Engaging **Communities** in Support of Local Development

Measuring the Effects of the Community Employment Innovation Project on Communities

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May 2008

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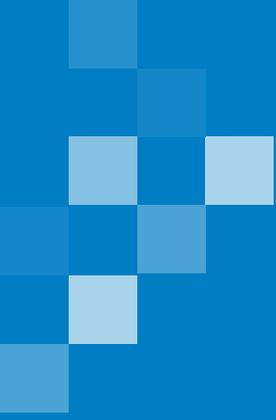
About SRDC

The Social Research and Demonstration Corporation (SRDC) is a non- profit organization and registered charity with offices in Ottawa and Vancouver. SRDC was created specifically to develop, field test, and rigorously evaluate social programs. SRDC's two-part mission is to help policy-makers and practitioners identify social policies and programs that improve the well-being of all Canadians, with a special concern for the effects on the disadvantaged, and to raise the standards of evidence that are used in assessing social policies. SRDC attempts to bridge the worlds of academic researchers, government policy-makers, and on-the-ground program operators. Providing a vehicle for the development and management of complex demonstration projects, SRDC seeks to work in close partnership with all levels of governments — federal, provincial and local — as well as with communities where these projects take place.

Acknowledgements

Introduction

I n January 2008, the Government of Canada announced an investment of $1 billion in a new Community Development Trust to support efforts by provincial and territorial governments to assist vulnerable communities and laid-off workers. This investment recognizes that not all regions and communities in Canada have shared equally in the benefits of sustained growth that the country has enjoyed for the last 15 years or so. Indeed, there are still communities where the unemployment rate has been persistently high, exceeding levels that are more than twice the national average.

Government responses to the problem of chronic unemployment have traditionally included a variety of direct job-creation programs and community development initiatives. Although many of these programs met their short-term objectives, problems persist and innovative responses are called for. The Community Employment Innovation Project (CEIP) is testing one such initiative, an alternative to traditional community development. CEIP offers a rich body of lessons learned on how to engage vulnerable communities and assist unemployed Canadians living in these communities, which provinces and territories may find useful as they begin to identify initiatives to support with the newly available development trust.

An Innovative Approach to Community Development

C EIP is a research and demonstration project testing an alternative form of income transfer payment for the unemployed that simultaneously supports community development by strengthening the social economy. As part of this demonstration project, six communities in the Cape Breton Regional Municipality (CBRM) were offered free labour for local projects — representing 2,250 worker years — while up to 750 Employment Insurance (EI) and income assistance (IA) beneficiaries were offered up to three years of meaningful work on projects developed by the communities.

A fundamental idea underlying CEIP is the notion that local communities should be able to define their needs and then develop projects that might meet those needs. In this spirit, CEIP offered extensive community control over project development in order to explicitly link projects to local priorities and needs. CEIP also differs from other programs in that it grows from a body of knowledge and practical experience with the social economy. While definitions of the social economy vary, a common defining element is its focus on organizations and institutions that are neither entirely private nor entirely public, but that share features of both sectors. CEIP is exploring whether this third sector can be used to develop employment opportunities that are meaningful for both the participant and the community in ways that the public and private sectors have not.

This report is part of a series of publications that evaluate the effects of CEIP on the unemployed individuals who participated in the project and the communities and organizations that developed the projects that employed them. CEIP began in 1999 with the engagement of communities with CEIP's offer. Recruitment of the participant workers occurred in parallel in 2000–2002. CEIP's operations phase ran from 2000 to 2005, where communities developed and operated projects that employed participants. The previous report, released in October 2007, presented the latest results from the participant impact study. This report focuses on the effects of CEIP on participating communities.

Evaluation of Community Effects

CEIP is utilizing a rigorous research design to test the effectiveness of offering subsidized labour to communities while giving them extensive control over local project development. There are two critical research hypotheses pertaining to communities that CEIP is designed to evaluate:

- Communities can generate worthwhile development projects that will provide meaningful work opportunities for unemployed workers; and

- Planning for and operating these projects will contribute to local capacity growth and longer-term community development by strengthening both the social and market economy.

