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# INCREASE *Valorisation Sociale* EVALUATION REPORT

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## Foreword

The Increase Valorisation Sociale (Increase VS) programme is a significant social innovation programme supported and grant funded by the European Regional Development Fund (ERDF). Southern Housing (previously and referenced in this report as Optivo), has had the privilege of leading this partnership project over the last five years.

This report demonstrates the scale and impact of the programme. The test and learn aspects for those seeking to stimulate, promote and create enterprise opportunities with and for residents in social housing localities. It gives recommendations for policy makers and potential practitioners alike. Of key interest is the learning about co-creating training and skills service offers focused on customer journeys and perspectives using a place-based approach. This includes:

- Better linking and integrating key stages of the customer journey
- Developing links between participants' areas of interest and aspirations, and their trading option or career pathway
- Building on partnering with local support organisations and local work and business opportunities.
- On completion of training or trading starting, ensuring ongoing advice and support networks are integrated into the programme.
- Encouraging 'successor' participants to act as mentors or ambassadors to new entrants.

Zografia Bika and her team at the University of East-Anglia (UEA) – Norwich Business School, have been on our journey with us and have undertaken in-depth research and surveys to provide substantial recommendations and conclusions for this report.

Thank you to them, other key project partners and everyone involved in the project. Our shared endeavours have brought people together and created significant opportunities and learning within communities. The UEA analysis will help inform the further development of enterprise support activities, training and skills provision. I encourage you to read the review and embrace the recommendations – so together we can have greater impact in our communities.

*William Miller*, Director of Social Impact, Southern Housing.

## EXECUTIVE SUMMARY

The United Nations recently highlighted<sup>1</sup> the growing inequality in many countries around the world, with these disparities exacerbated<sup>2</sup> by the COVID-19 pandemic. This has resulted in a concerted effort<sup>3</sup> among policymakers to try and create a fairer and more equal society.

It's a situation that is also typified by geospatial disparities, with Nicholas Kristof chronicling the plight of so-called "left behind" communities in his best-selling book *Tightrope: Americans Reaching for Hope* in which he documents the panoply of issues facing people in communities that are often typified by a decline in industry and a lack of opportunity.

Increase Valorisation Sociale (henceforth referred to as INCREASE VS) is an initiative created by a partnership of nine housing associations and training providers in England (Optivo, Abri and Clarion) and France (Archipel Habitat, NEOTOA, Pas-de-Calais Habitat, Logirep, WeKer and INCO) that has developed integrated micro-enterprise and employment support services (MEESS) in a variety of neighbourhoods in France-Channel-England (see Figure 1). The £10.8 million, five-year [Interreg VA France \(Channel\) England](#) programme (that has been financially supported through the [European Regional Development Fund](#), 2018-2023) has helped more than 4,526 participants learn how to, and receive support in, starting their own business. The programme included support in developing or testing business ideas and managing finances and administration of the business. It has helped to create 1,020 new businesses, while also supporting 1,136 participants into work. The programme service statistics by September 2022 indicate that of the 6,259 participants who began training, 16% started a business, 18% had a new job, and 7% had enrolled in more education. Taken together, 41% of INCREASE VS participants reported a change in work or education status.

INCREASE VS directly targeted both the individuals and communities that have been "left behind" by globalisation, with participants those furthest from jobs and long-term unemployed, who are often 'invisible' and face various complex barriers to work.

The programme has supported participants in the creation of micro-enterprises that are both well suited to their particular skills but also the context of their local environment. The inclusive nature of the programme ensured that both the businesses that have been created benefit the local community and that the entrepreneurs themselves have been enabled to pay it forward and provide mentoring support to others who wish to embark on a similar path.

