Resilience and involvement: the role of the EU's Structural and Investment Funds in addressing youth unemployment

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9 Resilience and involvement

The role of the EU’s Structural and Investment Funds in addressing youth unemployment

Elizabeth Sanderson, Peter Wells and Ian Wilson

Introduction

This chapter explores the role of the EU’s Structural and Investment Funds (ESIF) in addressing youth unemployment. Successive European Council conclusions have stated the need for concerted action between the EU institutions and member states to address youth unemployment (Council of the European Union 2011, 2014a; European Commission 2013, 2014). While such calls are welcome, concern has been voiced that the proposals do not go far enough, either in the resources to be deployed or in recognising the scale of structural reforms to labour markets that may be required (Eichhorst et al., 2013; Lahusen et al., 2013).

This chapter looks beyond the now well-established repertoire of ESIF interventions, set out in the European Commission’s call for action on youth unemployment (European Commission, 2013) and its memo on how the EU Social Fund (ESF) can support the Youth Guarantee (European Commission, 2014). The call for action recommends the front-loading of actions to address youth unemployment (including the Youth Employment Initiative) as well as longer-term structural reforms, notably around VET (Vocational Education and Training) and practices to encourage hiring by SMEs.

In response to the EU policy positions for the use of the ESIF, this chapter considers evidence on two possible areas for intervention: the involvement of young people in the design and delivery of programmes, and the development of young people’s personal resilience as a determinant of successful labour market outcomes. The focus throughout the chapter is on young people furthest from the labour market.

This chapter presents interim findings from a large-scale evaluation of a €130 million seven-year programme (called Talent Match) in England, which is being funded by the UK’s Big Lottery Fund (the main distributor of lottery funding in the UK). The programme runs from 2013 to 2020, and differs from approaches seen in many Structural Funds and national programmes in that it is administered and delivered by civil society organisations working as part of youth-led partnerships (with ‘youth’ defined as those aged 18–24). The programme and its evaluation are at an early stage.
The chapter is structured as follows. First, it considers the challenge of youth unemployment, drawing out evidence to highlight the complexity and severity of the challenge. Second, brief details about the Talent Match programme and its evaluation are outlined. Third, evidence on youth involvement and resilience are considered. A discussion then draws out the implications of the evidence for the ESIF.

**The challenge of youth unemployment**

With the so-called ‘Great Recession’, which began in 2008, there was a sharp rise in unemployment across the EU. This increase in unemployment was unevenly distributed both spatially (at both member state and sub-national levels) and by sub-group.

The number of young people (aged 15–24) in the EU28 who were unemployed rose to 5.6 million in 2012 (Eurostat, 2014). Youth unemployment is also concentrated in those areas with a high general level of unemployment. The youth unemployment rate exceeded 50 per cent in 24 NUTS2 regions in 2012, double the number of regions than in 2011. These regions were located in Spain, Greece, France (and its overseas territories) and Italy. There were 111 regions across the EU that had a youth unemployment rate of 25 per cent or more, and thus were eligible for funding under the Youth Employment Initiative. However, there were also regions with relatively low youth unemployment rates. These were predominantly in Germany, Austria and the Netherlands.

Youth unemployment increased more rapidly from 2008 than the overall level of unemployment. In countries such as the UK, it peaked in 2011, albeit at a lower rate than in the recessions of the 1980s and 1990s. It is important to note that since those previous recessions, the proportion of young people in the labour force has fallen, with rising participation in higher education.

The rise in youth unemployment in the ‘Great Recession’ was experienced across the EU and remains much worse in southern Europe, such that Simmons and Thompson (2013: 1) suggest that: ‘Unemployment amongst young people is now at levels without modern historical precedent’. Moreover, focusing solely on unemployment statistics provides only a partial perspective on the position of young people vis-à-vis employment. Furthermore, there are concerns about the position of young people in employment across the EU. First, there are higher levels of under-employment among those young people in relatively stable employment (including those with higher-level qualifications). Second, a ‘low-pay, no-pay’ cycle persists for those young people who are moving in and out of unstable employment (often with low or no qualifications) (Shildrick et al., 2012).

