



A Labour Force Development Strategy for Ottawa-Carleton

by

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Foreword

In August 1998, the Chairman of the Regional Municipality of Ottawa-Carleton, Bob Chiarelli, requested the Caledon Institute of Social Policy to write a labour force development strategy for the Region. The strategy was to incorporate many of the elements of the multisectoral approach employed by Opportunities 2000, the community-based poverty reduction project spearheaded by the Lutherwood Community Opportunities Development Association in Waterloo Region.

Based on the recommendations in the report, the Chairman announced the *Partners for Jobs* initiative. As part of this initiative, a Task Force on Employment was created that includes representatives from business, labour, anti-poverty groups, the educational sector, the social sector, and the federal and provincial governments. Its co-Chairs are John Kelly, CEO of JetForm Corporation and Andrée Lortie, President of *La Cité collégiale*. The goal of the Task Force is to create an employment strategy for Ottawa-Carleton that identifies short-term and long-term initiatives targeted towards the unemployed and underemployed.

A Working Group also was struck that includes representatives from all levels of government, anti-poverty groups, social organizations, labour and key industrial sectors in the Region (i.e., technology, life sciences, and tourism and hospitality). The Working Group is chaired by the Commissioner of Social Services of Ottawa-Carleton and is staffed by the Social Services Department. Discussions focus primarily upon local labour market needs, appropriate training vehicles, support for self-employment and the creation of community business.

It should be noted that the original request indicated that the work was to focus on tasks that could be achieved within a short-term time horizon. For this reason, the paper did not place a great deal of emphasis on the involvement of local government in community economic development. However, both the Task Force and Working Group are exploring this issue in recognition of its integral links to a broad labour force strategy. It is expected that many of the proposals of both the Task Force and Working Group will be implemented on a longer-term basis.

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For more information on Partners for Jobs, call Information and Public Affairs at the Regional Municipality of Ottawa-Carleton at 613-560-1337 or visit the website at www.rmoc.on.ca/partners-partnenaires.

The Problem

Ottawa-Carleton faces a conundrum.

On the one hand, its economic signs are healthy – with growth in several major areas. The high-tech, life sciences and hospitality sectors are firmly established.

Despite the internal flux (e.g., computer firms come and go; hotels frequently shift owners), these sectors are doing well overall and are poised to grow. Perhaps most important from the perspective of the Region, they represent major sources of employment.

The Region also appears to be doing well relative to the rest of Canada. A recent report by the Conference Board of Canada ranked Ottawa-Hull third in the country in terms of its economic growth potential for the next few years.

But this good news is tempered by sobering data that paint a somewhat different picture of the Region. The most recently available information on the local labour market shows an estimated 144,300 unemployed and underemployed individuals in Ottawa-Carleton.

Included among the unemployed are 27,575 welfare recipients deemed employable. They are able to work but are unable to find a job that matches their skills or do not have skills suitable to the current job market.

The unemployed also may face barriers that have nothing to do with their skills or the availability of jobs. They may be unable to find reasonable, high-quality child care. They may not have access to affordable public transportation. They may require special equipment for a disabling condition.

In addition to those without work, there are an estimated 25,000 underemployed workers in the Region. This problem includes two components.

First are those who would like to work longer hours but can find only part-time, casual or contractual employment. These are the ‘involuntary part-timers.’ They work part time – but not by choice.

The second group of underemployed works at jobs considered below their qualifications. These are the mathematics graduates who are driving taxis and the engineering graduates employed as security guards.

In many cases, new Canadians find themselves underemployed because their education or training is not recognized in this country. The body that issues certification will not accept their credentials.

Both unemployment and underemployment combine to create high poverty in the Region. The incidence of poverty (also called the 'poverty rate') is the percentage of the population with incomes below the so-called 'poverty line' – i.e., using Statistics Canada's low income cut-off, the most widely-employed measure of low income.

The 1996 Census showed that the incidence of low income in the Region rose from 14.2 percent in 1990 to 18.4 percent in 1995. This percentage represents an estimated 138,140 people, 102,800 of whom are over the age of 15.

i. Unstable labour market

Poverty is the result of several factors. The prime culprit is the unstable labour market that has been split increasingly into good jobs and bad jobs.

The so-called 'good jobs' typically require specialized training and higher levels of skill. These jobs tend to pay better and provide benefits, such as employer pensions and supplementary health insurance.

'Bad jobs,' by contrast, refer to low-paid work that requires relatively few skills. These jobs rarely provide a pension, benefits or opportunities for promotion. The growth of high-end and low-end jobs has seen a loss of jobs in the middle-earnings range.

The unstable labour market also is generating large numbers of 'nonstandard' jobs. These take the form of part-time, casual and contractual work.

In Ottawa-Carleton, job growth has been dominated by part-time employment in recent years. The Ottawa Economic Development Corporation's labour force study found that of the net increase of 20,200 jobs in the Region between 1991 and 1996, 16,000 (79 percent) were part-time and 4,200 (21 percent) were full-time. There was a 19 percent increase in the number of part-time workers over that period.

Downsizing or shedding employees in the name of fiscal responsibility and efficiency is another serious problem. The downsizing of the federal government alone has resulted in the loss of 15,000 jobs in Ottawa-Carleton since 1995.

Skill mismatches are yet another dimension of the changing labour market. There may be jobs but not enough workers with suitable skills to fill them.

The growing technology sector in Ottawa-Carleton, for example, has led to a strong job recovery. But many workers who are either unemployed or underemployed lack the qualifications to fill these positions. Prospective employers then must seek employees from other communities in Canada as well as outside the country.

Of course, population growth also can contribute to the health of the local economy. But it still leaves many on the margins – with skill requirements that fall below their abilities, with little work or with no work at all.

ii. Cuts to income programs

Cuts to government programs such as Employment Insurance (EI) are another factor that has contributed to rising poverty. Unemployment Insurance has shrunk dramatically throughout the 1990s as a result of tougher qualifying requirements and reduced levels and duration of benefits.

In 1989, 87.3 percent of unemployed Canadians received UI. By 1997, the program – renamed Employment Insurance – paid benefits to only 41.7 percent of the unemployed. Provincial (and in Ontario) regional governments have felt the impact of these cuts. Many workers no longer covered under the federal program move to welfare for income support.

There have been substantial cuts to welfare as well. The across-the-board slashing of most Ontario benefits by 21.6 percent in October 1995 was a devastating blow to many families. However, this cut did not greatly increase the *poverty rate* in the Region; welfare recipients already fall far below the poverty line. It did, however, increase the *poverty gap* – the extent to which households fall below the poverty line.

The Response

The only ‘consolation’ in this grim picture is the fact that the Region is not alone in seeing rising poverty alongside economic growth. The entire industrialized world is grappling with this dilemma.

But regional governments are constrained by the fact that they do not control many of the levers – such as interest rates, international trade agreements and global currency trading – that contribute to poverty and unemployment. Regional municipalities in Ontario, in particular, face the added problem of a growing cost burden.

This cost burden is the result of the provincial ‘who does what’ or disentanglement initiative. Disentanglement had been billed by the province as a cost-neutral exercise. But the bottom line has been far from neutral – at least from the perspective of local governments. Because regions now must pay a greater portion of welfare and other program costs, they face pressure to raise taxes (an unpopular move) or to cut programs.