The first of these hypotheses pertains to the program communities' response to CEIP's offer, their ability to organize and mobilize residents and resources, and their success in conceiving and establishing viable projects. The second concerns the effect of planning and operating these projects on the program communities themselves.

Research Design: Quasi-Experimental Theory of Change Evaluation

CEIP uses a multiple-methods research design relying on both a "theory of change" approach and a quasi-experimental comparison communities design. Theory of change methodology requires that evaluators lay out explicit or implicit theories about how and why a program should or should not work. All expected outcomes and critical assumptions built into the program, logic, timing, and thresholds for changes should be specified in detail. Methods for data collection and analysis are then constructed to track unfolding outcomes and show which theories the evidence best supports. For theories to be credible, they must be developed through consultation with key stakeholders who have interest and knowledge about the program and its potential effects.

In order to increase the robustness of the overall evaluation, CEIP incorporates a quasi-experimental comparison communities design. A group of similar communities in Cape Breton and mainland Nova Scotia were matched to the six CEIP program sites to serve as a counterfactual. Data was collected in all communities and compared across program and comparison sites using statistical techniques to adjust for community differences not related to CEIP. The quasi-experimental design allows evaluators to validate any changes that are observed in program communities over time by providing implicit thresholds for observed changes, where only changes that are statistically different from comparison communities are considered possible effects of CEIP.

Expected Effects of CEIP

Through an ongoing process of consultation with program funders, designers, and key stakeholders from program communities, various theories of change were elicited throughout the program. Although consensus was not obtained on all possible outcomes and effects of the program, input from each stakeholder fits consistently in a basic

framework for expected change. Figure ES.1 illustrates that outcomes were theorized to be observed at the resident, organization and community levels within program communities. It also identifies which outcomes are expected to be most prominent at various points during the intervention: those related to engagement and mobilization of program communities in years 1–3; to project development, service delivery, and some interim effects in years 4–5; and to longer-term effects in years 6–7.

Figure ES.1: CEIP Theory of Change Framework (Simplified Summary)
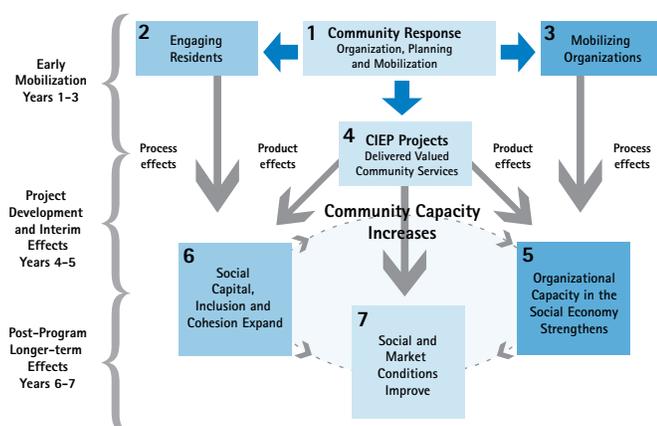
Early Mobilization and Project Development

During the initial 2–3 years of the program, certain community responses were expected to occur because of CEIP's offer (box 1 of Figure ES.1). The Social Research and Demonstration Corporation (SRDC) would deliver the offer through public consultation meetings and residents would hold an open vote to accept or decline the offer. If accepted, each community was expected to elect a functional, democratic body or board within 18 months to develop a strategic plan and begin the process of developing projects to employ CEIP workers. The first project in each community was expected to be approved within 24 months of the board's formation.

Community boards were expected to effectively engage and mobilize residents (box 2) to become involved with their CEIP-related efforts by serving on steering committees, volunteering as board members, attending public meetings, planning activities, providing capacity assessment. Boards were also expected to reach out to organizations in their communities (box 3) to contribute to their early planning activities and to develop and submit project proposals. Although project development (box 4) was expected to begin early in the study, it was to expand in subsequent years as CEIP workers were recruited over the 24 month timeline beginning in year 2. With three years of program eligibility, program communities had up to five years to make use of free workforce, depending on how quickly they completed their organizational and planning responsibilities.

