

EVIDENCE FOR SOCIAL INCLUSION IN EUROPE

A Summary of Existing Research and Priority Research Questions



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OVERVIEW

Poverty, severe material deprivation, and difficulty in accessing regular work remain challenges across Europe. In 2016, close to 87 million people across the EU were at risk of poverty, *after* accounting for social transfers (Eurostat 2019). Poverty is a key component of social exclusion, but the concept extends further to include those excluded from full economic or social participation in society arising from poverty, limited educational opportunities, or discrimination. A particular challenge in addressing social exclusion is that it is often transmitted through families from one generation to the next, perpetuating a cycle of disadvantage.

J-PAL is launching the European Social Inclusion Initiative on the understanding that better policies to promote social inclusion in Europe will require an evidence base for understanding what makes these policies effective. Rigorous impact evaluations are needed in order to ensure that public and private resources are spent on interventions that appear to be effective. Evaluations can also be used to develop and test new approaches to solving such structural problems in Europe, and to transfer and adapt programs that have been successful in other parts of the world. We identify three different important levers for promoting social inclusion: education, employment, and migrant integration programs.

This summary highlights the key insights from a review paper that draws on evidence and suggestive analysis presented in over 140 published studies evaluating the effectiveness of programs across these three areas. Where possible, the review focuses on randomized evaluations (also known as randomized controlled trials). These are generally considered the strongest research design for quantitatively estimating the average causal effects of an intervention. Where such rigorous experimental evidence does not yet exist, the review also draws on quasi-experimental studies that include a well-identified comparison group. The review gives primary consideration to studies produced in EU countries, but also draws on evidence from non-European OECD countries, particularly the United States.

KEY INSIGHTS

While the range of rigorous evidence produced on promoting social inclusion remains narrow, our review identifies the following emerging lessons, which provide some insight for guiding the design of policies in this area. Our review also highlights priority gaps in the evidence base, where new research is required to better understand the mechanisms behind promoting social inclusion.

KEY INSIGHT I. LESSONS FOR EDUCATION

Education provides vital preparation for better employment opportunities and may potentially promote inclusion in other important ways, in particular if exposure to peer groups provides models for success and attainment. More research is needed to understand the mechanisms by which improving children's educational attainment might help break the cycle of social exclusion that can affect disadvantaged families.

- **Early investments in children's education (such as through increased access to daycare) and their environment can have long-term positive effects on educational outcomes.** Early childhood investments (such as expanding access to quality pre-school programs) can improve cognitive skills and education attainment in the long term; some studies have even shown better employment outcomes and lower crime rates among children exposed to better pre-school engagement. Making childcare more affordable for poorer families *may* improve educational outcomes, but ensuring the quality of this care is important, and more research is needed to understand the tradeoffs between supporting parents to gain more income by working outside the home and spending time directly with their children.
- **Involving parents from poorer families in their children's education can reduce dropout rates and improve achievement.** Involving parents from disadvantaged backgrounds in setting academic goals for their children and in other schooling decisions is an effective measure to reduce dropouts and grade repetition and improve achievement.
- **Incentives provided to families and children can help improve attendance and performance for low-income youth, but the structure of these incentives matters.** Conditional cash transfers tied to school attendance have been shown to reduce dropout rates and increase attendance. However, these increases in schooling do not always translate into better achievement. Achievement awards such as merit scholarships for students can drive improvements in academic performance and raise enrollment, attendance, and completion of degree programs. However, these rewards may produce divergent effects in high- and low-performing students, increasing motivation among the former at the same time that they harm motivation among the latter.
- **Feedback on academic performance for secondary students can improve performance.** Studies have shown that providing secondary students feedback on their grades appears to drive improvements in academic performance.
- **Providing information on post-secondary options can play a role in keeping children in education.** Perseverance (remaining in school) plays a key role in educational achievement, but more research is needed to understand what factors keep children in school. Studies show that providing secondary students with information about college entry can also increase their access to college.
- **Disadvantaged students can benefit from small class sizes and targeted programs.** Smaller class sizes lead to improvements in academic performance, and this appears to be particularly true for lower-performing students. General programs supporting school readiness prove to be most beneficial when targeted directly at disadvantaged students. Remediation programs can help low-performing students catch up with peers in the most important subjects, such as math and reading. However, these programs are only effective for closing gaps rather than producing high-performers.
- **Students' classroom peers impact their educational achievement as well as their likelihood to engage in crime.** Exposure in school to delinquent peers can worsen students' educational outcomes, and segregating disadvantaged youth into certain schools in the US has been shown to foster criminal association by youth. One US study has also shown that obtaining lottery-based admission to a first-choice secondary school can lead to decreased criminal activity, suggesting that educational efforts can help change behavior of those at risk of becoming engaged in crime.