In short, most communities throughout Ontario are dealing with two very difficult pressures: the impact of profound labour market changes sweeping the industrialized world and the made-at-home problem of greater responsibility and associated costs.

This paper sets out several actions that regional governments – and Ottawa-Carleton in particular – can take to address these problems. It acknowledges that other levels of government as well as international bodies need to play a role in finding solutions to growing pressures. But it does not focus upon these players; rather, it sets out the range of possible local actions.

While there are limits to what regional governments can do in the face of a complex international problem, it is important to acknowledge that local governments and communities have not tapped their potential in terms of resources, possible approaches and involved players.

The paper is by no means the ‘final answer’ to the difficult issues that Ottawa-Carleton faces. But it does put forward some proposals for both immediate and longer-term action based on several key areas of Caledon research.

First, the proposals are rooted in our research on poverty and, more specifically, in the conceptual framework we developed on community-based poverty reduction. We also are involved as a partner in a unique project (Opportunities 2000 or OP2000) in Waterloo Region that is using an economic development framework to reduce poverty. The Regional Municipality of Waterloo is an active participant in this project.

Second, the proposals in this paper evolve from our study of welfare-to-work initiatives that have been undertaken primarily in the US and from our work on partnerships that includes documentation of North American as well as a few European models.

Another key source of information is a book that we are compiling on employment policy options. Each chapter has been written by a recognized expert.

Finally, our proposals evolve from exemplary community work throughout the country. We have documented much of this work in our *community stories* series. We also have learned about successful models of community intervention through our participation in such groups as the Canadian

CED Network, a national network of nonprofit organizations specializing in community economic development.

Guiding Principles

Ottawa-Carleton is considering the possibility of developing an overall labour force development strategy to address the problems of unemployment and underemployment in the Region. Reducing welfare caseloads would be included as an important goal. The strategy could evolve into a broader poverty reduction initiative at some point.

There is a wide variety of activities that the Region could undertake as part of a labour force development strategy. Despite the range of options, the overall plan should be guided by a set of principles, each of which is discussed below. These principles are:

- integrating economic and social agendas
- involving key players
- forming partnerships
- engaging the private sector
- using innovative financing
- developing a good information base
- removing barriers
- designing selective interventions.

Integrating Economic and Social Agendas

A labour force development strategy and a poverty reduction initiative, more generally, require the integration of local economic and social agendas. While the need to integrate these areas of activity has been acknowledged repeatedly over the years on paper and in words, there has been little action to translate this theory into practice. The strategy being considered by the Region represents a unique opportunity to pursue this important objective.

It is of interest that the Ottawa-Carleton Strategic Economic Development Plan for 1997-98 calls for the creation of “an atmosphere in which all jurisdictions involved in economic development work as one.” The proposals in this paper build on this concept by calling for the integration of work between the economic and social development sectors.

Involving Key Players

An effort this complex should be spearheaded by a high-profile group with the authority to make decisions and allocate resources. The Regional Chair should appoint a task force to take responsibility for developing a strategic plan. It should include representatives from the Ottawa Economic Development Corporation and the Regional Social Services Department. Representation from the regional political and administrative levels would strike a good balance.

In the short term, the proposed task force would oversee various aspects of the strategic plan. Over the long term, however, it may want to consider other possibilities as its work evolves. There are several options.

First, the unemployed and underemployed should be involved in developing the overall plan, designing its specific components and evaluating its progress. Various individuals and groups at the People's Hearings on Poverty, including the Child Poverty Action Group, the Social Planning Council of Ottawa-Carleton and the Family Service Centre of Ottawa-Carleton, made clear that the participation of low-income people is essential to ensure the relevance and effectiveness of programs intended for their benefit. This participation also helps reduce the feeling of powerlessness that poor people typically experience.

The task force also can include representation from the private sector (e.g., specific companies, trade unions and/or sectoral representatives), the education/ training sector (e.g., Algonquin College and *La Cité collégiale*), the social sector (e.g., Social Planning Council of Ottawa-Carleton) and the federal government. Broadening the membership helps engage knowledgeable individuals who can take responsibility for organizing various initiatives in their respective sectors.

The disadvantage of a larger task force is that it can lose its ability to act expeditiously and definitively. Scarce resources increasingly become directed towards servicing this group. Caledon has learned through various community-based initiatives that large, infinitely 'representative' bodies quickly can become a millstone. They typically are not a good use of time and funds.

The compromise lies in creating a small, central task force that can spearhead projects and coordinate activities. It then can set up working groups to assume responsibility for specific issues in areas that the task force decides to pursue.

Working groups might be struck, for example, on work-related barriers and on tailor-made training. These groups could be composed of three or four individuals from diverse sectors and organizations as well as one member of the Regional Chair's task force.

The task force also should consider taking on several staff both to coordinate the activities of the working groups and to carry out the actual tasks. If, for example, the task force decides that it would like to undertake a major initiative on job development, it likely will have to put aside resources for at least one person to do this.

Similarly, if the task force decides to set up a labour force database or to create a workforce transition fund, it would have to assign resources to these areas. The staff could be based in the Regional Chair's office so that they are free to work with all relevant departments and organizations. Another possibility is to engage in partnerships to undertake the specific action items identified in the plan.

Forming Partnerships

Municipalities throughout the industrialized world increasingly are using partnerships to tackle complex problems that cross sectoral boundaries. Partnerships can help mobilize human, technical and financial resources from various sectors. They also help broaden the scope of groups and organizations taking responsibility for a given issue.

In Wisconsin, for example, municipal governments have established Community Steering Committees to forge partnerships among industry, nonprofit groups and government agencies. Among other tasks, the committees are expected to create private and public sector jobs, address child care and transportation problems, and provide advice to program administrators and participants.

The Ottawa-Carleton task force should consider the possibility of forming partnerships around selected initiatives within the labour force development strategy. For example, a tailor-made training program (described below) could involve a partnership between the Ottawa Tourism and Convention Authority and Algonquin College/*La Cité collégiale*.

In addition or alternatively, the partnership could pair trainers with the Ottawa Hoteliers Inc. or with specific companies within the sector such as the Marriott Hotel, the Chateau Laurier, the Westin Hotel or restaurants with several outlets throughout the Region.

The task force also may decide that it would like to work with the traditional educational institutes around certain areas of training. But for other industries (e.g., call centres, light manufacturing, home care), it may be more appropriate to strike a new nonprofit organization that would provide short-term training in partnership with a given firm. The Winnipeg-based Opportunities for Employment, described below, is a prototype.

A range of partnerships could be set up to help reduce workplace barriers. Five settlement agencies, for example, already are working with a regional welfare office to help newcomers to Canada

become financially independent. This project could evolve into a mentorship program in which local business people are paired with newcomers to help them overcome language barriers and find appropriate employment opportunities suited to their skills.

A partnership could be established to develop and manage the labour force information base. Participants could include the Ottawa Economic Development Corporation, the Regional Social Services Department, the Social Planning Council of Ottawa-Carleton and representatives from Human Resources Development Canada and Statistics Canada. As mentioned, a designated staff person would be responsible for carrying out the actual work.