Process and Product Effects on Program Communities

Medium- and longer-term effects on program communities were expected to emerge through two sources: the *process* of each community's engagement, organization and mobilization as well as the *products*, or output, of the projects themselves. Stakeholders consistently stated that CEIP workforce would increase the capacity of local third-sector organizations (box 5) to serve their community, particularly among sponsors. The most obvious source of improved capacity is the value-added from CEIP's free workforce. Beyond that, however, organizations might also obtain new resources or leverage existing ones as they implement CEIP projects, improve capacity from training or technical assistance, and improve links and co-operation with other third-sector organizations in and outside their community.

Increased involvement and interaction of residents was also an expected result of CEIP, both from the *process* of engagement and from the CEIP projects themselves, leading to improved social capital, inclusiveness and cohesion among residents (box 6). Each outcome is an important component of broader community capacity, which may "grease the wheels" of the social and market economy as well as support future community development.

CEIP adopts a network-based measure of social capital that is consistent with recent conceptual developments in the literature. For example, stakeholders expected that CEIP would improve connections between residents by providing opportunities for new social relationships or links to employment referred to as *bridging social capital*. This may result in increases in the size of social networks or the number of links to various sources within them, or changes in the heterogeneity or density of the network structures themselves.

Although the definition of social inclusion varies, a common notion is equality of access to and participation in valued dimensions of society. CEIP was expected to improve participation-based measures of inclusion through increased and more diverse involvement of residents in community life. The program was also expected to improve access-based measures of inclusion through improved options for resident involvement arising directly from CEIP projects, such as greater availability of childcare or transportation services, or indirectly from improved social capital, such as meeting other residents who offer to carpool to work. The definition of social cohesion also varies in the literature, though the most common element is a shared sense of community and pride in local identity that allows individuals to feel attached to their community and experience reduced feelings of isolation. Trust has also been identified as an important component of social cohesion, and, in the context of CEIP, can be enhanced by increased social contact as well as perceived improvements in local engagement and support from fellow residents.

The effects evaluation also monitors a wide range of additional outcomes at the community level, including economic effects on employment rates, wages and income as well as social effects on poverty and hardship, health, crime and safety, the environment, and stabilizing population trends (box 7). Evidence of these hypothesized changes due to *process* or *product* effects was sought using indicators from a wide range of data. The central data source was a three-wave longitudinal survey in all program communities and comparison sites. Administrative data, in-depth

interviews with key stakeholders, local observations, and environmental scans of local media have also taken place in program communities while changes in the social and market economies have been gauged through regular audits of the local economy.

Key Outcomes

The Process: Community Engagement, Organization and Mobilization

Results suggest that, despite a number of early implementation difficulties and initial resistance to CEIP among some local organizations and groups, communities can effectively engage, organize and mobilize their resources to develop projects that both provide meaningful employment for participants and address a range of locally identified community development needs.

All communities accepted CEIP's offer through open votes at public meetings and formed steering committees to coordinate their initial involvement in the program.

The relative success of the engagement process, however, was mixed across program communities. Poor turnout in Dominion, the smallest community, and significant displays of dissent among residents in Whitney Pier resulted in the postponement of their initial votes pending further consultation. CEIP's offer was often misunderstood and viewed by some residents as a grants or workfare program, requiring extended discussions in some communities to clarify the intent of the project.

Each community successfully organized a representative, functional board and prepared a strategic plan to guide project development and use of CEIP workers.

Although some boards had difficulty in finding skilled volunteers to serve as board members, a sufficient number
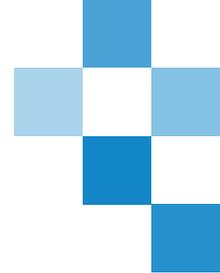
of nominees were put forth by each steering committee for consideration by the community. Board members were subsequently elected through open and democratic votes within the 18-month timeline, though the turnout for some of these elections was quite low — particularly in Dominion.

Once approved, community boards struggled not in establishing effective operating practices, but in maintaining them. Board operations were gradually weakened by a combination of membership turnover or departures, a lack of broad, institutional participation from existing development organizations, exhaustion of over-worked volunteers, and declining attendance at their public meetings. Although no serious and sustained public challenges arose, a lack of greater engagement potentially threatened the legitimacy of boards and the choices they made regarding the use of the program's resources.

