FIVE PROGRAMS IN SEARCH OF POLICY
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AN ANALYSIS OF THE PROGRAMS OF THE
JOB CREATION BRANCH AND COMMUNITY EMPLOYMENT
STRATEGY, DEPARTMENT OF MANPOWER
AND IMMIGRATION

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Abstract

The thesis seeks to make a novel contribution to the field of public policy analysis in Canada, through a detailed examination of the origins, development and operation of the programs of the Job Creation Branch, and Community Employment Strategy, of the Department of Manpower and Immigration. A case study of the direct job creation programs provides the basis for the development of a new perspective, one in which policy is treated as the subject, rather than the object of inquiry, and policy is seen as a process rather than as a series of instantaneous states, each somehow implying the next.

It is argued that program activity has in part replaced policy activity in government, for political and structural reasons. As a consequence, it is suggested that policy analysts must begin to deal with "quasi-policy" or "residual policy" areas, characterized by programmatic activity. Contemporary analysis would suggest that programmatic activity is severely limited. The thesis suggests, based upon direct investigation, that while programs may be seen as retrospective, reactive and incremental, they may also be seen as active, partial, provisional, incomplete and prospective. The prospective aspect of existing programs suggests the possibility of movement toward the development of creative policy firmly rooted in contemporary Canadian experience.

It is argued that if policy analysts are to deal realistically with Canadian policy processes, then they must begin to deal with programmatic activity as a major and continuing concern. A shift in
perspective of this kind, it is suggested, will initiate further major developments in theory, particularly with reference to our contemporary understanding of the "welfare" and "service" states. Similarly, it is suggested that government itself must become aware of its own activity from a new perspective, or face continuing problems in the area of policy development and program administration.
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Chapter 1

INTRODUCTION

"...our convictions to the contrary, we in North America have not yet developed in a coherent and comprehensive manner the conceptual categories and the logic which will allow us to develop a coherent, comprehensive and humanly adequate social policy." 1

Overview

Interest in public policy analysis has generally increased in recent years, through the study of specific policies, policy areas, and study of specific institutional structures, or even the general legislative system itself. 2 Not only are we, as political scientists, concerned with the formal institutions and practices of government in the more traditional sense, but we are also beginning to evince an interest in the operations of government through analysis of the "causes and consequences" of government activity. The rewards of such work may be gratifying, for in depth analysis of a policy area may generate a greater understanding of how policy is created, or not created, by government.

Current approaches to the study of policy seem to offer a multiplicity of different ways in which to begin. There is no clear agreement concerning the meaning of such basic concepts of policy, or given the nature of Canadian federalism, on what level to begin! For example, Dye outlines six major approaches to the analysis of public policy in an important review of the literature
while refraining from indicating what "policy" means to him. Suggestions concerning these and similar problems seem to differ from analyst to analyst, from country to country. Nevertheless, there is a body of literature emerging from which to seek guidelines, and theoretical suggestions upon which to base further developments. It is hoped that this thesis will contribute in a positive manner to this development.

Politically, we are faced with ever increasing levels of government activity with the creation of the "welfare" state, and emergence of the "service" state. At the same time, increased governmental activity, coupled with the diminishing importance of issue oriented politics, nebulous political platforms, and conduct wherein broad "goals" often seem to become empty rhetorical categories used to justify program spending, all seem to compel the development of greater interest in policy analysis in the future. Policy analysis permits us to develop an understanding of government through an analysis of what it does, and why it does it. The evaluation of policy activities and their consequences would seem to be an appropriate study if we are to understand not only the operations of policy structures, but contribute through critical analysis to the eventual development of a new perspective for the analysis of public situations.

Finally, appeals directed toward developing an understanding of the necessity for change simultaneously rest in an appreciation of existing concrete circumstances, and in the development of a perspective from which to critically examine that experience. This thesis is concretely concerned with an analysis of the development
of the programs of the Job Creation Branch, and Community Employment Strategy, in the Department of Manpower and Immigration. It is hoped that through an analysis of "policy" in the "public" situation, an analysis of the origins, development and operation of these programs, that we can begin to formulate a perspective toward Policy congruent with Canadian experience.

The Research Problem

Traditionally, governments are expected to have policy on virtually every subject under the sun, with the possible exception of the weather. Indeed, the public has come to expect this to be the case. The only questions that tend to arise concern the specific impact of a particular policy on some groups or individuals who perceive themselves at a disadvantage, and who have sufficient political "clout" to make their objections known. In any event, the existence of policy is assumed.

At the level of theory, analysts tend to approach the actions of government in much the same way. They tend to assume the existence of policy as a given in attempts to try to understand, for example, the development of policy through an examination of the various structures or actors involved, or even to understand the content of a policy field like social welfare. At the most seminal level, policy has been characterized as "guiding principles or courses of action adopted and pursued by societies and their governments." Or as Titmuss explains,

"...the word policy can be taken to refer to the principles that govern action directed towards given ends. The concept denotes action about means as well as ends and it, therefore, implies change: changing situations, systems, practices, behaviour."
Even sub-sets of policy broadly conceived can be seen in similarly lofty terms, as Gil observes that the common domain of social policy "...can be identified as the overall quality of life in society, the circumstances of living of individuals and groups, and the nature of all intra-societal human relations." There is no clear agreement or consensus on concepts of policy in the Canadian context, or on how it might be 'principled', apart from some observations that cabinet must have an intuitive understanding of broad societal values, not defined by decision makers, but "implicit in the society as a whole." Still others point out that even an awareness of the existence of implicit values like freedom, equality, and justice, may not undergird the development of policy for "...while such broad generalizations may achieve wide acceptance as principles, they do not provide operational guidelines for policy formation." Perhaps, as Sartori observes, the more all encompassing and comprehensive our concepts become, the less they tend to be useful in understanding specific situations.

Some would argue that such principled "grand" policy may not even exist in Canada, (setting aside certain questions on whether or not it should exist of course.) Perhaps reflecting this concern, much of the policy literature is devoted to discussions of 'middle range' theory, both in Canada and abroad. At this level of analysis, it is clear that policy is seen as some form of governmental activity at the very least, which occurs within a context, and the degree of novelty of the policy is seen in terms of
the context - the existing socio-political environment. The foundation for the initiation of a policy decision, or series of decisions, seems to rest upon the appreciation of a problem, an issue, or idea, in other words, an awareness that something might or might not be done in a given context to some class or group of subjects, with a conception of what constitutes that 'something.' What is to be done, or not done, seems to involve the setting of various alternatives leading to some desirable end state or states. Depending upon the scope of the policy, various individuals and institutions may become involved in the policy process. Once a line of action (or inaction) is selected to be pursued, further decisions may be made as the policy is implemented and its consequences presumably evaluated to discern whether or not the desired course of action has achieved its projected end state.  

These, then, are some of the elements that make up what is generally called analysis of the policy process, the domain of modern public policy analysis. Beyond this most schematic rendering, however, the varied perspectives brought to bear upon the general subject matter have both enriched and complicated our understanding of the development of policy within a national context. Even Titmuss's basic dictum that policy involves change may be set aside by the analyst who argues that a major purpose of a specific policy might be social control for the maintenance of the status quo. Much of 'middle range' analysis is taken up by perspectives on decision making, incrementalism or rationalism,
content or process approaches, and analysis of significant structures in the "executive-bureaucratic arena" of policy making.

In the policy literature, emphasis on decision making analysis seems to spring primarily from an interest in the development of prescriptive models for the eventual "conscious shaping of society." 12 The debate over the extent and use of information in the "rational" approach, and the more limited "incremental" approach is founded in characterizations of the decision making process. The incrementalist and rationalist debate seems to revolve around two basic viewpoints concerning the evolution of public policy; the former stresses the complexities of the public situation, and the latter, an orderly and structured approach to problem solving. 13 The fundamental problem of the first approach is its inability to distinguish a major change from an incremental 'leap forward', and lacks a certain orderliness and sense of progress that its critics would view as requisites for long term planning in a modern society. The rationalist approach seems to argue for a more clinically efficient policy process, almost devoid of consideration of the political aspect of decision making.

Etzioni offers a compromise view which combines elements of both rationalism and incrementalism but "...neither as utopian as the assumptions of the first model, nor as conservative as the second." 14 He simply moderates both in view of what might be called a 'reality test', that is, by running both characterizations up against the reality of existing practices in the real world.
He distinguishes between high order, fundamental policy decisions and incremental processes which prepare for fundamental decisions and work them out after they have been reached. This approach, called 'mixed scanning', in terms of the information available to decision makers, reflects both approaches with a broad and truncated review of information.

As Wilson points out with respect to these approaches, there appear to be no questions raised, and answered, why these approaches are capable of working. He adds, "Were these models saying that public policy decision-making is basically incrementalist as a matter of definition or as a matter of contingent experience?" And reflecting the debate concerning the role of the analyst as observer or interventionist, "Were they advocating this style of decision-making as a political program or were they designing models to implement these particular biases in the decision-making process?" All of these questions and more, although beyond the scope of this study, remain and are worthy of serious consideration.

Characterizations of the decision making process only incidentally seem to involve the resultant, policy, and this primarily through debate concerning the extent of change, or departure of existing norms in the policy field. Cognizant of this anomaly some analysts have emphasized the content of policy, to develop characterizations at a simplistic level - "social policy," "health policy", "foreign policy" - based upon definition of the parameters of a general content area. On one hand, the analyst is at least confronted with a manageable area within which to work,
while on the other, it becomes difficult to examine the important relationship between policies in complementary areas. Gil suggests, for example, that the traditionally narrow focus on the part of economists and social welfare theorists has led to a basic discontinuity between understandings of the linkages between the 'social' and 'economic' spheres of activity, with devastating results.

"...viewing social policies as apart from economic policies deprives social policy development of most of its potent tools, and consigns to social policies the function of dealing merely in a reactive and ameliorative fashion with the fall out problems of economic policies." 16

This observation would not only seem to be applicable in terms of how analysts conceive of policies, but governments too, and reflects Prefontaine's plea for the development of new approaches to understand, and change, our current policy. In the Canadian context, Simeon similarly suggests the necessity to examine the "...relationship between policy making in the policy field with that in other fields." 17

Mindful of these problems, Lowi offers a typology of policies designed, in part, to overcome the fragmentation inherent in a policy content approach. He develops four major conceptual categories of policy; distributive, constituent, regulative, and redistributive. He relates each to the likelihood of the use of coercion to secure compliance, as well as to the types of political activity surrounding each type of policy. 18 Such efforts have some merit, and can be used to identify specific governmental actions. 19 But perhaps Lowi's single major contribution to the
field of policy analysis is his emphasis on the importance of political activity in the policy making process.²⁰

It is also possible to break down the study of policy through a study of hierarchical systems of decisions and related structures. One can define policy in this manner, and as Ugalde observes, once a fundamental decision to deal with an issue is taken then other decisions and actions may follow.²¹ However, focus on a series of 'fundamental' decisions as a core basis from which to begin analysis may also result in an implicit adoption of the approach suggested in the annual report by the Economic Council of Canada - management by objectives - the setting of over all priorities and goals, and the initiation of activities to realize those goals.²² Doern's pungent critique of this approach is similar to the critique of the rationalist perspective, in that not enough recognition is paid to the 'soft' variables in decision making, to reflect on the real basis of political rationality.²³

Ultimately, all of the models we create are only symbolic approximations of the processes which we seek to understand. Definition of policy concepts are notoriously difficult to achieve, but that should not be unexpected given the complexity of the real situations to which they needs must be applied. Nor should it be discouraging, for as Wilson observes, all models are partial in terms of explaining policy formulation and are useful insofar as they provide some enlightenment about the reality we live and observe.²⁴ Above and beyond the strengths,
and the weaknesses, of the various models or perspectives in the literature, all must ultimately be tested in terms of their explanatory power in the real world. None of the many investigated provided clear guidelines for the analysis of the essentially creative development of the job creation programs. However, many analysts emphasize the importance of the context for policy making, not only in a national context, but an institutional one. It is through an examination of the institutional context of policy making that the most significant guidance for the thesis was received.

No matter whether analysts seek to understand the policy process or the content of a specific policy field, the importance of significant institutions cannot be underestimated. The development of the modern activist state has not only meant an increase in policy activity by government, but also a concomitant increase in activities within significant institutions of governance. The increasing complexity of issues and possible solutions has required greater participation on the part of all aspects of government in order to help meet these demands.

In the Canadian context, a whole series of actors and structures operate that directly or indirectly affect the creation of policy in the "conversion" process, the movement from "idea" to "action", in the creation and implementation of policy. At various stages of development, different institutions are seen to be of paramount importance in a moving focus for policy analysis.
Major institutions that are regarded as central elements in policy formulation in a moving focus for analysis include cabinet, treasury board, the PMO, PCO, the various departments, and Parliament, among others. This area is often referred to comprehensively as the "executive bureaucratic arena," or as Jackson and Atkinson have refined the concept, the "policy prism." The multiplicity of actors and institutions operating in the policy arena complicates the task of comprehending the creation of policy in any specific content area, or in terms of understanding the policy process itself. Difficulties for the analyst are compounded by such factors as the principle of cabinet secrecy, and lack of an effective freedom of information act.

The linkage between policy analysis and the operation of the bureaucracy, or public administration, has become ever closer as many analysts view bureaucratic agencies as central elements in the policy making process. With some reservations, it has been observed that "...the core institution at the formulative stage of the policy process in Canada is the bureaucracy." And further, "...the role of the public service has grown from the neutral implementation of the decisions made by politicians in the cabinet and parliament, to the very positive function of policy making." The role of the bureaucracy, in terms of simply providing information to cabinet from which decisions can be made, is extremely important when it appears that the bureaucrats themselves are capable of deciding which alternatives will be
included from among which a selection will be made, as Doern, Whittington and Van Loon have suggested. Indeed, some possible alternatives may simply be precluded from serious consideration in this process.

In terms of implementation, the role of the bureaucracy is also significant, particularly when the generalities of policy language require some form of specific translation when rendering it 'operational.' The more diffuse the objectives, and foggy the underlying principles behind official pronouncements in the policy area, the more likely is the "delivery" system to become of crucial importance, and concomitantly so do the bureaucrats that create it. Indeed, through the definition of hitherto ill-defined political and operational boundaries by the creation of "delivery" system or programs, administrators can establish and protect their own operations. This may be particularly true when, routinely, programs are created as the major instrument to achieve diffuse goals.

In the contemporary situation, the increased role for bureaucrats in the selection of alternatives for cabinet consideration, and responsibility for interpreting decisions in some form of delivery system, is a circumstance which may have profound consequences both for the development of policy, and for the population at large which is, after all, directly or indirectly affected by this activity. In practice, as has been suggested, this expanded role for bureaucrats may have developed through the delegation of responsibility to civil servants by
politicians confronted with the increasing complexity of modern government. In addition, activity within the ranks of the civil service may have enhanced this role, particularly with respect to the development of alternative policy choices from which fundamental decisions may be made.31

The context for the research problem is thus clear - the demands or expectations of the public, the responses in the executive bureaucratic arena, and the dominant assumptions of the theorists would have that government must have policy on virtually every subject. Much intellectual endeavour has gone into the development of models and perspectives for analysis, along with corresponding development of definitions of policy such that they might deepen our understanding of specific areas like "health policy", or to the understanding of broad conceptualizations of the policy process itself. The literature does provide some valuable clues to aid us in our understanding of the development of the direct job creation programs. Unfortunately, there is no easily defined, principled policy visible, or discernable that undergirds the creation and activities of these programs. In practice, the literature only provides some partial solutions to our collective conceptual problems as policy analysts. As a result, an appreciation of the existing concrete circumstances of the origin of the direct job creation programs is an essential first step in defining our problem.

In some senses, it is extraordinarily difficult to come to grips with the programs, as one analyst flatly observes
that most developments in manpower planning have not occurred
as rationally as might be expected, indeed many "...have come
about as pragmatic responses to current challenges, and scarcely
can be described as components of a carefully articulated and
well integrated manpower policy."\textsuperscript{32} Even given this general
observation, within the manpower field itself, the creation of
policy is regarded as lacking in clarity, and 'undermined' for
there seems to be "...disagreement about the relative importance of
pursing economic growth objectives versus societally oriented
objectives."\textsuperscript{33} Even within the general manpower area, the job
creation programs are somewhat unique since they emphasize the
demand side of labour measures and are not easily comparable
to other departmental activities.\textsuperscript{34}

The peculiar status of the direct job creation programs
in terms of the general policy field of manpower activities is
clearly pointed out by Holland and Skolnik who note that there
are broad groups in the population to which conventional manpower
activities were simply irrelevant.

"...members of certain groups of workers - those in
seasonal work, the aged, the young, the uneducated, the
disabled, those in lagging regions, and those in groups
which suffer discrimination on the basis of sex, colour
or nationality - may not be amenable to the changes involved
in the supply side programs, and may not be able to find
productive employment even with assistance provided
through such programs."\textsuperscript{35}

The subjects of this study are, given the above,(for those groups
constituted the focus of the direct job creation programs), clearly
un-conventional. However innovative in terms of approach, the
programs are concretely rooted in decades of Canadian experience
in form, even though they were designed to respond to contemporary relatively high levels of unemployment among the young, the aged, non-whites, and the disadvantaged in general. In practice, the job creation programs were multi-purposed, and largely self-defining, at least in the projects undertaken. In reality, the creation of programs per se has been a long standing practice of government, as the Orange Paper points out,

"One of the characteristics of modern industrialized states is the concern of the community as a whole for the security and well-being of the individual and the family. This concern has been variously expressed, and has been manifested in a wide range of public programs. They include such measures as general income redistribution schemes, welfare counselling and other services, housing, hospital and medical care insurance, public health clinics and other preventive health measures, vocational training and rehabilitation, urban redevelopment and the development of depressed regions, and other programs." 36

But the fact that programs are created, that activities are undertaken, only implies that principled policy exists, not confirms it. Indeed, the job creation programs seem to fit no where in the traditional fields of income security, or social service areas, or even economic policy area as traditionally conceived.

In the closest possible approximation to more orthodox conceptions of policy, the direct job creation programs are comparably located in the area of a residual category, or ancillary programs - programs which do not serve one of the major, traditional policy areas of government. 37 With respect to "marginal" groups in the work force, Dymond characterized their position in departmental policy as "secondary", "...Such objectives can be said to
be secondary to the primary objective of facilitating economic growth and
stability." 38 Thus in a residual area, characterized by
ancillary programs, with a multitude of loosely defined objectives,
and actors and agencies, as Simeon notes, "...the broader a
policy field and the more agencies and levels active in it, the
more likely it is to be characterized by 'quasi-policy.'" 39

An assessment of the concrete circumstances surrounding
the existence and creation of the direct job creation programs
underlines their unconventional nature, and their ill defined
location within government policy in general, and manpower policy
in particular. How then are we to understand these programs? Why
were they created? How were they justified? Why, as our title
suggests, were programs created rather than an over all principled
and comprehensive policy? And most intriguing of all, why did
there appear to be an internal search for the creation of long
term, fundamental policy to provide a legitimization function
for the operation of the programs? What do these programs tell
us about the process of policy formulation, or lack of it, in
government generally? What do we learn about the nature of programs
in ill defined policy areas, and the behaviour of bureaucrats within
those areas? Finally, are there any discernable trends, any
patterns of action that we can identify that will aid us in
finding a more realistic understanding of government activity, at
least in part? Not all of these questions can be answered in
a study of this scope, and much must be left for future work,
however, it is hoped that this case study will sketch in some
ideas that might be useful in understanding other aspects of government activity that seem founded on programs, rather than originating from an overall principled declaration of policy.

**Perspective**

Some traditional understandings of the nature of government policy would tend to have us believe that "outputs", in the form of legislation, correspond in some fashion to both the models we propose, optimally at least, and to some form of reality to which they are applied. Seldom does the analyst concern himself, or herself, with an examination of the efficacy of the term "policy" to the term "output" to which he or she has directed attention. The development of the direct job creation programs and their operation help underline the need to carefully examine the process of policy and its consequences. It will be seen that a variety of factors must enter into any discussion concerning the development and operation of these programs that tend to both complement and go beyond traditional approaches to policy analysis.

The general style of policy making in government up to the conclusion of the Pearson years has been broadly characterized as incrementalist, that is, the slow accretion of policy patterns through a seemingly haphazard addition of new programs or development of "new ideas" in existing policy fields. The history of the development of social policies in general would seem to provide concrete evidence to support this generalization. As Johnson notes, recognition of the need for some form of "rationalization"
of governmental activities began to take place with the reorganization of cabinet, and with particular reference to the new emphasis on rational decision making in the early years of the Trudeau government. It was during this early period of experimentation in decision making processes that the first of the direct job creation programs, Opportunities for Youth, emerged.

Incremental development of policy makes it difficult to distinguish a decision from a fundamental change, or series of decisions which exhibit a discernable pattern over time. Rationalism, on the other hand, seems to imply the continuous setting of goals, defined by objectives that, presumably, would be measured in some fashion in order that the degree of success of the policy might be understood, and further action taken if required. In either case, there is an absence of clearly articulated principles on which to found fundamental decisions, patterns of decisions, or even declaration of goals, let alone specific action oriented objectives in particular programs. Hence, in no formal sense can principled policy be seen to exist with respect to the development of the job creation programs. This is particularly evident given the ill-defined nature of the programs which could only be characterized as a form of residual policy in terms of content (relative to other government "policies"), and only as a quasi-policy in terms of the vast numbers of levels of bureaucracy and actors involved in their creation, and the multitude of goals the programs were to serve simultaneously.

Are we then left with an insoluble paradox? Not at all,
for although the 'real' world may not meet our expectations, it is clear that one facet of developing an understanding of the necessity for change rests in an appreciation of existing concrete circumstances. To do this we must be prepared to deal with the development of programs in a quasi-policy or residual policy area, such that we might develop a perspective from which to critically examine that experience.

Accordingly, focus on the operations of the bureaucracy becomes ever more important in an existing policy process that emphasizes broad goal setting by cabinet, and concomitantly delegates greater freedom or latitude for departments to manage their own affairs to achieve those broadly defined goals. As Johnson notes, it is for the ministers and their staff to design 'policies' and programs to meet cabinet goals. Administrative personnel are left with the task of developing design methods and executing programs. Within this rationalized process, the creation and operation of programs are viewed as instruments, as they are seen as the concrete activities through which cabinet goals are to be achieved. This instrumental concept of the use of programs is pervasive throughout the bureaucracy and the literature. However, this viewpoint is far too limited, and possibly misleading, for it may not provide us with a realistic understanding of how government actually operates in that there is an inherent bias, an implied "ends" "means" dichotomy that is not always visible in practice.
We will suggest that the most constructive approach toward developing an understanding or appreciation of the existing concrete circumstances of the direct job creation programs is a developmental approach; one which emphasizes the concept of change, in essentially a process of "becoming."

To do this, it is necessary to forge a new unity of traditional perspectives which emphasize policy content, and perspectives which emphasize the policy process. We call this approach an analysis of the "process of policy."

The perspective of the process of policy does not assume the existence of principled policy, but rather concentrates on an examination of the actual content in an activity field, and its development within the traditional decision making structures of the executive bureaucratic arena, over a period of time.

Concentration on the actual activities of the job creation branch programs, from their initial "idea" to "consequences" and back again, permits the development of an appreciation of the moving events, routines, strategies and adaptations that are part of the existing concrete circumstances. Emphasis on following policy processes allows us to understand the interplay of actors and institutions within the bureaucratic system, insofar as their action, or inaction, affected program activities. Finally, rather than examine a series of static, isolated phenomena, the basic decisions to implement job creation programs will be seen as a strand of events through time.43

Within the perspective of the process of policy the
concept of programs also requires reformulation, especially given the significance of the role of bureaucratic actors in their development. We will suggest that the traditional view of programs as instruments of policy must be broadened to more realistically characterize program activity within a residual or quasi-policy area. Thus, programs may be seen as retrospective, reactive, incremental, active, partial, provisional, incomplete, and prospective.

Programs are retrospective in style in that they are traditionally used in decades of experience as the instruments of policy. The reactive aspect of programs rests upon a general approach taken by government to react to problems that are brought forcefully to its attention in a perpetual form of crisis management. The incremental aspect of programs rests directly upon an appreciation of the actual content and operation of the programs themselves, and largely remains a matter of perspective on the part of the individual analyst. The active aspect of programs relates directly to the traditional conception of programs as instruments - the operational aspect of the "delivery of government" to the public. The very constitution of programs as designs for delivery of services, with their limited focus, and generally narrow definition makes them partial. The provisional aspect of programs generally relates to their expected term of operation. Program activity may be considered incomplete, in two senses. In the most simple minded sense (something often overlooked in government circles) a program might not achieve its own objectives.
Secondly, in some cases programs are designed as demonstration programs to "test" activity within a field, and may have the possibility of initiating further development, but may fail to do so. Finally, programs may be viewed as prospective if, as demonstrations, they succeed in contributing to the development of activity in a field, perhaps even toward the development of principled policy.