Engaging the Private Sector

One of the unique aspects of the Waterloo-based OP2000 is the extent to which the private sector is engaged in this poverty reduction initiative. Private sector involvement is not a new idea – work throughout Europe and North America increasingly engages both large and small business in designing and implementing community-based solutions to economic and social problems. What is different about the Waterloo experience is the breadth of private sector involvement.

Selected business people have been engaged formally as community leaders through their participation in the Leadership Roundtable. Leadership involves educating the public about poverty reduction and developing various responses to the problem. But it also means acting in an exemplary fashion.

In Waterloo Region, the business leaders involved in OP2000 are encouraging their peers to examine their respective employment practices and broader involvement in the community. There are four key areas of employment practice: hiring, wages, working time and layoff. Community involvement is expressed through the contribution of expertise and funds.

Employers in Waterloo Region will be encouraged to make at least some of their new hires from the target population of low-income households. In some communities in Canada, this hiring is taking place through a well-planned and strategic process called ‘job development’ (discussed below).

In Waterloo Region, businesses will be encouraged by members of the Leadership Roundtable to examine their wage and benefit packages. Businesses should ensure that their employees are paid adequately and work sufficient numbers of hours to provide a living wage.

Employers can offer benefits not only in the form of health, dental and disability insurance. They also can offset work-related costs through arranging carpools and providing bus pass subsidies

(in lieu of providing parking spaces). Flexible working time can help accommodate child care responsibilities and may lower potential costs.

Finally, employers in Waterloo Region will be encouraged to consider other alternatives to layoffs. One possible solution, for example, is to allow a job-sharing arrangement in which two employees each can work on a two-thirds or three-quarter-time basis.

Clearly, reduced hours could create financial difficulties for the employees who lose one-quarter to one-third of their income. But partial income usually is seen as a far better choice than no income. Moreover, there may be some employees who actually prefer a reduction in working time in order to better meet their family responsibilities in caring for young children and/or aging parents.

Another alternative to layoffs is being tested in communities, such as Montreal, which have developed community-based 'early warning systems.' These systems help detect companies that may be in trouble and set up preventive 'rescue' missions before the problem actually occurs.

RESO (*le Regroupement pour la relance économique et social dans le sud-ouest de Montréal*) is located in an impoverished industrial area of Montreal. Faced with ongoing and massive plant closures through the 1980s and early 1990s, RESO developed a capacity to detect problems early and bring together its own and other community resources to stem the tide of exiting businesses. It worked with the targeted companies and broader community to determine ways of retaining the jobs at risk.

Ottawa-Carleton could identify several organizations, such as local industry councils and the Ottawa-Carleton Board of Trade, to act as an early warning network. The network would identify typical indicators of possible trouble – e.g., changes in ownership, disinvestment, layoffs, lack of maintenance, no new machinery to replace old equipment, and shifting equipment and managers to other plants.

If a shutdown is imminent, the network could alert the appropriate authorities to help save the plant by assisting the company, bringing in new owners or setting up an employee purchase plan. The recent closure of the Compaq plant in Kanata that resulted in 800 layoffs is an example in which the proposed early warning network could have tried to stave off the massive loss.

With respect to community involvement, members of the business sector in Waterloo Region are being encouraged to contribute their expertise to various components of the OP2000 project. For example, the Leadership Roundtable is spearheading Volunteer for Opportunity in which local business people are placed as volunteers in various economic development projects.

Some members of the private sector have become involved in OP2000 as mentors to entrepreneurs interested in setting up their own business. Others are conducting workshops on strategic

business planning and time management with small groups of prospective entrepreneurs. Still others sit on the OP2000 loan fund and determine the feasibility of business plans submitted for funding.

In Ottawa-Carleton, the business sector already contributes some legal and accounting services to new entrepreneurs on a *pro bono* basis through Ottawa-Carleton's Entrepreneurship Centre. The Ottawa-Carleton Volunteer Bureau has been spearheading a program on workplace voluntarism. Individual companies also can be engaged as partners in the proposed labour force development strategy; employees of Cognos, JetForm and The Body Shop, to name a few, are involved actively as community volunteers.

Waterloo Region also is approaching the private sector for funds. OP2000 has received contributions from private donors as well as individual companies, such as S-S Technologies, M&M Meats, the Co-operators, Conestoga-Rovers & Associates, and Canada Trust. Private donors are presented with several options, depending upon their areas of interest. They can invest in the overall OP2000 program to support its core operations.

Alternatively, donors can contribute to any of the individual economic development projects being spun off through OP2000 in conjunction with community partners. Private funders also can put their money into a Local Investment Fund that OP2000 is setting up to offset work-related costs, finance community business and seed Individual Development Accounts (discussed below).

Finally, the private sector can help promote the economic health of the Region through developing internal market opportunities. Local sourcing of supplies and labour, for example, keeps more money in the community.

In fact, Ottawa-Carleton's Strategic Economic Action Plan for 1997-98 supports this approach. It called upon the Ottawa-Carleton Board of Trade and the various Chambers of Commerce to develop a 'Think Ottawa' program. The purpose of the proposed program is to promote awareness of locally produced goods and available services as well as the benefits of local purchase.

Using Innovative Financing

Rather than initiating and paying for the entire labour force development strategy, the Region could consider various forms of innovative financing for certain components. For example, it could use leverage by providing seed money to selected nonprofit groups for certain projects. They, in turn, would be expected to use these funds to attract other resources.

The Region also could set up a labour force transition fund (discussed below) through a nonprofit organization, such as the Community Foundation of Ottawa-Carleton or Family Service Centre. The nonprofit then could issue tax receipts for donor contributions.

Another possibility is to establish a financing arrangement in which the Region matched both individual and corporate donations. The fund could be housed within an existing group, such as the Community Foundation of Ottawa-Carleton, or a newly created nonprofit organization.

The pool of funds could be used as loans for self-employment or as start-up for community businesses. Part or all of these funds could be directed towards individual scholarships or as subsidies or loans for education and training. The pool also could be used as a labour force transition fund to help prospective employees offset work-related costs. Finally, such funds could support Individual Development Accounts.

Several US foundations are testing various models of Individual Development Accounts (IDAs). Here in Canada, the model is being promoted by the Toronto-based Self-Employment Development Initiatives (SEDI). OP2000 will be the first pilot site for testing the IDA concept in Canada.

While the specifics vary, the model is fundamentally the same. Accounts are set up on behalf of selected low-income households. The sponsoring organization enters into an agreement with the targeted households. For every dollar a given household is able to save, the sponsoring organization matches the savings (typically on a 3:1 ratio), up to a designated maximum.

The matched funds are provided by local governments, private foundations and business. The funds accumulated through the matching process can be used for designated purposes only – i.e., education or training, business start-up, purchase of work-related tools and equipment, or collateral for a business loan or mortgage.

IDAs differ from other forms of financial assistance. Unlike loans, the funds built up in the account do not have to be repaid. Assets are important for building security and helping low-income people make long-term plans, such as returning to school or purchasing a home.

The potential problem for welfare recipients, in particular, is that these accounts could contravene the liquid asset exemption guidelines permitted under provincial welfare rules. SEDI is exploring this issue as part of its promotion of the concept in Canada.