Each community prepared a strategic plan to guide project development that was largely consistent with its priorities.

While each board was also successful in preparing a strategic plan that provided a set of priorities to guide project development, the process was less comprehensive than expected, with boards tending to focus on the outcome of strategic planning rather than the process of community consultation. This was due, in part, to their perception of the pressure to create jobs quickly within the allocated 24-month timeline. Nonetheless, local representatives were accurate in reflecting many of the priorities of their community, as subsequently revealed in the community survey.

Boards were successful in raising awareness of CEIP among residents and the overwhelming majority supported the program.

About a third of residents in New Waterford, Whitney Pier, Sydney Mines and North Sydney had heard of CEIP in years 1–2. Although this rate was slightly lower in Dominion and Glace Bay (at about a quarter), it was still significantly higher than the level of awareness observed in comparison sites, at less than 20 per cent. These rates were steady for the remainder of the study, though they climbed to about 40 per cent in Sydney Mines and North Sydney. By the end of the follow-up survey in 2006, awareness of CEIP in program

communities remained above that in comparison sites.

Among residents who were aware of the project, over 90 per cent supported CEIP, a steady rate throughout the life of the project. The intensity of support varied, however, with the highest levels occurring in New Waterford and Sydney Mines where 60 per cent indicated that they strongly supported CEIP, compared to less than half in other program communities. Support and opinions of the effectiveness of community boards also varied. Most notably, the percentage of those who were aware of their local board and rated their responsiveness to their communities as good or very good varied between two thirds in New Waterford, Sydney Mines and North Sydney to under half in Glace Bay and Whitney Pier.

Communities achieved a high level of involvement in CEIP, providing a significant resource for organizations and increased interaction among residents.

Increased awareness and support for the program may have also led to higher levels of involvement and interaction among residents (non-participants) in CEIP activities, which would increase the likelihood of achieving process-related effects in some program communities. Figure ES.2 illustrates that the level of CEIP-related involvement in New Waterford, Sydney Mines, Whitney Pier and North Sydney was significantly higher than the one observed in comparison sites, representing a substantial resource for the program communities as they implemented CEIP.

Communities successfully mobilized local organizations to develop projects that employed CEIP workers.

Over 250 local organizations were mobilized by program communities to develop CEIP projects that would employ participants. Evidence suggests that, with limited capital support and the relatively short timelines for project development inherent in the CEIP model, program communities largely relied on existing organizations in the non-profit and voluntary sectors to develop projects. Although some new partnerships were formed, most community projects were simply extensions of existing operations of non-profit organizations.

Dominion was unable to carry its early momentum forward and did not mobilize any local organizations to develop projects. Evidence suggests that the small size of the community had not provided the critical mass needed for successful, sustained involvement and mobilization, at least within the 24-month timeline.

Figure ES.2: Involvement in CEIP in Last Two Years, by Community
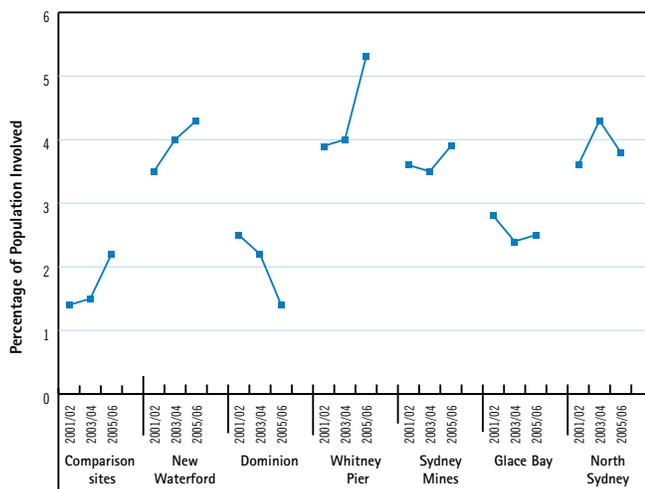
Source: Calculations from Waves 1–3 of CEIP's community survey.