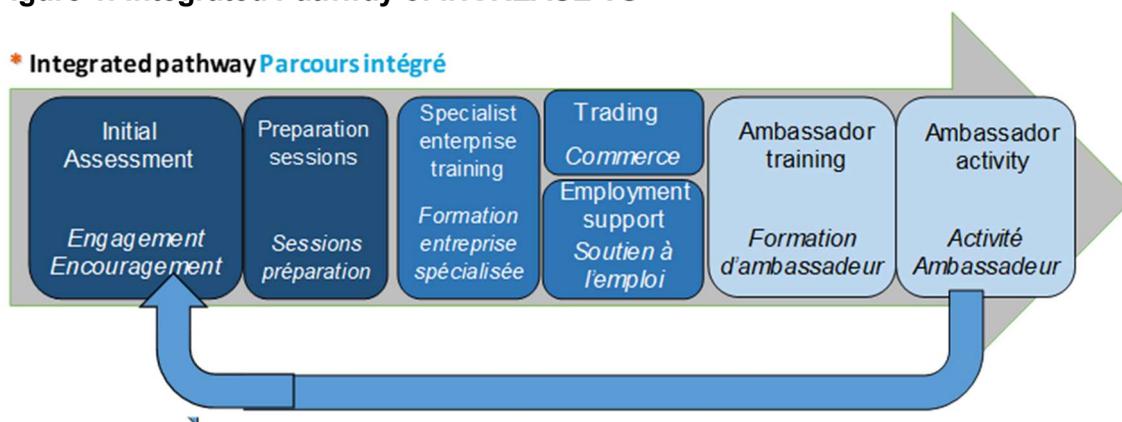
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<sup>1</sup> <https://www.un.org/fr/desa/covid-19-recovery-measures-could-prevent-widening-inequalities-due-pandemic>

<sup>2</sup> <https://blogs.worldbank.org/opendata/covid-19-increasing-global-inequality>

<sup>3</sup> <https://news.un.org/en/story/2020/01/1055681>

Figure 1: Integrated Pathway of INCREASE VS



### Needs of those furthest from the market

The development of micro-enterprises has been a key theme for policymakers in both the developed and developing world since the late 1970s in response to underemployment, unemployment, and growing economic insecurity that has accompanied the de-industrialisation that has emerged in the wake of increased globalisation.

The evaluation of these initiatives has uncovered a number of key lessons for modern micro-enterprise support schemes:

- **National issues cannot be discounted** – While projects are inevitably local in their nature, they remain affected by the national, and even international, environment and events.
- **The strength of the local economy is crucial** – As the nature of any employment or entrepreneurial opportunities created will rely heavily on the local economy.
- **Economic exclusion results in lower entrepreneurship** – Due to the lower levels of demand and purchasing power, but also due to the highly competitive nature of many of the markets entered into by micro-entrepreneurs, such as hairdressing.
- **Motivation is crucial** – Micro-entrepreneurship activities in economically excluded regions are commonly characterised as high effort, high risk, and low profit, so motivation and resilience are crucial to success.

- **Interventions need to be personalised** – Perhaps the key factor, however, is the need to take the personal characteristics of the individual into account when determining the intervention. For instance, age is often particularly important, with younger and older participants seemingly more likely to benefit from interventions than their middle-aged peers.
- **The right approach in the right place** – Evidence suggests that there is a huge variation in the micro-entrepreneurship support programmes available, whether in terms of the components of the programme, the way they're combined, and the target groups and objectives they have.

### Meeting those needs

The following four approaches were broadly deployed across the INCREASE VS programme using a strength-building logic<sup>4</sup> to try and apply a place-based intervention over a longer time frame towards tackling the same problem of economic deprivation in the coastal parts of Southern England and Northern France:

- **Parallel Approach**, which involves running an enterprise pathway alongside the employment pathway that existed before. This was an approach offered by Clarion in East Anglia, England.
- **Integrated Approach**, which sees support for those seeking self-employment or wanting to develop microenterprises integrated into the existing support services for people seeking employment. This approach focuses on community investment and has been deployed by Optivo in Kent and Sussex and Abri in Hampshire, England.
- **Collaborative Approach**, which aims to support those people who are furthest from the market and involves close collaboration with other institutions that are already providing statutory support services. The aim is to extend micro-enterprise and employment support services more effectively to those furthest from the market. This was the approach adopted by Archipel Habitat and NEOTOA working in and around Rennes, France.
- **Collective Approach**, which works towards deepening social integration and developing an innovative approach that marries social enterprise with mobilising excluded tenants to allow them to develop activities that meet the needs of their social housing community. This was the approach developed by PDCH in Pas-de-Calais, France.

<sup>4</sup> <https://sase.confex.com/sase/2021/meetingapp.cgi/Paper/16743>

## How effective were they?

The four distinct approaches were assessed for their effectiveness via a mixture of qualitative and quantitative approaches. This allows for a robust and holistic examination of each approach, while also providing some lessons for how those furthest from the market can be better supported in the future.

The assessment found that quantitatively speaking, the integrated and parallel approaches do not appear to have much difference between them in terms of client satisfaction, although they both score considerably higher than the collaborative and collective approaches. A similar outcome emerged when looking at the usefulness ratings from participants. As a result, it's perhaps no surprise that the most highly rated training providers were Abri, Clarion, and Optivo.