Developing a Good Information Base

A good information base should comprise the foundation for the Region's labour force development strategy. Three major types of information should be gathered and regularly updated.

First, the Region should maintain current snapshots of the local labour force. The *Discovering Ottawa's Hidden Workforce* report is an excellent prototype.

Second, there should be an inventory of existing job vacancies. This information should be compiled not only from advertisement listings but also through more intensive job exploration known as ‘job development,’ described below.

Finally, the labour force development strategy should maintain information as to the various types of training offered in the Region. This list should include traditional sources of training, such as community colleges, and nontraditional sources, such as the Rideau Street Youth Enterprises.

The database should provide an inventory of available programs. It also should include information as to their capacity (e.g., numbers of participants) as well as their success rate in terms of work placement.

A centralized database would serve several purposes. The disparate sources of labour force information available at the local government levels (i.e., Ottawa, Nepean, Kanata, Gloucester) could be combined to present a broader regional picture.

A single source of information would provide more complete information for both job seekers and employers. A centralized database also would help identify gaps in certain services. The inventory of training opportunities, for example, may point to a need for training in sectors other than high technology, around which considerable efforts are already under way.

Removing Barriers

A labour force development plan should include a careful strategy to remove barriers to labour market participation. Barriers often prevent prospective workers from gaining access to existing training programs as well as available jobs.

The People’s Hearings on Poverty found that welfare recipients face significant barriers to returning to work. These barriers have less to do with their skill base or the job market, and more to do with other life issues or barriers to employment.

Barriers can arise from lack of a certain good or service (e.g., child care, accessible transportation), high cost or policies that create obstacles. Dealing with the problem of lack of services, in particular, generally requires long-term planning and investment in training, infrastructure or equipment (e.g., accessible buses).

i. Supply barriers

a. Child care

The barriers arising from lack of supply can be addressed in the short term in the same way as barriers resulting from high costs. Money can be provided to purchase the required good/service or a reasonable substitute.

For example, the lack of high-quality, affordable child care is a problem for many working families. And the need is great. In 1997, for example, 15 percent of new applicants for welfare in Ottawa-Carleton had children under age 6.

This long-term problem ideally should be addressed through investment in the supply of high-quality, affordable child care. In the short term, the Region can help reduce this barrier by providing money to households for child care. At least parents would have the funds to pay for private care until a subsidized space became available.

Funds up to a designated level could be paid to eligible households. The funds would be granted for a maximum time period (e.g., two years).

The designated time should be long enough to help a prospective worker complete training, get settled into the labour market or cover a limited period before the child is eligible for full-day school. A personal subsidy also would help households that required highly individualized or flexible care (e.g., for evening, late night or weekend shifts).

It is proposed that this money not come from the Social Services Department's 'special assistance' budget which is intended primarily for welfare recipients. Rather, a designated labour force transition fund could be created to support skill development and labour market participation for all low-income workers. It would cover the transitional period during which the unemployed, including welfare recipients, and low-income underemployed establish themselves in the labour market or other work-related opportunities.

The intent is to broaden the sources of financing as well as the range of people who have access to this fund. It could provide grants for designated purposes; receipts would be required. The pool also could operate as a loan fund for work-related costs. (The Region would have to ensure that a loan or any other work-related grant would not jeopardize the receipt of welfare, if required.)

The proposed labour force transition fund could be set up through a nonprofit organization, such as the Community Foundation of Ottawa-Carleton, the YM-YWCA or the Family Service Centre. Individual donors, business and organizations, such as service clubs, could make contributions to the fund for which a tax receipt would be issued.

ii. Cost barriers

a. Work-related costs

Sometimes barriers arise from the costs associated with job search or return to work. These costs include tuition fees; transportation for job interviews; work clothing; license to drive a vehicle for work purposes or to operate equipment; professional dues or license fees; and equipment, such as tools or protective gear.

OP2000 helps offset work-related costs through an Innovation Loan Fund. If the loan request is approved, participants can borrow up to \$500 at a time, up to a maximum \$1,000 to pay for tuition fees, personal needs or activities related to job search. Loans are secured on a promissory note and no collateral or previous credit history is required. Repayment is tied to the borrower's ability to pay and usually timed to coincide with the arrival of monthly welfare cheques.

Other programs provide a flat 'participation allowance' for any job search or work-related costs. For example, Family Services Co., a private nonprofit agency operating in 12 states, makes available interest-free loans of up to \$2,500 to cover transitional work expenses.

b. Education and training

The costs of education and training also create a barrier to employment. Many programs supported through the Department of Human Resources Development, for example, provide loans or grants for training only to Employment Insurance recipients.

But with severe cutbacks to that program in recent years, benefits now end earlier than before. Tighter eligibility rules make it more difficult for workers to qualify in the first place. Neither are the self-employed covered under the program.

Those who must apply for a student loan to cover the costs of training and living expenses may be daunted by the spectre of a massive debt load upon graduation. The fear becomes all the more real in the face of no job guarantees at the end of the road.

The proposed labour force transition fund could offset certain training-related costs, including tuition, textbooks and equipment, and modest living expenses. The fund could be provided in the form of a scholarship, grant, loan or some combination of these options.

c. Technical aids and equipment

Similarly, the transition fund could help cover the costs of special equipment or technical aids to enable a person with a disability to participate in a training program or to work. The fund also could be used by prospective employers for physical accommodation to the workplace (e.g., a ramp, wider washroom or visual fire alarm).

The special assistance budget within welfare currently provides for disability-related special needs – e.g., wheelchairs, hearing aids, prosthetic equipment, medications and assistive devices for independent living or work. But there are problems with the current system.

Special assistance items are intended primarily for welfare recipients. This policy virtually ties many individuals to welfare because they have no other source of support for the required aids and equipment.

Moreover, the special assistance budget faces severe constraints. Several items that used to be provided automatically, such as special eyeglasses for certain visual impairments, now are being held back.

d. Transportation

Transportation costs or lack of accessible transportation also can create a barrier to employment. Many American states now offer transit vouchers and mileage reimbursement for own vehicle use. Some are expanding transportation programs as part of a welfare reform package. New Jersey, for example, has set up a new \$3.7 million transportation fund.

On a smaller scale, innovative transportation options are being pursued at the local level. Financial assistance for purchasing used cars is provided in Baltimore County, Maryland. Fulton County, Georgia, has introduced extended hours for public transit. West Palm Beach County, Florida, allows the use of school buses in off-hours. Fond du Lac, Wisconsin, provides program-specific vans and volunteer drivers.

Suburban Job-Link Corporation is a Chicago-based nonprofit that combines carpooling with job placement. It helps unemployed residents in urban areas find work in the suburbs. The model is particularly relevant to Ottawa-Carleton in which many job opportunities are located in the outlying western and eastern parts of the Region.

Employers could be encouraged to help employees set up a home work station. The Region also might provide a transportation subsidy or arrange a ride or carpool for certain individuals – e.g., accessible taxi service for a person with a disability if there is no parallel transit system.