The Product: Project Development and Job Creation

Communities successfully implemented CEIP projects, serving a variety of sectors while providing positions for participants in a range of occupations.

Throughout the study, program communities created 295 projects that served a wide range of community needs. Approximately 1,300 positions were generated through these projects, which spanned all 10 National Occupational Categorizations and were filled through some 2,100 work placements. CEIP projects were also successful in providing

meaningful employment for participants in terms of the skill level of jobs offered and the varied nature of work provided.

Most program communities were successful in generating at least some higher-skilled employment.

Figure ES.3 illustrates the variation in CEIP-related resources that were assigned to program communities, in terms of the number of CEIP worker years and the skill levels of jobs that were generated through projects approved by the respective community boards.

Despite some variation in the scale of projects, all program communities but Dominion were able to generate

Figure ES.3: Involvement in CEIP in Last Two Years, by Community
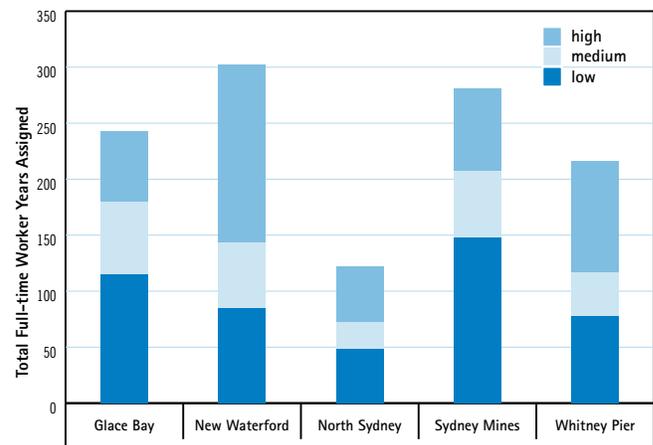
*Source: Calculations from CEIP's Program Management Information System (PMIS).*

employment that was not only meaningful for participants, but that also added significant value to sponsors. Contrary to traditional programs of direct job creation, where uniformly low-skilled jobs are typically the norm, CEIP was successful in providing a range of occupations in both medium- and higher-skilled positions.
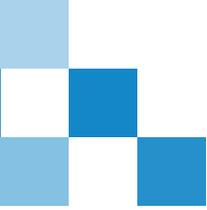
Each community developed a similar range of projects — some that were of benefit to all residents, while others were targeted at particular sectors in need.

Figure ES.4 illustrates how program communities chose to allocate their CEIP-related resources to various sectors. The two largest categories of projects in each community — environment, beautification and health as well as recreation, arts and culture — account for nearly half of the CEIP-related resources assigned. Program communities also developed projects aimed at particular community subgroups — namely, those with low incomes, seniors and youth. Projects that provided services to seniors included supports for independent living, health care assistance, recreation and advocacy while youth-oriented projects included educational institutions, recreational and athletic associations, youth centres, religious organizations and special events geared to youth. The third largest category of projects involved services to the poor, and included food banks, shelters, a housing association, a residential treatment center, and various charitable organizations.

Figure ES.4: Percentage of Work Years Assigned, by Community and Sector Served

Legend:
- Health, Environment, Beautification
- Recreation, Arts and Culture
- Services for the Poor, Unemployed
- Supports for Seniors
- Supports for Youth
- Other: Services for the Disabled CED Agencies, CEIP Boards

