Helping Government-Assisted Refugees Integrate Into the Canadian Labour Market: A Proposal for a Research and Demonstration Project

Preliminary Project Design Report

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Citizenship and Immigration Canada

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I. Policy Issue

Canada has received, with generosity, refugees from all over the world over many years and has provided them with a secure option.[1] Unlike most immigrants who plan and choose to leave their home countries in search of better living conditions, refugees flee their countries to escape persecution or danger and seek protection in a foreign country.

Many refugees who arrive in Canada face issues of acculturation and barriers to labour market integration. They face limited employment opportunities due to their lack of Canadian work experience, occupational skills, and social networks. In addition to these hurdles, numerous refugees have no or insufficient knowledge of English or French; they often have reception and settlement needs beyond those of other immigrant groups. In particular, government-assisted refugees (GARs) may be traumatized by their experiences and often arrive alone and have no connection with their new community and, therefore, no one to assist them in the early stages of settlement.

> *The problem is especially acute for the roughly 25,000 refugees and special humanitarian cases who arrive in Canada each year. In virtually all cases they come here with little or no wealth, and few marketable skills.* (Sarlo, 1996)

The Resettlement Assistance Program (RAP) is the main federal government program intended for government-assisted refugees. The program provides some immediate, essential services during the initial weeks in Canada[2] and basic income support during the first year after landing or until the refugee becomes self-sufficient, whichever occurs first. In addition, a wide range of services is provided to help facilitate immigrant and refugee settlement and integration such as adult language training, orientation, settlement counselling, employment services, information, and referral.

Despite the provision of these services,[3] labour market integration remains problematic. Most government-assisted refugees apply for welfare after they have exhausted their 12 months of income support from RAP.[4] GARs typically have low employment earnings and a high rate of welfare dependence in the initial years following their arrival in Canada. In addition, a number of studies have found a substantial deterioration in the earnings of recent refugees and immigrants both in absolute terms (compared with the earnings of earlier cohorts of newcomers during their initial years in Canada) and relative to their native-born counterparts. This situation poses a real challenge to policy-makers: What are the means and tools that could facilitate early and sustained economic integration among new refugees?

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[1] The United Nations High Commissioner for Refugees (UNHCR) estimated 24 million world refugees in 1995. Canada has, on average, accepted between seven and eight thousand government-assisted refugees annually since 1995, which represents an overall decline in Canadian resettlement programs.

[2] These services include port of entry reception, arrangement of temporary lodging, getting new arrivals to their final destination in Canada, help with locating and securing permanent accommodation, financial orientation, general orientation, needs assessment, and broad-based settlement services.

[3] Some settlement service providers feel that language training and other settlement services currently available are good but insufficient. Initiatives that enhance current services — extension of language training to a higher LINC level, bridging programs to employment (for example, labour market specific language), and access to employment opportunities identified by local HRDC offices — are critical.

[4] In a speech to delegates at the BC Teal Conference on February 23, 2001, the Director of Settlement Services at Immigrant Services Society of British Columbia noted that CIC issued a letter of introduction to the provincial welfare agency for roughly 9 out of 10 government-assisted refugees who had exhausted their RAP benefits.

The growing literature on the economic integration of immigrants emphasizes the importance of "language capital" (speaking, reading, and writing in the official language of the host country). The consensus is that the ability to communicate in one of Canada's official languages promotes economic and social integration and is an important determinant of employment success, but many new refugees arrive with little or no English or French. Many enrol in language classes, but language acquisition is a slow process and the classroom may not always be the best place to learn the culture, attitudes, and social codes of a country's workplace. Some would argue that new immigrants would achieve economic self-sufficiency more quickly and would integrate into the labour market faster if they started to work earlier and learned the language in the workplace. Even though this first job may require no or minimal language skills, working with native speakers in the context of the workplace may lead them to learn the language more quickly. In addition, they would gain Canadian work experience. They can then move to more demanding jobs in terms of occupational and language skills and begin to climb the earnings ladder. Individuals can even continue taking language training while working.

An alternative view is that such an approach is rather risky and can lead to more damages than benefits. If refugees lose their jobs without having acquired enough language skills, they may face no other alternative than social assistance, having exhausted their RAP benefits. In addition, refugees who accept low-level entry jobs may become mired in these low-paying positions if they do not continue to advance their language skills. The idea of encouraging refugees to find immediate employment may work for some individuals; for many others, however, immediate employment may not lead to sustained and successful labour market integration. Proponents of this viewpoint would argue that language instruction and even vocational training are prerequisites to finding a first job.

The upshot is that there is clearly a lack of evidence on which are the most effective pathways to successful labour market integration for refugees. To meet the labour market integration needs of future refugees, policy-makers need to know what works today and what will work best in the future. Research can contribute significantly toward understanding the refugee resettlement process and informing future integration strategies.

The federal government is interested in exploring ways to improve existing settlement and integration programs for refugees. As part of this goal, Citizenship and Immigration Canada (CIC) commissioned the Social Research and Demonstration Corporation (SRDC) to identify potential new program ideas that could help refugees achieve a successful integration into the Canadian labour market and that could be evaluated independently and rigorously via demonstration projects. CIC indicated their interest for one specific group of refugees — government-assisted refugees. In June 2001, SRDC submitted to CIC an options paper identifying four potential program ideas.[5]

An important step in preparation for a large-scale demonstration project is the preparation of a detailed project design. This report provides a preliminary research and project design, which lays the groundwork for a more detailed design document that would be required if the demonstration project was to proceed.

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[5]Social Research and Demonstration Corporation. (2001). *Promising Interventions to Improve the Integration of Government-Assisted Refugees Into the Canadian Labour Market.*

The remainder of this report is organized as follows. Section II provides a brief description of the target population. Section III briefly describes the potential interventions and the rationale behind their design and highlights several key recommendations made by stakeholders who participated in consultation workshops about the proposed interventions. Section IV describes the design of the proposed models. Section V discusses the research framework and the research and evaluation strategy. Section VI discusses the project implementation, sample size, and site selection. The final section proposes timelines and budgets for the implementation and evaluation of demonstration projects corresponding to each of the proposed interventions.

II. Profile of the Target Population

This section presents some basic information about the target population in order to help program designers understand who are the potential participants for the demonstration.[6]

GARs are not a homogenous group; they have a broad range of socio-economic characteristics. The population is diverse, but also very disadvantaged. This diversity underscores the variety of circumstances that can result in poor labour market outcomes. The design of any labour market interventions targeted at GARs need to acknowledge this diversity and the challenges it presents.

SOCIO-ECONOMIC CHARACTERISTICS

- The number of GARs resettling in Canada has decreased in the 1990s — the average annual numbers of GARs arriving in Canada were approximately 13,000 in the 1980s and 8,400 in the 1990s.
- GARs represent a small proportion of total immigrants who settle in Canada; they represented five per cent of all immigrants who arrived in Canada in 2000.
- Before 1990 more male GARs were arriving in Canada, but more recently, a similar number of males and females have made Canada their new home annually.
- Since 1991 more principal applicants arriving in Canada are married and are accompanied by spouses or dependants or both.
- Overall, GARs tend to be younger than the Canadian population — more specifically, a very low percentage of GARs are over the age of 45.

WHERE GOVERNMENT-ASSISTED REFUGEES COME FROM AND WHERE THEY SETTLE

- The source areas and countries from which GARs come from have varied over the years, reflecting the wars and crises throughout the world. The top 10 source countries in 2000 from which GARs came from, in descending order, were Yugoslavia, Afghanistan, and Bosnia-Herzegovina followed closely by Croatia, Iran, Columbia, Iraq, Egypt, Sudan, and Zaire.
- Overall, the majority of GARs — approximately 67 per cent from 1980 to 2000 — are sent to urban centres across Canada, mainly Toronto, Montreal, Vancouver, Ottawa, Edmonton, Calgary, Quebec, Winnipeg, and most recently, Hamilton.

FACTORS AFFECTING LABOUR MARKET INTEGRATION

- Principal applicant GARs tend to have a lower level of education than other immigrants and Canadians as a whole.

[6]This information comes from a separate SRDC report, commissioned by CIC, entitled *A Statistical Profile of Government-Assisted Refugees* (forthcoming).

- In most landing years, more than 2 out of 3 GARs could not speak English or French upon arrival; in some years the number was as high as 9 out of 10 GARs. There is a wide variety of first languages spoken by GARs, and the majority language spoken by GARs may change from year to year.
- Almost all principal applicant GARs who arrive in Canada indicated their intention to work in Canada upon landing (96 per cent), but 70 per cent of these individuals state they cannot speak one of the official Canadian languages at landing.
- A sizable percentage of principal applicants were classified as skilled and technical workers, intermediate and clerical skill level workers, and professionals.