SELECTED OPEN RESEARCH QUESTIONS

- What are the impacts of tracking high-ability students from disadvantaged backgrounds into higher-level courses? What kinds of effective preparation do they need?
- What is the optimal policy for ensuring parents from disadvantaged backgrounds have the resources necessary to invest time and attention in their children? What are the tradeoffs for both parents' and children's social inclusion when childcare policies free up time for parents to work more?
- What are the best ways to ensure children from low-income backgrounds remain in school?

SPOTLIGHT: PARENTAL ENGAGEMENT TO IMPROVE CHILDREN'S SCHOOLING IN FRANCE

Parental involvement in a child's education is widely believed to bolster school performance, but parents from disadvantaged backgrounds may be less likely to be involved and have less information about how schooling is structured. Avisati, Gurgand, Guyon, and Maurin (2014) use a randomized evaluation to study whether a program of structured group meetings between parents and school leaders (known as *La Mallette des Parents*) could increase parental involvement and improve student behavior and perseverance in school. They find that parents who participated in the program were significantly more involved at school and at home, and their children behaved better. Encouragingly, the program also had significant positive "spillover" effects on students whose families did not participate.

KEY INSIGHT II. LESSONS FOR PROMOTING YOUTH EMPLOYMENT

European governments invest in a variety of programs designed to increase employment and to facilitate the transition for youth into the labor market, including through vocational schooling, active labor market programs, entrepreneurship training programs, apprenticeships, and subsidized on-the-job training programs. The evidence on the effectiveness of these programs nevertheless remains mixed, and more research is needed to better understand the trade-offs between investing in different forms of skills training for youth.

- **The value of vocational-track secondary education may be limited and the trade-off between investing in vocational education instead of apprenticeships and on-the-job training is not yet clear.** Vocational education appears valuable in the short run for developing specific competencies in a short period of time, but there is suggestive evidence that the value of general education may become greater over time. Meanwhile, there is very little evidence on the effects of apprenticeships on employment and earnings compared with other forms of training, such as classroom-based vocational training.
- **Summer jobs programs appear to have modest impacts on employment and earnings outcomes, but do appear to reduce youth involvement in crime.** Internship and summer jobs programs can produce modest improvements in post-secondary enrollment and employment outcomes, but effects seem to be stronger when these programs are coordinated by the school or college. Summer jobs programs have, however, been shown to reduce involvement in violent crime among disadvantaged youth.
- **In general, jobs skills training programs may require considerable investments to produce effective results.** Evaluations of the Job Corps program in the US show that an intensive and expensive (costs per participant exceed \$16,500) eight-month program of vocational training paired with academic education, counseling, and social skills training for low-income 16-24 year-olds can have large positive and lasting impacts on the labor market outcomes of low-income youth. In contrast, less intensive training programs appear to have had limited or no beneficial impacts.
- **Entrepreneurship training programs have been shown to be of limited effectiveness.** Overall, there is little evidence on the impact of entrepreneurship-training programs for youth in Europe on employment and earnings. While they have been shown to improve business performance in some cases, they have not been shown to trigger increases in business creation overall. Identifying and targeting high-potential youth remains one of the key challenges to generating greater impacts. There is some evidence that entrepreneurial soft skills (such as risk-taking, creativity, and persistence) can be taught at an early age, but further research is needed to assess whether these skills have long-term impacts on business creation and performance.

SELECTED OPEN RESEARCH QUESTIONS

- How can we ensure students in vocational-track education still have the opportunity to pursue third-level education?
- How do apprenticeship schemes compare to vocational training in imparting youth with the relevant skills? What are the relative benefits of both on youth employment outcomes?
- Can mentoring and career counseling programs be better structured to improve students' employment prospects? Are these programs more effective than alternative strategies, such as financial incentives, internship programs, or direct outreach to employers?
- How can job skills training programs attract and effectively equip the most disadvantaged youth?
- What are effective strategies for identifying those most likely to benefit from entrepreneurship training programs?

SPOTLIGHT: TAILORED INTEGRATION PLANS FOR UNEMPLOYED IMMIGRANTS IN FINLAND

In 1999, Finland passed a reform that required public employment offices to offer individualized integration plans for unemployed immigrants who had lived in Finland for under three years. These plans varied but might include language training, skills training, civic engagement courses, vocational training, and more. Sarvimäki and Hämäläinen (2016) use a cut-off in eligibility for the program (based on date of arrival in Finland) to compare outcomes for those who received the individualized plans with those who arrived just before the cut-off date, and find that those who followed the integration plans received 47 percent more in cumulative earnings in the decade that followed and received 13 percent less in social benefits.

KEY INSIGHT III. LESSONS FOR MIGRANT INCLUSION

Policies designed to promote migrant inclusion may include clarifying the path to legal employment and citizenship for migrants, providing targeted employment training, promoting better integration of schools and neighborhoods, and other programs to promote social mobility. Little rigorous evidence has been produced on these subjects so far, particularly in Europe.

