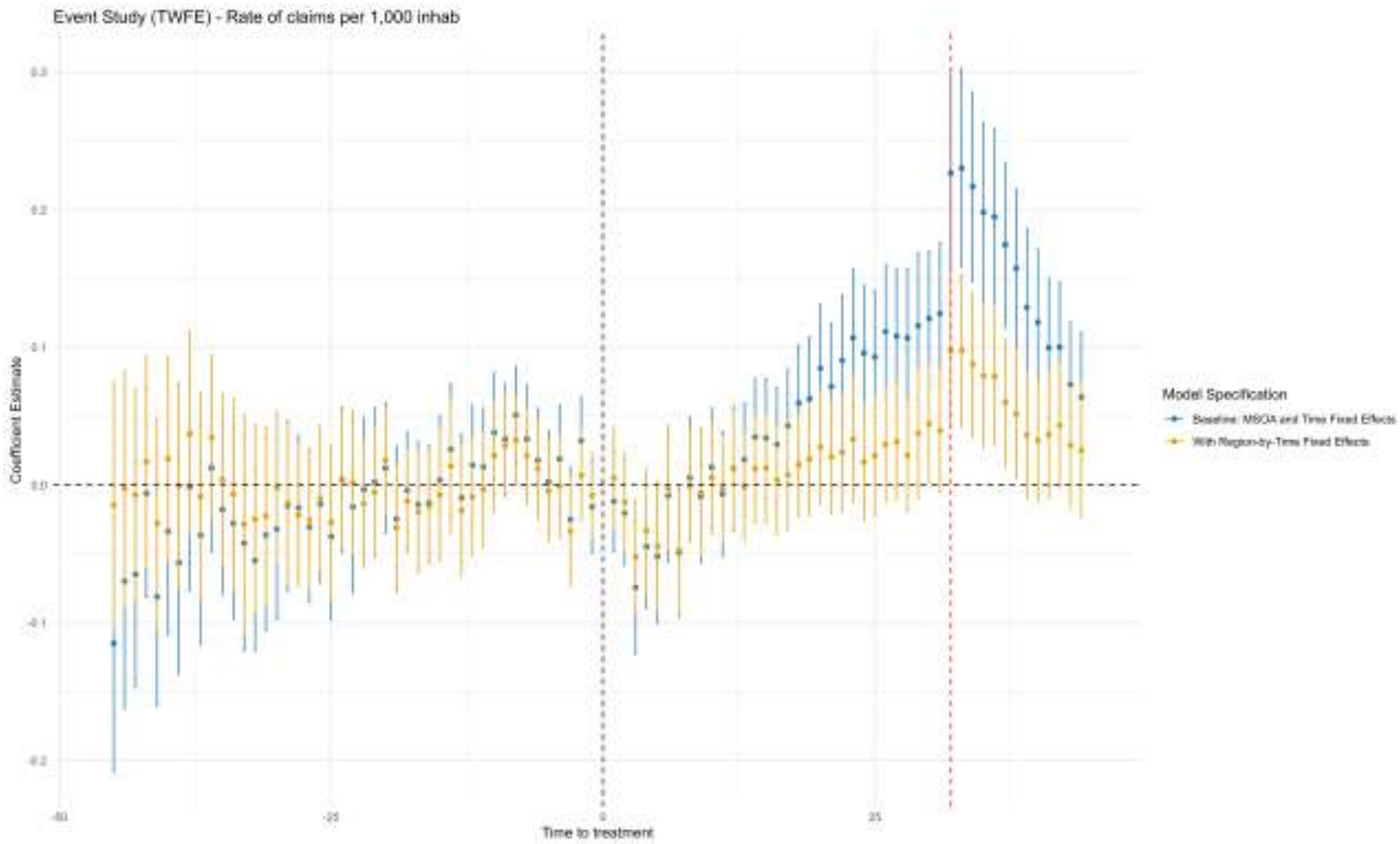
Event-study Claims - with/without Region FE



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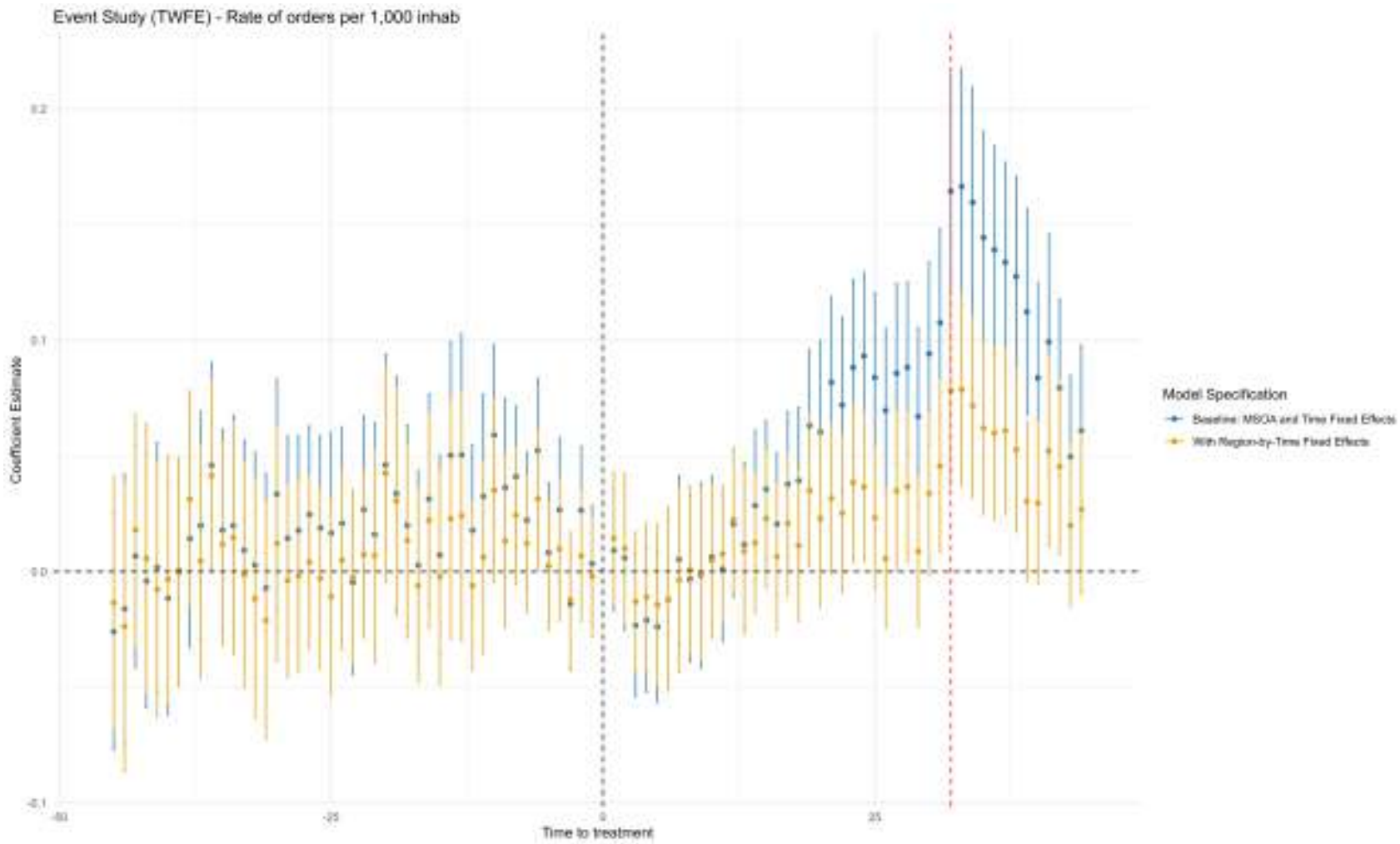
Event-study Orders - with/without Region FE