LABOUR MARKET OUTCOMES

Earnings

- GARs who arrived in the midst of the 1990–91 recession or shortly after experienced lower rates of employment in the initial year after arrival compared with earlier arrivals — those arriving in the late 1990s seem to be doing slightly better.
- In the first year after arrival, earnings for GARs are currently lower than they used to be. Furthermore, recent GARs received, on average, lower annual earnings in subsequent years relative to earlier cohorts.
- Male average earnings one year after landing are highest for those who reported being able to speak one of the Canadian languages at landing — this earnings gap remains five years later. Financial benefits associated with having knowledge of one of the Canadian languages seem to be higher for female GARs.
- Education appears to have a positive effect on earnings, but this effect is not as large as expected. The differences in average female earnings by level of education are more pronounced five years after landing, but these differences remain rather small for men.

Self-Employment

- A low proportion of GARs are engaged in self-employment in the initial years after landing — over time the proportion is similar to the Canadian average.

EI Benefits

- Over time, the proportion of government-assisted refugees who received EI benefits converges to a level around 15 per cent — a level comparable to the rest of the Canadian population.

Social Assistance Benefits

- A high percentage of GARs received social assistance benefits in the first year after landing. Although the percentage of GARs reporting this source of income decreased quickly, we still found roughly 40 per cent of GARs in receipt of social assistance after being in Canada for five or six years.

- The average annual social assistance payments five years after landing are roughly between $8,000 and $9,000 (in 1998 constant dollars). This range of average annual payments suggests that many GARs are in low-income situations, and social assistance may be their main source of income.

III. Overview of the Proposed Interventions and Highlights from the Consultation Workshops

A. OVERVIEW OF PROPOSED INTERVENTIONS

Ideally, any new program or intervention should be based on evidence of what works. However, as indicated in this report and in consultation workshops, the evidence is far from conclusive. While there are patterns in practice that support theoretical perspectives on how to foster and improve the economic integration of refugees, there is limited evidence to indicate which interventions have a causal effect on improving the early adjustment and integration of newcomers. As indicated earlier, government-assisted refugees are a heterogeneous group and many face multiple, overlapping problems. There is no "cookie-cutter" approach to help refugees integrate into the labour market.

The intervention options proposed in *Promising Interventions to Improve the Integration of Government-Assisted Refugees Into the Canadian Labour Market* emerged from synthesizing what is known from the literature and selected observations of interventions elsewhere. The main idea behind these interventions is that language acquisition is "key" to help government-assisted refugees improve their labour market integration. Language acquisition, however, is not the only help refugees need; therefore, some of the proposed interventions may address language training in combination with other types of assistance.

The following provides a brief overview of the proposed options;[7] more detailed descriptions of the program models will be presented later.

Language Internships. This intervention identifies the lack of language skills as the main barrier to employment opportunities. The program priority is to help participants gain language skills *before* they enter the labour market, in order to improve their future labour market outcomes. Language training will be delivered using a combination of classroom instruction and workplace assignments, providing refugees an opportunity to acquire language skills relevant to the workplace (often referred to as "contextual" learning).

Work First, Language Second. This model assumes that the best way to succeed in the labour market is to join it quickly and to develop language skills on the job rather than in the classroom. However, it also recognizes that without ongoing language training this approach may not be effective in helping participants achieve economic self-sufficiency in the long run. The intervention will initially provide job-search assistance to help refugees find jobs quickly. Those who are unable to find work on their own will be provided a job placement suitable for their skills and goals. Once refugees are working, they will be offered incentives to continue language training while working.

Incentives to Continue Language Training. This intervention provides government-assisted refugees who find work on their own with financial incentives to encourage them to continue their language training and to acquire a

[7]Four options were suggested in the SRDC report. The *Community-Based Initiated Program* was not received favourably by CIC or participants at consultation workshops. Therefore, this model has been excluded from any further developmental work.

functional level of language skills. The hope is that with increased language proficiency refugees will experience better employment opportunities and higher earnings.

B. HIGHLIGHTS FROM THE CONSULTATION WORKSHOPS

SRDC organized 2 one-day policy research workshops funded by CIC. The primary purpose of the workshops was to consult with selected stakeholders on a proposed research demonstration project to help improve the labour market integration of GARs. The discussion was based on the four models described in the SRDC options paper.[8] The workshops were a preliminary step in assessing the feasibility of the proposed models as research demonstration projects.[9]

Workshop participants supported the idea of testing innovative program ideas to help improve the labour market integration of government-assisted refugees. Participants at the two workshops did not indicate a clear preference for any one of the proposed models; they pointed out that many programs are available already and should be reviewed with the objective of learning what works and what does not. There were, however, some areas of consensus among workshop participants.

The consultations clearly established the complexity involved in designing a project targeted to GARs, who face special barriers to labour market integration. Furthermore, participants identified a number of factors that must be considered in designing a successful demonstration project.

- There is consensus that a “one size fits all” program will not work. Most participants underscored the need for flexibility in terms of the models and interventions that are offered. For some GARs, language instruction before entering the labour market is a better approach. For others, who may be more distracted by financial concerns, finding a job should be an immediate priority. Many argued that several models of interventions should be tested.
- Incentives are a central part of any project design. We learned that some features of current programs act as barriers to attending language classes. For example, the current provisions governing the repayment of transportation loans may cause financial difficulties for some refugees, leading them away from the classroom. Participants suggested other incentives such as enhancing the RAP earnings disregard,[10] forgiving travel loans, and freezing the interest on travel loans in order to encourage and retain participation in language training.

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[8]Workshops were held on February 18, 2002 in Calgary and February 20, 2002 in Toronto. Forty-eight participants, from eight different provinces, attended the two workshops — twenty-three in Calgary and twenty-five in Toronto. Participants represented various stakeholder groups such as Resettlement Assistance Program (RAP) providers; service deliverers in settlement, language training, and employment areas; federal and provincial government departments; universities; and former refugees. Participants in Calgary came from British Columbia, Alberta, Saskatchewan, and Manitoba. In Toronto most were from Ontario as well as a few participants from Newfoundland, New Brunswick, and Nova Scotia.

[9]For a more detailed summary of the workshop proceedings, see *Consultation Workshops: Best Approaches to Improve the Labour Market Integration of Government-Assisted Refugees*, Social Research and Demonstration Corporation., March 12, 2002.

[10]The current RAP earnings disregard allows GARs to earn up to 25 per cent of their RAP benefit before the payment is reduced dollar for dollar, creating a disincentive to learn, especially for individuals who may prefer low earnings to social assistance.

- Employer involvement is critical to ensure successful implementation of the demonstration. Stakeholders suggested that the degree of support employers provide could vary greatly depending on prevailing economic conditions. Refugee job placements can only be facilitated with employers when relations are well established.
- The psychosocial situation of the refugee and his or her entire family must be evaluated at the outset and counselling must be ongoing to ensure obstacles to language training and employment are overcome. All participants stressed the need for these support services when dealing with GARs who face a high level of adjustment once in Canada. Without complete family involvement, culturally defined gender roles, trauma, and other issues can impede participation in language training and labour market participation.
- A large gap exists between the current settlement programs delivered by CIC and the services of HRDC. About 10 years ago when the two departments were together, both Language Instruction for Newcomers to Canada (LINC) and the Labour Market Language Training (LMLT) programs were run side by side under Employment and Immigration Canada (EIC). When EIC split into CIC and HRDC in 1994, CIC continued to offer LINC, but HRDC ended LMLT in 1996 with the introduction of the new EI Act. As one workshop participant stated "that is where difficulties started; policies and programs were developed holistically when the departments were together to deal with various integration issues; now the two departments are divided and good programs have been eliminated." Others echoed a similar message that the labour market integration of refugees, and indeed other immigrants, has been abandoned by the reorganization of CIC and HRDC into separate departments.[11] The recently released HRDC discussion paper on skills and learning for Canadians provided an opportunity in which to develop a partnership between CIC and HRDC to address gaps in programs to help facilitate the labour market integration of refugees. More specifically, the consultations strongly indicated that any demonstration project must involve both CIC and HRDC if interventions are to have a positive impact on the long-term labour market integration of GARs.
- The emphasis of the new Act on "protection" for refugees means that Canada may accept more GARs with low levels of education and literary, large families, agrarian backgrounds, and no knowledge of one of the official languages. This would likely make the already difficult labour market integration for GARs even more challenging.
- The demonstration must be designed to ensure that women and other disadvantaged GARs are not excluded from participation.

[11] Previously, a front-line CIC settlement officer provided refugees with information not only about language training, but also about specific job opportunities. These services enhanced labour market access for newcomers to Canada.

