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An Examination of a Community Partnership: The Triple S Industrial Training Group

by

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of

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Abstract

An integral part of Canada's social safety net throughout most of the earlier post-war period was the provision of labour market training services delivered by government. As described in the second chapter of this thesis, such programs did not achieve overall success. In order to improve the efficiency of the delivery of labour market training, the federal government examined alternate means of delivery in the late 1980s and early 1990s. Recent academic research suggests that the use of such intermediaries may be more effective than the government was in the delivery of publicly funded labour market training.

As the fiscal resources of government tightened, the federal government increased its consideration of different ways of delivering labour market training to consider a range of alternatives known as Alternate Service Delivery (ASD) mechanisms. These mechanisms are discussed in Chapter Three, with particular emphasis on community partnerships. The formation of such partnerships has consequences to both the governance role of government and to the traditional Westminister notion of ministerial accountability. With this change in roles comes a change in the nature of bureaucratic relations with the community partnerships. This impacts on the skill sets required for effective bureaucrats, increasing the need for collaborative, communication and inter-personal skills.

Communities themselves are also transformed as they form partnerships with government. Social capital is essential as a pre-requisite to effective partnering and, as discussed throughout Chapter Four, the engagement of the citizenry is essential. A community must have the capacity to partner. The capacity to partner is usually found in a cohesive society with an engaged citizenry. Government has a responsibility to assist communities in developing the capacity to partner.

Evaluating community partnerships also requires a more comprehensive approach than the traditional outcomes measurement of program evaluation. As indicated in Chapter Five, a comprehensive evaluation of a community partnership should also include an assessment of the partnership relationship and the long-term societal benefits. The traditional evaluation process for labour market training programs which examined quantifiable results only is inadequate to assess the dynamics of a community partnership and long-term societal benefits of such training.

The case study of the Triple S Industrial Training Group in Chapter Six confirms that community partnerships used for the delivery of labour market training have the potential to be both effective and efficient. There are many benefits to individuals, government, industry and the community from the existence of such programs. The difficulty, though, is when government fails to realize the true benefits of partnering are achieved when the community partner is drawn into the policy and decision making process. Similarly, unrealistic expectations by the community organization of the role that government must play to ensure public sector accountability could also jeopardize the relationship. An effective community partnership is a balancing act between the needs of government and the needs of the community.

Because of the evolutionary nature of community partnerships, there is little prescriptive literature on how to achieve this strength in numbers. The case study examined in this thesis and a review of existing literature provides some insight into the pre-requisites of an effective

community partnership. As the Conference Board definition of a community partnership, which is referred to throughout this thesis, suggests, the partners must have a co-operative relationship based on a sense of sharing and supported by an anticipated or actual sense of achievement.

Although partnerships were conceived while governments were seeking ways to reduce costs, it is difficult to conclude that effective community partnerships will produce any real savings to government. Effective community partnerships cannot be maintained without the involvement of government in a relationship with the community. There are costs associated with maintaining this relationship and with developing the capacity of communities to partner.

The real benefit to government from using community partnerships does not come from cost savings but from using a community partnership to harness the energy of and tap into the strength of a local community network. The support of the community network of the Triple S Training Group is the key to success in the effective training of and subsequent employment of unemployed community members. Without the support of this community network, it is unlikely that the re-skilling efforts of this training program would be any more successful than the efforts of government-delivered training programs.

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Chapter 1

Introduction

The social and economic policy landscape in the Canadian federation today differs dramatically from the structure of Canada's social safety net throughout most of the earlier post-war period. A remarkable transformation has occurred in the 1990s based on a number of contributory factors in Canada's social, economic, technological and political environment.

The fiscal situation created by the spending sprees of both federal and provincial governments during the 1960s and 1970s before coming to a crisis situation in the 1980s prohibited the traditional governmental response of spending their way out of serious social policy problems. A tax weary public demanded that the fiscal state of their governments be brought under control. Such demands caused the federal government to cut provincial transfer payments and to redesign the transfer of funds to the provinces from the program specific terms of the Canada Assistance Plan (CAP) to the block funding formula of the Canadian Health and Social Transfer. The open-ended nature of earlier commitments had fuelled spending. With the transition from specific funding formula to block funding, the federal government gave up their previous high level of control over provincial expenditures.

The fiscal crisis was compounded by an increasing complexity in the nature of social and economic problems faced by all jurisdictions. Issues such as AIDs and Hepatitis were unheard of in previous decades. Issues such as the increase in child poverty and the persistence of unemployment demonstrated a stubbornness that was previously not acknowledged or addressed. With the increased ability to communicate with one another throughout the world, governments discovered the commonality of many social and economic problems. This increased ability to

communicate combined with fiscal pressures created an environment where it was both expedient and beneficial for governments to borrow policy ideas from and to collaborate with one another.

This intergovernmental cooperation was both expected and demanded by the citizenry. Given the tax fatigue of the public, ordinary citizens, who like their governments had the increased ability to communicate and become knowledgeable about events, were monitoring the perceived inefficiency of their governments. Many citizens in the decades of the 1980s and early 1990s experienced firsthand the devastating effects of job loss, downsizing and diminishing spending power. They fully expected that all governments would, as they themselves had done, tighten their belts and find effective ways to do more with less resources. Given this expectation, inter-governmental cooperation was, in many ways, forced on the different government jurisdiction by both citizens and financial factors.

The beginning of the 1990s was also a time of ideological conflict in the Canadian political arena. Canadian federalism from the 1930s to the beginning of the 1980s had been defined, to a large extent, by Keynesian economics. The pursuit of Keynes' advice on the use of fiscal and monetary policy to smooth the ups and downs of the business cycle caused the federal government to intervene in the economy and especially in the area of income redistribution.[1] The provincial use of fiscal policy for Keynesian economic purposes was more limited. The initiation of programs such as family allowance and unemployment insurance, constitutionally provincial jurisdictions, by the federal government set the stage, during the 1960s to 1970s, for a period

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[1] Smith, Jennifer, "The Meaning of Provincial Equality in Canadian Federalism". Working Paper 1998 (1). Kingston: Queen's University Institute of Intergovernmental Relations, 1998. P 7. See also Simeon and Roberts, State Society and the Development of Canadian Federalism for further discussion on this theme.

known as cooperative federalism. The development of the idea that regional economic disparities were a problem also lead to national policy leadership within the federal system. This trend was reflected and reinforced in the post-war years by an elaborate system of intergovernmental grants to support Canada-wide social programs. As Smith suggests, "fiscal federalism permits these [poorer] provinces to maintain a standard of social programmes that they could not hope to finance on their own."[2]

With the decline of Keynesian economics, different ideological perspectives came to the forefront. Neo-liberal and neo-conservative ideologies took on a strength that had not been witnessed during the reign of Keynesian economies. The neo-liberal agenda can be described as both an economic theory and a political theory with the overriding goal of promoting the freest possible market for increasing fluid transnational capital. To achieve this, neo-liberals support minimum government in general, and minimum corporate regulation in particular. Consequently privatization, deregulation and the dismantling of the welfare state with its subsidized social programs became the preferred policy agenda. The neo-conservative agenda is a political and moral one premised on supporting a hierarchical and authoritarian social structure with a firm belief in order, stability, and authority. Some neo-conservatives are not concerned with gaps between the rich and poor. They feel that this is not an area for government as those who work hard, are well off, those who fail to achieve, are not, and it is counterproductive to the natural order of society for government to intervene.[3] The adoption of the neo-liberal and neo-

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[2] Ibid., p. 17.

[3] The gist of this ideological description is taken from Trimble, Linda, "Comment on What do Albertans Think", A Government Reinvented: A Study of Alberta's Deficit Elimination Program. Toronto: Oxford, 1997. Pp. 486 - 487.

conservative ideology was not the same across Canada. As political scientist Roger Gibbins points out, "...the retreat from state enterprise and state enterprise nationalism has not been uniform across the land, and to this moment has gone further in parts of western Canada [particularly Alberta] than it has elsewhere."[4]

Although public support was evident for the downsizing of government and some privatization, the public did not support whole-heartedly the dismantling of the welfare state. As Trimble states, "the public values public health care and education and does not support privatization in these sectors."[5] Many Canadians were unemployed or under-employed and expected that the government would assist in their efforts to obtain employment.

The area of labour market training had long been a cluttered field with both federal and provincial players, a dynamic that political scientist Rodney Haddow labels "a complex and fractious relationship".[6] With the onset of the global economy, free trade, and unemployment problems, there was an increasing belief that improving the human capital of a country would be the key to the future success of the nation in the global environment.[7]

Many labour market analysts in the 1980s felt that Canada did not have the necessary skilled workforce to be competitive in the global economy. The 1983 Task Force on Skill Development Leave reported:

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[4] Gibbins, Roger, The New Face of Canadian Nationalism. The 1994 Kenneth R. MacGregor Lecturer. Reflections Paper No. 14. Kingston: Queen's University Institute of Intergovernmental Relations, 1994. P. 6.

[5] Ibid., p. 487.

[6] Rodney Haddow, "Federalism and Training Policy in Canada: Institutional Barriers to Economic Adjustment", New Trends in Canadian Federalism. Editors: Francois Rocher and Miriam Smith. Peterborough, Ontario: Broadview Press, p. 339.

[7] Ibid., p. 338.

As Canada accelerates towards a technological world of
tomorrow, one of the most critical subsystems, education,
 is in danger of seriously malfunctioning....Over the next
20 years in Canada, global industrial and employment
restructuring, technological change, and the emerging
leisure society, will affect between 4 and 8 million existing
jobs, wiping out many and creating others. We will see
a radical restructuring of work as current skills are
devalued and new ones are created at an ever-increasing rate.
At the same time, we shall see tomorrow's workers
graduating from education programs that no longer equip
them with the skills required for meaningful employment
in a changed world.[8]

The Report insisted that "Canadian governments, industry, labour and education sectors

should combine their efforts to develop an effective education and training system for all

working Canadians."[9] In 1987, the Ontario government proposed the creation of a national

training allowance to assist workers in retraining: "this system would be a partnership between

dynamic provincial training infrastructures and a reliable federal mechanism of income

support."[10] Although the proposed national training allowance did not materialize, it became

obvious to the federal and provincial governments that they could no longer act in isolation of

the rest of society. Partnerships were necessary to solve the dilemma faced by governments in

upgrading the labour market for a new global competitiveness. In particular, government

partnered with communities as an alternate mechanism for service delivery.

The purpose of this thesis is to demonstrate that community partnerships have the

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[8] The Skill Development Task Force, Learning a Living in Canada Volume 1:
Background and Perspectives. A Report to the Minister of Employment and Immigration Canada.
Ottawa: Minister of Supply and Services, 1983. P. ii.

[9] Ibid., p. iii.

[10] Ontario Ministry of Skills Development, Proposal to Create a Canada Training
Allowance. November, 1987. P. 14.

potential to be more effective in the delivery of labour market training programs than was government alone. To support this argument, the thesis combines an extensive literature review with a careful case study of the basic skills training program offered by the Triple S Training Group in Selkirk, Manitoba. The use of such community partnerships, however, requires that government share their governance powers with the community and that cohesive local communities with a citizenry willing to be engaged exists. Hence, both the traditional role of government as 'father know best' in the social policy development and program implementation and the traditional role of the community as the silent recipient of government services has been altered.

The thesis will describe in Chapter Two the government role in labour market training in the 1990s, paying particular attention to the recommendations of the 1989 Task Force on Labour Force Development Strategy. Chapter Three presents an examination of the increasing use of alternate services delivery mechanisms in the public sector since the 1980s. Particular attention will be paid to the use of community partnerships as an alternate service mechanism. Chapter Four discusses the need for social capital in the community and an engaged citizenry as a pre-requisite for the successful creation of community partnerships. An evaluation framework for community partnerships will be presented in Chapter Five. Chapter Six presents a case study of a community partnership, The Triple S Basic Industrial Skills Training Program, with the purpose of illustrating the benefits of the use of this particular social partnership for the specific provision of skills development training. Chapter Seven concludes this thesis by highlighting the need for governments to undergo a cultural change in order for them to be willing to share governance with the community and maximize the true value of partnering with the community.

Chapter 2
Training in the 1990s: Preparing Canada's Workforce

A. A Historical Overview of Federal Government Involvement in Training in the 1980s and 1990s

The onset of the 1990s saw another attempt by Canada to reassess its efforts in training its labour force. In addition to the fiscal deficit crisis that both federal and provincial governments faced, the challenges of the Free Trade Agreement with the United States, technological changes especially in the areas of knowledge manipulation and communications, and the globalization of economies around the world prompted Canadian governments, business leaders and union representatives to re-examine its efforts in preparing a skilled workforce. The federal government was also faced with the added pressure of the provincial governments, especially Quebec, demanding provincial control over government funded labour market training initiatives.

As political scientist Rodney Haddow suggests, these changes in the marketplace created an increased awareness of the value of trained, skilled workers: "There is an increasing consensus among economists and politicians in many countries that improving human capital, especially by training workers better, is the key to future success, in the global economy."[11] The concern of critical skills shortages in Canada was not a new one. During the post-war years Canada had used immigration as a tool to solve labour shortages. At the dawn of and throughout the 1980s, numerous task forces had addressed this issue. In 1980-81, for example, the Minister

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[11] Rodney Haddow, "Federalism and Training Policy in Canada: Institutional Barriers to Economic Adjustment", New Trends in Canadian Federalism. Editors: Francois Rocher and Miriam Smith. Peterborough, Ontario: Broadview Press, p. 338.

of Employment and Immigration established the Task Force on Labour Market Developments which reported in July, 1981 and a Task Force on Employment Opportunities for the 80s, comprised of elected Members of Parliament from three political parties and all regions of the country, examined the subject in the same year by holding open public meetings.[12] This report from the parliamentary body was described as "based on evidence from the grass roots. It is not an academic treatise or an article from a learned review. It does reflect the deep feelings of Canadians at all levels about matters which closely touch their lives - their work, their careers, their life-roles in this great country."[13]

It is important to note that the demand for inter-governmental co-operation and the demand for partnerships was evident in these public hearings: "They [citizen groups] were not concerned with the fine lines between federal and provincial jurisdiction. They wanted action for improvement by all concerned - governments, educational authorities, employers, and unions."[14]

Specialty task forces emerged during the 1980s. In January, 1983, the Minister of Employment and Immigration created the Task Force on Educational Leave, to give consideration to the importance of skill development leave as a mechanism for retraining, upgrading and updating workers.[15] Provincial governments had their own initiatives. For example, the Ontario Ministry of Skill Development presented the federal government with a

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[12] Members of the Parliamentary Task Force on Employment Opportunities for the 80s, Work for Tomorrow: Employment Opportunities for the 80s. Ottawa: House of Commons, 1980. P. 4.

[13] Ibid., p. 5.

[14] Ibid., p. 5.

[15] The Skill Development Task Force, Learning a Living in Canada Volume 1: Background and Perspectives. A Report to the Minister of Employment and Immigration Canada.Ottawa: Minister of Supply and Services, 1983. A note to reader.

proposal to create a nation-wide Canada training allowance to facilitate leave for skill

enhancement.[16] Political parties also formed their own task forces or study groups. The

Progressive Conservative Party, for example, issued the major findings and recommendation of

their Task Force on Technological Change and Manpower Retraining on April 7, 1984 which

stated that " in most sectors of the Canadian economy, the extent of recent technological

development has been less than satisfactory."[17]

One of the first reforms that the Progressive Conservatives initiated after Brian Mulroney

became Prime Minister in 1984 was the Canadian Jobs Strategy, "a truly decisive departure from

the policy legacies of the 1960s."[18] The Progressive Conservative approach to training reflected

market-oriented, neo-liberal values by emphasizing private-sector leadership in training

initiatives. As noted by political scientist Carolyn Tuohey:

> High annual [wage] increases during the resource boom of the
> 1970s quickly decelerated in the 1980s. Rather, Canada's high
> average rates of unemployment reflect the vulnerability of its
> economy, and especially of its resource sectors, to international
> swings. This vulnerability has created strong pressures for structural change in
> the economy, and for policies that would
> improve the flexibility of the labour market and facilitate
> shifts of labour between sectors.[19]

The implementation of the CJS was, however, "rocky" and exacerbated by federal-provincial

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[16] Ontario Ministry of Skills Development, Proposal to Create a Canada Training Allowance. November, 1987.

[17] Progressive Conservative Party of Canada, A Task Force on Technological Change and Manpower Retraining: Major Findings and Recommendations. April 7, 1984. P. 1 (?)

[18] Haddow, op cit, p. 343

[19] Tuohy, Carolyn, "Industrial Relations and Labour Market Policy", Policy and Politics in Canada: Institutionalized Ambivalence. Philadelphia: Temple University , 1992. Pp. 159 - 160.

relations.[20]

In 1984, the Mulroney government also initiated a government-wide program review

(popularly known as the Nielsen Task Force in honour of the Deputy Prime Minister Erik

Neilsen who chaired it) of the job creation, training and employment services with two reform

objectives in mind: better service to the public and improved management of government

programs. Conducting the review were public servants along with representatives of labour,

business and professional organizations. The report stated: "The review is unique in Canadian

history. Never before has there been such broad representation from outside government in such

a wide-ranging examination of government programs."[21] Twenty provincial officials were also

involved in the study team. The work of the study team was linked to a consultation paper with

the private sector on training and possible future policy options.[22]

There were reported to be 64 federal programs in existence at that time that were directed

to job creation, training and employment services. Sixty-three of these programs involved 8,810

person years, nine departments, $1.7 billion dollars in grants and contributions and $220 million

in federal revenue costs, In addition to this, a portion of unemployment insurance was directed to

worksharing (a program which allowed employers to use unemployment insurance funds to pay

employees for a reduced work week due to a shortage of work) and a portion of the Canada

Assistance Plan (CAP) was under consideration for job creation or wage subsidy activities.[23] The

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[20] Ibid., p. 186.

[21] The Task Force on Program Review, <u>A Study Team Report on Job Creation, Training and Employment Services</u> March, 1985. Ottawa: Minister of Supply and Services, 1986. P. I.

[22] Ibid., p. 3.

[23] Ibid., p. 1.

study teams were tasked with determining the beneficiaries, the efficiency and overlap, and the gaps and omissions for each program. The report concluded that "the federal government was over-investing in institutional training"[24] and recommended the termination or modification of other programs.

In June, 1985 The Honourable Flora MacDonald, Minister of Employment and Immigration, announced the Canadian Jobs Strategy - "a new strategy to prepare Canadians for the future - for a world in which accelerating change will place new and heavy demands on Canadians and challenge our ability to compete."[25] CJS was touted as a new approach to training - a complete redesign of the government's labour market programs and a fundamental change in the way that investment in human capital were made.[26] The CJS was described as a comprehensive action plan that "provides an opportunity for Canadians to focus their energies on the immediate problems and the long-term challenges in the labour market. The strategy ensures that federal resources are used effectively to bring direct assistance to those most in need"[27] Those designated as most in need included:

- the long-term unemployed;

- young people who are out of school and unable to find work;

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[24] Ibid., p. 17.

[25] Department of Employment and Immigration, Canadian Jobs Strategy...Working Opportunities for People. June, 1985. P. 1.

[26] Ibid., p. 1. It is interesting to note that this dismantling and redesigning process was accomplished in an incredibly short time by government standards. The Study Teams were created in September, 1984, had to report to the Minister by March 1, 1985 (see page 4 of there report) and the complete restructuring was announced in June, 1985. The entire demolition and reconstruction process for the federal labour market initiatives was accomplished in just ten months.

[27] Ibid., p. 4.

- the growing number of women re-entering the labour market;

- workers needing skills training to avoid layoffs or job displacements;

- workers in communities suffering severe economic decline, who need new opportunities for long-term employment.

The speech noted that in may cases, the programs designed to help these people in the past had not been adequate.[28]

By 1986, newspaper reports on CJS funds being used to provide training in donut shops and restaurants illuminated the failure of CJS. "It was clear that much CJS training, especially when it was aimed at the target groups, provided minimal skills, which at best prepared trainees for low-paying employment at the entry level of the labour market."[29] As economist Lars Osberg points out, Canadians considered the earning of high wages as the basis of the Canadian standard of living: "Hence, the policy problem in Canada is not simply to "create jobs", it is to "create jobs with wages that Canadians considerable acceptable.""[30]

Target groups were defined as the "most needy category" including women seeking re-entry into the workforce, social assistance recipients, natives, disabled persons, visible minorities, youth, and workers in designated declining industries and depressed communities. Provincial officials complained that the preferences outlined in the target group designation denied access to training dollars to those who were not identified in this category and that the poor quality, "donut shop" type of training did not address the need for a more sophisticated

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[28] Ibid., p. 4.

[29] Haddow, op cit., p. 349.

[30] Osberg, Lars, The Future of Work in Canada: Trends, Issues and Forces for Change. Ottawa/Montreal: Canadian Council on Social Development, June, 1988. P. 36. Quotations marks and underlining appear in original document.

skilled workforce.

These grievances were compounded by the eligibility conditions for the CJS training

which gave the federal government the authority to designate what skills were in short supply and

thus eligible for training and did, in some cases, prohibit access to training until the candidate

had been unemployed for twenty-four of the previous thirty weeks.[31] Added to this was a

curtailment in federal spending dollars from the consolidated revenue fund for training purposes

and an increased use of the unemployment insurance fund for developmental purposes. The

exact figures are detailed in the following table:

Table One: Federal Government Labour Market Expenditures, Number of Persons Trained and Cost of Training Per Person (1985-1993) (In 1986 Dollars)				
Program Expenditures ($ Millions)*				
Fiscal Year	Consolidated Revenue Fund	Developmental Uses (UI Fund)	Total	Number Trained
1985-86	1,442.0	362.9	1,804.9	470,500
1986-87	1,485.4	333.2	1,818.7	434,222
1987-88	1,407.7	303.9	1,711.6	426,507
1988-89	1,310.8	320.8	1,631.6	425,294
1989-90	1,307.4	355.0	1,662.4	464,446
1990-91	1,242.3	477.1	1,719.4	453,5562
1991-92	1,111.6	1,127.7	2,239.3	548,439
1992-93	986.3	1,373.7	2,360.0	593,812

* Expenditure figures include those for job creation as well as training; these have been combined since the inception of CJS. Figures exclude operation costs.
Source: For the purposes of this synopsis, the calculations presented by Haddow, Rodney, "Federalism and Training Policy in Canada: Institutional Barriers to Economic Adjustment", New Trends in Canadian Federalism. Editors: Francois Rocher and Miriam Smith. Peterborough, Ontario: Broadview Press, 1995, p. 355 are used except for the calculation of the cost per participant. His sources were: Expenditure and enrolment figures are derived from Supply and Services Canada, Estimates, part II, various years. Expenditures were adjusted for inflation using Consumer Price Index Tables from the Bank of Canada Review, Various dates: Table HII.

On August 5, 1986 the Canada Employment and Immigration Commission established a

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[31] Ibid., pp. 352 - 353.

Task Force on Canadian Jobs Strategy Delivery, known as the St. Jacques Task Force, to

improve service delivery and operational requirements. Other issues, relating to program

objectives, eligibility requirements, program administration, communication, planning and

expenditure were subsequently examined by the House of Commons Standing Committee on

Labour, Employment and Immigration.[32] In the Response of the Government to the Second

Report of the Standing Committee on Labour, Employment and Immigration, Minister Barbara

McDougall that "on the whole, your Report gives the Government additional confidence that the

Canadian Jobs Strategy is the right approach and is a good product. The flexibility built into CJS

has allowed us to make adjustments when and where necessary."[33]

In April, 1989, the federal government announced a new training initiative, entitled the

Labour Force Development Strategy. A Task Force on Adjustment was struck under the auspices

of the Canadian Labour Market and Productivity Centre, a an inter-disciplinary group of business

leaders, union officials, community representatives and academics that conducted an extensive

"consultation" on labour market development. They concluded that "the major labour market

partners needed to be brought more fully into the formulation and implementation of labour

market policies in order for such policies to prove effective."[34]

Fourteen central themes emerged in regards to labour market development as a result of

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[32] Canada, Parliament, House of Commons, Standing Committee on Labour,
Employment and Immigration, Review of the Canadian Jobs Strategy. Second Report, April,
1988. P. 2.

[33] Government of Canada, The Response of the Government to the Second Report of the
Standing Committee on Labour, Employment and Immigration. Ottawa: Minister of Supply and
Services, 1988. Preface letter.

[34] The Canadian Labour Market and Productivity Centre, Report of the CLMPC Task
Forces on the Labour Force Development Strategy. Ottawa: CLMPC, March,1990. P. 1.

this consultation exercise.[35] These included:

- **Safeguarding Income Replacement Programs**
  A common theme in the deliberations of all Task Forces was that the unemployment insurance fund be used exclusively for income support
  for individuals and should not be used to purchase training courses.

- **Improving Federal-Provincial Cooperation**
  The Task Forces saw effective federal-provincial cooperation as an essential prerequisite to the success of labour market policies and recognized the need to reduce overlap and duplication of services.

- **Strengthening National Standards**
  The Task Forces recommended that national standards be established in such areas as training design and evaluation, application of principles of equity, apprenticeship curricula, and program accessibility.

- **Promoting Life-long Education and Training**
  All Task Forces saw a need to promote life-long learning and some Task Forces emphasized that, in order to promote the individual's adaptability within the labour market and to enhance the overall efficiency of labour markets, workers should be equipped with certifiable skills that are broadly based.

- **Expanding the Role of Business and Labour in Formulating and Implementing Labour Market Policies**
  The Task Forces called for an increased role for business and labour in determining the needs of the labour market and to assist in the collective design of policies and programs to met these needs. They also recommended that the federal government commit itself to reforming the decision-making process for the delivery of labour market programs so that greater authority for program design and delivery rests at the local level, not the national level.

- **Enhancing Local Input in Labour Market Program Delivery**
  All Task Forces agreed that, in addition to strengthening the role of business and labour, new consultative mechanisms had to be provided to allow for greater input by various representatives such as training and educational institutes, women's groups, natives, visible minorities and the disabled. Several Task Forces recommended that, whenever possible, greater responsibility for program design and delivery be shifted to the local level.

- **Human Resource Planning**
  A number of Task Forces recognized the need for business, labour and government to do a better job identifying and anticipating mismatches between labour market supply and

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[35] Ibid., pp. 4 - 8.

demand in order to manages changes in the labour market more effectively. Although the specific Task Force on Approaches to Human Resource Planning was unable to reach a consensus on specific mechanisms to increase and monitor private sector training, the members of the Task Force did nonetheless recognize that effective human resource planning was a critical element to the ability of labour markets to adapting to changes in technology, the economy and in demographics of its workforce.

- **Improving Basic Skills**
Several Task Forces addressed the need to improve the basic skills of workers to facilitate entry into the labour market. Recommendations in this area dealt primarily with the need to make opportunities for basic skills upgrading available and to place greater emphasis on workplace literacy.

- **Maximizing the Effectiveness of Public Education Resources**
Various Task Forces recommended that the role of public educational institutions in the delivery of training programs be expanded.

- **Expanding Counselling Support Services**
Early identification, especially through counselling at the time of job loss, was recommended to allow individuals about to lose their jobs to be quickly enrolled in retraining programs - before their skills and morale start to deteriorate.

- **Enhancing Access to Training and Skills Upgrading Programs**
The Task Forces noted that unequal access to training invariably perpetuates income inequities. Various Task Forces called for increased informational campaigns to allow Canadians to know about training opportunities. Other Task Forces recommended policies and programs to train the mainstream workforce and the need to encourage greater participation by various designated groups as well as increase female participation in trades and technology.

- **Improving the Dissemination of Labour Market Information**
Various Task Forces recommended that ways to disseminate labour market information be expanded.

- **Enhancing the Quality of Labour Market Data**
The Task Forces saw a need for improved timely and reliable labour market data as essential to understanding emerging skill and occupational requirements and to design training programs accordingly.

- **Improving Ongoing Monitoring of Labour Market Programs**
The Task Forces called for effective program evaluation techniques to measure and monitor the success of individual labour market programs.

These recommendations resulted in several changes to the way labour market training had

been conducted previously. It was noted that:

> While large employers and unions may have the
> economic means to provide training for displaced
> workers, smaller businesses and community
> organizations are unlikely to have the capability
> to train current or former employees without
> assistance from the government. Meeting the
> training needs of displaced workers from these
> sectors of the economy requires extensive
> collaboration among government, business, labour
> and the educational sector.[36]

The Task Forces identified the groups that were most "at risk" to long-term unemployment.

These included "those with low educational attainment,

older workers, single heads of households, especially female, and those laid off

from long term jobs in small towns and isolated communities."[37]

The Task Force on Training Programs for Unemployment Insurance Recipients

recommended the creation of local Labour Market Boards that would advise the local Canada

Employment Centre (CEC). Such boards would be comprised of local business and labour

representatives, chosen for their knowledge of local labour market issues, and community and

other representatives. This Task Force referred to these members as "labour market partners".[38]

The Task Force on Programs for Social Assistance Recipients (SARs) echoed this call

for a more community-based approach: "It has been demonstrated that poor program design and

inadequate coordination among interested community groups and the various levels of

government have created a number of barriers which prevent many SARs from accessing the

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[36] Ibid., p. 80.

[37] Ibid., p. 92.

[38] Ibid., p. 95.

training and educational opportunities they are entitled to."[39]

Similarly, the Task Force on Entry level Training noted that "many individuals do not feel comfortable in a formal school setting...The model being proposed deals with this concern by fostering both school-based and community-based training."[40]

In July, 1990, the Report of Phase II of this committee was released. It was entitled "A Framework for a National Training Board" and proposed that a new national institution - a National Training Board - be created as an independent agency, reporting to Parliament through the Minister.[41] The proposed board, in their view, would not duplicate the work of existing boards, departments or agencies but would provide policy advice and direction on a wide range of training and training-related issues. One of the mandates of the National Board would be:

> to identify and assist successful local, community
> and sectoral training initiatives and provide whatever
> assistance is needed to encourage them to expand
> their activities. At the same time, it should work
> to facilitate the creation of similar initiatives in other
> sectors and communities.[42]

In addition, local boards would be created to play an active role in the following key areas:

- assessing the local labour market to identify areas where training is required;

- working in conjunction with local CEC offices to provide guidance and direction for training plans to address community training needs;

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[39] Ibid., p. 116. SAR is the jargon for social allowance recipient.

[40] Ibid., p. 230.

[41] The Canadian Labour Market and Productivity Centre, Report II of the CLMPC Task Forces on the Labour Force Development Strategy:A Framework for a National Training Board. Ottawa: CLMPC, July, 1990. P. 4.

[42] Ibid., p. 6.

- monitoring the effectiveness of training initiatives and the extent to which standards developed by the National Board are being met;

- advising the National Training Board on the relevance of programs and services to community training needs;

- ensuring the provision of specialized counselling support services to those anticipating job loss, or as soon after job loss as possible, in order to ensure effective retraining, where necessary, and a smooth and speedy transition to re-employment;

- deciding what training is needed and negotiating its purchase from appropriate educational institutions.[43]

Once more, the move towards the creation of community based partnerships is emphasized.

Creation of this network of local Labour Force Development Boards proceeded with difficulty, even after the election of the Chretien government in 1993, primarily because provincial governments did not fully embrace the concept. Haddow attributes this difficulty in implementation to:

> in part, this is because of difficulties in mobilizing business and labour participants; it is also, however, partly a result of fractious federal-provincial relations. Provincial governments found that the CFLBD's proposed structure had significant implications, many of them negative, for their future role in the training field.[44]

The first such provincial concern was the fact that the national and labour organizations which dominated the Board clearly supported a strong federal role in labour market training.[45] This

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[43] Ibid., p. 9.

[44] Haddow, op cit., p. 353.

[45] It should be noted that there was one minority report by Al Hatton, National Director of Employment Initiatives for YMCA Canada, in which he stated that "the Task Force has come to other conclusions with which I strongly disagree. Principally, the task force would place future responsibility for training exclusively under the control of the provinces and their educational

concern was further compounded by the incomplete transition from CJS, with its own network of community training committees and other private-sector training committees, to LFDS (Labour Force Development Strategy) Boards. Provincial officials complained that this overlap created a confusing multitude of purchasing institutions and complicated the work of provincial training institutions. Among the affluent provinces, especially Ontario, there was the complaint that the funding changes in LFDS worked to the advantage of poorer provinces. Previous funding formulas since the 1960s had benefited affluent provinces.[46]

In 1994, the federal government released a discussion paper, <u>Improving Social Security in Canada</u>, which outlined the need for improvement in the are of employment development services. A supplementary paper, <u>Employment Development Services</u>, was released that year and outlined the plan in more detail. Essentially, employment development services would include assessment, counselling, literacy programs, institutional and workplace training, job finding assistance, community development, as well as income support, child care, and employment supports for people with disabilities as well as wage and employment subsidies. In the discussion paper, the concept of community partnerships evolved. By devolving power for the delivery of labour market training and administration to the business, labour and community or social groups, it was felt , not only would skills be developed, by the individual would also be provided with community support and encouragement. As noted by Leon Muszynski, a key

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institutions. This would remove existing authority for delivery of training programs from federal jurisdiction." (P. 234) This would appear to contradict Haddow's conclusion of a strong federal role. My own reading suggests that the provincial objections were to a <u>continued</u> federal presence.

[46] Haddow, <u>op cit</u>, see pages 353 - 357 for his detailed analysis of this inter-jurisdictional dispute.

omission of the discussion paper was its failure to propose more specific strategies to implement

local labour force development boards and link them to the current strategy to provincial

reform.[47]

Since the 1960s, the Quebec government had been arguing for complete jurisdiction over

labour market strategies. With the collapse of the Meech Lake Accord in 1990, the federal

government seriously considered the transfer of this power to the provinces. The federal

government contemplated this transfer in order to satisfy the demands of the Government of

Quebec and despite some objections, as Haddow notes, from other provinces. The optional

transfer agreement that was developed allowed provinces to take over or partner with the federal

government in the delivery of labour market services.[48]

Some economists such as Michael Porter regard this transfer with favour: "a

decentralized approach to training fits the realities of the Canadian labour market and may help

to facilitate the process of geographical clustering in Canada."[49] Other scholars such as Herman

Bakvis expressed hesitation on "...whether this new federal-provincial regime will lead to

competing and counter-productive labour market policies or, alternatively, to a broader

consensus on the Canadian economic and social union."[50] As Peter Stoyko has observed, the

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[47] Muszyinski, Leon, "An Alternative Plan for Employment Development Services in Canada", Warm Heart, Cold Country: Fiscal and Social Policy Reform in Canada. Daniel Drache (editor). Ottawa: Co-published by the Caledon Institute of Social Policy and the Robarts Centre for Canadian Studies, 1995. Pp. 187.

[48] Ibid., pp. 360 - 362.

[49] Porter, Michael E.and the Monitor Company, Canada at the Crossroads: The Reality of a New Competitive Environment. [Ottawa]: Minister of Supply and Services, 1991. P. 211.

[50] Bakvis, Herman, "Labour-Market Development", Canada and the State of the Federation 1996. Patrick C. Fafard and Douglas M. Brown (editors). Kinston, Ont.: Queen's University Institute of Intergovernmental Relations, 1996. P. 161.

devolution of labour market responsibility to the provinces has come at a time of overall reductions in benefit coverage, generosity and progressivity. The reinvestment of UI funds towards active measures now remains contingent upon provincial inclinations. The devolution to the provinces comes with few assurances that modest increases in spending will be maintained.[51]

As of November, 1998, Ontario remains the only province without a labour market development agreement with the federal government. The Province of Manitoba has been responsible for labour market training since November, 1997. The federal government is presently in the initial stages of evaluating the impact of devolution on labour market services. It is still too early to make even a preliminary assessment of the consequences of this transfer of responsibility to the training needs of displaced workers.

B. Labour Market Research and Public Policy Issues in the 1980s and 1990s

The end of the 1980s saw what one government document called "a strong recovery from the economic recession of the early 1980s ....[and] we should see as a long-term trend a gradual reduction of unemployment in Canada."[52] The document emphasized, however, that this reduction in unemployment could only be achieved by a re-structuring of our workforce to meet changes in technology, market demands, and international competition:

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[51] Stoyko, Peter, "Creating Opportunity or Creative Opportunism?: Liberal Labour Market Policy", How Ottawa Spends 1997-1998. Gene Swimmer (editor). Ottawa: Carleton University Press, 1998. P. 104.

[52] Employment and Immigration Canada, Success in the Works: Canada's Emerging Workforce. [Ottawa]: Public Affairs and Strategic Policy and Planning, Employment and Immigration, 1989. p. 1.

What counts for Canada now are not natural advantages,
but the "engineered" advantages we can create through
technology, innovation and a skilled workforce. The
growth industries today are those which develop the
people with skills to harness technology, create a
value-added product, and improve productivity. These
are the industries which will determine economic
growth in the future.[53]

Canada is presently experiencing a transition from a resource based economy to a knowledge-

based, skilled economy.[54]

It noted that "many workers will need not only different or upgraded skills, but a broader

range of skills...Production workers who once had narrowly defined responsibilities are

becoming part of multi-skilled, self managing production teams."[55] Further, the study indicated

that "the decentralized, small-business orientation of regional economies may prove to be an

important incubator for the entrepreneurial firms best suited to make full use of flexible

manufacturing" and that "education and training, in conjunction with plans for regional economic

development, can help overcome some of the traditional disadvantages faced by some parts of

Canada."[56] The report indicated that in the year 2000 40.7% of the labour force will be 15 to 34

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[53] Ibid., p. 2.

[54] An example of the potential for change from resource based to high-tech economic
development is in Fort McMurray, Alberta. This remote northern town has become a major site
for Internet sales. Mitchell, Jared, "Wired Little Town", Report on Business Magazine.
November, 1997. Pp. 119 - 129.

[55] Employment and Immigration Canada, Success in the Works: Canada's Emerging
Workforce., p. 5.

[56] Ibid., p. 11.

years old; 48.8% will be 35 to 54 years old with 10.5 % 55 years or older.[57] As a result,

"employers will find it more difficult to fill entry-level positions with new graduates who are

trained in emerging skills. To meet changing skills requirements in the workplace, an increasing

number of established workers will need re-training and skill development."[58] It concluded that

"a skills mismatch currently exists" and that manufacturing firms are facing significant skills

shortages."[59] This skills mismatch was percieved as hampering innovation since a previous

report had cited "the availability of highly trained and well-educated personnel" as a key

component to technological innovation.[60]

This focus on skills was similar to the world wide awareness of a need to deal with the

consequences of new technological development. An OECD report in 1988 foresaw "big

changes in occupations and skills"[61] in management structure, job design and payment for skills

development:

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[57] Ibid., p. 15. The report quotes Statistics Canada, Labour Force Annual Averages, 1981-1988. Employment and Immigration Canada. 1989.

[58] Ibid., p. 17.

[59] Ibid., p. 24. Recent newspapers report appear to confirm this trend. An Ernst & Young survey on attitudes indicated 35% of Ontarions forecast that in 10 years a technical college certificate would have more impact than any other type of education, 24% said apprenticeships and only 18% rated university education as the most important. Source: The Toronto Sun., " College degree may be better for job: Survey", 17 July 1998, p. 67; The Ottawa Citizen, "College diploma best bet for a job", 17 July 1998. p. C3; The Toronto Star, "University won't beat college diploma: Poll", 17 July 1998, p. E3; The Globe & Mail, " Degrees allocated to back seat in Ontario poll on future jobs", 17 July 1998. p. A6.

[60]Canadian Chamber of Commerce, Focus 2000: Report of the Task Force on Technology and Canadian Business. Ottawa: Canadian Chamber of Commerce, August, 1988. P. 15.

[61] OECD, New Technologies in the 1990s: A Socio-economic Strategy. Paris:) OECD, 1988. P. 13.

> From a typical pyramid-shaped structure the move is
> towards a substantial upgrading and broadening of skills.
> Narrowly-defined job categories have to be replaced by
> broader job classifications, so that workers are provided
> incentives in the form of on-the-job learning opportunities.
> Payments linked to individual competences, rather than to
> output, and to the performance of the enterprise as a whole,
> can provide incentives for workers to acquire new skills
> and thus help encourage redeployment and job design.[62]

This focus on skills development also prevailed with labour market theorists. Dr. Gordon Betcherman, a Senior Fellow at Queen's University in Kingston, had become recognized as a world leader in the area of labour market training initiatives.[63]

He maintains that government should formulate economic and social policies, with a number of areas in mind, including income redistribution: "We need an active social policy that addresses the issue of training and other supports to help people be self-sufficient in the labour

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[62] Ibid., p. 13.

[63] Dr. Betcherman first came to prominence in the 1980 with the publication of his analysis of Skills and Shortages: A Summary Guide to the Findings of the Human Resources Survey by the Economic Council of Canada and the publication in 1982 of Meeting Skill Requirements: Report of the Human Resources Survey (Supply and Services Canada) and in 1986 the publication of Working with Technology: A Survey of Automation in Canada (Economic Council of Canada). The 1990s have seen a proliferation of writings by Dr. Betcherman, on occassion as joint author, : HRM Trends in the Electrical and Electronics Products Sector (Industrial Relations Centre: Queen's University, 1993);HRM Trends in the Wood Sector (Industrial Relations Centre: Queen's University, 1993); HRM Innovations in Canada: Evidence from Establishment Surveys (Industrial Relations Centre, Queen"s University, 1994); Out of Sync: Technological and Organizational Changes in Canadian Industry (Industrial Relations Centre, Queen"s University, 1994); Recent Youth Labour Market Experiences in Canada (Analytical Studies Branch, Statistics Canada, 1994); Good Jobs, Bad Jobs, No Jobs: Tough Choices for Canadian Labour Law (C.D. Howe Institute, 1995); UI: Employer Responses to UI Experience Rating: Evidence from Canadian and American Establishments (Human Resource Development Canada, 1995); The Future of Work in Canada (Canadian Policy Research Networks, 1997); and, most recently, Training for the New Economy (Canadian Policy Research Networks, 1998.) In addition to publications, Dr. Betcherman also spoke extensively and wrote various articles on the changing nature of work,

market. There is always going to be unemployment and, if we care about a decent level of

income for people, we can't get away from the fact that we have to redistribute income."[64]

He states that "as currently structured, education and training in Canada actually

reinforce the trend toward social exclusion and the polarization of income."[65] The

unemployment insurance also deterred employers from providing training and avoiding lay-

offs.[66] Employers that did implement innovative human resource management practises such as

training, internal job ladders, incentive pay and employee participation did reduce employee

turnover by quits and layoffs.[67]

According to Betcherman, government does have a role to play in the health of the

economy: "Reducing government investment in education, for instance, is a mistake that we'll

pay for down the road. But we need to do more than just rebuild what we had. We need new

institutions."[68] This demand for new institutions had been presented earlier by Betcherman in

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[64] Betcherman, Gordon, "Steps that Government, Business and You Can Take to Brighten the Job Future", Globe and Mail. National Issues Forum. Published on Saturday, April 27, 1996. P.4. internet: http/forum.theglobeandmail. Com./globenet/Jobs8.html.

[65] Betcherman, Gordon, CPRN Annual Report - 1995-6: Work Network. Ottawa. Internet:http://cprn.com/about/annwork.htm. P.1.

[66] In the study, Betcherman, Gordon and Norm Leckie, Employer Responses to UI Experience Rating: Evidence from Canadian and American Establishments. [Ottawa]: Human Resources Development Canada, 1995, it was determined that greater degrees of experience rating in the unemployment insurance system at the time did not deter employers from layoffs to decline declines in labour or to encourage them to engage in greater training. (P. 9).