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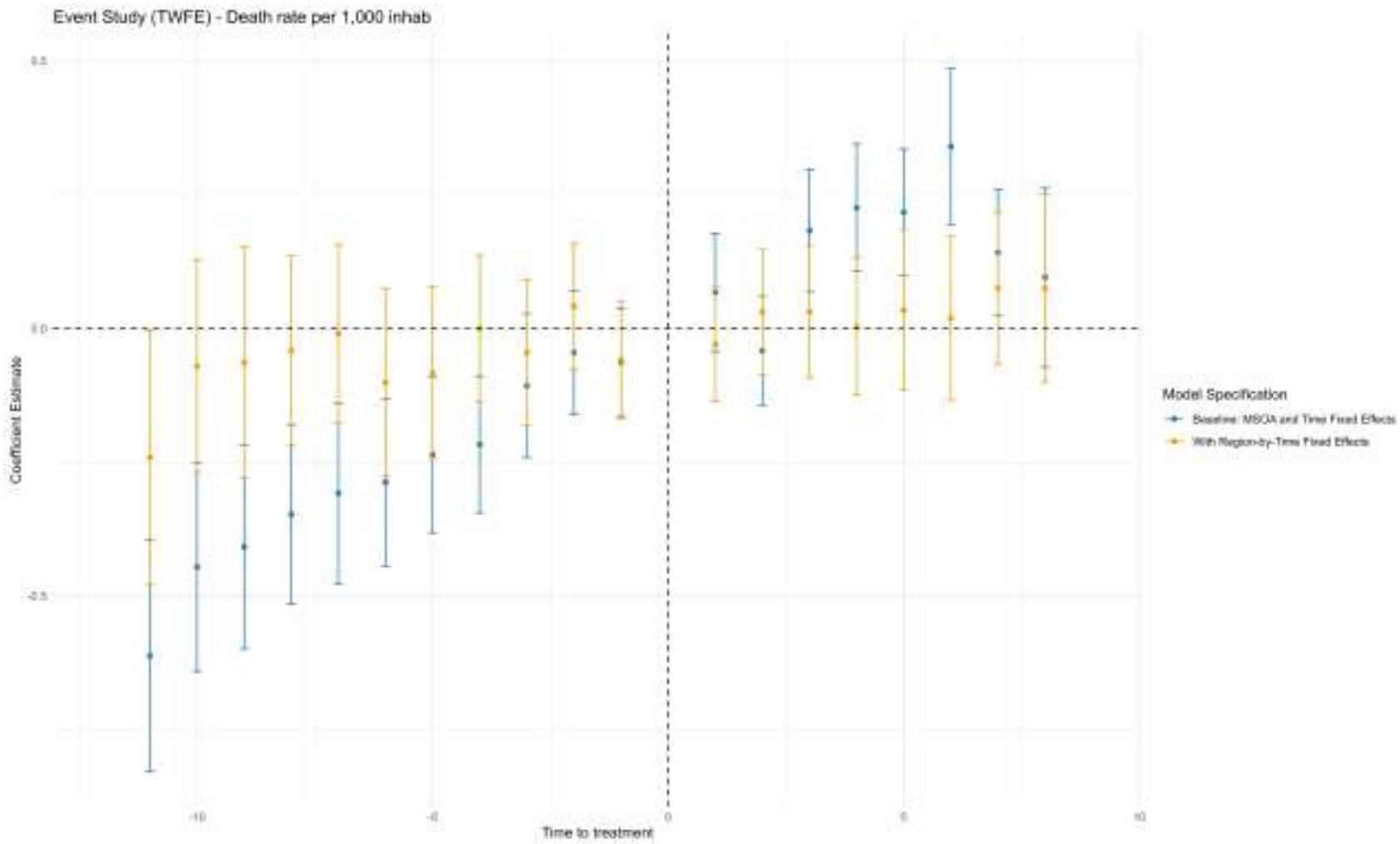
Event-study Death - with/without Region FE



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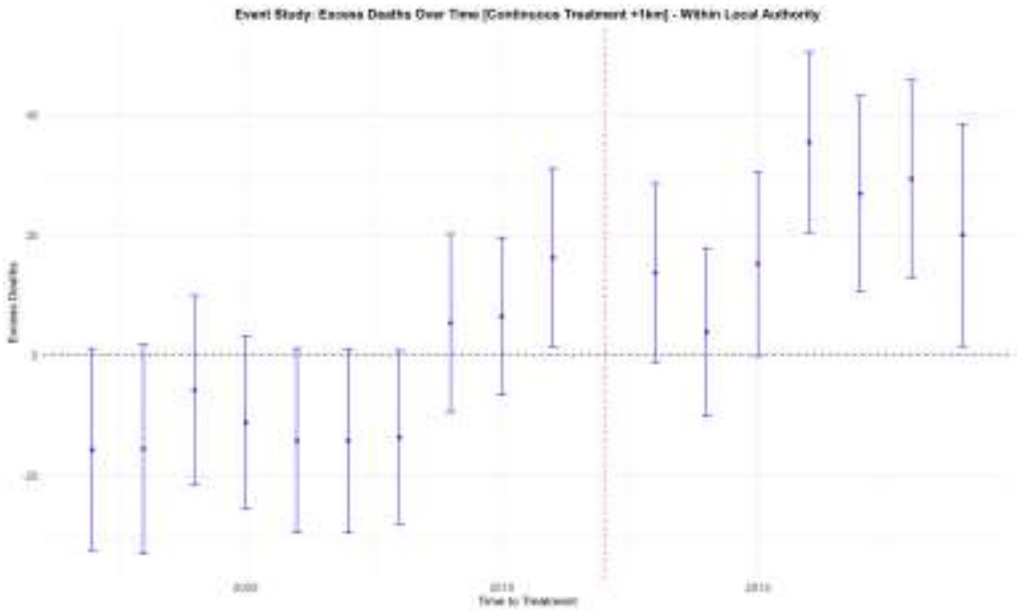
Excess Deaths Within Local Authority - Continuous Change in Distance