A more comprehensive understanding of the process of policy - the unity of content and process over time - is possible only through the pursuit of a number of case studies at this time. This is due only in part to the unique nature of the perspective, which is both novel, and demanding. In general, the need for intensive examination of governmental activity and its consequences is particularly pressing, given the absence of principled policy and a tendency to equate the existence of policy with the creation of program activities. One survey publication of program activity in Canada lists a host of programs in some four hundred pages, with federal and provincial implications. Over a period of time, a series of studies on program approaches to issues, or problem solving, might permit the development of a new perspective on the development of policy in Canada.

The questions inherent in our research problem are massive, for they strike at the roots of some of the fundamental issues of understanding the activity of government in modern society. These questions cannot be answered easily, or soon, if they can be answered at all. There is much material in the literature on
how to conduct policy analyses, much material on actual studies of defined policy areas, but little work has been done on the direct job creation program areas. Of the case studies available, most take only a partial view of direct job creation activities, usually from a simplistic perspective, usually demonstrating a concern with content. However, this thesis is more concretely concerned with broader problems than simply the content of a traditionally defined policy field. Indeed, our point of departure for analysis, given the evidence available about the role of these programs, impels us to begin a realistic, if unconventional, task of analysing a residual or quasi policy area, in the absence of grand policy.

In general, there are arguments that both support and question the utility of the use of specific case studies in the literature. However, it is clear that the development of a process of policy perspective, with a unity of content and process over time, demands the use of case study technique such that we might begin to answer some of the research questions posed in such a complex approach. The process of policy perspective does not presume a static approach to the study of policy, or rather quasi policy, indifferent to time, but examines the events as subjects rather than as simply objects in a process. As Heclo suggests, analysts should be prepared to more realistically view policy as a "strand of events through time." Significant advantages accrue to the analyst using the case study approach
to capture the developmental aspect of events, as Heclo points out.

"...the case, rather than concerning an individual action or decision event, may... treat policy in terms of a cohort of decision and decision makers, eg. aggregates through time which experience significant events in certain chronological intervals. Here too there seems to be great scope for a qualitative expansion of the case study approach to public policy."

The fundamental task of the analyst thus becomes a very formidable challenge, for the task is more easily specified than its undertaking. We seek not to decompose process, or content as Heclo notes, but to find relationships which link the two over time. Thus the process of policy will be examined through the development and operations of the programs through the use of significant narrative, wherein dominant themes peculiar to each program, and common to all, will be explored.

A case study of direct job creation programs over a specified time frame cannot provide conclusive evidence concerning the workings of the policy process at the federal or provincial levels of government, nor how certain activities in a specific content area like manpower policy can be fully understood. However, a study of the direct job creation programs in the thesis does promise to offer insight into the questions inherent in the research problem. It also permits the examination of possibilities of change or development through time which might otherwise be overlooked, for one of the greatest advantages of case study technique is the depth of understanding that it provides.

In the language of the policy analysts, it is hoped that this case study will prove of incremental use to others who follow.
It is hoped that this case study can serve a heuristic function as it emphasizes a discovery process, by which we may gain "...a foothold at another shore of reality." This case study endeavours to be of heuristic value in the pursuit of generalizations which relate to the development of the direct job creation programs in particular, and to the process of policy in general. Findings in other areas of government dominated by program activity may help in the construction of a more adequate understanding of the process of policy. Indeed, students of public policy might find such analyses of value in other jurisdictions, for example, at the provincial or municipal level - or even in other countries - as much of the policy literature is so cosmopolitan in nature.

Ultimately, as has been suggested in the overview to the thesis, developing an understanding of the necessity for change rests both in an appreciation of existing concrete circumstances, and the development of a perspective from which to critically examine that experience. If we can contribute in some small way to aid that development of understanding, then much, indeed, will have been accomplished.

Thus far, over a billion dollars have been expended in program "solutions" in the area of direct job creation, with significant consequences, not only in terms of their effect on the general public, but upon the development of the thought of politicians and bureaucrats concerning the nature of programs and policy in Canada. In the Orange Paper, for instance, a
whole variety of examples are provided to validate the conclusion that there are limits to what can be accomplished through the use of traditional means and traditionally targetted programs to deal with problems like unemployment. The net result, according to the authors, is the "self evident" proposition that "...Canada's social security system must be based upon the assumption that special employment measures will be required to supplement general economic policies, and that such measures should be looked upon as a basic element of the social security system." While the social security review is incomplete, and Community Employment Strategy largely developing, it would appear that there is a basic commitment to continue with a programs approach to the solution of pressing problems. In this regard, it would seem imperative to begin to analyse the process of policy, to try to find out what happened, why, how, and what significance these programs have for our experience. It is only at this stage that we then can begin to move beyond our existing experience to develop the "...conceptual categories and the logic which will allow us to develop a coherent, comprehensive, and humanly adequate social policy."

**Organization of the Thesis**

The study is divided into six chapters. Chapter II traces the origins, development and conclusion of the first major direct job creation program, Opportunities for Youth. Founded in part as a response to significantly high rates of unemployment among
youth, it was unlike any earlier "make work" programs for it provided an opportunity for young people to define the kind of work they would like to do, and provided funds for them to achieve their goals. The origins of the program are examined, in the context of existing government initiatives, and an outline of internal program development is presented to help illustrate the concrete difficulties experienced by staff officers who attempted to develop coherent policy within a program context. The broader implications of the program are examined in terms of what was learned in the bureaucracy about the "delivery" of government, and the relationship between OFY as a demonstration program and the initiation of additional government activities of a similar nature.

Chapter III examines the development of the second, and largest program, the Local Initiatives Program. LIP was created on the OFY model, to directly fund the unemployed to participate in projects of their own creation. The chapter examines the origins of the LIP program, and its concrete achievements. Further, as the largest and most visible program, it generated significant critiques both within and without government. Its internal program problems are examined as an illustration of the general inability of staff to effectively resolve some basic paradoxes inherent in the development of programs by objectives.

Chapter IV examines two of the smallest, yet most distinctive of the direct job creation programs; the Local Employment Assistance
Program, and Entrepreneurial - LIP. LEAP opened the doors to the possibility of direct business creation by government, with an emphasis not only on the projects' content, but upon the disadvantaged workers themselves. E-LIP was designed to provide capital cost funding to enterprises to create long term business and employment opportunities. The origins, development, and internal difficulties of both these programs are examined in detail, for they "accidently" led government into new areas of activity. The internal struggles for justification of these programs, and the eventual elimination of E-LIP, constitute powerful examples of the attempt to move beyond a concept of policy dominated by simplistic declaration of goals and objectives by government, toward the development of some form of principled policy.

Chapter V examines a rationalized attempt to move beyond the limited nature of the direct job creation programs, to the development of Community Employment Strategy. Unlike the earlier programs, CES concentrated on giving entire communities the capability of analysing their own employment problems, and providing their own solutions, through the use of community consultation boards. The chapter examines the developmental phase of CES in the broader context of the social security review.

Chapter VI reviews the development of the programs in the direct job creation area within the context of policy making generally. It will be suggested that there existed a twofold perceptual/conceptual difficulty in terms of understanding
program experience; difficulty on the part of bureaucracy, and on the part of analysts. The failure of both government and program managers to deal with their perceptual problems will be examined, and some tentative suggestions offered concerning the general nature of policy making in government. Finally, the process of policy approach will be examined in terms of the assistance it provides us in understanding the job creation programs specifically, and development of policy in a more general sense.

Research Materials

Source material for the study was gathered from written documentation, and a series of formal and informal interviews, from many individuals, at many different locales across the country.

In terms of written documentation the most significant information was gained from sources at the Job Creation Branch. At the time of conducting the research, however, no formal collection of written documentation had ever been established. Consequently, a unique and original collection of program information, evaluations, staff papers, memoranda, correspondence, policy papers, departmental and interdepartmental task force papers, commissioned studies, and other material was collected by the author over a period of several years. The material was gathered from a variety of sources, both in Ottawa headquarters and from various individuals in field offices across the country.
The material collected now forms the nucleus of the collection of the Job Creation Branch archives, and is to be found in their library in Ottawa. The collection is generally available to departmental officials, and to a more limited extent, serious scholars. Unfortunately access is limited in the sense that much of the material is regarded as confidential, and in the case of Cabinet minutes, as secret. While all of the information was necessarily available to the author, from the invaluable perspective of collecting the archival material, not all could be directly quoted in the thesis for reasons of confidentiality.

In addition to assembling basic documentation for the first time in the Branch's history, the author had the privilege of observing the actual operations of the Branch over a period of many months. Through the fullest possible cooperation of staff members, the author was provided with a work area, and was invited to observe at staff meetings, conferences, task force meetings, and was generally able to approach "total immersion" in many Branch activities on a daily basis. Much of this observation took place at Ottawa headquarters, but in addition, every courtesy was extended to the author by field officers across the country.

Along with the opportunity to develop an archive, and observe Branch activities, the author is also grateful for the assistance of individuals in other areas who helped provide oral and written information necessary for the completion of the research. Courteous and prompt assistance was provided from
a number of major sources, among them:

- The National Library and Archives of Canada
- The Library of the Department of Manpower and Immigration
- The Library of the Department of Labour
- Statistics Canada
- The Economic Council of Canada
- The Canadian Council on Social Development
- The Office of the Minister of Manpower and Immigration
- The Library of the Treasury Board
- The Office of the Prime Minister of Canada

In addition to the information provided in written form, and informal conversations with staff from various institutions, several hundred formal interviews were conducted to more deeply explore the questions inherent in the research problem. Unfortunately, it was not possible to obtain interviews with the Prime Minister, or senior cabinet officers such as the President of the Treasury Board, Minister of Finance, or the Minister of the Department of Manpower and Immigration (there were several during the period), but their offices contributed assistance in terms of written speeches, and memoranda relevant to the research. In several instances it was possible to obtain transcripts from media sources concerning taped interviews with the Prime Minister, for example.

At the Departmental level, all senior officers of the Job Creation Branch were interviewed intensively over a period of months, a most useful and productive process made possible
by their unflagging courtesy, interest, and patience. Given the decentralized nature of Branch activities, interviews were conducted with field personnel in each of the program areas across the country. In an attempt to capture the regional flavour of program activities, extended interview trips were made to field headquarters in Nova Scotia, Quebec, Ontario, Manitoba, and British Columbia, involving about ten thousand miles of travel, and several months work spread over time. In all, several hundred interviews were conducted with many staff members from all of the programs, at various levels in the bureaucracy. Where quoted directly, the names of the individuals are given, with permission. In other cases, sometimes owing to confidentiality, reference is simply made to "staff".

The interviews were an important aspect of the research process in the sense that much of activity in the program areas was not committed to paper. The author was fortunate to be able to meet many individuals who had been with the programs, in one capacity or another, for a number of years, a significant number from the origins of OFY.
Chapter I

Footnotes


12. See, for example, Y. Dror, "Prolegomena to Policy Sciences," Policy Sciences, (Vol. 1, 1970), and generally all of Vol. I.


24. V. S. Wilson, *Canadian Public Policy and Administration*, op. cit., see esp. Ch. 6.

25. A multitude of perspectives, models, or frameworks abound in the literature from many sources, many countries. For a basic review of much of this material, see, esp. V. S. Wilson, *Canadian Public Policy and Administration*, op. cit., T. R. Dye, *Understanding Public Policy*, op. cit.


44. What is, or is not a "major" change from past pattern events appears to be the focal point for debate concerning some approaches to the study of policy and the nature of policy itself. Thus for Jackson and Atkinson, while policy is "grand and general", a decision to establish "particular grants for youth or local initiatives is not a policy, but the decision to establish such programs is a policy decision." Policies "... set the parameters of future decisions by developing a long-term perspective in issue areas." R. J. Jackson, M. M. Atkinson, The Canadian Legislative System, op. cit., p. 18-9. Are decisions to establish programs then "fundamental" decisions? Given
the tremendous internal problems in the programs to develop some form of program policy, defined in principle, it is difficult to simply accept the concept of policy decision in this sense, particularly when one notes that the programs for a long time depended upon annual approval for their continuation. On the other hand, the creation of a legislative instrument as an indication of policy activity is perhaps at least a clear-cut point of departure.

For our purposes we admire Heclo's forthrightness when he declared: "There is no unambiguous datum constituting policy and waiting to be discovered in the real world." and further; "Policy exists by interrogating rather than intuiting political phenomena." But as Titmuss points out, we have a special duty to make our values clear when discussing policy, for it "...has no meaning at all if it is considered to be neutral." Accordingly, we accept Titmuss's fundamental statement on policy...that it refers to the "principles that govern action directed toward given ends." It is not clear that the vast bulk of government activities really consciously reflect basic principles and values in an overt sense, although this may be true for certain cases. In practice, there has been a tendency to set goals and objectives in the rationalization of government. In this sense, principled policy cannot be seen to exist, although it should be evident. In the final analysis, the concept of a principled notion of policy provides basic standards of judgement, value laden as they are, which perhaps is not so unrealistic, given the value laden context from which such policies spring and are applied.


46. Most of the external studies of the direct job creation programs are extremely narrow, and focus on their selected subject matter from particularistic perspectives. Rather than review the "literature" directly pertaining to program activity at this stage, the literature will be used throughout the body of the thesis where relevant to gain an understanding of contemporary critiques of the programs of the day. In terms of understanding the process of policy, or a more sophisticated sense of program activity, most studies offer little guidance.


50. The unemployment rates among the youth became of particular significance by the 1970’s, especially to a government with determinedly "youthful" image.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Youth (15-24yr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966</td>
<td>3.4</td>
<td>5.6</td>
</tr>
<tr>
<td>1967</td>
<td>3.8</td>
<td>6.5</td>
</tr>
<tr>
<td>1968</td>
<td>4.5</td>
<td>7.7</td>
</tr>
<tr>
<td>1969</td>
<td>4.4</td>
<td>7.5</td>
</tr>
<tr>
<td>1970</td>
<td>5.7</td>
<td>10.1</td>
</tr>
<tr>
<td>1971</td>
<td>6.2</td>
<td>11.1</td>
</tr>
<tr>
<td>1972</td>
<td>6.2</td>
<td>10.9</td>
</tr>
<tr>
<td>1973</td>
<td>5.6</td>
<td>9.7</td>
</tr>
<tr>
<td>1974</td>
<td>5.3</td>
<td>9.4</td>
</tr>
<tr>
<td>1975</td>
<td>6.9</td>
<td>12.1</td>
</tr>
<tr>
<td>1976</td>
<td>7.1</td>
<td>12.8</td>
</tr>
</tbody>
</table>

That significant sums of money were involved is also evident.

<table>
<thead>
<tr>
<th>Summer of</th>
<th>Program $'000</th>
<th>Jobs '000</th>
<th>Jobs created as % of student labour force</th>
<th>% of students unemployed</th>
<th>% of students employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>23,118</td>
<td>27.8</td>
<td>3.8</td>
<td>37.1</td>
<td>4.2</td>
</tr>
<tr>
<td>1972</td>
<td>31,022</td>
<td>30.0</td>
<td>3.9</td>
<td>41.0</td>
<td>4.4</td>
</tr>
<tr>
<td>1973</td>
<td>35,403</td>
<td>37.4</td>
<td>4.7</td>
<td>67.7</td>
<td>5.0</td>
</tr>
<tr>
<td>1974</td>
<td>26,262</td>
<td>27.5</td>
<td>3.2</td>
<td>49.3</td>
<td>3.5</td>
</tr>
<tr>
<td>1975</td>
<td>32,205</td>
<td>28.1</td>
<td>3.2</td>
<td>34.9</td>
<td>3.6</td>
</tr>
</tbody>
</table>

* After B. Goldman, *New Directions for Manpower Policy*, op. cit., p.47.
51. It is important to note that the job creation programs did not form a unified whole over time, but consisted largely of a number of discrete programs, in the case of OFY and LIP. Thus it can be seen that in reality, in the time frame of the study 1971-76, that five distinct OFY programs and five distinct LIP programs were run during this period.

| Time Frame for Job Creation Programs and Community Employment Strategy |
|------------------|------------------|------------------|------------------|------------------|
| OFY | LIP | E-LIP | LEAP | CES |
| Summer 71 | winter | 71-72 | 1972 | 1972 |
| Summer 72 | winter | 72-73 | 1973 | 1973 |
| Summer 73 | 1974 | 1974 | 1974 |
| Summer 74 | winter | 74-75 | 1975 | 1975 |
| Summer 75 | winter | 75-76 | (cancelled) |
| "Young Canada Works" | 1976 | 1976 |
| "Canada Works" | 1977 | 1977 |

52. During this period, costs to government simply to maintain unemployment insurance benefits were a powerful incentive to develop some meaningful form of work program during the winter period.

| Activities of the Unemployment Insurance Commission 1966-76 * |
|------------------|------------------|------------------|------------------|
| Year | Beneficiaries (100,000's) | Total Payments per Annum $ |
| 1966 | 234.3 | 295.30 |
| 1967 | 267.9 | 352.65 |
| 1968 | 312.9 | 438.13 |
| 1969 | 307.5 | 498.99 |
| 1970 | 384.8 | 695.22 |
| 1971 | 439.3 | 890.59 |
| 1972 | n.a. | 1,871.80 |
| 1973 | n.a. | 2,004.21 |
| 1974 | n.a. | 2,119.21 |
| 1975 | n.a. | 3,144.02 |
| 1976 | n.a. | 3,342.25 |

52. contd.

That significant sums were invested in LIP is also apparent, much more so than OFY.

<table>
<thead>
<tr>
<th>LIP - Job Creation Expenditures and Jobs Created 1971-75</th>
</tr>
</thead>
<tbody>
<tr>
<td>-------</td>
</tr>
<tr>
<td>Program $'000</td>
</tr>
<tr>
<td>Jobs '000</td>
</tr>
<tr>
<td>Jobs created as % of winter labour force</td>
</tr>
<tr>
<td>% of winter unemployed</td>
</tr>
</tbody>
</table>

* After B. Goldman, *New Directions for Manpower Policy*, op. cit., p.47.
Chapter 2

THE OPPORTUNITIES FOR YOUTH PROGRAM

The Opportunities for Youth Program, OFY, was not merely one program, but five distinct programs, which began in the summer of 1971, and ended with the program's cancellation, in the summer of 1975. While only an annual program, its initiation helped pave the way for a whole series of other developments in the area of "direct job creation," like the development of the Local Initiatives Program (LIP), Entrepreneurial LIP (E-LIP), and Community Employment Strategy (CES). There are a number of common themes that run through the development of all these programs, but Opportunities for Youth was the first of its kind, and to some, the most significant.

This chapter will examine the origins and development of the OFY program. While unique in that OFY demonstrated that it was possible to directly fund citizen activities in a manner, and on a scale hitherto untried in Canada, it will be suggested that the program was firmly rooted in experience of the day, as a context for its development. A brief review of the internal "policy" developments of the program will be provided, as well as an overview of the concrete achievements of the program. While formal objectives, and concrete results of the program are important, an examination of the activities of critical program staff provides valuable information concerning program development. Staff activities will be examined, particularly with reference to the development of a
new "concept", or style of operation, which they called "the delivery of government." Finally, the eventual decline of the program, and reasons given for its cancellation will be examined.

OFY- The Beginning

The Opportunities for Youth Program did not, of course, spring from a vacuum, but from the experience of the day, marked by increased youth unemployment, unrest and migration. In addition, provision for special hiring of youth, particularly in the civil service, was an annual practice, as were other similar programs. Two of the most important aspects of that context were the Committee on Youth Report, and the example provided by the activities of the Company of Young Canadians.

While it met with mixed reviews, the CYC was a serious attempt to marshall the resources of young people across the country. Some felt that the CYC was included as part of the Pearson Government's agenda for the rather cynical purpose of winning votes for the Liberal Party. The CYC was put forward in the Speech from the Throne, according to one analyst, "...largely at the urging of some 'young and progressive' Liberal backbenchers and executive assistants who felt that something should be done to win support for the Liberals among the large post-war generation just coming of age, and who might have been impressed by the enthusiasm which the United States Peace Corps had generated among the young."¹ In brief, the program was viewed as a "...potentially efficient and relatively cost-free vehicle for winning youth support and perhaps, at best, as a good civics lesson
for the young participants..."²

Pearson's own view of the Company of Young Canadians was included in his memoirs. He regarded the CYC in rather loftier terms, for he chose to think of the CYC, although not completely successful, as an important government initiative in social policy.

"...the Company of Young Canadians was fine in concept but unhappy in execution. The idea was to see what could be done to give the young people of the country, who were restless and exasperated and unsettled, an opportunity to get rid of their frustrations by service." ³

Pearson attempted to articulate his reasoning in creating the CYC in a powerful and revealing comparison of the experience of the pre- and post-war generations of youth in Canada, at least in his understanding of that experience.

"I hope that I will not be misunderstood in writing this, but the two wars we have known in this century, while tragic and bloody and terrible, did give our young people a chance to lose themselves in a cause in which they believed. The wars channelled their enthusiasm and idealism. The new generation had not found the moral equivalent for war service and I wondered whether there was something we could do in this country to provide them with a challenge in terms of service to the state or to the international community. Thus, the Company of Young Canadians." ⁴

Others also concluded that the CYC was initially unsuccessful. It reeled through a series of management problems, with a succession of directors, and constant media exposure of their internal failures did little to assist the agency's prospects in its first few difficult years. In short, both the government and the agency had overreached themselves in their expectations concerning what the agency could accomplish.
"Government's naive assumption that the CYC could, with its slender budget and limited activities, serve all Canadian youth, is one aspect of the problem. It is equally evident that the initial founders of the Company projected the image that they and this organization would be able to accomplish that astonishingly broad goal. It became painfully evident that such was not the case."

Even more pointedly, it was concluded that "...the Company did not grow out of Canada's needs as expressed on a local and specific basis but rather out of an expressed but inarticulate feeling that 'something' to involve youth in society and government was needed."  

However, while the Company of Young Canadians was going through its initial birth pangs and reorganization, the possibility of a successor arose. Both the problems, and the potential, of the CYC suggested the possibility of further action to harness the resources of youth. Both Cam Mackie and Stuart Goodings had been involved in the CYC, and Mackie later worked in the Department of Health and Welfare in the Welfare Demonstration Grants group. On a limited scale, the Welfare Demonstration Grants program made money available to citizen groups to establish community services. From this background, Mackie and Goodings collaborated on a paper which, according to Best, "...would retain the better aspects of the CYC, but, at the same time, be more politically acceptable." However, the proposal met with little success. It was simply too small to be visible.

About the same period, in 1968, Prime Minister Trudeau announced the creation of the Committee on Youth. The mandate of the Committee was to investigate youth problems and aspirations. At last, it appeared that the government of the day was going to take the problems of youth seriously, by instituting a major investigation of the youth phenomenon, and possibly to act.
The Committee on Youth also helped to set the stage for the creation of Opportunities for Youth, by presenting a picture of the problems and aspirations of youth in Canada in the late 1960's, looking forward to the decade of the 1970's. It argued that high unemployment rates among the young were more than merely the product of the post-war baby boom, but rather were "...a permanent feature of the Canadian economic environment." 9 It was felt that in many ways the young were regarded as a marginal group in Canadian society, and the Committee set about to make this section of Canadian society more understandable to the government and the population at large. A draft report was submitted to Gérard Pelletier, then Secretary of State, during the October crisis of 1970, and presented a very bleak prospect in terms of continued unemployment and alienation among the young.

"Given the central importance of work in Canadian culture, unemployment sends psychological shock-waves resounding through the young person's mind. Deprived of work in a society which values work, they feel trapped in a cumulative downward spiral. It winds through deep feelings of inferiority to the destruction of self-confidence to a sense of futility to profound depression. Ultimately, it may end in sporadic violence or a general, often enduring, deterioration of the human being. If this despair becomes articulated and collectively felt, its implications are revolutionary." 10

In preparing their Report, the Committee interviewed ten thousand people, and entertained briefs from a host of agencies, citizen groups, and individuals. They reviewed the operation of a variety of federal and provincial agencies whose activities dealt in some way with youth, from the CYC, to military education programs, and offered recommendations concerning each. Interestingly enough, while the Report may have helped to set the stage for the creation of OFY, there
was no direct connection between the Committee and the activities of Cam Mackie and others, who were attempting to resurrect YES, their original proposal, in a new form as Youth Opportunities Unlimited. The new YOU program had a proposed budget of twelve million dollars, most of which was to be spent through the offices of traditional service agencies, and little directly allocated for student initiated projects. Both the Committee on Youth Report, and the new YOU proposal were put forward to an interdepartmental committee for consideration and further recommendations.

It became clear that the members of the interdepartmental committee established to deal with the YOU proposal and the Committee on Youth Report were much less interested in attempting to deal with social problems among the young, than they were concerned with immediate political circumstances --- student unemployment and projected discontent on a massive scale. In short, the major parts of the recommendations of the Committee on Youth Report were studiously ignored, those that dealt with increased participation and decision-making power on the part of youth in Canada. Instead, the committee recommended a "watered down" version of the YOU proposal. It was suggested that the new program be called Opportunities for Youth, and be allocated a budget of five million dollars to deal with youth unemployment.