The People's Hearings on Poverty proposed that subsidized or free bus passes be made available for off-peak hours. This practice would promote access to public transportation and make better use of the buses during slower periods.

iii. Policy barriers

a. Private organizations

Labour force barriers also may arise from the policies of private groups and organizations. Other barriers are embedded in government policies.

New Canadians often find that educational institutions, trade and professional associations, and employers do not recognize skills acquired outside the country. The problem is not so much the acquisition of new skills or the upgrading of their education as recognition of the credentials these prospective workers already have.

Some may need to take extra courses to make their knowledge and skills consistent with Canadian requirements. They usually must pay for these courses on their own. The 'Catch-22' arises from the fact that these people typically cannot find work (at least in their particular field) until they have completed these requirements.

The Region could expand its work with local groups already involved in this area. Job search services are provided to new Canadians by several organizations, including the Catholic Immigration Centre, the Lebanese and Arab Social Services Agency of Ottawa-Carleton, Jewish Family Services and the Regional Social Services Department.

The Region also might consider supporting skilled immigrants to recertify in their own field or to retrain in a related field. A foreign-trained doctor, for example, might be assisted to finish or upgrade a degree in a medical research field. This type of initiative would help address the problem of under-employment experienced by many recent immigrants.

The removal of accreditation policy barriers is a long-term issue. In the meantime, there are short-term solutions being tested to help new Canadians on an individualized basis.

Skills for Change in Toronto, for example, operates a mentorship program in which foreign-trained job seekers 'shadow' other professionals. The relationship often leads to work placements through informal contacts and networks that the established professional is able to provide.

The Ottawa-Carleton Strategic Economic Development Plan for 1997-98 recommended the establishment of an accessible process to provide business mentoring for marginalized groups and individuals. The process would build on the success of community mentoring programs.

b. Governments

At the government level, barriers frequently arise from welfare rules. Problems typically are rooted in the treatment of assets and income.

Work tools generally are considered to be an asset. Before applicants can qualify for welfare, they often have to sell these tools to provide for their support. This policy makes it difficult for these individuals to resume self-employment at some future point or to seek work that requires special equipment.

Another problem relates to the treatment of income. Welfare recipients who try to start a business find that they can keep only a small part of their earnings. A longer transitional period typically is required for a new small business to take hold.

Most provincial public housing authorities do not allow tenants to operate businesses out of their apartments. Housing authorities also deduct business income from housing subsidies.

Many municipalities have zoning by-laws that prohibit the start-up and operation of a home-based business. Until recently, for example, it was illegal to teach piano lessons from a private home in Toronto. In rural areas, some municipalities have restrictive sign policies, making it impossible for rural businesses to promote their location to the public.

Clearly, certain barriers to labour force participation arise from policies outside the jurisdiction of regional governments. In this case, the Region can document and make known the problem to the appropriate authority. The labour force barriers inherent in both Employment Insurance and welfare policy are notable examples (although regional governments have some interpretive flexibility with respect to the latter).

Designing Selective Interventions

Caledon has learned an important lesson from the Waterloo experience. There is no single solution to the complex problems of unemployment, underemployment and poverty. The target population that would benefit from various interventions is far from homogeneous. It includes a number of subgroups, each of whom requires a different labour force intervention.

The US-based Aspen Institute has broken down the ‘economically disadvantaged’ into several distinct categories: the working poor, the unemployed, the persistently unemployed, the dependent poor and the indigent.

The working poor refer to part-time, full-time or self-employed workers whose wages fall below the poverty line. While these workers are connected to the mainstream economy, they are paid low wages and have few job-related benefits, such as dental or prescription drug coverage or private pensions.

The unemployed include individuals who are new entrants to the labour market as well as those reentering after a period of absence. The actual numbers of unemployed are higher than official estimates which exclude workers who become discouraged and no longer actively seek employment.

The persistently unemployed fall outside the mainstream labour market and have limited skills and little or no previous work experience. This category includes inner-city young adults and isolated rural populations.

Welfare recipients are classified as the dependent poor. While they rely on income support, many have employment potential. They may require training or upgrading. They also may need supports, such as affordable child care or assistance with job search and transportation costs.

Finally, the ‘indigent’ refer to citizens with no viable means of support. This category includes homeless persons and other groups at risk of becoming homeless, such as individuals in mental health treatment facilities and those with problems of substance abuse.

The working poor and unemployed can benefit from certain strategies, such as small business creation and the provision of capital for self-employment. The persistently unemployed and dependent poor, by contrast, would benefit more from competency-based training and supports, such as child care and workplace accommodation.

Those deemed indigent, such as homeless persons, require assistance with food and shelter. They also may need mental health or substance abuse services prior to considering any work-related options. It is for this segment of the population that a broader poverty reduction strategy is particularly relevant.

The Ottawa Economic Development Corporation has conducted an initial study of those not in the labour force (excluding students and retirees). This work can help inform the design of the labour force development strategy. The report includes breakdowns by age, gender, education, main activity and reason for not working.

The study estimates that in 1998, 144,300 people in the Region were not working or were underemployed. Of these, 80,500 were not in the labour force (not including students and retired persons), 38,800 were unemployed and 25,000 were underemployed. Of those outside the workforce, there were 27,575 welfare recipients deemed 'employable' and another 25,000 discouraged workers.

The Social Services Department also conducts annual New Applicant Studies on social assistance applicants. In 1997, new applicants were primarily male (60 percent), 76 percent had education levels of Grade 13 or less, 70 percent were semi-skilled or unskilled, and 15 percent had children under age 6.

i. Skills development

a. Education and training

When reviewing the profiles of new welfare applicants in Ottawa-Carleton, the Social Services Department found that 48 percent had education levels of Grade 11 or less. Twelve percent were immigrants and another 3 percent were refugees. Twenty-three percent of the applicants reported a mother tongue that was neither English nor French. The survey also found that 70 percent were semi-skilled or unskilled.

This profile implies that many participants require some education or training in order to find work. Basic education, including fluency in English or French, literacy and numeracy, may be appropriate for some people. Others may benefit by completing their high school diploma.

Research on the correlates of poverty shows clear links between level of education and poverty. Higher levels of education tend to be associated with lower poverty. But the role that education and training should play in the move from welfare to work is the subject of continued debate.

Some literature argues that welfare recipients should build their skills before seeking employment. In the long run, this investment will help them qualify for more stable, higher-paying jobs.

Other studies promote early labour market entry, with participants learning on the job and improving their earnings over time through advancement. Still other programs employ a combination of academic and work-related training.

Programs that link basic education with job training tend to motivate participants to learn more effectively than formal academic training. The most successful job-related literacy programs, for instance, employ materials relevant to the working environment – e.g., a child care manual for prospective child care workers or application forms for job seekers.

In Charlotte, North Carolina, the St. Francis Job Program works with young people between the ages of 18 and 24 who have left high school early. The program offers an 11-week program that combines education with job preparation. Each participant is paired with an adult mentor. St. Francis also pays a financial incentive for attendance. Within two years of opening, 156 young people had graduated, 71.5 percent of whom were employed, attending school or involved in further training.

Other programs employ education and training to keep young people from going on welfare in the first place. These programs teach marketable skills and provide relevant job experience. This approach is being promoted in Europe.