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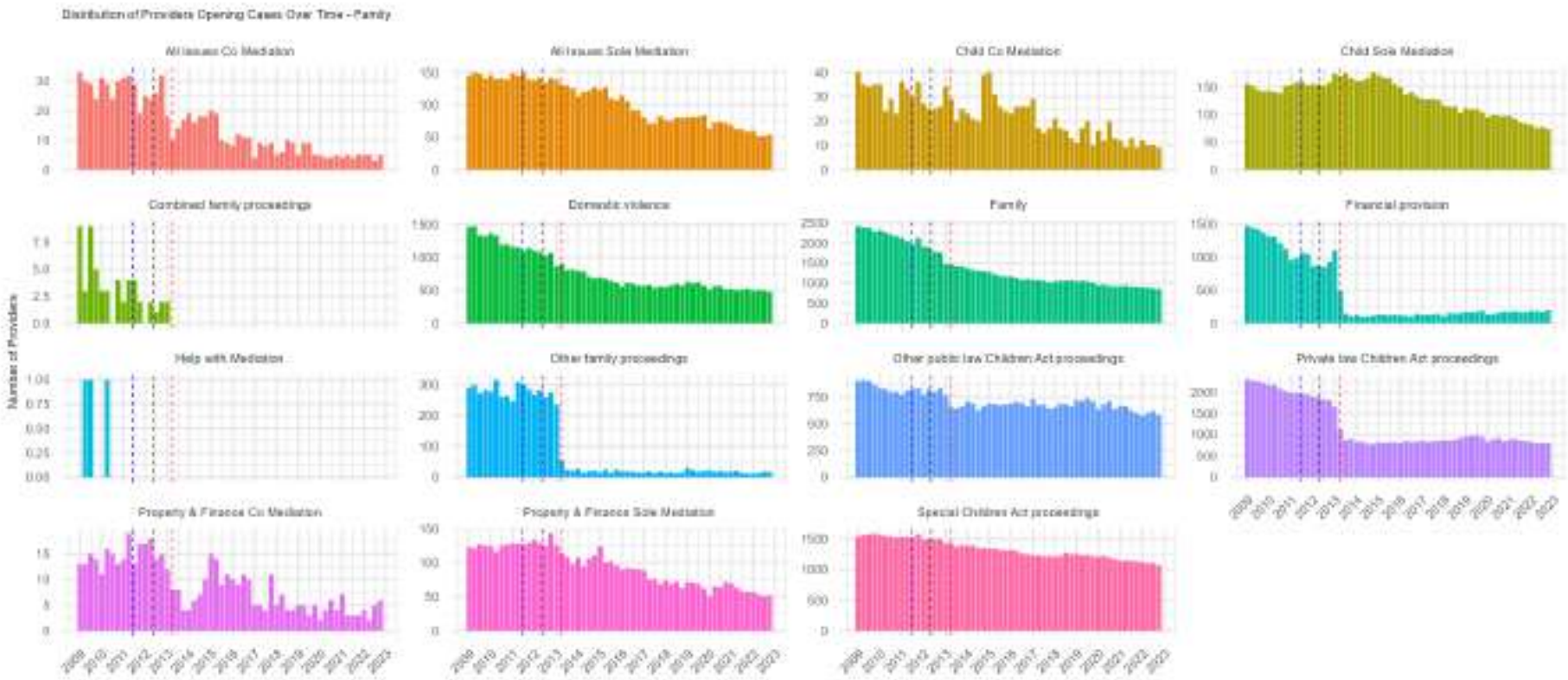
Number of providers - Family



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Number of providers - Non Family - Civil Representation

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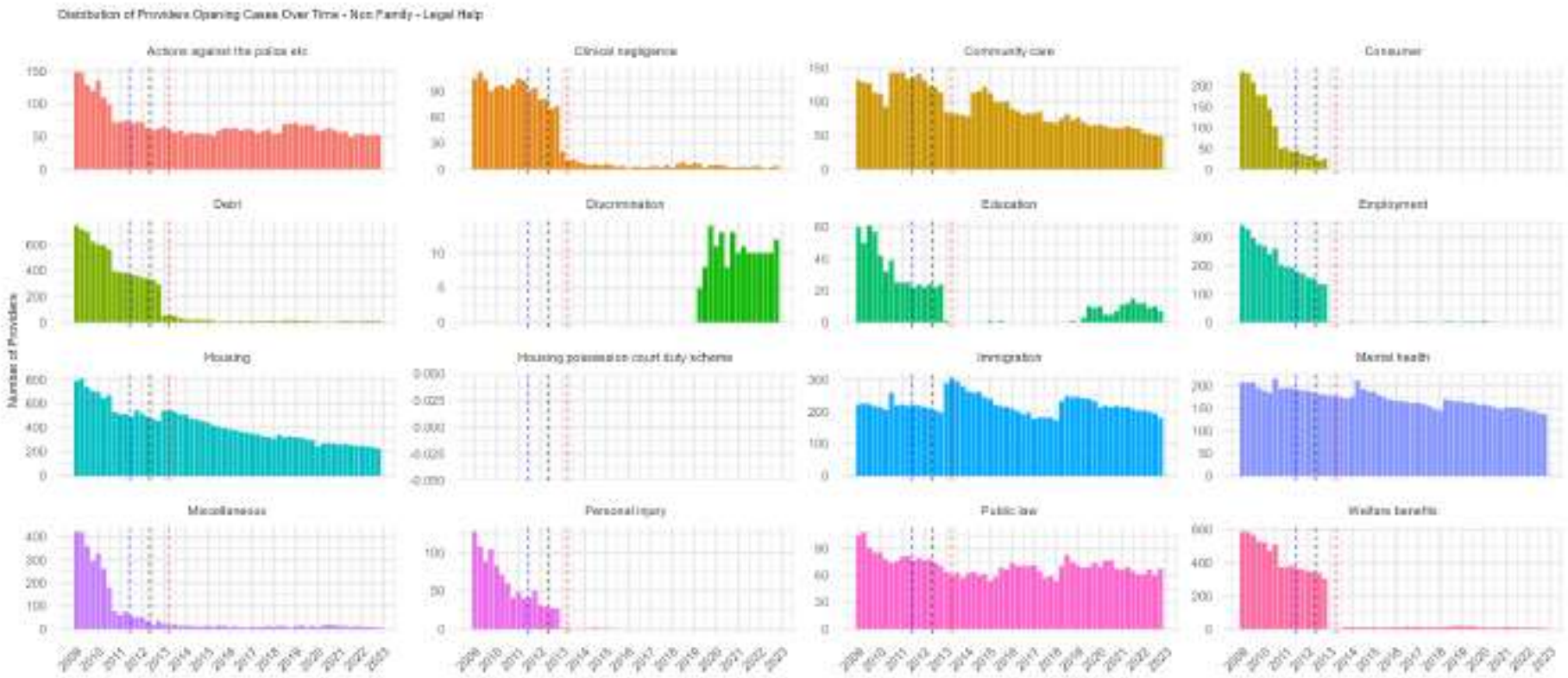
Number of providers - Non Family - Legal Help