IV. The Design of the Proposed Models

This section lays out possible designs for three proposed models. More detailed design work would take place during the development phase of the demonstration project if it is approved. A product of the development phase will be a detailed project design report, which will present the program models and implementation and evaluation plan in greater detail.

A. ELIGIBILITY CRITERIA

A crucial aspect of every program is the definition of the target group or those individuals who will be eligible. The eligibility criteria will determine whether the findings of the demonstration will be broadly or narrowly generalizable.

The central policy question for this project is how to design language training that will assist and support GARs in their efforts to find and sustain employment.

Sample Identification and Recruitment

The study will recruit participants among all government-assisted refugees shortly after they have been in Canada (from one to two months).[12] Individuals who are identified as having serious trauma or mental health problems would not be eligible for the project; it would be ineffective to enrol individuals with barriers that would prevent them from participating fully in the project.

Participants will be identified using RAP administrative records; the sample of potential participants would consist of all GARs served from pre-selected service points. During the first cheque interview, the local CIC settlement officer will introduce the project and refer the individual to an information session to learn more about the project. After attending the information session, individuals who are interested in participating in the project will be invited to attend an eligibility assessment session. There, they will be subjected to a "readiness to learn or work" assessment that will identify individuals facing major barriers to participating in the project, such as mental illness. The remaining individuals will respond to a baseline survey. In addition, to become a project volunteer, they must sign an informed consent. Those who do not volunteer are excluded from the study sample. Project volunteers are then randomly assigned into treatment (or program) and control groups. Group membership is notified by mail and telephone. The control group remains free to access all existing services for refugees and immigrants as before. Program group members will immediately begin their eligibility to the demonstration project and services. Members of both control and program groups will be asked periodically to respond to follow-up surveys to contribute to the evaluation research effort.

The details on who will be doing the sample identification and recruitment, delivering information sessions, administering baseline surveys and informed consent forms will be specified in the development phase of the project.

[12] The design issue of whether the unit of analysis under study will be individuals or households (restricting eligibility to one adult in each household) will be examined in the detailed design.

In addition, there are other specific eligibility requirements associated with each of the proposed interventions, which are discussed below.

B. DESIGN OF PROPOSED PROGRAM MODELS

1. Language Internships

Language Internships will provide GARs the opportunity to learn language skills through a combination of classroom instruction and workplace assignments in order to help them achieve better labour market integration.[13] This intervention assumes that the focus on language acquisition is an important first step before GARs enter the labour market. Thus, the strategy is to provide services that directly address the lack of language skills as the main barrier to employment opportunities. Moreover, it is believed by some that language training, which is relevant to the work environment, will be more effective in creating employment opportunities for GARs than the traditional classroom training.

Participants can participate in the project for a maximum of two years. Depending on the individuals' language ability and the rate at which individuals complete the program, some participants may finish the language training in less than two years. During the two-year program, participants will continue to be eligible for RAP benefits, which means that benefits would be extended one year beyond the current eligibility period for program group participants.

Primary Objective of the Language Internship Program

The program selected for implementation will depend partly on the program goal. The primary short-term objective for a *made-for-GARs* language internship program is to:

- improve program participants' language skills — achieve higher levels of workplace language proficiency.

The medium- and long-term aims are to achieve the following outcomes:

- increase the number of GARs who work
- increase program participants' earnings and earnings growth
- reduce dependence on transfer payments (EI and SA)
- reduce poverty

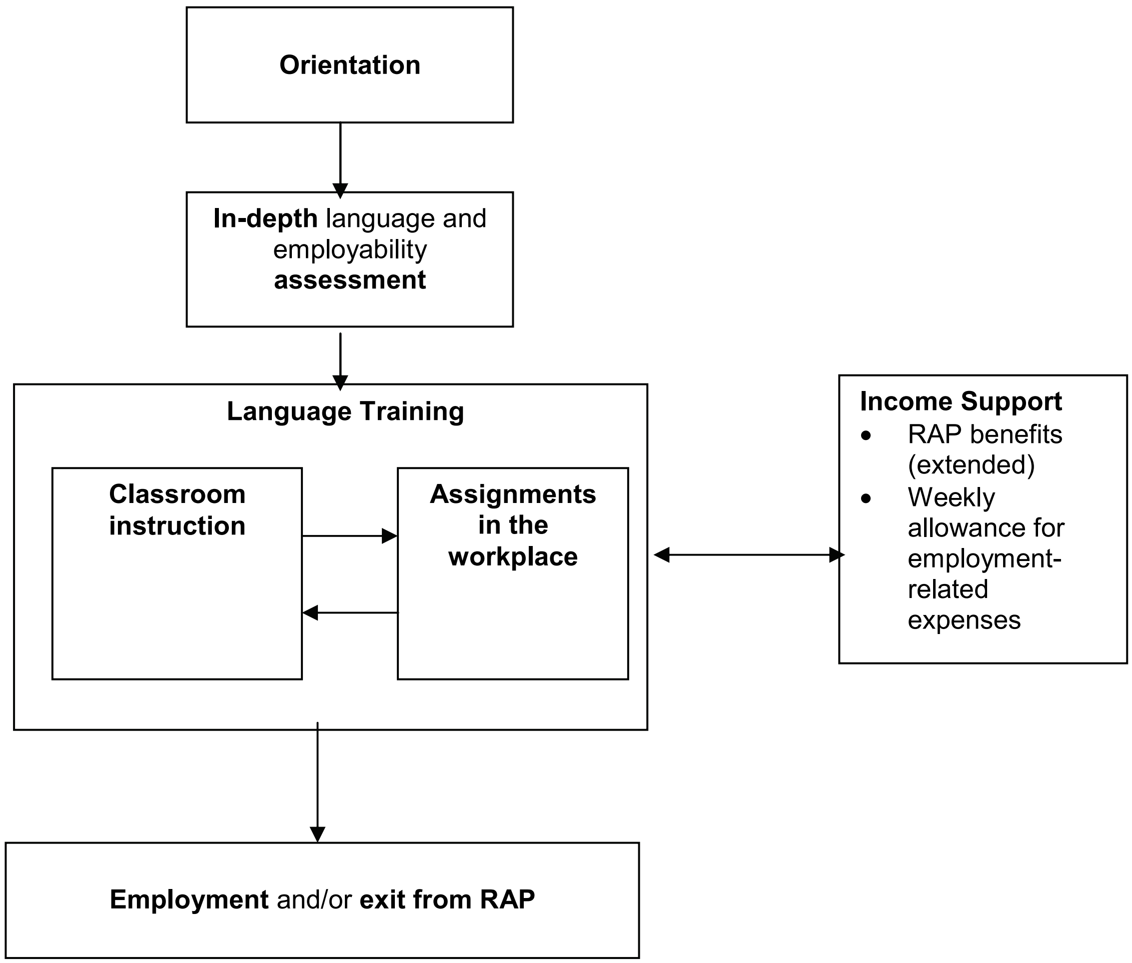
What will a Language Internship program look like?

Figure 1 shows proposed program activities and the flow of participants through them. Once project volunteers have been assigned to the program and control groups and have been notified accordingly, program group participants will be invited to an orientation session, followed by an in-depth language and employability assessment. Next, all program participants will begin language training, which is delivered using a combination of

[13] This is not a new idea, but it has never been rigorously evaluated to our knowledge.

classroom instruction and workplace assignments. After completing this training, participants are expected to find employment.[14]

Figure 1: Proposed Language Internship Program Activities and Participant Flow



Program orientation. The project will begin with an orientation shortly after the random assignment process has been completed. This means that only individuals assigned to the program group (not control group) will attend the orientation. Family members of program group members will be invited and encouraged to attend the orientation along with the program participant in order for all family members to learn about the benefits of participating in the program and what it means to the family. This is particularly important in dealing with cultural barriers and other issues that may impede participation in the project (e.g. husbands who do not recognize the benefits of education and training for women, which may lead to family conflicts).

[14] An earlier version of the Language Internship model presented at the consultation workshops included the provision of some basic job-search assistance after completing language training. We feel, however, that the employment-related services in addition to the language training would make it difficult to determine the impact of the language training package, which is the key objective in this model. Consequently, we deleted the job-search element from the current proposal.

The orientation will constitute the participants' first experience with the project; thus, the orientation session plays a crucial role in setting the tone for the project as a whole. The aims of the orientation are to

- describe the project to participants to give them an idea of what they will do and what will be expected of them,
- inform participants about the project goals and why they are important, and
- market services and opportunities presented by the project.