Communities: Glace Bay, New Waterford, North Sydney, Sydney Mines, Whitney Pier
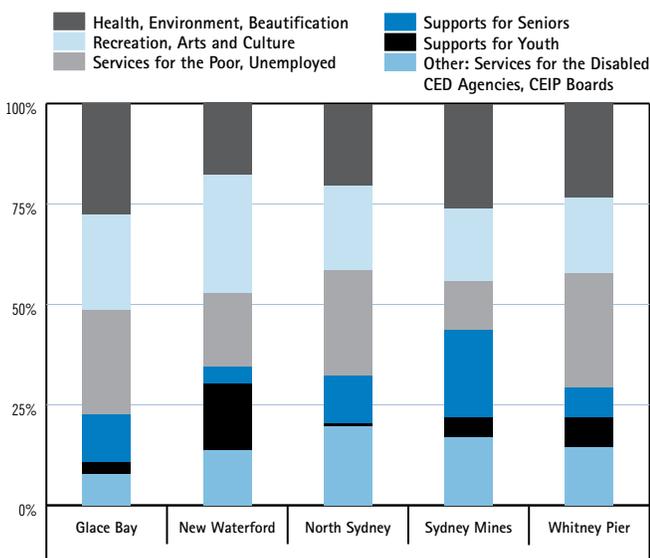
Source: Calculations from CEIP's PMIS.

Summary of Community Effects

CEIP's effect on program communities were expected to emerge through two sources: the process of each community's engagement, organization and mobilization, and the product, or output, of the projects themselves. Given the considerable differences across program communities in these early processes and the scale and types of projects that were implemented, this variation can provide further support for the link between CEIP and some of the community changes that were observed through the quasi-experimental design.

Sponsors experienced substantial improvements in their capacity to carry out their missions and engage in longer-term planning.

Effects on the capacity of sponsors were most readily apparent. The multi-year availability of workers was reported to provide significant support to the mission of sponsors and help them engage in longer-term planning than they otherwise would have been able with single-year, renewable grants. CEIP appears to have responded to two central needs of non-profit organizations: availability of human resources and flexible, longer-term funding arrangements.

Capacity gains were identified along a number of dimensions, including the availability of sufficiently skilled workers, and other leveraged resources to aid in the operation of projects. Furthermore, nearly three quarters of sponsors interviewed reported that CEIP enhanced their ability to network with other organizations and individuals in their community. In particular, organizations that engaged in outreach as part of their operations were significantly helped by participants.

Residents were better able to preserve social capital.

CEIP also appears to have generated improvements in a number of other outcomes critical to community capacity. Residents in program communities improved their social capital in terms of both the resources that are accessible within their networks as well as their network structural

characteristics. They experienced smaller reductions in the number of links to social supports and slightly larger improvements in network density than observed in comparison sites.

Improvements were observed on a range of measures of social cohesion and inclusion of residents in local community life.

Social cohesion improved in several program communities with slightly larger increases in trust among residents and the extent of local attachment. With respect to inclusion, residents in several program communities have improved access to their communities with increased availability of transportation and childcare, accompanied by somewhat higher levels of local participation, including associational activity and memberships in organizations and groups.

Improvements on several additional social indicators were observed in areas consistent with the services of the largest group of CEIP projects.

Several program communities experienced small improvements in a number of additional broad indicators of social conditions. Most notably, a number of positive indicators of improved neighbourhood and housing quality were observed in program communities, including larger reductions in unsightly premises and the need for household repairs, which were consistent with the broad focus on environmental and beautification projects in most communities. Furthermore, improvements in self-assessed health and the overall level of community satisfaction were observed in two program communities.

A number of positive changes have also taken place for key subgroups that were of high priority for communities, including youth and seniors.

Among the communities that dedicated the largest number of CEIP resources to youth projects, the youth experienced a range of positive effects, most notably large and sustained improvements in social networks and the extent of trust,

greater than those changes observed in comparison sites. The investment of some communities in seniors' projects also appeared to pay off with larger increases in social capital, trust, and by far some of the most positive health outcomes in at least one program community.

Few changes in local market conditions can be reliably linked with CEIP.

With respect to economic conditions, there are few statistically significant differences in changes in employment rates, wages, income, or broader economic activity across program communities that can be linked to CEIP. A slightly larger increase in the rate of full-time employment, hours of work, and the distribution of incomes was observed in a few program communities. These differences, however, were quite small and given the scale and distribution of CEIP projects — their pattern can not be reliably attributed to the program.

In Conclusion

Can communities generate worthwhile community development projects that provide meaningful work opportunities for unemployed workers?