There were signs that the relative position of young people in the labour market was deteriorating before the ‘Great Recession’ (Gordon, 1999), suggesting that high levels of youth unemployment are not solely a consequence of recession, albeit they were exacerbated by it. Rather, the root cause goes beyond the state of the economy to underlying structural issues in the youth labour market (Breen, 2005; Cinalli and Giagni, 2013; House of Lords European Union Committee, 2014; Moffat and Roth, 2014).
Structural changes in European labour markets provide some explanations for why young people are faring relatively badly in the labour market. For the UK, 'the sorts of jobs that young people, particularly non-graduates, used to go into are declining. Those that are left are increasingly contested by older and more experienced workers’ (UKCES, 2014: 8). Cinalli and Giugni (2013) argue there are at least three youth unemployment ‘regimes’ in Europe: a conservative regime (in particular countries such as the UK), a Mediterranean regime and a social democratic regime. And so for the UK and other ‘conservative regime’ countries, the structure of employment is changing to take on the shape of a so-called ‘hourglass economy’.

Evidence suggests that in recent years a number of factors, including an increase in the number of small businesses with limited resources, have resulted in a move towards the expectation that people should be ‘work-ready’ rather than trained ‘on the job’ (House of Lords European Union Committee, 2014). This disadvantages young people. The UK Employer Skills Survey 2013 shows that while the majority of employers find young recruits well prepared for the world of work, a significant minority do not. The main reasons for dissatisfaction do not relate to literacy or numeracy skills, but rather to a lack of experience and poor attitude (UKCES, 2014). This suggests that so-called ‘soft skills’ and work experience are becoming especially vital for young people in order to gain first employment as a precursor to sustained employment.

A key focus of this chapter is on young people furthest from the labour market. In broad terms, EU variations in youth unemployment are explained by a range of factors, including economic performance, institutional or regime factors (such as labour market regulation, transition mechanisms from school to work, school quality and qualification quality, and models of VET) (Breen, 2005; Cahuc et al., 2013) and how these together play out in local labour markets (including factors such as transport and social networks) (Green and White, 2007).

A range of psychological factors – including self-efficacy, confidence, motivation and aspirations – are also important in making a successful and sustained transition into employment (or further education and training). For example, in the context of a job search, self-efficacy refers to individuals’ judgements about their abilities to successfully perform search activities, such as looking for and applying for opportunities and performing at interviews, and so on (Green et al., 2011). Research suggests that self-efficacy is a key psychological variable affecting job search behaviour and subsequent employment, albeit personal, behavioural and environmental factors play a moderating role. As Brandt and Hank (2014) find, early life experience, including ill health in childhood, can influence self-efficacy and thus is a predictor of labour market outcomes in later life.

The evidence presented suggests that a holistic approach is required for successful activation policies. There is increasing policy attention given to the empowerment of young people in the design and delivery of programmes (as a response to perceived and actual deficits in the legitimacy of public and private institutions) (Dunne et al., 2014), and to the personal resilience of young people in securing successful labour market outcomes. These factors stem from markedly
different understandings of the policy problem: one focused on problems with institutions and structures; the other with issues of agency and the problematisation of individuals. Whether the attention given to either is warranted as a response to youth unemployment is considered in the following sections.

Talent Match and its evaluation

Talent Match is a strategic programme of the Big Lottery Fund. The Big Lottery Fund is the main distributor of national lottery funding in the UK, with a particular focus on disadvantage and the support of civic society. The £108 million (€130 million) programme runs from 2013 to 2020 with a main delivery phase from 2014 to 2018. It is a multi-annual grant-funded programme targeted at 21 local areas (Local Enterprise Partnerships in England with high concentrations, or hotspots, of long-term youth unemployment). The aim of the programme is to support around 25,000 people aged 18–24, with at least 20 per cent securing sustainable employment.

The programme intends to improve the pathways for those furthest from the labour market. To this end, the investment is designed around an analysis of the causes of these young people’s circumstances, a set of principles or issues it wishes interventions in each of the areas to address, and a set of features that each intervention should embody.

Three aspects of the programme set it apart from other mainstream provision in the UK:

1. Young people are actively involved in the design of partnership strategies and the delivery of projects.
2. There is a strong emphasis on a youth work perspective to deliver the programme, rather than a more traditional work-first or employment focus. It is here where the greater attention to intrinsic factors is considered.
3. Partnerships are coordinated by civil society organisations, including a mix of lead organisations. Some are local organisations while others are major national charities.