[67] Ibid., p. 17.

[68] Interview with Gordon Betcherman by the Atkinson Foundation, "Why is the job crisis so taxing?", The Atkinson Letter. April 25, 1997. P. 5. Internet:

1994:

> In the jargon of the theorists, the shift in the
> "technoeconomic paradigm" - from a stable,
> mass-production, goods economy to a
> turbulent, flexible-production, information
> economy - requires a corresponding shift
> in our new social institutions, including the
> institutions of the workplace.[69]

and again in 1995:

> The growth in unemployment, in low-wage,
> nonstandard workforms, and in earnings
> inequality is creating serious pressures on a
> social policy framework that was developed
> for a very different labour market. Clearly,
> a major challenge for reform will be to
> modernize programs and institutions to fit
> well with the new labour market realities.[70]

The type of new institutions was described in his later work in 1998.

Dr. Betcherman, with Norm Leckie and Kathryn McMullen, conducted an extensive

survey of 2,500 establishments of all sizes in all regions and in virtually all industries to collect

both quantitative and qualitative data on employer based training practises in Canada. The study

indicated that there had been a drop in formal training activities[71] and that basic skills training is

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http://atkinsonfdn.on.ca/publications/atkinson_letter/jobs1.html.

[69] Betcherman, Gordon, Kathryn McMullen, Norm Lecki and Christina Caron, The Canadian Workplace in Transition. Kingston: Queen's University Industrial Relations Centre, 1994. p. 2.

[70] Betcherman, Gordon, "Inside the Black Box", Good Jobs, Bad Jobs, No Jobs: Tough Choices for Canadian Labor Law. Toronto: C. D. Howe Institute, 1995. p. 97.

[71] Betcherman, Gordon, Norm Lecki and Kathryn McMullen, Developing Skills in the Canadian Workplace: The Results of the Ekos Workplace Training Survey. Ottawa: Canadian

the least frequent type of training (the highest incidence is for professional and technical skills training).[72] The decline in training activity noted in the Betcherman et al study is significant since Canada does not have a strong history of employer based training. In his 1982 study, Betcherman notes that if vocational training programs of one year or longer were considered, the incidence of training drops to 20%.[73] In response to the question why the incidence of skill development is not higher, Betcherman indicates that employers do not see a perceived need for training since vacancies were filled by external recruiting coupled with a lack of human resource management.[74] Again in the 1986 survey on automation, the tendency to short-term training was noted: "For all occupations, both on-the-job and classroom training tended to be short-term. Indeed, one-half of the former type of program and over 80 per cent of the latter lasted four weeks or less."[75]

The study indicated a polarization of training activities with employees already possessing high degrees of human capital receiving more training than employees possessing little human capital development - this was similar to earlier studies that indicated the distribution of enterprise-based training was uneven with employers concentrating their

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Policy Research Networks, 1997. P. 39.

[72] Ibid., p. 47. Basic skills training is equivalent to entry level occupational skills.

[73] Betcherman, Gordon, Meeting Skill Requirements: Report of the Human Resources Survey. Ottawa: Minister of Supply and Services Canada, 1982. P. 60.

[74] Ibid., p. 61.

[75] Betcherman, Gordon and Kathryn McMullen, Working with Technology: A Survey of Automation in Canada. Ottawa: Minister of Supply and Services Canada, 1986. P. 40.

investments on prime-aged workers and employees with high levels of human capital development.[76] One of the key lessons of the study was that training was a subjective activity - "training is not managed by companies, but by people. Therefore, the amount and type of training and its place in the corporate culture are highly dependent on the attitudes and behaviours of the individuals involved."[77] From a public policy perspective, the authors suggest that the public policy in this area should be directed at the "non-training segment", industries that offer little or no training to employees, and the group of employees in the "training segment" who receive little or no portion of this training, specifically youth and non-standard workers (part-time workers, temporary help, self-employed).[78] Case studies conducted by Betcherman

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[76]Betcherman, Gordon, Kathryn McMullen, Norm Lecki and Christina Caron, The Canadian Workplace in Transition. Kingston: Queen's University Industrial Relations Centre, 1994. p. 79.

[77]Betcherman, Gordon, Norm Lecki and Kathryn McMullen, Developing Skills in the Canadian Workplace: The Results of the Ekos Workplace Training Survey., p. 82. Betcherman noted in other studies that training activity increased in larger firms, smaller firms did not offer as much or any training. See: Betcherman, Gordon and Gary J. MacDonald, HRM Trends in the Electrical and Electronics Product Sector: Results of the Human Resource Practices Survey. Kingston: HRM Group, Industrial Relations Centre, Queen's University, October, 1993. P. I. And Betcherman, Gordon and Gary J. MacDonald, HRM Trends in the Wood Sector: Results of the Human Resource Practises Survey. Kingston: HRM Group, Industrial Relations Centre, Queen's University, October, 1993. P. ii. The study by Gordon Betcherman, Kathryn McMullen and Norm Leckie, Out of Sync: Technological and Organizational Change in Canadian Industry, Ottawa, Queen's-University of Ottawa Economics Projects, 1994 indicated that Canadian industry was not achieving the full social and economic benefits of computer based training. P. 10. Similarly, the study Betcherman, Gordon, Norm Leckie and Amil Verma, HRM innovations in Canada: Evidence from Establishment Surveys. HRM Group, Industrial Relations Centre, Queen's University. 1994 indicated that many types of workplace innovation such as employee participation in Canada from 1985 to 1991 had substantial failure rates.

[78] Ibid., p. 83. See Appendix A, Table on Formal Employee-Training Incidence by Sex, Age, Education and Tenure with the Company from page 29 of this study. Note that 42.4% of employees under age 24 reported receiving training compared to 82.5% of age 25-34 years

indicated that "virtually all workers can be trained and retrained in the new skills demanded by technological change"[79] and dismissed the notion that certain workers were untrainable.

It is interesting to note that the small and medium size enterprises offer little training, yet contribute greatly to job creation in the country: between the third quarter of 1996 and the third quarter of 1997, over 430,000 net new jobs were added to company payrolls. Small and medium size enterprises (SMEs) accounted for almost 70% of this increase.[80]

In the 1998 Pilot Workplace and Employee Survey by Human Resources Development Canada and Statistics Canada, about twenty per cent of establishments indicated that human resource strategies in general (including increasing employee skills, increasing employee involvement, enhancing labour/management relations, etc.) were very important or crucial to the establishment's business. Although human resource strategies were important in the higher technology sections such as the financial sector, communications, and education, they were not particularly important in the lower wage/skilled sectors such as the retail sector, real estate, transportation, some goods-producing sectors such as logging and mining, and construction.

Larger establishments placed more importance on human resource strategies than did

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category. Similarly, 94.7% of those with university degrees reported receiving formal training while only 62.5% of those with less than high school did.

[79] Betcherman, Gordon, Keith Newton and Joanne Godin (editors), Two Steps Forward: Human Resource Management in a High-Tech World. Ottawa: Minister of Supply and Services, 1990. P. 4.

[80] Industry Canada, The Small Business Quarterly. Spring, 1998. p. 2. http//strategis.ic.gc.ca/ssg/mi06351e.html

smaller ones.[81] Job-related training declined corresponding to the size of the business establishment:

Employees Trained by Establishment Size	
Number of employees in establishment	Percent of employees reporting training
0 - 19 employees	26.9
20 - 99 employees	31.1
100 - 499 employees	45.4
500 plus employees	48.3
All sizes	41.1

Source: Statistics Canada, The Evolving Workplace: Findings from the Pilot Workplace and Employee Survey.   Ottawa: Statistics Canada, May, 1998.

Establishments offered many types of training, as demonstrated in the following table:

Establishments Offering Formal Training			
Percent offering vocational training	Percent offering non-vocational training	Percent offering both vocational and non-vocational training	Percent offering any formal training
35.4	25.5	22.1	38.7

Source: Statistics Canada, The Evolving Workplace: Findings from the Pilot Workplace and Employee Survey. Ottawa: Statistics Canada, May, 1998.

Human capital theory predicts that training in skills that are applicable employer-wide are usually not readily provided by individual employers since the portability of such transfers is a risk for the employer who has provided the investment of training. In product-differentiated manufacturing, for example, less than one-third of the workforce reported receiving training.[82]

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[81]Statistics Canada, The Evolving Workplace: Findings from the Pilot Workplace and Employee Survey. Ottawa: Statistics Canada, May, 1998. P. 8.

[82]Statistics Canada, The Evolving Workplace: Findings from the Pilot Workplace and Employee Survey. Ottawa: Statistics Canada, May, 1998. P. 37.

The portability of skills in the goods producing sector is higher for smaller establishment who experience the most turnover of employees. The following table demonstrates the hiring patterns for establishments:
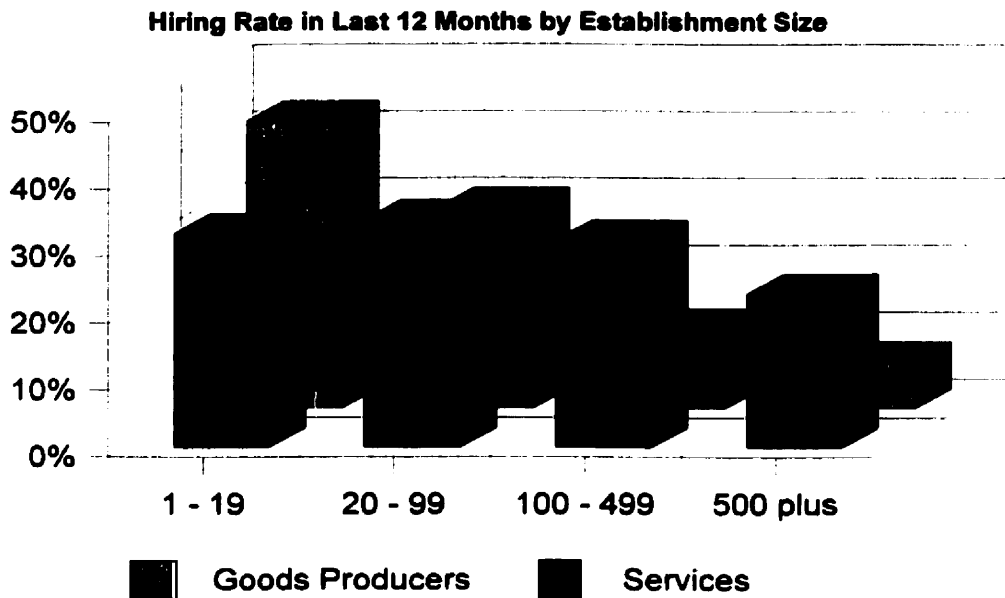
Hiring Rate in Last 12 Months by Establishment Size

Goods Producers   Services

Given this high hiring rate, it is unlikely employers of small establishments would invest in large amounts of training for their employees. Employers are seeking a workforce already trained in transferable basic skills. In assisting unemployed workers to become active members of the labour force, government has a responsibility to work with employers to provide non-employer specific, basic entry skills training.

The concerns of Betcherman appear to be in sync with the sentiments of the Canadian

public. In a 1996 survey, four in five respondents agreed either strongly or moderately that "the

educational system in Canada is not paying enough attention to the skills and training that are

needed in today's economy" and only one in three broadly agreed that "high schools do a good

job of preparing student's for today's workforce".[83] A 1998 survey found that Canadians believe

a liberal arts university education is too traditional, and that technical training is far more

valuable in the new economy than a university degree.[84]

This contrasts with the criteria for being viewed as a good employer by the Canadian

public - only 3% of respondents indicated that the provision by the employer for employees to

have opportunities for training and upgrading of skills was an attribute of a good employer.[85]

Yet, in some opinion surveys, the Canadian public as a whole appears to place a higher priority

on job creation and on social programs than on deficit reduction and tax reduction[86] and around

30% or higher of respondents showed jobs to be a major concern.[87] As well, only 10% of survey

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[83] The Angus Reid Report, "Perspectives on Canada's Public Education System", September/October, 1996. P. 35.

[84] Fallis, George, "More than a pretty degree: Never underestimate the practical value of the liberal arts", Globe & Mail. August 11, 1998. P. A21. It is interesting that this perception is not supported by facts - according to Statscan(as reported in this article), the average income for a university graduate is more than $42,000 compared with just over $25,800 for high-school graduates.

[85] The Angus Reid Report. "The role of Government", January/February, 1996. p. 33.

[86] The Angus Reid Report. ""Good Employers" in the Eyes of Canadians", July/August, 1996. p. 16.

[87] The Angus Reid Report. "The Future of Work", January/February, 1996. p. 3.

respondents indicated that they were adversely affected by a lack of adequate training on how to use new technologies in the workplace.[88] In contrast, though, 51% of employed respondents and 69% of unemployed respondents ranked training paid for by employer as a desirable employee benefit (rank of 6 or 7 on a 7 point scale with 1 being not desirable at all and 7 very desirable).[89] This suggests that the Canadian public still looks to government for the provision of training and not to employers. This attitude of the general public was indicated in a 1998 Ekos survey that found the most popular choice of what to do with a then $14 billion accumulated surplus in the unemployment insurance fund was increased training and employment programs to help Canadians find work.[90]

This concern for the lack of employer based training has been raised by University of Manitoba professors Derek Hum and Wayne Simpson who state: "In short, there would appear to be legitimate concern that inadequate training retards worker performance and is associated with poor industrial performance, although the casual factors, including possible barriers to training, are not easily identified."[91] They conclude that education and training are critical to the success of Canada's economy. They note that even as government strives to make its mark in job

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[88]The Angus Reid Report. "Canadian Perspectives on Work and the Workplace", May/June, 1996. p. 30.

[89]The Angus Reid Report. "Younger Canadians Perspectives on Work", July/August, 1997. p. 61.

[90] Greenspan, Edward, "Use surplus to get people working, UI poll told", Globe and Mail. August 12, 1998. P. A5.

[91] Hum, Derek and Wayne Simpson, Maintaining a Competitive Workforce: Employer-Based Training in the Canadian Economy, Montreal: IRPP, 1996. pp. 51-52.

creation, the private sector is destroying jobs in an attempt to restructure, downsize and compete

globally and that Canada's social safety net, including unemployment insurance and social

assistance must be changed: "the menu of choices for creating these jobs and training

opportunities on the labour demand size is equally important as the design of social safety nets

which encourage response on the labour supply side."[92] Hum and Simpson advocate the use of

some kinds of government incentives for employer based training (EBT) to counteract the

uncertainty associated with Canada's economic restructuring.

The benefits of employer-based training extend to the employees as well as the

employer.[93] A recent Statistics Canada found that:

> Technology using firms tend to demand greater
> skills, do more training, and invest more in
> human capital. Accordingly, they tend to
> offer better jobs and pay higher wages....
> Specifically, firms that recognize the importance
> of labour skills, that focus on developing innovative
> employee compensation plans, that stress quality
> and total quality management and implement
> training programs are more likely to be
> innovative.[94]

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[92] Ibid., p. 54.

[93] It is for this reason that some economists maintain the cost of and the return to investment of employer based training will be shared by the worker and by the employer. See Hashimoto, Masanori, "Firm- Specific Human Capital as a Shared Investment", The American Economic Review. June 1981 for one model in which the parties attempt to minimize the loss from future separation of the employee-employer relationship by optimally sharing the investment.

[94] Baldwin, John R., Tara Gray, and Joanne Johnson, Technology Use, Training and Plant-Specific Knowledge in Manufacturing Establishments. Ottawa: Analytical Studies Branch, Statistics Canada, December, 1995., p. 35.

Training thus creates a win-win situation: employees usually have better jobs and pay; employers usually have the economic gains associated with innovation.

One difficulty with implementing public policy in this area is, according to various speakers at an international conference on skills development, that "although there is a general sense that social returns to investments in human capital and technological and (increasingly) organizational innovation are substantial, there is scant hard evidence to support this (and, thus, to support decisions for more investment)."[95] This statement would appear to be well-supported given the Canadian experience. In 1995, the Canadian Labour Force Development Board (CLFDB) reviewed studies focussing on both Canadian and American experiences of the impact on training on the subsequent labour market experience for unemployment and social allowance recipients. The conclusion was that training had small impacts on subsequent employment and earnings of participants and that training was most effective when combined with classroom and on-the-job training, or with labour market support such as counselling.[96] A 1993 study by OECD had similar findings, noting that training had to be customized for the specific needs of different client groups to be effective.[97]

The conference participants noted that the externality problem of human capital

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[95] Report on the International Conference Organized by the Government of Canada and the Organization for Economic Co-operation and Development, "Best Practise: Workplace Innovation", Changing Workplace Strategies: Achieving Better Outcomes for Enterprises, Workers and Society. Ottawa, 2 - 3 Dec., 1996. http/www.hrdc-drhc.gc.ca/hrdc/corp/stratpol/arbsite/research/change/toc_e.html. 07/17398. P. 3.

[96]Canadian Labour Force Development Board, The Labour Force Development Review. Ottawa: Canadian Labour Force Development Board, 1995. Pp. 19 - 42.

[97] OECD, Employment Outlook: 1993. Paris: OECD, 1993. Pp. 39 - 80.

investment and other forms of intangible investments poses an inability for firms to guarantee

that they will capture the returns made on these investments. It is a growing problem:

> With respect to general skills, in particular,
> enterprises face the risk of making initial
> investments that will be lost if employees
> leave before the returns can be captured.
> This problem may become more serious as
> new workplace systems increasingly
> emphasize general employability skills
> that are transferable across organizations
> and as contingent forms of employment
> proliferate.[98]

The problem for public policy then could be interpreted as deciding on who should provide

general employability skills with a high degree of externalities - the employer or the

government?[99]

This recent international conference concluded that governments have a critical role to

play in training and skills development: "human resource development must be a priority."[100]

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[98] Report on the International Conference Organized by the Government of Canada and the Organization for Economic Co-operation and Development, "Best Practise: Workplace Innovation", Changing Workplace Strategies: Achieving Better Outcomes for Enterprises, Workers and Society., p. 3. This problem is not a new one for economists. See: Glick, Henry A. and Michael J. Feuer, "Employer-Sponsored Training and the Governance of Specific Human Capital Investments", Quarterly Review of Economics and Business. Vol. 24. No. 2. Summer, 1984. for a discussion of the provision of general training for employees by employers and the poaching risks by other firms.

[99] In a recent attitudinal survey, Ernst & Young found that 90% of the 1000 respondents were in favour of government spending money on job training for adults. Source: The Ottawa Citizen, "College diploma best bet for a job", 17 July 1998. p. C3.

[100] Report on the International Conference Organized by the Government of Canada and the Organization for Economic Co-operation and Development, "Conclusion", Changing Workplace Strategies: Achieving Better Outcomes for Enterprises, Workers and Society. Ottawa, 2 - 3 Dec., 1996. http/www.hrdc-drhc.gc.ca/hrdc/corp/stratpol/arbsite/research/change/toc_e.html. 07/17398. P. 1.

Governments must provide the infrastructure that is conducive to supporting intangible

investments and the diffusion of information on "best practises". In addition, governments must

play a leadership role in the reform of the "social contract" principally by brokering the long-term

interests of stakeholders and by offering a new vision of economic security.   In a recent

study, Training for the New Economy: A Synthesis Report, Betcherman and co-authors Kathryn

McMullen and Katie Davidman maintain that

the traditional roles of government should be redefined to take account of the training market and

the potential contribution of intermediaries. In this environment, the new role of government

involves:

- providing basic education;

- supporting better information flows including:
  - basic labour market information;
  - occupational standards and training standards;
  - employer certification and accounting tools;

- creating better credit tools;

- brokering collaborative relationships; and,

- facilitating the labour market entry of youth.

Betcherman maintains that the use of intermediaries will facilitate the delivery of labour

market training. In an earlier study, he noted that such partnerships should not be legislated as

mandatory for all firms but should be encouraged by government on a voluntary and

collaborative basis.[101] He notes that market forces will work to control the quality of output from

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[101] Betcherman, The Canadian Workplace in Transition., p. 101.

the intermediaries and to ensure consistency in the delivery of services.[102]

This view of the marketplace as guarantor of quality in a public/private partnerships raises an issue central to new public management today. As stated in the OECD report on the conclusions of the public management committee, Governance in Transition: Public Management Reforms in OECD Countries, "creating conditions in which public sector organisations must compete for business provides powerful incentives to improve quality, contain costs, and improve efficiency."[103] These conditions must be created, however, with a continuing regard for the maintenance of an accountability framework between government and the citizens.

There is a difficulty, however, in relying on market forces only as a framework for government accountability. As will be discussed later in this thesis, the social responsibility of government to assist the disadvantaged is difficult to account for using only market force measures. The rewards and penalties for failing to assist the disadvantaged are often intangible and difficult to quantify using market force measures. Furthermore, as will be discussed in Chapter Three of this thesis, government can use a variety of approaches other than competition in order to improve quality, contain costs, and improve efficiency. The contracting out of services and the use of community partnerships, for example, do not rely on competitive market forces alone as a sole determinant in improving quality, containing costs and improving efficiency.

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[102] Interview, Gordon Betcherman, Ottawa, July 17, 1998.

[103] OECD, Governance in Transition: Public Management Reforms in OECD Countries. Conclusions of the Public Management Committee, 9 March 1995, p. 11.

A pure market force approach to accountability in government conflicts with the traditional role of public sector accountability. The accountability of public officials, both elected and appointed, exceeds the public accountability which would be required if responsiveness to market forces was the sole factor. This raises the question of whether government programs and the officials who operate them should be accountable only to market forces. Certainly, consideration of social and moral responsibility as well as the legitimate role of government must also impact on the accountability framework for the public sector.

The use of intermediaries in the provision of labour market services changes the role of the public manager. As career public servant Rainer Andersen points out:

> The central challenge for the public service is to
> become very good at finding the appropriate
> champions and intermediaries; to work with them
> and build their capability to perform their part of
> the job; and to manage the relationships and support
> these intermediaries effectively through using
> the best practice skills associated with the successful
> operation of boards of non-profit organizations.[104]

This broker role of the public servant offers both challenges and opportunities. The use of intermediaries as partners in the delivery of labour market training necessitates a change in the traditional role of the government as known in the days of the welfare state. In this new role, government has to be both responsive to the needs of the marketplace and yet still maintain an accountability to the citizens it serves. The difficulties associated with this new role will be discussed further in the next chapter.

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[104] Andersen, Rainer, "The action learning model: innovation in partnership", Optimum. Spring, 1996. P. 19.

C. Conclusion

This is a time of change in the area of labour market policy. Parallel to the transition from federal to provincial jurisdictions is a transition from government based service delivery of training initiatives to a partnership framework.

The types of partnerships used by government vary, as will be shown in Chapter Three of the thesis, but all involve, to some degree or another, the sharing of power by government with an outside organization and/or another government level. One of the most popular forms of partnerships for labour market initiatives is a "social partnership" between government and a non-profit organization. As will be discussed in Chapter Four, in order for such partnerships to be effective, there must be a cohesive community with the capacity to partner with government.

To effectively evaluate the use of a community partnership by government, the traditional evaluation of labour market training programs which is based on quantifiable outcomes needs to be expanded. As will be presented in the conceptual framework outlined in Chapter Five, the evaluation process must also encompass an assessment of the partnership relationship and the long term societal benefits. This will be followed by Chapter Six which presents a case study, The Triple S Basic Skills Industrial Skills Training Program, that applies the evaluation framework. This thesis will then conclude with an assessment of the effectiveness of community partnerships to deliver labour market services.

Chapter 3

Finding Other Ways: Community Partnership as an Alternate Service Delivery Mechanism

A. Introduction

Labour market services such as skills development training had traditionally been

purchased or contracted by bureaucrats on behalf of their clients, usually unemployment

insurance recipients or social allowance recipients. Throughout the 1980s and into the 1990s, all

governments in Canada were and are under great pressure to redesign programs and delivery

structures for maximum effectiveness and efficiency. The traditional service delivery

mechanisms for the provision of labour market services by the federal government were affected

by these pressures.

A recent joint study by the management firm of KPMG and the Institute of Public

Administration of Canada (IPAC) have listed these pressures as including the need to:

reduce deficits and accumulated debt;

compete with other jurisdictions and sectors;

deliver services and provide more hospitable environments for business and investment;

provide the services that citizens want in the manner they seek; and

provide a range of services consistent with the willingness of citizens and corporations to
bear certain levels of taxation.[105]

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[105]Lindquist, E and T. Sica, "Canadian Governments and the Search for Alternate
Program Delivery and Financing: A Preliminary Survey", a study prepared for the KPMG/IPAC,

Within this context, governments at all levels have been actively reviewing the various programs offered and the manner in which public sector services are delivered. In this context, programs have been eliminated and the remaining programs and services have, in many cases, been modified and redesigned to enhance both their efficiency and effectiveness.

The redesigning of programs and services has taken many forms, including the use of partnerships with community organizations for the provision of labour market services such as skills development training. This chapter will provide an overview of the evolution of alternate service delivery mechanisms that government has now turned to for the provision of services previously provided and delivered by government. Specific attention in this chapter will be focussed on the use of community partnerships, an increasingly popular ASD mechanism, for service delivery particularly as it relates to the delivery of labour market training.

In an attempt to reduce the costs of delivering services to the public, the government has looked at a number of options under the umbrella of contracting out. According to Christopher Bruce, these options include the following:[106]

> Public Sector Regulated Monopoly: In this approach, governments could obtain
> some of the benefits of private contracting by offering incentives to its employees
> to improve government efficiency. The government might allow agencies to
> retain funds generated through cost savings or it might establish performance
> goals for senior employees. Bruce states that such arrangements are inferior to
> private contracts with competitive firms as he argues that it is extremely difficult
> to set out the goals of senior civil servants ahead of time and , as a result, it

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October 20, 1995. P. 1.

[106]The list is taken from Bruce, Christopher J., "Rethinking the Delivery of Government Services`, A Government Reinvented: A Study of Alberta's Deficit Elimination Program. Toronto: Oxford University Press, 1997. Pp. 440 - 442.

becomes very difficult to discipline civil servants ex *post facto* for failing to meet those goals.

Intra-governmental Competition: Bruce suggests that in cases where it is not possible to obtain competitive bids from the private sector, some of the benefits of competitive tendering may be obtained by encouraging government agencies to bid against one another to produce government services. He notes that such a policy requires that there are no significant economies of scale in production, as otherwise government could be able to reduce costs by concentrating all of its production in one agency.

Non-profit Organizations: Bruce acknowledges that voters as a group may not consider the benefits of a service to exceed the costs but there may be a subgroup of citizens who are willing to pay for that service. In these cases, Bruce suggests that the government may be able to find a non-profit group that would be willing to provide that activity free-of-charge or in return for a subsidy.

Privatization: Bruce maintains that, all else being equal, private-sector firms will produce at a lower cost than the public sector. He concludes that, in most cases, if a private firm is willing to provide a service at no cost to the government by charging its users for the service, then that services should be privatized. The primary exceptions to this conclusion would be when the private firm is a monopoly and therefore has no incentive to sell its product(s) at the lowest possible price or when the production of the service in question produces additional external costs to society, such as air pollution or water pollution, for which they are not required to pay. In the latter cases, Bruce suggests that even if government agencies are less likely to create externalities than are unregulated private firms, it may well be the case that regulated firms will produce fewer externalities than government agencies who would be reluctant to self-monitor.

Abandonment: Bruce uses the term abandonment to describe a form of privatization in which the government charges no fee to the private firm for the right to provide a service that was previously provided by the government.

This list presented by Bruce is not inclusive of all the various ways that governments have altered the method of service delivery. Financial pressures caused Canadian governments at all levels to review both the need for existing programs and the methods for their delivery. Emerging from such program reviews was the concept of alternative service delivery

mechanisms (ASD). Put simply, the 'alternative' in the ASD phrase was the search for delivery methods which were both more responsive to the clients needs and more cost efficient and effective. As the KPMG/IPAC study indicated, Canadian governments have been very innovative in the manner in which the financing and delivery of programs has been reformed:

> While each jurisdiction has adopted a different mix for alternative delivery and financing, there seems to be a reluctance to proceed with a blanket approach; that is, governments tend to approach each program on its own terms and ultimately make determinations on what is best for the program and the clients it serves and, of course, what matches the preferences of the government.[107]

ASDs were a departure from the traditional role of government departments to provide the direct production and provision of public services. Part of the appeal of the ASD movement was that citizens were expected to reap better and more efficient services from government, unencumbered from the traditional notion of services delivered through the tangled web of bureaucracy amidst political interference.

ASD mechanisms go beyond the simple view of privatization, contracting out, rejecting traditional models of policy delivery or abandoning programs, and "is part of a new public management paradigm that provides creative solutions to meeting the demands of citizens who are increasingly aware of services delivery options and value for tax dollars."[108]

> The creation of ASDs is regarded as a positive move for both governments and citizens:
> It is possible that ASD will help contribute to public sector renewal

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[107]Lindquist, E and T. Sica, op cit, p. 1.

[108]Ford, Robin and David Zussman, "Alternative Service Delivery: Transcending Boundaries", Alternative Service Delivery: Sharing Governance in Canada. Toronto: KPMG/IPAC, 1997. P. 3.

through partnerships that truly share powers; by creating better accountability arrangements; by making better use of resources; by reinvesting in quality services that are user-driven; through the development of entrepreneurial action and through inter-jurisdictional co-operation. In essence, it offers governments better insights into the relationship between the state and the citizen and provides opportunities to redefine these relations.[109]

The working definition of ASD provided by Robin Ford and David Zussman is "... a creative and dynamic process of public sector restructuring that improves the delivery of services to clients by sharing governance functions with individuals, community groups and other government entities."[110]

It is interesting to note that the original meaning of the term governance meant the steering of the ship of state, more specifically determining the directions for society. The issue of exactly how much of this "steering" function should be transferred or shared by government with the private and non-profit sectors is an important issue involved with the establishment of alternate service delivery mechanisms. The question of whether some specific aspects of governance powers and functions should always be retained by government must be asked in the design of ASDs. As will be demonstrated later in this thesis, the question of what aspects of governance should be shared with community partner in an ASD is critical to determining the effectiveness of the relationship.

The designated sharing of governance powers in an ASD relationship is crucial not only to defining the relationship of the parties involved in the ASD but also crucial to defining the relationship of the citizen to the state and to the ASD organization. The assignment of

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[109]Ibid., p. 3.
[110]Ibid., p. 6.

governance powers is central to the establishment of an accountability framework by which the effectiveness and efficiency of the services delivered can be measured. This assignment serves not only as a guide for performance measurement of the terms and conditions of the arrangement but also serves as a guide to citizens for the assignment of accountability regarding the provision of the services delivered.

The assignment of governance power from government to another party affects the ability of government to steer the ship of state. If the governance powers assigned to a member of the private or non-profit sector are inconsequential to the role of government in establishing the direction of public policy initiatives, then the government will still be able to "steer" while others "row" in the provision of services. If, however, inconsequential powers are assigned to the non-government entity in an ASD relationship, then the non-government entity is hampered in the effectiveness of its role. The question may well be asked as to why an ASD is required if government has no need to share the governance role. As will be discussed further later, this point is particularly relevant when government turns to community organizations in the belief that the 'power of the grassroots' will be maximized, yet government is reluctant to share power in a meaningful manner with the community.

Conversely, if the assignment of governance powers enables non-governmental organizations to establish policy direction, then the ASD arrangement would certainly raise the question of who is steering the ship of state. The question of who is steering the ship is imperative in establishing accountability and in determining the proper role of elected representatives and the proper role of a service provider. Although a sharing of governance is

required to allow ASDs, particularly community partnerships, to be effective, the sharing of this power alters the traditional notion of ministerial accountability. It also alters the traditional role of the bureaucracy. If there is a sharing of governance power with a community organization, then the bureaucrat should take direction from two masters – government and the community partner.

As noted by former Ontario premier Bob Rae, establishing accountability frameworks is a lot more difficult than it first appears: "accountability is a far-reaching and emotionally charged concept that extends far beyond reporting a set of numbers. It includes both responsibility and entitlement and is not uni-directional."[111] Paul Thomas observes that accountability involves more than simply compliance with the required procedures, it also involves a subjective sense of responsibility.[112] A critical difficulty with the development of ASD is the challenge of defining and maintaining accountability frameworks. ASD rely on a concept of "shared governance". The question is not only who and how the governance is shared but who and how the accountability for governance is shared.

The allocation of governance powers is also important in cross-jurisdictional ASD arrangements either inter-governmentally (between levels of government) or intra-governmentally (between departments of the same level of government). In defining the relationship of the levels of government within the Canadian political system, ASD mechanisms

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[111] Rae, Bob, "Developing Indicators: The Call for Accountability", Policy Options. July-August, 1998. P. 21.

[112] Thomas, Paul, "Accountability", Taking Stock. Editors: Guy peters and Donald Savoie. Ottawa: Canadian Centre for Management Development, 1997.

have the potential to alter the traditional role of which government level does the steering and which level does the rowing, as well as perhaps involving more than one level in the steering process. The determination of who steers certainly implies that level of government will take the lead in defining the policy framework and, depending on the delineation of shared power, defining how the policy process unfolds.

ASD has been described as a "creative and dynamic process". The use of an ASD also has the potential to be a destructive force, or at least a disappointing effort, if the other two elements of this definition, i.e. the goal of improving the delivery of services to clients and the concept of sharing governance functions are not both clearly articulated and mutually embraced by government and by the other party or parties, whether these be other governments, private firms or non-profit organizations. As previously stated by Ford and Zussman, ASD provides the opportunity to redefine the relationship between the state and the citizen. As in any change process, the change can be for the better or for the worse. It is important to realize that, as in any restructuring process, the use of an ASD has the potential to improve the way that government provides services to its citizens, but it is a potential that must be carefully nurtured from inception.

C. Typology of Alternate Service Delivery (ASD)

This public sector restructuring took many different forms, including partners from both

the private and non-profit sectors as well as other governments. As the following figure[113]

indicates, the range of possible delivery options in using an ASD is quite broad:

Figure 1   Types of Alternative Delivery

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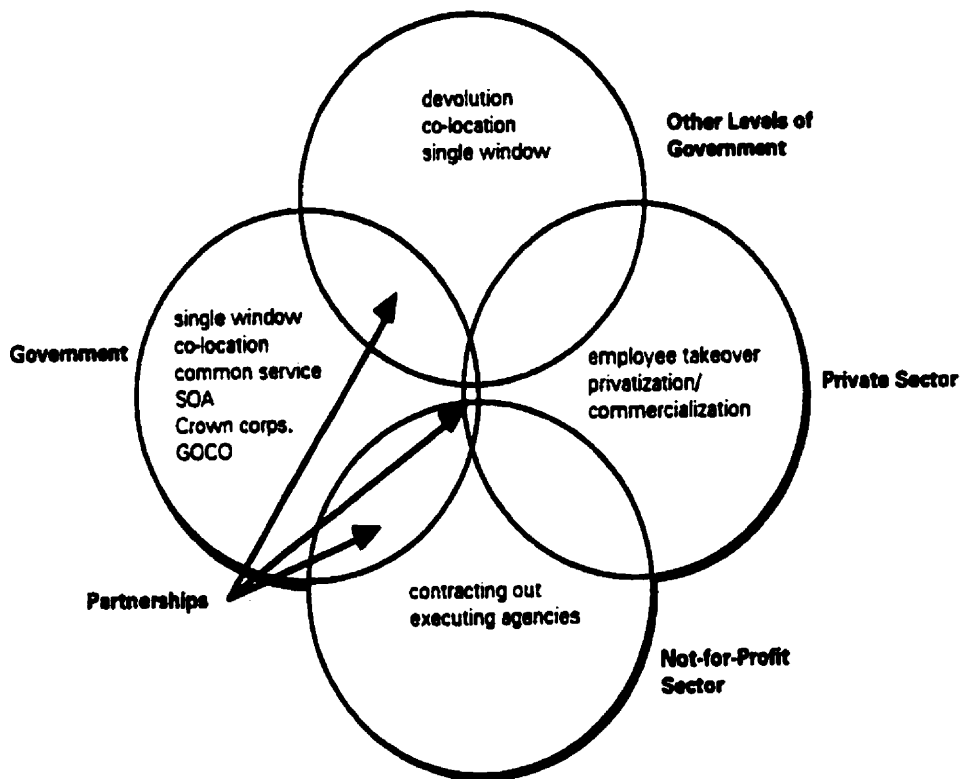
[113]_Ibid._, p. 6.

John Langford has refined a comprehensive list of possible alternative service delivery

mechanisms[114] that include the following:

A	B	C
Devolution	Separate Service Agency	Commercialization
Recognition	Crown Corporation	Cost Recovery
Privatization	Special Purpose Body	Internal Delegation
Franchising	Community Corporations	Special Operating Agency
Licensing	Mixed Enterprises	Single-Window Service
Self-Regulation	Joint Venture	Co-Location
De-Regulation	Regulated Monopoly	Community Offices
	Regulatory Agency	Common Services
	Community Board	Merging Systems
	Collaborative Partnership	Electronic Delivery
	External Purchase of Service	Self-Service
	Joint Financing	

The main focus of this thesis will be on those types of ASDs that fall in the middle

category (B) of the Langford depiction, specifically those of the collaborative partnership with

community boards. Langford suggests that power sharing in ASD is not difficult in cases of

privatization, devolution and in clearly defined recognition of transfer of responsibilities to other

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[114]Langford, John W., "Power Sharing in the Alternative Service Delivery World'", Alternative Service Delivery: Sharing Governance in Canada. Toronto: KPMG/IPAC, 1997. P. 63. An adaptation of Figure 1, Some Options for Delivering and Financing Programs, in E. Lindquist and T. Sica, Canadian Governments and the Search for Alternative Program Delivery and Financing: A Preliminary Survey. Toronto: KPMG/IPAC, 1995. P. 2.

jurisdictions.[115] It does become complex and problematic, however, in the external purchase of

service and in the collaborative partnership zone.[116] He notes that " experience with such

mechanisms over more than a decade suggests that political, fiscal and technological

performance requirements can lead effectively to the abdication to the contractors of significant

program design and even policy-making powers" and that especially "in a collaborative

partnership driven by the fiscal imperative of having a private sector partner share the financing

costs of a service, governments will have to accede considerable policy-making and program

design authority."[117]   Such power sharing arrangements have the potential to raise accountability

issues when public concerns on "who is actually responsible for what" are expressed. In essence,

trying to establish "where the buck stops" can sometimes be difficult in an ASD arrangement.

As stated previously, it is also difficult to reconcile an accountability framework under an ASD

structure with the concept of ministerial responsibility under our Westminster system.

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[115]This is a somewhat simplistic statement given the nature of federalism in Canada today.
Even with the devolution of powers to either provincial governments from federal or regional
powers from the province, there is still no clearly defined "power-sharing" as governments
always try to maximize control and visibility.

[116] For more information on how to overcome difficulties encountered in collaborative
arrangements, the reader is referred to Gates, Stephen, Strategic Alliances: Guidelines for
Successful Management. New York: The Conference Board, 1993.

[117] Ibid., p. 67.

D. Partnerships as an ASD

One of the most common approaches to ASD is partnerships, either between

governments, between departments, or with other sectors outside the government.[118] As Kenneth

Kernaghan points out, the use of partnerships in public arrangements is not new, what is new is

the use of the term partnership to describe these relationships and its application is now more

sophisticated and frequent.[119] Political scientist Susan Phillips defines partnerships as:

> In its proper sense, partnership differ from consultation (an exchange of
> information) because it involves collaborative joint action in an effort to solve a
> problem. It requires an ongoing commitment, acceptance of shared contributions
> and recognition of mutual needs and benefits. A decentralization of power,
> responsibility and accountability from government to the partnership is supposed
> to occur.[120]

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[118] Ford, Robin and David Zussman, "Alternative Service Delivery: Transcending Boundaries", Alternative Service Delivery: Sharing Governance in Canada. Toronto: KPMG/IPAC, 1997. p. 13. A recent Conference Board publication also demonstrated that partnerships and strategic alliances between more than two parties is expanding. See: Pellet, Jennifer (editor), Strategic Alliance: Institutionalizing Partnership Capabilities. New York: The Conference Board, 1997. P. 5. In addition, the Canadian Council for Public-Private Partnerships lists more than 400 projects in its 1997 inventory and the council, which represents more than 160 organizations from the public and private sector, grew more than 20% last year. Source: Dickie, Allan, "Pulling Together", Report on Business Magazine., November, 1997. P. A1. It is an interesting question whether partnerships differ substantially from long-term contracting relationships.

[119] Kernaghan, Kenneth, "Choose your partners - its innovation time", Management. Fall, 1992. p. 16.

120 Phillips, Susan D., "How Ottawa Blends: Shifting Government Relations with Interest Groups", How Ottawa Spends: 1991-1992: The Politics of Fragmentation. Editor: Francis Abele. Ottawa: Carleton University Press, 1991. P. 206. She notes that the term partnership became very attractive under Mulroney and offers the following typology: consultative; contributory; community development; and collaborative.

Leslie Seidle cautions that the term partnership is used wrongly on occasion to refer to a

variety of arrangements between the public sector and other parties. He notes that if the

government simply has a "purchase-of-service" contract whereby a department signs an

agreement for the delivery of a particular service and if the role of the organization is confined to

carrying out the agreement and power-sharing does not occur, then such an agreement should

more properly be termed as "contracting out".[121] There have been a multitude of partnerships

developed in the last few years.[122] Under the web site "Federal Partners", for example, the

Government of Canada lists 18 federal partner links to "federal partnerships with provincial,

municipal levels of government, the academic world as well as the private sector" and 29

international partner links.[123] The spectrum of areas for partnership development is quite broad

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[121] Seidle, 1995, p. 143. As Seidle notes, the term public-private partnership has been used 'incorrectly' quite often. For example, the Government of Nova Scotia uses the term in the broadest sense to encompass any agreement whereby private sector expertise and resources are used to meet a public sector need, including the contracting out of janitorial services for a government office to a private company. See: Nova Scotia Economic Renewal Agency, Public-Private Partnering: Discussion Paper. Halifax: Deputies' Committee Public-Private Partnering, August, 1995. P. 1.

[122] Michel Papineau, Director, Treasury Board Secretariat, Ottawa, stated in an interview on July 8, 1998 that the number of partnerships that the federal government had entered into was difficult to quantify because of the various types of partnerships. For example, partnerships may involve a merging of human resources or simply contract service delivery. As the KPMG/IPAC study by Lindquist and Sica points out, the concept of government partnerships and other forms of alternate delivery with other governments and the private and non-profit sector is not new (i.e. regional development agreements, crown corporations). P. 16.

[123] Publicserve Website (http://publiservice.gc.ca/partners/partners_e.html), Wednesday, July 8, 1998.

covering such diverse subjects as financial management, housing, environmental issues, technology, youth initiatives, pressure groups, and so on.

The most common form of partnership used by government in ASD is a social partnership. One of the largest areas of activity in the development of partnerships has been in the delivery of social services. Leslie Seidle describes a social partnership as " arrangements between a public service organization and one or more non-commercial organizations outside government, such as non-profit (often charitable) organizations and community groups."[124] He sees social partnerships as a subset of operational or collaborative partnerships where the sharing of power and work is more likely to occur.