While the members of the interdepartmental committee could afford to take a more cautious approach to the problems of youth, it appeared that politicians could not. Political considerations were important, and, after Lowi, it was suggested that "...with such a small amount to be allocated, political benefit would have to accrue from the symbolic or constituent impact of the
program and not from its distributive impact...."¹³ Best argued that "...the anticipated symbolic impact was not great enough to justify the political risks involved both in funding potentially controversial student-initiated projects, and in funding projects which might infringe on provincial jurisdiction."¹⁴ Accordingly, the cabinet "raised the stakes", by allocating 14.7 millions, later raised to 24.7 millions, to the program to increase "constituent impact" and "distributive impact" at the mass level.

There is, of course, another possible explanation of the progression of events leading up to the establishment of OFY that Best simply does not take into account - just that the members of the cabinet liked the idea and were enthusiastic enough about it to increase the amount of funds available to the fledgling program. The earlier support for the very small welfare demonstration grants seemed to indicate that "distributive" or even "constituent" impact need not necessarily be of the greatest concern to the cabinet as Best would suggest with reference to the OFY decision. Indeed, in attempting to reconcile the interdepartmental committee's funding suggestion with the vastly increased amount authorized by cabinet, Mackie pointed out that it had been his experience that it was the members of the civil service bureaucracy who were the least open-minded to new ideas, and who were the most conservative in terms of initiating change.¹⁵ In short, the greatest difficulties that the authors of the youth proposals encountered were with the bureaucracy, not with the politicians, at least at the initial stages of the development and operation of the program."¹⁶
On March 16, 1971, the Prime Minister announced in the House of Commons the components of the Summer Student Employment and Activities Program, including the new Opportunities for Youth Program. SSEAP was a "program package" of programs costing 57.2 millions, and was designed to provide jobs and "meaningful activities" for some of the possible 1,800,000 university and high-school students who would be looking for work or were simply inactive in the summer of 1971. There would be increased hiring in the civil service, particularly in Ottawa, additional Canada Manpower Centres for students, a summer militia program, an expansion of group and individual travel services, grants to Canadian student athletes and, of course, OFY. The office of Secretary of State was responsible for the over-all coordination of SSEAP information, as well as having direct responsibility for several of the programs, including Opportunities for Youth.

Predictions that sluggish economic conditions would make it difficult for the private sector to provide as many jobs as it had in previous years, helped spur the implementation of a large SSEAP, as did student and employer views that such employment was often not satisfactory. Both the Prime Minister and Secretary of State sensed the need for new approaches to youth problems, and the announcement of the program centred upon the theme of participation among youth. Indeed, following the Committee on Youth Report, it would not be unfair to characterize the announcement as a form of challenge.

"The government believes as well that youth is sincere in its efforts to improve society and that young people are anxious to work and to engage in activities which are intended to make Canada a better place in which to live. The government proposes therefore to encourage young persons to direct their energy, their imagination and their altruism into projects which are beneficial to the entire community. The opportunities ...
for youth program will combine the resources of the government with the resourcefulness of youth. We are saying, in effect, to the youth of Canada that we are impressed by their desire to fight pollution; that we believe they are well motivated in their concern for the disadvantaged; that we have confidence in their value system. We are also saying that we intend to challenge them and see if they have the stamina and self-discipline to follow through on their criticism and advice."

Trudeau's challenge to youth was, of course, not dissimilar to Pearson's challenge to the idealism and enthusiasm of youth in his government's creation of the Company of Young Canadians.

Toward the end of May, 1971, the Secretary of State, in an address to the Annual Meeting of the National Council of YMCAs of Canada, stressed the role of citizen groups and voluntary organizations and their possible involvement in the OFY program. This was consistent with the connections between project participants and quasi-sponsoring groups that were to exist in the new program, but slightly inconsistent with the operation of the program which was designed to emphasize the initiative of youth who, on their own, were to get together to propose, submit proposals, develop, and operate their own projects. According to Pelletier, the program objective of OFY was "...to make it possible for citizen groups, voluntary organizations and young people themselves to develop opportunities for the employment and participation of young people during this summer of 1971."

While in the House of Commons, Pelletier found it agreeable to emphasize yet another aspect of the OFY program --- the possible impact of OFY on the problem of regional economic disparities.

"An important objective of the summer employment program is to offset regional disparities by providing more assistance to those regions that are hardest hit by student unemployment. The number of students in each region and the levels of other provincial and federal spending in each region which would create..."
summer jobs have been taken into consideration. Opportunities for Youth monies have been carefully allocated to assist government in achieving this balance." 20

According to Pelletier, even the criteria for project selection to achieve program objectives had intrinsic value.

"To achieve the objectives and priorities, the following criteria were employed. First the number of jobs created by youth projects, and the cost of each job; secondly, the number of participants and benefits projected to each project; thirdly, the promotion of national solidarity, which by the way does not mean French/English relations but solidarity between Canadians all over the country." 21

From this cursory examination of a number of statements by the Prime Minister and the Secretary of State, it can be seen that the Opportunities for Youth program could be viewed as being all things to all people. Indeed, it would not be too cynical to say that there appeared, on the surface at least, to be something in OFY for everyone. But was this actually the case? The evolutionary development of the objectives and criteria of the OFY program over the years seem to indicate that this assessment is appropriate.

"Program Policy Development" - OFY 1971-1975

Although overlapping, and sometimes vague, a definite set of objectives and criteria for project selection existed for each year of operation of the OFY program. As an annual program OFY was without fiscal or political support beyond the immediate year which was provided at the will of the government. In a sense, each year of the program's operation can be seen as a "new" year, for the development of a "new" program within the context of the other general programs designed for youth. Accordingly, OFY began literally afresh for
each new year of its operation, as the program was announced and funding made available. The consequences deriving from this provisional status were particularly important, for example, in the developmental phases of the program, and remained so throughout five years of "temporary" operation. Some of these consequences may most vividly be seen in the area of internal program development, with respect to changes in program objectives and criteria.

The reasons for including OFY at all in a summer employment package may be seen in the context of the very instrumental concerns of the government of the day. The criteria used to assemble programs for the Student Summer Employment and Activities Program included various factors, among them: the cost of each job created; the number of people who would benefit; the regional distribution of benefits; the effect on national unity; and to the extent feasible, that priority in jobs and activities be given - among students - to post-secondary students whose needs were seen to be the greatest. In jargon of the day, a good program package required a good "mix" of programs which, together, could be used to attack problems. The goals of OFY complimented the SSEAP approach to problem solving.

The goals of the first OFY program were three-fold. The first objective of the program was to provide employment for students "...which did not involve job competition between students and permanent members of the labour force." Secondly, the jobs that were to be created had to be considered "meaningful" by the students. Finally, the program was to "...have a beneficial effect on national unity, defined in terms of a general awareness and affection for the country at large." With the wisdom of hindsight, some of the goals of the
first program look quaint and dated. But at the time, during the cabinet deliberations concerning the possibility of a summer employment program, the Committee on Youth had brought forward its preliminary report, the unemployment figures and projections for youth unemployment looked discouraging and, perhaps significantly, the October crisis occurred.

The first OFY program was viewed as an experiment, a new and totally untried form of government program on a large scale. It could not be determined in advance how successful the program would be, or what impact the program might have on the population at large. Accordingly, an evaluation component was built in the program to attempt to analyse the entire process, and to make recommendations concerning future possibilities. Pelletier said:

"Throughout the course of the experiment the government will closely monitor and evaluate the effectiveness of this model for citizen participation, its effectiveness in problem identification and solution, the utility of different approaches never before attempted in the community, and the effect of this program on the students, participants, and beneficiaries.... So this evaluation might again be a shock of a different kind, we just don't know - this is the risk of it." 24

The authors of the first OFY evaluation report took the Secretary of State at his word. After the completion of the first program, it was suggested that the objective of creating "meaningful work" for students become the key element of the entire SSEAP, through the operation of OFY. As the authors of the first report pointed out, the objective had consequences for program activity as, "...in practice this led to the notion of projects initiated and controlled by the participants, enabling them to act on their own definitions of community need, and providing an effective learning experience." 25 Even more
emphatically the report added, "...given the shortcomings of Opportunities for Youth as an employment programme and the unspecified nature of the goal associated with National Unity, OFY must stand or fall on its effectiveness in providing these 'meaningful activities.'" 26

The initiation of projects by students, through to planning, development, implementation, and operation, was unique and did provide ammunition for the claim that OFY was innovative, and did provide for the creation of "meaningful activities" for students, by students. At the same time, during the first year of operation the concept of the development of community, or "community benefit" entered through the back-door of the program, as "any benefit to the community would, of course, be a welcome side-effect." 27 Beyond these positive achievements, however, some underlying problems in OFY dominated the attention of the first evaluators.

When Pelletier spoke, he had no idea how truly shocking the first evaluation report of OFY would be. With respect to program objectives and criteria for a further OFY program, the evaluators of the first program said that "...the explicit selection criteria should be minimal...." They contended that the strength of the program rested in the initiative of the participants and that such initiative should not be restricted by complex regulations and requirements. But even more importantly, they recommended that the program be discontinued and be replaced with a broader program --- "Opportunities for People" --- which, rather than merely employ people, would "...attempt to exploit their skills for the benefit of the total society of those people forced to be idle." Instead of a bland, self-serving
commentary on the success of the program and recommendations for simple renewal, the evaluators suggested that the existing form be abandoned at once, for reasons of principle, and suggested that a much more equitable program be established.  

The stunning recommendations of the first OFY evaluation committee report were not heeded. Indeed, the cosmetic success of the first program and predictions for another year of high unemployment for youth seemed to make a new program inevitable. One was duly constituted.

Again, OFY was subsumed under the larger and more general umbrella program of the federal government, the Student Summer Employment Program. SSEP had a general objective to "...encourage and create student employment and activities which would be socially useful and personally satisfying and would reduce the predicted rate of student unemployment...." There were six major sub-objectives of the SSEP for that year:

- (1) to encourage creative and useful community service
- (2) to promote the personal and social development of students
- (3) to increase students' understanding of the people, institutions and cultures of Canada
- (4) to encourage the private sector and other levels of government to create jobs and activities for students
- (5) to improve future recruiting for the permanent public service
- (6) to help students support themselves and finance their education with preference to be given whenever possible to those with the greatest need.

Some 85 million dollars were allocated to achieve these objectives and sub-objectives through use of a variety of programs, of which, OFY with 34 millions, was the largest.
Given these broad sub-objectives, it was clear that OFY did have a place under the general SSEP umbrella. But it remained to be seen exactly how OFY would operate given the SSEP objectives. This problem existed throughout the operation of the various OFY programs so that, each year, a tortuous exercise had to be conducted by the program staff to establish the program's objectives and priorities to make a "fit" with the overall thrust of the SSEP. The evaluation report of the second program illustrated the problem clearly.

"While the Cabinet outlined the objectives and sub-objectives of the Student Summer Employment Programme it was not made clear whether all the sub-programmes shared equally all the objectives, or whether certain objectives would be given more weight than others by the individual sub-programmes. For example: it was assumed that two principal objectives of the Opportunities for Youth programme were 'to encourage creative and useful community services' and 'to promote the personal and social development of students' but there was some confusion over whether the programme alone was to attempt to 'reduce the predicted rate of student unemployment' or whether it was simply to provide employment for 29,215 young people."  

The objectives and sub-objectives of SSEP were simply general, and the sub-objectives stressed in particular programs became important. For example, the specific project selection criteria used in the OFY program significantly affected the types of projects that eventually did get selected, and hence determined the character and the flavour of the program. The criteria for project selection were extensive.

The selection of projects among the received applications was to be made by "...region and sub-region following fixed budgetary limits related to the rate of student unemployment in each region and sub-region and taking into account provincial governments' stated priorities, male-female distribution of jobs, the ratio of secondary to post-secondary students and where possible, the financial needs of the
participants." The earlier prime requisite of creating "meaningful activity" became, as the evaluators of the first program suggested, subsumed under the rubric of "youth involvement." "Projects must be planned, administered and evaluated (including the submission of a final report) by the students themselves. Responsibility for the project must at all times remain with the project members." The concepts of innovation, and personal development became subsumed under the criteria of "innovation" in a new manner. "Preference will be given to projects which offer new services to the community or new approaches to existing services." The concept of community service or benefit began to appear for the first time as an overt criterion or "operative objective", no longer simply relegated the the category of a "welcome side-effect."

"Projects will be assessed on their degree of community benefit and involvement, as well as their degree of consultation with outside groups, provincial and municipal departments or other organizations where required. The projects should meet some of the basic needs of the community, offering realistic answers to community problems." 32

In addition, there were some further criteria used during the selection of the projects for the second OFY program, that involved questions concerning the feasibility of the projects, aspects of financing, and the type of project. In the latter case, reference was made to the possibility of developing business-oriented projects which would be entertained through the offices of a liaison group established by OFY for the first time to work with private entrepreneurs. 33

Inspite of the verbiage, the evaluation committee for the second program concluded that "(T)he criteria for the selection of projects, and thus the objectives of OFY, changed little from the previous summer." The significant difference between the two programs
rested primarily on the style of management, for the paper emphasis on "community" simply required that projects have three letters of reference from members of the community in which the project was to be instituted -- to improve "community involvement." However, the criterion of community benefit unexpectedly attained much more concrete importance in the operation of the program when several project officers, on their own initiative, "...brought together several members of the community to form local selection boards on the assumption that local people are in the best position to determine local needs." This change in operational style formed the basis for subsequent years of operation of the OFY program, and spilled over into the more massive Local Initiatives Program operation.

The involvement of local citizens in the selection process seemed to be a move in the right direction, to make OFY operations more relevant to the "communities" which were to be served through encouraging increased "participation." At the same time these attempts to broaden the base for project selection could have unwelcome side-effects. For example, increased citizen participation in the selection process could make it more difficult for OFY to attain its objective of "innovation" in that local selection committees might tend to turn down the more "exotic" projects in favor of substantive "social service" or make-work projects, a course of action that OFY was deliberately directed to avoid. As the style of operation of the program began to change from the first program through the operation of the second, the content of the program began to change, for in one sense the projects and their activities, in the final analysis, constituted the "policy" of OFY.
During the third year of operation, some further changes ensued, but some major criticisms had been leveled at the program with which the staff were unable to deal. The OFY staff knew that the overt objectives of the program, from the very beginning, did not attempt to deal with the basic underlying causes or reasons for the disaffection of youth, and their unemployment or under-employment. By the end of the 1972 program, the staff was aware that they were unable to reply to one major policy criticism, that OFY was simply serving middle class youth. Indeed, although some attempts had been made at the project officer level to appeal for the inclusion of more "disadvantaged" youth, the overwhelming number of applications came from students, both in high-schools and universities. Opportunities for Youth had become Opportunities for Students; and the OFY staff knew it.

As the rhetoric of the program began to depart further and further from the reality with which the OFY staff members found themselves dealing, it appeared obvious to them that changes had to be made, but little happened. Again, OFY was subsumed under the umbrella goal of the Student Summer Employment Program in 1973, "...to facilitate and create temporary student employment and activities during the summer which would be socially useful and personally satisfying." The sub-objectives relevant for OFY were three-fold: to encourage creative and useful community service; to promote the personal and social development of participants; and to help participants support themselves and finance their education with preference to be given to those in greatest need. The criteria for project selection or preference were tied for the first time to the major sub-objectives of the program.
Community service had become the focal point for "operational policy" through the mechanism of project section. The restrained "anarchy" of the first year had gradually been replaced by an emphasis on increasingly bland and inoffensive projects. It was within this framework that students were to "develop." The implementation of the Local Advisory Committee system further encouraged this process. The 1972 experiment with advisory committees to advise project officers during the selection process was deemed so successful that it was spread throughout the system in 1973 until 115 Local Advisory Committees (LACs) were in use. In addition, regional offices were established in Vancouver, Winnipeg, Ottawa, Montreal, Quebec City, and Halifax, in response to earlier criticism that the highly centralized operation of the program had caused needless delays and difficulties in program operation.

The general decentralization of the OFY program and the acceptance of the LAC system had an important bearing on the development of the general thrust of the program. The objectives of the LACs were directly tied into furthering the objectives of the program in that over-all policy objectives of OFY tended toward the development of community services for community benefit. The role of the committee was to ensure that the proposed projects did have the support of local community members. At the same time, from an administrative-political point of view, the LACs helped to minimize the consequences of personal choice in the selection of projects, with respect to the role of the project officers. Through decentralization, more project officers were stationed in the various regional offices, and an attempt was made to appoint project officers from the areas in which they would be working.
All of these changes bespoke a commitment to localize the "delivery of the program", in accord with the ever increasing importance of achieving the objective of "community benefit." 38

For the 1974 program, the objective of community benefit was well entrenched as the primary focus of the program. "Projects should demonstrate positive benefit to the community; they should meet some of the needs of the community or Canadian society, offering realistic answers to community problems and showing clear evidence of local support." 39 "Youth involvement" was to be determined simply by age criteria, and benefits to participants became a third objective wherein "...preference will be given to projects submitted by young people who need assistance in financing their education, who are members of low income groups, ethnic or racial minorities, native people, handicapped or who are from isolated communities, or areas offering few employment possibilities." Almost parenthetically, it was noted that "(P)ractical activities should normally be such as to provide the opportunity for participants to develop their skills." The innovative aspect of the original program became reduced to one concise sentence: "Project participants are encouraged to submit projects which offer new responses to community needs."

OFY '74 was offered again under the SSEP umbrella, and as might be expected, the objective of SSEP was instrumentally directed toward employment.

"...to encourage and facilitate the private sector and other levels of government in providing employment for the student population, with particular emphasis on the matching of available student labour with the manpower needs of key areas of the private sector experiencing labour shortages." 40
As OFY assumed the leading role in the "delivery" of summer programs, in terms of numbers of staff, projects, and those employed, not to mention "community benefit", it would appear to have been more logical to attempt to reconcile the policy objectives of SSEP with those of OFY, instead of the reverse. From the beginning, inclusion of the OFY program under the SSEP program package of "employment" programs and related activities was regarded as inappropriate by OFY staff. The situation became even more difficult for the 1974 program staff in that in late 1973, responsibility for OFY was transferred from the Department of Secretary of State to the Department of Manpower and Immigration, and OFY fell under the auspices of the newly created Job Creation Branch of that Department. 41

By the end of the fourth cycle of operation of OFY, a task force was set up to begin provisional planning for a 1975 program, and a complete "policy review" of the program. While a review of the year's past activities and performance was typical of each of the programs, primarily through intensive work of a task force assembled specifically for that purpose, the summer of 1974 review was particularly revealing in that task force members proposed three possible policy scenarios, from simple retention of the previous year's objectives, to a completely new direction for the program. In common conceptions of the policy process, it is not unusual to expect the creation of a number of viable "policy alternatives" to be put forward to senior staff, or cabinet, for a final selection. However, the character of the OFY task force proposals in 1974 was particularly important, for they offer a significant insight into the operations of
the "policy process" of the program within the overarching SSEP context, and within the Job Creation Branch itself.

The first policy option proposed by the 1974 task force was the retention of the previous year's objectives. They pointed out that one of the advantages of that approach would be to stress continuity in the program, a feature of some importance to a program that operated on a year to year basis, and added, "...emphasis on the development of activities beneficial to the community would continue to stress the program's capacity to involve youth in the identification and meeting of communities' needs." At the same time, the authors pointed out that this option might tend to leave the public with the impression that "...the program is inflexible, institutionalized and unresponsive to changes among youth and in the broader political and manpower policy context." In short, it was argued that the program had to change, that its "public image" was at stake, and that image was important, to the public, the Job Creation Branch, the politicians, and, of course, to themselves.

The second possible option was to redefine the objectives of the program entirely. It was concluded, however, that this option would be difficult to accomplish in that the 1974 objectives were considered to be "quite comprehensive in scope", and that any attempt to achieve a completely new definition of the program's objectives would involve conflict with, or duplication of programs within the existing SSEP umbrella.

Accordingly, a third option was proposed, one which would merely involve changing the emphasis of the previous year's objectives for the new program for 1975. The task force argued that "...the advantage
of this option would be that it would indicate a responsiveness to changed conditions and enable the program to be better aligned with important aspects of departmental policy. Further, such an approach "...would retain the program's capacity to realize its distinctive potential for effectiveness in these areas, thereby maintaining the flexibility of the SSEP approach and the related range of options available to the students."^43

Although duly constituted as a "policy review", essentially a review of program objectives for the next year, the exercise of the OFY task force may well be considered little more than an elaborate charade, for the justification of, and defence of an image. While the task force members were satisfied with the preceding year's performance and its "policy" objectives were deemed appropriate, nonetheless they did not wish to be accused of simply standing still, hence the necessity for change—any reasonable change.

As might be expected, "change" did occur, as the third option was selected among the proposed "alternatives". The three major policy objectives of the program, subsumed under the general SSEP objectives, remained much the same as the preceding year. OFY was to "...provide students and youth with opportunities to examine and assess their role in the development of their community; to further their personal, social and skill development; and to assist participants in financing and developing educational and career options and alternatives."^44 The "real" change was to occur at the operational level, wherein the qualities of the projects to be examined in the assessment phase would remain substantively the same as the preceding
year, but would assume a different ordering. The traditionally
first criterion of "community benefit" was inexplicably replaced
by the criterion of a minimum-maximum age category for project
participants. Benefits to participants became the second most
important criterion, followed by the displaced "community benefit."

The final version of the suggested list of objectives that
emerged out of the task force process was rearranged again, at the
Treasury Board or cabinet level. The major policy objective of OFY
coincided with the overall objective of SSEAP: "To encourage, facilitate,
and create student summer employment and activities which meet the needs
of students, employers and communities." The six sub-objectives relevant
to OFY predictably included the items that had come to be expected of
the program, but began with the concept of self-development and concluded
with one objective that had been absent since the first program,
that OFY was to "...provide students with a better awareness of the
people, institutions, languages and cultures of Canada." Contributions
to community benefit and "response to human need" became the second
last sub-objectives of the program operation for 1975.

After the initial operation of the first program, a gradual
change settled in OFY, in terms of its slowly evolving "policy"
objectives. Clearly, at the most formal level, the program became
gradually more "conservative" in terms of its over-all objectives.
Some intimation of the operation of the process of policy is achieved,
not the least of which is the realization that OFY staff themselves
viewed the formal program objectives as program policy. Conceptually,
their vision was limited to the very short term, albeit personally
important, management by objectives approach to problem solving. However, within these activities, several important themes also emerged concerning the style of program management, and the importance of the emphasis placed on selected objectives in terms of actual program operations.

A brief review of the "official policy" of OFY shows the development of the program in terms of "paper" objectives, but falls far short of presenting an adequate picture of the process of policy. In large part, a greater understanding of the process of policy within OFY is to be gained through an examination of the operational style and content of the various programs. The internal growth and development of OFY, its "idea" and operation, belie the casual observer's view that "policy" can be simply understood through an examination of official government pronouncements, ministerial speeches, and annual departmental reports. The accomplishments of the program, the concrete content, provides a context within which to discuss that policy.