Results suggest that communities can effectively engage, organize, and mobilize their resources to develop projects that provide not only meaningful employment for participants but address a range of locally identified community development needs. However, results also suggest the importance of existing capacity and, possibly, minimum thresholds for population and third-sector organization size for successful engagement and mobilization.

Evidence also suggests that, with the limited capital support and the relatively short timelines for project development inherent in the CEIP model, communities will largely rely on existing organizations in the non-profit and voluntary sectors to develop projects. CEIP projects were successful in

providing meaningful employment for participants in terms of the skill level of jobs offered and the varied nature of work provided.

Will planning and operating these projects contribute to local capacity growth and longer-term community development by strengthening both the social and market economies?

Results from the quasi-experimental community effects study indicate a preponderance of positive changes in program communities and improvements in local capacity and social conditions, largely consistent with expectations outlined in the theory of change. Positive changes were more prominent in program communities that had more success in the organization and mobilization of local resources and in the development of CEIP projects.

Positive effects on the capacity of sponsoring organizations were the most readily apparent. The multi-year availability of CEIP workers was reported to provide significant support for the missions of sponsoring organizations and to help them engage in longer-term planning than they otherwise would have been able to realize under a single-year, renewable grants program. CEIP appears to respond to two central needs of non-profits: availability of human resources and flexible longer-term funding arrangements.

In addition to organizational capacity, CEIP also appears to have generated improvements in a number of other outcomes critical to community capacity. Evidence suggests that residents in program communities have improved their social capital, including the structure of their social networks and the links to resources within them, relative to comparison communities. Social cohesion has also increased to a greater extent on a least one measure — generalized trust among residents — in most program communities. Furthermore, larger improvements in a number of participation- and access-based measures of social inclusion were observed in program communities. In addition to directly increasing community involvement while local boards were being organized, CEIP may also have encouraged further associational activity and memberships in community organizations to at least some extent.

Although this study detects little definitive effect of CEIP on aggregate market outcomes at a community level, the positive effects on voluntary sector organizations, social capital of residents, and to a lesser extent on cohesion and inclusion, are noteworthy. Though each is important in their own right as a measure of social conditions in communities, they are also significant components of broader community capacity. Improvements in any of these areas could "grease the wheels" of the social economy and provide support for future community development efforts.

Forthcoming Final Report

This report is only one dimension of the overall evaluation of the program. The second component of the program concerns impacts on CEIP workers. Earlier reports reviewed those impacts through the three years of program eligibility. A final report will present post-program impacts on participants over a year after their eligibility ended, integrate results from CEIP's study of community effects, and present a comprehensive cost–benefit analysis to determine the overall net societal value of the program.
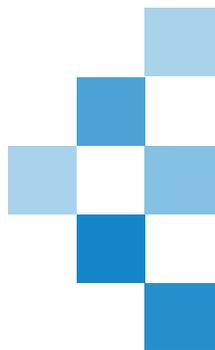
CEIP Publications

Full report

Engaging communities in support of local development: Measuring the effects of the Community Employment Innovation Project on communities, by David Gyarmati, Shawn de Raaf, Boris Palameta, Claudia Nicholson, Taylor Shek-Wai Hui, Darrell Kyte, and Melanie MacInnis (May 2008).

Other CEIP publications

Improving skills, networks, and livelihoods through community-based work: Three-year impacts of the Community Employment Innovation Project, by David Gyarmati, Shawn de Raaf, Claudia Nicholson, Boris Palameta, Taylor Shek-Wai Hui, and Melanie MacInnis (October 2007).

Testing a community-based jobs strategy for the unemployed: Early impacts of the Community Employment Innovation Project, by David Gyarmati, Shawn de Raaf, Claudia Nicholson, Darrell Kyte, and Melanie MacInnis (November 2006).

The Community Employment Innovation Project: Design and implementation, by John Greenwood, Claudia Nicholson, David Gyarmati, Darrell Kyte, Melanie MacInnis and Reuben Ford (December 2003).

A model of social capital formation (working paper 03-01 published in English only), by Cathleen Johnson (January 2003).

A review of the theory and practice of social economy/ Économie sociale in Canada (working paper 02-02 published in English only), by William A. Ninacs with assistance from Michael Toye (August 2002).