Operational social partnerships, according to Seidle, are based on the rationale of the transfer of some activities such as the delivery of social services, from public servants to outside organizations. The outside organization receives public funds through "purchase of service" contracts, sustaining funds or specific grants. Seidle maintains that costs are expected to be lower because, in part, the people performing the work will either be volunteers or be paid at a lower rate that public servants for comparable work. He states that there are two benefits from this type of ASD: "social partnerships have the potential of improving the delivery of services to citizens and of fostering broader involvement in the adjustment of public programs and policy."[125]   A drawback to this broader involvement could occur if "the partnership amounts to abrogating a responsibility that is properly the domain of government, or if partners are

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[124] Seidle, 1997, p. 95.
[125] Ibid, p. 95.

overloaded or unprepared in terms of their capacity to deliver."[126] Caution has been expressed

that the non-profit sector cannot be overburdened with the responsibilities of government:

> Voluntary organizations provide wonderful elements of
> spirit, participation, service, influence, and the freedom to do
> one's own thing, but if government overloads them with the
> basic responsibility for public service, undercuts their income,
> and limits their role for advocacy and criticism, they will fail
> society.[127]

As Lester Salamon points out, " the interest in nonprofit organizations has opened the

gates to vast reservoirs of human talent and energy....While it is far from clear what must be done

to keep these gates open, a crucial first step is a better understanding of the dramatic process

underway."[128]

The difficulty in relying on the non-profit sector to deliver services is that we have not yet

quantified their capacity for doing so, although major research is currently underway by two

major Canadian research institutes, the Caledon Institute and the Canadian Policy Research

Network, to determine measurement criteria for community capacity.

In the area of service delivery, Seidle states that:

> Social partnerships can help improve responsiveness in
> service delivery. The leaders of social-sector organizations
> are generally well aware of the needs of the citizens with
> whom they, or the volunteers they supervise, have frequent

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[126]Rodal, Alti and Nick Mulder, "Partnerships, devolution and power-sharing: issues and implications for management", Optimum. Vol. 24 No. 3. Winter, 1993. P. 32.

[127]Although this is an American source, the words of caution are still relevant to Canada. O,Connell, Brian, "A Major Transfer of Government Responsibility to Voluntary Organizations? Proceed with Caution." Public Administration Review, May/June 1996. Vol. 56. No. 3. P. 225.

[128]Salamon, Lester, "The Rise of the Non-Profit Sector", Foreign Affairs. Vol. 73. No. 4. August, 1994. P. 122.

contact.[129]

The findings of his study on the B.C. "At Home" program suggested a high level of satisfaction with services provided through the alternate service delivery mechanisms of the program.

Seidle cautions that accountability, despite the contractual or less formal framework under which most ongoing partnerships function, "...necessarily becomes more complicated when outside organizations are involved."[130] The findings of his study indicated that performance measures should be articulated at the onset of any such arrangement to alleviate future difficulties in reporting on outcomes. Current research on contracting out suggests that this is easier to say than it is to actually accomplish at the onset on an agreement/contract.[131] A positive aspect of this ASD is that feedback from partner organizations can lead to improvements not only in the delivery of programs but also in the design of such programs.[132] If the interaction between the partners is fruitful, the suggestions of the partner organization can add credibility and possibly influence future policy direction.

Seidle concludes his study on social partnerships by stating that "social partnerships require that public officials surrender some autonomy to organizations outside government. This has major implications for public service management, a number of which can be highly positive

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[129] Seidle, p. 97.
[130] Ibid., p. 97.
[131] Thomas, Paul, "Contracting Out: Policy and Management Issues", Managing Strategic Change: Learning from Program Review. Editors: Peter Aucoin and Donald J. Savoie. Ottawa: CCMD, 1998. Pp. 169 - 222.
[132] Ibid., p. 98.

over the long term."[133] He notes that, although cost-cutting was not a factor in his study[134], the

partnership enabled the delivery of a program when additional administrative resources from

government could not be allocated.

Another note of caution in the use of partnerships between private non-profit agencies is

raised by economist Harry Kitchen. He notes that two potential problems may arise, however,

from dependence on the non-profit sector. First, it may be difficult to ensure a high quality

service since this may depend on the quality of people working for the agency. Second, without a

reliable and ongoing source of funding, these organizations may not be a stable supplier of

services.[135] Hence, stability problems with the quality of staff and the provision of services may

arise.

In 1995, the Caledon Institute of Social Policy embarked upon a Social Partnerships

Project with the purpose of exploring the concept and practise of social partnerships. Through

this work, Sherri Torjman of the Institute defined social partnerships as "strategic alliances in

which private and nonprofit community groups work together to promote economic and social

well-being."[136] She notes that although this definition required a minimum of two players before

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[133] Ibid., p. 98.

[134] Even in public-private partnerships where cost-cutting was a factor, concern has been raised that "some private firms might attempt to make unreasonable profits at the expense of the public purse." Source: Cummings, Christopher, "Private-public partnering the pros and cons", Civic Public Works. July/August, 1994. P. 6.

[135]Kitchen, Harry, Efficient Delivery of Local Government Services. Discussion Paper No. 93 - 15. Kingston, Ont.: Queen's University School of Policy Studies, 1993. P. 27.

[136] Torjman, Sherri, Partnerships: The Good, The Bad and the Uncertain. Paper to be Presented at the 4th International Partnership Conference. New Alliances for Learning in the Next

it could apply, the scope of the study involved partnerships that involved other sectors as well.

The findings of the Caledon study apply in general to most partnership arrangements, regardless

of the sector involved, but the study found that there are some unique problems particular to

working with the private sector.

Consistent with other research in this area, the Caledon study concluded that "There is no

single model of partnership. Each is a unique entity with distinct players, purpose and

methodology. These differences make it difficult to set out a common classification for

partnerships."[137] The grouping used in the Caledon research was based on the primary method of

social change:[138]

- **public education**
  Public education partnerships refer to strategic alliances between groups and organizations which seek to raise awareness around a social, economic or environmental concern.

- **social marketing**
  The Caledon research suggest that social marketing is one of the most common forms of business/community partnerships. They define social marketing as an arrangement in which a business agrees to promote a social cause as part of its marketing strategy.

- **community investment**
  In these arrangements, business makes a substantive contribution to the community through active involvement with a nonprofit organization. The

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Millenium. Trondheim, Norway, June 27 - July 1, 1998. P. 4

[137] Ibid., p. 5.

[138] Ibid., p. 5 - 10. There have been other typologies developed for social partnerships. For example, Waddock, Sandra A., "A Typology of Social Partnership Organizations", Administration & Society. Vol. 22. No. 4. February, 1991. classifies them as programmatic, federational or systemic.

involvement entails far more than contributing money or donating equipment, the business partner must also engage in the activities of the community group. The Caledon study views workplace volunteerism as an example of community investment partnerships. Partnership activities would thus entail corporate volunteers providing active leadership on boards and committees, offering professional skills and expertise, and helping to deliver services and programs.

Consistent with the research of others, such as Seidle, the simple donation of money or in-kind resources was not considered sufficient grounds to be viewed as a partnership. The initial monetary contribution or in-kind resources could evolve into a true partnership only where there is a contribution of time, expertise or direct involvement in the issue being addressed.[139] This definition differs somewhat from the early citation from Seidle which emphasized a power-sharing but the Caledon definition still goes beyond a purely fiscal arrangement.

The Caledon study identified both positive and negative features of social partnerships and raised some questions in regards to areas of uncertainty.[140] The positive aspects of social partnerships included:

- **additional resources**
  Resources, which extend beyond monetary and include staff and volunteer time, information, knowledge and expertise, contacts and networks, space and equipment, and other in-kind resources, are enhanced. The resources two or more partners bring to a given problem are usually more than one organization has on its own.

- **holistic approaches**
  There is a growing sense that governments by themselves cannot do it alone. This is not only because of the fiscal and social pressures that are creating the need for new approaches to social policy but a realization that the government

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[139] Ibid., pp. 5 - 6.
[140] Ibid., pp. 10 - 17.

compartmentalized structure that segregates human problems into distinct social, health, education and economic categories often creates more problems than it can resolve. Given that current government structures have little capacity to address problems in holistic and preventive ways, partnerships with other sectors represent an important step in recognizing the complexity of most social problems.

- **shared responsibility**
  Social partnerships themselves embody the clear message that problems such as unemployment, poverty and family violence are the concerns of the entire community - not just government or the social sector. Partnerships also offer a planned and coordinated approach that combines resources and expertise in innovative ways.

- **alternatives to conflict**
  Partnerships can provide an alternative to conflict and can facilitate collaborative work and dialogue, especially between sectors that may typically be at opposite sides of the table on environmental, social and economic issues.

The Caledon study indicates that there are also some negative aspects to social

partnerships:

- **public sector divestiture**
  Social partnerships cannot be seen as a replacement for government intervention and are not a panacea for resolving all social ills and community concerns. The Caledon project was based on the assumption that social partnerships are a complement to and supplement to - not a replacement - for a strong public sector.

- **power imbalances**
  Another concern raised in the Caledon study was the inordinate power and control that could arise with the ability to purchase entry into a field under the guise of partnership. Nonprofit organizations may question the equity of an arrangement with business partners who may wield substantial economic power and political influence. The Caledon conclusion encourages non-profits to recognize the wealth of non-monetary resources, such as knowledge and expertise, that they bring to a partnership and that partnership arrangement should consider the resources of each partner equally valuable.

- **ethical issues** [141]

  Conflicting values in a partnership may be an issue that has to be resolved. As well, some organizations, such as those in the voluntary sector, may oppose working with a partner who they consider to be an opponent. Some may view this as "selling out".

The Caledon study also noted that there may be some areas of uncertainty in the

formation of social partnerships:

- **accountability**

  Serious accountability issues can arise especially since the holistic approach taken by many partnerships and the "horizontal" method of addressing problems may conflict with the vertical and single-issue reporting typical of most government departments. In respect of private sector corporate partners, the issue may be framed around whether corporations are answerable to their shareholders, or to the stakeholders who reflect the broader public interest.

- **up-front investment**

  Funding agencies and governments are increasingly requesting partnerships to be formed before funds are granted. This creates a problem since organizations must make significant initial investments of both time and resources in a partnership that may not be appropriate or feasible.

- **ongoing investment**

  Successful partnerships require leadership and management skills. Problems can arise if a partnership arrangement is negotiated by an experienced individual and then left to junior inexperienced staff to continue the work. Ongoing supervision and direction is crucial to the success of a partnership.[142]

The Caledon study concludes with the remark that "partnerships are an unknown journey.

There can be many unexpected twists and turns along the way. But partnerships usually succeed

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[141] The Conference Board has published set of ethical guidelines for the operation of business-education partnerships. The purpose of the guidelines was to ensure that partnerships are ethical relationships. Source: Bloom, Michael R., Ethical Guidelines for Business-Education Partnerships. [Ottawa]:The Conference Board of Canada, August, 1995.

[142]This comment is similar to the cautionary note of Harry Kitchen referenced earlier. He acknowledged the importance in the quality of the staff as well as ongoing funding commitments.

if there is clarity of vision and purpose as well as commitment, ongoing communication and clear lines of accountability".[143] They caution, however, that sometimes "it is best to leave the road" and remain in a collegial relationship, even if a partnership did not work out.

Another difficulty with partnerships stems from the historic bureaucratic culture:

> Traditional bureaucracies around the world have promoted
> a failure avoidance culture which has left them ill-prepared
> to face the complex and rapidly changing demands of modern
> societies. Citizens have come to see government as
> cumbersome, insensitive and costly. Social, technological,
> fiscal and competitive pressures, coupled with increasing
> demands for better services, have rendered the traditional
> model virtually obsolete.[144]

In summary, current literature has listed a number of benefits, detriments and areas of uncertainties regarding the use of social partnerships, as depicted in the following table:

Benefits	Detriments	Uncertainties
More responsive to needs (Seidle)	Potential for public sector divestiture of responsibility (Rodal & Mulder, Torjman)	Accountability relationship (Seidle, Torjman)
Additional resources (Salamon, Seidle, Torjman)	Power imbalance (Torjman)	Requirement for up-front investment by social partner (Torjman)
Lower cost of resource (Seidle)	Ethical issues - value conflict (Torjman)	Ongoing investment (Torjman)
Holistic approach to problems (Torjman)	Bureaucratic culture of government partner (Armstrong)	Community capacity not yet defined (Seidle) (O'Connel)
Shared responsibility (Torjman)	Instability of human and financial resources (Kitchen)	

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[143] Torjman, Sherri., op cit., p. 17.
[144] Armstrong, James L., "Innovation in public management: toward partnerships", Optimum.Vol. 23. No. 1. Summer, 1992. P. 18.

Alternative to conflict (Torjman)	Loss of advocacy role (O'Connel)	

Community partnerships for the delivery of social services have become a principal

means of service delivery for many social service program. HRDC has been especially active in

the development of community partnerships for the provision of labour market services. HRDC

has been very active in the development of partnerships for its labour market programs.[145] A

1996 HRDC document provides some specific instances of possible actions local community

partnerships may take:

- ▶ mobilizing efforts to address employment need;
- ▶ identifying characteristics and needs of community members;
- ▶ supporting information networks;
- ▶ providing information and expertise;
- ▶ developing local planning groups;
- ▶ researching and marketing new programs and services;
- ▶ analyzing employment and training opportunities;
- ▶ determining who delivers which employment programs and services;
- ▶ targeting clients and employment measures;
- ▶ priorizing initiatives to meet community needs;
- ▶ harmonizing regional and national strategic initiatives with local plans;
- ▶ recommending and pursuing job creation partnership opportunities; and,
- ▶ measuring outcomes.[146]

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[145] According to Herman Bakvis, partnerships at HRDC flourished with the revamped service delivery network and the hiring of new human resource centre managers, emphasizing the need for strong entrepeneurial skills, to oversee job-creation partnerships. Source: Bakvis, Herman, "Human Resource Development", How Ottawa Spends: 1996 - 97: Life Under the Knife. Editor: Gene Swimmer. Ottawa: Carleton University Press, 1996. p. 155.

[146] New Economy Development Group Inc., A Study of Innovative Examples of Local Partnerships. Final Report of a Study Prepared for HRDC. July 16, 1996. pp. 23 - 24.

The Conference Board of Canada provides a comprehensive definition of a community partnership:

> A relationship involving two or more organizations
> that have agreed to work co-operatively with the
> common goal of addressing a human/community
> issue or set of issues. A partnership requires the
> sharing of power, work, support and information
> with others. Through mutual agreement and shared
> values, a partnership confers benefits on each
> partner as well as the community, while fostering an
> achievement of ends that are acceptable to all participants.[147]

It is only when all aspects of this definition are met that the contractual arrangement between the parties involved truly becomes a community partnership.

From this definition then, the following elements are required to form an effective community partnership:

• **Co-operative Relationship**
The definition refers to a relationship involving two or more organizations that have agreed to work co-operatively with the common goal of addressing a human/community issue or set of issues. Mutual agreement and respect is a pre-requisite of a co-operative relationship.

• **Sharing Between Partners**
A critical part of a partnership relationship is that there be a sense of sharing between the partners. Not only is there a sharing of work, support and information with others, there must also be a sharing of power in a partnership. There is no need for an equal division of power, work, support or information sharing amongst all parties to the partnership. Certainly, one party may have more power than another and one may have more work than another. What is important in evaluating this criteria is that the parties in a

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[147]Audet, Beverley A. and Janet Rostami, Partnership Strategies for Community Investment: Findings of National Consultations. Ottawa: Conference Board of Canada. 1993(?). p.3. For a further discussion on the definitions and structures of partnerships, the reader is referred to pages 9 to 11 in this document.

partnership still experience a sense of "sharing" in the relationship. If the relationship becomes one more of a command and control nature, than it fails as a partnership and becomes only a contracting of services or provisions.

- **Sense of Achievement**
The partnership relationship must work under the umbrella of mutual agreement and shared values to obtain benefits for the partners and for the community. The ultimate test of the effectiveness of a community partnership is whether it achieved "ends" or outcomes that are acceptable to all participants.

These three elements of a community partnership, as defined by the community board, will be used as the basis for the examination of the Triple S Industrial Training Group, a community partnership that is case study presented in Chapter Six of this thesis.

E. Conclusion

ASDs were embraced by different levels of government during the early 1990s to present as what may be described naively perceived as a quick and easy way in which to cut the cost of government and provide what was envisioned as more efficient and effective service delivery to citizens. As described throughout this chapter, there are many forms of ASDs, each with its own consequences for both government and citizens. ASDs are not a simplistic solution but, rather, a process that brings with it its own set of problems and impacts.[148] In implementing partnerships

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[148] For a full discussion on the concept of partnership as a process, the reader is referred to the following United Kingdom study which describes partnerships as dynamic processes which evolve over time. There are four stages to the partnership cycle: pre-partnership collaboration; partnership creation; partnership program delivery; and partnership termination. A different pattern of governance relationships prevailed at each stage. See Lowndes, Vivien and Chris Skecher, "The Dynamics of Multi-Organizational Partnerships: An Analysis of Changing Modes of Governance", Public Administration. Vol. 76. Summer, 1998. Pp. 313 - 333.

with communities, both the concepts of governance and accountability are altered from the traditional role of government. Community partnerships and other forms of ASDs have the potential to perhaps provide effective and efficient service delivery. It must be kept in mind, however, that the use of ASDs will have consequences for government, the bureaucracy and citizens.

In the following chapter, the social conditions required for the establishment of a successful community partnership will be discussed. As noted in this chapter, community partnerships require a sharing of power with government. Chapter Four will discuss the capacity of the community to accept this sharing of power and the need for citizen engagement as a prerequisite for successful community partnerships. Chapter Five will establish the theoretical framework for evaluating community partnerships that deliver training programs. In Chapter Six, this theoretical framework will then be applied to a case study, the Triple S Industrial Training Group.

Chapter 4

Implementing a Community Partnership: The Prerequisites for Success

A. Introduction

In the preceding chapter, the evolution of the alternate service delivery mechanisms in government was discussed, with a specific focus on community partnerships. Community partnerships cannot be effective without a cohesive society and the engagement of citizens. This chapter will examine the necessity of involving citizens in the ASD movement, particularly in the use of community partnerships. The chapter concludes with a discussion on the importance of social capital in a community to facilitate the creation of effective community partnerships.

B. Alternate Service Delivery Mechanisms: Choices with Pre-requisites and Consequences

Although ASD is not a magical solution to the problems government must face in satisfying the varying needs of the electorate in a cost-effective and efficient manner, it does offer a much more flexible choice of service delivery options.[149] What ASD offers, in essence,

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[149]For an example of some of the first types of management innovation under ASD, the reader is directed to Borins, Sanford, "Public Management Innovation in Canada: Evidence from the IPAC Competition", Optimum. Vol. 22 - 3. 1991. Table 2, p. 8. More recent examples can be found in Saskatchewan Economic Development, Partnership for Growth: Building on the Renewal of the Saskatchewan Economy: Progress Report, Year I. [Regina]: Saskatchewan

"are choices in an era of diminishing resources - choices that are appealing because of their emphasis on service and power sharing."[150] The choices, however, are not simplistic as each ASD offers its own set of challenges both from a design and a governance perspective.

The primary step before government embarks on any ASD is to determine if government still has a role to play in that particular activity or if no government intervention is required. The central questions that need to be addressed continually about each of these programs deal with the following six criteria:

1. the program still serves a public interest;

2. there is a legitimate role for government in it;

3. it should be handled in whole or in part by the private sector or the voluntary sector, or by the federal, provincial or local governments, or be allocated to some transactional agency;

4. it might be handled best by partnerships among any of the above;

5. (if the program is worth maintaining) its efficiency might be improved; and

6. the country can afford it in any event.

The answers to these questions are meant to provide the necessary information to determine if a program that exists should be maintained, is reasonable, has an adequate delivery system, and whether alternative program or service delivery designs could enhance the effectiveness and

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Economic Development. [1997].

[150] Ford, Robin and David Zussman, "Alternative Service Delivery: Transcending Boundaries", Alternative Service Delivery: Sharing Governance in Canada. Toronto: KPMG/IPAC, 1997. p. 10.

efficiency of the program.[151] It must be noted that the same process could be applied to determine if new programs or government ventures should be pursued.

Although at first glance, the questions appear quite straight-forward, answering these questions is not an easy process. It involves both an objective process (e.g. a cost-benefit analysis in an accounting sense - "doing the math") and a subjective process (e.g. who defines "public interest"; who defines the "legitimate role of government"; what is the proper role of the "voluntary sector"; what can the country afford and not afford, and so on). Answering these questions involves not only an accounting process but also moral and ideological judgements. As will be discussed in Chapter Five of this thesis, the accounting process of what the country can afford and cannot afford depends very much on ideological perspectives. If one examines the cost of an unemployed person, for example, a simplistic approach would be to assess simple benefit costs versus perhaps the additional cost of a subsidized training program, it is easy to assume that the country should save money and not invest in public sector training. As is demonstrated later, however, the costs to government, industry, the individual, his family and the community as well as to future generations are magnified by foregoing the immediate cost of human investment.

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[151]Paquet, Gilles, "Alternative Service Delivery: Transforming the Practices of Governance", Alternative Service Delivery: Sharing Governance in Canada. Toronto: KPMG/IPAC, 1997. P. 36. These questions are basically the six questions that were posed by the Federal Program Review of 1993-1995. There has been academic discussion on the appropriateness of these questions. The reader is referred to Arnit, A. & Bourgault. J. (eds), Hard Choices of No Choices. (IPAC, 1996) for various commentaries.

Paquet views the creation of ASD as "a contribution to the modification of a delicate

cognitive and learning organization", a view that "...focuses less on static allocation of chores

among sectors and more on the effectiveness of dynamic evolutionary learning."[152] He disagrees

with the Aucoin view that, by using detailed contracts, it is possible to implement alternate

delivery mechanisms without affecting the other parts of the policy process or eroding the

executive authority, enshrined in our tradition of the Westminister model, on policy content.

Paquet also dismisses the view of Jane Jacobs and Mintzberg that the public policy process is

completely seamless; hence, the technology of delivery is restricted to the confines of the theory

and structure defined by the dominant logic. In the Jacobs/ Mintzberg paradigm, to ensure

congruence, any independent overhauling of the technology of delivery will probably have a

major, perhaps perverse effects, on rationales, roles and relationships.[153]

Paquet argues that:

> ...the public policy process is neither completely modularized
> nor completely seamless. Rather, it is made of strongly interactive
> segments. In a world of cross-border exchange, partnerships,
> compromises and collaboration among the private, public and
> not-for-profit sectors, roles and relationships can be and are
> modified as new delivery mechanisms are put in place.[154]

Paquet maintains that the creation of a delivery mechanism more sensitive to local circumstances

will create a greater recognition of the variety of needs. This will then foster a reframing of

policy away from a focus on centrally defined rights and standardized rules to a greater focus on

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[152]Ibid., p. 40.
[153]Ibid., pp. 38 - 41.
[154] Ibid., p. 40.

needs and tailor-made services as defined at the periphery. He urges that "the revolutionary

potential of ASD must be recognized""[155]

Although Paquet's approach to the use of local service delivery mechanism is a popular

choice of government (see, for example, the number of local partnerships that HRDC is engaged

in), the implementation of local delivery mechanisms requires a period of transition where local

capacity is developed and the terms of a working relationship between government and the local

delivery provider become refined. Paquest is quite correct that the use of ASDs has

"revolutionary potential" since their implementation affects the policy process, the governance

structure as well as the political culture. As will be demonstrated in the following chapter on the

role of civic communities, the mere act of creating the ASD framework affects the rest of the

Canadian polity. By implementing the institutions of ASDs into the Canadian community, the

nature of associations in the community, the political discussion in the community and the

political communications are altered.

Paquet warns that "the real fundamental danger in exploring alternative service delivery

schemes is that it is very easy to lose track of the effectiveness imperative."[156] To avoid this, he

concurs with Mintzberg that an outside-in governance philosophy with a citizen-oriented, citizen-

centered, citizen-steered governance system is required. Since needs are not the same

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[155]Ibid., p. 41.
[156]Ibid., p. 42.

everywhere, responding effectively to varying needs requires a decentralized public policy process designed to fulfil local needs. In his view, " to be effective, in a context as diverse as the Canadian scene, the public policy process must become a series of *local systems of public policy* loosely federated through a fishnet-type structure."[157]

This type of fishnet structure for the policy process would certainly present some interesting challenges to the Ottawa-centered policy-making process of the federal government. It also raises the issue of citizen involvement in the formulation of public policy. Although citizen participation in a muted form has been lauded since the 1960s, there has been no effective process yet established by the federal government (or other levels of government) to engage citizens in policy formulation. As Paquet points out, the creation of local delivery mechanism under the ASD movement will provide an opportunity to engage citizens in the policy process.

However, the actual extent to which citizens will be engaged in the policy process remains to be seen. The issue of whether citizens have the commitment, knowledge and skills to participate extensively in the policy process will be explored later in this section. Evidence from the health policy field suggests that achieving informed balanced citizen input into policymaking remains a challenge.

The move towards citizen participation in the 1960s was intended to make government more responsive to the people but often such initiatives fell short of the rhetoric with which they

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[157]Ibid., p. 43.

were launched. Barriers to effective citizen participation include limitations on the part of citizens, the bureaucracy and in the systems design. These limitations are delineated in the following table:

Obstacles to Effective Citizen Participation in Policy Decision-making
Citizens' Limitations 1. Cost/benefit payoff to individuals 2. Access to official and technical information 3. Access to critical points in the decision process
Policy makers' Limitations 1. Lack of citizen participation goal congruence among political actors 2. "Legitimate" role of the political actors versus the citizens 3. How public opinion is valued
Design Limitations 1. Who participates 2. How many participate 3. How the citizen participation is integrated in the policymaking process

Source: Kathlene, Lyn and John A. Martin, "Enhancing Citizen Participation: Panel Designs, Perspectives and Policy Formation", Journal of Policy Analysis and Management. Vol. 10. No. 1. 1991., p. 48.

This table does not delineate many other factors which are obstacles to effective citizen participation. Other factors of a psychological nature such a weak sense of political efficacy or political self-confidence affects individual capacity. Time is another resource which affects participation. Certain occupations, usually those in the higher echelons and self-employment, allow more flexibility and opportunity to participate. The timing of when citizens are invited to join public decision-making processes affects the opportunities for influence and the credibility

of the process in the eyes of potential participants. If key decisions have already been taken by 'insiders' and they are simply seeking ratification, the process will appear as manipulative. The trend to citizen engagement and the involvement of communities in the governance and partnership process must address these limitations and develop strategies to overcome these obstacles.

Citizen Limitations

1) Cost/benefit payoff to individuals

One form of cost is the time and effort involved in participating. Although most citizens do not get paid for civic participation, it does not mean that their participation should be considered as "free". Certainly, the citizen who participates foregoes the opportunity cost of spending that time in some other fashion. This cost impacts on the type of citizens who can participate - obviously one must have the available time to donate. Lower income groups and those burdened with other time constraints such as dependent are therefore restricted in their ability to participate. Another cost is the cost of educating citizens on how to participate. This is especially true of volunteer organizations who are engaged in community partnerships with government. It is essential for the voluntary sector to have appropriate resources to build the capacity to serve the community and to continuously develop leadership and management in the voluntary organization. The recruitment, training and supervision of volunteers as well as

support for the communication with volunteers and other stakeholders are not without cost, whether it is a monetary cost or a cost of time.[158]

Another major problem is that benefits may not be realized for a long time. As well, there is a very real potential social cost that individuals will be personally alienated from the system in the rejection of a particular participatory experience. If the desired results are not received after an individual has given his time and effort, there may be a tendency to denounce the whole system based on the one experience. [159]

It has also been suggested that citizen participation inflates the expectations of citizens and can therefore result in even greater political instability and discontent.[160] As noted by researcher Robert C, Seaver:

> Once begun , engagement is not something
> that can be readily turned off or manipulated.
> to some predetermined end. Its initiation
> represents a commitment on the part of local
> government and its professional establishment
> to let the people have their say and to respond
> reasonably to their expressions. Failure to fulfill
> the commitment will not end the process, only
> escalate it via other channels...The inevitable result

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[158] For a thorough discussion of the cost of volunteering, the reader is referred to Government of Ontario, Report of the Advisory Board on the Voluntary Sector: Sustaining a Civic Society: Voluntary Action in Ontario. Toronto: Publications Ontario, 1997.

[159] Kweit, Mary Grisez and Robert W. Kweit, Implementing Citizen Participation in a Bureaucratic Society. New York: Praeger, 1981. Pp. 39 - 40.

[160] Rosenbaum, Nelson, "Citizen Participation and Democratic Theory", Citizen Participation in America: Essays on the State of the Art. Stuart Langton (editor). Lexington, Mass.: Lexington Books, 1978. pp. 48 - 49.

of such a failure to fulfill the commitment is a
continuing miasma of hostility and mistrust that
communicates to other neighborhoods as well, and
other areas of government activity.[161]

There are individual benefits that may result from participation. On a personal level, one may

experience satisfaction from the successful implementation of a desired program. An individual

may also gain new skills and experiences from the participation. It has also been suggested that

increased participation increases the political-trust orientation of the citizen.[162]

On a broader level, citizen participation can be perceived as a safeguard to ensure

democratic accountability.[163] This has been described as a "watchdog" function of citizen

participation - a control mechanism where the citizen performs a monitoring function.[164] This

would be especially true for citizen participation in community partnerships where they can

monitor first hand the effectiveness of the service that they deliver. As suggested by American

political scientist David Cohne, this involvement of citizens in the monitoring function would

profoundly alter the power arrangements between bureaucracy and citizens: "creating

government accountability requires building competition into our political system, enabling

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[161] Seaver, Robert C., "The Dilemma of Citizen Participation", Citizen Participation in
Urban Development: Volume One - Concepts and Issues. Hans B. Spiegel (editor). Washington,
D. C. : National Education Association, 1968. Pp. 66 - 67.
   [162] For a discussion of this thesis, please see Richard L. Cole, Citizen Participation and
the Urban Policy Process. Toronto: Lexington Books, 1973., p. 101 - 102.
   [163]Kweit and Kweit., op cit., p. 63.
   [164] Langton, Stuart, "Citizen Participation in America: Current Reflections on the State of
the Art", Citizen Participation in America: Essays on the State of the Art. Stuart Langton (editor).
Lexington, Mass.: Lexington Books, 1978. p. 7.

citizens to know what's happening, correcting political abuses of powers, guarding against lapses

of integrity, and fostering against institutional incompetence."[165]

By using community groups as partners in service delivery, the government provides the

community participant with an enhanced capacity to effectively evaluate the program and

monitor results. The active involvement of citizens is also beneficial in helping to solidify

community support for the program. This grassroots input facilitates an added dimension into

the policy-making process, one that cannot be captured by bureaucrats alone. It is sometimes

easier for the residents of an area to become actively involved in a project that involves the

participation of other residents than it is to accept a program being implemented by

bureaucrats.[166]

2) Access to officials and technical information

In many ways, citizens are perceived with some suspicion by bureaucratic experts.

Bureaucrats may perceive citizens as being incapable of comprehending complex policy:

> In many circumstance, the belief in the importance
> of bureaucratic expertise conflicts with the functioning
> of citizen participation in bureaucracy. It was argued
> before that citizens are often too close to problems and,
> therefore, may have more information and expertise than
> do bureaucrats. The bureaucrats, however, often do not

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[165] Cohne, David, "The Public-Interest Movement and Citizen Participation", Citizen Participation in America; Essays on the State of the Art. Stuart Langton (editor). Lexington, Mass.: Lexington Books, 1978. p. 57.
    [166] Ahlbrandt, Roger S. Jr. and Paul C. Brophy, Neighborhood Revitalization: Theory and Practice. Toronto: Lexington Books, 1975. P. 157.

perceive citizens as experts, and are unwilling to be
tolerant /of citizen participation. In actuality, the bureaucrats
may sometimes be right, for citizens may be guided by uniformed
opinions, or may not know all aspects of a problem. They may not
have the depth and breadth of understanding that the bureaucrats
can accrue by working with a problem over time.[167]

At the same time, bureaucrats may be regarded with suspicion by citizens. Community

residents may view citizen participants as more in tune with the reality of everyday community

life:

> Psychologically, the bureaucrat is divorced from
> society and structures interactions, internally
> and externally, on the basis of hierarchy, which creates
> dependency-dominance relationships. Socially, the
> bureaucrat depersonalizes his contacts to facilitate
> rational efficient behaviour. Linguistically, also, the
> bureaucratic process separate bureaucrat and citizen by
> talking about "cases" and not people. While this negative
> picture may be extreme, it is clear that the bureaucracy
> can, in many ways, be dysfunctional[168].

This mutual sense of distrust and lack of cultural norms to truly engage citizens in the policy

process provide very real obstacles to the successful implementation of ASDs.

3) Access to critical points in the decision-process

To obtain the maximum effective usage of a citizen-oriented, citizen-centered, citizen-

steered governance system through the institution of ASDs, citizens must be allowed access to

the critical points in the policy process in a timely manner. This raises a number of different

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[167] Ibid., p. 70.
[168] Ibid., p. 77.

challenges for the traditional bureaucratic framework and does, indeed, require a true sharing of governance power. Is government prepared to allow citizens through the ASD framework true access to this power? At what point in the policy cycle will such involvement be encouraged? In the area of labour market training programs, does this mean that citizens should have access to (i.e. involvement in) such critical points of decision-making as determining who will be eligible for programs, whether programs will be cost-shared with participants, or whether penalties should be imposed on transfer payments if a recipient refuses to access training? Determining the access point in a shared governance arrangement is difficult and subjective.

Policy Makers' Limitations

1) Lack of citizen participation goal congruence among political actors

In addition to the issue of identifying, there is the broader issue of the aims of citizen participation within the ASD process. Is the aim to improve the practices and outcomes of political democracy – to deal with the lack of trust and confidence in political institutions and processes? Is the aim to improve the responsiveness of the bureaucracy by bringing client opinion into the design and delivery of programs? Are both these aims, plus saving money and improving service quality? Can all these aims be pursued simultaneously without conflict? Who has the final word on ASD design as it affects citizen involvement? Ideally, there should be a consensus among all the actors involved concerning the goals of citizen participation in the ASD framework, a feat not easily accomplished.

2. Legitimate role of the political actors versus the citizens

On a practical level, there has been a reluctance by some public administrators to allow citizens too large of a role in the decision-making process of government. A recent American survey of local government department heads revealed the following attitudes towards citizens:

Responses to Items Dealing With Attitudes Towards Citizens (in percentages)			
Questionnaire Item	Agree	Not Sure	Disagree
The public should always have a right to know how and why major policy decisions are made in this department.	53.3	34.7	12.1
The city council provides all of the citizen input necessary for decision making in this department.	16.6	40.7	42.7
The average citizen should have more of a say in how decisions are made in this department.	7	42.2	50.8
The activities of concerned citizen groups are vitally important to local government.	58.6	38.4	3
Problems could arise if the citizens served by this department became overly involved in major decisions.	69.8	26.1	4

Source: Streib, Gregory, "Professional Skill and Support for Democratic Principles: The Case of Local Government Department Heads in Northern Illinois", Administration & Society. Vol. 24. No. 1. May, 1992. P. 29.

A number of critics of citizen participation charge that involvement of citizens undermines governmental authority to the point that institutions are no longer able to act decisively and effectively.[169] A similar criticism could be levied on the ASD structure.

3. How public opinion is valued

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[169]Rosenbaum, Nelson, op cit., pp. 48 - 49.

Citizen participation and participation in community partnerships cannot be effective if it is done for token, window dressing reasons only. For true citizen engagement to occur, the input of the citizens must be valued. As Kweit and Kweit have demonstrated in their research, creating participatory structures without genuine commitment to use the process is meaningless:

> To those who view participation purposively,
> the mere presence of participatory mechanisms
> is not per se satisfactory. To these people, participatory
> mechanisms, be they voting, public hearings, advisory
> boards, citizen surveys, and others must operate in such
> a way that they produce desired impacts, in order to be
> evaluated as satisfactory. This explains why some may
> believe that the battle for participation has been won
> when a participatory mechanism is established,
> yet others may reject the same mechanism. What
> the rejection implies is that "real participation" to
> them is not merely the ability to take in some aspect
> of government, but rather, real participation is an activity
> that produces the desired effect - that which motivated the
> participation in the first place.[170]

They note that giving access to citizens has to be more than a symbolic act: "For there to be actual redistribution of power, citizens must in some way actually influence the decisions made in those institutions."[171]

Research on the use of community advisory boards in the United States in the 1960s and early 1970s had similar findings. It was determined that an effective community policy board

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[170] Ibid., p. 33.
[171] Ibid., p. 87.

had to recognize the members of the community as "knowledge of the community" and to allow

community residents to be "effective partners", not "rubber stamps" or "window dressing".[172]

In accepting this role of decision-influencer, it is imperative that citizens act in the

interest of the public good rather than in their own self-interest in order for their input to be truly

valuable.[173] This raises an interesting dilemma for the citizen participant. On the one hand, his

input is valued because government wants to engage the participation of the individual. On the

other hand, if a citizen were to participate solely for self-interests, then he may be accused of

pursuing self-interest, of not being representative of the public good. Yet, our elected

representatives pursue citizen participation as a means of obtaining individual views. Stein et al

note that engagement of citizens is valuable because they may see options, possibilities, and

alternatives that do not occur to leaders, who may be preoccupied with their own institutional

interests.[174] Even if citizens do pursue their own self-interests, value can still be realized from

the interplay and accommodation of competing interests. The involvement of a wide range of

competing self-interests still offsets the balance in favour of stronger, more active interests. To

be of true benefit to the policy process, citizen input must be valued by bureaucracy.

Design Limitations

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[172] Brieland, Donald, "Community Advisory Boards and Maximum Feasible
Participation", Community Action Programs., February, 1971. Vol. 61. No. 2., pp. 292 - 296.
[173] See Stein et al., op cit., p. 10.
[174] Ibid., p. 21.

1. Who participates

The question of who participates in community organizations has been the subject of much research. A conceptual framework of participation in community organizations suggests that the interaction of the characteristics of individuals with environmental, ecological, and social characteristics will influence whether individuals will participate in a community organization. Research results from one application of this conceptual framework indicated that a conducive social climate (sense of community, sense of citizen duty) influenced participation.[175]

A design limitation of not only citizen participation projects but also community partnerships and community governance structures such as Regional Health Authority boards is the question of how representatives of lower socio-economic groups can be encouraged to participate. American research on Mexican-American communities noted that the effective organization of low-income communities was a difficult task. This "group powerlessness" translated into "individual powerlessness" and "enlarging opportunities for individual participation in decision making in such spheres as public agencies and work and educational institutions can yield multifaceted benefits in terms of enlarging the individual's sphere of control over his own environment, as well as increasing participatory tendencies."[176] Researchers

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[175] Wandersman, Abraham and Gary A. Giamartino, "Community and Individual Difference Characteristics as Influences on Initial Participation", American Journal of Community Psychology. Vol. 8, No. 2, 1980. Pp. 217 - 228.

[176] Ambrecht, Biliana C.S., Politicizing the Poor: The Legacy of the War on Poverty in a Mexican-American Community. New York: Praeger, 1976. P. 186.

Kweit and Kweit found the same difficulty: "It has been well documented that those citizens who tend to participate in any kind of political activity are likely to be from the middle and upper socio-economic status."[177] This causes a significant bias in the system since policy makers may respond only to the citizen demands as expressed by this select few.

Although expansion of citizen involvement by low income groups on advisory boards was seen to be beneficial for enhancing a sense of what the researcher called "group consciousness", "ethnic consciousness", "cultural reawakening" or "collective orientation", a real difficulty was ensuring that government programs designed to increase such participation were not co-opted or manipulate by established local elites.[178]

It is rare to fully mobilize citizen participation. This presents both a limitation and a benefit to citizen participation. The limitation is that one cannot expect to obtain maximum citizen participation. The benefit is, as American researchers Barry Checkoway and Jon Van Til describe, there is always an ever-present force of "potential participation"[179] in every major institution. There is always then another group, individual or action that can be brought into play. As will be discussed later in terms of health care governance, mobilizing citizen participation is a difficult process.

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[177]Kweit and Kweit, op cit., p. 88.
[178]Ibid. pp. 6 - 7.
[179] Checkoway, Barry and Jon Van Til, "What do We Know about Citizen Participation? A Selective Review of Research", Citizen Participation in America; Essays on the State of the Art. Stuart Langton (editor). Lexington, Mass.: Lexington Books, 1978. p. 29.

2. How many participate

The type of structure for citizen participation varies by community type, size, program goals, past organizing experiences, institutional structures and preferences for decision-making styles of the core organizing or motivating group.[180] How many participate in a community partnerships would also reflect the unique makeup, heritage, institutional structure and culture of each community.. There cannot be a "one size fits all" model since similar factors to those cited for citizen participation would have to be considered. The number of participants, who is allowed to participate, and the structure of participation are critical questions to be faced in the development of a community partnership. Issues as to how many directors are required and how many partners are required to achieve one's mandate have to be thoroughly discussed. There is obviously a size limit to the number of participants: how many are required to perform an effective job must be balanced with the need to include enough participants to represents the various interests and to energize the necessary resources to perform the required tasks.

3. How the citizen participation in integrated in the policymaking process

Kweit and Kweit noted that "there is an indication that participation can indeed alter and improve the patterns of service delivery.[181] The value of citizen participation is seen to derive from the presence of a 'consumer' viewpoint on service delivery as opposed to a 'provider'

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[180] Bracht, Neil and Julie Gleason, "Strategies and Structures for Citizen Partnerships", Health Promotion at the Community Level. Neil Bracht (editor). Newbury Park: Sage Publications, 1990. P. 117.

[181] Kweit and Kweit, op cit., p. 84.

viewpoint. To achieve this value requires that government resist the real temptation to "institutionalize" or "bureaucratize" citizen participation. Ideally, the integration of the energy of citizen participation with the energy of bureaucracy creates the synergy which gives vitality to the ASD structure. This requires a very carefully defined balancing act that does not deflate the energy of one simply into the energy of another.

Beyond Traditional Citizen Participation: The Need to Engage Citizens

The following table outlines the difference between the traditional model of citizen participation and the model of citizen engagement:

Comparison of Traditional Citizen Participation to Citizen Engagement	
Traditional Citizen Participation	**Citizen Engagement**
Encourages venting, advocacy	Encourage reflection, learning, choices
Treats interest groups one by one, creates a platform for them	Forces interest groups to (a) listen to citizens (b) interact with other interests
Encourages a "me-first" dynamic	Permit focus on common ground
Focus on technical choices	Focus on moral choices - no right or wrong answers
Seeks validation of government's choices, "government knows best"	Assume citizens will add value and that new options will emerge
Tend to control process, focus on process, not outcomes	Encourages new ideas through an open-ended process
Impose rigid deadlines	Take time, cannot meet deadlines

Source: Maxwell, Judith, "Citizen Engagement; A New Challenge for Governments". Speaking Notes. June 26, 1997. Pp. 6.

Involving citizens in the governance process, whether it be through community partnerships for service delivery or through a directorship on a regional health care board, requires that government truly engage citizens rather than continue with the traditional model of

token citizen participation. As noted by Debra Wadsworth, Co-Director of the Institute for

Educational Leadership/Public Agenda Program in the United States, true citizen engagement is

more than a public relations exercise. It is simply not a case where governments can present a

list of solutions to citizens and expect them to sign on without first engaging them actively in the

deliberations of the issue.[182]

Citizen engagement can operate at two levels. The first is the participation of citizens,

either as individuals or members or groups, in the political process linking the populace and its

political leaders. The second level is the engagement of citizens with each other, through the

various associations that constitute civil society and mediate between citizens and governing

institutions.[183] Citizen engagement for community partnerships thus operates on two levels: it is

engaged by government but it is also an intermediary between government and its citizens.