**OFY Achievements 1971-1975**

The first OFY program created for the summer of 1971 was described as the "...most creative act...of the Trudeau Government." Its major significance seemed to rest in the simple fact that, contrary to accepted forms of 'employment' programs, OFY allowed young people to define their own summer activities "...according to their own standards within certain minimal constraints." The projects were OFY, and were "...limited only by the imagination of the young people themselves." Even the program staff described OFY as a form of "planned
anarchism", of spontaneous self-organization. It was felt during the first program that "...individuals were theoretically free to work for or against the 'system', or to disregard it entirely...." The relative absence of political influence in the project selection process enabled people to devise projects which could challenge, by visible example,"the established power structure and traditional ways of their communities." According to one staff member, "...the program was thus predicated on a new model: the allocation of public funds to projects originating within neighbourhoods and small communities, rather than imposed by government planners." 45

When the program was first announced, it was expected that about 40 project officers would be able to judge the applications for project grants, and be able to assist the operation of the approved projects in their activities over the summer. There were five regional coordinators who passed on recommended projects to a departmental committee of senior officials, including the program director to help make final decisions. Projects valued at over $50,000 went through the same screening procedure, but also had to be approved by an interdepartmental committee. Finally, "...the recommendations of both these committees were subject to the approval of the Minister, the Under-Secretary, and the Assistant Under-Secretary of State." 46

During the first program, almost all the staff was centrally located in Ottawa. They had only a few weeks of preparation before the official program announcement in the House. Instead of the expected orderly flow of applications, the staff had to deal with over eight thousand applications, most of which arrived during the
last few days before the application deadline of April 15. Although the budget of the program was increased from 14.7 millions, by an additional 10 millions, only about one quarter of the applications could be approved. During its first year of operation, a total of 2,312 projects were approved, which created almost 28,000 jobs for young people across the country. 47

That summer, young people read to the blind, cleaned up garbage, cut hiking trails and built community parks. One third of the projects dealt with research, from research on the environment, to the natural sciences. One quarter of the projects dealt with recreation, working directly with people, or in the creation of recreation facilities. Another third of the projects were concerned with the social services, which included running day-care centres, drop-in centres, offering legal and medical aid, and rehabilitation counselling. Ten per cent of the projects dealt with the arts, theatre, photography, music and other activities. 48

While initially successful far beyond the hopes of its creators, the first OFY program experienced a great deal of administrative confusion. Almost completely centralized in Ottawa during most of its operation, the initial selection of projects had to be made by project officers who knew little or nothing about the areas from which the project proposals were received. In the operational phase of the program, the project officers did try to get out in the field to visit the projects at least once during their operation. However, such "flying visits" could hardly serve to assist projects which were having difficulty. Indeed, a survey of the first program operation
indicated that project participants felt that the field support provided by the program was inadequate. The first evaluation of the program concluded that the administrative weaknesses of the program could be corrected, through experience, but that the concept of OFY was sound and produced a broad range of worthwhile projects. 49

During its second year of operation, OFY was given a substantially higher budget, almost 34 millions, and a staff of almost three hundred with which to operate. Over twenty thousand applications were received, of which over three thousand were approved. The projects created jobs for almost thirty thousand young people across the country. In addition, a private sector liason desk was created to solicit funds from industry to work cooperatively with OFY to create more job opportunities for youth. A total of $147,000 was raised to fund 17 projects. 50

The types of projects funded remained substantially the same during the second year of the program. Approximately one half of all the projects were in the areas of social services or recreation. Environmental and research projects declined somewhat, and the greatest increase of activity occurred in the area of cultural projects which constituted twenty per cent of the total number of projects for 1972.

In the second year of operation of the program, some changes were made in response to the criticisms of the previous year's experience. The Treasury Board criteria for project approval included, for the first time, a list of types of projects that were specifically to be excluded from consideration as OFY projects. Project proposals which
were to be rejected included those of a "partisan political character", publications "whose chief purpose is commentary and confrontation rather than information", projects submitted by federal, provincial, or municipal departments or agencies, and projects "which appear to be concerned mainly with purely leisure activities for the recipients." In addition to eliminating potentially offensive projects, an attempt was made to encourage participants to develop their applications more closely with the needs of the community in which they were to operate. Accordingly, three letters of reference were required of project applicants from citizens in their community. It was felt that this requirement would help to increase project "accountability" to the members of the community in which the project was to operate.

The style of the management of the program began to change, with the increased emphasis on the importance of "field work" for the project officers. During the second year, the project officers had more time to prepare for operation of the program, and the experience to do what was needed to make the program an administrative success as well. But perhaps the most interesting event of 1972 was the unofficial creation of community boards to assist in the selection of OFY projects. This experiment was tried in two Ontario communities, Cornwall and Sault Ste. Marie. On their own authority, the local project officers invited a committee of local citizens to participate in the selection of projects for funding. It was felt that local citizens could be helpful, for they had local experience and knowledge about community needs and interests in their own area.

The administration of the program improved in 1972, in that a larger number of project officers, 125, were employed, and were
assigned to the field to work with project participants. A greater effort was made to reach disadvantaged youth, by allocating OFY funds regionally according to projected youth, and student unemployment figures. Within the five administrative regions across the country, OFY staff consulted with provincial governments to help pin-point sub-regions of the greatest need. Lists of selected projects, prior to their final approval, were made available for review by provincial government representatives, and by Members of Parliament. While in practice, little time was allotted for outside review of project proposals, cooperation with provincial officials did make it possible to avoid making costly duplication in program efforts as many of the provinces also ran summer youth employment programs.

By the third year of operation, some important changes were made in program administration. The program was decentralized to some extent as regional desks in Ottawa were moved to regional headquarters, and sub-regional offices were set up in all the provinces. This was done to enable the program "...to become much more sensitive to local needs during the solicitation and selection period and further allowed projects to be better serviced over the summer." 53 The implementation of Local Advisory Committees across the country also assisted in making OFY more sensitive to local needs.

A further attempt was made to fund projects in areas where youth unemployment was likely to be high during the summer. Accordingly, funding was concentrated in rural areas with populations under ten thousand people. This was done "in answer to the criticism that the program was geared to urban, middle-income youth." However, during
the third year of operation, the program experienced a decline in applications, which the staff called the "discouraged applicant syndrome." Seven out of eight applications had been turned down in the preceding year of operation, and a tremendous drop in applications occurred in 1973. The 1972 program had over twenty thousand applications, but the 1973 program had fewer than twelve thousand. The operating budget for the program was increased again, to almost 40 millions, and over four thousand projects were funded, creating over thirty seven thousand jobs for young people in the summer of 1973.54

The 1974 OFY program was run as a component of the Student Summer Employment Activities Program, as usual, but from within a new department. In November 1973, the cabinet transferred responsibility for SSEAP, and OFY, to the Department of Manpower and Immigration. OFY program operation and direction were located within the Job Creation Branch of the Manpower Division of the Department. The JCB also had responsibility for the massive Local Initiatives Program, and the less well known Local Employment Assistance Program, and Entrepreneurial-LIP. The new Director General of the Job Creation Branch was Cam Mackie, one of the founders of OFY.

The funds for the 1974 program were allocated on a new basis, as the Department of Manpower and Immigration had far greater resources in the field to assist in the determination of areas most in need of funding. Approximately 27 millions were allocated among 33 Management Areas. A management area was composed of a number of Canada Manpower Centres, which helped supply information concerning youth unemployment in their areas.
The change in the funding formula for the program made a new approach necessary to community consultation. The 1973 selection procedure of having local advisory groups or committees assist the project officer in preliminary selection of projects was abandoned. The 1974 program used "...a system of extensive local consultation with civic officials, agency personnel, and knowledgeable local citizens." In addition, as in the previous years, M.P.s and provincial government representatives were supplied with summary statements on all projects and were asked to comment on the various submissions.55

Funds available for the program were decreased, and the number of applications declined. In 1974, 8,703 applications were received and 3,850 projects were funded. For the most part, the percentage distribution of the type of project tended to remain about the same as the preceding year, with recreational and social service projects forming about one-half of the total number of projects. For their work in 1974, secondary students were paid $70.00 per week, and post-secondary students were paid $90.00 per week.56

For the summer of 1975, in view of rising unemployment levels among youth, the OFY budget was increased about twenty per cent to 36.5 millions over the previous year, and funded 4,578 projects across the country. More than half of the projects were funded in rural areas, and were highly concentrated in recreation activities and the arts.

The program continued to appeal to students in particular, as opposed to youth in general. Approximately 86 per cent of OFY
participants were full-time students, and only 14 per cent were non-students prior to project participation. One-half of the participants came from families with an annual income of over $12,000, and in Ontario, 43 per cent of the participants reported an annual family income of over $15,000 in 1974. These data only served to sustain the view of critics who claimed that OFY was simply appealing to middle-class youth.\textsuperscript{57}

Over its five summers of operation, OFY spent approximately $151 millions on over 18,000 projects, and helped to create 150,000 summer jobs for youth. The administrative costs of the program were minimal, as most of the staff were hired on a short-term, contract basis.\textsuperscript{58} The benefits to participants and their clients can only be viewed as incalculable. Yet, by the end of 1975, many project officers were openly declaring that the program should be abandoned. The major problem seemed to be in the area of program policy, and went back to the first year of operation when the first evaluation suggested that OFY be replaced by a more broadly based program.

By the tens of thousands, young people had responded to the Prime Minister's challenge to contribute creatively to their society, and each year of operation of the program appeared to make that goal more difficult for participants. It was felt among OFY field staff that OFY policy directors, the Job Creation Branch officers, the Department of Manpower hierarchy, the Treasury Board, and the cabinet itself, all contributed to the decline of the program. The internal program policy struggle was long, and eventually unsuccessful, but the conduct of that effort on the part of field staff was significant.
The intense debate engendered over the years concerning the purpose and direction of OFY is revealing in that we learn much about the development of program policy suggestions from "below" as it were, in addition to the official ministerial pronouncements and departmental reports, the view from the "top." We learn not only of the intense commitment on the part of field staff to the program, but also about the process of policy itself, by understanding the movements for change within the program.

**OFY and the Field**

The official "policy statements" and the actual accomplishments of the program in the field, form the backdrop for yet another aspect of the process of policy in the Opportunities for Youth program. While the politicians were making a series of pronouncements about OFY in public, the staff had already begun to seriously question the basic premises of the program itself. In an early internal paper, in the fall of 1972, just after the operation of the second year of the program, an attack was launched on the basic structure of OFY. The "Holt and Rushton" paper was among the first of a whole series of papers to emerge from within the ranks of the program staff, a series of criticisms and suggestions appeared on a scale hitherto virtually unknown in the more traditional ranks of the federal bureaucracy.

Holt and Rushton argued that OFY's fundamental problems were rooted in the contradictory nature of its policy objectives. While recognizing that the chief components of the existing summer employment programs included employment, community benefit, youth involvement
and innovation, the authors concluded that, for OFY:

"Employment as a major emphasis won't work. It can only be coincidental to the other major criteria. It is also our feeling that concrete community benefit and youth involvement and innovation hinder one another; i.e., the fullest pursuit of one would mean de-emphasizing the other. But there's no way Mr. Taxpayer will settle for spending all those dollars to promote solely a learning experience for his kids. And many would rather see all the dough turned over to specific and concrete community benefit projects, implying in most cases that youth be left out or subjected to the traditional employer-employee set-up."

If OFY could not realistically be seen as a blanket employment program, but merely as an employer of the last resort for a chosen few, then the questions the staff were raising centred upon the very identity of OFY itself. The answer for the staff was to order the general policy objectives for OFY in such a way that they made sense to both the staff and the participants. Holt and Rushton accordingly suggested that the policy of OFY should be to maximize youth involvement and innovation, in the context of community benefit, which would, as a matter of course, take care of the problem of youth unemployment. As a policy suggestion, the authors doubted that "...the decision makers would feel it is politically viable to officially alter the policy in this way." At the same time, however, it was felt that the operation of the program was such that the objectives of youth involvement and innovation could be emphasized through the solicitation and selection processes, far from head office.

Serious questions were raised elsewhere, concerning the ability of the OFY program to achieve its objectives, no matter how those objectives were constituted. At a meeting of the Ontario Regional OFY staff in the fall of 1972, the delegates recommended
that the program should be operated on a year round basis. If the program was to be called "Opportunities for Youth", then it seemed nonsensical to plan it around a few short weeks in the summer to centre upon the summer holidays of students, when there were many young Canadians looking for interesting work and who were not formally enrolled in educational institutions of one sort or another. Accordingly, the staff concretely proposed a year round program in which grants would be offered on a four month basis, subject to renewal, for a total of up to one year, or funding for three four month periods.

It was hoped that this suggestion might offer a solution to two very pressing program problems, that of the tendency of the program to be directed only toward student youth, and of the tendency of program staff to dismiss ambitious, more complex proposals because of the short time frame available for their execution. Sensibly, the Ontario staff also suggested that if one of the projects appeared to be tending toward a continuing form of activity, for example, in the case of a day care centre, that by the end of the first eight months, prior to the additional four month funding period approval, that the project would have "...to obtain some commitment to future funding outside OFY."

At the same time, the Ontario staff was aware that if a major part of program funding was to be devoted to alleviating student unemployment, then the traditional peak for funding should centre around the summer period. Realistically, it was felt that many projects would still constitute "one-shot efforts", wherein the attainment of project objectives would occur in the summer period while the majority of students were out of school. Accordingly, the
staff recommended that OFY funding be expended on a percentage basis, sixty per cent for the spring-summer period, and twenty per cent for each of the fall and winter periods respectively.

Like Holt and Rushton, the Ontario staff were also aware of the "continuing tension" between the program's social development objective and its employment objective. They even noted that OFY and other programs within the federal framework tended to overlap, as was the case, for example, with LIP and the CYC. They suggested that a formal evaluation of the relationship between the programs should be attempted, and further, that a "working liaison" be developed between program personnel in the various programs at the local, regional, and national levels.

Thus the Ontario staff attempted to clarify the identify of OFY in the context of other service programs. "The OFY program should accept that its primary objectives are social and individual development among the young, and that the employment provided is important but incidental." It was flatly concluded that "...we should assume the employment aspect of our program and explore more thoroughly the values we wish to establish or are establishing through our operational style." For the Ontario staff in 1972 the employment aspect was "...less important than the kinds of values we convey in establishing conditions of employment", such as community benefit, the creation of democratic structures for projects, and indeed, the operation and management of the program itself.61

Indeed, during the second year of operation of the program OFY did begin to change, emphasizing the elusive concept of community benefit. Thousands of projects had been initiated involving directly,
or indirectly, tens of thousands of people, and this achievement had built up a reservoir of experience from which staff members could draw upon in their continuing self-evaluation process. It was believed that most of the students involved in the projects had participated in a learning experience, and that in a number of cases, OFY projects had pioneered a number of services which had, in turn, been picked up by other levels of government, or local service agencies. But emphasis on the objective of "community benefit" or development brought about an unexpected side effect about which the staff were deeply concerned. As one analyst observed: "The majority of projects submitted to OFY are service projects. They are projects where the participants do things for other people rather than encouraging them to help themselves." 62

Instead of merely constituting a challenge to youth, a summer employment service, and a learning experience for youth, OFY staff began to understand the program in terms of how it affected those in the larger population with which the program was indirectly concerned, through the projects themselves. "The fact that the vast majority of the projects are staffed by students coming from a different cultural and social background from the people they usually attempt to serve compounds the problems of client involvement." Recognition of basic tensions within participant-client relationships or at least the potential for such stress, was a further indication that the staff members were looking outward, beyond the simple head office concerns with formal objectives, to the very foundations of the program itself. This was an important step, for it was felt
that if OFY were to be extended over a year round operation, and that the work done in the community should be recognized as valuable and worth continuing, then the involvement of the clientele was crucial for the success of the program. In the view of the staff, the clientele would have to become more than merely the objects of the program activities, but subjects of their own experiences. "If projects are to relate to community development they should encourage people to collectively solve their own problems by either demanding services not presently provided or else setting up their own services." 63

The possibility of a year round operation for the program was seen as crucially important, if the program was realistically to achieve the goal of community development or betterment. "To take people who generally see problems as personal and not social and who correctly perceive themselves as individually powerless and encourage them to work together in just four months is impossible." It was felt that if it were not possible to cycle projects through four month extension periods, then OFY might concentrate on initiating an understanding of the techniques of community development among participants and involving clientele to a greater extent in the program. It was suggested that emphasis be placed on the development of "advocacy projects" which would put certain skills at the disposal of community groups.

"For example, a project could list the names of landlords in an area for tenant groups, a project that teaches postermaking to all community groups in an area, a project that lists the cost of shopping at various supermarkets for consumer groups are examples of advocacy projects." 64

For his part, Deline argued that OFY had made a contribution to Canadian society, but "...produced little in the way of long-run
change." The proposal for a year round operation, and the suggested emphasis on projects designed to help people to help themselves constituted two positive and concrete proposals to initiate social change within the fabric of Canadian society.

Others felt that there were no major policy problems in the OFY program. One staff member bluntly wrote that it was a "waste of time to argue community benefit versus innovation versus youth involvement. The obscurity is a disease of analysts not the practitioners." The success of the program was seen to be vested in the projects themselves, not in the proper ordering or content of policy statements from Ottawa. In this view, the program was designed to respond to the ideas of youth, not to impose ideas upon them. As long as policy was general, the objectives vague, then "...all the arguments about solving regional disparity, the French-English question, Women's Lib, unemployment and all the social evils that this capitalistic society is heir to, are irrelevant. We only solve what the kids think is worth solving and this varies from community." In simple terms, no policy re-creation was required, for "...we therefore need no national master plan as long as during solicitation we describe the program accurately."

This total identification with the goals and aspirations of the project participants as the embodiment of OFY was not widely shared among program staff. Others found the OFY position so nebulous, it was felt that some serious changes were needed immediately to avoid additional damage to the program. According to Patterson, there was a visible lack of confidence, and direction among staff
members, an internal confusion which he called a "malaise." The temporary nature of the program, and hence the short term nature of the jobs available to staff members might be seen as a reason for this malaise, but Patterson argued that it was the program, not their own personal concerns, that was most important to the staff. It is not the seasonal nature of the program which causes the malaise, but the fact that for two years running announcement of the program has been too late to prepare a proper organizational response." The staff were never given enough time to get the program "on stream" without having to cut corners with a subsequent loss of quality and control over the start-up phases of the program, announcement, solicitation, selection, and initiation of projects.

Another reason for the malaise was founded in the "confusion over what the objectives of OFY are, or should be," as Patterson noted;

"When the programme is criticized for its inadequacy in dealing with the problem of unemployment, defensive politicians are inclined to argue that it is not merely the number of jobs created but the kinds of activities funded which count. Conversely, when the programme is attacked for funding frivolous projects and disregarding the general community context, the response is that OFY was never intended to supply social services, but only to employ students, or to give them 'meaningful' activities." More important, perhaps, was an explicit warning contained in the Patterson report concerning the possible future for OFY if it failed to come to some internal resolution of its problem of self-definition. Patterson felt that any attempt to clarify the objectives of the program needed to stress the creative and innovative aspects of the program, otherwise the staff might well find themselves located in a different department, perhaps subsumed by the massive LIP program, for "... a thrust which emphasized job creation could potentially lead
to a rationale for inclusion of OFY in the Department of Labour or Manpower and Immigration, or its absorption by LIP. 69

Patterson's warning went unheeded by management staff at OFY, and in succeeding years the field staff continued to press head office with their views which stressed everything but job creation. For example, in 1973 the Atlantic Regional staff stressed the view that the purpose of OFY was "...to provide stimulus through financial and human resources to assist youth initiated activities in the areas of skill development, social services development, cultural and economic development, and the opportunity to explore alternative methods of providing basic human needs." 70 At the same time, the program was to reaffirm and extend elements that reflected the quality of life in the Atlantic region, and according to staff members, should avoid the "negative aspects of contemporary industrial development." Given the nature of most OFY projects, it seemed highly unlikely that OFY would become involved with industrial development, but the views were representative of the concerns of the staff during that period.

Patterson's prediction came true, as at the end of 1973, the OFY program was transferred from the Office of Secretary of State, to the Department of Manpower and Immigration, and became a part of the newly created Job Creation Branch of that Department. Although one of the founders of OFY, Cam Mackie, was named Director General of the new Branch, it was felt that the original "challenge" to youth to "improve society" had become transmuted into a job creating employment service for those aged twenty-five and under.

The new administrative company for OFY, the massive LIP and peripheral LEAP and E-LIP programs, had a dampening effect upon
they found themselves to be a rather small group amid the seemingly more important activities surrounding LIP. The transfer of the program seemed to indicate that change was in the offing, and of course, did occur with respect to the programs objectives. The criteria of youth involvement, skill development, and innovation, gave way to job creation for community benefit as the most important factor for project selection.

The change was not welcomed. After one year of operation within the JCB context, the participants at the Atlantic Regional Conference reported that "...at face value, the aims and goals of the program took on a revised direction. Emphasis seemed to be aimed at providing youth with summer employment while operating projects which were not only of community benefit, but were for the most part, endorsed by the community." According to the staff, this change was only a part of the larger whole, one in which the staff had become entangled more deeply in problems that threatened the basic raison d'être of the program.

"While there was a concern that youth were no longer being encouraged to be creative and innovative and to examine social values, there arose a greater concern that young people had been divorced from full participation in the OFY program. At no time during its four year history has the government invited its program recipients to assist in the design of succeeding programs. From year to year program design became the function of senior civil servants and politicians. From year to year young people progressively became passive recipients of federal programming. The subtle message became 'Opportunities for Youth to participate in projects which the federal government feels are useful and good community projects.'" 71

The care and concern that staff members invested in OFY surfaced again in the 1974 St. Andrews Conference, inspite of their
recognition of the "handwriting on the wall" with the inclusion of OFY within the Job Creation Branch. The conference participants offered a whole series of recommendations, including the creation of regional offices within provinces which could be staffed with project officers who had an intimate knowledge of the area in which they were to serve. They suggested that the direction of the program revert to the original intent of personal development as a first priority, with community development replacing the emphasis on community benefit. A year round program was one further suggestion among many, as was the payment of the minimum provincial wage for participants. The staff's view of the existing program and the position of youth was made bluntly clear in their report.

"OFY, as well as the school system are designed to create manpower for industry and its economy, rather than developing power in the people and an ability to create change. Young people should be encouraged by the schools (via OFY) to get out of the classrooms, periodically, and into the social reality. The time frame of OFY should change to permit students to do things in the community during the school term, for academic credits which become a paid function during the summer." 72

Even regional differences had a profound effect upon program operation, and perception of that operation. Problems with the northern areas remained a perennial concern for the program. The attempts made by northern field personnel to affect headquarters program policy were important for several reasons. First, their attempts were indicative of the tremendous concern and involvement of the staff, most of whom were short-term contract employees, with their program, and illustrates once again the sense of deep personal commitment that most of the field officers had with the program.
Secondly, the various papers presented to OFY headquarters staff concerning OFY program policy and operations in the north constituted some of the most critical attacks on the program. The northern project officers had met on a number of occasions in the early years of program operation, and had presented suggestions to the annual OFY task forces, but without visible results. Accordingly, they met in the summer of 1974, for they wished to "formalize and legitimize a northern caucus and to use this caucus as a functioning body for change." They argued that the north was unique in the Canadian experience, not only in terms of climate and geography, but also in terms of social structure, economics, culture, job opportunities, intense isolation of communities from each other, and in the day to day aspects of life, that were simply different from those in the south. They bluntly pointed out that if the Department of Manpower and Immigration, and the Job Creation Branch in particular, were truly interested in offering a service to northern citizens, then "a program for the north should be designed from the vantage point of northern people, not a program designed to meet southern national, regional, or provincial goals." In short, it was felt that existing program policy in the north was largely irrelevant.

All the administrative problems that had been ironed out in the first few years of operation for the southern regions, were simply never dealt with for the north. It was argued, for example, that the pay scale was too low to have any realistic relation to the higher costs of living in the north, that centralized southern administration was too remote, and that project selection and payment processes took weeks beyond the normal processes in the south.
Simple suggestions to have program information made available in northern dialects were ignored by head office. Finally, the northern project officers declared that their caucus would look for more consolidated programs with other northern departments, federal or provincial, in order to get something done.

While less critical than the northern caucus, the Alberta staff suggested that the character of the program began to change with the lessening of tension concerning youth across the country, that OFY had succeeded in "buying off the revolution": "After the summer of '72 the Federal Government no longer had to concern themselves with the social unrest among young people. Because of the pressure put on by municipal and provincial governments the emphasis and the criteria of the program was then changed." They charged the Secretary of State directly for this policy development. 75

Along with an increased emphasis on the importance of community betterment, the Alberta staff felt that a concomitant diminution of other aspects of the program had occurred. Not only had the number of innovative projects declined, but as the key to successfully obtaining a grant was linked to community benefit, it was felt that this led to a duplication of services in small communities. Since many of the project participants had some experience, they quite naturally tended to emphasize the use of existing skills, in order to obtain funding. The staff deplored these developments.

"Therefore, with the stress on community benefit, the innovation aspects of OFY seemed to dwindle in the eyes of OFY staff and 'safe' services that would meet community needs took its place. The learning experience 'on-the-job-training' dwindled as well because participants wanted to have the necessary skills to operate the program before..."
beginning the projects. Not only did agencies initiate or assist in the production of project proposals, but were willing to act as a resource or back up to the youth." 76

In 1974, the view of the Alberta staff was simply that the program needed to get away from the idea of simple job creation, and return to its fundamental roots wherein "...a priority for funding OFY projects should be the creation of Opportunities for Youth." 77

Throughout the years of operation of OFY the slow, and often subtle changes in program policy can be seen through our examination of the progress of the various formal program objectives and criteria. Gradual changes within the concrete achievements of the program, both in content and style of operation, also indicate that movement appeared to be an integral aspect of OFY. Significantly, as we have seen, these changes were marked by movements within the staff itself, some of which contributed to internal change, some directed against developments within the program. From the variety of suggestions, recommendations, even pithy observations, it can be clearly seen that the program operators, the head office management both in OFY and the Job Creation Branch, did not lack in critical analysis of their operations. Further, it cannot be said that they lacked for positive, and constructive suggestions to improve program operation.

Many of the themes from the field tended to surface over and over again, throughout the years of OFY operation. In part, this was due to the fact that very little importance was placed on staff views, according to one officer, "the field had no credibility."
While very important for its first several years of operation, in its latter years, OFY simply became less important, in part because it simply became less visible when compared to the massive LIP program. Program visibility, however diffuse that concept might be, originally was a factor in turning down the first YES proposal, and tended to remain as an aspect that needed consideration in program management. But also, other ideas began to dominate the attention of program planners and managers. Participation, involvement, community betterment, "youth"...all important concepts in the early years, were replaced by a new concern, for the style of management of programs. Job Creation Branch staff called this new preoccupation the "delivery of government."