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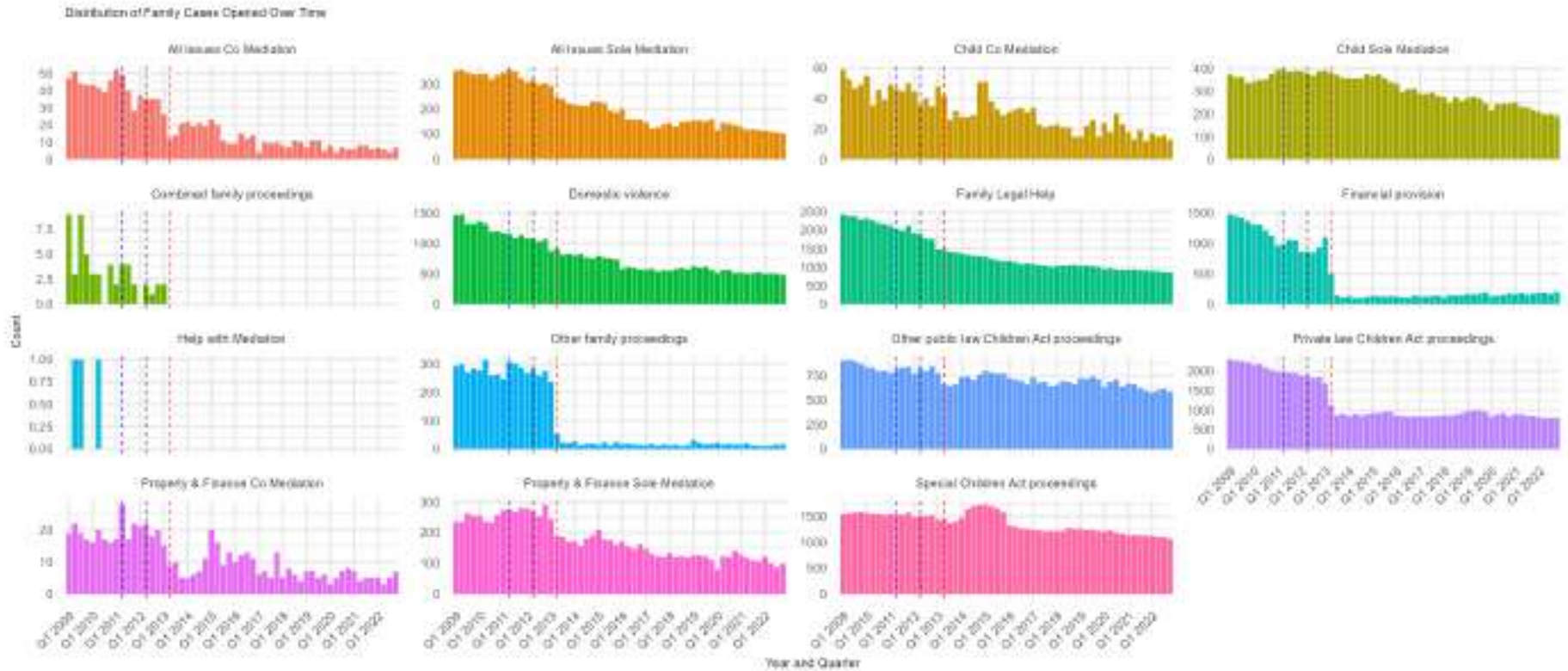
Number of cases open - Family



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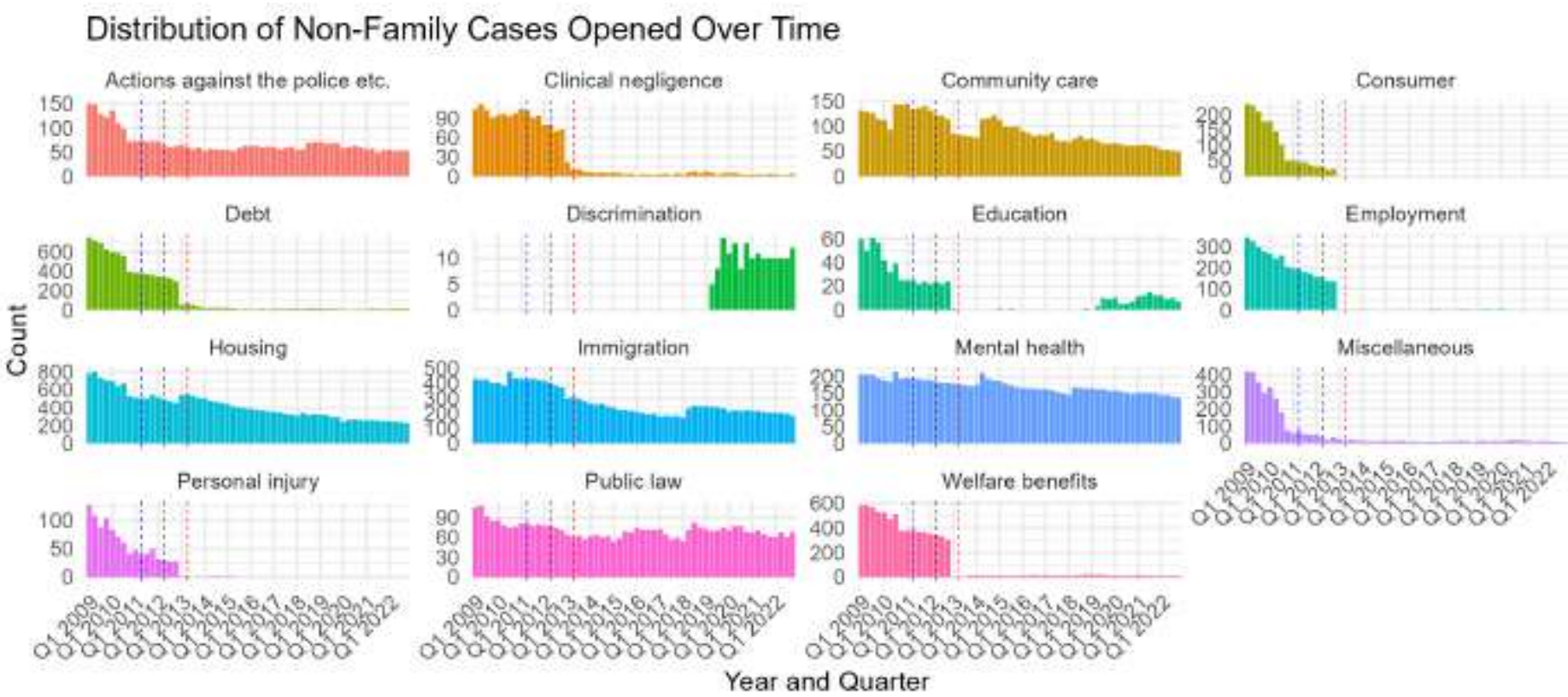
Number of cases open - Non Family - Legal Help