Whether such engagement of the citizenry by government will be enhanced by ASD mechanisms

is currently an area of speculation.

Regional health authorities boards are currently experiencing a great deal of difficulty in

obtaining representative public input. A review of recent academic studies in this area suggests:

> Ken Rasmussen of the University of Regina states that the elected board system in
> Saskatchewan demonstrates "the most interested parties in health care are not ordinary
> citizens, but rather providers and other vested interests who derive their incomes from the
> health care system" and that "it seems unlikely that broad, diffuse consumer interests are
> going to be mobilized in each health district. Instead, it is more likely that occupational

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[182] Wadsworth, Debra, "Building a Strategy for Successful Public Engagement", Phi Delta Kappan., June 1997, pp. 749 - 752.

[183] Stein, Janice Gross, David Cameron, Richard Simeon with Alan Alexandroff, Citizen Engagement in Conflict Resolution: Lessons for Canada in International Experience. The Canadian Union Papers.C.D. Howe Institute Commentary 94. Toronto: C.D. Howe Institute, June 1997., p. 8.

groups and providers will organize to try and preserve their interests." He further states that "unless there are hundreds of talented, civic-minded citizens who have no particular interest in health care, but only in improving the strengths of "civil society", it is unlikely that consumers will be better represented than they are in any other public policy domain."[184]

It is important to remember "that local citizen boards are just as capable of making bad decisions as good ones, and that the mere presence of citizen boards does not guarantee accountability." Rachlis and Kushner suggest that board selection processes must be carefully designed to attract good people.[185]

A 1996 study by Jonathan Lomas noted that "the average citizen (as opposed to the self-interested patient, the provider or the manager) has so far shown little interest in contributing and rarely has the requisite skills for most of the task asked of him or her. Hence, the majority of public input to priority-setting has been dominated by the views of unrepresentative interests adopting unclear roles. It is of considerable concern that many of the exercises are dominated by those with a strong employment interest in health care."[186]

A study by Kneebone and McKenzie on Alberta health care regionalization found a struggle in the 'power shift' away from physicians and toward the community at large and other health care providers. Physicians who had dominated hospital boards for decades were reluctant to accept the change. One RHA administrator described efforts to change the attitude of physicians as similar to "herding cats".[187]

Health policy researchers Lomas and Veenstra note that "even if more effective technologies for consultation were available the public does not appear ready to usurp the

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[184]Rasmussen, K. "Democratic Regionalization and Health Care Reform: District Health Boards in Saskatchewan [presentation]", Canadian Political Science Association annual meeting. June 2 - 4, 1996. St. Catharines, Ont.Pp. 15-16.

[185]Rachlis, Michael and Carol Kushner, Strong Medicine: How to Save Canada's Health Care System. Toronto: Harper Collins, 1994.p. 275.

[186]Lomas, Jonathan, "Reluctant Rationers: Public Input to Health Care Priorities", McMaster University Centre for Health Economics and Policy Analysis Policy Commentary C96-2, June 1996. p. 5.
[187]Kneebone, Ronald D. and Kenneth J. Mckenzie, "The Process Behind Institutional Reform in Alberta", A Government Reinvented: A Study of Alberta's Deficit Elimination Program. Editors: Christopher J. Bruce, Ronald D. Kneebone, and Kenneth J. Mckenzie. Toronot: Oxford University Press, 1997. Pp. 176 - 215.p. 181.

decision-makers final responsibility for policy choice". In their study, even when significant efforts were made to obtain a truly random selection of public consultation participants, only 6% of invited citizens turned up to the meeting, and they were a biassed sample of the general public.[188]

Given the difficulty for representative citizen input that is being experienced in the regionalization of the health care system, it is unlikely that citizen engagement will result simply from an institutional change without a corresponding cultural change on both the part of the bureaucracy and the citizenry.

F. Changing Values as a Catalyst for Alternate Service Delivery

The move towards increased citizen involvement as partners of government came about not only from a theoretical paradigm but also as a result of changing values. Political scientist Ronald Inglehart was global co-ordinator for the World Values Survey that was carried out in 1990-1991. He notes that a major change in the direction of change has occurred in last 25 years, a change towards a post-modern value shift. The post-modern shift differs from the process of modernization in five crucial ways:

1. A shift from scarcity values to post-modern or security values. Since most people in advance societies take survival for granted, concern has now shifted from a reverence for economic growth to a quest for the quality of life.

2. Diminishing effectiveness and acceptability of bureaucratic authority. Hierarchial authority, centralization, bigness are all under growing suspicion with a realization that these attributes have reached a point of diminishing effectiveness and a point of diminishing acceptability.

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[188]Lomas, Jonathan and Gary Veenstra, "If you Build It, Who Will Come? Governments, consultations and biassed publics." McMaster University Centre for Health Economics and Policy Analysis Working Paper Series No. 95-12, October 1995. P. 16.

3. Rejection of the West as a model, and the collapse of the socialist alternative. Postmodernism contains an inherent tendency towards democratization.

4. Growing emphasis on individual freedom and emotional experience, and rejection of all forms of authority. Economic development leads mass publics to place growing emphasis on participatory values.

5. Diminishing prestige of science technology and rationality. A core component of modernization was a growing faith in the power of science and rational analysis to solve virtually any and all problems. There has been severe erosion in the belief that science contributes to progress. This change in worldview has advanced especially in those societies which are economically and technologically most advance.[189]

As indicated in the following table, Canada tends to embrace the cultural

dimensions of post-modernism.

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[189]Inglehart, Ronald, "Changing values, economic development and political change", International Social Science Journal. September, 1995. Pp. 384 - 397.

Table 9-5 Support for Changing the "Political Status Quo" 1990

Country	Government should be made more open	Political reform is moving "too slow"	Support for changing the current political status quo
France	95.1	44.6	41.7
Britain	85.3	45.5	45.4
West Germany	83.6	37.6	39.7
Italy	86.1	55.0	55.3
Netherlands	77.3	63.5	50.7
Denmark	85.5	38.8	39.3
Belgium	85.7	35.8	33.0
Spain	85.7	39.7	45.9
Ireland	83.1	61.0	62.9
Northern Ireland	84.0	51.4	49.6
United States	82.9	45.6	45.6
Canada	90.3	44.1	49.9
English	91.1	44.3	53.1
French	92.0	39.1	38.4
New Canadians	83.3	43.8	52.6

Questions: "I am going to read out some statements about the government and the economy. For each one, could you tell me how much you agree or disagree? Please use the responses on this card.

    A. Our government should be made much more open to the public
       1. Disagree completely
       2. Disagree somewhat
       3. Neither agree nor disagree
       4. Agree somewhat
       5. Agree completely
    B. Political reform in this country is moving too rapidly
       1. Agree completely
       2. Agree somewhat
       3. Neither agree nor disagree
       4. Disagree somewhat
       5. Disagree completely"

Column 1 above includes those that "agree somewhat," and "agree completely" with question A, while column 2 includes those that "disagree somewhat" and "disagree completely" with question B. Column 3 is an additive index composed of columns 1 and 2.
Source: 1990 World Values Survey.

ource: Nevitte, Neil, <u>The Decline of Deference</u>. Mississauga: Broadview Press, 1996. P. 308.

Given Inglehart's summation of the cultural attributes of post-modernism as it pertains to citizen participation, one can understand the trend in Canada to involve citizens in community governance. As Inglehart concludes, the post-modern shift moving away from traditional authority and state authority will cause political systems to either adapt in ways that generate some measure of internalized support, or they collapse and are replaced by new political systems.[190] Part of the process of developed internalized support and legitimacy for the emerging political system is through citizen engagement in the governance process.

This process of legitimacy is especially needed in Canada where the distrust of government is high. As represented in the foregoing table, Canadians are among the highest supporters for more open government.[191] This is especially true of younger Canadians. Yet with this distrust of government, Canadians have not given up on the state. According to Judith Maxwell of the Canadian Policy Research Network, Canadians want governments:

- to be a collective force for their benefit, e.g. education, health,

- to focus on what they can do well,

- to collaborate with other jurisdictions, and

- to share the burden of decisions with citizens.

She emphasizes the Canadian core values of self-reliance, compassion leading to collective responsibility, and investment in the future.[192] Given this desire by Canadian citizens to "share

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[190]Ibid., p. 402.
[191]Nevitte, Neil, The Decline of Deference. Mississauga: Broadview Press, 1996. Pp. 306-308.
[192]Maxwell, Judith, "Citizen Engagement; A New Challenge for Governments". Speaking Notes. June 26, 1997. Pp. 4

the burden" with government and the cultural sense of collective responsibility, governments were compelled to pursue the agenda of citizen engagement and community partnerships. The difficulty , though, is that all communities may not be equally prepared to accept this new role of government partner. The social capital in a community in a community is an important factor in determining the viability of effective community partnerships.

G. Social Capital as a Pre-requisite for Effective Community Partnerships

As discussed in Chapter Two, Betcherman sees government partnering with communities when he talks about the use of intermediaries in the provision of labour market training. The difficulty in relying on community partners as intermediaries in the delivery of labour market services is that all communities may not have the same capacity to fulfill this role. In order for social partnerships with government to be effective, a civic community must first exist. As governments turn to communities to become actively involved in the governance and delivery of many social service functions, one must ask if the communities are indeed prepared and/or capable of fulfilling this enhanced role.

Social Capital , Civic Communities , and a Good Citizen

Proponents of participatory democracy highlight the benefits of social capital that is enhanced through the existence of a civic culture. The term social capital refers to "features of social organization, such as networks, norms, and trust, that facilitate coordination and cooperation for mutual benefit. Social capital enhances the benefits of

investment in physical and human capital."[193] Sociologist James Coleman considers that social

capital has three dimensions: the set of expectations and obligations that develop in a community

[Putnam's trust]; the set of information channels [Putnam's networks]; and the set of norms or

sanctions that exist at the community level [Putnam's norms].[194] The interaction of trust,

networks and norms in a community are the foundation of social capital.

Robert D. Putnam views social capital as a pre-requisite for and as a consequence of

effective public policy: "wise policy can encourage social capital formation, and social capital

itself enhances the effectiveness of government action."[195] In his study on Italian communities,

Putnam determined a link between communities with sound governance and communities with a

high degree of social capital. Communities with a strong civic culture had a correspondingly

high quality of government.[196]

In examining the link between institutional performance and the character of civic life,

what he terms "the civic community", Putnam noted that "the civic community is marked by an

active, public spirited citizenry, by egalitarian political relations, by a social fabric of trust and

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[193] Putnam, Robert D., "The Prosperous Community: Social Capital and Public Life", The American Prospect. Spring, 1993. Number 13. Pp. 35 - 36.

[194] Coleman, James, "Social Capital in the Creation of Human Capital", American Journal of Sociology. Supplement Volume No. 94. 1988. Pp. S95 - S120.

[195] Putnam, Robert D., "The Prosperous Community: Social Capital and Public Life", The American Prospect., p. 42.

[196] Another interesting study which explores the relationship of how social capital contributes to more effective government is Boix, Charles and Daniel Posner, "Social Capital: Exploring Its Origins and Effects on Government Performance", British Journal of Political Science. Winter, 1998. Pp. 686 - 693. The relationship between the two phenomenon is 'underspecified', they argue, making it difficult to specify and measure the dynamic at work.

cooperation."[197] He found that "some regions of Italy...are blessed with vibrant networks and norms of civic engagement, while others are cursed with vertically structured politics, a social life of fragmentation and isolation, and a culture of distrust. These differences in civic life turn out to play a key role in explaining institutional success."[198]

Putnam writes "citizens in a civic community, on most accounts, are more than merely active, public-spirited and equal. Virtuous citizens are helpful, respectful, and trustful towards one another, even when they differ on matters of substance."[199] Such citizens are egalitarian in their relationship: "citizens interact as equals, not as patrons and clients nor as governors and petitioners."[200] The civic community is not without conflict- strong views on public policy are expressed but there is a tolerance demonstrated for the views of others, and the norms and values of such communities are embodied in and reinforced by distinctive social structure and practices.[201]

By contrast, communities in the least civic regions demonstrate an absence of civic associations and a paucity of local media with citizens rarely drawn into community affairs.[202] The greater the social cleavages in a society or polity, the more difficult it will be to form a stable

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[197] Putnam, Robert D., Making Democracies Work: Civic Traditions in Modern Italy. Princeton, New Jersey: Princeton University Press, 1993. p. 15.
    [198] Ibid., p. 15.
    [199] Ibid., pp. 88 - 89.
    [200] Ibid., p. 88.
    [201] Ibid., p. 89.
    [202] Ibid., p. 97.

government resting on the consent of the governed.[203] In essence, "where norms and networks of civic engagement are lacking, the outlook for collective action appears bleak."[204]

Similarly, I would argue, the greater the social cleavages in a community and the greater the lack of norms and networks, the more difficult it will be to establish successful social partnerships in the community. The success of community partnerships, or intermediaries using Betcherman's term, in the delivery of labour market training is embedded in the strength of the civic nature of the community. Communities which are torn, divided and disheartened, as many communities suffering from economic ailments are, may not have the necessary platform to successfully implement the new institution of intermediary. Shared values are crucial to the success of a partnership relationship.[205]

Sociologist Peter Willmott defines this type of community as a "community of attachment"; that is "whether or not a person experienced a sense of community, had a strong interest in the affairs of a community, or would be sorry to leave the community."[206] Such attachment was found to be influenced by the network of local friendships, kinship bonds, and formal and informal associational ties. The two main elements of the community of attachment - interaction and sense of identity - extend beyond the realm of personal contacts. If people see themselves as sharing identity with others, through a systems of shared knowledge and beliefs,

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[203] Ibid., p. 116.
[204] Ibid., p. 183.
[205] Lewis, Jordan D., Partnership for Profit: Structuring and Managing Strategic Alliances. New York: The Free Press, 1990. p. 220.
[206]Willmott, Peter, Social Networks, Informal Care and Public Policy. London:Policy Studies Institute, 1986. Pp. 84 - 90.

then their attachment to the community is reinforced. A sense of cohesion is therefore critical to the establishment of a community of attachment. The concept of community of attachment parallels Putnam's concept of a civic community.

Putnam did not see a link between civic community and prosperity: "the civic regions did not begin wealthier, and they have not always been wealthier, but so far as we can tell, they have remained steadfastly more civic....These facts are hard to reconcile with the notion that civic engagement is simply a consequence of prosperity."[207] Putnam felt the civic nature of the community developed irregardless of economic growth.

Gabriel A. Almond and Sidney Verba define civic culture as an "allegiant participant culture" where individuals are not only oriented towards providing input into the political system but also positively regard and value the political input processes and structures. The civic culture provides not only a sense of obligation to participate in political input activities but also the sense of competence to participate. In order for the civic community to be achieved, there must be an integration between the political system and the community structures: "an effective functioning democracy implies that a substantial portion of its members are involved in the political system through the meshing of more diffuse structures of the community with the more differentiated ones of the polity."[208] It is through this integrated web that the demands and feelings of the

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[207] Putnam, Robert D., Making Democracies Work: Civic Traditions in Modern Italy, p. 153.

[208] Almond, Gabriel A. and Sidney Verba, The Civic Culture: Political Attitudes and Democracy in Five Nations. Princeton, New Jersey: Princeton University Press, 1963. P. 144.

community flow into the political system and the polity remains in touch with the needs and moods of its members.

Sociologist Philip Abrams believed that the moral basis of neighbourhoods were based on reciprocity, not altruism.[209] Abrams observed "background factors" that influenced people's propensity to become engaged in neighbourly relations. Dominant social norms that had been established in one's life such as the opportunity to develop neighbourly relations was one such influence. The nature of support networks was another influence. A lack of barriers and absence of animosity was another. Kinship ties also played a role as did informal social networks. The influences cited by Abrams closely reflect the description of social capital by Putnam and Coleman. Abrams also found that communities in which high levels of trust and predictability are diffused among the members will also be communities with high levels of generalized reciprocity, that is of apparent altruism. Abrams stated that "voluntary organizations interested in neighbourhood involvement need to combine an activist, self-liquidating image of organisation with a populist theory of politics. They should cultivate the "intimate-enemy" relationship with public authority and external agencies by being both knowledgeable yet on guard rather than the more service orientations of the role of "harem" or "call-girl".[210] This description provides an interesting scenario for the relationship of a community partnership to government!

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[209]Bulmer, Martin, <u>Neighbours: The Work of Philip Abrams</u>. Cambridge: Cambridge University Press, 1986.
[210] <u>Ibid.</u>, p. 232.

Robert Dahl maintains that the classic and modern standards of good citizenship in a civic culture are altogether too demanding to serve as criteria for the performance of real citizens in our present world.[211] The classical view was that citizens should seek the good of some larger collectivity of which they are a part- *the general good; the good of all; the good of the polis; the public interest; the general welfare; the interests of their class,* and so on. The good citizen in this broad, classical view would be highly concerned about public affairs and political life, well-informed, actively engaged with fellow citizens, an active participant in public affairs and motivated to do all this by a genuine desire to foster the general welfare. Dahl questions the realistic application of this ideal portrait in today's society.

The narrower view of a good citizen portrays a citizen motivated by self-interest with the public good being comprised of the total of all individual interests. It is possible under this narrower, modern view of a good citizen to have, in the interest of advancing one's own interests, a self-centered interest in protecting or advancing the ends of a larger community to which one belongs. This modern view would define a good citizen as an active rationalist egoist.

Dahl suggests, however, that actual empirical evidence, however, does not support the active nature of either definition. The majority of today's citizens are not active participants in political affairs, whether for motivations of altruism or self-interest. Other than for perhaps exercising the right to vote, Dahl describes the present-day "*good-enough*" or "*adequate*" citizen as an *occasional, intermittent* or *part-time* citizen. He cautions that unless we are prepared to

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[211] Dahl, Robert, "The Problem of Civic Competence", Journal of Democracy. Vol. 3. No. 4. October 1992. Pp. 45 - 59.

accept a severe attenuation of democracy, we need to discover generally feasible ways of raising

citizen competence. To achieve this, Dahl suggests that authority should be given to smaller

units within larger units and that citizen assemblies could become important institutions for civic

participation and for enhancing the competence of the participants.

The engagement of citizens in community governance theoretically offers a number of

benefits. It enhances the civic nature of the community which correspondingly increase the value

of social capital in the community. Using Putnam's research, this increased social capital would

thus result in a higher quality of governance in the community.

As Dahl suggests, giving authority to smaller units would also serve as a form of civic

education and improve the democratic competency of the citizenry. Dahl notes that "randomly

selected citizen assemblies need not replace legislatures; instead they could provide what opinion

surveys cannot - judgments arrived at by a body of well-informed citizens after deliberation

assisted by experts."[212] I would suggest that community partnerships, assisted by bureaucratic

experts, could also perform a similar function of providing a form of civic education and

improving the democratic competency of the individuals involved in the partnership.

Almond and Verba make a similar point when they suggest that a civic culture will

increase the opportunity for the citizen to become active in the political system:

> By living in a civic culture, the ordinary man
> is more likely than he would be otherwise to
> maintain a steady and high rate of exposure to
> political communications, to be a member of an
> organization, and to engage in informal political

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[212] Ibid., p. 55.

> discussion. These activities do not in themselves
> indicate an active participation in the decision-making
> process of a society; but they do make such participation
> more possible. They prepare the individual for
> intervention in the political system; and much more
> important perhaps, they create a political environment
> in which citizen involvement and participation are
> much more feasible.[213]

As previously stated, Almond and Verba view the term civic culture as synonymous with an

allegiant participant culture. Community partnerships are based in such a culture. The same

civic culture that would yield community partnerships would also prepare individuals for

intervention in the political system and create the political environment that would foster citizen

involvement and participation. The citizen is influenced by the elements of the civic culture and

responds in a manner to influence these elements. The participation of a citizen in an association

such as a community partnership affects his interaction in his informal political discussions and

in his political communications. The nature of the associations, political communications and

informal political discussions within this political culture are thus influenced and defined by the

interaction of each individual as well as the interaction of each of these elements within the

culture. Participation in community partnerships therefore contributes to the civic culture of the

community.

Because of this interaction between citizens and their relationships to associations,

informal political discussions, and political communications, the civic culture manages cleavages

in society. Social cohesion is reinforced with the association of individuals and the resulting

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[213] Almond and Verba, op. cit. p. 482.

communications and informal discussions. A reciprocal relationship based on trust occurs as

individuals and groups engage in various associations with another people and groups. A

breakdown of association is symbolic of a breakdown of trust. Social cleavages result when

citizens in a society do not trust one another, do not associate with one another, do not discuss

with one another and do not communicate. With association, communication and discussion, the

cleavages of society are reduced and cohesion or bonding occurs. Participation in community

partnerships thus play a role in maintaining the cohesive nature of society.[214]

In answering the question why some governments work better than others, Putnam states

that the communities with better governments "...had dense networks of civic engagement.

People were connected with one another and with their government."[215] According to Putnam,

this pattern of civic engagement is a crucial factor in explaining why some institutions of

government work better than others. Just as importantly, he argues that the development of

social capital can contribute significantly to economic growth and well-being within

communities -- be these communities national, regional or local in scope.[216]

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[214] This conclusion that associations and increased civic participation increases trust levels in a community is supported by Putnam. American researchers Kweit and Kweit, however, concluded that the evidence of the impact of participation on trust has produced totally contradictory findings. See:Kweit, Mary Grisez and Robert W. Kweit, Implementing Citizen Participation in a Bureaucratic Society. New York: Praeger, 1981.

[215] Putnam, Robert, The Decline of Civil Society: How Come? So What?. The John L. Manion Lecture. Canadian Centre for Management Development. Ottawa, Ontario. 22 February 1996.p. 3.

[216] Ibid., p. 4.

Developing Social Capital in Communities

It has been recognized that a healthy and economically strong community includes a robust voluntary sector, which is usually exemplified through various not-for-profit associations and community groups.[217] Theoretically, then, the benefits of the development of social capital in a civic community has the potential to go beyond simply increasing social cohesion and reducing cleavages but as a corollary of this to strengthen the governance of the civic institutions of the community and to increase its economic well-being.

Sherri Torjman sees community partnerships as an integral part of what she calls "civil society"[218], a similar concept to Putnam's civic society, that is a society which sustains and enhances the capacity of all its members to build a caring and mutually responsible society. She sees three objectives for a civil society:

- to build and strengthen *caring communities*;
- to ensure *economic security*; and
- to provide *social investment* by directing resources towards the well-being and positive development of people.

She maintains that in a civil society the "traditional" objective of social programs, to reduce poverty and to help ensure social and economic security, are achieved by means other than straight state intervention. First, a civil society interprets very broadly the concept of *resources*

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[217] Government of Ontario, <u>Report of the Advisory Board on the Voluntary Sector: Sustaining a Civic Society: Voluntary Action in Ontario.</u> Toronto: Publications Ontario, 1997. Executive Summary.

[218] For a complete discussion of this concept of civil society, the reader is referred to Torjman, Sherri, <u>Civil Society: Reclaiming Our Humanity.</u> Ottawa: the Caledon Institute for Social Policy, March, 1997. The italics used in this discussion originate form Torjman's monograph.

to involve far more than simply public dollars. Secondly, a civil society promotes the creation of *partnerships and collaborative working arrangements* to achieve its goals. Thirdly, issues in a civil society are dealt with in an *holistic and integrated* manner, artificial distinctions between social and economic matters are discarded.

Torjman derives her conceptual framework for the civil society from international thinking on sustainable development, that is an holistic approach to the quality of life which integrates economic, social and environmental concerns to promote the wise, efficient and creative use of resources. Within this context of sustainable development, it is understood that individual well-being cannot be achieved in the absence of a healthy environment. It is equally unlikely that human well-being can be achieved in the absence of a buoyant economy.

Problem-solving in the civil society is achieved through multisectoral collaboration with all sectors, government, business, labour, education, foundations and social agencies taking responsibility for addressing economic, social and environmental issues. At the base of this civil society is the citizen actively engaged in his community and acting as an active agent of change. These civil societies have mediating institutions, places where people come together in communities to facilitate public problem-solving and develop new, broader civic roles.

Economic security is achieved in a civil society through job creation and the equitable distribution of existing work; access to opportunities created by the social economy (defined by Torjman as a distinct form of economic organization that includes co-operatives and various forms of community economic development) and support for micro-enterprise; and income redistribution to compensate for the inadequacies of the marketplace. Investing in people in a

civil society is essential to ensure economic development. The two key areas for social

investment in people are health and education and skills development.

Torjman refers to Putnam in her monograph and it is clear that the concepts of a civic

community and a civil community rest on the same foundation. Both see the cohesiveness of

society as a basis for the concept of a "caring community"[Torjman] or "social capital"[Putnam]

which provides a basis for economic growth. It is the gathering of the citizens of the community,

whether in the form of Dahl's "citizen assemblies", Almond and Verba's "allegiant participants",

Putnam's "associations" or Torjman's "partnerships and collaboratives", that will lead to the

mutual problem-solving of community ills. This gathering of the community to resolve societal

ills is achieved by engaging citizens in the governance of their communities. Such other

traditional factors of economic development, such as resource possession, capital, technological

skills, infrastructure and so on, continue to be important. Social capital appears to make a

difference, but how large a difference and under what circumstances is not easily specified.

How Do You Build Community Capacity

Sherri Torjman of the Canadian Policy Research Network suggests that a community

strategy based on a decentralized, participatory process known as *community-based planning*

would engage many sectors and stakeholders and act as a way to promote citizen participation.[219]

The purpose of this community planning is to develop a more comprehensive approach to human

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[219] Torjman, Sherri, "Sustainable Social Policy", Sustainable Social Policy and
Community Capital: Session Proceedings June 18 and 19, 1996. Ottawa: Caledon Institute of
Social Policy and the Canada Mortgage and Housing Corporation, 1996. Pp. 14 - 15.

services and the quality of life which includes the social, economic and environmental factors that affect human and social development. She suggests that the community capital, i.e. financial, human and natural/built resources of a community, can be harnessed to work with the resources of government[220] Community partnerships such as the Triple S Training Group are an integral part of the community-based planning approach suggested by Sherri Torjman.

The use of community partnerships is based on an approach to community development known as "asset-based community development". Adrian Bohach of the Volunteer Centre of Calgary laments that "communities have become benign and silent as the important roles they had in the past have been methodically stripped away and supplanted by special interest groups, governments, institutions and professionals."[221] Bohach describes the concept of *asset-based community development* as employing the idea that there exists within individuals, groups and communities the capacity and strength to deal with their own issues.[222]

Asset-based community development is a developmental strategy which starts with the gifts, skills, capacities and networks of a community which have always existed but were never valued and identified. Rather than try to rebuild communities by conducting needs assessments

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[220] It is important to clarify that Torjman does not see the resources of the community as a replacement to public sector involvement. Government still has a role to play but Torjman sees this role as occurring in collaboration and cooperation with the community capacity.

[221] Bohach, Adrian, "Fundamental Principles of Asset-Based Community Development", Sustainable Social Policy and Community Capital: Session Proceedings June 18 and 19, 1996. Ottawa: Caledon Institute of Social Policy and the Canada Mortgage and Housing Corporation, 1996. P. 42.

[222] This concept which is presented by Bohach is based on ideas presented by the following thinkers and practitioners: Judith Snow and Jack Pearpoint (Canadians); John O'Brien, Frances Moore Lappe, Paul Martin du Bois, and Dr. Leland Kaiser (Americans), and Ivan Illich and Paulo Freire (international).

and focussing on local problems and deficiencies, this community building approach starts with

the process of locating the assets, skills and capabilities of residents, citizen associations and

local institutions.[223] In essence, the strengths of the communities, not the weaknesses, are

captured and enhanced. Bohach describes the following characteristics of an asset-based

community development strategy:

- **Gifts**: The recognition that everyone has a gift is the basic building block and foundation for creating community. Even the most deprived and disadvantaged community has citizens who have an endless supply of unique, positive and valuable gifts. Communities that provide opportunities to allow citizens to use their gifts to benefit the community and to connect the citizens with each other on order to maximize their effectiveness and capacity have established the basic foundation upon which the community can develop itself.

- **Citizenship**: Similar to Putnam and others previously discussed, Bohach notes that when citizens actively participate in community and create new roles for shared governance, important tangible benefits accrue. By shaping the values and vision of a community, citizens create self-governed programs that respond to the uniqueness of the community.

- **Individual attention**: In any process of community development, each person is uniquely valued and may be dealt with on an individual basis using interactions that are face-to-face and very personal. Individual attention is the key ingredient to create the community connections through which people who are isolated are brought into the centre of the community.

- **Relationships**: Communities using the asset-based approach are driven by strong relationships. Community building based on the growth of personal relationships and the strengths and capacities of the citizens of the community bridges the gulf between individuals. Issues of common concern are then dealt with regardless of the perceived differences of residents.

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[223]For a detailed guide to implementing asset-based community development at the local level, the reader is referred to: Kretzman, John P. and John L. McKnight, Building Communities from the Inside Out: A Path Toward Finding and Mobilizing a Community's Assets. Evamston, Illionois: Centre for Urban Affairs and Policy Research, Northwestern University, 1993.

- **Grassroots:** Asset-based community development is a bottom-up approach based on the presumption that local citizens are better equipped to create the vision for their communities and to plan for its fulfilment than outside experts. Strong links are developed between citizens and existing community networks and associations. These community infrastructures and activities become opportunities to create strong relationships between citizens to provide the foundation for this type of community development. Institutional infrastructure such as schools and hospitals become valued resources and assets that can be utilized to fulfill local agendas for all facets of the community.

- **New structures:** Community building within the context of an asset-based model usually surpass the traditional reliance on existing government programs, nonprofit agencies or political systems. New structures evolve in the web of citizen relationships within a community.

- **New role for the professional and institution:** Professionals and institutions must adapt to new roles in this citizen-centered approach.

- **Stories:** Asset-based community development is achieved through the stories of the community that illustrate ideas and possibilities. As Bahoch notes, stories are the spice that capture the imagination and reinforce the one-to-one conversations among citizens in the communities.

To change from the traditional *institutional* model of community economic development, the paramount importance given to professional service delivery institutions must be discarded in favour of self-determined structures. It is important to form coalitions, associations, networks and forums amongst citizens as the foundation for self-initiated development.

Bahoch states that this approach has some barriers and limitations:

- **Lack of process:** The community leadership role has been usurped by governmental institutions for so long that the skills, structures and relationships necessary to create and support the internal conversations required to define a local agenda may have atrophied due to inactivity. Citizens who want to be involved in this new process will have to be trained.

- **Lack of time:** There is often little energy and time left over from work and family commitments to invest in community.

- **Resistant nonprofit or government agencies:** Some staff of established genuinely distrust the community's ability to shoulder this responsibility and fear their own shrinking involvement. From the organizational side, the perceived fear of loss of budget, turf, span of control or relevancy may limit the effectiveness of a community-based approach.

- **Negative attitudes and fear:** Some citizens may not grasp or be apathetic to the benefits offered by strong community and therefore have little motivation to get involved.

- **Focus on short term:** There exists a cultural bias in our society to short-term outcomes. It is difficult to substantiate the long-term benefits that can only be achieved through sustained support rather than a "quick fix".

- **Funding patterns:** The ability to attract funding for locally-controlled initiatives presents a real challenge to communities. It is difficult to justify funding that will result in a long-term community investment rather than a short-term result.

Despite these barriers and limitations and limitations, Bohach views asset-based community development as a positive process for self-directed community change.

Integral to building citizen participation according to Sherri Torjman is the development of leadership capacity in local communities through building knowledge and skills. Adrian Bohach sees nurturing leadership at the local level as an important element in the self-determination. It has often been noted by those involved in community development that "the commitment of one energetic person playing an exceptional leadership role can make a real difference in the community."[224]

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[224] The newsletter of The Caledon Institute of Social Policy, Caledon Profiles: Real Leaders is one publication that highlights the achievements of what one individual can do in the community.

There are many examples of successful community-initiated projects inspired by community leaders.[225] These successful projects have a number of common elements. One element is the synergy that arises when a diversity of groups and individuals come together to address an issue. The importance of having a flexible core institution is a second important element. When program direction is driven from the grassroots, the institution may need to evolve to meet identified priorities. For example, two community projects initially focussed on housing issues, the Downtown Eastside of Vancouver and the Street City project in Toronto but branched out to the areas of education and economic support. SEED Winnipeg started with a focus on economic self-sufficiency through self-employment but evolved to training and cooperatives ventures. Flexibility and synergy are two main elements in successful community ventures. The synergy that is created is founded in the civic nature of the community, people exchanging ideas and actions to better their neighbourhood. Social capital is a necessary pre-requisite of creating synergy in a community.

Civic Communities and the Social Well-being of the Citizens

A component of the development of civic communities is the concept of "well-being" as a pillar of the social and fiscal policy of that community. When we talk about the well-being of a society, we speak of "...the institutional arrangements that enable a society to fulfil it

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[225] For an informative review of some successful Canadian community-initiated projects, the reader is referred to New Economy Development Group Inc., Community Economic Development in Canada: A Different Way of Doing Things. Ottawa: National Welfare Grants Program, HRDC, October, 1993.

commitments to individuals, communities and the collective identity."[226] Societies achieve social well-being to the extent that their institutions enable the society to fulfil commitments to the well-being of individuals, communities and to society as a whole.[227] Social well-being and individual well-being are thus very integrally related since societal well-being can only come about when the needs of individual well-being in that society are met. In the civic community, the individual is not set against society and its institutions. The individual and his society are interwoven and it becomes impossible to achieve the well-being of society without addressing the well-being of each individual.

One weakness of the postwar framework for well-being in Canada through a social security program based on the interventionist teachings of Keynes was the incapacity of social, economic and political institutions to fully grasp the interdependence among people, their communities, their society and the environment. The promotion of individual well-being was seen as achievable independent of investments in the social and economic development of communities, and independent of the establishment of social entitlements. Economic restructuring in the late 1980s and early 1990s created a loss of economic and social security for households and communities.

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[226]Drache, Daniel and Andrew Ranachan, "Ground Zero: rebuilding the Future Fiscal and Social Policy Reform in Canada". Warm Heart, Cold Country: Fiscal and Social Policy Reform in Canada. Daniel Drache (editor). Ottawa: Co-published by the Caledon Institute of Social Policy and the Robarts Centre for Canadian Studies, 1995. P. 4

[227]Rioux, Marcia and Michael Bach, "Social Well-being: A Framework for Social and Economic Policy", Warm Heart, Cold Country: Fiscal and Social Policy Reform in Canada. Daniel Drache (editor). Ottawa: Co-published by the Caledon Institute of Social Policy and the Robarts Centre for Canadian Studies, 1995. P. 82.

A new framework for well-being would take into account the interdependence of the various levels within society. Policies would be coordinated instead of fragmented. Policies and institutional arrangements would be evaluated against the social well-being framework and the economy would be seen as a means to achieve social well-being, rather than just as an end in itself. Citizens would not simply survive in the new economic order. Instead, the social well-being framework would be seek ways to facilitate the social, economic and environmental sustainability and security of the community. Co-operative approaches would replace social conflict. A labour market framework under societal well-being would give displaced workers the means to enter volatile labour markets, take entrepreneurial risks and spur economic innovation. Social and economic policies, under this framework for social well-being, respect differences and are proactive rather than destructive.[228]

In keeping with the holistic, cohesive approach to community development in a civic society, it becomes difficult to implement policies and programs which will not address the overlapping areas of individual well-being, as opposed to the traditional bureaucratic approach of public programs targeted to specific problems. In measuring the performance of programs and policies in a civic community, consideration must be given to a holistic assessment of the costs

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[228]Ibid., pp. 99 - 102. The authors describe this framework of social well-being on a much broader scope than the community level but the concepts expressed by the authors are transferable to civic community level.

and benefits, not only to the individual but to the community as a whole.[229] As noted by Bohach, the evaluation of holistic approaches is complicated by the need to appreciate not only short-term benefits, but long-term ones as well.

Community partnerships have been embraced by many communities as a vehicle to address labour market situations. For example, the Montreal Community Loan Association is a social partnership in which individuals from low-income communities developed and learned how to manage a sophisticated community economic development vehicle which addresses unemployment and underemployment.[230] The Association brings together those who are searching for capital to invest in their neighbourhoods and those who have both capital and will to help residents rebuild their communities. Through community processes such as this, community economic development is no longer the analysis of the marginalized. It is now part of a much broader and more powerful coalition which is being built between those in the business and community based sectors.

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[229] This holistic approach to measurement is currently an evolving field of study. Economists Lars Osberg and Andrew Sharpe have recently released a paper, "An Index of Economic Well-being for Canada", which seeks to develop a comprehensive index of economic well-being relying on four main components: consumption patterns; stock accumulation; poverty and inequality; and indicators of insecurity, particularly economic insecurity such as unemployment. For details on this approach, please see Osberg, Lars and Andrew Sharpe, An Index of Economic Well-being for Canada. A paper presented at the Centre for the Study of Living Standards (CSLS) Conference on the State of Living Standards and the Quality of Life in Canada, Ottawa, October 30, 1998. The paper is found on the CSLS web site.

[230] A complete description of this partnership is presented in Caledon Institute of Social Policy, The Montreal Community Loan Association and Social Partnerships. Ottawa: Caledon Institute of Social Policy, 1997.

Such an asset-based community development approach to the problem of unemployment

is currently being launched in Prince Edward Island, under the auspices of an *Employment*

Summit.[231] The summit is an all-party initiative to suggest ways to increase employment in

Prince Edward Island, which had an unemployment rate of 10.4% for October, 1998 compared to

a national rate of 8.2 per cent. A five member independent panel, under the co-ordination of the

Institute of Island Studies at the University of Prince Edward Island, will meet with Islanders and

groups across the province and report back to government in mid-December. Premier Pat Binns

announced that the goal of the project was to build on the strengths of the long-established

sectors and small businesses of the Island and, based on the ideas that emerge from the

community, develop new opportunities which are emerging. It is expected that the Employment

Summit will be an opportunity for Islanders from all walks of life to express their solutions

toward alleviating the unemployment crisis of the province, and for a productive and cooperative

effort to be brought forth by government, labour, youth, business and the unemployed in finding

the right solutions to the ongoing problem of unemployment and underemployment.

The use of such a community partnership approach to solving labour market problems

has some inherent difficulties. The difficulty with the application of the use of community

partnerships in the provision of labour market services is that it is dependent upon the strength of

the community for its enactment. This use of partnership intermediaries adds a new institutional

component to the framework of the community. The institution of the intermediary derives its

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[231] Government of Prince Edward Island, "Employment Summit Announced", News Release. October 22, 1998.

strength and defines its being from the community in which it is based. A similar argument to

that presented by Gerry Veenstra and Jonathan Lomas in their study on the importance of social

capital in the governance of regional health care systems can be applied to the delivery of labour

market services by communities. They maintain that:

> organizational design, availability of information
> and characteristics of representatives may be
> necessary considerations for effective governance,
> but are not sufficient. Social capital in the
> governed community is also required.[232]

Veenstra and Lomas use the work of Robert Putnam in defining the term social capital.

As Melanie Conn of the WomenFutures Community Economic Development Society, a

non-profit women's organization based in Vancouver, suggests, the job-creating community

requires a great deal of effort and commitment:

> It requires real participation. Participation in a
> democracy can be as simple as marking a ballot.
> But community economic development asks more
> of people. It asks them to come together, identify
> issues, build networks, plan and develop strategies.
> It's a lot of work. It also involves...a blending together
> of social and economic issues.[233]

She sees government and community on an equal footing. In a similar comment, British

economist Robim Murray notes "government can play an important role. But it is not to dictate

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[232] Veenstra, Gerry and Jonathan Lomas, <u>Home is Where the Governing is: Social Capital and Regional Health Governance</u>. McMaster University Centre for Health Economics and Policy Analysis Working Paper C96-1. June, 1996. P. 6.
[233] <u>The Atkinson Letter.</u>, "The Job-Creating Community", June 6, 1997. http//atkinsonfdn.on.ca/publications/atkinson_letter/jobs4.html. p. 1.

to communities. It should be a stakeholder, as opposed to running the show. It can be a partner, provide seed money, lubricate the change-over."[234] But, in order to access this seed money, the community must be knowledgeable about the funding process, what Josephine Rekart refers to as "grantsmanship".[235]

Variable capacity among communities will result in a discrepancy in the strength of labour market training activities available in each area, with the most likely result being that the stronger communities will flourish and the weaker ones will be left behind. This is similar to the overall impact on society that has been created with the onset of scientific and technological innovation:

> Communities and individuals who can tap into these new
> resources by owning, using and adapting them will
> profit greatly. Those who are unable to do so are likely
> to become increasingly marginalized from the global
> marketplace. Again, it is the poor societies of the world
> and the poor segments of richer societies that are ill-
> equipped to benefit from the speed and intensity of
> scientific and technological change.[236]

Communities lacking innovative leadership will not be prepared to access the community benefits generated from the existence of active intermediaries.

In The Partnership Handbook that was prepared for HRDC, Flo Frank and Anne Smith acknowledge the importance of the community in partnership development. They caution:

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[234] Ibid., p. 4.

[235] Rekart, Josephine, Public Funds, Private Provisions: The Role of the Voluntary Sector. Vancouver: UBC Press, 1993. p. 82.

[236] Berzanon, Keith, "The Changing Context of Development", Working with the Region. Editor: Ian McAllister. Halifax: Dalhousie University, 1997. pp. 10 -11.

Before agreeing to be involved in partnership, it is
important to determine your own personal readiness
to participate, the organization's interests and ability
to be a good partner, and **the preparedness of the
community in which the partnership will operate.**[237]

"Having a common purpose and starting with willing and able people form the "nuts and bolts" or

prerequisites for effective partnerships,"according to Frank and Smith.[238] Communities have a

culture which can be an advantage or deterrent to partnerships.[239] As noted in a report prepared

for the Ontario Task Force on Devolution, "the success of devolution will depend, in part, on the

extent to which the provincial government, the overall local community, and individual

stakeholder groups within the community, were predisposed to support devolution".[240] In addition

to this predisposition or attitude, it is necessary for a community to also have a resource base,

skills and abilities, information, leadership, cohesion, trust and even, on occasion, luck.

Betcherman and others have countered this by suggesting that market forces will work to

create a competitive environment where organizations will vie for funding to provide training

opportunities. In order for this to occur, there has to be a perception that a consumer market for

such goods exists. There already has to be a labour market in existence -- that is, there has to be

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[237]Frank, Flo and Anne Smith, The Partnership Handbook Ottawa: Minister of Public
Works and Government Services Canada, 1997, p. 3. Bolding mine.
[238] Ibid., p. 3.
[239] Ibid., pp. 4 and similar point repeated p. 11 when discussing degrees of involvement in
partnerships as well as in exercise 1-6 on p. 12 where they discuss reasons citizens participate or
decline to participate in partnerships.
[240] ARA Consulting Group, A Framework for Evaluating Devolution. A report prepared
for the Premier's Task Force on Devolution. Toronto: Queen's Printer for Ontario, 1994. p. 20.

both a demand for training and a supplier of training. Without the vision created by community

possibility thinkers, certain communities may be written off and ignored.