OFY and the "Delivery of Government"

The style of operation of the program was significant as it affected the program in a variety of ways over the years. From the beginning, Cam Mackie was concerned with, for lack of a better phrase, what might be called his own "hidden agenda". He felt that it was important to try to prepare youth to cope in what he and his advisers felt was an increasingly hostile environment, one marked by increasing unemployment among youth, boring working conditions, and increasing alienation of youth from government. In his own view, the content of Opportunities for Youth was designed to produce "survival" skills among the young.

Within the very framework of the projects themselves, there was an attempt to instill a sense of participation among project members
through concrete practice. The "participation ethos" of the first Trudeau campaign was still a potent force, and participants were deemed collectively responsible for the project proposal, and its execution. They were forced to create their own structures for management and to run the projects for themselves. OFY, in so doing, created something far beyond the norm in the work world, for although the pay was low, the fringe benefits non-existent, it did provide a learning experience for participants and above all, provided for participant control.

"We've established without a shred of a doubt... that people would prefer to take jobs even at minimal or negative advantage if the jobs provide two conditions. One is that it is of benefit to the community and seen as a benefit. In other words, if there are extra reinforcers of the output of the work. And the second is that there is some sense of participation in the management of the immediate environment of the employee." 78

One of Mackie's major fears was that government was losing contact with people, and they with government. He felt that this remoteness was exacerbated by the growth of bureaucracy in government. The alienation of the young seemed to be symptomatic of the development of an increasingly hostile social environment. Mackie felt that implementation of programs like OFY could both reduce youth alienation, and bring citizens and government closer together. The "delivery of government" to the citizens meant that the conduct of programs was a crucial factor if the development of a traditional bureaucratic structure was to be avoided. The internal problems of program management style, and centralization-decentralization controversies were inextricably linked to how the program operated, and therefore
to the underlying basic theme or idea implicit in the "hidden agenda", the delivery of government. Program policy seemed to encompass far more than simple declarations in the House, or Treasury Board criteria, and appeared to include a whole series of contiguous activities, decisions, and non-decisions, streaming throughout the OFY experience.

From the initial program, the operation of OFY in terms of management style presented a crucial paradox given Mackie's central concern with the "delivery of government." The program was completely centralized in Ottawa for the first several years, while its administration was completely wide open. Staff meetings on every major issue were "meetings of the whole", including the director down to the secretaries. People were hired off the street. A telephone installer was seconded to the program - he was bored with his job, and the OFY staff thought they had found a likely prospect. Letters that the staff did not like were filed in the garbage, the rest were answered and signed with "love." It was an exciting period for program staff. 79

Administrative centralization, however open, appeared to be a direct contradiction to the attempt to bring government closer to the people. Accordingly, the movement of project officers from Ottawa to the field was seen as an issue of paramount importance. For, once in the field, the project officers would be much more effective in terms of soliciting suitable project proposals, and to assist in project support. The very movement of community consultation was started by project officers in the field during the consultation
phase, without prior approval of higher management, or from the ministers office, for that matter. In the view of the Ontario staff, citizen participation in the selection phase "...would both enhance the appropriateness of projects selected through the focussing of collective local knowledge, as well as offering an excellent opportunity for citizens to educate and express themselves through participation in government. Ordinary citizens were being asked to help allocate millions of dollars of their own money, hitherto an unknown phenomenon.

By 1973, regional offices were established across the country, and more project officers were hired than ever before. Local Advisory Committees had been established across the country with great enthusiasm, following the first modest experiment in 1972. Some project officers objected to the spread of LACs, and expressed a fundamental paradox in the program operation. The spread of citizen committees bespoke the programs commitment to participation and the delivery of government but on the other hand, it was felt that the older, more conservative committee members might tend to approve only "safe projects", rather than those in the "spirit" of OFY---projects which featured critical innovation, experimentation, self-help, and enjoyment for participants. The project officers wanted to avoid the approval of projects on the basis of the "whims" of "vested interests" or "local power structures."

The centralization-decentralization debate eventually included the regional and sub-regional units of the Job Creation Branch itself, but the issue began with OFY, and the debate over the
style of management continued to revolve around the crucial issue of program control. If the projects themselves were the program, then the selection of project proposals was a very important program phase for the staff. The head-long rush toward the diffusion of the program's selection phase was regarded with some alarm by a few project officers.

"Most people think decentralization is the answer to all our problems. My big objection is to the decentralizing of the selection phase. The more I prowl around the Atlantic provinces the more I think it would be hard to do and still maintain it as a youth program. The selection committee would be in a perfect position for mau-mauing and bullying. And what about the conclusion you came to that to do proper selection you really had to have a period of time during which you could visit the applicants and size them up? How good an idea is it to have one group choose the projects and a different group do project support?"

The entire issue of future planning for the program came under increasingly skeptical scrutiny from the staff. One staff member felt that OFY was "...simply a vehicle designed to allow the government to respond directly to youth who have ideas about society should operate which are different from those of their parents and others currently in authority." Government could have a sense of youth aspirations and interests through keeping tabs on the projects, the "pulse" of the program, over the years. It was feared that OFY could simply become a one-way source of information for the government.

Increased consultation by the OFY program had drawbacks in other areas as well, according to staff members. In 1972 the program also required consultation and liaison with Members of Parliament and with provincial government representatives. The project officers appeared to regard this aspect of the consultation process as a perennial evil.
"The process to which most staff object as an unnecessary political intrusion into the internal affairs of OFY is the consultation with M.P.'s and provincial governments which followed the initial selection and review of projects by project officers and selection committees in Ottawa. This consultation, in many cases, lasted half of the six weeks which the field staff spent in Ottawa in connexion with project selection." 83

Indeed, in 1972, eight project officers resigned in protest after the "arbitrary rejection" of 39 projects during that year's consultation phase. 84

Various suggestions were made to improve these crucial aspects of program management and operation. The British Columbia-Yukon staff proposed that a balance be struck, to involve both the community and the M.P.'s and local governments. They were reasonably satisfied that the experiment with Local Advisory Committees was a success in 1973, and they suggested that the M.P.'s should be permitted to nominate one member of the committee. It was a perceptive suggestion for in that same year, Constituency Advisory Committees were introduced in the Local Initiatives Program. (As LIP was run on constituency basis, the M.P.'s had considerably more influence in that program.) The B.C.-Yukon staff added that the committee should be youth dominated, and should be made even more powerful. "That is, rather than LAC's being merely one component in a total selection process which involves many forms of behind-the-scenes manipulations which distort the role of the LAC's, the committees should be accepted as the major forum for the selection processes." 85 Accordingly, the staff suggested that the committee members be involved with the development, selection, review and evaluation phases of the program, a departure from their more usual advisory capacity on project selections, and a far from modest proposal.
The debate continued over the years of the operation of the program. Participants at the St. Andrews Conference suggested that project participants themselves should become involved in the policy planning process for the entire program, instead of having to passively accept federal guidelines. British Columbia staff suggested hiring full-time youth development officers for a year round program to help make OFY more effective. In 1974, the Quebec staff suggested that further administrative decentralization be undertaken so that staff might become more involved in their local areas. They added,

"We have noted that the public at large routinely thinks that government tends to indulge in monologues in connection with criticisms or comments directly addressed to several governmental services. A decentralization of the Job Creation Branch services would promote the development of a dialogue with the public."

The northern caucus was, of course, openly hostile to the entire Job Creation Branch operation, including OFY. As far as they were concerned, national decentralization simply meant provincial centralization, and as the programs for the far north were run out of Vancouver and Edmonton, little would be accomplished in the north.

By the end of 1974, however, the program was in rather desperate straights, politically. The Minister had already made one attempt to cancel the program, but was rebuffed by his back-bench colleagues in the caucus. At the same time, the various Ministers functioning in their regional roles found dealing with requests from M.P.s concerning OFY projects more and more difficult to handle. The M.P.s had begun to develop experience in the area of project selection, as the consultation process was already firmly built into LIP operations.
An OFY task force was created to develop a selection process, and recommended the creation of "...explicit and well structured community consultation bodies." The senior staff members of the Job Creation Branch rejected the proposal. For their part, the OFY staff regarded the model of the LIP Constituency Advisory Group as unduly "political."

A "compromise" was effected wherein Management Area Advisory Groups were to be created to correspond to the 33 Manpower Management Areas which formed the basis for OFY funding across the country. It was suggested that the Management Area Advisory Group (MAAGs) process be attempted in 1975 only on an experimental basis, but this was rejected in favour of immediate implementation, presumably at the request of the Minister. According to a final evaluation of the first year of operation of the MAAG process, it was felt that the MAGG was implemented for reasons of "...political and administrative expediency and the need to develop a mechanism to provide for a balance of 'power' between program staff and M.P.s." 

Essentially, the Minister requested M.P.s to nominate two individuals to sit on the MAAG for their area, one of whom had to be under 25 years of age. The MAAG was to function as a "local" committee to order project proposals, and the project officers were to serve as knowledgable resource persons to assist the members in their deliberations. The project officers were not happy with the process, but generally managed to get projects funded which they thought important, for the project officers controlled the information that was made available to the MAAGs, and were the most knowledgable
about the submissions. The MAAG participants appeared to be satisfied that they did a good job. Only the M.P.s seemed unhappy with the process, for it was felt that they wanted Constituency Advisory Groups. Obviously, CAGs would make the role of the M.P. that much more visible in his own constituency, while at the same time, of course, reinforcing the idea of administrative accountability and representativeness in the program.

The evaluation report on the functioning of the MAAG process was prepared in OFY headquarters in Ottawa in 1975, but before it was even complete, the staff were aware that MAAGs were a dead issue. It appeared that the Minister wanted CAGs in the OFY operation, and concomitantly, more control for Members of Parliament over the program. The program was visibly disintegrating in the autumn of 1975, until the Prime Minister's announcement that Opportunities for Youth would be cancelled as part of the government's anti-inflation program.

OFY - After Five Years

The over-all achievements of OFY during its five years of operation were rather incredible. At the same time, however, it never managed to overcome some of its serious internal program policy problems. One could conceive of OFY as an "employment" program, but its effect on student unemployment rates was minimal at best. During the first year of operation, jobs were made possible for only 2.34 per cent of unemployed youth through participation in OFY projects. Its "employment record" did not improve over the years.
If one of OFY's major goals was to provide income for youth, it failed in this area as well. As the first evaluation report noted, "...by not providing enough money for post-secondary students to continue their education, Opportunities for Youth did not achieve its main employment rationale. In terms of its own employment goals, Opportunities for Youth was a case of too little spread too thinly." By the last year of the program, attempts were made to index OFY salaries to the cost of living, but the suggestion was rejected as the costs of inflation to students were seen as negligible to students. In 1975, OFY was paying its post-secondary students $110, and its secondary students $80 per week.

The criticism that OFY appeared to exist to serve the needs of middle class students was never seriously answered by the program staff. Over the years only about one tenth of the participants were non-students. No major inroads were made on the problem of reaching so called "disadvantaged youth", although year after year the staff appealed for more solicitation time, more time for field support, and a year round program to tackle the problem seriously. They believed that:

"A marked increase in social awareness among disadvantaged participants would help some of them to acquire the social and political instruments necessary if they are to improve their condition themselves. Beyond the consideration of simple human dignity, there can be little doubt that financial support for projects run by the disadvantaged to take action on their own interests would be far more meaningful than the same support for students seeking only an interesting way to spend the summer months." 92

The final internal program policy papers to emerge from OFY headquarters in 1975 attempted to deal with the problems of
disadvantaged youth and the increasing irrelevance of the program. On the whole, "safe", unimaginative projects became the rule rather than the exception among the project proposals, and approvals. Staff members across the country were visibly disenchanted with the operation of the program which, while "administratively clean", also seemed to become unprincipled and directionless.

On December 18, in the midst of task force planning for OFY '76, an exercise that staff members were calling 'displacement behaviour', the program was cancelled as part of the government's cut-backs in spending for its anti-inflation program. The Company of Young Canadians was also eliminated, and the Local Initiatives Program curtailed, although the Prime Minister pointed out that the government would monitor unemployment rates across the country and would intervene if necessary. The reasons for the cancellation of OFY were given during the Prime Minister's year end television conversation on the 28th of December, 1975. The context for the larger part of the discussion centred upon the need for the creation of new, and presumably more conservation-minded values among Canadians in a new society. Trudeau said, in part:

"I do know that OFY and LIP and Company of Young Canadians and so on to me are good only if they cannot be an institution that I've created and will live forever, but if they are institutions which have helped change people's behaviour and perhaps helped develop these new values of which we've talked. Now that we're in a control period where we're going to have to develop these new values, I'm less worried about these particular things. In other words, in a more free open-market society where the economic forces weren't producing the kind of jobs that CYC or OFY were producing, I thought it an interesting experience and to sort of say to a group of people, here's some money, go out and do your own thing and make it useful to
your community.... This is good. But if after eight years of Trudeau, as you say, if they haven't got the message that this is more than just creating another institution which will live on forever, then they've missed the point. What I have been saying for eight years is we've got to change our society so that we look for better things rather than more things. Industrialization and greater production is not the end of it all and the CYC and LIP grants were a way of trying to get people to see this. Now if they haven't seen it, well, all right, we'll try something else and we are in the controls period now and I think that people will perhaps be forced a little more to realize the gravity of the situation and the importance of, if we want to preserve democracy, to get back to our theme, of showing a bit more self-discipline." 93

Earlier in the year he said that he believed that OFY and the CYC were exemplary of his style and approach to government. By the end of the year he viewed the programs as having failed. Under the system of economic controls there appeared to be even less opportunity for "economic forces" to produce the kinds of jobs that the CYC and the OFY program had been producing. The rationale for cancellation, that the programs had somehow become "institutionalized" and not open to change, also seemed peculiar, in that it was his government that ignored the basic program policy suggestions that came directly from the field, and were designed to achieve those ends. In short, the Prime Minister's cancellation of the OFY program, for the reasons he gave, reflected nothing more or less than a cosmetic political front that had little to do with the reality of the program. He ended the program as he began it, for the "wrong" reasons.

Within weeks, most of the millions of dollars in government cut-backs were publicly revealed to be a sham. In some cases the
"Savings" announced were imaginary, for they were never contemplated as expenditures in the first place. The executive director of the CYC publicly declared that the cancellation of the CYC was "...political from the word go.... (Its) checkered nine-year existence ended very much as it began - at the whim of a government that perceived social flux and was determined to 'make political hay out of the situation.'"94 OFY was simply swept out with that tide, although there was every reason to expect that youth unemployment would be high again during the year, and in the summer months particularly.

As Best concluded, we are continually confronted with differing perceptions of different levels of social reality when we attempt to understand the OFY phenomenon.95 Its beginning, operation, and conclusion seem to be a mixture of motives, with various themes dominant at different periods of the programs existence.

For his part, Mackie saw the need for the development of a youth program in much the same terms as did others who believed that OFY was conceived in crisis. But instead of viewing OFY as a short term solution to an immediate problem, Mackie took a much longer view. Instead of providing a bandage for an immediate social problem, or "buying off the revolution", Mackie believed that he was providing preventive medicine for a far worse crisis yet to come.

"In brief, our analysis was that in the long run --- and this came out of the experience with the Company of Young Canadians - Canada ... needed to develop the skills of young people, to manage and operate whatever we would be needing in the future. In effect, there was going to be a series of cataclysmic events, and basically what we had to do was begin to deal with what would happen afterwards, and if we didn't start then we would be in exactly the same position as every other country." 96
Mackie's strategy was to sell the program on its appeal to solve two immediate problems - student unrest and unemployment. Visible problems like unemployment and unrest could elicit program funding, but long-term issues like the delivery of government, could not. According to Mackie, one of the ultimate objectives of OFY was "...to develop people's future adaptive capacity, their survival techniques, if you will; and that can best be done by having people do it, rather than trying to teach it in one way or another. The learning takes place in doing in a context of understanding." 

Although the final YOU proposal arrived simultaneously with the Committee on Youth draft report - and the F.L.Q. crisis - without prior exchange of ideas, both were similar in that they grounded their proposals in a view of the likelihood of increasing discontent among the youth population, and proposed greater participation for citizens. One proposal offered learning by doing in a context of understanding, the other, in the form of P2, an idealistic plan for the creation and funding of massive democratic citizen's groups.

Ironically, the government had still other views, grounded perhaps in the apprehension of immediate crisis due to student unrest. Pelletier and Trudeau seemed to present an image of OFY as an internal peace corps with something in it for everyone. At another level, beyond the politicians rhetoric, the originators of the hidden agenda, and the ambitious P2 proposal, there was another level of OFY reality - it was cheap, got students off the streets, and most important of all, the cabinet liked it.

The interdepartmental committee charged with analysis of the YOU proposal, did recommend OFY, but only seemed to deal with the
cosmetic aspects of the youth problem. In the view of the authors of the first OFY evaluation:

"In general, the interdepartmental committee's deliberations were dominated by a tendency to isolate and define problems intrinsic to youth. At no stage did it consider the promotion of social change as an objective or problem, nor did it deal with problems of young people in the wider context of the economic and political structures of the society as a whole." 98

Ironically, the Prime Minister reasoned that OFY could be cancelled for having failed to produce "value change" among the population at large. This was clearly a difficult goal if the original parameters set by the civil servants for the program, and accepted by the cabinet, precluded such a possibility. These kinds of problems remained throughout the years of operation of the program.

According to Mackie, the program failed in the end because "...as superficial political things changed, OFY did not." However, it appeared throughout the program operation that the staff tried again and again to build a program that would include community development, rather than "betterment", to encourage innovation, to challenge the idealism of youth, to create democratic participatory structures within the program and the projects, in short, to effect change. They offered papers, reports, suggestions, participated in conferences, and task forces to change the program, to strengthen its weaknesses, and build on its strengths. However, program policy suggestions from the field were virtually ignored. One staff member at headquarters explained:

"The field has almost no credibility.... If you use the field as reference for something, as a result of a group's deliberation on something in such and such a region or any number of regions, the conclusion was that it held no
weight. Ottawa felt this. In terms of policy, all the policy had to be forwarded to the Minister's Office. All of them in their own way could not see the whole of it. Each saw only a small segment. One was a political reality, one where the Minister's office reacted to certain outside stimuli. Again, the directors of national office reacted to certain stimuli, different from the Minister's office and the field reacted to another set. None of which were recognizable by the other groups." 99

The field staff became increasingly uncomfortable with OFY, and with having to defend and operate within the parameters of program policies with which they were frustrated. Paradoxically enough, the suggestions offered by the field staff over the years, if implemented, could well have created a program for a youth constituency that might have achieved all of Trudeau's fondest wishes for OFY.

Through five years of operation and development of OFY, Mackie achieved his aim of improving the "delivery of government", a concept which would filter through the operation of the Local Initiatives Program, Entrepreneurial-LIP, and the Local Employment Assistance Program, under the general aegis of the Job Creation Branch. The final irony was that although government was effectively delivered to the people, at least for OFY staff, it seemed to be devoid of meaningful content.
Chapter 2

Footnotes


2. Ibid., p. 139.


4. Ibid., p. 188.

5. The Committee on Youth, Its Your Turn..., A Report to the Secretary of State (Ottawa: Information Canada, 1971), p. 111. (Hereafter referred to as The Committee on Youth, Report.)

6. Ibid., p. 111.

7. R.S. Best, op. cit., p. 141.

8. Interview, Job Creation Branch Staff, Ottawa 1975.


10. Ibid., p. 68.

11. R.S. Best, op. cit., p. 141.


16. Interview, Job Creation Branch Staff, Ottawa 1976.

17. M. Macdonnell, History of the Job Creation Branch (Ottawa: unpub., JCB Archives, ca.1976). See esp. Ch 2, "Opportunities for Youth - the Great Prelude." (Hereafter all material like memoranda, staff reports, program evaluations etc. to be found in the Branch document collection will be designated by Job Creation Branch Archives, or JCB A.)


21. G. Pelletier, Address to the National Council of YMCA's, op. cit..


23. Ibid., p. 29.

24. G. Pelletier, Address to the National Council of YMCA's, op. cit..

25. OFY, Evaluation '71, op. cit., p. 29.

26. Ibid., p. 68.

27. Ibid., p. 68.


30. Ibid., Section D, p. 12.


32. OFY, Briefing Book 1972, op. cit., Section D., p. 3.

33. A small "private sector liason group" was established for the second program to solicit funds from industry. The effort was moderately successful as 17 projects were funded. Difficulties in solicitation, eventual control over the projects, and limitations on time led the staff to cancel the activity in later years.

34. OFY, Evaluation '72, op. cit., p. 11.

35. The involvement of the local community became a major theme in the development of OFY, and subsequently for other JCB programs. Within the projects themselves, participation was stressed through the development of democratic structures for operation and management.

37. Ibid., p. 9.

38. In 1973, an increased emphasis was placed on the use of Local Advisory Committees. In addition, M.P.s were given reviewed lists of potential projects for their scrutiny, as were the provincial governments. Projects that were unacceptable for some reason could be weeded out, or "negotiated" about between the program staff, and provincial governments, or M.P.s. See OFY, Briefing Book, 1973 (Ottawa: JCB A., 1973), Section K.


40. Ibid., Section D. p. 1.

41. The Job Creation Branch was located in the Department of Manpower and Immigration. It was created in the fall of 1973 to coordinate and operate the various direct job creation programs, LIP, LEAP, E-LIP and OFY. Its first Director was Cam Mackie, one of the creators of OFY.


43. Ibid., p. 3.

44. Ibid., p. 5.


46. Ibid., p. 12.

47. Ibid., See esp. Ch. 2, "Opportunities for Youth- the Great Prelude."

48. See Appendix I, Statistical Data on OFY.

49. OFY, Evaluation '71, op. cit., p. 51.

50. OFY, Evaluation '72, op. cit., p. 4.

51. Ibid., p. 11.

The pay scale in OFY was always low, particularly for those post secondary students intending to return to university. Indeed, critics claimed that OFY could not be seen to assist students to complete their education. Pay scales remained an issue throughout the operation of the program.

It was believed that those who could afford to take OFY jobs were those who were not interested in the money anyway. Although the program was open to all youth, almost all of the projects were undertaken by students, in each year of program operation.

The administrative costs for OFY were always low, estimated to be less than ten per cent of total program funding. See, for example, OFY, Evaluation '74, op. cit., p. 77, "Consolidated Report."


Atlantic field staff, untitled working paper on the basis for allocation of OFY funds to the Atlantic Region (Ottawa: JCB A., n.d.), p. 2.

72. Ibid., see appendix "C".


74. Ibid., p. 1.


76. Ibid., p. 3.

77. Ibid., p. 3.


79. Interview, Job Creation Branch Staff, Ottawa, 1975.

80. OFY Ontario staff, op. cit., p. 3.


82. Ibid., p. 2.

83. J. Patterson, op. cit., p. 54.

84. Ibid., p. 56.


86. OFY staff, Conference Paper for St. Andrews, op. cit.

87. OFY BC-Yukon Staff, op. cit.


89. Interview, Job Creation Branch Staff, Ottawa, 1975.

90. F. Grell, op. cit., p. 7.

91. OFY, Evaluation 71, op. cit., p. 66.

92. Ibid., p. 110.
93. Transcript, Interview with the Prime Minister, the Rt. Hon. P.E. Trudeau, "A Conversation with the Prime Minister," taped December 23, for broadcast December 28, 1975, mimeo copy, provided by P.M.O.

94. "CYC's Director Says Disbandment Was 'Political from the Word Go'"., Ottawa Citizen (March 1, 1976), p. 2.

95. R. S. Best, op. cit., p. 163.

96. Transcript of proceedings, Meeting of JCB staff and Harvard-MIT students, op. cit., C. Mackie, see esp. pp. 9-16.

97. Ibid., p. 16.


99. Interview, Job Creation Branch Staff, Ottawa, 1975.
Chapter 3

THE LOCAL INITIATIVES PROGRAM

The great experiment, Opportunities for Youth, wound down over the summer months of 1971, to mixed reviews from the government, the traditional bureaucracy, and the press, but with enthusiasm from youth. The government had taken a "risk", and "...had oriented itself to social change at the end of the turbulent decade and had supported with courage 'the idea whose time had come.'"¹ In some ways the significance of the OFY program rested in its example, for by the end of the same year, the Department of Manpower and Immigration was given the responsibility to launch the massive Local Initiatives Program (LIP).