It is noticeable that changes in employment status found in our online survey (by November 2022) were relatively minor between the time periods 'before the training starts' (T1) and 'immediately after the training' takes place (T2), with 85% experiencing no change in their status. The exception to this was the participants of the Collaborative Approach, for whom 47% managed to move into either employment or self-employment. This was a more modest 11% for the Integrated and Parallel approaches, and only 7% for the Collective Approach.

Things had progressed somewhat six months or more after the training ended (T3), however, with 16% of respondents saying they had found work and 17% saying they had begun self-employment. Participants in the Collaborative Approach continued to perform well, with 28% back in employment, with a significant increase in participants from the Integrated (15%) and Parallel (17%) Approaches. In terms of transitioning to self-employment, both the Collaborative and Integrated approaches showed sharp increases with 20% and 22% of participants respectively becoming self-employed by T3. Moreover, the online survey analysis showed that respondents' self-assessments of their goal investment and pursuit, life satisfaction, psychological wellbeing, and social wellbeing saw a significant and uniform increase across the INCREASE VS programme at both T2 and T3.

While the quantitative assessment focused primarily on the support provided by each approach, it also underlined the importance of self-efficacy, as this was found to influence both which pathway individuals were on and the degree of success in their transition to employment or self-employment. It was also a key predictor of life satisfaction and mental well-being. This should come as no surprise, as research from the University of Basel<sup>5</sup> highlights the importance of the so-called *Pygmalion Effect*, whereby higher aspirations consistently lead to higher achievements. Interestingly, research drawing on data from the European Social Survey for 18 countries<sup>6</sup> found that status loss/gain across generations

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<sup>5</sup> <https://www.sciencedirect.com/science/article/abs/pii/S0014292122001143?via%3Dihub>

<sup>6</sup> <https://link.springer.com/article/10.1007/s11205-017-1753-7>

affects young adults' well-being in addition to the level-effect of ending up in a lower/higher status position only in Continental Europe where social mobility is less common.

In a broader context, the absence of a control group (people in the target group who have not participated in INCREASE VS, for obvious reasons) makes a rigorous quantitative assessment of the benefits of each programme difficult. It is not possible to know if the results we obtained here are due to the specific approach, the contextual effects of the area, or the specifics of each respective training programme. Results need to be interpreted cautiously as the overall response rate of clients that completed training were low (27.6%) and only a fraction of those participated at T2 (9.5%) and T3 (6.4%) and especially for the Collaborative and Collective approaches which represented 15.6% and 13.2% of the total sample. Moreover, some of the attrition at T2 and T3 is likely to be systematic in that participants could drop out from the study for reasons that relate to the very measures we wanted to capture such as well-being, or even transitioning from unemployment to employment.

When comparing qualitatively the INCREASE VS client experiences across five different regions, we concluded that none of the four approaches stood out as universally successful, and each was quite dependent on the particular circumstances of both the communities they operated in and the individuals that signed up (there wasn't a uniform demographic, for instance).

There is clear qualitative evidence from our client respondents of significant wellbeing benefits, including higher self-confidence, improved motivation and aspiration, and improved ability to build a pathway towards one's goals more generally. While these benefits aren't directly linked to the number of job starts or business start-ups created, they nonetheless play a key role in supporting both. This was reflected in the detailed feedback from in-depth client interviews, which explained that these were high-quality services that out-competed the other statutory and free enterprise or start-up training and advice that was available.

For instance, in England, the housing associations have either added (Parallel Approach) or extended (Integrated Approach) new support for those seeking self-employment to their existing support services for those seeking employment.

The higher level of client deprivation in the Parallel Approach meant that the majority of clients gained considerably in terms of their wellbeing via their involvement in INCREASE VS. Participation helped to significantly decrease their social isolation and improve their sense of purpose, even whilst only making rather limited progress towards securing decent, stable employment or self-employment. These latter difficulties were due in large part to a lack of local opportunity and local economic demand.

The higher level of client engagement in the Integrated Approach reflected the fact that INCREASE VS was not experienced merely as training, but rather as training plus ongoing mentoring in which the strength of the relationships with the trainers and peers, together with their ongoing support after the training ended, were considered to be vitally important. As

such, while only a few of these clients found the programme to be transformational, many made valuable gains including starting side or hobby businesses or making strong progress towards developing business start-ups nonetheless. This progress is not to be dismissed, not least due to the challenging personal circumstances many participants faced.

In France, the housing associations used their social proximity to their tenants, and other residents in deprived neighbourhoods, to either re-engage those furthest from the market with local support services so that they can work towards work integration (Collaborative Approach) or mobilise excluded tenants through resident associations to develop volunteering activities that respond to community needs (Collective Approach).