Other strategies to deliver an effective orientation include the following:

- Conduct the orientation in the GARs' first language.
- Provide both group and individual sessions.
- Keep orientation as simple as possible so that basic messages get through.
- Keep orientation short and to the point (1 hour).
- Use a skilled presenter who can connect with the group or individual and get the project messages across.

Individual in-depth language and employability assessment. The assessment should be separate from the orientation session so that the orientation does not get bogged down in details and try to accomplish too much. Experts in this area will be used to identify and develop the tools and processes involved.

The assessment will serve to identify participants' language ability, language training needs, prior learning abilities, education, job experience, employment skills, abilities, transferable skills, interests, and barriers to employment (such as child care, transportation, and mental or health issues).[15] The results from this assessment will help staff develop a language training program in collaboration with participants in order to place them in the appropriate language training program, and make referrals to existing community services such as daycare, transportation, and needed mental health services. The plan will help participants identify short- and long-term goals, and devise ways to achieve them.

Language Training. Language acquisition will take place both in the classroom and through workplace assignments. The project will develop a special curriculum that reflects this dual training approach.

Classroom Instruction

Contextual training (teach language in context rather than through lectures on isolated grammar or other discrete language components) is a technique recognized as a key element in motivating non-traditional students to gain basic language skills. The course content will be specially designed to be relevant to the assignments in the workplace and will emphasize language skills needed on the job (e.g. work-related materials such as instructions for operating equipment or job descriptions that can be used for practicing reading skills). Making the learning component more experiential and relevant to employment can also

[15] Several workshop participants suggested adding a complete settlement assessment (e.g. housing needs) to the language and employability assessment.

increase participants' motivation, improve participation, and increase retention in the project. Retention is an issue since immigrants and refugees commonly drop out of language training in order to work and to increase their income and standard of living. Furthermore, the placement introduces newcomers to the daily pace and activities of the Canadian workplace.

Besides teaching work-focused English, the classroom curriculum will also cover workplace cultural orientations, especially geared toward adults with limited or no knowledge of one of the official languages or no prior exposure to the Canadian workplace culture. Participants will learn job concepts and skills. In addition, role-playing exercises and practice interviews can teach communication skills.

In the classrooms, participants will interact with instructors on an individual basis or in small groups. Groups may be formed by combining individuals with similar educational, cultural, or professional backgrounds.[16]

Workplace Assignments

Finding the Assignments

Program staff will be responsible for finding short-term work placements. Finding work-based placements require staff to market the program and form good relations with outside agencies and employers. The project will invite community-based agencies and private sector employers to offer temporary assignments (internships) in their organizations. Public and non-profit institutions generally agree to provide short-term work placements. Participants could also be enlisted in social economy projects sponsored by community organizations.

Assignments must be selected carefully in consideration of the participants' needs, experience, and the requirement to support the language training. Participants will have the opportunity to work beside native-born people, practice their new language skills, experience first-hand the Canadian work environment, gain work experience, and increase their social network. In certain cases, workplace assignments can even help develop skills such as life skills, management skills, and professional development skills.

Participants will not be paid *extra* for these assignments. They will continue to receive their RAP benefits and, if needed, allowances to cover work-related expenses. Participants will be permitted to leave and re-enter the language training program, as long as they are still within their project eligibility period. However, they will not be able to continue receiving RAP benefits if they leave the project for work, which is similar to the current RAP eligibility rules. If they leave for other reasons such as sickness in the family, participants can continue receiving RAP under the RAP program as long as they qualify.

Participants will not begin their first workplace assignment until they have been involved in some classroom training or assessed "ready" by program staff.[17] Sending program participants who are not "ready" to placements is not desirable since it may affect the community's perspective of the program participants and program effectiveness.

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[16] Another approach used by the Center for Employment Training (Meléndez, 1996) is to mix students with different levels of training, of different educational background, and with diverse life experiences into one group. Students will progress through the program at their own rate, making program duration variable. In addition, participants at higher levels or different competencies of language skills can help their peers. It is not clear whether this is an effective approach for GARs (e.g. mixing highly educated GARs with illiterate GARs), but it is an approach that can be tested within the main experiment.

[17] How "ready" (e.g. LINC 2? Or 3?) will be established in the development phase.

Assignments

In general, we do not expect these assignments to be as demanding as paid jobs or positions. They would entail work-related tasks that provide participants with opportunities to interact with co-workers and practice the language.

It would be desirable to avoid short assignments (e.g. one week) and seek placements that last a minimum of two to three months, as this would allow participants time to understand the work, and for participants and employers, to develop working relationships.

The participating organizations will assign staff members to supervise and perhaps mentor participants throughout the internship. Orientation and training will be provided to participating organizations. Program staff would monitor the placements to ensure that the expectations of the agency, the participant, and the project were met. Other tools such as job shadowing, close supervision, or mentoring peer support and active job development can facilitate the transition from work assignments into unsubsidized employment.

In addition, provision would need to be made for program costs associated with liability insurance when participants are assigned to workplaces.

Format

The format of the classroom and workplace assignments can be designed as one long placement or as several shorter placements that alternate with shorter courses. We prefer the latter format because it allows students to learn, apply what they learned, learn some more, apply again, and so on. It also allows students with more advanced language abilities to start classroom instruction at higher language levels. Thus, this format would consist of a series of 3 to 6 workplace assignments during the two-year project.

Participants will be expected to attend classes or assignments for eight hours a day, arrive on time, and take only scheduled work breaks — basically accepting classroom participation as a job in order to develop both job skills and work habits.

The proposed curriculum delivers language training for general employment purposes. It does not provide any occupational or vocational training, and this may be problematic, especially if participants do not feel motivated, as they are not training for a specific job.

Language assessment tests will be administered to determine the change in language skills during and after the program.[18] The results from the Language for Employment Related Needs (LERN) project evaluation suggest that language testing is a complex undertaking.

Other Support Services. Information and referrals to existing community services required to participate in the language training should be provided as needed (e.g. government child-care subsidies and transportation). Program participants will likely form one-on-one relationships with staff who can offer practical advice, emotional advice and referrals. In addition, staff will closely monitor individuals' participation and progress through the project.

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[18] It is important that these tests are also administered to individuals in the control group, in order to determine the program impacts or differences the program make to language skills.

2. Work First, Language Second

Work First, Language Second (WFLS) is a program to help GARs get jobs quickly and to increase their language skills while they are working. Several studies, including the SRDC statistical profile of GARs, document the difficulties GARs often experience joining the labour market. Many GARs accept low-level entry or low-wage jobs and end up joining the ranks of the working poor, especially if they do not continue to advance their language skills. The employment focus in the model helps GARs get jobs quickly (the work first component in the model). Once individuals are in the labour market, they will be offered incentives to encourage them to continue to advance their language proficiency as a strategy for job retention and advancement (the language-training component in the model).

Primary Objectives of WFLS

The primary goals for WFLS are to

- increase the number of GARs who work in the short-, medium-, and long-term;
- increase participants' earnings, earnings growth, and language skills;
- reduce dependence on transfer payments (RAP, EI and SA); and
- reduce poverty.

Participation in WFLS may last up to three years depending on the refugee's language level and the rate at which the refugee completes different language courses. This intervention is longer in duration than the Language Internship model because it may take participants longer to complete their language training part time, while they are also working. While participating in the project, individuals will continue to be eligible to receive RAP benefits for one year or until they become employed, whichever comes first.

Who is eligible?

The nature of the program activities in WFLS requires participants to have a minimum level of language skills; otherwise they could not participate in the project successfully (e.g. How can GARs carry out job-search activities without basic language skills?) The general consensus from the consultation workshops was to limit eligibility to individuals with language levels assessed at LINC 2 or LINC 3 or Canadian Language Benchmark 3.[19]

What will a Work First, Language Second program look like?

Figure 2 shows the proposed program activities and the flow of participants through them. The intervention will begin with an orientation, followed by an in-depth employability and language assessment. Next, all program group participants will conduct a time-limited assisted job search to help them find work quickly. Those who are unsuccessful in their job search will be provided suitable short-term subsidized jobs to gain work experience in order to secure an unsubsidized job. Once program group participants are working in either a subsidized or unsubsidized job, they will be offered incentives to help them continue language training and to acquire higher levels of language skills. Some minor retention services will also be provided to employed program group participants to help them keep their jobs.