Based upon the OFY experience, LIP undertook to provide employment on a massive scale. By the end of its first year of operation it had expended approximately $190 millions in the "creation" of 92,000 jobs across the country. While OFY had been designed for youth on a scale limited to its "constituency", youth across Canada, LIP was designed as a blanket program aimed at Canada's winter unemployed from the ages of 18 to 80. OFY was suitably located within the "fuzzy" confines of the Department of Secretary of State. LIP was clearly designed as an employment program and came under the aegis of the Department of Manpower and Immigration, the authority of which resembled nothing less sweeping than the "peace order and good government" clause of the British North America Act, albeit without the judicially interpreted
restraints. The government organization act of 1966 stated that,

"The duties, powers and functions of the Minister of Manpower and Immigration extend to and include all matters... relating to the development and utilization of manpower resources in Canada: employment services; and immigration." 2

It was thus possible for the government to become the "employer of last resort," for the authority of the Department seemed to cover virtually anything. The main objective of the Department of Manpower and immigration, Manpower Division, was to "...further the growth of Canada by helping to match the employment opportunities of people to the needs of the economy in ways that improve productivity and help the individual to develop to his full capacity." 3 In 1971 the Manpower Division of the Department was already operating sixteen distinct programs relating to job placement, and LIP simply made it more active in the field of employment by helping the Department to fulfill one of its major objectives.

By the fall of 1971, unemployment had become a major political concern for the Liberal Government. One LIP staff member wrote, "...the government was expecting unemployment figures to soar over the 600,000 mark and, in order to create additional employment during the difficult winter period, developed the Special Employment Plan totalling $480 million." 4 Edgar Benson, then Minister of Finance, announced the new program in the House and said, in part:

"The overwhelming fact behind the increases in the unemployment figures is the increased proportion of Canadians of working age who have jobs or who respond in the sample survey as being without a job and looking for work. This proportion
described technically as the labour force participation rate was higher in the third quarter than ever before in the history of the labour force survey. To my knowledge, no one ... predicted such a phenomenon. I wish to propose... a series of expenditure measures... designed to engage workings quickly, efficiently, usefully and in the regions where jobs are most needed. The first is a Local Initiatives Program under which the government will grant (funds) ... to municipalities and their agencies and... to community organizations and other organized groups to finance labour-intensive projects... (by submitting) worthwhile projects that will create jobs for the unemployed without delay. This program will be under the direction of the Minister of Manpower and Immigration."

Unlike Opportunities for Youth which was created, according to the official government perspective, to challenge youthful idealism in service to fellow citizens, LIP was created to provide jobs, and create them where jobs were most needed. The other aspects of the Special Employment Plan (SEP) included: a training-on-the-job program; a capital projects loans program to provinces and municipalities, whereby the federal government would forgive three out of every four dollars of project labour costs incurred prior to May 31, 1972; a labour intensive capital works program to repair and maintain federal property; and a loans program from the Central Mortgage and Housing Corporation for housing, sewage treatment, and land assembly projects. The training-on-the-job program (TOJ) and LIP were to be handled directly by the Department of Manpower and Immigration, and the Minister had overall responsibility for coordination of the entire Special Employment Plan.

Of all the program elements of the Special Employment Program LIP was unique, in that only LIP was designed to respond to the type of initiative and personal development and participation processes experienced in the OFY program. By and large, the Special Employment
Plan was a holding measure, designed to ease the temporary strains of unemployment until the private sector could grow enough to absorb the excess unemployed bodies in the economy. In short, "It was hoped that the private sector could thus recover somewhat, and seize economic opportunities, while the public sector with its finger in the dike maintained and created a variety of jobs to hold unemployment at bay."  

In his view, Cam Mackie felt that the problem of unemployment had reached such proportions that a basic rethinking of the federal government's approaches to solving the problem was required. "The crisis in unemployment is more than jobs. It is a crisis in how government has been surveying unemployment; forecasting unemployment; and responding to the unexpectedly high levels. It is also a crisis in the use of resources to meet the situation."  

LIP itself could not provide easy solutions to the basic issue of understanding the parameters of the unemployment problem, but it could and did constitute a vehicle through which resources could be provided directly to the unemployed. 

The whole idea of "resources" seemed to acquire a new meaning in the LIP development papers, as the focus of the new program, as in the case of OFY, centred directly upon the unemployed themselves. "The unemployed are people, individuals who need worthwhile activities, funds to support themselves and their families, dignity and independence. Most important they are the greatest single resource available for the solution of this problem. They have skills, intelligence and potential."  

The program policy proposals to cabinet emphasized the
primary objective of reducing unemployment during the winter months. But in the creation of a programmatic response to a national problem, attention turned from a simplistic reallocation of funds through a traditional winter works program, toward a basic restatement of the government's position concerning the problem of unemployment, and the manner in which activities should be directed to ameliorate its effects.

In the broadest sense, the government was viewed as having a responsibility for existing economic and social conditions. At the same time, it was carefully pointed out that any new programs needed to avoid the creation of dependency on the part of the unemployed upon the resources of the government and, conversely, should develop self-sufficiency among those unemployed. Overall, the approach taken by the government had to be "...responsive in ways that are constructive rather than debilitating." The traditional form of winter works programs were included in the program policy proposals along with LIP for although the "...additional funds could have been allocated to normal make work or 'leaf raking' schemes which would have provided the same number of jobs at perhaps less political risk, but also offered significantly less potential for future application."10 Although LIP was conceived as only a short term response to the expected unemployment problem for the winter of 1971-1972, the original proponents of the program had a much longer view in mind. In one review of the program it was flatly pointed out:

"Its size and allocated value certainly precluded its being considered a 'pilot' or experimental program, and it would have to be applied nationally but locally, in terms of regional disparity, but probably by CMC management area, and ....
in a manner certain to make jobs, but equally certain to enrage some portion of the public whose work-ethic lifestyles were sacrosanct.”

LIP appeared to offer a more constructive approach to the problem of winter unemployment although, admittedly, with greater political risks for the government, but with possibly greater long-term effects upon the unemployed themselves. It was felt that projects in the program could "...make a contribution to the community or to the needs of the people being served." And further "...they (the projects) should if possible, offer satisfaction to the personal employed over and above the income they receive." 

The reduction of the "distance" between the government and the unemployed through the use of direct job creation programs was seen as an important aspect of the LIP proposal. Mackie's personal concerns, developed through the operation of Opportunities for Youth, began to surface at once in the peripheral, or perhaps implicit objectives of the program. He felt that the increasing complexity of Canadian society would make it more and more difficult for the government to respond to the claims of individuals. Thus, in the process of creating jobs, and providing interim incomes, it was felt that stress should be placed on the development of self-sufficiency among participants. "The role of government must be limited at the same time as it provides additional information and resources so that people and communities can solve their own problems." Referring to those limits, Mackie pointed out that LIP was "...only responsible for the expenditure of funds within the general terms of our agreements with groups and organizations. We do not have a supervisory
relationship to projects in the sense that we control them."

Thus, from Mackie's perspective, the dominant themes of
the first LIP program were two-fold.

"The first is the involvement of the unemployed person
as far as possible in taking some responsibility for
creating his own job or solving his own problem. The second
concept is that the government should limit its role to
the provision of resources and information in such a way
as to achieve the most benefit for, and highest potential of
individuals through support to local groups and communities
as they solve their own employment problems." 14

The overt program objectives suggested for the first LIP
program were three-fold: the creation of new and additional jobs
during the peak of winter unemployment; the provision of benefits
to communities through the development of new facilities and services;
and the participation and involvement of community groups and
individuals in the development, management and evaluation of projects. 15

Like OFY, once the final decision was taken to begin the
program, LIP was started with a minimum of preparation, but unlike
OFY, with a great deal of trepidation. While OFY was viewed as an
"experiment", LIP on the other hand, although somewhat similar in
conception, was to be a full-fledged winter employment program which
would have to bear "...the dual crosses of labour force criticism if
it failed, and of political and sectarian criticism if it succeeded." 16
Once the idea of LIP was accepted, the newly appointed director of
the Special Employment Program had twelve weeks to get it into
operation. 17 There was some doubt that the Department of Manpower
and Immigration would be able to operate the program successfully.
The usual role of the Department was largely passive, as in the case
Canada Manpower Centres, which served as job referral centres rather than job creation centres. The relationship between the department and the public was critical, as one of the Deputy-Ministers pointed out at the time:

"The recent announcement by the Government of an extensive job-creating plan...expands our role for the first time directly, and in a major way, into the field of job creation; ...this coupled with the relatively difficult unemployment situation we face - adds up to a very real challenge. It is a heavy responsibility because to a great extent success or failure depends on us and how well we do our job.

Given our present situation... we must all be aware that many of our clients... will be very sensitive and concerned over their personal position and future. Many will tend to see you... enjoying the employment security they are seeking. I hardly need stress that it is very important that all of us be responsive and understanding of their feelings." 18

This serious vein was reflected in Mackie's own views concerning the operation of the program for he, too, recognized the import of the style of delivery of the program with respect to its successful prosecution.

"The attitudes displayed toward groups and individuals making proposals must encourage creativeness and be responsive. Officials involved in assisting groups to develop projects or involved in soliciting projects from groups will be carrying out new roles of an extremely sensitive nature. We must create conditions and provide resources to meet their needs, not attempt to coerce or manipulate the groups to conform to our limits. There are broad limits to this program but its scope is one of the widest ever applied." 19

The reasons for this gravity were two-fold. First, LIP differed from OFY in conception in a very major area, potential clientele. It was possible to conceive of, and operate, OFY as an experiment dealing with summer unemployment among youth and to build in an evaluation component in that program to further butress
the view that OFY was, indeed, an experiment. The students were only on the job market temporarily and were expected to take their modest savings and return to their major occupation, schooling, for the greater part of the year. With LIP, on the other hand, potential clients were seen as the most desperate of the jobless who would have families to support throughout the winter months. By comparison to LIP, OFY was almost viewed as a frivolous romp for bored youth. Secondly, the greatest tact would have to be exercised between staff and clients "...to solicit the imaginative energy of the unemployed" for it was this imaginative energy which would develop projects, and simultaneously "maximize self-sufficiency and self-determination on the part of project participants" while avoiding creating dependence on the government. It was argued that one of the major flaws in traditional programs was they imparted a sense of seasonal dependence on the part of participants, and thus tarred all of them with the brush of 'welfare.' Thus it was "...absolutely essential that LIP not be seen in such a light and that these social wounds not recur." The government would provide supporting funds, and the participants the rest.

"The conception, planning management, and operation of projects would be left in the hands of project personnel who would assume the role of job-creation agents, and the government would undertake no supervision of projects but would instead adopt a financial support role. The inventors of LIP thus capsized traditional thinking, placing responsibility for alleviating unemployment squarely on the shoulders of those most affected by its problems. Unlike traditional economic measures which had tended to suffer from diffusion of human resource energy through complex bureaucracies at increasingly greater cost, the new program circumvented the bureaucratic 'taskmasters' and offered a startlingly novel and simple solution: 'decide what you want to do and we will pay you to do it.'"
LIP 1971-1972 - Structure and Operation

In its public form, LIP appeared in the late fall of 1971 and stressed the aspects of innovation, personal satisfaction, community benefit, participation and individual achievement. Financial support was made available to local organizations, municipalities, and citizen groups that designed projects within the objectives of the program. Each of the projects was expected to provide at least 15 man-months of employment over and above that which normally existed during the winter.

It was expected that projected vacancies within the projects themselves would be filled through the use of Canada Manpower Centres to hire unemployed workers. The projects were to be non-profit in nature basically, and were to be designed to contribute to community betterment. Periodic reports were required from the applicants concerning the progress of the project. The financial support for the projects was not overwhelming in that the federal contribution was based on the level of wages prevalent in the general project area—up to a maximum of 100 dollars per man week. In addition, up to a maximum of 17 per cent of the project's labour costs was to be provided for other project costs such as rent, light, heating, and other basic needs. The maximum amount allowable for any one project was set at $500,000 dollars.

At the same time, unlike the first year of operation of OFY, but based upon OFY experience, examples were listed of the kinds of projects which would not be supported. These included projects which provided financial support to persons who were already
employed, and projects which supported leisure activities solely for the sponsors, and projects which would subsidize profit-making enterprises. In addition, it was stated that "(C)ontributions will not be made to any costs in which the federal government now shares or is required to share with another level of government." 22

Bob Bryden was appointed National Director of the entire Special Employment Plan for the winter of 1971-1972. Cam Mackie, the Coordinator of the summer's OFY program was made Regional Coordinator of LIP, Headquarters, and the Director of Operations of LIP was seconded from the Management Review and Improvement Bureau of the Manpower Department.

Mackie was given responsibility for the "...philosophy, objectives and character" of the program and for its application across Canada. His experience in the Department of Secretary of State with OFY was invaluable for the operation of the first LIP program. As will be seen, much of the "operational style" and content of the program devolved directly from his OFY experience.

Although the program was heavily centralized in Ottawa, as was OFY, plans were immediately made to implement LIP from the field as much as possible. LIP staffs were set up with a LIP Coordinator within the jurisdiction of the Regional Directors General of the Department of Manpower and Immigration. The project officers reported to the Coordinators and "...were required to assess all applications, recommending either approval or rejection to the Regional Director General." In the case of projects valued in excess of $75,000, the RDG's sent their recommendation to headquarters staff for a final
decision. In addition, "...every provincial government was contacted to appoint an official to act in the capacity of reviewing officer for those projects originating with municipalities whose proposals for winter employment would be of interest to, or affect the plans of the province." 23

The operational style of the program was unlike that of any other program in other government departments, with the exception of OFY run during the previous summer. If the LIP projects themselves were to constitute the major focus of the program, then the management style of the staff was crucial.

"It was absolutely essential that the personnel hired to assess projects and to administer the program fully understand the particular stance demanded of them in order for LIP to succeed; and, moreover, that they be persons suitably broadminded and of flexible attitudes not only as regards the working conditions in which they would shortly find themselves, but also in terms of the sorts of projects they would be expected to assess with fairness, candour and empathy." 24

As the applications began to flow into staff offices, the project officers had to assess the projects according to the general criteria outlined for the program: that the projects create a certain minimum man-months of employment; that the projects would not exceed allowable limits for wages and overhead; and that the proposal was satisfactorily endorsed and signed by an eligible group or individual. In addition, the project officer had to rate or score the proposed project along three other dimensions: the priority of the geographic area in which the project was located; the types of jobs outlined and whether they were among those normally hardest hit by winter unemployment or were "new" jobs for that region; and the time frame
when the maximum project employment would occur. Finally, 
"...the LIP project officer was required to weigh the application 
against relatively intangible criteria - those of 'community 
benefit' and 'participation of the unemployed' - allotting a score 
based on judgement rather than on objective criterial facts." 25 

In order to reduce the problem of personal subjectivity 
or bias, and to increase the amount of experience brought to 
bear on any one submission, three or more project officers combined 
to rate a project. Similarly, at headquarters, for projects in 
excess of $75,000, an executive board was set up of about 18 senior 
executive officers from a variety of departments to review those 
proposals.

When the assessment phase of the program was completed, 
approximately 5,700 projects were approved which were to create 
92,000 jobs for unemployed Canadians. Approximately 13,700 project 
proposals were submitted, and covered a vast range of topics, including 
meals on wheels, drop in centres, historical restorations, books in 
brail, wharf construction, research projects, and a whole host of 
others. The pace was hectic. "The project officer who finished assessing a Native Band Council's application dealing with crafts would 
turn to a 'downtown theatre project presenting drama in the city, 
and not bat an eye." 26 

Contrary to the popularly held view, the LIP grants were not 
grants at all, but contracts between the sponsor of the approved 
project and a Manpower representative - usually the Regional 
Director General or his delegate. The LIP contract bound each project
sponsor to ensure that the project was carried out and that the funds were expended for the purposes stated. The time frame of the project was specified, as were the salaries to be paid by the sponsor. In short, "...sponsors were considered to be paid agents of job creation, through whom other unemployed people would find work on the projects." As a result, the project sponsor "hired" his own staff, who were then eligible for unemployment insurance benefits at the end of the contract, but as agents of job creation, the sponsors themselves were not eligible for those benefits.

After the completion of the assessment phase and the start of the projects, the program then moved into a monitoring phase wherein the project officers were assigned to a group of projects and kept what amounted to a very general eye on proceedings. Inasmuch as a project officer might have a "case load" of 30 to 40 projects, only a very cursory observation of each project was possible. The project officers were trained in simple audit procedures so that if a sponsor had some basic difficulties, the project officer could assist him. The sponsor received start up money, up to two months worth, but after that, monthly reports were required to justify the demand for further funds. In short, the grants were really "contributions by contract." 27

In some cases assistance was needed. One sponsor, upon receiving his first payment, telephoned headquarters in a panic: "My God, I've got a cheque here for $35,000 - I've never seen that kind of money before! Do you really think I can run this project?
I didn't picture anything like this when I applied." The "learning process" of the LIP program and the development of self-sufficiency among LIP participants were directly invested in the operations of the projects, for the responsibilities of a sponsor were heavy, as Macdonnell pointed out.

"...the sponsor... had to look after the hiring of project staff through the Canada Manpower Centre; comply with all applicable federal and provincial labour laws (making sure incidentally, that he knew what they were); ensure that all LIP funds going to the project were accounted for; entertain the possible spectre of visits by auditors and by what were expected to be 'government' investigators; and handle project staff in the operation of project activities. Moreover, having in many cases no previous experience as an employer, the sponsor was required to manage the project competently, efficiently and in a manner not to suggest that he had cold feet." 

The monitoring of projects was undertaken, a combination of watchdog and support roles, by project officers who had their personal contracts extended for a further three months from the application phase to the monitoring phase. Their role was to visit the projects periodically, about once a month on the average, provide assistance where required and to watch for obvious failings on the part of the project sponsor. The project officers were able to call upon the resources of the Department of Supply and Services to perform a complete audit of the project if something appeared to be amiss.

"In this way a protective monitoring blanket was laid down across Canada in such a manner that both the Department and the political arm and also the press and the public would be satisfied that approval of LIP projects was neither creating an enormous second-rank bureaucracy of sponsors, nor allowing public funds to disappear into a vast chasm of spending which no one was observing." At the same time, however,
"...it was a network which allowed full growth room for project sponsors to carry out their various activities without excessive watchdogging." 30

In actual operation, the first LIP program passed through two phases. During the period from November 1, 1971, to May 31, 1972, about $145.7 million of government funds were used to create approximately 311,000 man months of employment across Canada. In May, a further extension of $30.3 million was spent on 1,439 projects which remained incomplete and thereby extended 17,580 LIP jobs through the course of the summer months. 31 Initially, only $100 million was allocated to the program in 1971, which was to be shared equally between private and municipal projects. However, in January 1972, an additional $50 million was added for private projects. The large response to the original advertising campaign, 13,766 applications, worth an estimated value of $483 million, helped spark the fifty per cent increase in funds made available to the program. 32

For the initial LIP program, funds were allocated on a provincial basis, based upon a projection of labour force participation rates and unemployment figures for the first quarter of 1972. The projected provincial unemployment figures were adjusted to include the registered Indian population and inter-provincial migration, on the basis of a 50 per cent unemployment rate projection for both groups. The "cut-off" point for funding was taken at the level of 4.5 per cent unemployment provincially. The provincial figures for projected unemployment in excess of 4.5 per cent were totalled and funds were allocated to each province...
on a pro-rata basis according to its share of the total. Toward
the latter stages of the program "...some adjustments were made
to take into account areas of higher than expected unemployment
and the correspondingly large numbers of good applications from
those areas."33

Early documents concerning the LIP program seem to indicate
that the program designers were willing to "hedge their bets", for
uncertain of the response to the program, they suggested that
"...the program incorporate both novel and tested features
designed to encourage widespread participation."34 One of these
"tested" features was the rather large basic allocation of one half
of the original LIP funds to existing government organizations.
In this way the program staff, and doubting politicians, could
be sure that some responsible organization would be backing up
at least half of the money to be expended. After the January
increase to the total budget, approximately one third of the funds
spent between November 1971 and May 1972 were channelled through
municipal organizations. "Municipal organizations" included various
levels of government, country, city, town, villages, as well as
hospitals, schools and Indian Band Councils.

Of the remaining two thirds of the money, most went to
existing organizations or organized groups. Twenty per cent of
these funds went to recreational organizations like sports
clubs, or the YMCA and the YWCA. Another twenty four per cent of the
funds went to social aid groups, including homes for the aged and
services to the handicapped. Only six per cent of the funds went
to individual sponsors of projects, and another fifteen per cent went to citizen groups, groups like pollution probe or legal aid service groups.

As might be expected, the types of activities engaged in by the two dominant organizational groups funded, the municipalities and the "private groups", differed rather greatly in their focus. In the allocation for private groups, eleven per cent of the funds went to lands and parks activities, including outdoor recreation facilities. Ten per cent of the funds went toward research, and an additional thirty five per cent went toward construction, repair and renovation activities. Almost one third of the projects were devoted to activities concerned with social and health services.  

The municipal projects were far more conservative in nature. Fully sixty nine per cent of the employment in municipally sponsored projects were devoted to construction and construction related activities. Lands, parks and forestry projects accounted for a further twenty two per cent of the employment activities created by municipal projects. The character of the municipal projects was later to cause controversy within the ranks of the LIP staff.  

For the first program, it was discovered as expected that LIP did, indeed, draw participants from the ranks of the unemployed. Fully seventy per cent of the LIP workers indicated that they had been previously unemployed, although half had only been without a job for two weeks or less before coming to LIP employment. Only three per cent of those who said that they had been unemployed had been without a job for nine weeks or more.
Of the remaining thirty per cent of the participants, one per cent indicated that they were retired, four per cent said that they were housewives, and nine per cent were classified as not having been in the labour force prior to LIP employment. This group included, for example, students who regarded LIP employment as their first job in the labour market. Of the remaining sixteen per cent, one third indicated that they were only part-time workers, one third had been laid off, and most of the rest indicated that they were on leave or, as in the case of farmers, were in a slack period with little to do.37

LIP also managed, during its first year of operation, to reach those at the bottom of the income scale. Prior to LIP employment only twenty six per cent of the employees relied on earnings from paid employment as their main source of income. About an equal number indicated that unemployment insurance benefits constituted their major source of income through the year. Only about twelve per cent indicated that welfare payments constituted their major source of income, while others listed pensions, and family sources for income. On a basis adjusted for the number of dependents it was found that LIP did reach those at or near the poverty level measured against the Statistics Canada/Economic Council of Canada poverty line for 1971. With respect to household income and the poverty line it was discovered that seventy one per cent of the households with a LIP employee had previously existed below the poverty line.38 For the duration of the program, at least, program staff were able to claim that "...comparison of family size and family earning levels shows that, during the LIP program, all the participants had incomes
equal to or in excess of the poverty level." For a few weeks, at least, income levels were maintained at a basic required level, a typical approach to income-welfare policies in Canada, but there was no evidence obtained concerning the post-LIP income levels of the employees for the remainder of the year.

Most of the LIP jobs, with the exception of those extended over the summer, lasted between thirteen and twenty eight weeks. Interestingly enough, most of the workers heard about LIP employment opportunities from the manager of a project, another LIP worker, or from a friend. Of all those employed, about fifty four per cent of the LIP workers were referred to their LIP job by their local Canada Manpower Centre. About one third of the employees were engaged in jobs similar to those of their pre-LIP employment. This was not suprising, given that the highest proportion of the projects in both the municipal and private groups was in construction relation activities, and the winter period was traditionally a slack season for those in the construction areas.

While the first LIP program could never be seriously considered to have been an experiment, as was possible in the case of OFY, a number of basic hypotheses were tested concerning the new venture. First of all, they found that it worked. As noted earlier, the program was started with some trepidation on the part of Department staff. But as the program progressed, "...a kind of heady atmosphere, born during the rigrous of assessment time, still gripped LIP officials, some of whom were intensely relieved that apparently no damage had been caused." In one Departmental publication it was declared that:
"...the achievements of the projects exceeded all expectations, not only in the number of jobs created but also in the imagination and initiative shown by sponsors." 42

Secondly, as was the case in OFY, it was discovered that it was possible to create a large number of jobs at a very low cost per job. The potential sponsors had only to think and invent their proposals, and once accepted, LIP had only to pay for project operation, for the overhead built into the funding formula was minimal. "Under LIP...funds were passed directly to projects without any form of intervening agency and, as a result, practically all of the allotted $150 million could be realized in project activities, both as salaries and as other costs." 43

In addition, through the operation of the first LIP program, the Department of Manpower and Immigration managed to achieve one of its more nebulous objectives, to be responsive to a public situation in a constructive manner. From the OFY experience, Mackie was able to continue to refine his concept of the "delivery of government" through the operation of LIP. And further, it was felt that "(D)erivative from the direct nature of LIP funding there was in addition a renewal of public faith in government programs which could be seen by recipients to be working successfully in an immediate local environment." More concretely: "LIP was not just another Ottawa program removed to the federal level - rather, it was a community project in our town, employing our people and giving us something of value." 44 In the same vein, it might parenthetically be pointed out that it was done with their money.
LIP 1971-1972 Program Policy Critique

The first LIP program generated an enormous amount of critical comment from the media, Members of Parliament, provincial governments, social agencies and, within the program, from the project officers themselves and the headquarters staff. The most comprehensive reviews came from the Canadian Council on Social Development (CCSD), LIP headquarters and field staff, and from the provinces.