The European Union has instituted the 'Leonardo da Vinci' program that pairs education and training institutes with small- and medium-size enterprises. The program has initiated new approaches to training, work placements, apprenticeships and full-time study.

In Norway, vocational training and apprenticeships comprise an integral part of the education system. Educators, employers and prospective employees form an alliance that provides two years of schooling and two years of apprenticeship. Each municipality has a statutory duty to follow up with young people who have not applied for or accepted a training placement or who have not completed their education or training. They are offered vocational guidance and placement.

As part of the Suffolk Partnership in England, companies including McDonald's, Eastern Electricity, Ipswich Town Football Club and several small enterprises have developed job-related curriculum materials. These focus upon the generic skills required for work, such as effective communication and numeracy.

Several countries are organizing major initiatives around education and training. Scotland, for example, has adopted 'learning' as its key organizing theme for the new millennium. A number of municipalities throughout the country have designated themselves as 'learning communities.'

The City of Glasgow, in particular, has developed a multifaceted strategic plan focussed on learning. Its purpose is to promote learning opportunities for all members of the community through a range of innovative approaches – e.g., reading in the mall, learning through drama or team building through dance.

As part of its strategic plan, Glasgow is organizing creative partnerships involving local government, business, training institutes and nonprofit groups. These partnerships find ways to encourage young, unemployed people to return to school. The partnerships also test out innovative financing methods to support ongoing training, upgrading and skill development for workers and their families.

To date, many of the training initiatives in Ottawa-Carleton have focussed upon the high-technology sector. The Ottawa-Carleton Research Institute developed an inventory of technology human resource initiatives throughout the Region. The report identified more than 35 nonprofit, public and private organizations that provide high-technology training. Of these, only seven programs sponsored by the Department of Human Resources Development focussed on training the unemployed.

The Ottawa-Carleton Training Board also has commissioned a study of the staffing needs of high-tech employers. It will include a profile of the skill base of the unemployed and underemployed in the Region. The study is expected to recommend training programs to help bridge the gaps between the staffing needs of employers and the skill base of prospective employees.

As part of its overall strategy, the Region could consider the possibility of broadening the focus of its labour force development initiatives. The focus could expand in several ways.

First, there could be more training opportunities for people with lower education and skills. Given the profile of many welfare recipients and applicants, more suitable training could be designed that better matches their abilities.

The Region could coordinate the efforts of a wide range of organizations already involved in adult basic education and literacy. These include the Ottawa-Carleton Learning Foundation, the ABC Line run by the Ottawa-Carleton Coalition for Literacy, the adult basic education programs offered by local school boards, and the Basic Training and Skills Development Program at Algonquin College.

Second, there should be more training in sectors other than high technology. Although the advanced technology sector is growing rapidly, its current share of the employment pie at 10.2 percent is less than the service sector (37.2 percent), the federal public service (18.1 percent) and 'other sectors' (34.6 percent). Possible players for expanded training might include the Ottawa Hoteliers Inc., the Ottawa Tourism and Convention Authority, local chambers of commerce and the Public Service Commission of Canada.

b. Job development

While job development is an important component of any labour force strategy, it is often overlooked as a discrete activity. Job developers play a crucial brokerage role between employers and job seekers.

Job developers actively comb the local labour market to identify job vacancies. They also help find the 'hidden' job market often not advertised. Job developers can maintain a database of work

opportunities and of employers who have hired welfare recipients in the past. This database can comprise part of the labour force information bank, earlier described.

The Nova Scotia Compass program incorporated a job development component within local employment centres. Job developers prepared an inventory of employers, solicited and assessed training plans, matched clients to jobs and monitored placements.

The Compass evaluation identified the need for better job development training to improve the program's participation rates. But despite the need for improved job development, employers rated highly this component of the program. Government staff also praised it as a novel feature worth continuing.

Job development can be carried out by existing staff or by specialized job developers. There are several options for organizing this activity.

The Region could incorporate job development positions within the Social Services Department. It also could make job development a function of the broader labour force strategy – in which case this activity could be attached to the Chair's Office, the proposed task force or the Ottawa Economic Development Corporation.

Another option is to supplement the budgets of existing nonprofit employment services to enable their staff to play a job development role. The disadvantage of this approach, however, lies in the fact that several organizations would be canvassing the same employers. Ideally, job development should be coordinated on a regional basis.

c. Tailor-made training

Many labour force programs appear to be adopting a 'work first' or quick employment strategy. Pre-employment education and training are now shorter. They are geared to improving work habits and life skills, upgrading basic education and job-specific training. In the work first context, further education and training are deferred as a follow-up activity until prospective employees, and welfare recipients, in particular, have secured initial jobs.

'Tailor-made training' is a variation of the work first theme. Under this model, a designated organization provides very short-term, intensive training. Its purpose is to equip individuals to carry out existing jobs that employers are seeking to fill.

In some cases, the designated organization does not actually deliver the training but may partner with a company or an educational institute, such as a local community college, to teach the requisite

skills. While there is no guarantee that the trainees will be hired by the firm, it is in the interest of business to employ pre-screened people with job-ready skills.

Tailor-made training differs from traditional training which tends to take place over a longer period and therefore can be costly for the participant (e.g., finding affordable child care for the duration of the training program). Because the courses typically offered by community colleges or private institutes take (at least) several months, many unemployed workers cannot go without a source of income for so long.

Opportunities for Employment, a nonprofit organization based in Winnipeg, is one of the most well-developed examples of tailor-made training. It makes agreements with local employers seeking qualified workers. The organization then provides short training courses, often no more than three days to six weeks in length, for those specific job openings.

The employers for which training programs have been developed include furniture and building component manufacturers, hotels, insurance firms, call centres, the food service industry, and food producers and manufacturers. Training on computer software also is offered to help participants fill administrative positions in a wide range of firms.

The Learning Enrichment Foundation in Toronto is another example of an organization that employs a tailor-made approach to training. It provides an integrated package that includes job search, training and assistance with job placement and work-related supports, such as child care.

In Tulsa, Oklahoma, the nonprofit 'IndEx Inc.' delivers a combination of on-site training and work experience in local industrial plants. On any given day, participants spend four hours in the classroom and four hours on the shop floor performing light manufacturing work.

IndEx training consists of a 30-day program that teaches basic skills and some educational upgrading, and a 60-day component specializing in electronics and telecommunications. With no minimum education requirements, the program has been found to be particularly effective for welfare recipients with limited schooling and work skills.

The nonprofit Cleveland Works trains and places recipients with some 650 employers in full-time jobs that include paid health benefits. Cleveland Works has developed a solid reputation with industry by supplying only job-ready workers, declining to fill positions if suitable candidates are not available.

The Center for Employment Training in San José, California, operates training programs for young high school dropouts and minority single parents. The Center offers fairly short courses (about six months), is open to all entrants regardless of qualification and places participants quickly. The program has had successful employment and earnings results that have continued even after five years.

Ottawa-Carleton already has some experience with the tailor-made training model in the hospitality sector with work involving the Marriott Hotel. The Region could expand this model of training to include other sectors and employers.

The Region could bolster its training and labour force development efforts in the tourism, restaurant, retail, construction and other service sectors, such as call centres. The Ottawa Tourism and Convention Authority, for example, could help establish a training program for welfare recipients.