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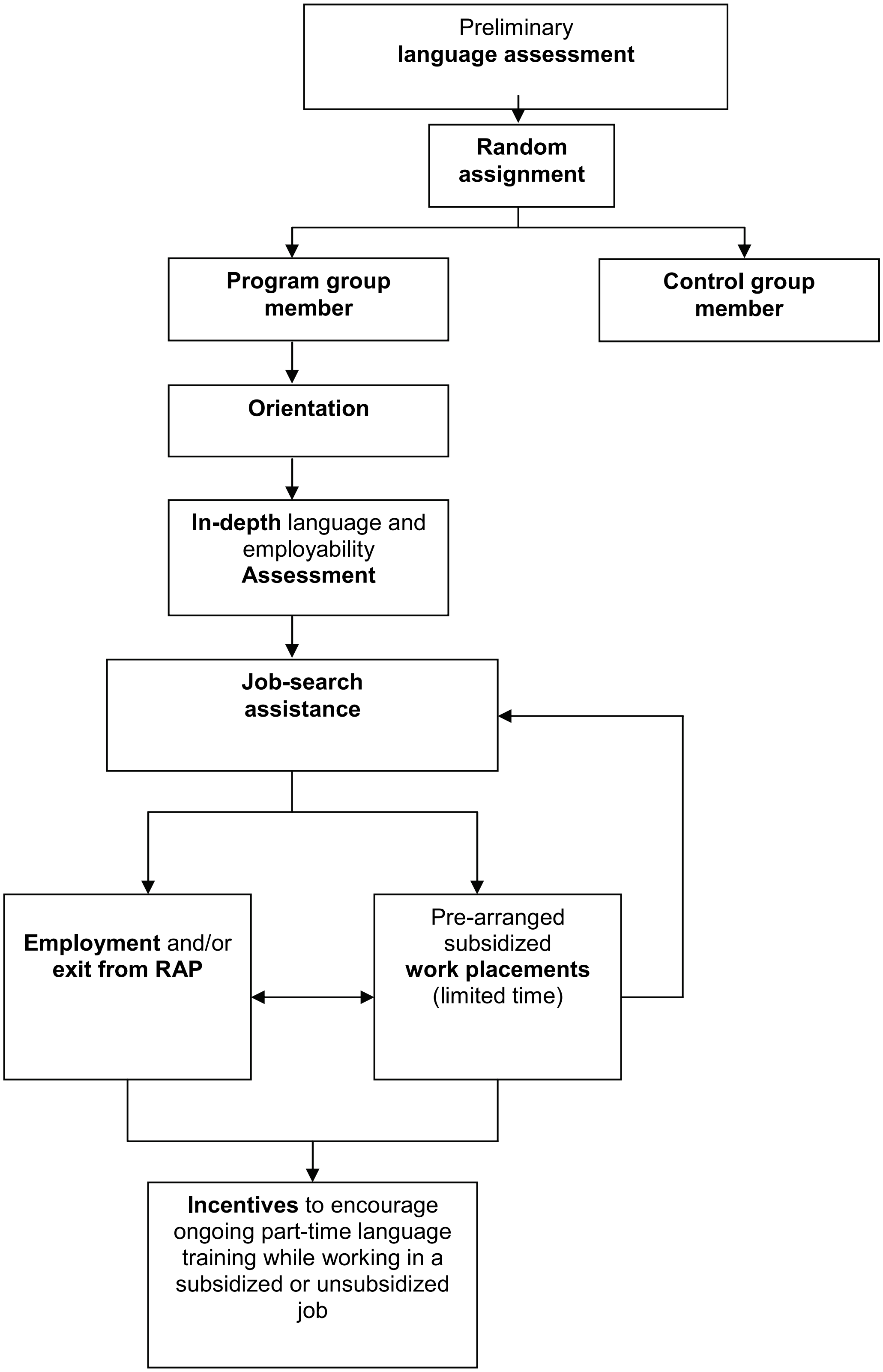
[19] This language assessment to determine project eligibility would be part of the eligibility assessment at the initial information session (see page 13).

Figure 2: Proposed Work First, Language Second Program Activities and Participant Flow



Program orientation. This element is identical to the program orientation in the Language Internship model (see page 14 for description).

Individual in-depth language and employability assessment. The assessment should be separate from the orientation session so that the orientation does not get bogged down in details and try to accomplish too much. The assessment could take 3 to 4 days to complete. Again, experts in this area will be used to identify and develop the tools and process.

An assessment will be administered to discover and address any immediate barriers to entering the labour market.[20] It may not be possible to identify all personal and employment issues, as some of these will not emerge until participants are looking for work or after they have secured employment. From this assessment, staff will develop a mutually agreed upon action plan (or employment plan) with participants in order to create job-search plans and make referrals to existing community services such as daycare, transportation, and needed mental health services. The plan will help participants identify short- and long-term goals, and devise ways to achieve them.

Assisted job search. All program participants are expected to be able to find work, and the labour market will be used to *sort* out individuals who need more help in order to become employed. Following the assessment, participants will begin a nine-month assisted job-search module.

- A high-quality, intensive job-finding club will usually be the central and first task for most participants. Job-finding clubs should be conducted in a variety of native languages. Most job-finding clubs conducted in English are 3 to 4 weeks long, but this is a harder-to-employ group; therefore, these clubs may need to run for a longer period such as 6 to 8 weeks. These sessions will also give participants an opportunity to learn from one another and boost each other's confidence.
- In addition to typical activities offered in job-finding clubs (e.g. resumé writing, setting up information meetings with potential employers), the GAR job-finding clubs will teach basic language skills needed to get and keep a job (ensure individuals have at least the skills needed to conduct a job search and maintain employment). Job-getting skills include reading want ads, getting around on the transportation systems, completing job applications, giving personal information orally, and asking and answering questions. Job-keeping skills include following oral and written directions, asking questions, understanding technical terms used in jobs, safety information, and basic aspects of Canadian taxes.
- Besides the job-finding clubs, the program will offer a range of services during the assisted job-search period — both one-on-one and group activities — that may include labour market information, resumé services, job leads, and job coaches. Job leads and job coaches point participants toward promising job openings.
- In addition, the project will provide an on-site resource centre to assist the job search, including phones, voicemail, fax machines, computers, Internet access, and newspapers.

[20]See Footnote 15.

Addressing other barriers to employment. Additional program elements may be needed to address other specific barriers to employment, but always with a goal towards immediate employment.

- Staff need to understand the participants' *other* needs. They may need to address other immediate concerns before doing job search. The program will make available to participants resource lists and other information and allow participants time to address these issues.
- Staff should be culturally sensitive and aware of cultural differences that can impact employment — recognizing and addressing cultural differences that might affect job performance and retention, including different attitudes and behavioral expectations.

Participants are expected to participate in 30 hours of job-search activities per week or until they find work. If the job is part time, participants can continue using job-search services for up to nine months or until the end of their job search module.

Pre-arranged work placements. If participants are not successful in finding employment on their own during the assisted job-search period, they would be offered job opportunities through pre-arranged work placements. Program staff (or through the use of job brokers or job developers) will market the program and find appropriate work placements. Temporary financial incentives, such as wage subsidies, hiring bonuses, retention bonuses, or training credits, will be available to employers to encourage them to hire program participants. These incentives could be offered for up to three or six months. Staff may want to target selected sectors that need workers who fit the GAR profile (e.g. tourism), which may offer occupational-specific skills.

Incentives to Learn and Work. Even if individuals are able to find jobs that require only limited English language skills, job advancement is likely to require higher skills. To promote post-employment learning, the intervention will offer financial incentives to program group participants to encourage them to continue their language training *and* acquire a higher level of language skills over time. To achieve these goals, the incentives would take the form of a monthly participation allowance or bonuses for specific achievements of language proficiency, or both. The incentive would be available for a fixed period (two years) once the participant begins working in a subsidized or unsubsidized job.[21] The incentive should be generous in order to encourage the desired outcomes.[22]

Participants would enrol in existing language training outside their working hours and use existing language training programs, similar to other immigrants and refugees. Participants, with support from staff, will look for classes that are offered in the evening and on weekends and organizations that provide one-on-one tutoring (which may need to accommodate shift work). Participants must submit evidence of course completion and records of achievements in order to receive payments.

Retention Services. Participants may face four main challenges as they begin work: 1) additional costs and demands of working; 2) meeting the performance, cultural, and emotional demands of the workplace; 3) dealing with negative reactions from family, friends

[21] Whether the incentive is available to only participants who are employed *full time* will be examined in the development phase.

[22] Participants at the consultation workshops also suggested other incentives such as interest-free periods for transportation loans or waiving portions of transportation loans or both.

and community, and 4) finding a new job if they lose the initial one. Unless the project includes post-placement services, it is difficult to address the above issues.

For this intervention, staff will maintain close relationships with program participants who are working. Staff will do extensive follow-up services for three to six months to help ensure job retention, including job coaching and workplace cultural orientation for participants and even interested employers. After this period, contacts with participants will be regular but less frequent once participants have been working steadily for four to six months. Post-placement follow-up may include services such as translation at the work-site (oral and written), cultural conflict resolution, future job upgrading, and information and referrals to required local services.