There have been many attempts to explain regional economic disparities across Canada,

none with a conclusive answer. To quote one conclusions:

> We have presented many problems and no solutions.
> ....Certainly no theory of regional inequality has been
> suggested. To the contrary we have argued that almost
> all of the traditional economic problems, ranging from
> aggregation difficulties to externalities, could be reflected
> in observations of interregional differentials.[241]

Melvin goes on to note that "it is not completely clear that significant differences for comparable

individuals exist at all."[242] If regions have "comparable individuals" then could other differences

in the common contribute to the disparity?

The consensus among economists is that the variables involved with the achievement of

economic growth are known. The causal models, however, of how these variables interact to

produce distinctive regional economies are not yet available or well accepted. This means that

policy-makers and community leaders face uncertainty in knowing which types of interventions

will have the best return in terms of increased economic opportunities.

Certainly training will be one of the components for most community plans for economic

development. There is the question of whether training investments rebound to the benefit of the

individual or to the community since better trained individuals represent a mobile resource. It

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[241]Melvin, James R., "Regional Inequalities in Canada: Underlying Causes and Policy Implications", Canadian Public Policy. Vol. 13. No. 3. 1987. p. 315.
[242] Ibid., p. 316.

would be fool hardy, however, for a community to forego training as part of an economic development strategy in fear of outward migration of trained residents. If the community does not invest in training, it cannot advance economically and increase productivity through innovation. Given the rapid technological change which allow connectedness to global market from remote areas, this fear of outward migration may be lessened.

The same cluster of factors that hamper the economic development activities of many aboriginal local governments may hamper the local delivery of skills development and labour market training activities in depressed economic areas:

- many people who feel inadequate and lack self-esteem;

- low levels of formal education;

- scarce and low quality resources;

- alcohol and drug abuse;

- restricted access to offsite resources;

- few businesses to support the local activities;

- local populations that consume more than they produce, hence no economic production;

- higher costs of providing community services;

- community leadership that is over-extended and under strain;

- heavy dependence on financial and technical resources external to the community; and

▸   political and organizational instability.[243]

Even if only several of these factors are present, there is still a large challenge of breaking out of cycle that reinforces disadvantaged conditions. Communities that are economically challenged have a number of other difficulties that may inhibit the successful implementation of intermediaries. Community revitalization is often not a matter of building things but "is primarily a process of building **people**."[244] In disadvantaged communities, "too many people are in paralysis due to poor self-esteem or lifeskills."[245]

The strength of community partnerships rests very much in social composition of the community: "different communities have different needs. There is no single model for community development that can be applied across the board. It is suggested that communities be divided into two broad categories, *more fortunate* and *less fortunate*, and that a distinct approach be taken to each type."[246] A key strength of communities with a strong network of associations is their intrinsic ability to rejuvenate themselves. Voluntary associations often perform a "training function" in communities where individuals not yet accustomed to the different roles are taught

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[243] Lewis, Mike and William J. Hatton, Aboriginal Joint Ventures: Negotiating Successful Partnerships. Vancouver: Center for Community Enterprise, 1992. p. 4.

[244] Frank, Flo and Anne Smith, Human Resource Planning: Getting People Ready, Willing & Able to Revitalize their Community. Vernon, B.C.: Centre for Community Enterprises, 1994. pp. 4 - 5. Original bolding.

[245] Ibid., p. 31.

[246]Norris, William C., " A New Role for Corporations", Public-Private Partnership: New Opportunities for Meeting Social Needs. Editors: Harvey Brooks, Lance Liebman, and Corinne S, Schelling, Cambridege, Mass.: Ballinger,1984. P. 259.

performance criteria.[247] Communities without a strong association network lose the capacity to rejuvenate themselves.

It is often forgotten that the role of government in the marketplace evolved because market forces failed to adequately provide for all: "the welfare state came about largely because of the failure of volunteerism and charity to cope with citizens' needs in modern democracies".[248] A return to the elements of market forces may well cause a return to a society that fails to provide adequately for all - a society of haves and have-nots. It is important to maintain a role for government in the provision of services where appropriate intermediaries do not exist and in the provision of extra resources to develop intermediary capabilities in communities lacking such. In the transition of labour market service delivery from a government operated delivery system to partnerships with community organizations, caution should be exercised to ensure that the necessary resources exist in communities to accept this challenge.

A study of innovative examples of local partnerships with HRDC was recently completed (under contract to HRDC by an outside agency). The study cited several key examples of effective community partnerships but states: "Given that the success of partnerships often rests with the presence of a lead partner, the **government should be prepared to play a leadership role when it is required**, but it needs to step aside when local leadership capacity exists."[249] It is

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[247]Anderson, Robert T., "Voluntary Associations in History", American Anthropologist. No. 73. 1971. P. 218.

[248] Browne, Paul Leduc, "Charities not efficient or fair way to provide public services" The Ottawa Citizen. February 22, 1996. Final Edition. A2.

[249] New Economy Development Group Inc., A Study of Innovative Examples of Local Partnerships. Final Report of a Study Prepared for HRDC. July 16, 1996. p. ix. (Bolding mine).

important that government not abandon its responsibility if the community does not have the necessary leadership capacity.

The collaborative nature of a partnership relationship is also sometimes difficult to establish in communities where there are competing interests and values. In such communities, adversarial and polarized dynamics can take hold.

> The history of citizen participation in communities is such
> that interest groups have learned to block, delay and disrupt
> processes rather than try to negotiate, build relationships
> and solve problems. Such culture makes it more difficult
> to try new forms of public participation.[250]

In communities such as these, government must play a strong facilitative and brokerage role, seeking to channel conflicts in constructive directions and mobilizing support for desirable outcomes. One of the key elements to a successful program is that there is a "critical mass of people in the community that support the partnership."[251] In essence, it is essential that government ensure that the community has the capacity to partner before abandoning its responsibility to the community.[252]

Government has a visionary and mediator role to play. Government as a facilitator and a broker can suggest a vision to a community but an effective community partnership can only be established when the community embraces the vision, modifies it for its own uniqueness, and

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[250] Ibid., p. 26.

[251] Ibid., p. 144. Taken from a table of "Conditions for Successful Partnerships" collated by the New Economy Development Group. See Table in Appendix .

[252] For an informative discussion on how to build capacity in a community, the reader is referred to: Litke, Stephen and J. C. Day, "Building Local Capacity for Stewardship and Sustainability: The Role of Community-Based Watershed Management in Chilliwack, British Columbia", Environment. Vol. 25. Nos. 2 & 3. 1998. pp. 91 - 109.

shares the same vision with its government partner. The role of government is to help the

community determine and nurture its own version. Books on successful partnering talk about the

development of a shared vision and commitment in the development of successful partnerships:

> Partners commit to working together towards
> desired results. Partnering calls for each person
> to show respect for the other....Partners need not
> love one another; they simply must demonstrate
> respect for one another.
> Sharing a vision and commitment, partners are
> effective when they complement one another-
> sharing resources and opportunities for growth
> based on specific goals.[253]

> Many community members...participate in programs
> because they see these initiatives creating a better
> vision for the future of their communities.[254]

> The [community] projects are selected in the first
> instance because of a vision of a social need and then
> configured in such a way as to provide a reasonable
> prospect of some positive return on the investment,
> though not necessarily the largest. I have argued...
> that such a social vision or new concept of an unmet
> social need is much more important in the generation
> of all kinds of innovations, technological and social,
> than the traditional profit motive of the economist's
> model.[255]

> Collaborations induced by shared visions are intended

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[253] Sujansky, Joanne Genova, The Power of Partnering: Vision, Commitment and Action. San Diego: Pfeiffer & Co., 1991. p. 3.

[254] New Economy Development Group Inc., A Study of Innovative Examples of Local Partnerships., p. 68.

[255]Brooks, Harvey, "Seeking Equity and Efficiency: Public and Private Roles", Public-Private Partnership: New Opportunities for Meeting Social Needs. Editors: Harvey Brooks, Lance Liebman, and Corinne S, Schelling, Cambridege, Mass.: Ballinger,1984. p. 15.

to advance the collective good of stakeholders involved.[256]

Through the sharing of a mutual vision and values, partnerships provide a necessary

bonding: "partnerships satisfy a human need for community".[257] Partnerships are indicative of a

shift to more collaborative business (and governmental) relationships:

> This shift to a "plowshare" or a blended sword-
> plowshare paradigm of business [and government]
> typically calls for a shift in the basic values, beliefs,
> and patterns of leadership in an organization [and
> in government] - in other word, a change in the
> organizational [and public sector] culture. In such
> an organizational [and public sector] culture - and,
> in particular, in a function-oriented partnership
> or a partnership of commitment - we are encouraged
> to move from confrontation and competition to
> acceptance and collaboration. We are inspired to
> develop and sustain a respect for not only individual
> rights but also for collective responsibility as we
> move from competition to cooperation.[258]

I contend that government has the lead role in providing the vision necessary for the transition

from communities with swords to communities of plowshares. Unless civic communities exist,

effective partnerships cannot take place.

A community without a vision cannot accept a mission. The mission and vision of a

partnership help to define the nature and scope of the partner's commitment and this commitment

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[256] Gray, Barbara, <u>Collaborating: Finding Common Ground for Multiparty Problems.</u> San Fransico: Jossey-Bass Publishers, 1989. p. 8.
[257] Bergquist, William, Julie Betwee and David Meuel, <u>Building Strategic Relationships.</u> San Fransico: Jossey-Bass, 1995. p. 16.
[258] <u>Ibid.</u>, p. 33.

in the partnership in turn provides energy and structure for ensuring a continued focus on its

mission and vision. "In many respects, the mutual commitment *is* the mission and the vision."[259]

Although Betcherman is correct in his proposal that community based partnerships can be

an effective intermediary in the delivery of labour market services, one must be cognizant that all

communities are not equally prepared to accept this challenge. For the communities that lack the

necessary resources to assume the intermediary role, government must be prepared to play a lead

role in both the delivery of labour market services and in preparing the community to engage in a

larger participatory role.

With the necessary government support to facilitate the development of community

partnerships, an alleviation of the regional disparities of a resource based economy may occur. As

a 1988 study by OECD concludes:

> There may be an initial tendency for the new technologies
> to exacerbate regional disparities because the necessary
> human capital, institutional framework and social
> framework tend to be concentrated in already dynamic areas.
> However, at the same time the new information technologies
> weaken the hold of traditional factors on locational decisions,
> and offer the opportunity for more decentralised economic
> activity....Regional, educational, urban and rural development
> policies should be changed so as to foster the skill,
> entrepeneurship and social infrastructures which foster
> local resources to promote indigenous development.[260]

New technology removes the physical barriers that previously contributed to regional disparities.

If government fulfills its role of facilitating community partnerships and creating the necessary

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[259] Ibid., p. 217. Italics per original.
[260] OECD, New Technologies in the 1990s: A Socio-economic Strategy. Paris:) OECD, 1988. p. 17.

environment to foster partnerships, communities once blighted by a lack of natural physical resources can foster economic growth through the skills of its human resources.

C. Conclusion

In the preceding chapters, the evolution of labour market services from public sector control to a social partnership framework between communities and government was discussed. In this chapter, the evolution of alternate service delivery mechanisms with a particular emphasis on partnerships and the corresponding requirements and social conditions for effective community partnerships was discussed. In the following chapter, the methodology of evaluating community social partnerships which offer labour market training programs will be established. This will be followed with an application of the evaluation methodology to the case study in Chapter Six, The Triple S Training Program, and an assessment of the benefits, detriments and uncertainties of using this partnership framework for this service delivery function. The concluding chapter of this thesis will summarize the key features of using community partnerships for the service delivery of labour market training programs.

Chapter 5

Evaluating Training Programs Delivered by Community Partnerships

A. Introduction

The preceding chapters discussed the evolution of labour market services from public

sector control to a social partnership framework between communities and government and the

corresponding requirements and social conditions for effective community partnerships. In this

chapter, the methodology of evaluating community social partnerships which offer labour market

training programs will be established. This will be followed with an application of the evaluation

methodology to the case study, The Triple S Training Program, and an assessment of the benefits,

detriments and uncertainties of using this partnership framework for this service delivery function.

The concluding chapter of this thesis will summarize the key features of using community

partnerships for the service delivery of labour market training programs.

B. The Framework for a Comprehensive Evaluation of Community Partnerships

It is important to recognize that social programs are not always simply a drain on the

economy but can provide important contributions to both economic and social development. As

a research centre which has supported public sector investment in the fields of education, literacy

and training in order to help people find jobs, [261] the Caledon Institute has argued that: "the most

effective social policy is an effective economic policy that ensures an adequate supply of decent

jobs - through both the creation of new jobs and a more equitable distribution of existing

work....The necessary partner to an effective social security system is an effective economic policy

that creates a strong and stable labour market."[262] Economic and social policy cannot be sharply

separated; they are often interrelated and complementary.

The Caledon Institute supported the move by government to emphasize learning and

training within the social security system, noting that lifelong learning embraced many things

beyond formal education including child development programs; parenting skills; high standards

in education; competence in literacy and numeracy; school-to-work transition programs; high

quality vocational and skills training; upgrading to help workers renew or change their skills; and

assistance in matching worker skills with job requirements. They note that most unemployment

insurance recipients want to participate in training and that the "investment in human capital" is

every bit as important to economic prosperity as is capital investment in technology, physical

infrastructure and facilities. A training system not only serves to impart skills but to provide

security and confidence to people who face difficult situations. The Caledon Institute suggested

in a 1995 brief to the House of Commons Standing Committee on Human Resource Development

that such confidence would be created by a visible and credible agency with an active presence at

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[261] For a historical overview of the patterns of social spending in these fields and a presentation of the argument supporting continued social spending in these areas, the reader is referred to Ken Battle and Sherri Torjman, Opening the Books on Social Spending. Ottawa: The Caledon Institute of Social Policy, 1993.

[262] Caledon Institute of Social Policy, The Comprehensive Reform of Social Programs: Brief to the Standing Committee on Human Resource Development Ottawa: The Caledon Institute of Social Policy, 1995. P. 7.

the local level and the resources and power required for flexible intervention.[263] As John Richards has suggested, "in thinking about the welfare state, it is useful to remember that social policy has three dimensions: redistribution of income; redress of failures in competitive markets where such redress also redistributes income; and the realization of social values."[264]

In A Labour Force Development Strategy for Canada, worker retraining was seen as an important ingredient in trying to ensure that job loss and the associated loss of human capital does not translate into long-term unemployment.[265] The Unemployment Insurance Act also recognizes that one of the roles of the UI system is to help in the transition to a new occupation when the demand for a worker's original occupation is in permanent decline.[266] Increasingly, human resources are seen to be the life-blood of a growing economy, especially the development of new knowledge and skill to respond to the displacement of workers through technological change.

As has been demonstrated in an earlier chapter of this thesis, simply providing non-targeted training has proven to be ineffective. As both the studies from the Labour Force Development Board and OECD have shown, effective training is designed for a specific group and has a combination of classroom and on-the-job settings. Given the move towards fiscal control, accountability and effectiveness, it is crucial that training investments are evaluated to demonstrate their value. As noted by political economist Bob Baldwin, few Canadian studies prior to the mid-1990s had tracked trainees for more than two years after training, a time frame

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[263]Ibid., p. 12.
[264] Richards, John, Retooling the Welfare State: What's Right, What's Wrong, What's to be Done. C. D. Howe Institute Policy Study 31. Toronto: C. D. Howe Institute, 1997. P. 96.
[265]Lemieux, Thomas and W. Bentley Macleod, UI State Dependence and Unemployment Insurance: UI Impacts on Worker Behaviour. Ottawa: Human Resource Development Canada, May, 1995. P. 13.
[266]Ibid., p. 29.

that is too short to assess the full impact of training.[267] Baldwin also points out that in the

majority of Canadian program evaluations, and much other research as well, the only training

outcomes that are assessed were labour market outcomes. Omitted from such assessments was

the impact on the participants's self esteem and the individual's capacity to function in a social

and political sense. Baldwin suggests that while labour market outcomes are central to the object

of the exercise, other relevant outcomes must be considered.[268]

Community partnerships have evolved as an important mechanism to deliver labour

market training at the local level. Corresponding to this evolution, it is necessary to develop a

comprehensive evaluation mechanism to assess the effectiveness of the delivery of labour market

training through such partnerships. Such a comprehensive evaluation mechanism should consist

of three facets:

Program Evaluation
The traditional program evaluation methodology associated with the costs of training and
program operation.

The Community Partnership
In a holistic approach to evaluating a program within a civic community, the impact of the
institutional structure used to deliver the program is a integrated element to assessing the
program. In the case of the case study
used in this research, the performance of the community partnership is a key factor to the
success of the program and to the success of the community. Hence, an evaluation of the
community partnership is a critical component to the evaluation process.

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[267] Baldwin, Bob, "Training and UI in the 90s and Beyond; What's Required? Is it
Important to Provide Earnings- Related Benefits to Unemployed Canadians?" Warm Heart,
Cold Country: Fiscal and Social Policy Reform in Canada. Daniel Drache (editor). Ottawa: Co-
published by the Caledon Institute of Social Policy and the Robarts Centre for Canadian Studies,
1995. Pp. 247 -248.

[268] This is consistent with the trend in many areas of social policy. Satya Brink and Allen
Zeesman have just completed the development of social indicators that will serve to monitor the
social union and measure factors essential for its maintenance and its desirable evolution. The
social state of the nation is considered as a key growth indicator just as the GDP is to economic
growth. See: Brink, Satya and Allen Zeesman, Measuring Social Well-being: An Index of Social
Health for Canada. Applied Research Branch, HRDC, Working Paper R-97-9E. June 1997.

- ***Societal Well-being***
  As mentioned previously in this thesis, societal well-being is an indicator of the institutional arrangements that enable a society to fulfill it commitments to individuals, communities and the collective identity. As part of the evaluation process, the contribution of this program to societal well-being of the community should be assessed

To conduct a comprehensive evaluation of a community partnership, it is important to go beyond the traditional program evaluation. Central to any community partnership involved in the delivery of labour market training is the training participant who*se* own social and economic well-being achieved through the training contributes to the social and economic well-being of the community. The training of the individual participant impacts not only on the community partnership and its success/failure but on the success/failure of the entire community. The achievement or failure of one cannot be separated from the rest

It is only through a careful assessment of all three components that a true

evaluation of the operation of a community partnership can be achieved and the full impact of the returns to the individual and to the community on the training investment can be accurately assessed. The inclusion of all three components compounds the technical challenge of linking program interventions to outcomes in the real world.

I. Traditional Program Evaluation

In determining the effectiveness of training programs, most of the common indicators used relate to the employment success of the participants. This subsection provides a brief synopsis of the evaluation components of training programs in Australia, the United States and Canada.

Australian Indicators
According to information from the Industry Commission in Australia, performance indicators for providers of employment services should include:

cost per client in case management;
cost per individual achieving a "successful" outcome; and
for a given cost, the client satisfaction with elements of the service.

On a broader basis, an assessment could also be conducted on:
cost to achieve a given decrease in benefit payments;
cost to achieve a given decline in long-term unemployment; and
cost to achieve a decline in overall unemployment.[269]

American Indicators

In the United States, the Job Training Partnership Act (JTPA) required that the following

performance indicators be used in assessing JTPA performance:[270]

Entry to Unsubsidized Employment: Percentage of all program terminees who enter full
or part-time unsubsidized employment is measured.

Attainment of Employability Enhancements: Program terminees who do not enter
unsubsidized employment but who obtain outcomes recognized as enhancing long-term
employability and contributing to potential long-term increases in earning and
employments are measured as a percentage of all terminees.

Average Weeks Worked at Followup: A Service Delivery Area (SDA) average on the
number of weeks worked by the terminees in the thirteen weeks following their
termination from the program.

Average Weekly Earnings at Followup: A SDA average of total weekly earnings of the
terminees in the thirteenth week following termination from the program.

Employment Rate at Followup: This measures the number of former participants who
were employed in the thirteenth week after termination as a percentage of all terminees.

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[269] Maddock, Lyn, Simon Corden and Timothy Hunt, "Contracting Out Case Management
Services for the Unemployed in Australia", Contracting Out Government Services: Best Practice
Guidelines and Case Studies. Jon Blondal (editor). Public Management Occasional Papers No.
20. OECD, 1997. P. 21.

[270]Jennings, Edward T. and JoAnn G, Ewalt, "Interorganizational Coordination,
Administrative Consolidation, and Policy Performance", Public Administration Review. Vol. 58,
No. 5. September/ October 1998. Pp. 417 - 428.

Weighting procedures adjusted the performance indicators depending on the environmental and demographic factors of the SDA.

Canadian Indicators

The evaluation of UI-sponsored training in Canada, when conducted, has traditionally addressed whether government training programs enhanced the re-employment prospects of UI claimants and among these different programs which were most cost-effective. A comprehensive review of UI-sponsored training programs was conducted in 1993. The evaluation examined five dimensions of employability: re-employment success; length of time to get a job; stability of employment obtained; receipt of social assistance, and earnings.[271] The evaluation methodology used in this review was a non-experimental design based on personal interviews, mail and telephone surveys, and data analysis.

A similar evaluation methodology was used in the Evaluation of the Employability Improvement Program which was conducted by HRDC and Ekos Research Associates in December, 1995.[272] The scope of the evaluation was an examination of three components of the Employability Program (EIP), a client-centered approached established in 1991, that represented a consolidation of several programs and services formerly offered under the Canadian Jobs Strategy and the National Employment Services (NES). The three components included:

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[271] These five components were the basis of a study by Park, Norman, Craig Riddell and Robert Power, Evaluation of UI-Sponsored Training.HRDC Evaluation Brief. August 1993. This study compared the effectiveness five different training programs - Feepayer, DIR clients (a client who has the approval of an adjudication officer to study part-time while actively seeking work), Job Development, Job Entry and Skill Shortages. Although some program evaluation took place in the 1980s under a review of Canadian Jobs Strategy, significant efforts in program evaluation are a recent development.

[272]HRDC, Evaluation of the Employability Improvement Program. Ottawa: HRDC, 1995. Chapter 5

Job Opportunities (JO), a program which provided wage reimbursement ans financial assistance for training costs to employers who provide on-the-job training and work experience to participants;

Project-Based Training (PBT), a program of integrated classroom and on-the-job training. Contracts were established with project co-ordinators who arranged appropriate employment activities which may include skills training, life skills, job search and/or job placements.

Purchase of Training (POT), a program which provided clients with the opportunity to learn new job skills in a classroom setting. Training was purchased from private or public sector trainers. Eligible training must meet the needs of the local labour market as well as the client's interests and aptitudes.

The evaluation addressed the issue of program success by examining, through the use of the following four indicators, the incremental post-program labour market experience of participants:

> annual weeks working;
> annual earnings;
> annual weeks on UI; and
> annual weeks of social assistance.

Using a comparison group of non-participants, an incremental impact of what the participants actually experienced in the labour market after training, compared to what they would have experienced without training was established.

Case Study Evaluation Methodology

For the purposes of this study, the evaluation of the training program used in the case study will consist of a traditional program performance review using an evaluation of program costs and the five employability indicators discussed in the preceding section. Specifically, the program will be reviewed on the following outcomes:

- cost of program, including total program cost versus budget amount and cost of training per participant;

re-employment success including the completion rate of the program;

length of time to find employment;

stability of employment obtained;

receipt of transfer payments after program completion; and

income levels of program graduates.

These quantifiable outcomes will constitute the program performance measures used for the traditional program evaluation of the case study.

The methodology for this analysis will be a review of project-specific data tabulated by the project manager as well as survey results from former program participants. Employer surveys were also previously conducted by the project manager and that information will be used for both the program evaluation and the evaluation of the community partnership.

II. Evaluating The Institution Within the Community - The Community Partnership

Evaluation of community partnerships is an emerging field. There is an absence of a theoretical framework and a related methodological approach which could provide the basis for a valid evaluation of a community partnership.[273] To assist federal managers in the development

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[273] The web site for HRDC does contain some data on program evaluations. An evaluation that was done for a similar project to the Triple S Training Group was The Formative Evaluation of the Community Skills Centres conducted in 1996. However, the latter program was a province-wide initiative with different objectives to the Triple S project. It was nevertheless used as a reference point and may provide the reader with some insight into evaluation methodology for community training initiatives. See: HRDC, The Formative Evaluation of the Community Skills Centres. Final report, May, 1997.

and management of partnership arrangements, the Treasury Board Secretariat[274] has published a

guide that delineates six steps to successful collaboration that include the following:

- **Collaborate by choice, not by chance.**
  PROPRIETY: Is the arrangement legal
  VALUE: Do the benefits to Canadians outweigh the costs?
  ACCOUNTABILITY: Can all parties be held responsible for their actions?
  SOUND MANAGEMENT: Can the results be enhanced by planned action?

- **Check the legalities and definitions**
  TRUE LEGAL PARTNERSHIPS
  COLLABORATIVE ARRANGEMENTS
  FUNDING MECHANISMS

- **Consult with the federal specialists**
  PRUDENCE AND PROPRIETY ISSUES
  LEGAL, FINANCIAL AND CONTRACTING ISSUES
  HUMAN RESOURCE ISSUES
  COMMUNICATION AND INFORMATION ISSUES

- **Hold the partners accountable**

- **Maximize the value of collaboration**

- **Achieve the best results with sound management techniques.**[275]

These guidelines establish more of a mechanistic, managerial approach to the development of a

partnership framework but do not allow for an holistic evaluation of the partnership.

As mentioned previously in this thesis, partnerships can be used for a variety of different

purposes.[276] Given this diversity, the performance of a community partnership cannot be judged

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[274] The Treasury Board Secretariat has also published guidelines for the development of ASDs: Treasury Board Secretariat, Framework for Alternate Program Delivery. Ottawa: Minister of Supply and Services, 1995.

[275] Treasury Board Secretariat, The Federal Government as Partners: Six Steps to Successful Collaboration, June, 1995. Pp. 1 -17.

[276] According to Herman Bakvis, partnerships at HRDC flourished with the revamped service delivery network and the hiring of new human resource centre managers, emphasizing the need for strong entrepeneurial skills, to oversee job-creation partnerships. Source: Bakvis, Herman, "Human Resource Development", How Ottawa Spends: 1996 - 97: Life Under the

only against the Treasury Board guidelines. A much more holistic approach would provide a more comprehensive evaluation of the community partnership as an institution in the community.

The definition of a community partnership as provided by the Conference Board of Canada, and discussed in an earlier chapter of this thesis, could serve as the basis for a holistic evaluation. The definition identified several components that are critical to the success of a community partnership:

> A relationship involving two or more organizations
> that have agreed to work co-operatively with the
> common goal of addressing a human/community
> issue or set of issues. A partnership requires the
> sharing of power, work, resources, support and information
> with others. Through mutual agreement and shared
> values, a partnership confers benefits on each
> partner as well as the community, while fostering an
> achievement of ends that are acceptable to all participants.[277]

It is only when all aspects of this definition are met that the contractual arrangement between the parties involved truly becomes a community partnership.

From this definition then, the following criteria will be used to evaluate the effectiveness of the community partnership:

Co-operative Relationship
The definition refers to a relationship involving two or more organizations that have agreed to work co-operatively with the common goal of addressing a human/community issue or set of issues. The evaluation of this aspect of the partnership relationship would examine the co-operative nature of the relationship between all parties involved in the partnership as well as the sharing of a common goal towards addressing a specified issue(s) between all parties.

Sharing Between Partners

Knife. Editor: Gene Swimmer. Ottawa: Carleton University Press, 1996. p. 155.
[277]Audet, Beverley A. and Janet Rostami, Partnership Strategies for Community Investment: Findings of National Consultations. Ottawa: Conference Board of Canada. 1993(?). p.3. For a further discussion on the definitions and structures of partnerships, the reader is referred to pages 9 to 11 in this document.

A critical part of a partnership relationship is that there be a sense of sharing between the partners. Not only is there a sharing of work, support and information with others, there must also be a sharing of power in a partnership. There is no need for an equal division of power, work, support or information sharing amongst all parties to the partnership. Certainly, one party may have more power than another and one may have more work than another. What is important in evaluating this criteria is that the parties in a partnership still experience a sense of "sharing" in the relationship. If the relationship becomes one more of a command and control nature, than it fails as a partnership and becomes only a contracting of services or provisions.

Sense of Achievement
The partnership relationship must work under the umbrella of mutual agreement and shared values to obtain benefits for the partners and for the community. The ultimate test of the effectiveness of a community partnership is whether it achieved "ends" or outcomes that are acceptable to all participants.

Using qualitative data obtained through written surveys and in-person interviews, the community partnership in the case study will be evaluated on the basis of these three criteria.

III. Societal Well-being

Any costing work involves the identification, measurement and valuation of the resources foregone by society; more specifically: the opportunity cost of the activity. In order to properly assess the impact of training services offered by a community partnership, it is important to acknowledge the societal costs of unemployment and, conversely, the societal benefits of re-employment. As noted by economists Diane Bellemare and Lise Poulin-Simon, the real costs of unemployment in Canada go well beyond the loss of wages for one worker and include a number of economic and societal costs.[278]

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[278] Bellemare, Diane and Lise Poulin-Simon, What is the Real Cost of Unemployment in Canada. Ottawa: Canadian Centre for Policy Alternatives, May 1994.

In providing a framework for assessing the societal costs of unemployment, the following

factors could be considered:[279]

The social costs to government
Transfer payments
Revenue loss - corporate and personal

The social costs to industry
Productivity loss

The social costs to the community
Social cleavages and marginalization of displaced workers

The social costs to the individual and his/her family
Personal distress is translated to family distress

When all factors are considered, there are considerable social costs to passively maintaining the

unemployed in a community.

a.. The Social Costs to Government

Social security payments redistribute a society's resource from taxpayers to benefit

recipients and do not reduce the overall availability of resources. Thus, from a strict economic

interpretation, transfer payments are not considered a cost but simply redistribute purchasing

power.

In terms of assessing the societal costs of unemployment, however, it is maintained that

transfer payments to idle workers are indeed a societal cost. A report by HRDC estimated that the

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[279] The basis for this conceptual outline is taken from attempts to estimate the societal costs of alcohol. Social cost analysis is an emerging field and one filled with much controversy over methodology. Nevertheless, it is still a valid process to try to estimate the opportunity costs lost to the community by having displaced members of the labour force. See: Maynard, Alan, Christine Godfrey and Geoff Hardman, Conceptual Issues in Estimating the Social Costs of Alcohol. Paper prepared for an International Symposium on the Economic Costs of Substance Abuse. Banff, Canada. May 11 - 13, 1994.

loss of output due to cyclical unemployment translates into net budgetary costs to government of $8 to $12 billion. This was based on an unemployment rate of 10.4% in 1994, in relation to an unemployment rate corresponding to potential output of 8.5%. This means that the consolidated deficit for all governments might have been between $27.4 and $31.4 billion instead of the observed level, $39.4 billion. At the federal level, the budgetary costs of an unemployment rate of 10.4% in 1994 could be of the order of $5 to $6 billion. For 1994, this means that if the economy had performed to its potential, the federal deficit could have been $22.5 to $23.5 billion instead of the actual $28.5 (based on national accounts) billion. The budgetary cost estimates of $8 billion for all governments and $5 billion for the federal government were taken from the Finance Department estimates for this study.[280]

With competing demands on public sector resources, the use of government funds (or the funds collected by government through employers and the employed) for passive assistance restricts the availability of funds for other uses vital to the public good. It is a cost expenditure with limited return on investment value, only the immediate support and resulting purchasing power to the recipient. When such funds are used for active assistance measures such as support in job search and skills training, the costs associated with this expenditure can be considered a human capital investment, an activity that will ultimately benefit the society.

The other cost to government is the foregone revenue base generated by the employment of the individual. Included in this would be corporate taxes resulting from payroll taxes and increased productivity through a fully employed labour force; personal income tax that would be

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[280] Bedard, Marcel, The Economic and Social Costs of Unemployment. Research Paper R-96-12E. Applied Research Branch. Strategy Policy. Human Resources Development Canada. June, 1996. P. 10.

generated through the employment of the individual; and, consumption taxes generated from the purchasing power of an employed worker.

Other public sector expenses also arise through unemployment.[281] An obvious one is the cost on our health care system which will be discussed later. Unemployment may also create a spin-off effect on those who are still employed and fearful of their jobs. This workplace anxiety may create inattentiveness and ultimately lead to increased industrial accidents and workers' compensation claims. As well, long term unemployment, particularly for those workers who are over age 45, may produce an increase in the cost of public pension plans in the future. Older displaced workers do not have the means to save for future retirement. Ultimately, increased pay-outs from public sector pensions will increase the costs of the old-age pension plan.

b. The Social Costs to Industry

A skilled work force is the key to industrial productivity. Economists have calculated a value added for every worker employed.[282] For example, the employment of one worker in the manufacturing sector added $49, 672 (in 1986 dollars) per annum or $25.69 per hour on a national basis and $36,942 per annum or $19.31 per hour for Manitoba to the GDP for 1995.

A report by the applied research branch of HRDC quantified output losses related to cyclical unemployment, as approximately $16 to $55 billion, which is between 2.1% and 7.3% of the GDP of $748 billion. The loss in output caused by structural unemployment was estimated at $13 to $22 billion for 1994. For 1994, the total loss in output due to both cyclical and structural unemployment was estimated at $29 to $77 billion, or approximately 3.8% to 10% of the GDP.

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[281] Ibid., pp. 21 -22.

[282] See the Tables and methodological explanation in Appendix A. Source: The Centre for the Study of Living Standards based on Statistics Canada Labour Force Survey and GDP Data.

The report estimated that each percentage of unemployment in excess of the rate of unemployment under potential output is associated with a loss of output pf the order of 1.5 to 2.5 per cent. For the purposes of the study, the rate of frictional unemployment under conditions of full employment, that is the unemployment level where there is full use of human resources and only a transitional period between two periods of employment for geographic or other reasons, was established as between 3% to 4%. [283]

A study by economists Lars Osberg, Fred Wiens and Jan Grude calculated the loss in output due to excess unemployment in 1994 as $57 billion per year. They arrived at this sum by multiplying 2.5% of Gross Domestic Product ($766.4 billion in the fourth quarter of 1994) times the difference between the unemployment rate (then 10%) minus the "natural rate" of unemployment which was determined as 7%.[284] To emphasize the magnitude of this sum, the author note that this amount is far larger than the poverty gap: the amount of money required to raise the incomes of all poor people in Canada above the poverty line, which the National Council on Welfare estimated as $13.4 billion in 1991. Furthermore, the simple fact of finding employment for the excess unemployed and returning to the natural rate of 7% would in itself raise a number of people out of poverty.

The labour shares for total factor productivity for manufacturing was 55.8% in 1995, an indicator that the sector is quite dependent on a skilled workforce. A mismatch of unfilled jobs and idle workers that lack skills is simply very costly to industrial productivity. As stated by the OECD in May, 1998, Canada does have an output gap (deviation of actual GDP from potential

[283] Bedard, Marcel, The Economic and Social Costs of Unemployment. Research Paper R-96-12E. Applied Research Branch. Strategy Policy. Human Resources Development Canada. June, 1996. P. 8.
[284]Osberg, Lars, Fred Wien, and Jan Grude, Vanishing Jobs: Canada's Changing Workplace. Toronto: Janes Lorimer & Co., 1995. P. 188.

GDP as a percentage of potential GDP) and high structural unemployment of 8.5% that has remained fairly stable.

Most of Canada's unemployment has resulted from a change in employment. This has been combined with a positive increase in employment and out put growth in Canada.[285] These facts would suggest that structural unemployment in Canada has contributed to a productivity loss. The need for a skilled workforce is even more urgent considering the increase in output and employment growth.

As Harvard economist Dale Jorgenson states, "an individual who completes a course of education or training adds to the supply of people with higher qualifications or skills. The resulting stream of labour income can be divided between labour input and its marginal product. The increase in labour contributes to output growth in proportion to the marginal product."[286] Dr. Jorgenson defines productivity as output per unit of input. The input is in two forms: capital input and labour input. In his research on the American economy, it was concluded that there were equal returns based on this definition of productivity from investments in labour capital (i.e. human capital investments) as there were from investments in capital input. Productivity cannot be achieved without investments in both labour input as well as capital input.

Economists refer to a theory known as Okun's Law to calculate the value of lost production due to unemployment.[287] Under Okun's Law, the value of lost production is calculated

[285]OECD. The OECD Jobs Strategy: Progress Report on the Implementation of Country-Specific Recommendations. OECD Economics Department Working Papers No. 196., 15 May 1998.
[286] This information was taken from Jorgenson, Dale W. and Eric Yip, "Whatever Happened to Productivity Growth?", a paper presented at the Distinguished Speakers in Economics Program, Industry Canada, Ottawa. October 31, 1998. Dr. Jorgenson also spoke about his previous research activities during this presentation.
[287] For a detailed discussion on this calculation methodology, the reader is referred to Bellemare, Diane and Lise Poulin-Simon, What is the Real Cost of Unemployment in Canada.

after the natural rate of unemployment is considered. Bellemare and Poulin-Simon use 3.5% as the rate of frictional employment. On that basis, they calculate the cost of lost profits as $33,318.92 (in Millions of dollars) for 1993. Complete details are shown in the following table. They conclude their analysis noting that every group would benefit financially and economically from full employment.

Distribution of the Economic Cost of Unemployment in Canada for 1992 and 1993. (in Millions of dollars)			
	1992	1993	Cost for each 1% of unemployment
Unemployed Person	12,429.98	13,009.81	1,690.91
Gross salaries lost	32,501.51	33,004.36	4,289.64
UI Benefits Received	-10,630.09	-10,013.74	-1,301.50
Social assistance	-9,441.45	-9,518.00	-1,237.07
Persons Employed	33,134.76	33,562.42	4,362.17
Lost wages	28,705.55	28,927.23	3,759.72
Additional ui premiums	4,429.20	4,172.39	542.29
Enterprises and other owners	38,715.65	39,160.27	5,089.73
Lost profits	32.524.77	33,318.92	4,330.53
Additional ui premiums	6,200.88	5,841.35	759.21
Governments	46,826.38	47,418.07	6,163.01
Direct taxes	24,156.13	24,148.31	3,138.60
Indirect taxes	15,331.84	15,551.68	2,021.28
Grants	-2,103.04	-1,799.93	-233.94
Additional social assistance spending	9,441.45	9,518.00	1,237.07
Statistical error	461.76	363.46	47.24
TOTAL* (costs per group minus direct taxes)	107,412.40	109,365.72	14,214.46
Cost per person ($)	3,919.85	3,955.79	514.14
Cost per unemployed person ($)	7,988.42	8,328.95	1.082.53
Costs per employed person ($)	2,707.09	2,614.30	339.79

* Note: This total is not the sum of the four groups because direct taxes paid by the first three groups have been subtracted in order to provide an overall net cost to the economy.

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The above table demonstrates the widespread nature of economic costs to individuals, business and government due to unemployment above a natural rate.

As discussed earlier in this thesis, due to many constraints, small enterprises do not expend a great amount of resources to train employees and experience high turnover. Small and medium size enterprises also generate the largest number of jobs in Canada. By providing displaced workers with the basic entry skills to gain access to the labour market, there are significant industrial productivity benefits.

A recent labour market study compared the treatment of displaced workers in Japan and Canada. It noted that, unlike in Japan, Canadian employers do not have a uniform national employment adjustment mechanism to allow them to train employees for changing market demands and that almost one-third of Canadian workers were "laid off" in 1993 without a recall date. [288] Using data from the 1997 research work of Picot and Lin at Statistics Canada, the study pointed out that small firms employing low wage earners were most likely to have layoff become permanent and that permanently laid off workers who managed to obtain re-employment usually incurred a loss in wages. Men with over ten years tenure suffered the greatest loss in re-employment (11.05%).

In Japan, there are many programs in Japan whose purpose is to maintain employment stability in declining firms or industries. The adjustment programs are administered under two

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[288] A comprehensive comparison of the treatment of displaced workers in Japan and Canada is found in a study by: Abe, Masahahiro, Yoshio Higuchi, Peter Kuhn, Masao Nakumara and Arthur Sweetman, Worker Displacement in Japan and Canada. Paper presented for the CILN/Upjohn project: "Losing Work, Moving On: Worker Displacement in International Context" and presented at the CILN conference, September 27 - 29, 1998, Burlington, Canada.

distinct bodies of legislation: Employment Insurance (EI) laws and Employment Maintenance

(EM) laws. In addition to providing benefits to eligible unemployed workers, the EI laws

subsidize various employer activities related to unemployment prevention, increased employment

and development of workers' skills. These subsidies are financed by employers' EI premiums.

The EM law provides similar benefits to unemployed workers who are not eligible for EI and to

firms who employ them. The EM programs are financed by general revenue as well as local

government revenues.

The Japanese Ministry of Labour maintains lists of industries in need of significant

employment adjustment. The first list is "special employment adjustment industries", which are

considered to face little prospect for future recovery. The second list contains "employment

adjustment industries" which are considered to have a better chance of recovery. Employment

maintenance and adjustment subsidies are paid under Japan's EI program for four different

categories:

> **Employment adjustment subsidies.** The Japanese government subsidizes the wages of
> workers who are laid off, are on educational/training assignments because of the lack of
> work, or are reassigned to another firm (Shukko).

> **Labour movement employment stability subsidy.** Firms in special employment
> adjustment industries which invest in new lines of business in order to employ workers
> who have become redundant in the old operations are eligible for this subsidy. In addition,
> these subsidies are also payable to firm who hire workers displaced from special
> employment adjustment industries.

> **Labour movement ability development subsidy.** This subsidy is given to employers in
> special employment adjustment industries who provide workers with education and/or
> training for the purpose of Shukko, arranging for new jobs and reassignment of workers to
> new lines of business.

> **Lifetime ability development subsidy.** Employers in special adjustment industries, as
> well as other qualified employers, who provide training to enhance the workers' skill
> levels are entitled to this subsidy.

Canada does not have a formal approach to employment stabilization similar to Japan. "Ad hoc" adjustment programs are the norm in Canada, similar to the agreement between the steel industry and the federal government which provided a source of inspiration for the community partnership discussed in the case study of this thesis.

Employers in Canada experience a much higher separation rate than Japanese employers, 34.7% of all jobs in Canada in 1993 compared to 14.3% in Japan. Almost half of the separations were temporary in the sense that the worker returned to the same employer in either the same or next year. The permanent Canadian separation was therefore 19.2%. The rate of involuntary permanent job loss in Canada for male workers in 1993 was 9.4%, a rate seven times the Japanese rate of 1.3% in 1995. Although there may be some reporting errors in the Canadian data due to coding requirements, it is still apparent that Canadian displacement rates are higher than the Japanese rates and that small firms have higher and more volatile over the business cycle permanent layoff rates. As demonstrated in the previous charts, lower earnings workers have a higher displacement rate than do higher earnings workers. It is also significant that experienced workers usually take a pay cut upon re-employment which may suggest an under-utilization of their skills in the new position or a failure to upgrade existing skills to maintain higher wages. In either case, full productivity of the labour capital of the worker is not achieved. The productivity loss to both employers and employees during these layoff periods is a significant social cost. This is especially true when one considers that Canada invests a great deal in technological resources yet does not have the corresponding investment in human resources.[289]

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[289] A recent Globe & Mail report noted that Canada, according to a 1998 OECD study, ranked third after the United States and Japan in per capita spending on technology. Canada spent an average of $697 (U.S.) while the United States spent $1,207 and Japan spent $854. See: Tuck, Simon, "Canadians rank third in technology spending", Globe & Mail. Toronto. October 9, 1998. P. B3.