The first two aspects are considered in more detail in this chapter.

The evaluation of Talent Match involves a range of methods to make a full economic assessment of the impact of the programme. It includes the collection of longitudinal data on beneficiaries as well as comparator work. These methods are supported by qualitative research (with local partnerships and beneficiaries) and analysis of secondary data (particularly at the local level but also benchmarking to UK surveys). The evaluation does not include randomised control trials, in part due to the heterogeneity of the interventions and for ethical reasons. For the purposes of this chapter, the evaluation evidence presented is intended to provide initial insights into the programme, rather than a full economic assessment.
The involvement of young people

The involvement of young people in the decision-making processes related to service design and delivery can take various forms, and it is important to note that different levels and forms of participation are valid for different groups of young people and for different purposes. Honesty and clarity about the extent of, and limits to, young people’s involvement has been found in the literature to be as important, if not more so, than the level of involvement (see, for example, Carnegie UK Trust, 2008). Nonetheless, since the mid-2000s, there has been a growing emphasis on the involvement of service users in the service provision, variously termed co-design, co-production and co-delivery (Bovaird, 2007).

Evidence shows that young people can become involved in service design at both a strategic and an operational level. For example, they may take a strategic role in planning new service developments, in developing organisational policies or in evaluating existing services. Or they may have a more operational focus in, for example, designing services and developing resources including videos and leaflets, or they may be involved in the delivery of the services themselves or in training others to deliver them (Kirby et al., 2003). There is a large body of literature on methods used to engage young people (see, for example, Thomas and O’Kane, 2000; Sinclair, 2004; Halsey et al., 2006), with the appropriateness and the characteristics of the young people involved.

These trends have led to various attempts to develop a theory of youth participation and conceptualise different types of participation. Evidence from the application of Hart’s ladder of participation (Hart, 1992) or modifications thereof show that it is often difficult to distinguish at the operational level which precise ‘rung’ activities are on and that the main benefits of the model are in prompting organisations to think critically about how they involve young people and in identifying and avoiding ‘non-participation’ (Treseder, 1997; Bovaird, 2007). In practice, it is more beneficial to divide the types of involvement of young people in decision-making processes related to service provision into three groups:

1. processes in which young people are consulted, but professional staff make decisions;
2. processes of co-production, in which young people and professional staff work together; and
3. processes that are wholly, or mostly, led by young people with professional staff providing support.

Co-production in decision-making – in which service users and professional staff work together, with both groups having substantial input and approximately equal power in the decision-making process – has become increasingly
common (Bovaird, 2007). However, evidence of this type of work between young people beyond school age and professional staff remains relatively rare. Evidence suggests that the most common methods used for co-production in decision-making are group discussions, forums, councils and conferences – in other words, methods that bring together young people and service providers face-to-face to promote in-depth discussion and learning (Kirby et al., 2003; Bovaird, 2007).

Placing young people at the heart of Talent Match is its defining characteristic for most people involved in the programme (Wells and Powell, 2014). It represents an ambitious and innovative approach with very few examples of similar approaches in past employment interventions for the 18–24 age group. The extent of partnerships’ previous experience of involving young people in co-design varies greatly. For some, it is a new experience involving a steep learning curve and a great deal of testing and learning, while for others, the key issue is adapting already existing ways of working to the specific challenges of Talent Match.

The following are the main findings from the Talent Match programme with regard to partnership experiences of involving young people, and focus in particular on a phase of the programme concerned with the design of partnership strategies and interventions:

- The involvement of young people was not ‘all or nothing’. Identifying areas where young people’s involvement was crucial was important, but so too was identifying those areas where their involvement was less beneficial, or where there was less interest. The form of involvement had to be determined by young people in conjunction with partnerships, and it had to be recognised that this would take different forms.
- Moving beyond simply consulting young people to facilitating young people’s leadership was found to be challenging. This recognised that many of those involved had faced considerable barriers and challenges (for example, mental health issues such as anxiety and learning difficulties which feed into a lack of confidence in formal settings). However, it was also noted that Talent Match represented something of a ‘different approach’ due to its youth-led approach and that this was implemented by civil society organisations.
- ‘Buy-in from young people and organisations’ was found to be a key issue. It required clear communication of the rationale for involving young people and the benefits of doing so. This again was reflected in the youth-led approach, and this approach was embedded in the organisations delivering the programme.
- Co-development and co-production can be significantly hindered by both a lack of resources and a lack of ownership among those engaged. Successful engagement with young people took a great deal of time and effort. This involved considerable ‘up-front’ costs for the programme.
- Some young people – including those with disabilities, issues with confidence and previously poor relationships with authority figures – required additional
support if they were to be effectively engaged, but engagement with these groups was particularly important for Talent Match, given its focus on those furthest from the labour market.