Other Income and Support Services. Information and referrals to existing community programs and services required to obtain and maintain employment such as child-care subsidies, transportation, and labour market information will be provided as needed. Program participants will likely form one-on-one relationships with staff who offer practical advice, emotional advice, and referrals. In addition, staff will closely monitor the individuals' participation and progress through the program.

3. Incentives to Continue Language Training

This intervention offers incentives to **employed** government-assisted refugees to encourage them to continue their language training while working and to acquire a higher level of language proficiency as a strategy for job retention and advancement.[23] This intervention is strictly a financial incentive that can easily be implemented across the board to complement various existing programs and services in the provinces; the treatment, however, may not be as strong in a "rich" program environment.

Most immigrants are motivated to take language training because it helps them get a job. Many of them, however, interrupt their language training in order to take jobs, which tend to be low-paying, unstable, and unskilled. Both research and anecdotal evidence suggest that these individuals will have limited employment opportunities and will experience low income primarily due to their lack of functional language skills.

Primary Objective of Incentives to Continue Language Training

The primary short-term objective for this program is to

- improve program participants' language skills

The long-term aim is to achieve the following outcomes:

- improve employment stability
- increase program participants' earnings and earnings growth (including job stability);
- reduce dependence on transfer payments (EI and SA)
- reduce poverty

[23] See Footnote 21.

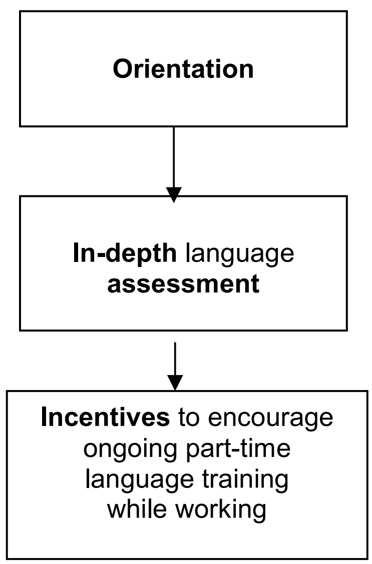
Who is eligible?

The intervention will be targeted at all government-assisted refugees who are working and have been in Canada for fewer than three years. In addition, eligibility could be extended to other types of refugees such as privately sponsored refugees.

What does the program look like?

This model has one key feature — incentives to learn while working. (See Figure 3.) The project is available only to GARs who find work on their own. Like the earlier models, the project will begin with an orientation, followed by an in-depth language assessment. Incentives will be offered to participants to help them continue language training and to acquire higher levels of language skills. The project duration would be three years because participants are working, and part-time language training may take longer to complete.

Figure 3: Proposed Incentives to Continue Language Training Program Activities and Participant Flow



Program orientation. This is identical to the program orientation in the first two models (see page 15 for description).

Individual in-depth language assessment. The assessment in this intervention will be more focused on language abilities and take 1 to 2 days. All program participants will be given a detailed language assessment in order to identify their needs, prior learning abilities, and education. Again, experts in this area will be used to identify and develop the tools and process. From this assessment, staff will develop a language training plan with participants, which will lay out the available incentives for their participation and achievements.

Incentives to learn and work. Program participants will be offered incentives to encourage them to continue their language training *and* acquire a higher level of language skills over a three-year period. The incentives may take the form of monthly participation allowances (to encourage ongoing training) or bonuses for specific achievements (to encourage higher levels of language proficiency, or both. The incentive should be generous to encourage the desired outcome.

Participants would enrol in existing language training outside their working hours and use existing language training programs, similar to other immigrants and refugees. Participants, with support from staff, will look for classes that are offered in the evening and on weekends and organizations that provide one-on-one tutoring (may need to accommodate shift work). Participants must submit evidence of course completion and course results in order to receive payments. Incentives, however, will not be paid for completing courses that are below the assessed language level.

V. The Experiment

In the previous section, we described the nature of the proposed "treatments" that will be offered to a randomly selected group of GARs. In this section, we describe the ways in which the efficacy of the treatments will be assessed.

A. KEY HYPOTHESES

This is a research demonstration project. Earlier, we discussed briefly the main rationale underlying the interventions, which is that increased language skills will positively affect GARs' employment and earnings outcomes over the long run. We want to reframe this statement as research hypotheses that can be linked to particular research methods.

The research hypotheses for the project have been divided into those concerning individual outcomes and the cost-effectiveness of the program. Three hypotheses concern **individual** outcomes. The final hypothesis to be tested relates to the **cost-effectiveness** of the program.

Hypothesis #1: Participation in the treatment group will increase the language skills of program participants.

Hypothesis #2: Taking part in the treatment group will improve individuals' post-program labour market outcomes, increasing their employment and earnings and reducing their receipt of EI benefits and social assistance payments.

Hypothesis #3: The treatment group will be more likely than the control group to improve their social integration.

Hypothesis #4: The project will be a cost-effective means of increasing the employment and earnings outcomes of government-assisted refugees.

Testing the Research Hypotheses

The first three research hypotheses will be tested by means of an experiment or randomized study, allowing the comparison of selected outcomes of the treatment group with those of the control group. If the project is a success, the treatment group, in comparison with the control group, will have

- significant increases in general language skills;
- higher employment rates, higher earnings, and growth of earnings;
- less reliance on transfer programs (social assistance and EI); and
- gains in social capital, use of government and community social services, local linkages, citizenship, economic status (e.g. home ownership, cash/asset), and overall family settlement.[24]

[24] There is a need to examine whether appropriate tools exist to measure these outcomes during the design phase.

B. WHY AN EXPERIMENT?

Any type of training or financial incentive program designed to change people's behaviour has the potential to be expensive. The costs can be divided into the following components: First, program services and incentives will be provided to participants who change their behaviour (e.g. take more language training than they otherwise would have and do so because of the intervention). Second, even if the program produces the desired effect on some participants, it will usually include some "windfall" situations. These are services and incentives made to participants whose behaviour was not changed, who would have taken language training with or without the program.

In considering the widespread adoption of any potentially expensive program, policy-makers must balance the potential expenses against the potential benefits. The proposed interventions may appear promising, but because the nature and size of the effects are uncertain, it is important that the interventions be carefully evaluated under real-world operating conditions before any large-scale implementation is considered.

It should be remembered that a good evaluation may be expensive to conduct, but can improve the delivery of programs and services costing millions of dollars. A bad evaluation is not only a waste of money that could be better spent elsewhere; it can also produce misleading results. The evaluation literature provides many examples of less-than-fully-successful programs. Not all programs work as expected. Some programs do not work at all — people receive no benefit from participation. Worse yet, programs can have unintended effects that result in people actually being made worse off. Still other programs have mixed results — they are found to work for some groups of people but not for others. Finally, even if a program is found to benefit participants — by increasing their language skills, employment, and earnings, for example — it may not be cost-effective from the perspective of government budgets.

Overall, the purpose of any evaluation is to determine how a new initiative actually works, what impacts it has on participants and whether or not there are cost savings for the government. The first and most important task is to determine the questions to be answered by the evaluation study. Among the many possible questions are the following:

1. What is the structure and operations of the program? How can they be improved?
2. Can the program be implemented successfully?
3. What was the quality of services (including language training) offered?
4. Which services were most heavily used and why?
5. Was the program's message clear and well understood?
6. Did the program make a difference in people's lives and in what ways? For example, how did the program affect language skills, employment, earnings, IA dependence, welfare savings, poverty, and intergenerational effects on children?
7. Who benefited the most? On which subgroups did the program have the greatest impact?
8. What were the cost savings to the government budget?

9. Which intervention (if two or more are selected) makes the greatest differences in outcomes and costs?

Different evaluation strategies are required to answer different kinds of questions. The first five questions listed above can be answered through implementation research. Questions 6 through 7 require the analysis of program impacts. Question 8 requires a benefit-cost study. The final question requires a combination of implementation, impact, and benefit-cost analysis.

C. THE IMPACT STUDY OF INDIVIDUAL OUTCOMES

Knowing whether a program "works" requires a well-designed **impact study**. This means not just examining the outcomes of those who were eligible for the program, but also determining what difference the intervention made over and above what would have happened without it. To do this reliably requires comparing employment, earnings, RAP, EI, social assistance, and settlement and integration outcomes of the program participants with the outcomes of a comparison group that does not receive the program services (the "counterfactual"). Typically, this means identifying a comparison group made up of people who resemble as closely as possible those who participate in the intervention.