There seemed to be three basic reasons, upon reflection, for offering the direct job creation program to the public: the high rate of unemployment seemed unresponsive to traditional monetary and fiscal cures; increasingly, the service sector was an expanding part of the economy and since government tended to become more involved, then LIP and OFY were "logical" extensions of that involvement; finally, direct job creation programs seemed to be a better option, than placing increasing numbers of people on the welfare rolls unproductively.

The Canadian Council on Social Development (CCSD) was disposed to look upon both OFY and LIP favourably as "...important social experiments." They accepted the view that the "work opportunity programs", as they characterized them, were based primarily on the need to provide employment or, more precisely, "...were offered as a substitute for unemployment." This seemed reasonable to the CCSD staff, as they pointed out that "(F)ew people are willing to argue that work opportunities are not superior to throwing people on to unemployment insurance or welfare, and especially so when there are many important services to be performed."
At the same time, the CCSD staff argued that the work opportunities programs also constituted "...exciting and effective solutions to a number of social problems." Opportunities were created for the individual and "...provided an avenue to creative human activity for those who have become disenchanted with a society which in their view has in the main been too involved in the pursuit of economic and material gain at the expense of certain basic values." 47

The LIP project officers agreed. Much that they had to say particularly with reference to individual human development, seemed to correspond closely to the CCSD analysis of the first year of operation of the LIP program. For example, with respect to the impact of LIP upon the project participants, the project officers said, in part:

"The concept of LIP being not just an alternative to work but a process that involves people from many socio-economic backgrounds working for community betterment is a conceptual breakthrough in terms of solving the chronic unemployment problem. LIP allows people, who have not been employed for years, the self-actualization resulting from working at something they enjoy and take pride in. Attitudes changed from fearfulness and lack of confidence to self-assertion and desire to work. It has allowed many people who have a strong belief in the work ethic to reaffirm that belief by working." 48

The great advances in education made in the post war years among the population generally seemed to create a labour pool of relatively well educated youth who were faced with meaningless or trivial jobs. As Ross of the CCSD had pointed out, individuals seem as a consequence, to have had their expectations raised, and at the same time have far more definite ideas of what they wanted
to do with their lives. "It is not a question of not wanting to work, but rather a question of wanting to do something that is meaningful both to self and, as they see it, to society." The large numbers of applications made to both the OFY and LIP programs seemed to bear out this argument, that the work ethic was not dead, but as Ross said, "(I)t is the definition of what constitutes work that is changing." This view was later to be reiterated by the LIP staff in a massive interdepartmental review of unemployment problems and government responses in the form of direct job creation programs.

The Canadian Council on Social Development also felt that LIP provided an opportunity for the marginally employable to come into the work force but with a job they could enjoy. At the same time the participants would be learning skills that would serve them well in seeking new employment at the end of the project. In short, "...the work opportunities programs can provide a type of 'halfway house' which allows them to regain their courage and their confidence and it permits them to stand on their feet and obtain normal employment."

In practice, the CCSD view of the program appeared to be a trifle too idealistic. For the most part, the project officers felt that LIP was enthusiastically received, but they felt that for the participants there were some built-in problems in the design and operation of the program. It was felt that the attitude of the participants was important for the success of the project. In some cases, would be participants found unemployment insurance benefits more attractive than LIP salaries. Other project officers
found that "(c)ertain communities looked on project wages as a federal substitute for UIC and Welfare benefits; these wages then became a 'right', as opposed to money for services rendered. The attitude seemed to be 'Why work?' It's only government money."\textsuperscript{52} In other areas, however, LIP projects were more positively received. In some areas LIP was not only the employer of last resort it was the only employer. As one project officer expressed it, in some of the smaller areas the LIP projects were few, and perhaps unimaginative, "...but their effect was much more 'life and death' in character." For example, "...in the Indian communities of British Columbia, LIP was virtually the only buffer between whole villages and the welfare line. In Atlin and in Wells for example, there is no question that the local LIP project was respected as the largest employer in town."\textsuperscript{53}

According to the CCSD, both LIP and OFY as work opportunity programs could be justified on both economic and social grounds. But, at the same time, the work opportunities programs provided a source of potential social control. It was argued by one analyst that LIP and OFY were particularly effective in integrating 'marginals' into the mainstream of society. The detrimental social consequences of unemployment could be avoided simply by creating jobs.\textsuperscript{54} The CCSD, too, hinted darkly about this issue in the context of discussing the programs in terms of providing "exciting and effective solutions to a number of social problems." It was felt that the programs might help promote social harmony through providing work opportunities in a potentially explosive situation.
"However, a persuasive case for work opportunities can be built on the fact that they keep people in society, interacting and building communities, where they otherwise would be rejected and alienated, and society would have to bear the consequences. Work opportunity programs best seem to fulfill what is slowly but inexorably becoming a recognized truth: that the welfare of each depends on the welfare of all." 55

From their particular perspective, the CCSD found the work opportunities programs highly significant in that they "...visibly demonstrated the vast range and depth of unmet and urgent social needs in Canada." At the beginning, the creators of LIP simply did not know how the projects would turn out. The vast number of social service projects implemented by participants seemed to illuminate the failings of traditional social service agencies and programs at the federal, provincial, municipal and local levels. LIP service projects assisted many thousands of individuals who might otherwise have been ignored. And the CCSD was aware of the possible inter-agency, or inter-governmental jealousy that might develop when local groups of citizens undertook projects that other levels of government or agencies deemed to be in their own private preserves. As the CCSD bluntly put it, "(T)here is a danger that some established social service workers in both government and non-government fields may consider the initiatives of 'amateurs' in performing tasks that have been the sole preserve of professionals, to be an intrusion." And, of course, the same situation seemed to prevail when provincial governments complained that the social service projects of LIP conflicted with provincial priorities, or worse, demonstrated a service that the provincial government was unable, or unwilling to pick up after termination of the local project.
For their part the provinces seemed to be satisfied with the overall approaches taken by the federal government with the Special Employment Plan, which of course included LIP. In a joint evaluation of the winter job creating programs, all the provinces responded and offered a series of suggestions concerning the operation of future programs. Not the least of these suggestions included one advocating greater provincial control of federal monies spent toward the creation of winter employment.

"A number of provinces proposed that the federal government give the provinces more flexibility in selecting the projects that will operate within their boundaries. They suggest, for example, that a total dollar allocation be set for each province under a winter employment package and that each province be free to trade off, within certain limits, say LIP dollars for FPELP (Federal Provincial Employment Loans Program) dollars if the province prefers the loan program or vice versa if it prefers the LIP program. Such an approach, it is claimed, would better take into account the provinces and municipalities ability to use the funds under various programs." 56

As might be expected, this proposal was never taken seriously by the federal authorities, however the province's claim that LIP project funding interfered with provincial priorities was seen to be more valid. During the first program the provinces were simply sent lists of the municipal project applications for their examination prior to the announcement of approved projects. The major provincial objections centred upon the private LIP projects, over which they had no control during the first program.

"Specifically some of the LIP local group grants have funded projects which are more long term in nature and may even be permanent. This puts pressure on the provinces to provide funds for operating expenses once the federal funding ends."
"While this problem has also been encountered with respect to the municipal component of LIP, it is more serious in the case of local groups because the provinces had no say in whether projects sponsored by these groups should have been funded in the first place." 57

The LIP staff realized that provincial spending priorities could well be upset in this manner, and during the second program lists of all project applications were sent to the provincial governments for their scrutiny. The LIP staff argued that pressure put on provincial governments from private sponsors or clients for the continuation of a particular project was not necessarily bad. It was felt that if a service was provided, like day care, and the response was so great in favour of continuing a project, then as far as the LIP staff were concerned, the federal money was well spent. In their view, if a gap existed in the services which were a responsibility of the province, and a LIP project filled that gap, then it was up to the provincial government to deal with their own service omissions as best they could when pressure was put upon them for continuation of that service.

The coordinator for the first LIP program, Cam Mackie, recognized that the provincial claims had some legitimacy, but pointed out that with respect to particular services, the authority to fund such projects rested squarely with the Minister.

"Politically and with clear objectives established, the Minister and his colleagues decided to fund day care centres, to put pressure on provincial governments, since day care centres are a provincial responsibility. They decided to fund legal services, because again that would put pressure on provincial governments to develop legal services. These were very conscious decisions, going back and forth: should we or shouldn't we? And they decided to. The end result has been in some provinces significant changes in day care centres; in every province a free legal aid system. In other words, the federal ministers used the program consciously to have an effect on a variety of kinds of services." 58
Informal operating decisions of this kind within the program itself had a tremendous impact both within and without the program operation. The very selection of the types of projects to be emphasized had consequences across the country. One project officer felt that "...community service...received the largest consolidated impetus of any LIP undertakings. For them it was a tremendous shot in the arm, enabling not only more intensive or wider ranging services, but even totally novel ones." In British Columbia, LIP projects caused a change in provincial priorities in a variety of areas.

"The support of many day care centres alone has caused a minor revolution in the concept of day care in British Columbia; rules appear to be changing and discussed continually; experiments in extended care and aid to outpatients have fundamentally altered the development of assistance to the elderly in Vancouver." In some cases "...dependency has risen to the point of a 'must continue' attitude of project organizers and the people being aided. In addition, drop-in centres, community halls, information centres - projects which most residents did not foresee for many years - were established." 59

The provinces even suggested that the financing formula be changed to better reflect the employment problems of the provinces, rather than one based upon some national average. They suggested that "...the formula might use as its criterion the extent to which the provincial unemployment rate was exceeded, not a specified national rate as is presently the case, but some long-term average rate for that particular province." 60

The relative inflexibility of the work opportunities programs provided the CCSD a basis from which to offer a whole series of program policy recommendations. They suggested that the
length of project support be varied to suit the type of service being offered. It seemed unreasonable that the funding schedule of a day care project be tied to that of a winter construction project. The project officers also felt that the fixed termination date for the projects proved to be a discouraging factor for participants, particularly to those who had made a success of offering a needed service that would terminate with the end of the grant. "The uncertainty of the future - after the project ends - bothered many employees. How enthusiastic can a person be about his work when he knows that after a few months he will be unemployed again." The project officers suggested that successful projects offering needed services be heavily publicized so that the local or provincial government could be further pressured into picking it up after the termination of LIP funding.

The CCSD also argued that the restriction against profit making should be lifted in a number of cases, for it was felt that "seed money" could provide an opportunity for some projects which would otherwise be denied funding from traditional money-lending institutions. The relatively low ceiling for non-wage overhead expenses (about seventeen per cent) could be raised in some cases of obvious need, for as they noted: "...day care centres often ended up being located where free or cheap space is available and not where the space is most needed." Furthermore, it was felt that in some cases expert technical assistance might be required for the successful prosecution of a project and that provisions should be made for the possibility of hiring outside technical help at the prevailing wage
rates. Finally, the CCSD felt that the full-time hiring requirement posed by LIP was too limiting for it excluded all those potential workers, like mothers with young families, who would otherwise be able to assist on a project on a part-time basis.

The CCSD concern with both the LIP and OFY programs spanned a wide range of issues. They felt that even the selection process itself tended to reduce the "credibility of the program." They added, "(T)here is a belief... that many projects are selected or rejected strictly for parochial political reasons generated at the local level; that there is too much political control." During the first few years of LIP operation, this charge was a sore point in the program. Much later, even Cam Mackie admitted that there were problems with project funding.

"In the second year of LIP the funds were allocated based on rates of unemployment, but essentially, this is true, but... the decisions were made on the basis of pure political interest. In the sense of not straight patronage, but which projects and which areas. And various Ministers as a result of this had far greater influence on their colleagues at that point. The effect was the same in terms of unemployment; the pattern was the same, there was no change in that whatsoever. The whole process was a form of lottery at that point." During later years of operation, LIP did manage to convince some of its critics that funding of projects was more fair, through the establishment of more open decision making bodies. The success of Local Advisory Groups during the second year of operation of OFY provided an important example for the more massive LIP program. The overall funding formula remained much the same, but the figures were established on the basis of constituency areas. The entire province
was no longer open for wheeling and dealing on the part of regional ministers as it once had been. The individual Member of Parliament had a greater sense of approximately how much money his constituency could expect, based on a rough estimate of unemployment in his area for the coming winter season. The MPs, in turn, were offered the possibility of using Constituency Advisory Groups to help choose worthy projects in their areas. Many MPs did nominate CAGs for their constituencies. The program staff seemed to have mixed motives concerning the establishment of CAGs.

"And the whole idea (of CAGs) was two-fold, playing two games: one was to gain broader public acceptance of the program and to make sure that what you're approving in that area is based on priorities, needs, and local perceptions. And the other one was to force the Member of Parliament to become up front, to become public about his role in the decision-making. And 117 of the 260 did have constituency advisory groups the first year. This year 190 out of the 260 odd..." 65

The CCSD felt that the project selection dilemma also had another dimension, that "...there are strong feelings held by ordinary citizens that the political process has in fact gone too far in accepting and funding projects that are considered frivolous, or irrelevant, at least to their own particular communities." 66 With the establishment of the Constituency Advisory Group process, it was felt that at least community members could point to some of their own concerning the funding of a particular project in the event of a dispute.

The CCSD's emphasis on human development and human rights, led it to question the very departmental locations of the programs themselves. They based their argument on the view that much more was being accomplished in these work opportunities programs than in
traditional winter works programs. LIP project did appear to offer employment opportunities, but also cultural possibilities, social services, learning experiences and a whole variety of other facets depending upon the nature and operation of the particular projects. The CCSD wanted the federal government to coordinate their programs around a common project or policy.

"As a consequence of this interdepartmental spillover, it has been questioned whether it is advisable to maintain the illusion that these programs are only employment creation programs - although we recognize the constitutional imperatives here. If this illusion is dropped it might facilitate a rational discussion about which department or special agency should administer work opportunity programs. In addition, it has never been clear why the administration of OFY and LIP and New Horizons, has been scattered across three departments."

The absence of interdepartmental coordination at the federal level seemed to puzzle the CCSD, but it was critical of the problems inherent in a municipal-private sponsor dichotomy used for the first year of LIP operation. As was the case in OFY, it was felt that there were contradictory practices and objectives built into the LIP program. As the CCSD pointed out:

"If a major intention of work opportunities is to provide meaningful work for individuals, such a goal may be difficult to achieve when the project is initiated and managed by municipal or private agencies which are often overworked and, in any case, sometimes not oriented toward the kinds of projects that LIP generates."

"Municipalities have frequently regarded LIP funds as traditional 'winter works' money, and with the exception of a very few innovative municipal projects it is questionable whether a local initiatives program and a traditional winter works program should be mixed." 68

In the second year of operation, the LIP program did change in that municipal applications were treated as any other application, with no special fund set aside for their exclusive use. But
while OFY continued to stress innovation and personal development in participants, the LIP objectives appeared to stress the reduction of winter unemployment and the creation of community betterment. Later the whole concept of "innovation" became an issue between the OFY and LIP program staff within the Job Creation Branch itself. Almost all the project officers did not like the municipal projects, but at the same time, with respect to innovation, they felt that the impact of the projects seemed to vary with their style, content and location. For example, a theatre arts project appeared to have much less community impact in Toronto or Vancouver, than in Tuktoyaktuk or Fort Chimo.

"The impact in rural areas was definitely more intense than in urban areas. This was due to the high degree of personal participation in rural areas, as opposed to urban areas where most employees only contributed labour. For example, a meeting hall, rink, etc. meant more in a small community without such amenities, than the same facility would mean to an urban area where similar type facilities already existed. The greatest benefit seemed to be in those small communities where the unemployment was high and the project involved mainly unskilled labour. Many of the workers in small areas in Newfoundland had never before been able to work in or near their own community." 69

Upon reflection, Mackie tended to agree with the CCSD perspective concerning the job creation programs. He felt that changes in the second year helped to emphasize personal involvement for participants.

"What happened with the municipalities and some of the larger agencies doing essentially winter works, municipal maintenance etc., is that we were simply paying for what they would have paid for anyway. And thus we were reducing the impact of the program in terms of jobs and all the rest of it. So that by shifting policy, we reduced the number of projects that would be subject to that. Now what you get is a far larger number of applications from individuals or from citizens groups proportionately to the whole, not...
exciting applications or big projects, all kinds of little
two bit things, brush clearing in northern communities and
things that one would argue are not very innovative or
exciting. But the fact is that groups of people who never
before dealt with the federal government directly are having
to deal with this. More important, they're having to deal
with the political structure...."

The large allocations during the first program to the existing
social service agencies also came under criticism from various
sources within and without the program. The conservative funding
approach taken by program staff seemed to mean that some of the
funds expended were in capable hands, for the traditional agencies
had experience not only in "delivery" of services, but in auditing
and financial control. The CCSD felt that other program aims should
be emphasized. "While we recognize that it is necessary to maintain
some auditing and other administrative controls over LIP funds we feel
that the program's primary concern should be to promote the objectives
of the program and not its administrative efficiency."\(^7\)

From yet another perspective, LIP funding practices could be
justified in terms of program survival. While the large allocations
to municipalities and "safe" agencies meant that some measure of
financial control and "social responsibility" could be assumed for
much of the funds expended, it also meant that the well entrenched groups
whether in City Hall or the YMCA, for example, would have a vested
interest in the first LIP program. OFY was accused by some of "buying
off the youth revolution", by misdirecting the activities of
disenchanted youth: LIP seemed to try to buy off potential critics.
Mackie explained:

"...in the first year of LIP, for example, 30 odd per cent of the money went directly to municipalities for them to spend on what were essentially all winter works, all public work programs. About 30 per cent of the money went to the large voluntary agencies. And in effect we did buy off the two most significant potential critics of the program, in the first year or so of operation, in part by design, in part by good luck." 72

The CCSD offered a whole series of comprehensive recommendations concerning the future of the work opportunities programs. They felt that LIP should concentrate in the areas of individual initiative and development, and accordingly, that greater emphasis be placed upon private projects. At the same time, they recommended that LIP be disengaged from the view that it was merely a "response to seasonal unemployment" and that it be opened year round to all kinds of people. "There is enough social and economic justification for maintaining a program of work opportunities on a permanent basis, and open to all ages." This recommendation was, of course, not unlike that offered by the Committee on Youth in its Report, and that made in the first OFY evaluation report, concerning such programs generally.

In short, the CCSD, provinces, and program staff took the federal government's initiatives in the field of work opportunities very seriously indeed, offering extensive criticisms and suggestions, from their own perspective on social problems in Canada. While many of the individual suggestions were shared widely within and without the program, many others were not. Some had completely different images of the work opportunities programs, different views concerning their justification and, as a consequence, radically different conclusions concerning the future of the programs themselves.
The first LIP program was reactive in the sense of responding to immediate problems, and retrospective in that it drew not only on traditional forms of employment creation, but also on the more novel aspects of the preceding summer's OFY program. Like OFY, LIP was a partial design to help solve unemployment problems, and its temporary existence made it appear provisional in nature. Unlike OFY, which seemed to operate as a series of successive temporary programs, in LIP there was no similar internal impulse toward experimentation.

Although the initial proposal for the LIP program posed some lofty questions concerning "hypotheses" to be tested with respect to dealing with the problem of unemployment, no major evaluation component was built into the first LIP proposal. The reason for this "oversight" seemed to rest with the experience with the first OFY evaluation. The evaluation which appeared of the OFY experiment was not received well either within the bureaucracy or by politicians. Mackie later stated that he felt the OFY evaluation went far beyond a simple analysis of the achievements and deficiencies of the program, to discuss broad policy questions, a development of which he did not approve. As the immediate past Director of OFY, and Coordinator of LIP, it appeared that he and some others were unwilling to permit the same kind of critical process to be repeated within LIP. Accordingly, only a simple statistical analysis of data on participants was attempted in the LIP program, during its first critical year of operation, with the addition of a series of selected
internal staff papers on a variety of topics from across the country. Two of the staff papers formed the basis for internal program policy recommendations for future programs, and each examined a particularly important aspect of the operation of the first program. The first evaluated municipal "innovative" projects, and the second examined a new phenomenon that appeared in a rather unexpected fashion, "entrepreneurial" projects.

The municipal projects seemed to constitute a major problem for the LIP staff, at least in terms of the program objectives that they were trying to foster, individual innovation and development. In their analysis of such projects, it was found that municipalities tended to define community betterment in the narrowest possible sense, simply to create jobs. Nor did they tend to create the possibility of future permanent kinds of jobs, or new types of employment. Even more distressing to the program staff, "...they have not utilized or awakened the initiative of employees - something with a potential for much longer-term community benefit." Discarding all typical winter works type projects, any project that would have been undertaken without federal assistance anyway, and the activities of universities and Indian Band Councils, they discovered that out of 1,895 municipal projects, that only 65 of them could be considered to be "innovative" in any sense.

As noted earlier, the original LIP presentation paper seemed to stress a balance between "safe" or "tested" features, and novel features in the program, with the split in funding between municipal, agency, and private projects. Like the CCSD staff, the
authors of the "municipal" paper felt that some of the major objectives of the LIP program were ignored through such an allocation formula.

"When private individuals and organizations saw a vehicle for initiative, imagination and community service, the municipalities saw an answer for winter-beaten sidewalks and peeling City Halls. The thousands of municipal applications received evidenced the need for a federal employment program to assist municipalities in doing these necessary, labour intensive projects such as service installation and land clearing. LIP or a program such as LIP is not the proper vehicle for this, however, as it was supposed to be concerned not only with providing jobs, but with contributing to community benefit and to the personal development and learning experience of employees." 74

Many of the project officers in the field felt strongly that the municipal projects in LIP should be eliminated or offered in a very limited form in succeeding years. It was felt that at best, "...municipal projects should be handled by a special branch accustomed to dealing with contractors and that financial assistance to municipalities be handled through some other agency or other source of funding." 75

One project officer said, "I hated the municipal involvement. If we are inviting them next year, let's explain the project to the local officials over and over again, so they get the feel for what we are doing." Another added, "Down with sewers and debrushing - it's a sham."

The project officers felt that employment created from the municipal projects did help to reduce unemployment among labouring classes, but did not reach the hard to employ, like older workers and native people, who had difficulty in obtaining private sector employment at the best of times. In addition, they felt that municipal projects should not be funded "...unless it is definitely for community betterment rather than make-work." 76
The authors of the municipal projects study took the views of the project officers into account, but concluded that the municipalities did have a legitimate claim for assistance based on the number and type of applications for projects put forward during the first year of LIP operation. While it was felt that a more traditional form of winter works program might be more applicable, it was concluded that municipalities should not be ignored by LIP.

"A program such as LIP should concentrate however, on eliciting municipal innovative projects with a higher level of personal and community betterment - the type of project which has traditionally been forced to the bottom of a long list of municipal priorities because of financial pressures and competing demand for municipal resources." 77

The second internal study attempted to analyse a novel development among the approved projects - that some of them appeared to be potentially revenue producing. In the staff investigation of this aspect of the first LIP program, it was found that eleven per cent of all the applications received were entrepreneurial in nature, and that ten per cent of all projects approved were potentially profit making. It was clear that many of the projects had been funded in direct contravention of cabinet guidelines laid down for the program. The applicants, for their part, seemed to believe that LIP should seriously consider small businesses or cooperatives with low capital requirements and high labour-intensity as legitimate objects for funding.

The project officers engaged in the assessment phase of the program obviously agreed with the applicants. The entrepreneurial
applications and approved projects were scattered across all regions of the country. They covered a range of activities from recreation and cultural activities, to provision of community services. One project, for example, was managed as a cooperative and produced rowboats. The project participants successfully negotiated a firm contract for their product with the Government of Quebec. Another project envisaged clearing several hundred acres of bush, in order to set up a blueberry production and harvesting project.

Although they appeared to be picayune, the very existence of these potentially profit making projects cheek by jowl, as it were, with the more orthodox non-profit projects struck the investigators as very interesting. They pointed out that all of the projects of this type promised future permanent employment, but added, "...they will be hard pressed to survive in their nascent stages without some form of government support, both financial and advisory."

Approximately 378 projects of an entrepreneurial nature had been approved, and assisted thereby in the creation of 5,950 potentially permanent jobs. The staff investigators suggested that these projects formed an unexpected aspect of LIP, and that they be paid close attention in future programs.

"If only because these projects, more than any other type, promise future permanent jobs created by Canadians themselves, it is suggested that consideration be given to the provision of future financial support to them and to others of the same type. With the objective of setting up community corporations, cooperatives and other small businesses, these projects seem to combine all of the best elements of initiative, community benefit and long-term economic and employment potential."
At the end of the first year of program operation a task force was assembled to offer recommendations for future programs. The task force staff appeared to have few illusions about the program, although they believed that it had been generally successful. However, they added: "(T)hese program models ...will not solve all the unemployment problems. Undoubtedly, they can be used to reduce unemployment by two or three per cent over all, and considerably higher percentages in areas of highest need."79 The task force staff shared much the same vision of Canadian society as did the OFY staff, that of a society in flux, characterized by rapidly changing social, economic and political conditions. They felt that government had to seriously examine all possibilities like LIP to help ameliorate conditions of high unemployment.