This proposal is consistent with the Ottawa-Carleton Strategic Economic Development Plan for 1997-98. It recommended the creation of opportunities to assist those facing barriers to participation in the workforce by developing co-op placements and apprenticeships with private business.

d. Job retention

There is growing awareness of the importance of providing follow-up, subsequent to special training and placement. The US-based Post-Employment Services Demonstration (PESD) project, which created special post-employment case managers, found that early and regular contact with participants was critical to job retention. For example, post-employment case managers help find ways to reduce work-related barriers, such as affordable child care and accessible transportation.

e. Financial incentives

Some programs employ monetary and other incentives to encourage participation or to reward 'positive' behaviour. In some cases, these incentives have ensured the success of the program.

The jobsOntario program that ran between 1992 and 1996, for example, offered employers a training subsidy of up to \$10,000 per hired welfare recipient. Although costly, the program demonstrated strong job retention: 82 percent of trainees were still working one year after being hired.

In other cases, the impact of financial incentives has been less clear. They may reward certain behaviours but inadvertently can cause 'negative' impacts as well. Job subsidies or payments to employers to accept trainees have not always had a good track record. They can end up displacing other job seekers that the employer would have hired anyway.

In Quebec, for example, the *Programme d'aide à l'intégration en emploi* (PAIE) offered cash grants for hiring welfare recipients in private and public sector jobs. While the program succeeded in finding jobs for participants, its impact on the permanent employment rate was less significant. Half of the private sector employers engaged in the program reported that they would have hired someone

without the incentive. The results imply a high ‘windfall’ gain for employers and a corresponding ‘deadweight loss’ for the program.

In another example of questionable results, Nova Scotia’s Compass program provided a wage subsidy of up to \$5.62 an hour for employers willing to hire job-ready welfare recipients. Firms had to commit to offering full-time employment when the subsidy ended. Only half of the employers met this commitment (although 57 percent of the hired employees were still working at the end of the two-year program).

A follow-up survey revealed that employers generally were pleased with the incentive. Again, however, about half indicated that they would have created the jobs anyway. While Nova Scotia has retained the wage subsidies, it is using them more selectively.

Another option is to offer incentives in the form of tax breaks. One possibility at the local level is to lower or delay the payment of property taxes for firms that have made a special effort to hire unemployed workers or welfare recipients.

Sacramento County, California, was highly successful with an aggressive job development effort focussed on a single employer. When a major computer and electronics firm announced that it was building an assembly plant in a local enterprise zone, the County offered tax credits for hiring welfare recipients.

Sacramento County staff coordinated a major employment outreach, screening more than 30,000 applications, matching applicants with positions, providing support services and following up on job leads. Of the plant’s 4,000 new jobs, 500 went to people formerly on welfare; another 300 recipients found temporary employment at the facility.

ii. Job creation

a. Self-employment and community business

The second stream of interventions within a labour force development strategy focusses not upon making links to existing vacancies. Rather, it is concerned primarily with the creation of new jobs through self-employment and the development of community businesses.

Extensive work is under way throughout the country to promote self-employment. A number of organizations have developed training programs focussed on entrepreneurial skills, such as business plan development, sources of financing, incorporation and marketing. In some cases, the courses are targeted to specific populations, including women and youth.

Several of these organizations participate in the Canadian CED Network. The Network has developed an inventory of products on self-employment and other community economic development activities. These are 'approved' products employed by the member organizations.

Some of these programs recruit active or retired business people to teach the course material. Other approaches incorporate an individualized mentorship program in which prospective entrepreneurs are matched to successful business people.

As part of its labour force development strategy, the Region could expand existing entrepreneurship programs. In fact, the Ottawa-Carleton Strategic Economic Development Plan for 1997-98 called for the establishment of an initiative to encourage entrepreneurial activity, particularly for employable youth and women.

The Region could build on the work of the Entrepreneurship Centre as well as the Enterprise Centre at the YM-YWCA. It could expand the Youth Employment Services of the Youth Services Bureau of Ottawa-Carleton and the Youth Employment Resource Centre of the John Howard Society.

The Region also could support the development of community businesses. But because its past experience in this area has not been positive, it may want to focus first on other possible interventions.

b. Access to capital

Lack of access to capital is a serious barrier to the development of small and community-based business. In response to this gap, several models of community financing have been developed throughout the country.

Peer lending was pioneered in Canada by Calmeadow and is modelled after successful local lending initiatives in the developing world. *Community loan funds* raise capital from individuals, business and private foundations to lend to 'high risk' entrepreneurs. Community loan funds also make available technical assistance related to the legal and financial aspects of running a business.

Another model of community financing involves alliances between nonprofits and financial institutions. The Centre for Community Enterprise in Port Alberni and VanCity Savings, for example, have created the Opportunity Development Partnership. Through a specially designed loan program called 'self-reliance' loans, VanCity provides credit of up to \$15,000 to applicants who qualify on the basis of their business plan, character and credit history. No collateral is required.

In developing community financing alternatives, the Region could work with the Ottawa Economic Development Corporation, the Canadian Venture Capital Association and the Community

Foundation of Ottawa-Carleton. It also could involve credit unions and banks, several of which have contributed to alternative financing arrangements.

The Bank of Montreal is a partner in the Funders' Consortium on Women and Economic Development based in Toronto. The Consortium consists of seven organizations – the Atkinson Charitable Foundation, the Bank of Montreal, Canadian Women's Foundation, the Kahanoff Foundation, Levi Strauss Inc., Nancy's Very Own Foundation and The Trillium Foundation. The pooled capital flows to the Canadian Women's Foundation that, in turn, disburses the funds to help groups of women throughout the country set up small businesses.

The Royal Bank makes financial contributions to OP2000. In fact, Ottawa-Carleton already has partnered with the Royal Bank and the province of Ontario to develop a Young Entrepreneur's Financing and Training Program. It provides up to \$7,500 in business start-up funding. The Entrepreneurship Centre acts as the designated trainer for loan applicants.

As part of its Strategic Economic Plan for 1997-98, the Region identified the need to “promote, communicate and facilitate the existence of investment capital.” The Ottawa Capital Network was set up to increase activity and efficiency in the local private investors market. It is unlikely, however, that any of this activity will benefit the unemployed and underemployed identified as part of the hidden labour market by the Ottawa Economic Development Corporation.

c. Access to technical assistance

Technical assistance helps make effective use of available capital. It includes community and business planning, marketing, financing, enterprise management, investment mechanisms, institution-building, human resource development, board development, trade opportunities and information technology.

Last year, the McConnell Family Foundation established a Community Economic Development Technical Assistance Program (CEDTAP) whose purpose is to support technical assistance projects for local organizations involved in economic development. The CEDTAP Secretariat is based at the Centre for the Study of Training, Investment and Economic Restructuring at Carleton University.

Poverty Reduction

A labour force development strategy is a crucial first step in addressing the related problems of unemployment and underemployment. However, the strategy will not necessarily make a major dent in lowering poverty.

Welfare reduction does not equal poverty reduction. Recipients who move off welfare into work often find that they are no better off – indeed may be worse off – than when they received income assistance.