The best way of generating a comparison group is to randomly assign GARs who are eligible for the program either to a treatment group that takes part in the intervention or to a control group that does not (but that continues to have access to all other programs and services that it might otherwise receive). Information collected by means of depth interviews, from surveys, and from administrative records is used to understand the behaviour and experiences of members of both the program and control groups. The random assignment process ensures that there are no systematic pre-existing differences between the two groups. Consequently, any differences that are observed in the outcomes of the two groups will provide a valid measure of the program's impacts. Random assignment is widely recognized as the most reliable way of conducting an impact study.

We recommend the **use of a random assignment design** for evaluating the proposed interventions. However, if this approach is not possible, there are some next-best alternatives to an experimental design that could be considered. One is a cohort comparison design (often referred to as a time-series design) that would compare the outcomes of the refugees in the intervention with earlier cohorts of refugees who arrived in Canada before the implementation of the intervention. This design is feasible if there have been no major shifts in refugee demographics or mobility patterns over the study period, as well as no major changes in the programs and services offered, and if there are reliable administrative records to track RAP and other transfer payments, employment, earnings, language training, and selected characteristics at arrival.

Random assignment designs may not be feasible in settings where the intervention under study affects all individuals in a small area or community (where people know each other). In these situations, we could focus random assignment on sites or communities or cohorts instead of dealing with the complexities involved in randomly assigning individuals. However, large numbers of sites need to be involved if any statistically significant impacts are to be observed.

D. IMPLEMENTATION RESEARCH

The impact study focuses on determining if an intervention works. In addition, it would be advantageous to include an **implementation study** to capture how the intervention unfolds and what practices seem to account for the observed impacts.

The implementation research will begin with the policy issues and the objectives established for the program and examine the various **actors** involved in addressing those issues and delivering the new program model. The implementation research component of the evaluation will be based mainly on observational research, interviews with policy-makers, program managers, and program delivery staff and in discussion with refugees, in depth interviews, and in focus groups.

The implementation research will focus on questions in the following three areas (questions listed below are only examples of the types of questions that can be asked):

Policy Formation

- What is the genesis and philosophy behind the program?
- To what extent is the policy seen to be responding to the different needs of individuals or to the changing conditions of the economy?

Policy Implementation

- What is the structure and what are the operations of the program?
- What are the implementation issues and challenges to be overcome?
- What services are available (e.g. language training, resumé writing, and job-search support)?
- What methods are used to assess the language and employability of participants?
- How are the results from the assessments used to develop a training or employment plan?
- What is the level of qualification and experience of the program staff?
- Are there site variations in the delivery of the program that affect participants' accessibility to services (e.g. availability of language classes)?

Program Take-Up

- How many referrals are made to the program? How many people agree to participate?
- How many participants complete the program? What are their characteristics? Do they find jobs?
- What are the dropout rates? At what points in the process are participants most likely to leave the program?
- What are the characteristics of those who agree to participate? Of those who complete the program? Of those who find jobs?
- How is the program perceived by program participants?

- What are participants’ experiences with the program?
- To what extent has the program engaged employers? Why do they choose to take part?
- What supports are available to employers who participate in the program?
- What are employers’ experiences with the program and participants?

The main objective of the implementation research is not to simply describe “what happens,” but also to gain insights on some of the factors that contribute to the program’s overall success and the best ways to implement a large-scale program. In addition, the implementation study will identify implementation challenges and suggest ways in which they can be resolved, as well as factors that may affect individual outcomes.

E. BENEFIT-COST ANALYSIS

A benefit-cost analysis will provide an assessment of the cost-effectiveness of the program. By combining impact estimates with operational cost information, the analysis will address the question of whether the benefits produced by the demonstration exceed the costs of providing the program.

In essence, the aim of a benefit-cost analysis is to monetize (that is, to estimate in dollar terms) the direct and indirect use of resources and the results associated with the program being assessed. It is then conceptually possible to add up all of the benefits (the positive amounts) and costs (the negative amounts) in order to determine who is better off with or without the program and by how much.

Although this form of analysis is useful to policy-makers in determining “what works” from a government budget perspective, it is also useful for broader analytical purposes in that it allows an examination of how participating individuals, as well as society as a whole, are affected. Paradoxically, part of what makes a cost-benefit analysis so appealing to policy-makers can also constitute its main limitation: While this approach *aims* at monetizing all of the consequences and use of resources associated with a program, it is not always possible to do so. This may be the case either because some of the results are intangible and not subject to objective measurement or because, even if they can in some way be measured, it remains difficult to ascribe a monetary value to them. Alternative ways to deal with this limitation need to be explored in the detailed design for the benefit-cost evaluation.

The detailed design for the benefit-cost evaluation will first identify the various outcomes that are likely to be affected by the program. This will provide the “accounting framework” for the analysis. This framework comprises a list of the items that are expected to be affected by the program, such as earnings and income transfers, as well as the expected direction of this effect from three perspectives: participating individuals, government budgets, and society as a whole.

The next step is to explore the availability of data sources for each of those components. This will include both the data that will be necessary to convert the expected benefits and costs into dollar amounts as well as important non-monetary benefits that might be produced (such as changes in attitudes, social inclusion, and the sense of personal well-being). As in any cost-benefit analysis, a few of the costs and benefits will be more difficult to assess and, as described, will require the use of alternative techniques.

In the accounting framework, it is expected that for all but a few items it will be the average differences between program and control group members that will be quantified and monetized. As mentioned, three different accounting perspectives are used. First, costs and benefits will be analyzed from the point of view of participating individuals (program group members); second, from the point of view of government budgets (also referred to as the "taxpayer" perspective); and finally, from the perspective of society as a whole. The first two perspectives are mutually exclusive and complementary; the third one is their sum. A preliminary version of the framework is shown below. This chart also includes an indication of whether the component is likely to represent a benefit (+), a cost (–), or be cost neutral (0).

Benefit-Cost Accounting Framework

	Accounting Perspective (*expected* outcomes)		
Components of the Analysis	**Participating Individuals**	**Government Budgets**	**Society as a Whole**
Monetized Components			
Employment			
In-program foregone earnings	–	0	–
Post-program earnings	+	0	+
Tax payments			
Federal income tax	–	+	0
Provincial income tax	–	+	0
Payroll taxes (EI, CPP)	–	+	0
Transfer payments			
Resettlement Assistance Payments	–	+	0
Employment Insurance	–	+	0
Social assistance	–	+	0
GST Credit	–	+	0
National Child Benefit	–	+	0
Other programs	–	+	0
Transfer program			
Administrative costs	0	+	+
Demonstration's administration and operating costs	0	+	+
Use of other programs (job search, education, training, other)	0	+	+
Employment- and training-related expenses	–	–	–
Unmonetized components			
Social cohesion and individual well being	+	+	+
Effects on other economic sectors			
Displacement	0	–	–

DESCRIPTION OF COMPONENTS

Employment

To the extent that the program leads to increases in employment and earnings, this represents a benefit to participating individuals. Increases or decreases in the employment and earnings of participants are cost-neutral from the perspective of government budgets (although see tax payments below). However, changes in the earnings of participants represent benefits and costs to society as a whole since the earnings of individuals are deemed to reflect the value in production that these individuals contribute to society.

Tax Payments

To the extent that the average earnings for program group members exceed those of control group members, program participants will also pay more in income and payroll taxes. This cost to participating individuals represents an equivalent benefit to government budgets. However, it is neither a benefit nor a cost for society as a whole.

Transfer Payments

If the program is successful and enhances the earnings and the stability of employment of program group members in comparison with control group members, then transfer payments to participating individuals will also be reduced. This reduction in transfer income represents a cost to participants and an equal benefit for government budgets. As with taxes, transfer payments constitute neither a cost nor a benefit to society as a whole.

Transfer Administrative Costs

A reduction in transfers will produce a corresponding reduction in the administrative costs associated with these programs. This has no effect on individuals but represents a benefit to government and to society as a whole.

Demonstration's Administration and Operating Costs

Implementing and operating the demonstration will require resources for administration and operation (delivering orientations and assessments and incentives). Applying resources to these uses represents a cost to government budgets and to society as a whole. Note that costs associated with research and evaluation are not included in the accounting framework. These are one-time costs of the project, which would not be incurred in an operating program.

Use of Other Programs

The offer of incentives to encourage continued language training may increase demands for other public programs (such as LINC/ELSA programs), where the program delivery costs are not fully covered by participant fees, there will be additional costs to government budgets to make places in these programs available and there will be a cost to society as a whole associated with directing additional resources to these programs.

Employment- and Training-Related Expenses

Expenses related to increased participation in employment or in education and training (such as for child care or transportation) are expected to increase as a consequence of the program. This may represent a cost to participating individuals if the program does not issue payments to directly cover these expenses. To the extent that the provision of any of the required services is partly subsidized for low-income workers, this also results in a cost to government budgets and to society as a whole.