- **There is suggestive evidence that providing a clear path to citizenship for migrants and legal work permits promotes individual welfare, better employment outcomes, and reduced involvement in crime.** There is suggestive evidence that providing access to full citizenship or residency permits can improve family planning choices, health and educational attainment for youth, and enhance opportunities for labor market integration. Providing access to legal work permits for migrants further appears to reduce criminal behavior. Some studies have linked this decline to better labor market and education prospects.
- **Schooling and incentives matter for educational outcomes and for social mobility.** Early host-country language acquisition is important for migrant students' educational achievement; bilingual courses for migrant youth have not been shown to create obstacles to social inclusion. Educational policies targeted at migrant children may have the ability to increase their educational attainment and their social mobility. Among them, providing targeted tutoring and counseling sessions to high-achieving migrant students can improve their motivation and academic performance, and impact their educational choices. But other policies have limited effects because they mitigate only one of the many constraints faced by this population.
- **Living in segregated communities can affect migrants' long-term potential for social inclusion.** In Sweden, living in a community of migrants from the same origin can increase the earnings of low-skilled migrants, whereas living in communities with high rates of dependence on welfare can in turn raise individuals' welfare dependence.
- **Similarly, environmental and peer group factors play a role in shaping educational and health outcomes for migrants.** Attending school with high-performing peers can have a substantial influence on migrants' educational performance. Improved access to health services increases usage, prevents health issues, and improves health-related outcomes for migrants while reducing the use of emergency services. Exposure to high-crime environments in early childhood can increase crime convictions as adult.

- **Efforts to improve access to child care for migrant families may help children but not necessarily their parents.** Increasing access to childcare services improves educational outcomes for immigrant children, but does not necessarily improve employment or education outcomes for parents. Childcare transfers and increased parental leave policies may create incentives for mothers to remain out of the labor force rather than raising labor force participation—this is particularly so for migrant parents, perhaps because they have fewer job opportunities.
- **General active labor market policies can be particularly beneficial for migrants, but supplementing these with targeted interventions may also lead to further gains.** General programs to promote employment, such as job-search assistance, training, or subsidized employment, have been shown to be particularly effective for immigrants; in most cases, they generate larger employment and wage gains among immigrants than for native-born jobseekers. These programs may generate additional gains when paired with targeted programs such as tailor-made integration plans or language courses.

SELECTED OPEN RESEARCH QUESTIONS

- Are there effective civic education programs for fostering a sense of increased sense of societal belonging among migrants?
- How can incentives and other forms of support help adults acquire host-country language skills, and what are the long-term effects?
- How can we improve housing conditions and what role might improvements in public transportation and infrastructure play in attenuating the negative impacts of isolated locations or ethnic enclaves on social inclusion?
- What are effective strategies for increasing the take-up of benefits as well as health and childcare services by migrants?

SPOTLIGHT: ALTERNATIVES TO VOCATIONAL TRAINING AMONG IMMIGRANT BOYS IN ITALY

Immigrant boys in Italy are much more likely to enroll in vocational secondary schools than their native-born counterparts, while immigrant girls make similar choices to those born in Italy. Carlana, La Ferrara, and Pinotti (2017) use a randomized evaluation to study the impact of a program providing tutoring and career counseling to high-ability immigrant students. They find that immigrant boys participating in the program were 12 percent more likely to enroll in technical or academic-track schools, and 44 percent less likely to be held back a year in school. They find this impact is likely the result of increased academic motivation among boys participating in the program, and resulting changes in teachers' recommendations.

ABOUT THE EUROPEAN SOCIAL INCLUSION INITIATIVE

The Abdul Latif Jameel Poverty Action Lab (J-PAL) is a network of more than 170 affiliated professors from over fifty universities, whose mission is to reduce poverty by ensuring that policy is informed by scientific evidence. We engage with hundreds of partners around the world to conduct rigorous research, build capacity, share policy lessons, and scale up effective programs. J-PAL Europe is based at the Paris School of Economics.

J-PAL's European Social Inclusion Initiative (ESII) is a multi-year research and policy outreach initiative that aims to generate and share widely applicable lessons about which programs are effective at promoting social inclusion in Europe. To achieve this, ESII will fund randomized evaluations, engage in policy outreach activities and provide training for policymakers and implementers. The focus of an initial phase of research being launched in mid-2019 will be on improving the inclusion and social and economic future of first- and second-generation migrants and refugees in Europe through interventions in education and skills training. For more information, please visit www.povertyactionlab.org/esii.

Featured evaluations:

Arvisati, Francesco, Marc Gurgand, Nina Guyon, and Eric Maurin. 2014. "Getting Parents Involved: A Field Experiment in Deprived Schools." *Review of Economic Studies* 81(1):57-83.

Carlana, Michela, Eliana La Ferrara, and Paolo Pinotti. "Goals and Gaps: Educational Careers of Immigrant Children." CREAM Discussion Paper Series No.1812, January 2018.

Sarvimäki, Matti, and Kari Hämäläinenwill. 2016. "Integrating Immigrants: The Impact of Restructuring Active Labor Market Programs." *Journal of Labor Economics* 34(2):479-508.