The higher motivation of clients in the Collaborative Approach projects produced an understandable response in terms of the evaluation of the project, with clients praising both the training itself (especially if this was accredited) and the open nature of the relationship that those supporting them fostered, as they found the network of support services they were able to connect with particularly useful.

The response was more mixed for clients of the Collective Approach projects, not least due to difficulties distinguishing the activities of INCREASE VS with those of their housing association. This blurring of boundaries didn't affect the overall satisfaction levels, however, with most appearing to be content despite the very limited impact in securing work afterward. This is reflected in the improvements in both the wellbeing and social networks of participants.

The COVID-19 pandemic created additional challenges in evaluating the efficacy of training and it is likely that it influenced the results in ways we cannot assess. For example, we cannot know what the results would have been without the challenges compounded by the pandemic, or whether some of the differences between the different approaches, training providers, or regions, were lessened or amplified.

### Key takeaways

While the communities covered by the INCREASE VS project had very unique circumstances that make direct comparisons between the different approaches taken difficult, a number of key findings emerged nonetheless that can help to guide us going forward.

- **Local context is key** – Local circumstances were crucial in terms of the strength of the local economy and the shortcomings in the local labour market, and so each programme needed to reflect this environment and respond accordingly.
- **Housing associations are agents of change** – Housing associations can be key agents of change due to not only their embeddedness in the local community but

also their long-term presence and robust funding, especially in comparison to local authorities.

- **Support requires certain key characteristics** – Support should strive to be non-judgemental and inclusive, responsive, interactive, practical, but most importantly continuous support that is delivered close to clients over a longer time frame both one-to-one and as part of peer learning communities.
- **This is a long-term challenge** – Deprived communities represent difficult environments in which to make progress, so it's vital that programmes are committed to long-term support.
- **Gardiens<sup>7</sup> and local ambassadors have crucial roles** – These individuals can act as the social glue that binds communities together, while also helping to maintain shared spaces and other conviviality areas in social housing communities in the former case or peer-learning groups in the case of the latter.
- **Co-funding can provide continuity** – What is needed is not a project but an institutionalised service that is ongoing as opposed to a 'stop and start' process funded by external bodies. This underpins the crucial role 'co-investment' can play in providing such an institutionalised service with sufficient sustainability to ensure this continuity occurs.

## Policy recommendations

While much of the policy work on “levelling up” has focused on smaller, regional cities in the hope that they can experience some of the gains seen in London and Paris, there remains much that can be done to improve the prospects of those in small, often deprived towns and communities.

- **Encouraging returnees** – A sense of place is important for bolstering the local economy and encouraging people who left deprived areas for better opportunities to return can bring fresh ideas, connections, investment, and vitality to a region, thus bolstering both entrepreneurship and employment opportunities.

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<sup>7</sup> *Gardiens* are resident caretakers, that is housing association staff who combine cleaning and maintenance responsibilities with supporting social and community relations, whilst privileging a sense of *proximité* (closeness) in their work – these frontline staff are part of the community in French housing estates.

- **Bolstering self-efficacy** – A first step in progressing and changing one’s life is the belief that such change is possible. This belief is often lacking, which makes any interventions harder, if not impossible, to achieve. As a result, it is vital that interventions factor this in to provide the basis for all that follows.
- **Developing extra local connections** – Social capital has been identified as crucial to supporting deprived communities, but opportunities to develop this are often not present. Many of the participants in INCREASE VS had lived in their local community all of their lives so they lack those extra local connections, so it’s important either to attract returnees or otherwise support the development of broader networks.
- **Social infrastructure** – Research suggests that 25% of “levelling up” investment should be devoted to so-called “social infrastructure” that will allow people to interact with their local communities and generate a sense of local identity. While this is not directly linked with employment and entrepreneurship, the value of both a sense of place and stronger social networks will bolster both.
- **Tapping into net zero** – The Levelling Up White Paper<sup>8</sup> makes explicit reference to the Net Zero agenda, stating that the transition “could have large and long-lasting effects on virtually every aspect of the economy, including jobs and skills, infrastructure and technology, and investment and innovation”. INCREASE VS has shown potential for generating skills, jobs, and community-based energy, so this is an avenue that should be explored further.
- **Boosting digital literacy** – The last few years have seen a wide range of projects designed to boost digital skills in areas such as coding, cyber security, and data science, and while these high-end skills are important, it’s also important that more rudimentary digital skills are provided so that people can actively participate in modern society.

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<sup>8</sup> <https://www.gov.uk/government/publications/levelling-up-the-united-kingdom>