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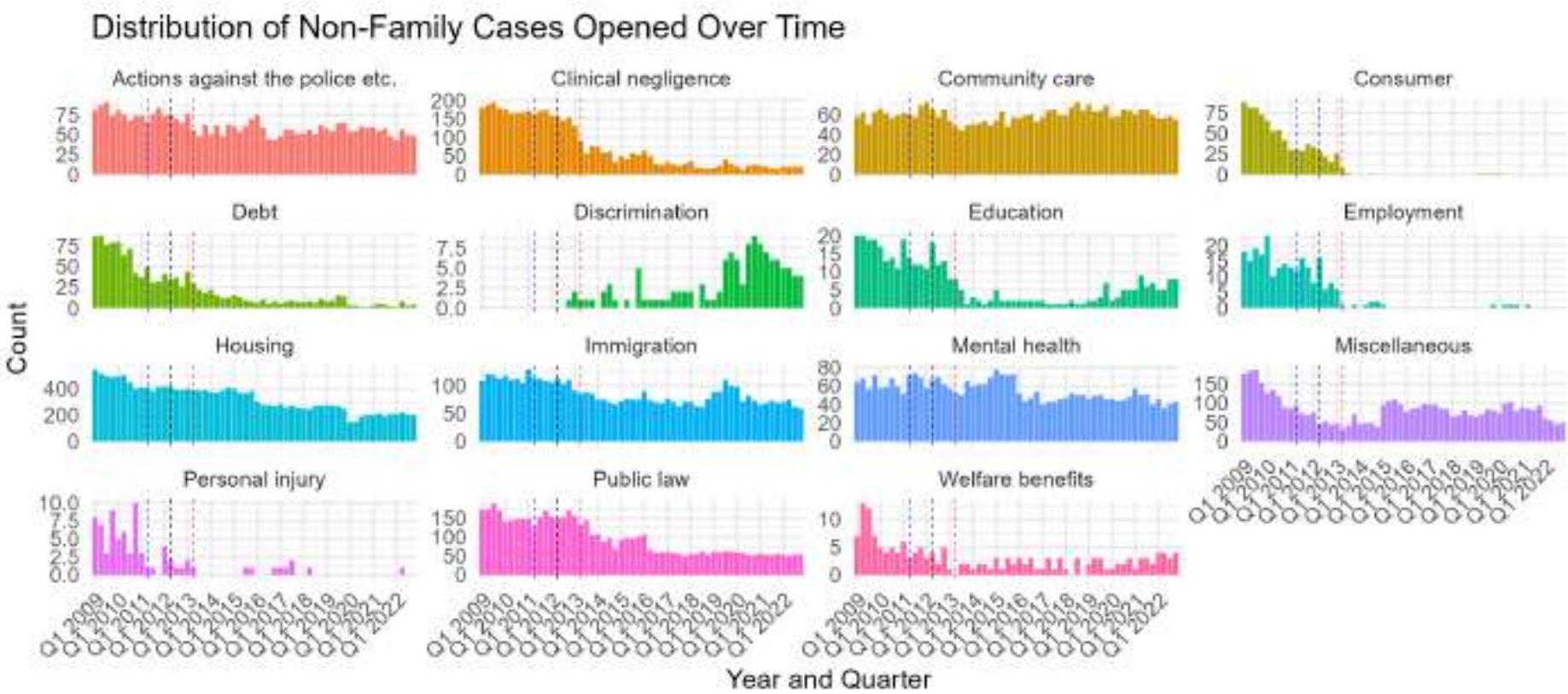
Number of cases open - Non Family - Civil Representation



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Diversification of Portfolio - Aggregate View

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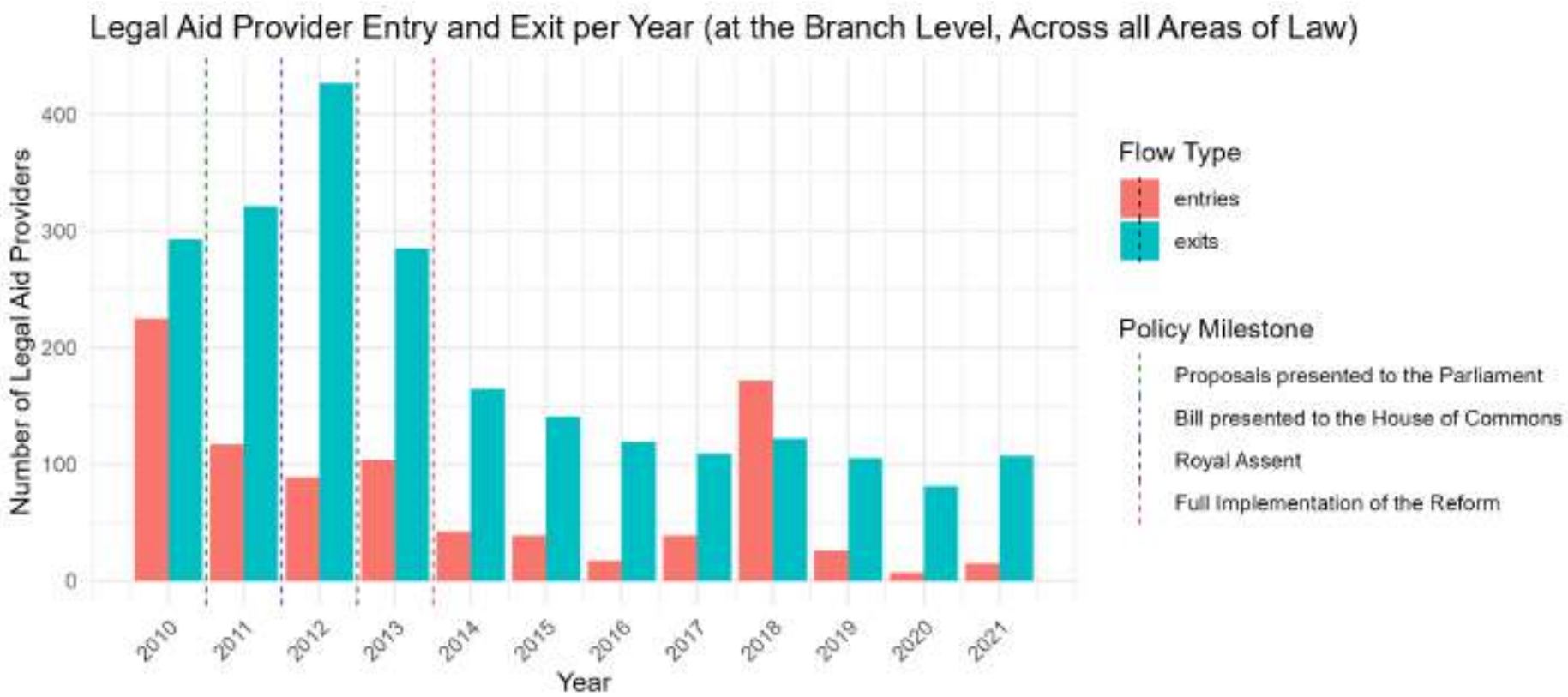
Flows of Entry/Exit - Market Restructuring View (Branch level)