- Participation in formal decision-making processes was a new experience for the majority of young people. Various initiatives can make this less daunting. These include providing dedicated time and space for young people to contribute, ensuring that there are enough young people involved that they do not feel outnumbered, and paying attention to the language and methods used in presenting information.

- The establishment of youth boards and groups tasked with particular responsibilities was found both to encourage engagement in a broad sense and to develop the personal, social and work-related skills of the young people involved. However, in terms of the total target number of young people to be supported by the programme, those involved actively in forums such as decision-making groups was relatively small.

Approaches to involving young people are evolving and will continue to evolve as Talent Match proceeds. However, it is worth summarising some of the key challenges that are likely to persist in Talent Match and other similar programmes:

- The proportions of those directly involved are small compared to the total number of beneficiaries.
- Involvement is resource-intensive, far more so than the norm for labour market programmes.
- The group engaged is not homogeneous, which raises questions as to the extent to which it is representative of a wider population.
- Involvement needs to be continually refreshed to address attrition as young people move on or out of their current situations and may cease to be involved.

**Intrinsic factors: the role of ‘grit’ and resilience**

EU funds have traditionally focused on extrinsic factors such as qualifications and experience in their attempts to tackle youth unemployment. There is however a growing consensus that intrinsic factors are also fundamental in determining positive employment outcomes for young people. The Young Foundation (McNeil et al., 2012) points to a growing evidence base linking social and emotional capabilities, such as determination, self-control, persistence and self-motivation, to positive outcomes for young people. Studies have linked intrinsic capabilities such as ‘grit’ and resilience to successful life outcomes. Research has shown that possessing grit, defined as perseverance and passion for long-term goals, can be linked to successful outcomes including educational attainment (Duckworth et al., 2007), while resilience has also been identified as a factor in determining positive outcomes. Benard (2004) points to ‘personal resilience strengths’ and their association with healthy development and life success.
This growing evidence base suggests that there may be a need to extend the focus of EU funds to a more explicit consideration of intrinsic factors. The traditional focus has been on ‘harder’ extrinsic factors, which are generally easier to measure and quantify. While intrinsic measures are less straightforward to capture, this should not prevent them from being considered. Intrinsic and extrinsic outcomes are invariably linked. For example, providers may value a programme in terms of numbers of young people gaining employment through it, but this approach fails to acknowledge that some extrinsic employment outcomes may not have been achieved without developing a young person’s social and emotional capabilities first.

Talent Match genuinely aims to develop interventions that are holistic and person-centred and take a long-term approach. Accordingly, the programme evaluation appreciates that intrinsic factors need to be captured as well as conventional hard outcomes such as numbers entering employment, training or formal education. If a young person has not yet gained employment but their social and emotional capabilities have developed, they may be closer to achieving employment than previously, while also improving their life in other ways.

The Talent Match evaluation uses an extensive monitoring system designed to collect standard monitoring data from all partnerships on all beneficiaries. This Common Data Framework allows monitoring of:

- who has participated in Talent Match;
- what they have done;
- what difference it has made to them; and
- what impact it has made on their labour market outcomes.

A number of questions explore intrinsic factors, with established psychological ‘well-being’ measures a key component. At each stage of data collection, young people are asked four subjective questions regarding their well-being:

1. Overall, how satisfied are you with your life nowadays?
2. Overall, to what extent do you feel the things you do in your life are worthwhile?
3. Overall, how happy did you feel yesterday?
4. Overall, how anxious did you feel yesterday?

These questions are taken from the UK’s Office for National Statistics’ (ONS) Annual Population Survey and have been designed to provide an alternative fuller picture of society beyond the usual socio-economic measures.