Social Cohesion and Individual Well-Being

The program, by increasing language skills and employment and incomes of poor families, may lead to greater social cohesion and increased individual well-being from the participating individuals' perspectives, which relates to the integration of GARs into Canadian society.[25] This broad category could include concepts linked to social cohesion, such as a sense of belonging, inclusion, involvement, recognition, and legitimacy. It could also include concepts linked to individual well-being, such as feelings of mastery and hope, self-esteem, an improved emotional state, and reduced stress. Improvements in these factors could in turn generate benefits in terms of improved mental and physical health, which would represent a benefit from the government budget perspective and, overall, for society.

Effects on Other Economic Sectors

Displacement of other workers and economic activities, which occurred as a result of the program, would represent a negative effect. While this does not represent a direct benefit or cost for participating individuals, it does represent a cost for society as a whole.[26]

Producing a cost-benefit analysis for this project represents a particular challenge. While assessing the value of some of the components in the cost-benefit analysis will be relatively straightforward, this will not be the case for other components that will remain either unmonetized or only partially monetized. The cost-benefit analysis will be useful in reducing the uncertainty regarding *who wins or who loses* and by how much as a consequence of this project, but it will not answer all questions to this effect.

[25]Because of their nature, the value for these components cannot be fully monetized. Alternative methods will be explored in the detailed design to assess these components of the benefit-cost analysis.

[26]The issue of displacement is commonly ignored in employment and training cost-benefit analyses largely because this phenomenon is extremely difficult to measure. Estimates of its extent therefore remain largely speculative. It is not clear, at this stage, how much this study will be able to improve existing levels of measurement.

VI. Project Implementation

A. PROJECT ORGANIZATION

Several partners would be involved in the implementation and evaluation of the proposed demonstration project:

- **Federal Governments.** We assume that CIC would be the principal funder of the demonstration, and HRDC would also provide financial support. CIC and HRDC would participate in the general oversight of the demonstration and provide administrative records to support the implementation and evaluation of the demonstration.
- **Demonstration Oversight.** CIC and HRDC would engage SRDC to manage and evaluate the project. In the design phase, SRDC would provide recommendations on how the demonstration should be designed in order to be consistent with the overall objectives. SRDC would also be responsible for evaluating the demonstration and providing reliable evidence about program implementation, program effects on individuals, and cost-effectiveness.
- **Project Volunteers.** The study will recruit individuals from the RAP caseload. The selection criteria for identifying eligible sample members will be finalized in the detailed design report. Participation in the project is voluntary. Individuals identified as potential sample members will be offered the opportunity to join the study. Half of the volunteers will be selected for the control group and the other half will be in the program group.
- **Program "administrators."** Assistance with various programmatic and research elements of the demonstration will be required throughout the project. Once the demonstration is approved, SRDC will seek suitable partners via a Request for Proposal process to identify appropriate community-based agencies or community colleges to design, implement, and deliver some or all of the elements in the program model. For example, proposals will be requested for roles such as Program Coordinator, Orientation, Employability and Language Assessments, Language Training, Employment-Related Services, Job Placements or Job Developers, and Program Management Information System.
- **External Researchers and Data Collection.** A request for proposals will likely be issued to identify and subcontract a data collection agency. In addition, academic researchers will be invited to add their local expertise or specialty to the project.

B. DETERMINING SAMPLE SIZE

It is very important to have the "right" sample size, since samples that are too large will simply increase the cost of the project and samples that are too small may undermine the quality of the findings. We provide a preliminary estimate of the appropriate sample size for a potential demonstration that will produce an acceptable minimum detectable effect — an affordable sample size that can detect policy-relevant differences in outcomes. The efficiency of the experimental design is optimized if the sample size is just sufficiently large enough to determine this minimum effect. The smallest program impacts that are likely to be detected, if true, within a specified confidence level and statistical power are termed "minimum detectable effects" (MDEs).

Our preliminary estimates suggest a minimum sample of 1,000 GARs (500 treatment group members and 500 control group members) in each site. Since the available settlement programs and services for refugees and types of refugees will differ across sites, especially in the services received by the control group, we do not recommend combining the treatment and control groups across sites. The recommended sample size per site will assure that rigorous site-specific results are generated.

During the detailed design stage, the sample size estimates and minimum detectable effects need to be fine-tuned by using more accurate standard deviations for the desired outcomes and examining different techniques that may help increase the power in the calculations (e.g. increase the sample size by increasing the number of control group members, such as 500 program group members and 1,000 program group members).

C. SITE SELECTION

No sites have been selected yet for the potential demonstration. Workshop participants emphasized the need to choose different sites for the demonstration, noting that GARs experience different conditions in Canada's largest cites (Toronto, Vancouver, and Montreal) than in smaller cities or rural areas. Ideally, a minimum of two or three sites should be selected for the demonstration project. Sites could be "phased-in" in order to allow later sites to learn from the experiences of lead sites.

Based on the above recommended sample size, a three-site demonstration would provide an overall sample of 3,000 individuals — 1,500 in the program group and 1,500 in the control group.

Site Selection Criteria

Some of the important factors in the site selection may include:

- Support from local stakeholders (e.g. provincial and municipal governments, settlement and language providers)
- the need for a reasonable number of GARs in the area to draw the required sample (the area should receive at least 500 GARs per year if enrolment occurs over two years [or 1,000 per site])[27]
- established community-based agencies with strong track records in settlement services and language training
- currently available settlement and employment services and language training cannot look too similar to the intervention; otherwise, there is little or no difference between the experience of the program group and control group.

[27] In 2000 the following cities received 500 or more GARs: Vancouver (1,037), Edmonton (512), Winnipeg (562), Montreal (627), Ottawa-Hull (897), London (529), and Toronto (1,790).

VII. Project Timelines and Budget

The first phase of the project, if it is approved, will entail finalizing the program models and the research and evaluation design, and identifying and negotiating with local service and language delivery organizations.

A. TIMELINES AND KEY PROJECT STEPS

The timetable for any demonstration depends most crucially on how long it takes to develop the intervention, the length of time that the intervention or program operates, and the follow-up period after the end of the intervention to look at post-program impacts. A longer follow-up period would be necessary to analyze longer-term effects on economic and social integration since *full* integration is a long-term process in which refugees become full and equal participants in all the various dimensions of society. This could take many years (or even generations) to occur.

Demonstration projects are, by nature, temporary. Experience suggests that start-up is not easy, and that there is usually a myriad of problems that must be worked through. Once the intervention ends, we want to be able to observe what happens to program participants. We believe that a demonstration to test the proposed intervention options could last up to nine years. However, results would be regularly available as the project unfolds. Given that there is interest in the impact of the intervention on full integration, which will occur in the long run, we think that a shorter timeframe would not allow a full test of the intervention. This estimate is provisional and framed as follows:

Project Start-Up Phase: Year 1

- Review the current settlement and employment programs
- Select the intervention(s)
- Consult with stakeholders, including refugees
- Finalize the evaluation design
- Develop and finalize site delivery strategies
- Identify service and language training delivery agencies (to design, implement, and operate the program) and research partners (including the data collection agency)
- Develop administrative structures and contracts
- Develop the program policies and procedures
- Develop program materials (including an individual informed consent form)
- Develop a baseline survey
- Develop and implement a Project Management Information System
- Deliver a detailed project design report to CIC (this is a detailed, comprehensive description of the intervention and its rationale, what the intervention looks like, how

it will be implemented, what data will be collected and how it will be collected, the evaluation design and strategy, and detailed workplan and budget)

Participant Enrolment Phase: Years 2 and 3

(A two-year enrolment period is envisaged in order to recruit a sufficiently large number of participants.)

- Recruit and enrol participants
- Deliver program orientations and activities
- Implement evaluation strategy, including conducting implementation and process research
- Provide regular reports to CIC on project implementation (including a formal published implementation study)

Duration of Intervention (assuming two- and three-year programs): Years 2 to 5

- Allow participants to be eligible to receive all program services and benefits during the two-year or three-year eligibility period, depending on the intervention
- Monitor initial groups as they reach the end of the program
- Continue to implement an evaluation strategy, including administering first two follow-up surveys (at 18- and 36-months) and an interim impacts study
- Produce regular reports to CIC on project implementation (including monographs on selected topics identified in consultation with CIC)

Post-program Follow-Up Period (assuming three years after the program ends): Years 6 to 8

- Produce interim findings and reports
- Administer third follow-up survey (at 54 months)

Final Report and Analysis: Year 9

- Data preparation and analysis
- Report writing
- Dissemination of results

B. PROJECT BUDGET — Not available

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