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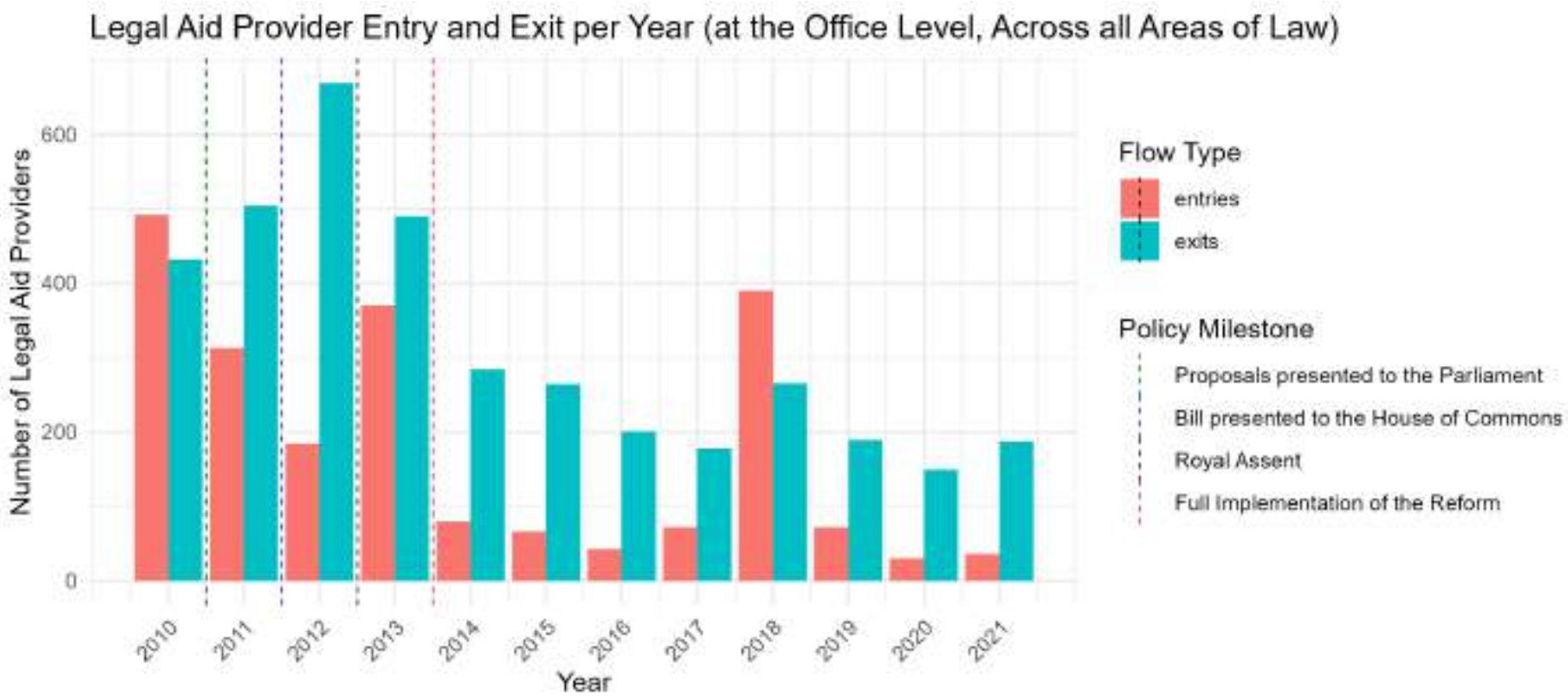
Flows of Entry/Exit - Market Restructuring View (Office level)



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IV Challenges

- Does not distinguish between **providers responses**:
  - Who exit / enter / stay in the market (*extensive* margin)
    Market restructuring
  - Who expand / shrink (*intensive* margin) Aggregate view

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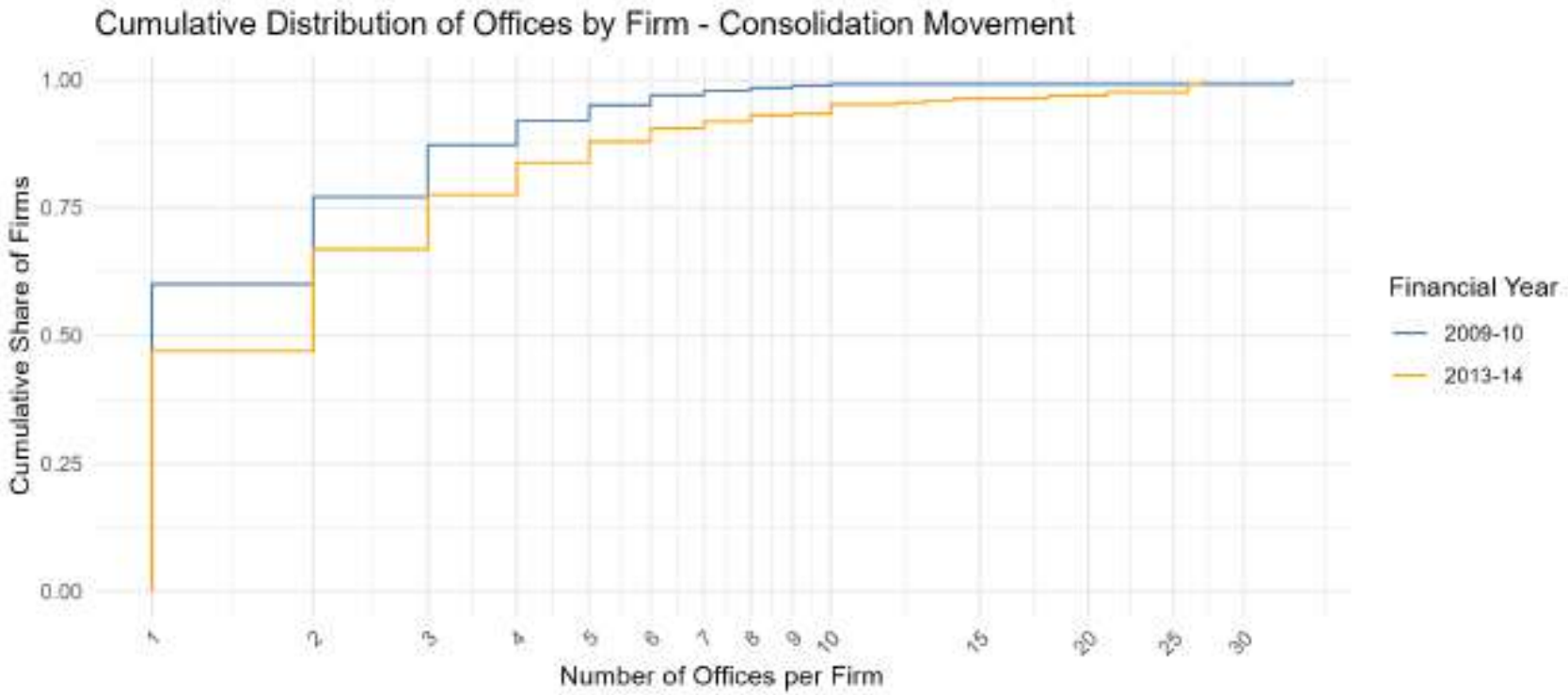
IV Challenges

- Does not distinguish between **providers responses**:
  - Who exit / enter / stay in the market (*extensive* margin) Market restructuring
  - Who expand / shrink (*intensive* margin) Aggregate view
- Does not account for **negative** change -> violation of IV monotonicity
- **Solution?** Model different type of providers responses
  - **Exit** the market: stop taking new cases
  - **Shift** their portfolio: diversify across cases types [Generalists] vs. focus on a niche [Specialists]

Movement towards Firms Consolidation



Movement towards Firms Specialization

Supply-Shock: Modeling Providers' Response

Provider Response

$$P(y_j = k) = \frac{exp(\beta_k \cdot X_j)}{\sum_m exp(\beta_m \cdot X_{j,k})}$$