Figure 9.1 shows data collected at three time points: when an individual enters the Talent Match programme (the baseline), at three months and at six months. By way of comparison, data are also shown for individuals who only complete the baseline (‘baseline only’) and for a similarly aged group from the wider population (16–24-year-olds). The positive findings are that those individuals participating in the programme for at least six months report on average that their well-being has improved.
Figure 9.2 shows how individual well-being scores have changed for those progressing through the programme for at least six months. Sizeable proportions across all four measures reported a higher score at the initial follow-up stage with notable proportions also reporting a positive change at the six-month stage. However, almost one-third (31 per cent) actually reported a more negative score for how anxious they felt yesterday at the three-month stage and almost the same proportion again gave a negative score at the six-month stage. Although the anxiety measure showed the worst results for the proportions reporting negative changes, there were nonetheless significant negative changes against the other measures too. These results suggest that while the interventions have tended to yield positive interim outcomes in terms of reported well-being, there is some evidence that well-being for many within the study group is far more fragile than expected. Indeed, engagement in the programme may surface an individual’s previously hidden vulnerability.

We should qualify the significance of these data. They are intended to reveal a possible issue rather than to explore the extent to which the Talent Match programme affects these well-being measures. This will come later through analysis of matched comparator groups.

These and other data highlight the low levels and fragility of well-being among unemployed young people and may suggest shortcomings in current support provided to disadvantaged young people. This chimes with cohort
studies such as that of Brandt and Hank (2014), who confirm the existence of scarring effects, and how their causes may lie in childhood and not simply early adulthood. This raises questions for the role that EU funds play in complementing what have traditionally been member state responsibilities, ostensibly through primary and secondary education systems. The objective appears to be the ability to address both extrinsic and intrinsic factors as young people progress, something that should perhaps be considered in the allocation of future EU funds.

Discussion and conclusion: implications for the EU

Structural and Investment Funds

While the interim findings presented here are from a particular labour market context (the UK), they may also be of relevance to countries with similar ‘conservative’ welfare regimes, though not to Mediterranean welfare regimes with very high levels of youth unemployment.

Involvement and resilience are concerned a priori with two very different understandings of youth unemployment. Youth involvement is situated very much within a structural and political critique of labour markets, and associated in particular with the view that voice in all market and social activity is fundamental to an inclusive society. Conversely, personal resilience is concerned with individual agency, either as a necessary part of progression in the labour market, or as a possible critique of youth unemployment in which young people are blamed or stigmatised for being unemployed.
Involvement and resilience activities may be eligible for support under the ESF (European Commission, 2014) – for instance, as part of outreach and capacity-building activities or activation schemes that involve individual action planning.

The findings from Talent Match suggest that youth involvement is very much seen as a capacity-building activity. The evaluation found that the involvement of young people did increase the legitimacy of programmes among both beneficiaries and funders. However, it was not without challenges, such as the retention of young people once programmes moved to delivery, the fact that young people could reflect but not represent the views of a wider population of young people, and the need for young people to receive support to be involved.

The findings suggested that effective involvement increased the legitimacy of programmes, especially for those involved in partnership working. This was through the development of their skills, experience, and social and professional networks.

At this stage of the Talent Match programme, we have not sought to relate specific interventions to the development of personal resilience and self-efficacy. The numbers supported by the programme are too small to do this at present.

What we have explored for a small set of measures is how resilience develops through the initial engagement in the programme. In part, the findings are positive. The support for young people seems to have been reflected in some overall positive improvements in terms of general well-being. However, it should be stressed that overall levels of well-being on initial engagement in the programme are (worryingly) low compared to the general population. This is perhaps not a surprise, but does provide some insight into the extent of the challenges that labour market programmes face in addressing youth unemployment among the hardest to reach.

The findings also raise concerns that the well-being of around a third of those engaged in the programme worsened in the six months after initial engagement. This may be because the intervention in effect surfaces or reveals what were hidden or latent issues facing a young person. What we cannot yet know is how well-being changes as the young person continues on the programme, enters the labour market or remains outside the labour market.

It is here that there is some convergence between youth involvement, personal resilience and the role that youth work may play in job activation (Council of the European Union, 2014b; Dunne et al., 2014). The relationships between job activation, access to rights and personal self-efficacy are complex and probably lie outside traditional linear models of work-first type programmes.

References

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