Another real loss of unemployment is the loss of human capital. An obvious result of this is the "brain drain" of the best and the brightest from a region, or even the nation, because they cannot find comparable work within their home marketplace. A recent study by the C.D. Howe Institute on the "brain drain" of managers and professionals to the United States in 1993/4 as creating a net loss to Canadian taxpayers of $651 million.[290] For managers and professionals during the entire 1982-96 period the net loss to Canadian society was $6.7 billion.[291] This has severe consequences to industry for a loss of innovation and talent. Not only does industry lose their innovative capacity but society and government also loses on their educational investment and future return on investment.

For those who remain unemployed within their home marketplace, there is still a loss to industry in the deterioration of skills. When employed, an individual is usually provided with opportunities to maintain, and even upgrade, skill levels. An idle worker does not enjoy these benefits. The value of intellectual capital development to an industry is difficult to estimate. The accounting law and standards developed after World War II have no method by which intellectual capital can be quantified since it is very much part of a relationship process between employee-employer for mutual growth in value.[292] The core of intellectual capital is a company's future

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[290] It should be noted that Statistics Canada disputes the results of this study, noting that the study does not include the 'import' of talent, especially through multinational corporations. Although there has been some controversy surrounding the amount of loss highlighted in this study, the study itself still raises the valid point of that the exit of talented, trained individuals does economic harm.

[291] DeVoretz, Don and Samuel A. Laryea, <u>Canadian Human Capital Transfers: The United States and Beyond</u>. C.D. Howe Commentary No. 115. Toronto: C.D. Howe Institute, October, 1998.

[292] For a complete discussion on the difficulties of the valuation process for intellectual capital development, please see Skandia, <u>Human Capital in Transformation</u>. 1998. <u>Http://www.skandia.se</u> This Swedish company specializes in the development of a new accounting methodology for intellectual capital valuaes.

earnings capability. Both human capital and structural capital contribute to the company's value development. The cost to industry of non-utilized or under-utilized human capital is unfathomable.

Canada is currently facing a productivity dilemma.[293] Since the free trade agreement was signed, exports have risen, jobs dependent on the U.S. market have risen, the deficit has been eliminated, interest rates are low but productivity continues to slump. Economist Rick Harris of Simon Fraser University does not attribute this to a lack of capital investment, stating its been growing about 3% per worker each year. The overall education levels in Canada rank high compared to world standards. Foreign control of Canada's manufacturing capability could be a possible reason since foreign companies usually do research and innovation in their home country. Tax levels may also contribute to the problem Productivity growth is further stymied by new surges of entrants into the workforce who lack skills. The economic productivity of a country is inevitably linked to the standards of livings in a country. If productivity deteriorates, so do living standards.[294]

c. The Social Costs to the Community

As suggested by Fred McMahon of the Atlantic Institute for Market Studies, too often economic development activities are discussed in terms that

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[293] Simpson, Jeffrey, "The Productivity Puzzle", The Globe & Mail. Toronto. November 17, 1998. P. A30.

[294] For a more detailed discussion on the link between economic productivity and living standards, the reader is referred to a report by the Centre for the Study of Living Standards, Productivity: Key to Economic Success. Ottawa: Centre for the Study of Living Standards, March, 1998.

leave out human beings.[295] Abstract concepts of unemployment fail to address the real impact that unemployment has in a community. People matter, not only because the economy exists to satisfy their needs, but the beliefs of individuals in a community influence what the economy will do. If people feel insecure about their employment prospects, they are more cautious spending their money. Lower sales, fewer jobs and leaner jobs become a self-fulfilling prophecy throughout the community. When people faced with the perception of a bleak economic future, economic growth may be hindered. I would contend that if an unemployed is actively engaged in a training program that has proven successful in job placement, then the unemployed worker will still retain a sense of confidence in his, and, as a result, the community's economic future. This resulting confidence has many spill-over effects to other areas of society.

Conversely, the maintenance of dependency and lack of self-confidence created by a passive transfer of assistance has negative consequences not only for the individual but for his community. The maintenance of passive forms of assistance develops a dependency culture throughout the community that is difficult to overcome. Fred McMahon cites the massive federal transfer payments to the Atlantic region as a hindrance to the necessary economic restructuring that was needed to develop a productive local economy. Without massive government assistance, it is argued that the Atlantic region would have made the necessary adjustments to a new economy. Part of this adjustment might have been the alleviation of the departure of the better educated, more skilled workers to other parts of Canada -- leaving the Atlantic region governments with an older, less productive workforce and a smaller tax base. There has been a longstanding debate on the issue of whether market forces alone can correct regional disparities.

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[295] McMahon, Fred, Looking the Gift Horse in the Mouth: the Impact of Federal Transfers on Atlantic Canada.. Halifax, Nova Scotia: The Atlantic Institute for Market Studies, 1997.

Public sector mines spent on an active labour market policy of prompt re-skilling of idle workers, rather than simply passive public sector assistance, would have assisted the region in the economic restructuring.

The experience of unemployment in a neighbourhood also influences the earnings of future generation. Research by Miles Corak and Andrew Heisz of Statistics Canada has demonstrated that neighbourhood economic conditions and social capital are particularly important in understanding the income disparities between the members of the next generation of young adult wage earners.[296] The labour market outcomes as adults for children raised in different neighbourhoods has little to do with differences in average parental income. Their results suggest that:

> economic conditions in the neighbourhood, as reflected mainly in the neighbourhood unemployment rate and youth unemployment rate, have a strong association with adult incomes and earnings of teenagers;
>
> the social capital of the neighbourhood, as reflected in the educational attainment of the adults and the affluence of the neighbourhood, also displays a relationship; and
>
> social capital at the individual level, as measured by the strength of the child's ties to the neighbourhood, also has a noteworthy association with earnings and income in adulthood.

Unemployment levels in a community thus have an affect on future generations.

Other current research has further supported the conclusions of Corak and Heisz. The implication of research by economists Huw Lloyd-Ellis and Nicolas Marceau demonstrates that the history of a community matters for the economic future of subsequent generations. Higher investments by one generation generates an increased demand for labour for the next, which bids

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[296] Corak, Miles and Andrew Heisz, Neighbourhoods, Social Capital and the Long-term Prospects for Children. A paper prepared for the Centre for the Study of Living Standards, Conference on the State of Living Standards and the Quality of Life in Canada. Ottawa, Ontario. October 30 - 31, 1998.

up their wages and relaxes their borrowing requirements.[297] Communities plagued by

unemployment do not have the money to invest; thus, the earnings of future generations are

hindered.

Other research studies have found adverse consequences from the quality of the

neighbourhood. Living in a well-to-do neighbourhood also appears to help a child's future

earnings. For every $1,000 increase in the median neighbourhood income, sons can expect to earn

$400 more per year as young adults, daughters about $800 more.[298]

With increased human capital investment, the depressed economies of poorer regions have

been shown to converge more rapidly with more prosperous economies.[299] In growth theory,

convergence refers to the tendency for poor economies to grow faster than the rich ones. A

number of researchers have shown that the growth rate of a variety of per capita income and

output measures and productivity have tended to be higher in poorer provinces than in the rich

ones since 1950 and the dispersion across provinces of these economic indicators is noticeably

smaller today than it was after World War II. Productivity across provinces has converged even

more rapidly than any other income or output indicator. The research of Serge Coulombe and

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[297] Lloyd-Ellis, Huw and Nicolas Marceau, Getting Over the Hump: A Theory of Crime, Credit and Accumulation. Centre for Research on Economic Fluctuations and Employment Working Paper No. 65. Montreal: Centre for Research on Economic Fluctuations and Employment, October 1998. P. 5.

[298] Corak, Miles and Andrew Heisz, "How to Get Ahead in Life: Some Correlates of Intergenerational Income Mobility in Canada", Labour Markets, Social Institutions, and the Future of Canada's Children. Miles Corak (editor). Ottawa: Statistics Canada, November 1998. Pp. 65 - 89. See also the newspaper review in The Gazette, Like father, Like son?. Montreal, November 6, 1998.

[299] For a complete discussion on this topic, the reader is referred to: Coulombe, Serge and Jean-Francois Tremblay, Human Capital and Regional Convergence in Canada. A paper prepared for the Centre for the Study of Living Standards, Conference on the State of Living Standards and the Quality of Life in Canada. Ottawa, Ontario. October 30 - 31, 1998.

Jean-Francois Tremblay has demonstrated that most of the relative growth profile of per capita income across Canadian provinces since the early part of the 1950s can be explained by the convergence process of human capital indicators. In essence, the dynamics of human capital accumulation is the driving force of growth. During the convergence process, the accumulation of physical is driven by the accumulation of human capital, and per capita income disparities from one economic region to another are explained by disparities in human capital theory. This research provides another compelling reason for human capital investment.

Current research by Cam Mustard and others at the Manitoba Centre for Health Policy and Evaluation has also demonstrated a strong and consistent dependence between the material resources available to the individual and to individual health.[300] The research provides evidence to argue that, on a population basis, the casual direction of the relationship between income and health is dominated by the pathway from income to health status, rather than the opposite pathway, where health status determines income through effects on educational attainment and tenure of labour force participation. Allowing an individual to remain in poverty would thus have adverse health consequences.

This is similar to research by Birch, Stoddart and Beland.[301] In their study, they have developed an economic model for the determinants of health based on the contextual relationship of the individual to his/her community. For example, the employment status of an individual may influence the individual's health through one of many pathways, but the level of

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[300] Mustard, Cameron A. et al, Income Inequality and Inequality in Health: Implications for Thinking about Well-being. A paper prepared for the Centre for the Study of Living Standards, Conference on the State of Living Standards and the Quality of Life in Canada. Ottawa, Ontario. October 30 - 31, 1998.

[301] Birch, S., G. Stoddardt and F. Beland, Modelling the Community as a Determinant of Health. McMaster University Centre for Health Economics and Policy Analysis. Working Paper No. 97 - 9. September, 1997.

influence may be conditioned by the context (or community) of the individual (e.g. the general

level and/or distribution of unemployment in the community). The distribution of unemployment

in a community thus affects the level of health for the population.

Researcher Richard Wilkinson has noted that an examination of a number of health

egalitarian societies shows that they all share the very important characteristics of strong social

cohesion, as evidenced by low income inequality and that high life expectancy and low income

inequality are correlated.[302] Such societies have a strong community life with residents of the

community involved in social and voluntary activities outside the home. Wilkinson provides

evidence to demonstrate the causal relationship that life expectancy in different countries is

dramatically improved where income differences are small and societies more cohesive.

Specific health problems that are usually associated with the poverty of unemployment

include:

malnutrition among the poor, responsible for infectious diseases;

a generally higher stress level among low-income groups, associated with mental and
psychomotor disorders, alcoholism, cardiovascular and renal disease due to high blood
pressure, suicide and accidents;

less frequent use of health care services among this group, especially significant for
childhood and maternity care, accidents and malignant tumours, especially among
women.[303]

These "social pathologies" associated with unemployment create social problems, such as

additional costs of health care and custodial care for dependents, policing, social tensions, as well

as tax burdens for everyone in the community.

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[302] Wilkinson, Richard G., Unhealthy Societies: The Afflictions of Inequality. New York:
Routledge, 1996.

[303] Bedard, Marcel, The Economic and Social Costs of Unemployment. Research Paper
R-96-12E. Applied Research Branch. Strategy Policy. Human Resources Development Canada.
June, 1996. P. 11.

The measurement of criminal aggression associated with unemployment has been an area of considerable research.[304] The analysis of the relationship between measures of crime and unemployment tend to evaluate the degree of social stress attributable to unemployment. Such associated costs would include costs for the prison and judicial system and higher insurance rates. The most compelling, and one that is difficult if not impossible to measure, is the cost of increased violence, especially domestic against partners and children. What price can you put on a battered spouse or a terrorized child? The violence of a nighttime lasts a lifetime. The HRDC study by Marcel Bedard cites a 1984 report by Canadian economist Leon Muszynski of the Metro Toronto Social Planning Council that totals the social costs related to the rise in homicide, suicide, heart disease, admission to psychiatric hospitals, imprisonment and mortality due to unemployment at $7.4 billion in 1982. A subsequent 1994 study determined that unemployment and underemployment, including discouraged workers and involuntary part-time workers, had cost the Canadian health system an extra $1 billion in 1993. There is still considerable research to be done in this area of social costing. Suffice it to say, the costs of unemployment certainly go beyond the boundaries of a lost pay-cheque for the worker.

The damage to social cohesion resulting from unemployment should also be considered. Inequality rises when unemployment is high, with government redistribution mechanisms managing to curtail the brunt of the impact. There remains, however, a widening gap between the income distribution in Canada. Human capital investment is the principal means by which this gap in earnings distribution could be lessened.[305] Lengthy unemployment does marginalize people to the rims of society and create a sense of isolation from the community. Given recent changes

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[304] Ibid., pp. 20.

[305] Robson, William B. P. and William Scarth, Equality and Prosperity: Finding Common-Ground. C. D. Howe Policy Study No. 30. Toronto: C. D. Howe Institute, June 1997.

restricting unemployment insurance entitlement, the social cleavages resulting from unemployment may well become more pronounced.

d. The Social Costs to the Individual and his/her Family

Current research has demonstrated that unemployment experienced by a family member is associated with significant long-term and short-term negative consequences for the family. The psychological impact of unemployment has been well-documented in a number of studies.[306] The sense that one has failed to provide for one's family is especially noted in the research assessing the impact of parental unemployment on child-rearing. The feelings of a low self-esteem and dependency accompanied by a general sense of lack of control over one's destiny are usually translated into relationship problems within the family. Researcher Marcel Bedard cites figures from the 1990 Ontario Health Survey data that 44% more jobless families are in difficulty than working families.[307]

A similar argument to the one presented to demonstrate that workfare is better than welfare applies to the assumption that training workers for immediate re-entry into the labour force is better than maintaining them on passive assistance:

(1) Redistributive transfers are designed to meet an individual's needs.

(2) Among any individual's needs is having self-respect.

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[306] The web site for the Applied Research Branch of HRDC (http://www.hrdc-drhc.gc.ca/arb) contains a number of current studies in this area. The research of Bancroft, Wendy and Sheila Currie Vernon, The Struggle for Self-Sufficiency: Participants in the Self-Sufficiency Project Talk About Work, Welfare and their Futures. Applied Research Branch, HRDC, Working Paper R96-10E. 1996. provides a comprehensive insight into the anecdotal accounts of unemployed women.

[307] Bedard, Marcel, The Economic and Social Costs of Unemployment. P. 21.

(3) In our society, the most important socially determined standard for measuring one's self-respect is the idea that one works for what one receives.

(4) Redistributive transfer involve payments that have not arisen out of current productive activity.

(5) Therefore, redistributive transfers have a self-defeating aspect in that they frustrate some of the needs of the recipients in the course of meeting other needs he or she has.[308]

As John Richards has observed, "by definition, income transfer programs replace the income-earning function within the family. The immediate effect is to lower the relative importance of the man's role. Not working induces in many men a loss of self-respect, increased rates of depression, and a tendency toward self-destructive activities, such as alcoholism."[309] The benefit of the human dignity reclaimed by the individual in acquiring the necessary skills to earn a livelihood should be captured in the cost-benefit analysis of training programs.

As well, there are other benefits than income and the accompanying sense of self-worth that go with having a job. The most obvious is the development and enhancement of job skills, simply because you have a job. Other longer-term benefits include future pension benefits. Illness and depression also prevail in the long term unemployed. Being employed also places one within a network and contributes through this connectedness to enabling the unemployed to become more active democratic citizens.[310]

I would argue that there exists a mutual sense of civic duty in a society. An unemployed person has a social responsibility to actively seek work and make all reasonable efforts to become

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[308] This summary is presented by Lesley Jacobs, "What are the Normative Foundations of Workfare?", Workfare: Does it Work? Is it Fair?. Adil Sayeed (Editor). Montreal: The Institute for Research on Public Policy. 1995. Pp. 22 -23.

[309] Richards, John, Retooling the Welfare State: What's Right, What's Wrong, What's to be Done. C. D. Howe Institute Policy Study 31. Toronto: C. D. Howe Institute, 1997. P. 201.

[310] Ibid., pp. 29-30.

gainfully employed. Society, on the other hand, has the corresponding responsibility to assist the

unemployed in the quest to obtain employment. Just as it socially acceptable that individuals

SHOULD receive a basic education in order to become functional members of the polity,

unemployed have a right to basic skills training to be able to access the labour market. It is far

more beneficial for society to offer active assistance to enable an individual to become productive

than it is for society to maintain the seductive lure of state dependency through passive assistance.

It is important that intervention to assist the unemployed be given early in

the period of displacement. Recent studies have demonstrated that exit from spells of low income

is more likely within the first year of low income. The ability to escape from low income

increases with the longevity of the duration of experiencing low income.[311] Working age adults

have approximately an equal chance of staying in or exiting from their one year poverty spell. In

the second year of low income, the exit rate from low income drops to about 39 per cent. In the

third year, there is approximately a one in three chance. By the fourth year, the chance of leaving

low income is approximately one in four.

Since studies have demonstrated that the largest cause of movement into (out of) poverty

is a decrease (increase) in the household head's earnings, it is important to provide immediate

assistance to restore the earnings of the household head and avoid continued state dependency.[312]

A 1995 study of welfare case loads in British Columbia concluded that government policy should

focus on immediate intervention to help individuals become self-sufficient and remain off welfare

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[311] Laroche, Mirielle, "In & Out of Low Income", Canadian Social Trends. Ottawa:
Statistics Canada, Autumn, 1998. Pp. 20 - 27.

[312] For a thorough discussion on exit and re-entry patterns to periods of low income, the
reader is referred to Laroche, Mireille, The Persistence of Low Income Spells in Canada, 1982 -
1993. Working Paper 98 - 02. Economics Studies and Policy Analysis Division, Department of
Finance, Government of Canada. September, 1997.

during initial onset since exit likelihood was highest then.[313] It is therefore important that

community groups such as the Triple S Industrial Group discussed in the case study be given full

opportunity to provide training when an individual is first unemployed.

Quite simply, a policy of intervention would support the re-entry of the unemployed

person into the labour market before the number of "at risk" variables multiply. When first

unemployed, the individual may lack a specific "at risk" barrier, such as a specific skill, that

would facilitate prompt re-entry into the labour market. By delaying access to re-entry to the

labour market through a delay of active assistance, the unemployed person may experience an

increase in other "at risk variables" such as depression or loss of motivation that would adversely

impair his re-entry to the labour market. As noted by American researcher Susan E. Mayer,

"those who stay poor for long periods of time are increasingly likely to be those who suffer from

multiple liabilities".[314]

As discussed previously, Canadian statistics demonstrate that, on average, a person's

probability of exiting a low income spell falls from 53% after one year of living below the low

income measure (LIM) to 33% after three years.[315] After five or more years, the chances drop to

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[313]Barrett, Garry F. and Michael I. Cragg, Dynamics of Welfare Participation. University of British Columbia Department of Economics and Centre for Research on Economic and Social Policy. Discussion Paper No. 95-08. Vancouver: University of British Columbia, February 1995.

[314]Mayer, Susan E., What Money Can't Buy: Family Incomes and Children's Life Chances. Cambridge, Mass.: Harvard University Press. 1997. P. 13.

[315]Laroche, Mirielle, "In & Out of Low Income", Canadian Social Trends. Ottawa: Statistics Canada, Autumn 1998. Pp. 20 - 27. The LIM (low income measure) is a "50% median" low income measure. To compute this rate, a per capita income for each family is calculated and assigned to each individual family member. This per capita value is then adjusted to account for economies of scale associated with family size and composition, leading to an "adult equivalent adjusted " family income for each individual. The measure of low-income is one-half of the median adult-adjusted income, where the median is computed for all individuals (not families) in Canada. This definition of LIM is taken from Picot, Garnett, John Myles and Wendy Pyper, "Markets, Families and Social Transfers: Trends in Low-Income Among the Young and the Old, 1973 - 95", Labour Markets, Social Institutions, and the Future of Canada's

less than 25%. Age, sex, marital status and number of children influence this percentage. In

1993, for example, a man in a two-income husband-wife family with children had a 74%

probability of exiting the LIM within one year but it was only 52% if the man were the sole earner

in a husband-wife family with children. While exit rate are similar for married men to married

women, a divorced woman has a noticeably different experience. After living below the LIM for

one year, a divorced woman with two children in 1993 had a 37% chance of exiting; after four

years, it fell to 16%. These statistics present a strong case to support early intervention to assist

individuals to exit the LIM.

Combined with the increased difficulty in exiting poverty after the initial onset is the

declining wages in today's labour market. The declining fortunes of young working-age adults

and their children since 1980 are mainly the result of changing markets.[316] The nature of

employment, especially for young men, has become more insecure. In 1995, 17% of all young

men active in the labour market were unemployed, 8% were involuntarily employed part-time,

and 10% were employed in non-permanent positions. Hence, 35% of them either did not have a

job, were unemployed or employed in temporary jobs. The labour market share of young men has

declined from 25.4% in 1976 to 16.7% in 1996. In addition to this decline in labour share, the

rate of involuntary part-time employment has declined from the low of 1.1% in 1976 to 6.7% in

1996.[317] This decline in labour market shares for young men has been accompanied by an

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Children. Miles Corak (editor). Ottawa: Statistics Canada, November 1998. P. 12.

[316]Picot, Garnett, John Myles and Wendy Pyper, "Markets, Families and Social Transfers: Trends in Low-Income Among the Young and the Old, 1973 - 95", Labour Markets, Social Institutions, and the Future of Canada's Children. Miles Corak (editor). Ottawa: Statistics Canada, November 1998. P. 13.

[317]Morissette, Rene, "The Declining Labour Market Status of Young Men", Labour Markets, Social Institutions, and the Future of Canada's Children. Miles Corak (editor). Ottawa: Statistics Canada, November 1998. P. 34.

increase in jobs in consumer services and a decrease in manufacturing jobs as well as a decline in real hourly wages for this group. The study also found that an increasing number of young males are entering the labour market in low earnings positions; the probability of these young men obtaining higher earnings is lessening and that the duration of unemployment for all age categories has generally increased since 1976.[318] Since 1980, there has been little growth, and for some sectors a decline, in average occupational incomes of all men.[319]

Active assistance is therefore the best public policy response to assist the re-entry or entry into the labour market and to assist in diminishing the increasing duration of unemployment. This is especially true given the nature of the unemployment that is being experienced in the labour market today.[320] As economist Craig Riddell points out, in a decentralized market economy, increased skill and knowledge requirements by employers will raise the relative earnings and employment of those with the requisite skills. The relative earnings and employment of those with limited or inappropriate skills will be lowered. These changes emanating from the demand side require a supply side response of a supply of individuals with the appropriate skills and knowledge. Recent labour market data suggests that these are the type of changes that are occurring in the Canadian labour market.

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[318] This study noted that there was a small decrease in unemployment in 1996. It is not known from this study if the decrease in unemployment duration in 1996 were the result of any labour market improvement or, perhaps more accurately, the result of the lightening of eligibility requirements to be qualified as "unemployed". The measurement of unemployment will be discussed later in this chapter.

[319]Fortin, Nicole M. and Sophie Lefebvre, "Intergenerational Income Mobility in Canada", Labour Markets, Social Institutions, and the Future of Canada's Children. Miles Corak (editor). Ottawa: Statistics Canada, November 1998. P. 53.

[320] Riddell, Craig, "Human Capital Formation in Canada", Labour Market Polarization and Social Policy Reform. Keith G. Banting and Charles M. Beach (editors). Kingston: School of Policy Studies, Queen's University, 1994. Pp. 125 - 172.

The question of whether poverty is a transitory or a permanent state largely depends on the characteristics of individuals and their families. Individuals in male-headed households experience the most transient poverty. Poverty is more persistent for a single female head household, especially if she has less than a high school education. [321] With research demonstrating that escape from poverty is more likely in early entry, public policy should be founded in providing immediate assistance to encourage transition from early stage poverty. Different policies need to address the more persistent state of poverty for female head households.[322]

The impact of the unemployment experience of a parent goes beyond just psychological ramifications. A recent study by Miles Corak and Andrew Heisz of Statistics Canada has demonstrated that sons whose fathers draw unemployment insurance will earn thousands of dollars less each year than those whose fathers do not draw unemployment insurance.[323] Sons whose fathers reported having asset income averaged more than $5,000 in earnings those sons whose father reported no asset income. For daughters, the difference was about $4,100. Men whose fathers received UI earn on average $3,760 less than their counterparts. Women in a similar situation earn about $2,700 less. The study concluded that there is a positive association

[321]Stevens, Ann Huff, Climbing Out of Poverty, Falling Back in: Measuring the Persistence of Poverty over Multiple Spells. National Bureau of Economic Research Working Paper 5390. Cambridge, MA: National Bureau of Economic Research, December 1995. Pp. 38.

[322]For a thorough discussion on poverty and female heads of households, the reader is referred to Phipps, Shelley A., "Poverty and Labour Market Change: Canada in Comparative Perspective", Labour Market Polarization and Social Policy Reform. Keith G. Banting and Charles M. Beach (editors). Kingston: School of Policy Studies, Queen's University, 1994. Pp. 59 - 88.

[323] Corak, Miles and Andrew Heisz, "How to Get Ahead in Life: Some Correlates of Intergenerational Income Mobility in Canada", Labour Markets, Social Institutions, and the Future of Canada's Children. Miles Corak (editor). Ottawa: Statistics Canada, November 1998. Pp. 65 - 89. See also the newspaper review in The Gazette, Like father, Like son?. Montreal, November 6, 1998.

Chapter 5

between the adult incomes of the children and the market based incomes (earnings, self-employment income, asset income) of fathers, but a negative association with the non-market sources (UI and Family Allowance). This association is particularly stronger for sons than it is for daughters. The study also noted that changing residences also affected future labour market outcomes. This challenges the belief that unemployed and their families should leave their communities to obtain employment and supports an approach to community economic development based on creating work within one's own community as the best long-term choice.

The Corak and Heisz study also demonstrated a relationship between earnings as adults and the neighbourhood one lived in as a youth. A "low income neighbourhood" is considered to be a neighbourhood with a median income in the bottom quartile of all neighbourhoods. A "high income neighbourhood" is defined as a neighbourhood with a median income in the top quartile of all neighbourhoods. Generally, those from low income neighbourhoods are much less likely to move to the upper half of the income distribution, and are most likely to remain in the bottom decile. This is particularly true for sons. Sons with bottom decile fathers living in neighbourhoods with an above average proportion of UI recipients are more likely to remain in the bottom half of their cohort, although the differences are not marked. On the other hand, daughters living in these neighbourhoods are less likely to leave the bottom decile, much less likely to rise to the top decile, and in general less likely to rise above the fifth decile than their counterparts.

As well, a British study has found that school attendance was lower for those children whose fathers were unemployed at the time of the survey and considerably lower for individuals

whose family reported being in financial difficulties during the childhood years.[324] Staying on at

school was higher for children where the family had not experienced financial difficulties or not

suffered from father's unemployment. The results further demonstrate the effect of social

disadvantage when growing up persist on an inter-generational basis. The children of parents who

grew up in a socially disadvantaged situation are more likely to have lower scores in test

administered to them at an early age. As early age maths and reading ability are important

determinants of economic and social success or failure as an adult this suggests that the effects of

childhood disadvantage persist over generations. In summary, the economic and social

disadvantages faced during childhood displayed a persistent association with subsequent

individual economic success.

Although a recent Canadian study did not specifically address the link between

unemployed parents and the school performance of the child, it did find a relationship between

low income parents and school difficulties.[325] The study examined three components of what was

termed "psychiatric disorders", specifically hyperactivity, conduct disorder and emotional

disorder; two measures of academic performance, i.e. whether a child had repeated a grade and

whether or not parents reported a "poor" or "very poor" school performance; and a social

problem, that is if the child had difficulty getting along with parents, teachers, or other children.

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[324] The results of the complete study can be found in: Gregg, Paul and Stephen Machin, Child Development and Success of Failure in the Youth Labour Market. Paper presented for the CILN/Upjohn project: "Losing Work, Moving On: Worker Displacement in International Context" and presented at the CILN conference, September 27 - 29, 1998, Burlington, Canada..

[325] Dooley, Martin D., Lori Curtis, Ellen L. Lipman, and David H. Feeny, "Child Psychiatric Disorders, Poor School Performance and Social Problems: The Roles of Family Structure and Low-Income", Labour Markets, Social Institutions, and the Future of Canada's Children. Miles Corak (editor). Ottawa: Statistics Canada, November 1998. Pp. 107 - 127.

When the most conventional methodology of using weighted data with a dummy variable for whether or not family income was below the 1992 Low Income Cut-off, the resulting low-income coefficients were significant only for grade repetition and frequent social problems, but not significant for psychiatric disorder or for poor school performance. When a different methodology was applied, the use of either unweighted data or a dummy variable for family income under $20,000, the results showed a strong association between low income and every problem except hyperactivity. The study does suggest that more detailed income data would be useful in assisting key policy directives in this area. The link in either methodological approach between low income and social problems would suggest, however, that the social costs of parental low income (and obviously unemployment and social allowance transfers would be a component here) to the educational outcomes of their children should be recognized.

American research on the affect of parental income levels on children's outcomes demonstrated a significant relationship between low income parents and their children's below average educational achievement test scores; adolescent pr4egnancy and high school early departure; low educational levels; earning levels; and welfare use.[326]

The social costs of unemployment to the health of the community were discussed previously in this chapter. Current research has linked socio-economic status to parental utilization of health care services for their children.[327] In particular, low income status is related to low birth weight, higher mortality, and higher incidence of various morbidities and behavioural

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[326]Mayer, Susan E., What Money Can't Buy: Family Incomes and Children's Life Chances. P. 42.

[327] Knighton, Tamara, Christian Houle, Jean-Marie Berthelot, and Cam Mustard, "Health Care Utlization During the First Year of Life: The Impact of Social and Economic Background", Labour Markets, Social Institutions, and the Future of Canada's Children. Miles Corak (editor). Ottawa: Statistics Canada, November 1998. Pp. 145 - 155.

problems. Infants of low income parents, especially those parents who also have low levels of education, face a higher risk of hospitalization and a higher risk of frequent treatment care while using preventive care less frequently. Since hospitalization and treatment care are more expensive than preventive care, additional costs are added to the health care system. Education levels of parents was shown in the study to be a determining factor in providing a higher level of preventive care. Further research is needed to demonstrate if there is a difference in parental care practises of low income workers versus low income transfer recipients.

The results of a recent Albertan study would infer, however, that parental practises may indeed differ between the working poor and the non-working poor. The study investigated the relationship among poverty status, health behaviours and the health of 130 Albertans living in poor families.[328] For the purposes of this study, the working poor and non-working poor (social assistance recipients) were identified separately. The study found that working poor respondents were found to be generally healthier than their social assistance counterparts except in those instances in which the working poor were prevented from filling needed prescriptions because they could not afford to do so. The results of the study suggested that people living in working poor families generally tend to have greater opportunities to make choices, lead socially and economically productive lives, and gain satisfaction from living than do people living in families that receive social assistance. This finding was qualified in that working families would be less healthy if they lacked the economic resources to access necessary medical treatment, such as prescriptions drugs. It could also be speculated that health care practises among the working poor are better than amongst the non-working poor because attachment to the labour force provides

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[328]Williamson, Deanna and Janet E. Fast, "Poverty Status, Health Behaviours and Health: Implications for Social Assistance and Health Care Policy", <u>Canadian Public Policy</u>. Vol. 24. No. 1. 1998. Pp. 2 - 26.

access to an informal network where information on health care practises and parental advice is exchanged.

From a public policy perspective, therefore, earned income of a father, and the possibility to increase earnings through employment, is certainly preferable to income from benefit transfer payments and continued low income status as a determinant for the educational, health and labour market experiences of their children. Public policy should support the early exit of individuals from low income status.

A recent OECD study has compared income distributions and the nature of poverty in Canada and other OECD countries.[329] For the two decade time period of the study ending in 1991 for Canada, all countries experienced a rise in aggregate poverty rates at the level of market income, although the rise in Canada was negligible. Households with children, however, became a substantially larger fraction of the poor in Canada and Sweden, and a slightly larger fraction in France and the United States. Poverty, as measured before taxes and transfers, increased in households with a head less than 50 years old and increased more in the non-working households than working households with children. After taxes and transfers were considered, poverty still increased for households headed by an individual under 30 years; for total households with children, and especially for non-working households with children and a single adult head. Since the time frame for the study ended in 1991, the impact of reductions in transfer payments, most particularly changes in unemployment insurance legislation in 1990, 1993, 1994 and 1996 which had the primary goal of reducing costs, in the 1990s is not assessed. One can conclude from this data that it is young households that are most impacted by poverty in Canada. Since employment

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[329] Burniaux, Jean-Marc, Thai-Thanh Dang, Douglas Fore, Michael Forster, Marco Mira d'Ercole and Howard Oxley, Income Distribution and Poverty in Selected OECD Countries. Paris: OECD, 1998. (See Tab B for specific data)

is the key means by which one escapes poverty and since young adults account for a vital part of

an innovative labour market, public policy supporting active re-employment measures is urgently

required.

B. Removing Barriers to Training: The Case Against User Fees

Rather than providing passive assistance in the form of unemployment insurance or

welfare payments, the overall costs to society will be reduced by providing active support

measures such as training to promote immediate re-employment. Two key components in the

policy reforms of the OECD Jobs Strategy include active labour market policy with an emphasis

in job search assistance and investments in education and training to improve labour force skills

and competencies.[330] Ministers of the OECD countries committed themselves at a Meeting of the

Council at Ministerial level in May, 1997 to "improving the quality of expenditures [by] increased

focus on programmes that contribute to economic growth through enhancing human capital and

innovation."[331]

Some provinces have imposed "user fees" that potential training participants must pay "up

front" in order to access training. Given the distinct benefits to society by immediately

intervening to re-employ displaced members of the labour force, it is not cost-effective to deny an

employed worker retraining because they do not have the funds to cost-share this activity. It is

highly unlikely that an individual plagued with unemployment will have the necessary funds, or

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[330] OECD, Prominent Structural Policy Reforms in the 1990s to implement the OECD Jobs Strategy. 1996. OECD web site http://www.oecd.org/eco and outlined in greater detail in OECD, The OECD Jobs Study. 1994. OECD web site http://www.oecd.org/eco
[331] OECD, Meeting of the Council at Ministerial Level. Paris. May 26 - 27, 1997. OECD web site http://www.oecd.org/eco. P. 2.

that his family network will be able to assist in funding, re-training activities to enable an immediate re-entry into the labour force.

Apart from the reality of individual capability to finance "user fees", there is a very real concern that the implementation of user fees prevents a barrier to accessing training and therefore hindering the necessary readjustment to individual skill sets that would open employment opportunities. If an individual cannot pay a user fee, then he is simply receives passive assistance for the duration of entitlement. While receiving passive assistance, he is expected to obtain employment.

This is, as suggested by Lawrence Mead, based on the view of human nature called "competence assumption".[332] Mead describes competence as all the qualities that allow a person to get ahead in economic terms - not only intelligence, but foresight, energy, discipline, and the ability to sacrifice for the future. Ordinary citizens were conceived as self-reliant. The competence assumption believed that the poor would get ahead if given a chance and that opportunity was enough to get over destitution. However, as Mead suggests, employment is even more important for getting out of poverty than for getting in and that people may become poor for a number of reasons, but work is the principal means by which they escape poverty.

Waiting for an opportune moment is simply not sufficient for getting a displaced worker back into employment. This is especially true if the unemployment is structural, as is the case in Canada, and the worker has out-dated skills. A recent by the OECD noted that "high and persistent unemployment has been the result of both conjunctural and structural forces and that it

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[332] Mead, Lawrence M., The New Politics of Poverty: The Nonworking Poor in America. New York: Basic Books, 1992.

can be reduced"[333] This is also true in periods of cyclical unemployment when skills enhancement

could facilitate a faster match to employment vacancies. Finding a job is a competitive process,

not a case of waiting for the right opportunity. To compete for a job, the unemployed person must

have skills and abilities to offer the employer.

As in the case of regional subsidies that suppressed the necessary economic adjustment in

Atlantic Canada, passive subsidies to displaced workers suppress the necessary skill set

adjustment that is necessary to facilitate the re-entry of the idle worker into the labour force and

foster a sense of dependency that one does not have to compete and equip themselves for

employment. If the displaced worker were "competent" (i.e. had the necessary skills and abilities

to find employment) then, in all likelihood, his employment interruption would be minimal with

an anticipated recall or re-employment date. But, for a worker that is displaced, active assistance

is required to facilitate the skill set adjustment to re-enter the labour force. Prompt intervention in

assessing the barriers to employment for the unemployed and in immediately facilitating the

necessary acquisition of skills and abilities to overcome those barriers will have substantial

beneficial consequences for both the individual and his community.

When business seek out a new location, there are certain "magnets" that attract a flow of

external resources - new people and new companies - to renew and expand the local pool of skills

and to broaden local horizons.[334] Business is also attracted by the "glue" of the community, the

social cohesion that binds the people though a sense of common good , spurs the development of

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[333] OECD. The OECD Jobs Strategy: Progress Report on the Implementation of Country-Specific Recommendations. OECD Economics Department Working Papers No. 196., 15 May 1998. P. 5.

[334] Torjman, Sherri, On Magnets and Magnates. Ottawa: Caledon Institute of Social Policy, May 1997. The terms "magnets" and "glue" were originally developed in the writings of Harvard Business Professor Rosabeth Moss Kanter.

voluntary groups and enables communities to solve problems and look to the future. Since

unemployment adds to cleavages in the community, it does nothing to enhance the sense of "glue"

that is vital to attracting new investment. Hence, a productive community attracts further

investment and the resulting further economic growth.

As noted in a 1994 report by the Canadian Labour Force Development Board, "income

support systems should encourage people to engage in training programs that are appropriate to

their needs and those of the labour market."[335] . As stated in Better Skills, More Jobs: Ontario's

Plan for Tomorrow's Job Market. A publication by the Government of Ontario, "If we don't meet

the skills challenge, we face heavy costs - economic costs, when firms can't expand because of a

shortage of skilled workers; social costs, from higher levels of unemployment; and personal costs,

for people who can't fulfil their potential because they don't have the skills they need to

succeed."[336] User fees act as barrier to accessing such training and are counter-productive to the

substantial benefits available to the individual, his/her family, the community, industry and

government by re-skilling and re-employing a displaced worker

In summary, as economists Jean Dreze and Amartya Sen have observed, poverty is

ultimately a matter of "capability deprivation".[337] The life of a person can be seen as a sequence

of the things the person does, and the states of being he or she hopes to achieve; in essence, how

he or she functions in life. "Capability" refers to the alternative combinations of functioning from

which a person can choose - the freedom to choose from a range of options what kind of life to

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[335] Canadian Labour Force Development Board, Putting the Pieces Together: Towards a Coherent Transition System for Canada's Labour Force. Ottawa: Canadian Labour Force Development Board. 1994. P. 98.

[336] Government of Ontario, Better Skills, More Jobs: Ontario's Plan for Tomorrow's Job Market. Toronto: Ministry of Education and Training, 1998. P. 5.

[337] Dreze, Jean and Amartya Sen, India: Economic Development and Social Opportunity. Delhi: Oxford University Press, 1995. Pp. 10 - 12.

lead. In this view, poverty of a life encompasses not only in the impoverished state in which the person actually lives, but also in the lack of real opportunity, considering the social constraints and personal circumstances , to choose other types of living.

It may be argued by some that the unemployed in society do have opportunities but fail to avail themselves of such opportunities. It can also be said that everyone has the opportunity to win a long-distance race. But, without the necessary skills usually acquired through training, it is unlikely that an unemployed person can overcome the barriers of structural and cyclical unemployment, or that someone would automatically win a long-distance race. Opportunities may be present in society but unless one is capable of availing themselves of the opportunities, it cannot truly be said that the opportunity exists.

As evidenced throughout the research presented in this chapter, a lack of capabilities in a parent are replicated in their children. The capability of a parent is a critical factor in determining the capability of a child. It has also been demonstrated in this chapter that the capabilities of a neighbourhood are determined by the individual capabilities of its residents. The capability deprivation of one thus becomes the capability deprivation of the community. Conversely, the enhancement of individual capabilities would transmit into capabilities of their offspring as well as capabilities for the community. The social investment in one person's human capabilities thus becomes a social investment in the human capabilities of future generation and in the human capabilities of the entire community.

C. Some Final Words on Holistic Evaluation

A holistic evaluation of the use of a community partnership in the service delivery of labour training programs must assess both the economic and social factors associated in the

operation of the program. The economic costs of training are more easily calculated as are the economic benefits of facilitating the re-entry of a displaced worker into the labour force. It is not sufficient, however, to only use economic factors as a performance measure of the partnership. Given the community basis of this approach, the societal impacts to the community must also be assessed in the evaluation. The essential question to ask is "Does the existence of this program benefit the community?"

As has been discussed throughout this chapter, the social consequences of unemployment are far-reaching and severe. Unemployment affects not only the individual but his community. Conversely, the re-entry of a displaced worker into the labour market also affects not only the individual but his community and renders a multitude of social benefits. The social costs of unemployment are so pervasive that it is difficult to accurately assess an exact dollar value. Nonetheless, current research in this area has amply demonstrated that these social costs are of such magnitude that the problem of unemployment must be addressed.

The urgency of dealing with unemployment becomes even more apparent when one considers the "hidden rate" of unemployment. Studies have shown that, since the term "unemployed" is an official label for those "who are not working but available and looking for work", it does not capture a large proportion of the population who are neither working nor looking for work. Underemployed workers, discouraged workers who have stopped looking for work, students who have returned to studies because they could not find suitable employment are examples of groups not included in the official unemployment rate. People on unemployment assistance are usually not counted among the unemployed.

A recent study in Ottawa concluded that the real unemployment rate in Ottawa was 119,300 and the real combined unemployment and underemployment rate was 144,300. This is a

stark comparison to the official unemployment rate in Ottawa of 38,800.[338] Nationally, Canada

had 1,410,000 unemployed people in 1997. There were also 108,000 discouraged workers. If the

discouraged workers were added to both the count of the unemployed, the new jobless rate would

be 9.8% in 1997, rather than the official rate of 9.2%. Discouraged workers tend to be older and

less well-educated than the labour force as a whole.[339] Hence, their present withdrawal from the

labour force will impact on public pension plans in future years.

An Analysis of Employment Insurance Benefit Coverage, released by HRDC in October

1998, indicated that 38.4% of the unemployed not covered by employment insurance benefits in

1997 had no work in the last twelve months. The proportion of unemployment accounted for by

individuals with no employment in the last twelve months had increased to this level in 1997 from

a rate of 20.8% in 1989, an increase of almost double the amount.[340] Long-term unemployed,

those who would have exhausted their unemployment benefits and been looking for work for over

twelve months increased from 5.5% in 1990, to 14.*% in 1994, and was recorded as 12.2% in

1997.[341] This is a significant amount that would suggest a lack of skills and abilities in the long-

term unemployed. This increase in long-term unemployed supports a public policy directed

towards re-skilling the displaced workers. The report also noted a change in the composition of

the labour force: there was an increase in part-time work from 16.6% in 1989 to 19.0% in 1997,

[342] an increase that could well be to involuntary part-time work when full-time work is desired.

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[338] Ottawa Economic Development Corporation, Ottawa's Hidden Workforce. Ottawa: Ottawa Economic Development Corporation, July 1998. P. 20.