- y_j: response of the provider j to the reform
- $k's$: potential responses [Exit, *Portfolio Expansion [not modeled]*, Portfolio Reduction and No Portfolio Change (reference)]
- X_j: Characteristics of the provider: **type** (not-for-profit v. solicitor), **size** (single-office v. multi-branch), **specialization** (nb of areas of law), **baseline** & **expected losses** in volume and funding

Expected Change in Volume/Funding

$$\Delta Q_j = \sum_n \text{Baseline Share}_{n,j} \cdot \text{Shock [Volume \& Funding]}_n$$

Include Probability of Response into IV

$$Access_{i,t} = \alpha + \gamma \sum_{p} [\underbrace{P(Exit_p)}_{\text{Exit vs. Stay}} \cdot \underbrace{P(Diversify_p)}_{\text{Shrink vs. Expand}} \cdot$$

$$\underbrace{(\Delta Q_p)}_{\text{Change in Capacity}}] \cdot \underbrace{D^{\theta}_{i,p,t_0}}_{\text{Distance}} \cdot \underbrace{E^{\beta}_{i,t_0}}_{\text{Size of market}} + \epsilon_j$$

Include Probability of Response into IV

$$\Delta Access_{i,a,t} = \alpha + \gamma \sum_{f,o} [\underbrace{P(Exit_f)}_{\text{Exit vs. Stay at Firm Level}} +$$

$$(1 - P(Exit_f)) \cdot \underbrace{P(Specialize_{f,a})}_{\text{Shrink vs. Expand in Area a at Firm Level}} \cdot$$

$$\underbrace{P(Exit_{f,o,a})}_{\text{Exit vs. Stay at Office level}} \cdot PredictedLoss_{o,a}] \cdot$$

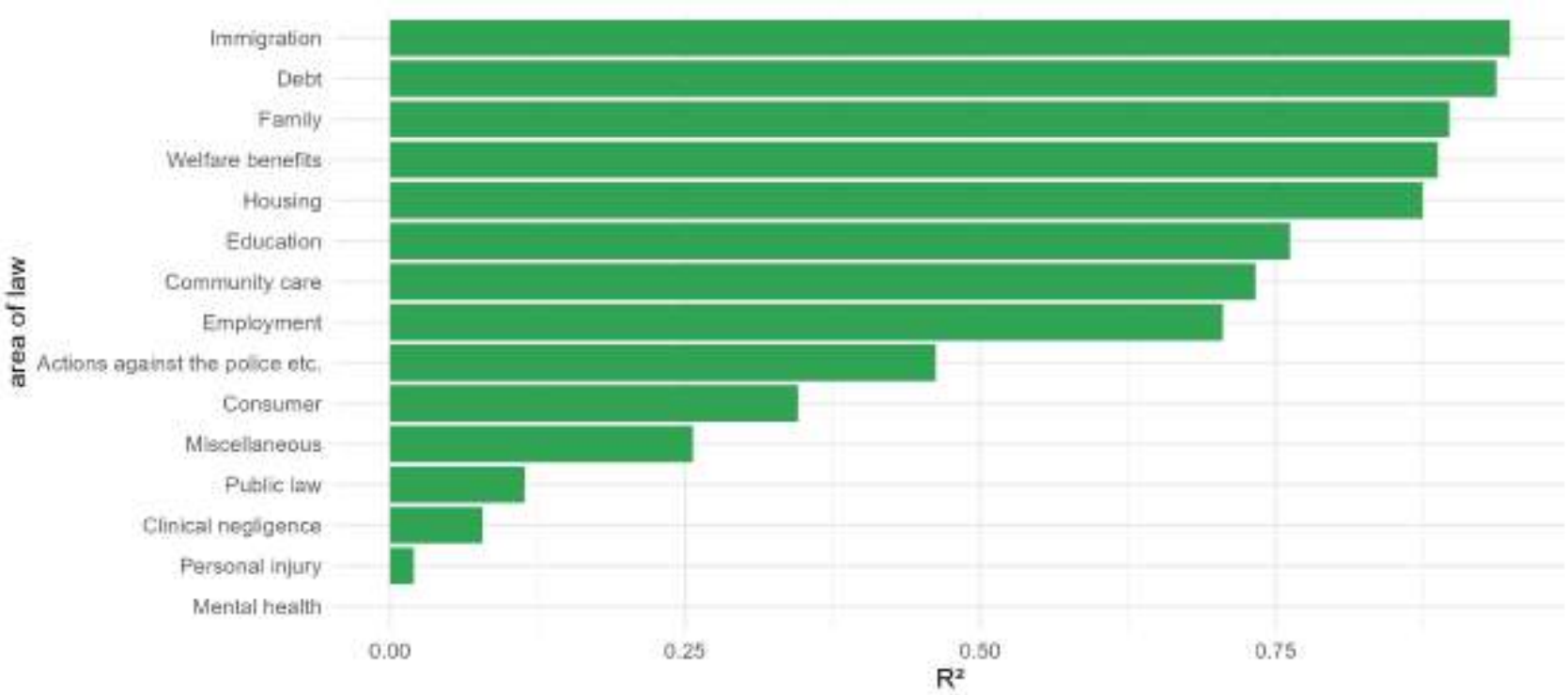
$$\underbrace{\underbrace{(Cases_{f,o,a,t_0})}_{\text{Workload pre-reform}} \cdot \underbrace{D^{\theta}_{i,f.o,t_0}}_{\text{Distance}} \cdot \underbrace{E^{\beta}_{i,f,o,t_0}}_{\text{Size of market}}}_{\text{Gravity Shares}} + \epsilon_j$$

Equilibrium-Shock: Modeling Demand and Supply of Legal Assistance

$$\text{Demand}_{i,k} = P(\text{problem}_k \mid \underbrace{X_{i,k}}_{\text{Legal needs}}) \times P(\text{eligib} \mid X_i) \times \text{Utility}(Q(Y_j)) - \text{Cost}(F(\text{Distance}_{i,j}))$$

$$\text{Supply}_j = \sum_k (Fee_{k,\text{legal aid}} Q_{k,\text{legal aid}} + Fee_{k,\text{private}} Q_{k,\text{private}}) - \text{Cost}_j(F(Q_j, Y_j))$$