The prime culprit is the changing labour market. The traditional link between declining unemployment and reduced poverty has been broken in recent years. Even when the national unemployment rate began to fall in 1996, the national poverty rate continued to rise. A job does not guarantee escape from poverty, as evident by the substantial numbers of ‘working poor.’

A labour force development strategy is a good beginning in that it attempts to make as many interventions as possible on both the skills development and job creation sides of the equation. But there are several major areas that the Region should consider if it embarks on a larger poverty reduction strategy.

First, it must focus upon how well basic needs are being met. Basic needs include affordable housing and access to nutritious food.

The Region already has created a Task Force on Homelessness that is addressing some of the basic needs issues. However, homelessness represents the tip-of-the-iceberg relative to the larger problem of housing affordability. The Region would have to focus on the supply of affordable accommodation available to the entire community.

In the area of food security, the Region can coordinate and expand upon a number of efforts currently under way. These include the School Breakfast Program and other initiatives for young children and expectant mothers organized by public health nurses.

Work in this area also should involve the Medical Officer of Health as well as local community health centres. Some centres are actively engaged in food security projects, such as good food boxes, collective kitchens and community gardens. The Community Gardening Network of Ottawa-Carleton could play a role in a broader anti-poverty strategy.

Local food banks can act as a base for food security initiatives that have a longer-term impact than the distribution of food bags. Food Share in Toronto, for example, is the nucleus of a wide range of programs, many of which have training and economic development spinoffs including community gardens, training for restaurant and catering work, community kitchens and organic food production.

The Ottawa Food Bank is the main distributor for more than 70 other food bank and feeding programs in the Region. It could be a key player in various forms of food-based economic development.

The (former) City of Toronto developed a food security policy and several initiatives to promote local access to high-quality, affordable food. The federal Department of Health is currently conducting research on various aspects of food security that could provide substantiating information for local work.

The Region also could involve West End Community Ventures, now a program of the Marjorie Lord Foundation. West End is organizing a series of three, one-day meetings on food security that will explore the links between urban consumers and rural producers. The potential for community economic development opportunities in the food sector – e.g., secondary processing – also will be discussed.

Another dimension of poverty reduction is to incorporate, wherever feasible, elements of skill building and economic development into the activities of all social service organizations. ‘Economic opportunity’ would become a key organizing theme. The widespread creation of opportunities is the approach being taken by OP2000. Virtually every service, local group and organization is being seen as a potential base for economic development.

Similarly in Ottawa-Carleton, any group or organization could become the foundation for skills training, employment brokering, assistance with job search or worker co-ops. Neighbourhood association meetings and peer support groups, for example, can provide a venue for unemployed individuals to discuss the potential for setting up a business, or a food or babysitting co-op. These groups include, for instance, the Ottawa Employment Support Group, Line 1000, Action 2000 Employment Services and the local Native Friendship Centre.

Immigrant settlement programs can act as the base for employment counselling, referral to training and the promotion of self-employment. Adult high school and English as a Second Language programs for adults can incorporate job referral and employment counselling. Local groups include the Ottawa-Carleton Immigrant Services Organization, the Catholic Immigration Centre, the Cultural Interpretation Service of Ottawa-Carleton and the Harambee Centres.

A social housing complex can become the centre from which to teach home or furniture repair skills to young people or unemployed residents. Families whose children participate in early childhood development projects can set up a barter system to exchange services, such as home repairs, babysitting, lawn care, typing of résumés, transportation or snow removal.

Family counselling programs based in the Family Service Centre or Catholic Family Service of Ottawa-Carleton, for example, can extend into skill building and economic development activities. Women’s groups can provide the core from which to organize child care co-operatives and home support which not only meet the need for services but also allow women to be paid for their work as caregivers. Local groups include the Women’s Career Counselling Service and the Multicultural Women’s Organization of Ottawa Region.

Finally, as part of a broad poverty reduction initiative, the Region should explore how its own policies and programs may be creating economic hardship. This exploration could consider, for example, the impact of property taxes upon certain households. The Region also should identify obstacles to certain programs and services, such as user fees for recreation and cultural events.

The Regional Chair's task force could take responsibility for a broader poverty reduction strategy. However, the membership of the group could expand somewhat to include low-income groups, private business and social agencies. In fact, the Region might consider the possibility of setting up a high-profile Leadership Roundtable, similar to the one in Waterloo Region.

A Leadership Roundtable helps engage all sectors of the community in poverty reduction. It also is intended to encourage members of the private sector to act as role models for their peers.

However, a separate Roundtable needs considerable guidance and staff support. The Region would have to be prepared to make this investment on its own or at least funnel support through a nonprofit organization that would take responsibility for spearheading the work.

The Results

Naturally, the Region will want to determine whether it has been successful in meeting its objectives and possible targets for reducing unemployment, underemployment and poverty. It also will want to know whether its financial and human resources were used efficiently.

An evaluation plan should be designed at the early stages of a labour force development strategy. Early planning will help ensure that the required baseline information is collected.

The evaluation should look at both quantitative and qualitative indicators. Quantitative indicators might include the number of participants in the projects, successful placements, changes in income and increases in hours worked. These indicators also could include broader impacts upon households – e.g., the ability to afford reasonable accommodation and nutritious food.

Our experience with OP2000 leads us to an important caution. Quantitative indicators – and indeed numerical targets – sometimes can take on inordinate significance in the logic of the project because they are easier to monitor and measure than 'soft' data. But qualitative indicators are equally important.

Qualitative indicators reflect changes not only with respect to employment but also in the quality of life. For example, a focus group might reveal that learning new skills improved participants' self-confidence and helped them find meaningful employment. Conversely, a participant might find that full-time work created strains on the family – the result of reduced time with children.

Another problem with quantitative indicators is that they cannot tell the entire story. For example, a project might be judged successful if it placed 500 welfare recipients in full-time positions. But duration is often the real test of successful placements. The Winnipeg-based Opportunities for Employment can claim success because 70 percent of its placements are still in effect after two years.

When reviewing existing training programs, their success in placing graduates should be considered. Where possible, it is important to identify the placement rate, the wage and hour levels achieved, the duration and regularity of the work, and the satisfaction of the participants and employers. Some of these components could be improved by incorporating a job developer, earlier described.

The cost-effectiveness of a program is another important dimension. At the outset of a labour force development strategy, the Region may have to make an initial or additional investment in training. But the associated savings over the longer term could be considerable and should be taken into account in any assessment.

Because of the complexities inherent in assessing the effectiveness of community-based projects, an evaluation is best designed and carried out by an outside organization with evaluation expertise and with no stake in the project (e.g., University of Ottawa or Carleton University). The University of Guelph is responsible for the evaluation of OP2000. A thorough evaluation requires at least 10 percent of the program budget.

OP2000 makes clear how challenging it is to evaluate a multifaceted program and determine attribution of the results. It also has taught us how daunting is the task of trying to tackle from a local perspective the complex problems of unemployment, underemployment and poverty. There are many constraints arising not just from cost but also from the complications of jurisdiction and the internationalization of the economy.

But despite the many challenges, it has become apparent just how much can be accomplished at the local level to reduce unemployment, underemployment and poverty. The major ingredient appears to be the ability of various sectors to engage in creative and collaborative problem-solving.