[339] Little, Bruce, " The Really Discouraging Number", The Globe & Mail. Toronto, November 9, 1998. P. A2.

[340] HRDC, Benefit Coverage. HRDC Applied Research Branch Working Paper W-98-35-E. Ottawa: HRDC, October 1998. P. 5.

[341] Ibid., pp. 15 - 16.

[342] Ibid., p. 15.

Unemployed full-time students seeking work accounted for 14% of total unemployment in 1997, up from 9.3% in 1991.[343] The report states that these impacts are as a result of structural and cyclical changes in the marketplace that have changed the composition of the workforce.[344]

As a nation and as a community, unemployment is a cost that cannot be afforded. John Richards has stated that capitalism and minimal government cannot by themselves create a decent life for the majority; well-run government social programs are just as essential.[345] Current public policy assumes that the delivery of labour market programs will be more effective at the local level and through the service delivery of community partnerships.

The following chapter will evaluate both the quantifiable and qualitative components of the Triple S Training Group community partnership, using both reports and generated internally by the community group as well as a survey and interviews of members of the board of directors for this organization which were conducted by the researcher. The focus of this quantifiable and qualitative review will be to assess the training program offered by the Triple S Training Group and then to evaluate the strengths and weaknesses of this partnership with the aim of establishing benchmarks of achievements for future community partnerships and areas for further consideration to enhance the operation of the partnership. The case study evaluation will conclude with, given the discussion on social costs presented in this chapter, an assessment of the societal benefits that the existence of this community partnership has brought to the community as a whole.

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[343] Ibid., p. 16.

[344] Ibid., p. 32.

[345]Richards, John, Retooling the Welfare State: What's Right, What's Wrong, What's to be Done. C. D. Howe Institute Policy Study 31. Toronto: C. D. Howe Institute, 1997. P. 4.

Chapter 6

The Case Study: The Triple S Basic Industrial Skills Training Program

A. Introduction

In the preceding chapters, the evolution of labour market services from public sector control to a social partnership framework between communities and government was discussed and the methodology of evaluating community social partnerships which offer labour market training programs was established. This chapter will now apply the evaluation methodology to the case study, The Triple S Training Program. The concluding chapter of this thesis will summarize the key features of using community partnerships for the service delivery of labour market training programs.

This chapter will evaluate both the quantifiable and qualitative components of the Triple S Training Group community partnership, using both reports and generated internally by the community group as well as a survey and interviews of members of the board of directors for this organization which were conducted by the researcher. The focus of this quantifiable and qualitative review will be to assess the training program offered by the Triple S Training Group and then to evaluate the strengths and weaknesses of this partnership with the aim of establishing benchmarks of achievements for future community partnerships and areas for further consideration to enhance the operation of the partnership. The case study evaluation will conclude with, given the discussion on social costs presented in this chapter, an assessment of the

societal benefits that the existence of this community partnership has brought to the community as a whole.

B. The History Behind the Partnership

In 1985, the steel industry in Canada was facing tough economic times due to pressures such as global competition, trade imbalances and other economic factors.[346] This forced the steel industry in Canada into a state of massive reorganization and restructuring, including the possible downsizing and closure of steel plants across the nation.

A need to assist these displaced working in coping with the job loss and in making a successful transition to other employment was identified by both the steel companies and the United Steelworkers of America Union. The steel industry and the United Steelworkers of America lobbied the Canadian federal government to obtain a funding partnership for an employment adjustment program. From this partnership of steel companies, organized labour, and federal government arose the Canadian Steel Trade and Employment Congress (CSTEC). The federal government provided the funding to CSTEC to develop and implement comprehensive training modules and training programs to assist displaced steelworkers to re-assimilate into the workforce.

To achieve this mandate, CSTEC organized and developed one of their assistance services branches known as the HEAT (Helping Employees Adjust Together) Team. HEAT was tasked with the identification of the necessary job search skills required by the displaced steelworkers

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[346] The historical development of the Triple S Industrial Training Group has been taken primarily from The Triple S Industrial Training Group: Basic Industrial Skills Training Program History and Proposed Role in the Selkirk & District Community Learning Centre. Prepared by Leonard Zdrill, Project Manager. 17 October 1997. And supplemented with information from the ongoing reports from each phase of the project.

and with the provision of training assistance and support to these individuals. In the assessment process, the HEAT Team determined that a skills gap existed between the job search skills the displaced workers already had and the type of skills that they would need to successfully re-enter the workforce.

Many of the affected workers were losing long-term employment and were facing a job market that was considerably different than in the 1950s, 1960s and 1970s when they had last sought work. Self-marketing job search skills were targeted as a priority for the displaced workers by the HEAT Team -- assistance with developing resumes, assistance and guidance in completing application forms, and assistance in maintaining a sense of motivation and self worth while facing the challenge of long term job loss. The HEAT Team also developed programs ranging from crisis financial planning to small business plan development programs.

In the early 1990s, Russell Skalesky, at that time a Selkirk resident and member of the CSTEC HEAT Team for the Steelworkers Union, and Dick Willows, Councillor for the Town of Selkirk, started to cultivate an interest in the Triple S Community for a local training initiative based on the CSTEC concept of proactive assistance to the unemployed. The ultimate goal of the local training initiative was to assist local unemployed people obtain the basic employability skills training necessary to effectively re-enter the workforce in the industrial, manufacturing and related sectors.

By 1994, a community partnership had been formed under the name "The Triple S Industrial Training Group" to oversee the project. Although this partnership was not incorporated, the members of the group agreed informally to contribute "in-kind" to start the project going.[347] The participants in this partnership included the following:

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[347] Interview, Leonard Zdrill, March 17, 1999.

- The Lord Selkirk School Division
- The Triple S Community Futures Development Corporation
- The Town of Selkirk
- Gerdau MRM Steel (a local steel company)
- The United Steelworkers Union of America, Local 5442
- Human Resources Development Canada (HRDC)

To assist the volunteer board, one employee, a project manager, was hired.

The mission statement of this group is as follows:

> The Triple S Industrial Training Group is a committee
> comprised of community stakeholders committed to
> developing a skilled, qualified and employable work
> force through community based training initiatives
> and programs to meet the labour market demand of
> industrial, manufacturing and other related employers
> in the Triple S and surrounding region.[348]

Consistent with this mission statement, the group has indicated the following project intended outcomes in their most recent funding proposal: "to pursue customized training partnerships with new and/or existing industrial employers in the Triple S region so that local individuals can access these entry level positions"[349] The initial partnership with the steel industry has been and will continue to be broadened to include partnerships with other industries.

In this chapter, the performance of the Triple S Training Group will be evaluated based on the three components of a holistic evaluation which were established in chapter five. This chapter will begin with a traditional program performance review using an evaluation of program costs and the five quantifiable employability indicators discussed in the preceding chapter. This quantifiable data will be supplemented with qualitative data on the perception by program

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[348] This was taken from Zdrill, Leonard, <u>Phase 5 Basic Industrial Skills Training Program Design and Funding Proposal</u>. 20 February 1998. P. 3 but appears throughout various other reports and documents for the organization.

[349] Zdrill, Leonard, <u>Phase 5 Basic Industrial Skills Training Program Design and Funding Proposal</u>. 20 February 1998. P. 5.

participants of their program experience. This evaluation of the performance of the training program offered by the community partnership will then be followed by an assessment of the partnership relationship based on qualitative data obtained through written surveys and in-person interviews.

Finally, this evaluation will conclude with an assessment of the societal benefits of the existence of the Triple S Training Group in the community. As mentioned in the discussion on the societal costs of unemployment, this is an attempt to measure what in many cases will be the intangibles and, as Bohach remarks in his comments on asset-based community development, what will be long-term benefits that may not be immediately visible today. Nevertheless, it is worthwhile in evaluating community partnerships to incorporate the "big picture" impact and to turn one's eyes to the future benefits to the community derived from the existence of current partnership - the investment in the future concept.

Although the Triple S Training Group is still operational today, the scope of the study will cover the period from the pilot stage of the partnership commencing on October 23, 1995 to the conclusion of Phase 4 of the program on May 22, 1998. This period covers the time frame prior to the implementation of a youth initiative in this partnership and prior to the full impact on this partnership by the devolution of labour market responsibilities to the Province of Manitoba from the federal government in November 1997. Both the introduction of the youth initiative and the involvement of the provincial government have influenced the functioning of this partnership but, for comparative purposes, the scope of the study is focussed on the operation of the partnership during the period it served a similar client base and had the federal government as a principal partner. Comment will be made at the end of this evaluation on the initial impact of the

incorporation of the youth element and a new main partner, the provincial government, into this partnership.

B. Evaluating the Training Program

Client Profile

The Triple S Training Group is focussed on providing basic skills development training to assist unemployed individuals obtain the basic skills required to obtain and maintain full time, entry level employment, in industry, manufacturing and related employment sectors. As a community partnership, the Triple S Training Group is a committee comprised of community stakeholders committed to developing a skilled, qualified and employable work force through community based training initiatives and programs to meet the local labour market demands of industrial, manufacturing and other related employers in the Triple S

(the Municipalities of St. Andrews and St. Clements and the Town of Selkirk, Manitoba) and surrounding regions.

From the pilot phase to phase 4 of the program, only those in receipt of E.I. benefits or HRIF eligible could be placed in this program[350]. This has created problems in the selection of participants from the start:

> Obtaining qualified candidates was a challenging and difficult task.
> The criteria appeared to be easy enough to meet, but as applications
> came in, it became obvious that the single most restrictive barrier
> to access to the program was the, "Must be in receipt of U.I.C. benefits"
> criteria.[351]

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[350] HRIF eligible was based on labour force attachment interrupted by maternity or parental leave.
[351]Zdrill, Leonard, <u>Triple S Industrial Skills Training Program: Pilot Program Final Report</u>. (Project G353907. October 23, 1995 to March 15, 1996). April 12, 1996. P. 10.

Statistical breakdown of applicants for the pilot program indicated that:

> 20 out of 45 (44%) were in receipt of UIC
> 16 out of 45 (36%) did not qualify due to U.I.C. restriction
> 3 out of 45 (7%) found work before the program started
> 6 out of 45 (13%) were in receipt of assistance other than U.I.C. benefits

Using these statistics, the project manager argued in his pilot project report that "if the U.I.C. requirement was lifted and this program opened up on that level, it could be argued that there would be at least double the number of people applying that do not meet the U.I.C. criteria, but still have interest in the training opportunity."[352]

He further maintained that "there are a lot of people unemployed, on social assistance or on no form of assistance, eager to get a chance at some form of training. They are being excluded from the opportunity because of the U.I.C. criteria."[353] The project manager also voiced a concern for the youth of the area, the 18 to 24 year old age group who, in many cases, do not yet possess a first job in order to qualify for U.I.C. He noted that the pilot project had helped two young people obtain full-time employment.[354] This situation was alleviated somewhat in phase 3 which included individuals that were HRIF eligible and from both municipal and provincial social assistance as well as one individual from a federal youth initiative.[355] Phase 5 funding has allowed for 15 participants from E.I. (now employment insurance instead of unemployment insurance insurance or U.I.C.) or HRIF funds, 9 SAR (social allowance recepients) candidates, and 21 youth participants.[356] This change to the Phase 5 participant eligibility regulations was the

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[352] Ibid., p.10.
[353] Ibid., p. 10.
[354] Ibid., p. 11.
[355] Zdrill, Leonard, Program Assessment and Funding Proposal: Phase 4 Basic Industrial Skills Training Program. 4 July 1997. P. 8.
[356] Zdrill, Leonard, Phase 5 Basic Industrial Skills Training Program Design and Funding Proposal. 20 February 1998. P. 6.

result of a policy change by the Province of Manitoba which allowed social assistant recipients to collect provincial welfare benefits while training if HRDC paid the tuition costs.[357]

Program Costs

By early 1995, a funding proposal for a pilot program called "The Triple S Basic Industrial Skills Training Program" was put forward from the Group to the Selkirk office of HRDC. Funding in the amount of $55,014 was obtained from HRDC and in-kind support from stakeholders in the estimated amount of $36,800 was obtained to start a pilot project.[358] The contributions of the committee members are recorded as in kind donations to the program. An example of the in kind support from the partners is shown in the following table:

Partner	Activity	Estimated In Kind Value
Gerdau MRM Steel Ltd.	Office space, computer, fax, copier, volunteer time on ctte, people resources	$19,000
Lord Selkirk School Division	Administration of Program Budget, facilities, resources, volunteer time on ctte.	$9,500
Triple S Development Corp.	Community development expertise, volunteer time on ctte	$3,000
United Steelworkers of America	Facilities at nominal cost, volunteer time on ctte.	$1,350
Town of Selkirk	Volunteer time on ctte.	$1,250
CSTEC	Modules and training expertise, extensive module development cost	$1,500
Employer Advisory Committee	Volunteer time on ctte.	$1,200
Grand Total Estimated Support in Kind		$36,800

Source: Zdrill, Leonard, Triple S Industrial Skills Training Program: Pilot Program Final Report. (Project G353907. October 23, 1995 to March 15, 1996). April 12, 1996. P. 6.

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[357] Interview with Leonard Zdrill, March 10, 1999.

[358] Amounts and data referred to in this paragraph were obtained from Zdrill, Leonard, Triple S Industrial Skills Training Program: Pilot Program Final Report. (Project G353907. October 23, 1995 to March 15, 1996). April 12, 1996. P. 3.

The total time required to deliver the entire pilot program was 31 weeks (including 10 weeks developmental time and 21 weeks of program delivery) with a final cost of $52, 334.29, which was under the budgeted amount, with a total program training cost of $36.73 per day per participant. The number of participants and the amount of funding has increased progressively over the years. It should be noted that budget has been increased substantially since Phase 2 and the program has been operated below the budgeted amount throughout its history. The cost per day per participant also declined between the Pilot Phase and Phase 3. A complete breakdown is provided in the following table:

Program Costs	Total Contract Weeks	Training Duration Weeks Per Participant	Total Participant Contacts	Program Days Per Participant	Total Program Budget	Actual Program Cost	Cost per Day per Participant
Pilot Oct. 23/95 - Mar.15/95	31	20	15	100	$55,014.00	$52,334.29	$34.89
Phase 2 May 15/96 - Sept. 27/97	28	20	15	100	$53,818.00	$47,408.22	$31.61
Phase 3 Nov. 4/96 - May 30/97	41	18	31	90	$97,307.40	$82,786.67	$29.67
Phase 4 Sept. 15/97 - May 22/98	45	18	29	90	$107,861.00		

Source: Zdrill, Leonard, Phase 5 Basic Industrial Skills Training Program Design and Funding Proposal. 20 February 1998. P. 4 plus update in verbal report from Mr. Zdrill.

Employment Success and Program Completion Rates

As stated earlier in the background of the program, the training modules are developed by

CSTEC. The training philosophy for the program is to develop a learning culture to meet the

needs of the Triple S region, if not the entire country.[359] Although the source of the training

modules is CSTEC, the course selection and program delivery has been modified locally to meet

the needs of the area and to reflect the feedback from participants and stakeholders.[360] Phase 5,

for example, has inserted a course entitled "Gerdau MRM Steel Crane Operator Modules (Theory)

& Practical Skills Test" which is targeted to the needs of a local employer.[361] All instructors in the

programs are selected and screened for appropriate qualifications to deliver their respective

courses in the program.[362] The program also underwent structural changes to deal with the issue

of participant's lack of work readiness after 3 weeks of classroom training.[363] There is an ongoing

effort by the Group to modify the program to maximize labour market benefits.

The program includes both classroom based and work experience components.

Participant Employment Experience

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[359] Zdrill, Leonard, Triple S Industrial Skills Training Program: Phase 2 Final Report. (Project G353907. May 15, 1996 to September 27, 1996). 27 December 1996. P. 3.

[360] In conversations with the project manager, he noted on several occasion that feedback is regularly sought from participants and workplace hosts as to the applicability of course content to labour market needs. Such feedback was formally documented in the pilot project report and in a postgraduate survey. The reader is referred to Zdrill, Leonard, Triple S Industrial Skills Training Program: Pilot to Phase 3 Program - Program Graduate Follow-up Survey. 01 December 1997 and Zdrill, Leonard, Triple S Industrial Skills Training Program: Pilot Program Final Report. (Project G353907. October 23, 1995 to March 15, 1996). April 12, 1996 for full documentation.

[361] Zdrill, Leonard, Phase 5 Basic Industrial Skills Training Program Design and Funding Proposal. 20 February 1998. P. 7.

[362] Ibid., p. 7.

[363] Zdrill, Leonard, Program Assessment and Funding Proposal: Phase 4 Basic Industrial Skills Training Program. 4 July 1997. P. 10.

Chapter 6

When the pilot project first started, as of March 15, 1996, 10 of the 14 participants in the initial pilot project had received full-time employment, an employment success rate of 71%. This was the worst performance that the program has ever seen. Since the pilot phase, the program has maintained a 100% employed success ratio.[364]

% Employed Success Ratio	Client Contacts	Voluntary Withdrawals	Dismissals	Employed Graduates	Program Graduates	% Employed Success Ratio
Pilot Oct. 23/95 - Mar.15/95	15	0	1	11	14	79%
Phase 2 May 15/96 - Sept. 27/97	15	0	2	13	13	100%
Phase 3 Nov. 4/96 - May 30/97	31	5	3	23	23	100%
Phase 4 Sept. 15/97 - May 22/98	15	0	3	12	12	100%
PROGRAM TOTALS	76	5	9	59	62	95%

Source: Zdrill, Leonard, Phase 5 Basic Industrial Skills Training Program Design and Funding Proposal. 20 February 1998. P. 3 plus update in verbal report from Mr. Zdrill.

This is superior to the CSTEC overall track record of helping people to get back into the work force which has been consistently in the high 80 percentile range.[365] It is a marked

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[364] Zdrill, Leonard, Phase 5 Basic Industrial Skills Training Program Design and Funding Proposal. 20 February 1998. P. 3. See Appendix C for complete table.

[365] Zdrill, Leonard, The Triple S Industrial Training Group: Basic Industrial Skills Training Program History and Proposed Role in the Selkirk & District Community Learning Centre. 17 October 1997. P. 3.

improvement over documented performance rates under Canadian Jobs Strategy. For example, the average impact rate for overall CJS programs in 1987-88 was 62.9% and the skills utilization rate was 73.0%.[366] The placement ratio is even higher than that of Career Edge, a national program to provide internships for graduates of high school, college or university that has been developed and implemented entirely by the private sector and has helped 84% of its interns become fully employed either during or one month after completing the program.[367]

On the job work placements have occurred with a variety of employers such as: Acklands Ltd.; Duha Color Services; Fort Garry Industries; Great West Van Conversions; Ominiglass Ltd.; Ancast Industries; Steeltown Ford; Karrich Industries; Fluid Force; Canada Messenger Direct; MGI; Westland Plastics; Custom Castings Ltd.; Bell's Auto Beauty Centre; Canadian Guide Rail; and Triple R Pallet & Crate. This offers a variety of training environments to the participants. An employer advisory committee represents the employer hosts and comments on the training format. No wages are paid to participants by the host employer.[368]

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[366] Government of Canada, <u>Response of the Government to the Second Report of the Standing Committee on Labour, Employment and Immigration: A Review of the Canadian Jobs Strategy.</u> Ottawa: Minister of Supply and Services Canada, 1988. P. 3. The impact rate measures the proportion of CJS clients who were either employed or participating in further CJS programs, three months following the completion of their program. The skills utlization rate measures the proportion of employed CJS clients who were using their skills acquired through CJS training, three months following the completion of their program.

[367] Pratt, Courtney, "Why business must be socially responsible", <u>Canadian Speeches: Issues of the Day.</u> Vol. 11. Issue ?. October, 1997. p. 49.

[368] Zdrill, Leonard, <u>Program Assessment and Funding Proposal: Phase 4 Basic Industrial Skills Training Program.</u> 4 July 1997. P. 13, Appendix 1. P. 4. There has been preliminary discussions with employers on the future possibility of the requirement of a "fee for service" payment by employers to participate in the training. This discussion was initiated with the announced transfer of the responsibility for labour market training from the federal government to the province. The project manager cautions in page 4 of appendix 1 that "No wage outlay is a reasonable expectation for these host to have, given the fact that there are situations where program participants do not make a good fit with an organization. This claim can be supported from past program experience."

A survey of program participants completed in December, 1997 indicated that 60% of program graduates continued to be employed with the on the job work placement employer after graduation. Only 8% of graduates required E.I. benefits since finishing the program and the maximum length of employment disruption was only two months. It is estimated that approximately 6% of graduates were identified as receiving social assistance since leaving the program and one program participant continues to receive partial benefits because of family size. [369] 26% of graduates have changed employers since they finished the program. [370]

Earnings of graduates when leaving the program varied from $5.50 to $14.00 per hour. [371]

The ratio of 60% or program participants remaining in the labour force as of December 1, 1997 is in line with the rate of integration into the labour force for other training programs. For example, Quebec introduced a program known as PAIE in May 1990 which placed welfare recipients with a public sector or private sector employer for six months. [372] To be eligible for the

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[369] This rate of continued employment compares positively to the results of a B.C. study on the dynamics of Canadian welfare participation that found a quarter of welfare recipients were back on welfare rolls within three months of leaving, while a full 50% return within a year. Source: Barrett, Garry F. and Michael I. Cragg, Dynamics of Canadian Welfare Participation. Centre for Research on Economics and Social Policy. Discussion Paper No. 95 - 08. Vancouver, B.C.: The University of British Columbia. February,. 1995. As well, a study evaluating the effectiveness of Quebec subsidized employment program found that only 44% of participants were employed nineteen months after their participation experience. Source: Patricia M. Evans , " Linking Welfare to Jobs: Workfare Canadian Style", Workfare: Does it Work? Is it Fair? Editor: Adil Sayeed, Montreal: Institute for Research on Public Policy, 1995. pp. 75 - 104.

[370] Zdrill, Leonard, Triple S Industrial Skills Training Program: Pilot to Phase 3 Program - Program Graduate Follow-up Survey. 01 December 1997. P. 5.

[371] Ibid., Appendix 2.

[372] This program is thoroughly discussed in Reynolds, Elisabeth B., "Subsidized Employment Programs and Welfare Reform: The Quebec Experience", Workfare: Does it Work? Is it Fair?. Adil Sayed (editor). Montreal: The Institute for Research on Public Policy, 1995.

program, recepients must have been on welfare for at least six of the previous twelve months, and

those who had been on for longer periods of time are favoured. Jobs under PAIE are subsidized

for a maximum pf 26 weeks (six months) and the employer is encouraged top hire the employee

unless he/she does not perform well. Of the PAIE participants who found a job, 63 per cent left

welfare for the remainder of the 19 month evaluation period. PAIE participants in the private

sector had a higher exit rate than PAIE participants in the public and non-profit sector (69 per cent

versus 54 percent). Of the total PAIE participants, only 30 per cent of participants were employed

for the full 19 months. Once the PAIE participant found a job, however, there was little

difference between the PAIE participant and a comparison group regarding whether they kept that

job for the duration of the survey period. It appears that such programs are beneficial in allowing

displaced individuals to access entry into the labour force.

### Earnings Levels of Program Graduates

From an earnings perspective, there have been indications that about 1 in 4 program

graduates have changed employers to obtain higher paying jobs. This would suggest that the

program is effective in facilitating entry into the sector with opportunity for advancement.[373] The

following charts illustrate the earnings experience provided by program participants in the follow-

up survey. There was an 86 per cent response rate to the survey. As shown in the chart

"Employment Status of Graduates", the majority of graduates were employed as of December 1,

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[373] There have been several studies that suggest that in the short run quits generally lead to wage increases on the next job. There is some academic discussion, however, as to whether overall lifetime earnings are increased as a result of voluntary change. For further reference in regard to this debate, the reader is directed to Borjas, George J., "Job Mobility and Earnings Over the Life Cycle", Industrial and Labour Relations Review. Vol. 34. No. 3. April, 1981. pp. 365 - 376.

1997, the date of the survey. As shown in the following tables on earnings after graduation, some graduates have changed employers since graduation, usually for higher wage employers which were most likely found in an union shop. This indicates that the training program is serving its intended purpose of providing basic entry level skills and enabling the unemployed to access the labour market.

Survey Results: Program Graduates Phase 1, 2, and 3
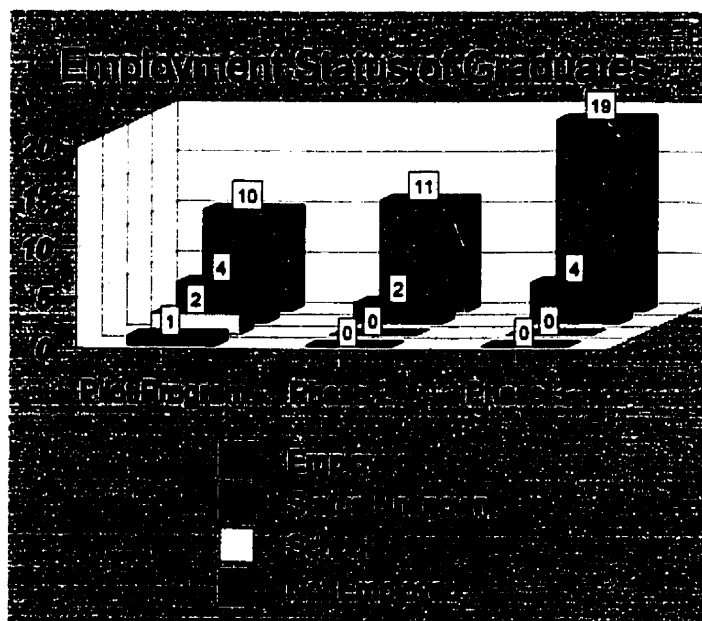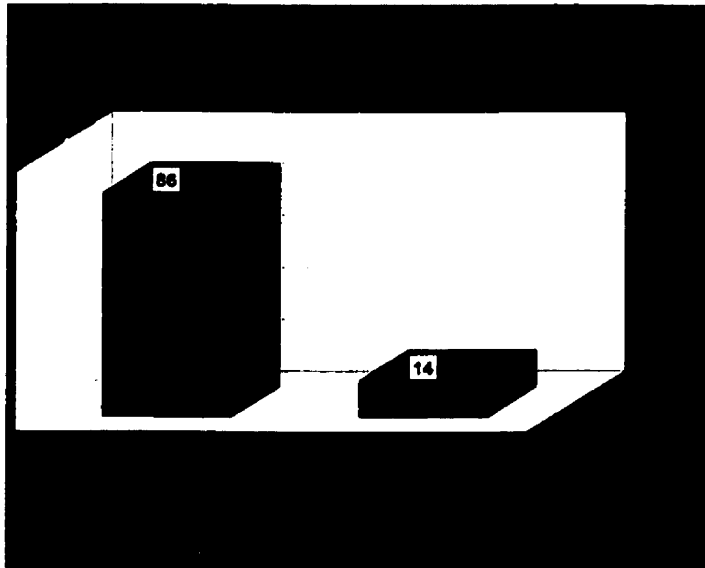
Earning After Graduation		
Participant and Phase	Earnings on Graduation	Earnings as of December 1, 1997
1 (Pilot)	$5.75	school
2 (Phase 3)	$14	$14.6
3 (Phase 3)	$6.5	$11.67
4 (Phase 2)	$9.72	$9.72*
5 (Pilot)	$9	$10
6 (Phase 2)	$7	$7.00*
7 (Phase 3)	$7	$7.00*
8 (Phase 2)	$7	$15.5
9 (Phase 3)	$14	$14.6
10 (Pilot)	$7	$8
11 (Phase 2)	Unknown**	Unknown**
12 (Phase 2)	$14	$14.6
13 (Pilot)	$13.63	$13.63*
14 (Phase 3)	$6	$7.25
15 (Phase 3)	$7	$7.00*
16 (Pilot)	$7.5	$9
17 (Phase 3)	$7	$7.25
18 (Phase 3)	$9	$15.94
19 (Pilot)	$7.5	$9.00
20 (Phase 3)	$7.00	$9.5
21 (Phase 2)	$7.00	$7.00
22 (Phase 2)	$7	unknown***
23 (Phase 2)	$7	unknown***
24 (Pilot)	$7.25	$8
25 (Phase 3)	$14	$14.6
26 (Phase 3)	$7	$7.00*
27 (Phase 3)	$7	unknown***
28 (Pilot)	$12.02	unknown***
29 (Pilot)	$5.5	$7.5
30 (Phase 2)	$7	$7.00*
31 (Phase 2)	$7	$7.00*
32 (Pilot)	$7	$7.00*

Earning After Graduation		
33 (Phase 3)	$7	$7.00*
34 (Phase 3)	$14	$14.6
35 (Phase 3)	$14	$14.6
36 (Phase 3)	$14	$14.6
37 (Phase 3)	$7	$10.53
38 (Phase 2)	$7	unknown***
39 (Phase 3)	$6.25	$6.5
40 (Phase 3)	$7	$7
41 (Phase 3)	$14	$14.6
42 (Pilot)	$6	school
43 (Pilot)	moved	out-of-province
44 (Phase 3)	$14	fired
45 (Phase 2)	$8	fired
46 (Phase 3)	$14	fired
47 (Phase 3)	$9	unemployed - no contact
48 (Pilot)	self-employed	self-employed
49 (Pilot)	unemployed	unemployed
50 (Phase 3)	$7	quit - no contact

** Graduate did not state eranings in followup survey but is with the same employer.

*** Graduate did not state wage in followup survey but has changed employers, presumably with increased earnings.

Note: As indicated above, a few participants have already had substantial wage increases. (i.e participant 3 from $6.50 to $11.67; participant 8 from $7.00 to $15.50; participant 18 from $9.00 to $15.94; and participant 37 from $7.00 to $10.53). Labour market information on basic entry level positions in manufacturing indicates a wide band of full-time annual earnings, ranging from a low of $11,100 to a high of $42,300. The average annual full-time earnings for this occupational group in 1995 was $26,200.

Source: Manufacturing, Job Futures, HRDC. Web: http://www.hrdc-drhc.gc.ca/Job Futures

Views of the Participants on their Program Experience

The project manager has conducted two qualitative surveys on the program, one after the pilot project and another after Phase 2. The first survey polled both employer placement hosts and program participants. The second survey polled only program graduates.

Pilot Project Survey

The raw data from the first survey was examined. Qualitative comments from employers indicated that they found the process beneficial, noting in particular that the program helped to offset training costs and in screening suitable candidates for future employment with the company.[374] Twelve out of a possible fourteen program graduates completed the survey at the end of the pilot program.[375] There were four qualitative questions in this survey.

Question 10 asked "*What were the main benefits you received by participating in the Basic Industrial Skills Training Program?*". The respondents indicated the following:[376]

• 5 respondents provided answers indicating that access to employers and the networking capability were a main benefit;

• 10 respondents indicated that courses leading to certificates were a main benefit;

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[374] Zdrill, Leonard, Triple S Industrial Skills Training Program: Pilot Program Final Report. (Project G353907. October 23, 1995 to March 15, 1996). April 12, 1996. Appendix 8. p. 1.

[375] It is unfortunate that no demographics were captured for the respondents. The records indicate that there were 14 program graduates in the Pilot Program with 11 finding employment. There is no documentation as to whether the 12 respondents were employed or not. As well, the pilot project saw one dismissal and there is no indication that exit interviews are a component when the program is not completed.

[376] Zdrill, Leonard, Triple S Industrial Skills Training Program: Pilot Program Final Report. (Project G353907. October 23, 1995 to March 15, 1996). April 12, 1996. Appendix 8. It should be noted that the respondents did not have to choose any particular items for this open-ended question. A respondent could list several main benefits or none as no ranking was provided.

- 5 respondents noted job search techniques as a main benefit;

- 4 respondents noted computer training as a main benefit; and

- 3 respondents indicated communications as a main benefit.

The most acknowledged benefit was courses that led to a certificate.

Question 11 asked "*Were the program classroom course topics relevant and applicable to your training needs for entry into the industrial/manufacturing work environment?*". 9 respondents indicated that everything was relevant while 3 respondents main statements indicating that the majority of the course was relevant but could be modified. Specific mention was made of the relevance of the training resource library at MRM (a local steel mill); the need for more specific training to the actual work placements offered; and that the safety courses were of particular relevance.

Question 14 asked "*Do you feel that your chances of obtaining a full time job have been enhanced through your participation in the program? Explain.*"

All respondents answered this with an unqualified yes. The comment of one respondent summarized the comments of many: "Yes. Every piece of paper re: credentials counts. On-the-job placement gives prospective employers and employees a chance to 'scope' each other out. This is the key to employing the unemployed." Another respondent indicated "At any time a program of this type to help people get into the workforce is beneficial. In every day world we all must keep learning." Perhaps the most revealing comment was in the assistance this program offered in opening the doors of an employer:

> Definitely. I believe that I was accepted into
> the company through this program. I'd applied
> to the company prior to start date of the program,
> and didn't receive a reply. However, when I
> called again regarding the program; and after
> an interview with the program co-ordinator &
> myself - I am now on placement there.

The facilitation of entry into the workplace is a key element of this training program.

Question 15 asked "*Did the Program meet your expectations, given the objectives set out at the start of the program? Explain.*" Although 6 respondents replied in the affirmative, another 6 respondents qualified this affirmation with some negative comments. Some dissatisfaction was expressed by at least 3 respondents as to the entry-level nature of the training: "You may ... want to instruct placement hosts that the students involved are above entry level occupations"; "We all came into the program with visions of $15.00/hr union jobs..."; and "job sites were with low wages". As one respondent indicated, "Yes, more or less. I wasn't disappointed but I also wasn't totally fulfilled." Another answered the question with questions: "If I say yes then were my

expectations to (sic) low? If I say no then were my expectations to (sic) high?....From my point of view it was matter of getting people into the job site." The only apparent dissatisfaction with the program seemed to be the lack of high paying employment opportunities as a result of this training.

Graduate Survey, December 1997

A second survey of program graduates was conducted in September, 1997. This survey was more structured.[377] A copy of the survey is located in Appendix B. Fourteen completed surveys were received. The individuals responded to the following questions on overall program experience.

Overall Program Experience

1. *The Program subject and course material was relevant to my employment search and training positions with Placement Hosts:*

The majority of respondents (8 out of 14 or 57%) agreed with this statement most of the time or all of the time; 4 out of 14 or 28% stated only "sometimes" while two individuals did not reply to this statement.

2. *The Program has an identifiable positive effect in my employment search techniques and plan:*

77% of respondents strongly agree or agree with this statement. Two had no opinion and one did not provide a reply.

3. *I am better prepared to enter an industrial/ manufacturing entry level work environment due to my participation in this program.*

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[377] Zdrill, Leonard, Triple S Industrial Skills Training Program: Pilot to Phase 3 Program - Program Graduate Follow-up Survey. 01 December 1997. Appendix 1.

Although 2 individuals (14%) disagreed with this statement, 9 individuals (63%) agreed or strongly agreed with this statement. There was one no reply and two individuals did not have an opinion on this statement.

4. I would recommend this Program to a friend looking for work in entry levels jobs in industry.

One individual would not recommend this Program. Twelve individuals or 84% of respondents would recommend the Program and one choose not to reply.

5. I obtained full time employment during the course of this program.

Ten respondents (71%) replied in the affirmative while three stated they had not obtained full-time employment. There was one blank reply.

6. Please classify your opinion of the quality of training offered by the placement hosts you trained with in the program.

The majority of individuals were satisfied with the quality of training. Three individuals (21%) rated their experience as excellent and nine others (64%) had a good or satisfactory experience. One individual split his answer rating the quality of training as satisfactory for the first placement and poor for the second placement. In total, two individuals (14%) stated they had poor quality training and one choose not to reply.

Administration

Program graduates were asked to respond to six questions on the administration of the program.

1. Overall, the program training time outline was acceptable for my training needs.

The majority agreed with the time frame (57%); two had no opinion and 21% disagreed. One did not reply.

2, 3, and 4. This series of questions asked questions on the interaction of the program manager

with the participants.

A clear majority of respondents considered the project manager accessible, attentive and able to

assist with a concerns in a timely manner. There was no dissatisfaction expressed.

5. The program matched my expectations as to what the program was to deliver.

Two individuals disagreed with this statement and three offered no opinions or reply to this

statement. The majority (8 or 57%) agreed that their expectations were met.

6. The program was delivered in a professional manner.

There was complete agreement with this statement.

Summary of Overall Program Experience and Administration

The Graduate Survey indicates a high level of overall satisfaction with the Program,

although there was minimal concern expressed for the quality of training at some placements; the

time frame of the training; and program expectations versus program outcome. The Program

Manager obtained a high rating from the graduates.

Qualitative Comments

The survey format allowed respondents to complete some open-ended questions.

1. When asked *"Was this program a good investment of your time and efforts? Why?"*, ten

positive responses were received; two negative responses were indicated and two individuals did

not respond to this question.

Some highlights of the positive comments indicate:

"Really good. More confident. Tentative. More self-esteem."

"Yes, all experience is good experience...It was worth the time just to be able to lengthen my resume."

"I feel the program was well worth my time and effort because I got a full time job from the course."

"Yes. The time management skills are still used today as well as understanding that people like to talk in riddles."

"Yes. It was exactly what I was looking for in a job for the time being."

"I found the program a good investment of my time because of some most needed skills that needed to be brushed up on. Communication skills and how to conduct an interview better. Now I can carry on to other employment with some knowledge and a better future."

"Before entering the program I was employed with XXXX. I worked for them for a total of 14 years. When I found myself out of work, after so many years, with really no other training, I felt that it would be a good idea to join the program."

"It helped me get an entry level, full time job."

"The program was useful for the fact that you got some "hands on experience" in areas that I wouldn't have been able to otherwise, such as welding, gas cutting, computers and communications."

"I found the classroom time to be very informative."

The negative responses reflected unfulfilled expectations.

"No - wages were a joke. In class was good, but the hosts were just looking for free labour."

"Personally, I had the understanding, with my background experience I would have achieved a respectful occupation and make a comfortable living. The program underachieved my expectations, though some of the courses were beneficial."

"In certain aspects yeas and in other aspects no....Overall the course was completely different than what I was expecting."

2. When asked for suggestions for improvement, the responses indicated overall satisfaction with some minor changes suggested to program time frames or contents. Two individuals felt the

program should be highlighted to new-entrants or re-entrants to the labour market as they felt the course was below their own personal qualifications.

3. When asked for positive and negative outcomes on a personal level from program participation, the majority of responses reflected positive work experiences either in host placements or jobs secured from the training program. As well as an increase in personal skill levels, self-confidence and individual motivation.

4. When asked for additional comments, positive comments on the program were received, especially commenting on the dedication of the project manager.

> One individual who had relocated elsewhere into a "pretty darn fine job" wrote "Glad to see your still getting your funding, it's a good deal you have going there, we could use one here in XXXX."

> Another individual summed it up by saying "Thanks, Leonard (project manager) for all your help."

> "I do believe that without the programs help, in particular Leonard's, I would not have gotten a job as a XXXX."

Summary of Qualitative Responses

The responses indicated a high level of satisfaction with the program and its impact on their lives.

The project manager appears to be an instrumental part of the success of the program. The

Graduate survey results confirm that the program has had overall success in facilitating entry into

the labour market.

Performance Assessment of the Training Program

Human Resources Development Canada, the funder of the program, has been mandated to

provide Canadians with a strengthened labour market through labour market adjustments that

demonstrate reduced frictional unemployment (e.g. shorter durations of vacancy postings and of

unemployment spells) and by longer-term structural adjustment (e.g. skills upgrading, mobility).[378]

The history of placement success experienced by the Triple S Training Group fulfills the mandate

of HRDC to assist in longer-term structural adjustment. As noted by economist Derek Hum,

skills training programs are effective in reducing structural unemployment.[379] Sherri Torjman of

the Caledon Institute of Social Policy notes that skills training is not usually associated with new

jobs but facilitates entry into existing jobs:

> It could be argued that tailor-made training does not
> create new work; it simply accommodates the
> Existing pool of job vacancies. True...The most
> successful welfare-to-work programs are located
> in low- unemployment communities and while skill
> development is only one component of a broad strategy,
> it is increasingly important in a labour market which
> places a premium on knowledge and skills.[380]

The placement ratio upon graduation for the Triple S Training Group verifies the effectiveness of

community-based training programs in facilitating entry into the labour market and assisting to

alleviate structural unemployment. There is a high level of satisfaction from both employers and

participants, a true indicator of program success.

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[378] Treasury Board of Canada, Getting Government Right: Annual Report to Parliament by the President of the Treasury Board 1996. Ottawa: Communications Directorate, Treasury Board of Canada Secretariat, October, 1996. p. 30 - 31.
    [379] Interview with Derek Hum, Winnipeg, Man., July 31, 1998.
    [380] Torjman, Sherri, "Making the case for tailor-made job training", Toronto Star. August 7, 1998. P. A21.

C. Assessment of the Partnership

The evaluation of the Triple S Training Group will now examine the effectiveness of the partnership relationship. The primary source of data to be used in this component of the evaluation will be a survey of board members.[381] This data will be supplemented with information obtained in personal interviews with two board members and the project manager.

Board Member Profile

A socio-demographic profile of the board members indicates that they are usually well-educated, middle-aged, middle-income males. This is consistent with the findings of other studies on public participation and citizen participation which have confirmed a class bias: "in city planning, active participants have been found to be, on the whole, more middle-class, more middle-aged, better educated, more politically active and more often members of formalized interest groups than the rest of the population."[382] Board members of the Triple S Training Group are not socio-demographic representative of the community.[383] They do, however, bring the

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[381] A copy of the board member survey and the results of the survey are located in Appendix C.

[382] Eyles, John, The Role of the Citizen in Health Care Decision-Making. McMaster University Centre for Health Economics and Policy Analysis. Policy Commentary C93-1. June, 1993. P. 13.

[383] This is similar to the findings of Jon Lomas in the study of regional health care boards across Canada. See: Lomas, Jon, Devolving Authority for Health in Canada's Provinces. IV. Emerging Issues and Future Prospects. McMaster University Centre for Health Economics and Policy Analysis. Working Paper Series No. 96 - 4. June, 1996. p. 10. The distinct difference between the regional health care boards and this community board is that the health care boards are allegedly appointed (or elected in Saskatchewan) to represent the needs of the community while this type of community board is a voluntary structure with a single mission. The parallel feature of both boards, however, is that they tend to reflect a community elite of educated, middle class citizens with patterns of community involvement.

necessary full set of expertise to the board, which has been described by author Jordan Lewis as a requirement for an effective board.[384]

The board members of the Triple S Training Group are active community volunteers. One respondent was retired but the remaining respondents were all

employed full-time. Only one respondent did not have previous board experience. One respondent had previously served on both private and public boards. Three respondents had previously served on a public board.

Most board members surveyed spent less than five hours a month on Triple S Training Group volunteer activities but one respondent spent 5 to 10 hours each month. All board members surveyed were involved in other volunteer work. Three respondents spend less than five hours each month on other volunteer activities. One respondents volunteers in other activities for 20 - 30 hours each month and one respondent volunteers elsewhere for 30 - 40 hours a month. All board members surveyed belonged to other community groups. One respondent indicated one other volunteer organization. One respondent volunteered for two other organizations. Another respondent volunteered in four organizations while another volunteered in five other organizations. One individual was involved with 6 - 10 organizations during this time period.

When asked, "Why did you agree to sit on this board?", the following responses indicated a strong commitment to the community:

> "I feel that the School Division is an integral part of the Selkirk community and, therefore, should be represented in any group involved with education and training."