First stage IV: Instrument Relevance



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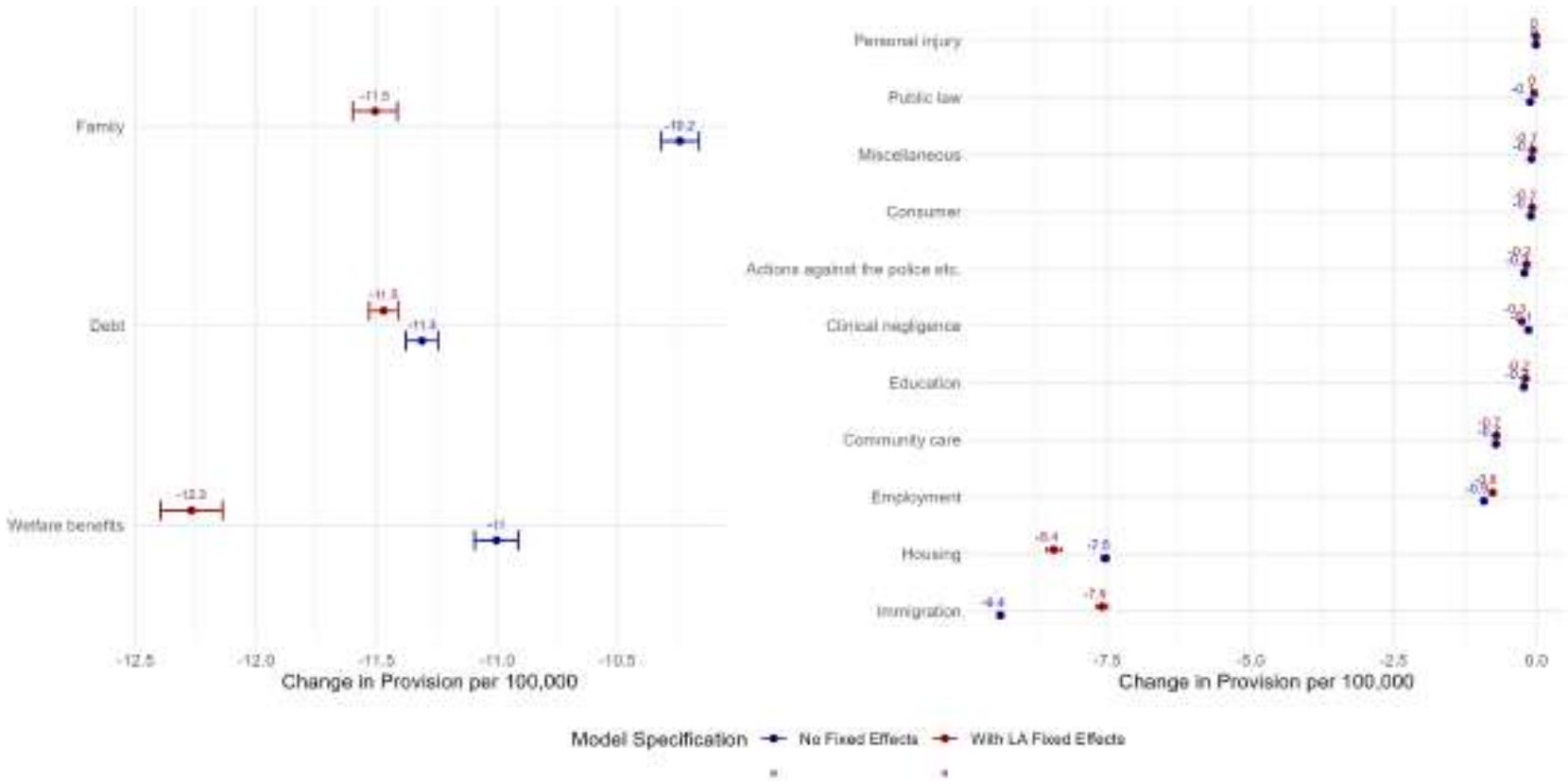
First stage IV: Change in Provision



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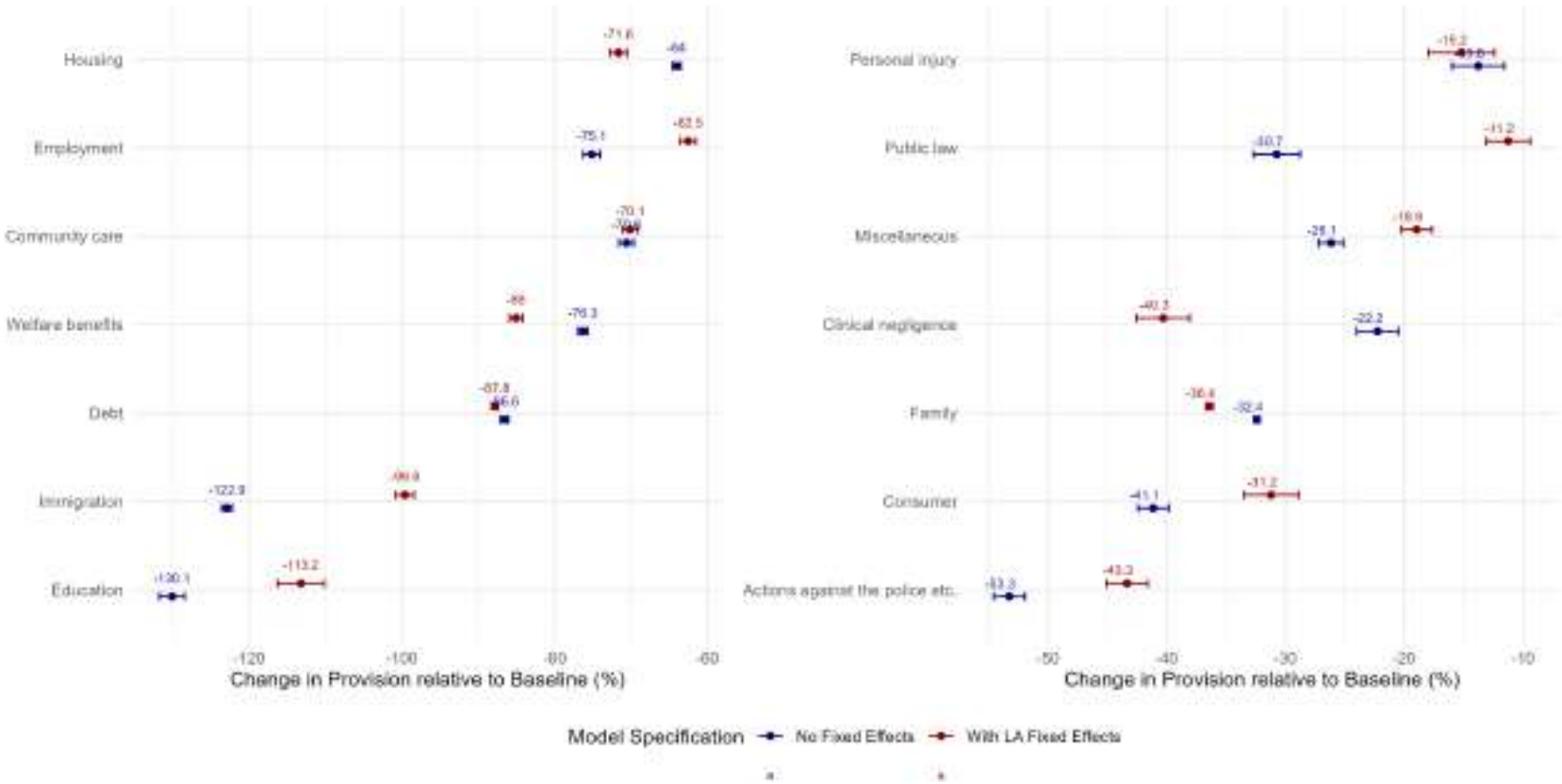
First stage IV: Change in Provision (% change)



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