> "There are people under the age of fifty who have, for many reasons, fallen through the societal cracks that exist in every area of our communities. It is my firm opinion that

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[384] Lewis, Jordan D., Partnership for Profit: Structuring and Managing Strategic Alliances. New York: The Free Press, 1990. p. 164.

given encouragement, a helping hand and an opportunity, these people can become contributing members to their communities."

"Interest in the training industry. Desire to contribute to community. Connected identity to my own."

"(1) Expected in my current role. (2) Prior experience. (3) Prior consulting experience with youth oriented programs."

"Community involvement. Corporate sponsorship."

The responses of the board members to the question, "What skills and experience do you bring to the board?", indicates that the board members have a wealth of leadership and managerial skills that are volunteered to the Triple S Training Group:

"Twenty five years of human resource experience. Life experience."

"(1) Counselling and management experience. (2) Training and development. (3) International work experience and knowledge. (4) Prior experience with both federal and provincial retraining initiatives."

"Financial. Organizational Management. Insight into training and education."

"Management. Employee training and staff development. Life skills training. Entrepreneurial experience. People experience."

"Twenty one years of teaching and administration in our school division. With this experience comes skills in conflict resolution, problem solving, networking and communications."

In summarizing the profile of the Triple S Training Group board member, the synonym of community leaders could be used. In applying the theory of civic community, these individuals are very much part of the community network as evidenced by their occupational status and other volunteer associations. Their willingness to participate not only on this board but in other associations indicates their participation in the discussion and communication of community norms and values. As evidenced by the volunteer work, the board members simply do not take the salaries of their occupational status from the community but are also engaged in the reciprocal relationship of returning time and energy back to the community.

Perceptions of Board Members

Sense of Civic Community

The responses of the board members to the survey questions provides some interesting

insights into their view of the relationships between the board, other stakeholders, the community

and government. As noted previously, the board members exhibit a high degree of commitment

to the community. This degree of commitment to the community is reflected in their sense of

accountability.

When asked the question, *"To whom do you feel most accountable for*

your decisions?", the following responses were received:

> "Decisions made by the board are held most accountable by Canada Manpower - without their financial assistance, this program (and others) would not exist.

> "To the people we are assisting. To my fellow board members. To the community organizations and volunteers who assist us (employers, unions, school board, town, service club members, other volunteers). To the funding authorities."

> "The community at large. Fellow board members."

> "The government and private companies who both fund these social programs and who also expect positive results from participants."

> "Board members. Program. Participants of program."

The board members have a keen sense of the value that the community can

bring into a partnership with government. This is first reflected in their responses

to the question the question, *"What do you see as the main reason(s) for*

governments to get into partnerships at the community level?":

> "Financial - Canada Employment has made many heavy investments. Networking - ensuring that government has a good knowledge of the community."

> "Effectiveness. Efficiency. A community's capacity to understand what is required to make "it" work."

"To _leverage_ resources, i.e. local intelligence, financial and non-financial assets. To initiate actions fitting with national concerns, i.e. economic development in certain sectors, etc."

"Identification of real needs/issues in a community and finding positive, long-term solutions."

"Payback to community. Helping individuals to succeed."
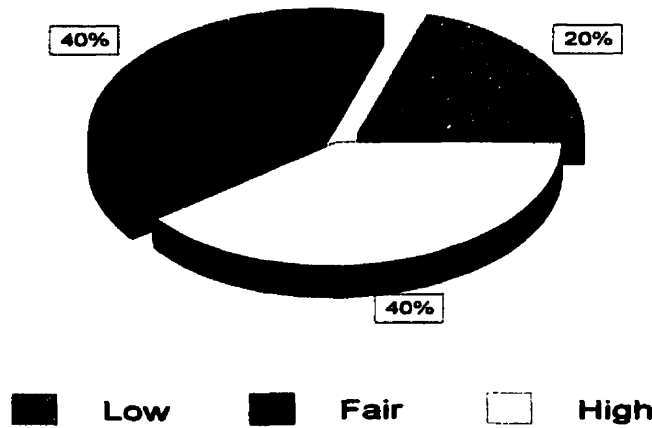
Benefits to Government from the Partnership

The keen sense of the value of the community to government is further

reflected in the responses when asked to rank the following areas of benefits from the question

"What are the main benefits, from a government standpoint, to be derived from partnering at the

community level?". The following responses* were received:

Areas of benefits	Potential benefits?			
	None	**Low**	**Fair**	**High**
Cost Savings		1	2	2
Increased Skill of Personnel			1	4
Capacity to better design services				5
Capacity to better deliver services			1	4
Credibility/visibility in the community			2	3
Flexibility/responsiveness			1	4
Capacity to meet local needs			1	4
Capacity to play a leadership role			2	3
Other: "Caring and knowledge of situation"				1**

* Number shown in response area is number of respondents who provided this choice as their rank of importance. ** Only one respondent completed the 'other' section.

The responses suggest a high level of benefits to government in a number of different areas from a community partnership relationship. It is especially interesting to note that none of the board members felt that government would not derive any of the listed benefits from partnering. The results of this ranking are shown in the following graphics:

Cost Savings Benefits of Partnering

40%   20%

40%

■ Low   ■ Fair   ☐ High

The majority of board members ranked the cost savings benefits to government from partnering as fair to high. In the perception of board members, cost saving is not the prime benefit to government from partnering.

Increased Skill of Personnel

Almost all board members ranked the increased skill of personnel as high in benefits to the government. Board members perceive that government has access to human resource capabilities through partnering.

20%

80%
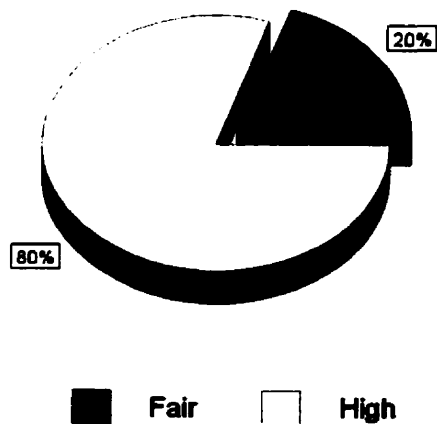
■ Fair   ☐ High

All board members agreed that community partnerships provide government with the capacity to design better services.
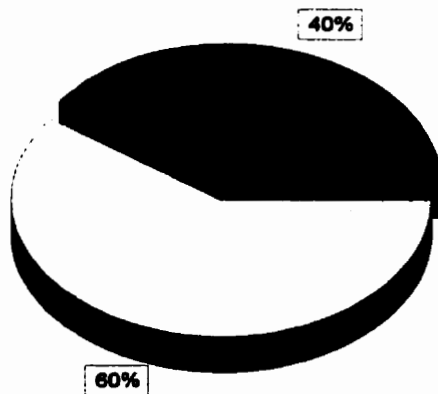
Capacity to Design Better Services

100%
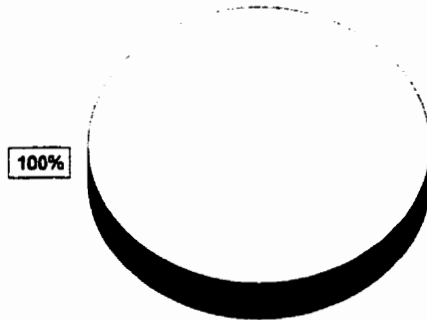
■ Low   ■ Fair   ☐ High

The majority of board members ranked the increased capacity of government to better deliver services as high and one board member saw government as deriving "fair" benefits in this capacity from partnering.

Capacity to Deliver Better Services



40%

60%

■ Low   ■ Fair   ☐ High

The board members indicated that government would have fair or high benefits to the credibility

and visibility of government through engagement in community partnerships. This is significant

given the current decline of deference towards government in Canadian society.

Credibility/Visibility in the Community

40%

60%

■ Low   ■ Fair   ☐ High
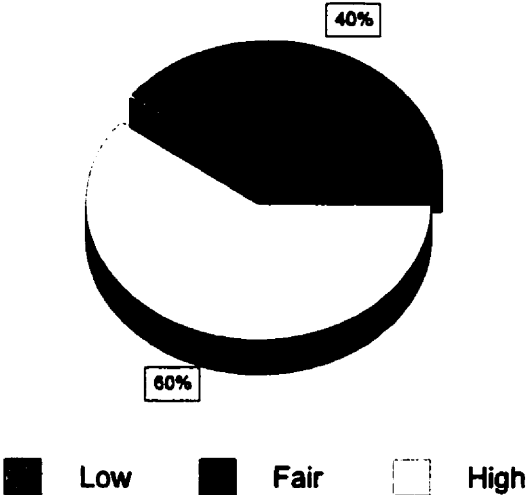
Board members felt that governments could achieve increased flexibility and responsiveness
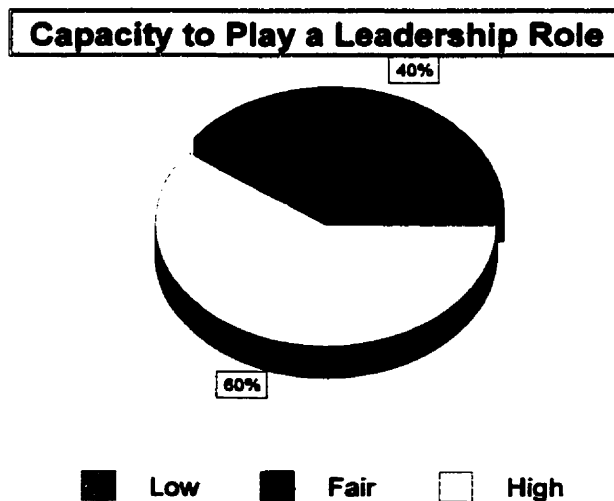
through partnering.

Flexibility/Responsiveness

20%

80%

■ Low   ■ Fair   ☐ High
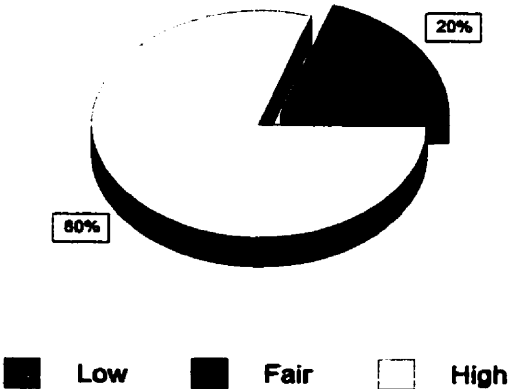
The capacity to meet local needs was a significant benefit to government, according to the board members.

Capacity to Meet Local Needs

20%

80%

◼ Low   ◼ Fair   ☐ High
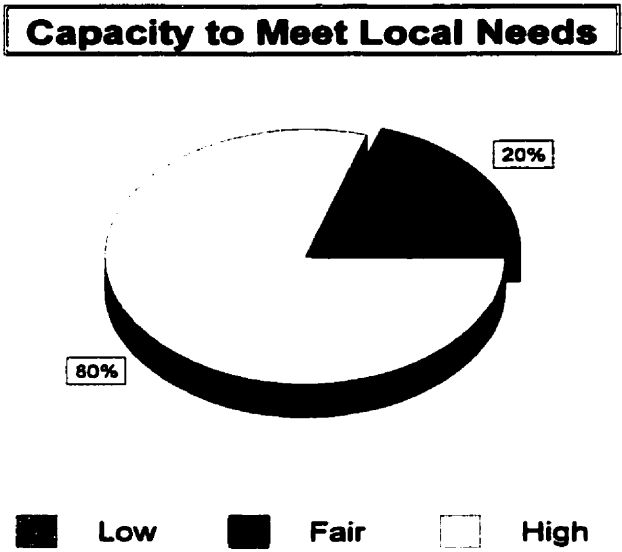
Board members also ranked fair or high the benefit to government to play a leadership role through community partnerships.

Capacity to Play a Leadership Role

40%

60%

◼ Low   ◼ Fair   ☐ High

Benefits of Partnering

Savings · Skills · Design · Delivery · Responsive · Leadership
Visibility · Local Needs

Low · Fair · High

100 · 80 · 60 · 40 · 20 · 0
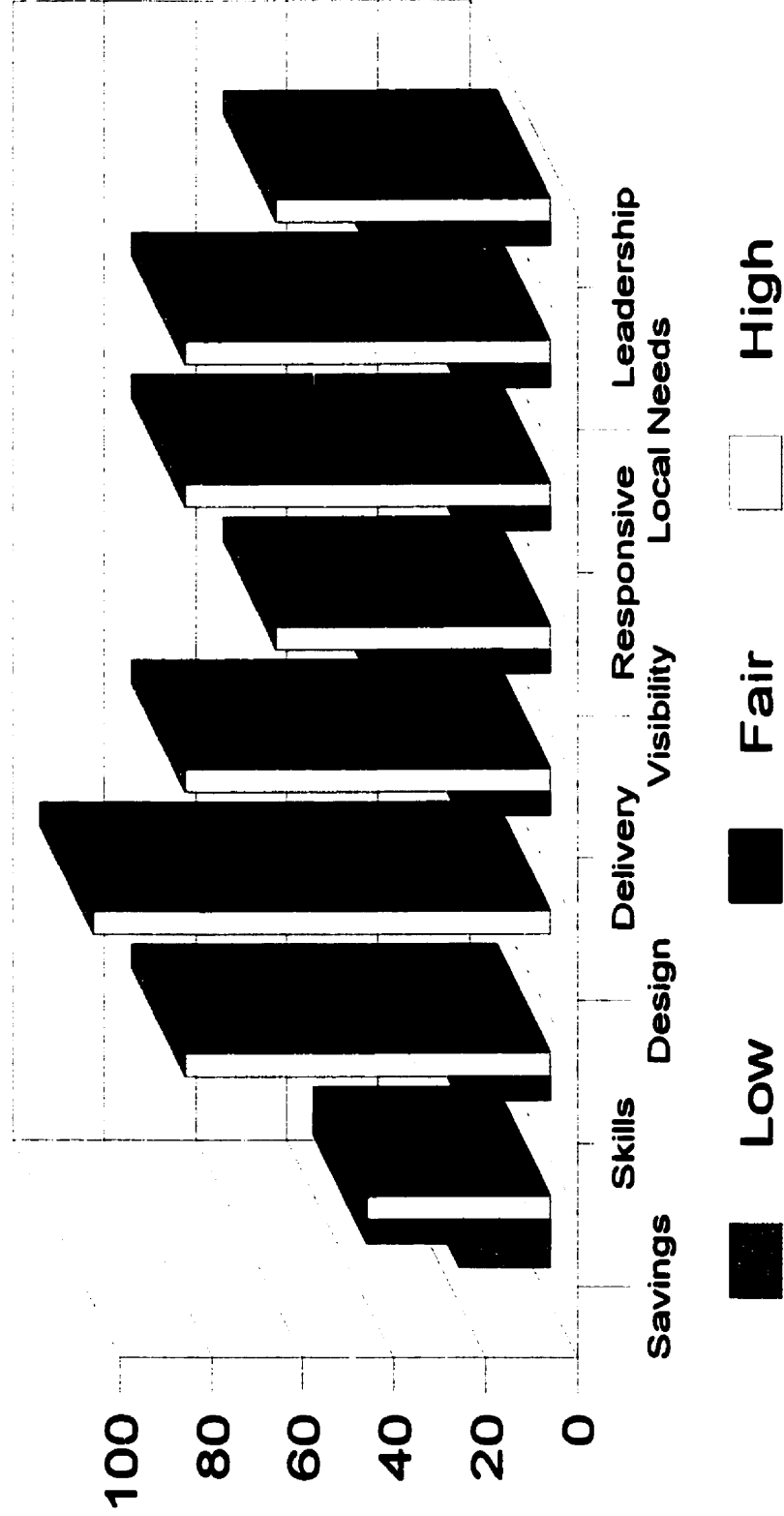
Contributions of Community to the Partnership

The responses of the board members to the ranking of benefits to government from

involvement in the partnering process were reiterated by the members when they were asked to

identify the contributions of community organizations to the partnership process. Their responses

highlighted the skills of local personnel and increased program efficiency

When asked the question, "What is the main contribution community organizations can bring to a
partnership?", the following responses were received:

> "Insight into local needs. Program delivery and implementation. Reaction to changing
> environment. Allocation decision for more resources."

> "Knowledge of local conditions and requirements. Highly qualified and experienced
> leaders and human resources. Mobilization of community resources, facilities and
> equipment."

> "Sense of community values. Experience. Financial assistance."

> "Realization of community needs."

> "(1) Both business and leadership experience. (2) Role model or mentor for program
> participants."

Role of Government

The responses of the board members to the role of government offer some interesting

insights into the changing function of government in the partnership process. Board members

clearly saw a role for government in the area of core funding and some singular responses were

received to support total government control in the area of leadership, program funding,

communications between partners and risk and liability.

The majority of responses indicated that government should have some or little control in

the areas outlined in the following chart. Little government control was seen by two or more

board members in the area of coordination; community planning; leadership; policy development; project/program design; service delivery; overall decision-making (a unanimous rating) and accountability. Some government control was seen by two or more board members in the areas of coordination; program funding; the bringing of other resources into the partnership; communication between partners; and risk and liability. These responses reflect a perception by board members that the governance of community partnerships should be a shared activity with varying government control in different aspects of the partnership relationship.

Two board members indicated that government should have no control in the area of bringing of other resources into the partnerships. Two board members indicated that government should have no control in the service delivery of programs. One board member saw no role for government in the leadership of the partnership; in community planning; in the design of the program and in communication between partners.

The variation in responses among the board members on the question of the proper role of government in the partnership process seems to reflect the evolutionary nature of the relationship. There is strong support, with 60 per cent or more of the board members agreeing with the proposition that government should have little control in community planning, the leadership of the partnership, policy development, program design, overall decision-making, and accountability. At least 60% or more of the board members saw a role for some control by government in the coordination of the partnership, the funding of programs or activities, the bringing of other resources into the partnership and the risk and liability of the partnership.

In summary, these results see a role for government in a community partnerships which consists of funding, coordination, support and the assumption of risk/liability. There was little support for government playing a role in terms of leadership, community planning, policy

development, program design, overall decision-making and accountability. Apart from the role of core funding, the majority of board members did not see any role in which government should have total government control. The role of government in a partnership is clearly one of sharing, based on the perceptions of the board members. These comments from the board members raise important issues about whether any government department or agency could adopt as 'hands off' an attitude as the survey results suggest. In providing the funding, public officials cannot be totally indifferent and uninvolved from how it is spent while still maintaining accountability. At the same time, community leaders need a sense of community control over the program. The need to balance the power of government with the power of the community is central to creating an effective partnership which maintains public sector accountability while permitting community control.

The complete results of the board members responses to the question on the role of government are depicted in the following table and chart.

When asked the question "What do you believe is the most important role for government to play in the area of human resource development through community partnerships?", the following responses* were received:

Coordination		2	3	
Community planning	1	3	1	
Leadership	1	3		1
Core funding		1	1	3
Funding of activities/programs		1	3	1
Bringing of other resources	2		3	

Policy development		4	1	
Project/program design	1	4		
Service delivery	2	2	1	
Communication between partners	1	1	2	1
Overall decision-making		5		
Risk and liability		1	3	1
Accountability		4	1	
Other:				

Respondents were asked to rank the following with 1 being no government control; 2 being little government control; 3 being some government control and 4 being total government control.

* Number shown indicates the number of respondents who ranked this role on this scale of government control.

Board Members Perception of the Most Important Role for Government in Human Resource Development Through Community Partnerships

Partnership Experience

When asked the question "What do you believe is the most important role for government to play in the area of human resource development through community partnerships?", the following responses* were received: Respondents were asked to rank the following with 1 being no government control; 2 being little government control; 3 being some go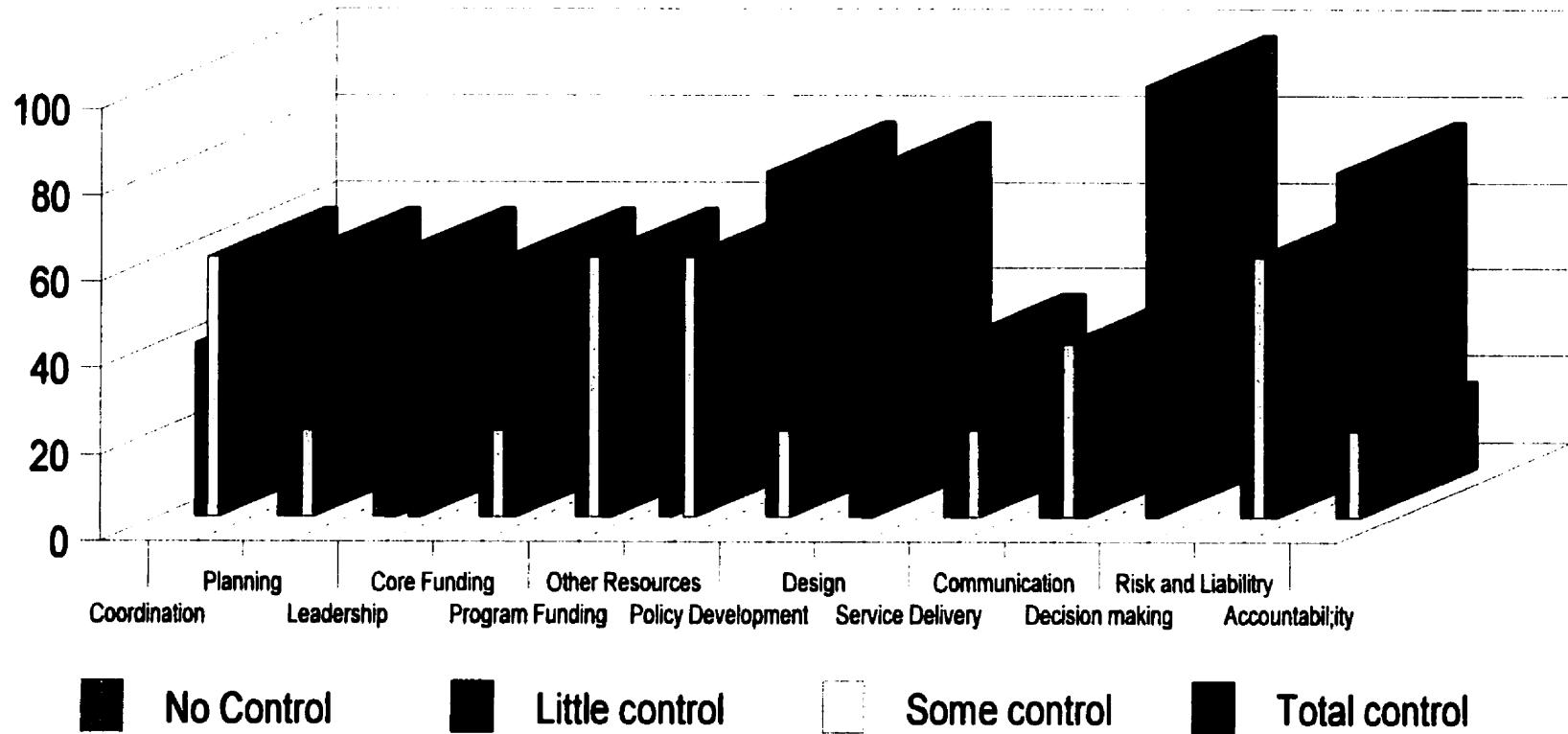vernment control and 4 being total government control.* Number shown indicates the number of respondents who ranked this role on this scale of government control.

Role of Government

Legend: No Control | Little control | Some control | Total control

X-axis categories: Coordination, Planning, Leadership, Core Funding, Program Funding, Other Resources, Policy Development, Design, Service Delivery, Communication, Decision making, Risk and Liability, Accountability

When asked the question, "What key issues would you identify as needing special attention in the development and support of partnerships?", the following responses were received: (Note: One respondent did not answer this question.)

> "Co-ordination of various government bodies. Outline of partnership responsibilities at the onset of the project."

> "(1) Bureaucracies must realize that they are a partner, not an owner or boss.
> (2) The decision-making authority of government has to be moved to the community level if partnerships are to work.
> (3) Training of bureaucrats to enable them to work within partnerships at the local level.
> (4) Setting common goals and objectives that are firmly based on reality. Remove areas of conflict (land mines) before partnerships are formed. Equal risk."

> "Good working relationship and communication between all parties involved. Government financial assistance to ? To be developed and delivered."

> "Clear objectives. Realistic criteria. Clear definition of expected results."

These responses indicate a need to clearly establish the terms of a partnership and the objectives at the onset. An integral part of the success of partnerships is the development of a sound relationship with good communication between all parties. An important issue is raised in the second comment which indicates that the bureaucracy must be trained in the operation of partnerships and that the level of decision-making in the bureaucracy must be at a local level that deals with the community partnership.

The emergence of the institution of community partnerships has an impact on the bureaucratic institution. To maximize the effectiveness of community partnership, bureaucratic decision-making must be at a level that can deal effectively with the community group. Bureaucrats also require highly developed communication and interpersonal skills as well as knowledge about the partnership process in order to effectively work with such groups.

Concerns and Achievements

When asked, "What are your biggest concerns as a board member?", the following responses were received:

- "Time"

  "(1) That those who partake and benefit from this activity (program participants) will be held accountable for both program performance and results.
  (2) These should not be glorified babysitting sessions/programs.
  (3) Results not excuses."

  "Motivating private sector businesses to give input into labour market needs for the community. Gathering insight into what is really needed as far as training is concerned in the district."

  "(1) Lack of concern and imagination on the part of bureaucrats at the provincial and federal levels - a willingness to stand back and do nothing until "word" is received from on "high".
  (2) Interference from and confusion caused by single interest groups.
  (3) Limited funding.

The responses to this question indicate that there are concerns in a variety of aspects of the partnership: the time required for volunteer services; the accountability of participants for performance in the program; the need for private sector input; the bureaucratic culture; the intervention of single interest groups; and funding issues. The expression of these concerns demonstrates that maintaining a community partnership is not a simple process. Besides the Triple S Training Group, there are a number of stakeholders involved in the partnership - program participants, employers, bureaucrats, interest groups and the community at large. The dynamics of a partnership relationship extend beyond the relationship between the training group and the government.

When asked the question, "What would you say in the biggest achievement of the Triple S Training Group", the following responses were received:

  "The success rate of the clients achieving employment. Over the years the success rate is approximately 80%."

"Bringing unemployed people to gainful employment with companies who participated in their training - using communities facilities and organizations to do this - giving people the confidence that "they can succeed"."

"Consistently placing individuals with little experience into work experience placements, and having then ultimately continuing into jobs and employment."

"Dedication to providing the best results for all concerned."

"Helping individuals achieve better jobs than they would have been able to achieve on their own, based on their past record."

All board members responded to this question indicating that a sense of achievement was

derived from the results of this program - helping individuals find employment. The strong sense

of community and commitment to the welfare of others in the community are echoed in these

responses.

Lessons and the Future

When asked the question, "What do you see as the future role for the Triple S Training Group", the following responses were received:

"If properly supported the program can be the most practical/successful program helping individuals enter successfully into the industrial job market. This is also very helpful to employers in finding good candidates."

"Leadership in (1) selection criteria; (2) program development; and (3) performance management indicators."

"Surveying the environment for training needs and opportunities to link individuals with employers."

"Expanding into the chronically unemployed field with the assistance of all the community's social and educational agencies."

"The main area of concern should be to determine upcoming employment needs and provide the necessary program."

The responses to this question demonstrate a commitment to training and the continued development and enhancement of the training program, especially in respect of incorporating other community resources into this program.

When asked the question, "What are the main lessons to be learned from the Triple S Training Group partnership with HRDC?", the following responses were received: (Note: one respondent had no answer to this question.)

> "That business, education, community groups and HRDC can be extremely effective in working towards a common goal. Community must lead. Business and education must help design and administrate. Government must support with financial and other resources."

> "That community partnerships work."

> "It works! It is effective and efficient but we needed a John Kawecki and a Lucille McLeod [HRDC employees] at the bureaucratic level to catch the vision, hang in there and work with us. Volunteers have to show patience but be persistent, and don't accept that it can't be done. Volunteers must have their facts correct - their information accurate. Goals and objectives must be firmly based in reality."

> "There are difficulties in co-ordinating policy/rules between different government agencies, i.e. Manitoba Education and Training, HRDC, Social Assistance, etc. There is also value in leveraging local volunteer support for regional projects."

When asked for "Other comments", the following responses were received:
(Note: three respondents did not provide comments here.)

> "This partnership works well because there is a real need. A solution is practical and pragmatic. All partners work well together to achieve a common goal."

> "It is a fact that today, if we are to move forward in the "community partnership" field of activity, the traditional thinking within bureaucracies has to change dramatically - and along with that their policies and activities. No paper pushers but participants."

When the responses to the foregoing two questions are considered, the success of the partnership process is obvious. The success is due, as stated in one response, by the willingness of the

bureaucracy to work with community partner. The failure of a partnership, however could result

if, as one respondent indicates,

the traditional thinking of bureaucrats does not change from paper-pushing to participating.

Evaluating the Partnership

On the basis of responses provided in the board member survey, the perceptions of the board

members with regards to the co-operative nature of the partnership relationship, the sense of

sharing between the partners and the sense of achievement reported with the Triple S partnership

will be assessed..

Agreement for a Co-operative Relationship

From a partnership perspective, the agreement for a co-operative relationship appears to

have been maintained in the period of the study:

The majority of participants indicated a high level of satisfaction with the program and

expressed positive comments about the program co-ordinator. It was obvious from the internal

surveys conducted that there was a willingness on the part of the project leaders to solicit the

opinions of the participants.

The cooperative spirit of the board members is reflected in the response of the board

members to the question *"To whom do you feel most accountable for your decisions?"*. The

majority of board members indicated a sense of accountability to the broad spectrum of different

stakeholders and the community at large. Implicit to this sense of accountability is a willingness

to work with the stakeholders and the community.

There was sense of potential tension between board members and government in

maintaining a cooperative relationship. As indicated in the board members response to the

question "*What key issues would you identify as needing special attention in the development and support of partnerships?*", the outline of partnership responsibilities and a clear definition of expected results at the onset of the project is crucial to success of a cooperative relationship throughout the life of the project. The statement by a board member that "bureaucracies must realize that they are a partner, not an owner or boss" strongly suggests that government must realize it is not in a 'command and control' position if it wants to maintain a cooperative relationship.

The role of the bureaucracy in maintaining a cooperative relationship with the community partnership is further reflected in the responses of board members to the question "*What are the main lessons to be learned from the Triple S Training Group partnership with HRDC?*" The overall conclusion was that community partnerships do work but government must provide support and the different facets of government should co-ordinate themselves in dealing with community groups. Individual bureaucrats do make a difference in dealing with community groups, as evidenced by the comment of one board member that two particular HRDC employees, the local district office manager and the local employment supervisor, were instrumental in establishing the project.

Sharing Between Partners

The partnership relationship indicates a sense of sharing between the partners. Many of the responses referenced as demonstrating a cooperative relationship also reflect a sense of sharing. This sense of sharing between community and government was further evidenced in the views of the board members on the contributions of the community to the partnerships and the role of government in the partnership.

Sense of Achievement

The response of the board members throughout the surveyed conveyed a sense of achievement with the program. This sense of achievement was further reflected in the designated performance outcomes for the program which had been established by government. The majority of participants indicated in their survey that they were satisfied with this program and the hiring of these participants by local placement employers is testimony to the achievement of this program from the employers' perspective. Overall, the board members, government, program participants and local employers embrace a sense of achievement with this project.

D. Societal Well-being and the Triple s Industrial Training Group Community Partnership

It is difficult to quantify the 'big picture' effect of the existence of this community partnership within the Triple S community since a micro-snapshot of the local labour market situation at the onset of the program followed by a follow-up study of graduates and board members does not provide a comprehensive picture. Even if more comprehensive data was available, it would be impossible to establish direct causal linkages between program intervention and changes to the local labour market and to the broader economic and social well-being of the community. The main purpose of applying Bohach's 'investment in the future' concept to the evaluation of the Triple S Basic Skills Training Program is not to get up in trying to quantify micro economic benefits but, rather, to articulate the long term benefits that the existence of this partnership brings to the community. This section will assess the long term benefits for the participants, the employers, the board members and the community at large.

As discussed in the preceding chapter, there are a number of social consequences from the existence of unemployment and low-income. As demonstrated in the program evaluation portion of this chapter, the training provided by the Triple S Industrial Training Group has a high success

rate in assisting unemployed workers find employment. It was further demonstrated that once entry-level employment is secured, participants have advanced themselves into higher paying jobs. The evaluation of the partnership also demonstrated that most participants are hired by local employers who provide training placements and that the training provided is modified in response to the needs of local employers. In essence, the training is tailor made to meet the needs of the community.

The existence of this community partnership has reduced the social costs to government by assisting recipient of transfer payments secure employment. As documented in the follow-up survey of program graduates which was referenced earlier in this chapter, statistical data confirm that there is a low rate of return to transfer payment dependency amongst program graduates. Program outcomes measures confirm that the program operated within or under the budget provided and that the per diem cost of training is low. The previously documented earning levels of program graduates indicates that the majority are now contributing into the tax base of the economy. Government has definitely benefited from the existence of this partnership.

The main social cost to industry of unemployment is a loss of productivity. By tailoring the training offered specifically to the needs of the local market, employers are able to hire skilled employees who will immediately contribute to the productivity of the employer. Another advantage of the community partnership is that employers are able to have participants work for them during a training placement which allows the participant to be trained with a specific skill set and allows the employer the opportunity to review participants before a commitment to hire is made. As well, employers are able to hire individuals with the proven ability to learn. Employees who are demonstrated continuous learners are innovative and hence increase the productivity of the company.

There are many social benefits to the community. The community benefits economically from the increased purchasing power of local residents who are employed rather than unemployed. But the benefits to a community of having employed residents with opportunities for increased earning power go beyond economic transactions. As noted in the preceding chapter, the health of the population and the social capital of a community are correlated to income levels and unemployment. Future generations also benefit from parental employment and higher income.

Evidence of these societal benefits has been documented in anecdotal form by the project manager. Individual success legends of program participants confirm the long-term benefits of this partnership.[385] One participant, for example, was able to leave a residential area troubled by youth gang activity and establish a safer residence for their children as a result of the earnings achieved through this program. Another participant had been raised in a family dependent on welfare all his life. He was also on welfare prior to entering this program. After securing employment with a reasonable wage, he thanked the project manager and vowed not to return to welfare rolls. The project manager is also starting to see that program graduates have become role models and others want the same training opportunity to become successfully employed.

Statistical information presented in the previous chapter confirmed the difficulty of finding manufacturing jobs and the increasing duration of unemployment, especially for young males. The majority of participants in this program have been are young males. The achievements of this program are even more valid when dealing with this very disadvantaged group. The social benefits are even greater when one considers that these individuals are the ones are starting to make major purchases such as housing and starting to have families.

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[385] Anecdotes provided on an anonymous basis in an interview with Leonard Zdrill, Project Manager, and Russ Skalesky, Triple S Industrial Training Group Board of Directors, on March 2, 1999.

For the period of this study, the majority of participants were unemployment recipients with only a short period of displacement from the last employment (although some participants did have a history of chronic unemployment). As demonstrated in the statistical data provided in the preceding chapter, early intervention to assist an individual to leave a low-income spell has a higher success ratio. A threat to the success of the program and the resulting benefits to the community is the imposition of a 25 per cent user fee to take this training. Some individuals who require training and have made an initial enquiry never return after being told of the costs involved. There is no documented evidence that the imposition of user fees for basic skills training is cost-effective. From the evidence discussed throughout this thesis, the costs of denying someone a basic training opportunity far exceed any benefit that the government might gain from the user fees. In the last phase of the program, no applicants were able to pay this fee that has been imposed since the provincial government took over the administration of the training program from the federal government.

As University of Toronto political scientist Carolyn Tuohey states:

> To be denied training is to be given a one-way ticket
> to low wages and insecure unemployment. To be denied
> training is to be channeled to the margins of the workforce.
> To be denied training is to be forced to pay the price of
> economic restructuring without sharing in its benefits. And
> to talk about economic restructuring without talking about
> training is to treat workers like disposable "factors of
> Production". A serious programme of economic restructuring
> must include a serious commitment to worker retraining.[386]

To expect that the government and society will benefit more through the collection of a user fee rather than re-training a displaced worker is poor public policy.

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[386] Tuohy, Carolyn, "Industrial Relations and Labour Market Policy", Policy and Politics in Canada: Institutionalized Ambivalence. Philadelphia: Temple University , 1992. P. 206.

In the knowledge based economy, continuous learning and a constant upgrading of skills

are required:

> We can no longer afford to tell any student that a
> high school education is sufficient for a lifetime.
> We need to tell students: sure, you can enter the
> workplace right after high school. But at some
> point, probably sooner than you think, you will
> need to continue your education.[387]

Programs such as this provide the training necessary to enter or re-enter the workforce. To

prepare one to overcome the barriers of structural employment and to assist in school-to-work

transition, basic skills program provide valuable training and placement services.

E. Conclusion

Evaluations of various broad based training programmes for unemployed adults have

concluded that there is limited demonstration of the effectiveness of such programs.[388] A 1996

article by the Economist that often the skills needed by the unemployed were often more basic

than those taught in many publically supported training programs. The apprenticeship programs in

Spain and Germany, and Australia's Jobstart, a wage subsidy programme, are noted as evidence

that the demand for lower-skilled labour does exist, provided that the cost is not too high. The

Economist concludes that once in work, on-the-job training (as opposed to out-of-a-job training)

brings clear improvements in productivity and wages, even for low wage jobs. To demonstrate

this point, the article refers to a study that followed American minimum wage workers and found

that after three years of work, only 15% were still working in minimum wage positions and, for

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[387]Olson, Lynn, The School-to-Work Revolution. Reading, Mass.: Addison-Weslet, 1997.
P. 145.

[388] A thorough discussion of the results of various training programs appears in "What
works?", The Economist, April 6, 1996.

many of those, the job was a second, part-time job. The rest had moved on to higher paying employment.

The training success of the community partnership discussed in this case study suggests that, contrary to the report in the Economist, public sector training programs have the potential to be effective when they partner with the strength of individual communities. This study raises the possibility that community-based training holds more promise than the pessimism implied in the Economist article. Training targeted at isolated individuals and delivered exclusively by governments had a poor performance record. But training based upon community involvement and partnerships offers additional resources, talents and other supports to meet the challenges of economic change.

As shown in the overview of labour training presented in Chapter Two of this thesis, public sector labour market training programs were not successful when delivered by government alone. The partnership of government with the community, as discussed in Chapters Three and Four, can be effective. As demonstrated in Chapter Five, unemployment is costly not only to an individual, but also to government, industry and society. This chapter has demonstrated that a community partnership can be effective in alleviating these costs.

Chapter 7

Concluding Comments

The social and economic policy landscape in the Canadian federalism today does differ dramatically from the structure of Canada's social safety net throughout most of the earlier post-war period. A remarkable transformation has indeed occurred in the 1990s. This remarkable transformation is the community partnership. Originally intended primarily as a cost-saving measure by government, the effective implementation of community partnerships has some broad implications for the policy landscape.

The provision of labour market training services delivered by government, described in the second chapter of this thesis, did not achieve overall success. In order to improve the efficiency of the delivery of labour market training, the federal government examined alternate means of delivery, such as locally based Labour Force Development Boards, in the late 1980s and early 1990s. Recent academic research suggests that the use of such intermediaries may be more effective than the government in the delivery of publicly funded labour market training.

As the fiscal resources of government tightened, the federal government increased its consideration of different ways of delivering labour market training to consider a range of alternatives known as Alternate Service Delivery (ASD) mechanisms. These mechanisms were discussed in Chapter Three, with particular emphasis on community partnerships. As demonstrated in Chapter Three, ASDs such as community partnership may be more effective in delivering services but the use of such mechanisms is not without its own set of challenges.

The formation of such partnerships has consequences to both the governance role of government and to the traditional Westminister notion of ministerial accountability. With this change in roles comes a change in the nature of bureaucratic relations with the community partnerships. This impacts on the skill sets required for effective bureaucrats, increasing the need for collaborative, communication and inter-personal skills.

Communities themselves are also transformed as they form partnerships with government. Social capital is essential as a pre-requisite to effective partnering and, as discussed throughout Chapter Four, the engagement of the citizenry is essential. A community must have the capacity to partner. The capacity to partner is usually found in a cohesive society with an engaged citizenry. This raises the question of what happens to the delivery of programs in communities which lack the cohesiveness and capacity to partner. In taking on communities as partners, government has always taken on the responsibility to develop partnerships. Government has a responsibility to assist communities in developing the capacity to partner.

Evaluating community partnerships also requires a more comprehensive approach than the traditional outcomes measurement of program evaluation. As indicated in Chapter Five, a comprehensive evaluation of a community partnership should also include an assessment of the partnership relationship and the long-term societal benefits. The traditional evaluation process for labour market training programs which examined quantifiable results only is inadequate to assess the dynamics of a community partnership. Rather than simply focussing on immediate results, long-term societal benefits must also be considered.

The case study of the Triple S Industrial Training Group in Chapter Six confirms that community partnerships used for the delivery of labour market training have the potential to be both effective and efficient. There are many benefits to individuals, government, industry and the

community from the existence of such programs. The difficulty, though, is when government fails to realize the true benefits of partnering are achieved when the community partner is drawn into the policy and decision making process. Similarly, unrealistic expectations by the community organization of the role that government must play to ensure public sector accountability could also jeopardize the relationship. An effective community partnership is a balancing act between the needs of government and the needs of the community.

Partnering with the community has changed the role of both government and the community. When a true collaborative relationship is achieved, the benefits to community from the partnership are greater than either government or the community could achieve on their own. In a true partnership relationship, there is indeed strength in numbers. Because of the evolutionary nature of community partnerships, there is little prescriptive literature on how to achieve this strength in numbers. The case study examined in this thesis and a review of existing literature provides some insight into the pre-requisites of an effective community partnership.

As the Conference Board definition of a community partnership, which was referred to throughout this thesis, suggests, the partners must have a co-operative relationship based on a sense of sharing and supported by an anticipated or actual sense of achievement. In order to achieve this co-operative relationship, the partners must have an agreed upon goal and delineation of the relationship. The sharing relationship is crucial to effective partnering and is a difficult balancing act between public sector accountability and community ownership. Partners in a sharing relationship require certain attributes. The community must have the cohesive capacity to partner and citizens with the leadership skills, civic commitment and abilities to form a community organization. Government must be willing to share power and bureaucrats must have the interpersonal competencies to forge effective partnership relationships with communities.

Each partner in the relationship must be working towards a shared sense of achievement with a uniform vision.

Although partnerships were conceived while governments were seeking ways to reduce costs, it is difficult to conclude that effective community partnerships will produce any real savings to government. Effective community partnerships cannot be maintained without the involvement of government in a relationship with the community. There are costs associated with maintaining this relationship and with developing the capacity of communities to partner. The collaborative process required to forge and maintain co-operative relationships is both time and resource intense. The real benefit to government from using community partnerships does not come from cost savings.

As demonstrated in the case study presented in this thesis, the real benefit to government from using a community partnership is that it can harness the energy of and tap into the strength of a local community network. The support of the community network of the Triple S Training Group is the key to success in the effective training of and subsequent employment of unemployed community members. Without the support of this community network, it is unlikely that the re-skilling efforts of this training program would be any more successful than the efforts of government-delivered training programs.

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