The task force assumed that major government policy objectives included better income distribution, better employment opportunities, and a commitment by government to take responsibility to achieve those objectives. Accordingly, it was felt that LIP could be used to achieve those aims, along with traditional approaches through taxation policy, government spending, and other macro approaches to problem solving in the economy. Almost prophetically, the task force pointed out that the "...balance between growth and inflation will largely be maintained through the tools being used at present, with the possible addition of forms of price and wage control."80

Along with a further extension of LIP, the task force suggested that a variety of other approaches be taken as well. The views of the staff report on entrepreneurial projects were taken
seriously as it was suggested that cooperatives should be supported even though profit-making, and that start-up loans and capital costs should be provided. In fact, it was suggested that new programs be created:

"To experiment with the provision of resources, information and funds to groups and organizations engaged in the creation of both short and long term jobs through the provision of new services and facilities or the development of potentially self-sustaining activities."

and

"To experiment in the creation of new potentially permanent jobs through projects of up to one year's duration which develop new training experiences in para-professional or other skills or which apply new social service technology." 82

The task force had conceived of a three tiered LIP program. The traditional winter unemployment aspect would remain unchanged, with projects funded for a maximum of six months. The two experimental aspects of the program would operate at any time of the year for up to six months, or a full year, depending upon the type of project. Finally, it was suggested that no special funds be set aside for municipal projects, but that they be permitted to apply on the same basis as anyone else. "This will discourage the use of LIP funds to carry out programs and services which would normally be carried out in any case by municipal or provincial governments." 83

The original LIP objectives for the first program were emphasized by the first task force report, with their additional recommendations arising out of their experience during the first year of operation. A brief review of the operation of the LIP program over the years will indicate just how firmly the original structure of LIP became entrenched as an aspect of government residual policy.
For the 1972-1973 program, the objectives remained the same as those of the first year. It was designed to create additional jobs during the peak unemployment period, and to provide benefits to communities through the development of new facilities and services. To do this, the program was "...to encourage the participation and involvement of community groups and individuals in the development, management and evaluation of the projects." The only major changes in the structure of the second program involved changes in the criteria for eligibility for a project proposal.

The areas of program policy and criteria tended to overlap in the LIP program, as they did in OFY. The objectives and the criteria were sometimes inextricably intertwined. To the extent that one is capable of conceiving the programs as the projects, then the criteria to include, or exclude, projects become terribly important for they dictated the parameters of the program for each year.

With respect to the 1972-1973 program criteria there were two major changes. First, the maximum amount of support per project was reduced from one half a million dollars, to two hundred thousand dollars. Secondly: "(I)n the assessment of the projects, higher priority will be given to projects which undertake community services rather than task oriented projects such as major public works." Thus, one of the major recommendations of the LIP task force was implemented, for in practice, this meant that municipalities had to apply on the same basis did private citizens, with no preference given in terms of fund allocation. The reduced ceiling on maximum allowable project funding, and the emphasis placed on community
service rather than on make work projects seemed to mean that municipal projects would be de-emphasized. In this way LIP staff felt that they were able to direct their program emphasis away from simple job creation, toward achieving their own objectives, of assisting personal development and community benefit.

The LIP staff had mixed success in other areas. The task force recommendation concerning a permanent, or year round LIP program was never implemented. They were, however, able to claim one other success in that an entrepreneurial component of the LIP program was created in 1973.86

Some operational changes were made in the program too. During the second program, the use of a Canada Manpower Centre was required for the hiring of LIP employees, as opposed to being merely expected during the first program. Some attempt was thus made to reach the unemployed by forcing the employers, the sponsors, to hire through the CMCs. Again, sensitive to provincial complaints, lists of both the municipal and private projects pending approval were sent to the various provincial governments. In practice, however, so little time was given for provincial departments to examine the lists, that only the most cursory overview was possible to avoid any outright conflict between LIP project operation and possible provincial initiatives in a given area.

Sensitive to criticisms concerning possible "rip-offs", the second program instituted a much more rigorous procedure for auditing projects on the administrative side of the program. Even during the hectic first program it would be a mistake to assume that good financial
accounting was not stressed, for approximately ten per cent of projects worth less that $40 thousand were audited, as were approximately forty per cent of all projects valued in excess of $40 thousand. The second program used more intensive auditing procedures than its predecessor. 87

In the second program, almost 15,000 applications were received, of which 5,847 were approved for that winter and spring. With project extensions after May 31, 1973, the federal government expended over $206 millions in the creation of approximately 86,000 jobs. From the preceeding year the number of construction or construction related activities declined to about thirty seven per cent of the total number of approved projects. About twenty per cent of the projects centred upon social services, twelve per cent on sports and recreation, and about ten per cent dealt with lands, parks and forests. The remainder was divided among cultural, educational, information, health services and research projects. 88

For the third LIP program, LIP 1973-1974, the program funds were reduced to a low $73 millions. The number of applications, however, remained at the same high level as the preceeding year. One of the primary reasons for the decline in funding was simply that LIP was under a great deal of pressure, particularly from municipalities concerning the enforcement of the eligibility criteria, wherein they had lost their preferred status during the previous program. The reduction in funding also suggested a far more cautious approach to federal spending in the area of direct job creation, although the basic ideas behind the program, and its
objectives, were supported simply through a decision to continue it. The possibility existed that the program might even have been cancelled that year, but LIP staff felt that pressure from back bench M.P.s in the Liberal caucus permitted the program to continue.

In the fall of 1973, the Job Creation Branch was created in the Manpower Division of the Department of Manpower and Immigration. The LIP program became the major component of the Job Creation Branch operations, and was joined by the newly created Entrepreneurial-LIP component, OFY, which was transferred from the Department of Secretary of State, and the Local Employment Assistance Program (LEAP), which was transferred from the Special Programs Branch of the Department of Manpower and Immigration. The Canadian Council on Social Development's recommendation concerning the organization and re-grouping of all the work opportunities programs was thus implemented. The new administrative structure made it possible to decentralize all the programs' operations and management to field offices in the provinces, with final control remaining in the headquarters in Ottawa. Cam Mackie became the Director General of the new Branch.

Some interesting changes occurred in the criteria of the operation of the 1973-1974 program, although the overall program policy objectives remained the same. For the first time an overt attempt was made to include the private sector of the economy in the LIP program. This was done by opening applications to corporations as well as to municipalities, private organizations and individuals. The maximum amount of funding for a project was reduced to $75 thousand, while the maximum contribution to other project costs
like overhead, was raised from $17 to $20 per man week per project. The use of CMCs became compulsory for hiring unless written exemption was obtained from the local CMC manager.

Perhaps the most significant development which occurred during the third LIP program was the creation of Constituency Advisory Groups (CAGs). The creation of Constituency Advisory Groups went hand in hand with a new funding formula that allocated money on a constituency basis. In the first two programs, project selection was done largely by project officers working in small groups, with the exception of very expensive projects which had to be approved in Ottawa. In addition, the LIP consultation process "...gave consideration to other federal departments, provincial governments, and of course to Members of Parliament." The project officers also used the 'informed source' method from time to time in various localities to find out more about specific proposals. The decision to supplement the selection process of the previous two years was taken directly from the OFY example when that program established Local Advisory Committees in the preceding summer.

M.P.s were invited to nominate members for a Constituency Advisory Group for the operation of 1973-1974 LIP. The establishment of the CAGs was viewed in the idealistic terms that marked much of the LIP staff's early preoccupation with the program. "The involvement of the community in project selection for LIP will set the precedent for further forms of local consultation and must therefore be carried out by field personnel who understand the importance of this process
as a major step toward community involvement." About two thirds of the Members of Parliament invited to establish CAGs in their ridings chose to do so, and began a consultation process that was to become a permanent feature of successive LIP programs.

In the third program, the ratio of construction projects remained about the same, thirty seven per cent, while sports and recreation projects decreased to about five per cent of the total number of projects funded. Emphasis on the social service aspect of the program was encouraged and social service projects comprised about thirty per cent of the total number of projects funded. In all over thirty thousand people were employed by LIP that year.

For the fourth program, LIP 1974-1975, the budget was raised slightly, to a total of approximately $85 millions. Over four thousand projects were funded which created over thirty thousand jobs. The maximum wage level was raised, for the first time, from $100 per week in previous programs, to $115 per week. The number of social service projects declined to about twenty one per cent of the total, while the number of lands, parks and forests projects increased to about fifteen per cent. The rest of the project types remained in about the same proportion as in the preceding year.

By the fourth year of operation the program had begun to stagnate. The most significant issue at the end of the third program was whether or not to make project sponsors eligible for unemployment insurance benefits upon termination of project funding. Although a
crucial issue for individual sponsors, it took program staff over three years to begin to deal with the problem. After the first program, even the initial impetus to encourage more individual sponsors to enter the program also failed, as the proportion of individually sponsored projects rose to about twenty per cent and remained at that low level.

LIP 1971-1975 Problems and Projections

In some ways the first LIP program was even too successful, for it had some consequences that even its creators did not expect. The massive one million dollar advertising campaign that heralded its opening, wider press coverage, and enthusiasm on the part of the general public, helped make LIP so attractive that it drew persons from the ranks of the employed to its projects. It was discovered that,

"...persons receiving perfectly adequate salaries through regular employment were noticed to be leaving permanent jobs in an attempt to join temporary LIP projects. More than this, they were apparently unmoved by the fact that the possible $100 per week through LIP would halve their former salaries." 92

The Department staff were surprised at this phenomenon, for they were much less interested in the quality of jobs held by the employed, than they were concerned about the unemployed - and in getting Statistics Canada's monthly unemployment figures reduced. McDonnell felt that although "...this phenomenon was never really pinned down, it was fairly certain that these people were being drawn from disappointing jobs to the self-determination exhibited on LIP
projects and that job-satisfaction was outweighing salaries."\textsuperscript{93}

The success of the program caused some difficulties both within and without the Department of Manpower and Immigration. For example, it was discovered that LIP wages were appreciably higher than those paid to workers in Manpower training programs where unemployed workers were paid to attend courses to upgrade their skills. Workers left the training programs. Elsewhere, the Department of Indian Affairs and Northern Development "...found itself mildly embarassed by Native Band Councils applying to, and receiving more money from, the LIP program when that department's mandate permitted it only a certain sum annually for Reserve maintenance." Further, the Canada Council was "...astounded at LIP's funding of a substantial number of theatre and arts projects without regard, apparently, for the criteria normally applied by the Council." For their part, LIP officials felt that the Council was primarily encouraging the arts whereas they were making jobs,"...and the methods projects used to achieve this goal were the choices of sponsors and not of a federal board."\textsuperscript{94}

The style of operation of the program as a whole also had some side effects of the kind hopefully anticipated by Mackie and others at the beginning. It was felt that,

"The crucial problem in the late 1960's had been the manner of government's self-delivery visible in its various programs, and it was recognized in setting up first CYC, then OFY, and finally LIP that government had no historical authority or experience in dealing with a new combination of problems; that 'macro-levers' such as massive make work programs were in the short run ineffective; and that voluntary responses from target groups must be met with government responsiveness too." \textsuperscript{95}
The "hidden agenda" in LIP, as it was in OFY, was therefore to help people respond rapidly to changing political, economic and social conditions, while at the same time, to further develop their own adaptive capabilities for a future which it was believed would be dominated by rapid change. The success of the program, in the sense that thousands of participants devoted their energies to solving community problems on their own, helped point toward the achievement of the first objective of the hidden agenda. They addressed themselves to immediate, or even long term community problems, solved some of them, and in passing even created a demand for further services or solutions to long term problems like care for the elderly and day care centres for the young. In staff terms,

"The LIP program provided an opportunity to develop a responsive mechanism of government that has application beyond the immediate program both as style and as content, and which led to an assumption of responsibility by the unemployed themselves in pursuing new directions." 96

This, then, was the elusive "third" quality of LIP. Not only did LIP create jobs and thereby reduce unemployment figures, and created in the process a measure of community benefit, but it allowed people to define local priorities and "provided an opportunity for many people to learn through having an opportunity to take responsibility for themselves." 97

The success of the first LIP program helped to pave the way for successive programs over the years. But, as a short term, provisional program, LIP did not directly "...fulfill any long term job creation objectives." It did, on the other hand, raise expectations among participants, and, through the development of "personal survival skills"
seemed to foster change among the seasonally and chronically unemployed themselves.

"Indirectly it contributed to longer term job creation by defining needs on a community basis, creating a demand for services and facilities, developing a wide range of experiences and skills for those who are unemployed and developing the capacity of disadvantaged groups to deal with their own situations." 98

The problem of raised expectations on the part of participants, and project clientele who had benefited from short term services, was viewed as a matter of perspective according to the LIP staff. They argued that, "...the program has been criticized for creating expectations and demands, but these must be viewed as opportunities for new long terms responses at all levels of government, rather than as problems in themselves." 99

One of the most difficult criticisms with which the LIP staff had to deal centred upon the view that the LIP program served merely as a stop-gap measure designed to provide a basic smoke screen around more fundamental issues to which public attention should be turned, and not diverted by short term palliatives. 100 It was in response to this criticism that the LIP staff put forward the view that LIP should be regarded as an experiment.

"Nevertheless, a good deal has been learned about how the larger system needs to be modified. What LIP has provided is a vast experimental base from which much more must be learned. Short term, it is, but it has provided many clues to directions that must be followed. It has also provided an opportunity to develop a responsive mechanism of government that has application beyond the immediate program both as style and content." 101

The "experimental" aspect of LIP appeared to be very much an afterthought, in the face of external criticism concerning the
program. At the start, its creators were primarily interested in only the "success" or "failure" of the first program. However, the experience generated from program operation, both from LIP and OFY, did seem to be valuable. This experience was brought to view during a massive interdepartmental review of the employment situation in 1973. The Job Creation Branch staff were able to draw on that experience, if only on paper. In a fashion similar to the contemporaneous CCSD analysis, the LIP staff argued that one of the fundamental problems of the entire employment situation centred upon basic values themselves.

"Implicit in the shifting of the initiative is a new understanding of the concept of work itself. Work traditionally had meant having a job which is rewarded in economic terms because society agrees that that activity is worthwhile and has an economic productivity. Both work and jobs are created by social agreement. When we speak of the phenomenon of work in a particular society we are usually talking about those activities round about which there is some fairly broad social concensus as to their usefulness." 102

Trudeau tried to claim in his famous end of the year conversation that the purpose of LIP and similar programs was to instill a new sense of values among Canadians. LIP staff felt that even though their own programs were not explicitly directed toward this end, that an implicit concern with value change was inherent in the operation of the problems themselves. They felt that the very system itself kept many people from working, and discouraged many others from even trying to find work. It was believed that the success of the OFY and LIP programs had some impact on the attitudes of the population concerning work, but that an overt redefinition of the social concept of work was required. As the staff pointed out, the
exercise would not be an easy one.

"If we are prepared to challenge the strong links between existing work and existing income which have characterized previous wage payments, then we can shift the focus of job creation from the allocation of a scarce resource to the legitimation of new activities. The key to such a shift appears to lie in moving away from job opportunities that are defined from the top down and towards those that are defined from the bottom up --- where the initiative comes from the person and is validated and legitimated within his community." 103

While the notion of challenging the reward system relationship between work and income might seem idealistic, from the operation of the LIP program itself, it was seen that a significant number of people did leave higher paying but less intrinsically rewarding employment, to work on lower paying but more intrinsically rewarding jobs. While some staff members were able to recognize the magnitude of some of the problems at issue, they were unable to do anything about them during actual program operations. In the spirit of the original OFY evaluation, the LIP staff recognized the existence of very severe and challenging problems throughout the operation of the programs however, unlike OFY staff, never seemed to seriously bring forward proposals to provide concrete solutions.

In somewhat self-serving prose, the Job Creation Branch staff indicated that they recognized the fundamentally dualistic nature of the LIP program. They noted that while "...it was announced as a method of reducing unemployment, an equally strong objective was community benefit. The first is strictly economic and the second, part of a social strategy of community development." 104 Although the issue of community betterment versus community development surfaced in OFY, strictly speaking it was never permitted to rise
above more parochial concerns in LIP. Instead the staff chose to attack the manner in which the program was viewed, that the real problem was a matter of perspective.

"Because of this interpretation of direct employment programs as primarily an economic tool to influence the rate of employment it has been assumed that its chief criteria of success is the ability to affect the unemployment rate. This focus has blinded us to its more impressive potential as an overall social strategy. With a shift from primarily economic to social objectives, the problem becomes less of relative rates of unemployment and more of implementation of social priorities." 105

To some extent their analysis was valid, for it pointed out the existence of varying perceptions concerning the purpose of the direct job creation programs, which had consequences for program operation. Both LIP staff and the government knew that the basic LIP formula for reducing the unemployment rate was very simple; for each $100 million invested in direct job creation, the government could roughly expect a 0.3 per cent decrease in the unemployment level. 106

Since the required resources were never made available to really deal with the unemployment problem, it can be argued that as constituted, LIP was an incomplete quasi-policy program exercise on the part of government. For staff members who recognized the failure of LIP in economic terms, and wanted emphasis on the program's social objectives there was little achieved, for their views were never sanctioned.

While much of the original momentum of LIP seemed to be flagging, the Job Creation Branch staff began to turn their attention toward two of the smallest programs which, paradoxically, placed the utmost emphasis on their social objectives --- the Entrepreneurial Local Initiatives Program (E-LIP), and the Local Employment Assistance Program (LEAP).
Chapter 3

Footnotes


2. Ibid., p. 15.

3. Ibid., p. 15.

4. Ibid., p. 15.


7. M. Macdonnel, op. cit., p. 16.


10. Ibid., p. 2.


13. Ibid., p. 2.


15. Ibid., p. 3.


17. Interview, former LIP staff member, Ottawa, 1976.

18. LIP general file 3440-1, staff memorandum, March 6, 1972, cited in M. Macdonnel, op. cit., p. 15.

19. C. Mackie, op. cit., p. 3.


22. Ibid., p. 27-28.
24. Ibid., p. 33.
25. Ibid., p. 35.
27. Ibid., p. 45.
28. Ibid., p. 46.
29. Ibid., p. 46.
30. Ibid., p. 47.
33. See Ibid., esp. Appendix H.
34. C. Mackie, op. cit., p. 1.
37. Ibid., p. 12.
38. Ibid., p. 10.
39. Ibid., p. 7.
40. Ibid., p. 4.
41. M. Macdonnel, op. cit., p. 49.
42. Canada, Projects by People, Information Canada, No. MP54-172 (Ottawa: Information Canada, 1972), introduction.
43. M. Macdonnel, op. cit., p. 50.
44. Ibid., p. 50, emphasis the author's own.
45. The initial excitement about the LIP program was understandable, but the volume of comment not to be believed. Some aspects of the staff criticism will be explored later in the chapter. Public comment, primarily newspaper clippings were stored by the cubic yard.

47. Ibid., p. 2.

48. Although no major evaluation of LIP was undertaken, as was the case with the first OFY program (and primarily due to the content of that first OFY report), a number of smaller, internal reports were assembled. One report was composed of the comments of project officers across the country. Staff, "Regional Project Officers Comments Regarding the 1971-1972 Local Initiatives Program", (Ottawa: JCB A., 1972), p. 2. The Report is bound in red and clearly marked "For Internal Departmental Use Only."

49. D.P. Ross, "The Future Course of Work Opportunity Programs," op cit., p. 3. Ross' observation is supported by a recent survey on the work ethic and job satisfaction conducted by the Department of Manpower and Immigration. M. Burstein, N. Tienhaara, P. Hewson, B. Warrander Canadian Work Values (Ottawa: Information Canada, 1975) See espec. Ch. 7, "Conclusions."

50. The Interdepartmental Task Force on Job Creation was drawn from a number of departments, from Statistics Canada, to the Department Finance, and of course, the Department of Manpower and Immigration. The M. Burstein et al. study of Canadian Work Values, op. cit., formed only one of twenty one separate documents in the Task Force Review. One Job Creation Branch official, Allan Gratias chaired the "Options" Sub-Committee of the Steering Group on Research.


52. Staff, "Regional Project Officers Comments LIP 1971-1972", op cit., p. 12.

53. Ibid., p. 13.

54. L. F. Huston, "The Flowers of Power;"


57. Ibid., p. 18


60. Joint Evaluation, p. 25.


62. D.P. Ross, "The Future Course of Work Opportunity Programs," op. cit. His critique was supported within the various other reports made by staff members, and the suggestions made were mirrored by those of the staff.

63. Ibid., p. 11.

64. C. Mackie, MIT Transcript, op. cit., p. 28-29.

65. Ibid., p. 30.


67. Ibid., p. 12.

68. Ibid., p. 13.


70. Cam Mackie, MIT Transcript, op. cit., p. 28.


72. Cam Mackie, MIT Transcript, op. cit., p. 28.

73. LIP staff, Qualitative Analysis of Selected Local Initiatives Projects - 10 Studies, Study no. 2, "Municipal Innovative Projects," (Ottawa: JCB A., 1972), p. 1. (Hereafter referred to as simply "Municipal Innovative Projects")
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74. Ibid., p. 4.


77. LIP staff, "Municipal Innovative Projects," op. cit., p. 5.

78. LIP staff, Qualitative Analysis of Selected Local Initiatives Projects - 10 Studies, Study no. 3, "Entrepreneurial Projects," (Ottawa: JCB A., 1972), p. 4. (Hereafter referred to as simply "Entrepreneurial Projects")


80. Ibid., p. 3.

81. Ibid., p. 4.


83. Ibid., p. 2.

84. C. Mackie, op. cit., p. 3.


86. The creation, operation, and development of the Entrepreneurial LIP component of the larger LIP program is examined in Chapter 4.

87. Very few projects were actually halted in mid-operation, contrary to popular views. In the first year of operation of OFY, for example, out of approximately 2,300 projects, only 3 were "shut down". It was estimated that well less than one per cent of LIP projects had to be closed. See M. Macdonnel, History of the Job Creation Branch, op. cit.

88. Information provided by JCB staff. See Appendix I.


90. Ibid., p. 1.

91. Information provided by JCB staff. See Appendix I.


93. Ibid., p. 51.
100. The JCB staff also felt that LIP served as a "smokescreen" upon occasion, but in a "positive fashion." They believed that the much larger LIP program served well in that while attention was focussed on its operations, the staff could quietly continue to experiment and operate the much smaller programs like LEAP, and especially E-LIP. See Chapter 4.

101. C. Mackie, op. cit., p. 3.


103. Ibid., p. 3, emphasis the authors own.

104. Ibid., p. 6.

105. Ibid., p. 3.

Chapter 4

E-LIP AND LEAP

The creation of the Entrepreneurial LIP program (E-LIP) within LIP, and the Local Employment Assistance Program (LEAP) within the Special Services Branch of the Department of Manpower and Immigration appeared to mark the development of a new maturity in the direct job creation programs. In content, OFY appeared to serve only youth, and LIP, the temporarily unemployed, but based upon their experience in operating both programs, the staffs felt, as we have seen, that there were serious weaknesses in each. It was hoped that E-LIP and LEAP could move beyond either LIP or OFY, offer solutions to problems discovered in the "parent" programs, and build upon their strengths.

LIP and OFY operated as relatively "non-specific" programs, to incorporate as many of the temporarily unemployed as possible. E-LIP and LEAP were more narrowly designed to appeal to people that were not effectively helped by the larger programs. E-LIP focussed on the nature of the activity itself, the creation of long term employment opportunities through the development of independent businesses LEAP, on the other hand, emphasized the development of the participants, by designing projects for the chronically unemployed, or unemployable.

This chapter explores the origins, development, and operations of these two programs within the context of the newly created Job Creation Branch of the Department of Manpower and Immigration.
Entrepreneurial Local Initiatives Program
E-LIP, Origins and Development 1972-1973

The experience gained through the operation of the first LIP program in the winter of 1971-1972 helped to spark the development of the E-LIP "program," which became a component of succeeding LIP programs. The E-LIP component was formed upon the recommendation of the Minister of Manpower and Immigration in December, 1972, as a form of LIP "...for potential self-sufficient entrepreneurs." Indeed, two new aspects of LIP were created according to the Minister's announcement, in which one-half a billion dollars were to be spent for direct employment programs during the winter. In addition to the original $80 millions set aside for LIP, the Minister "...directed that about $10 million be set aside for innovations currently under study, which...will give more flexibility and new dimensions to LIP."

Although the funds were made available, and the suggestions for their use had come from the LIP staff, the basic direction for both the Private Sector LIP and E-LIP components of LIP 1972-1973 had not been established prior to the December announcement. The Minister himself was unsure what form the final dimensions of the two experimental programs would take. "We will look at such ideas as marshalling the entrepreneurial skills and talents of the private sector toward community benefit, obviously on a non-profit basis. Another idea I would like to explore is assistance to unemployed
persons in forming co-operative, non-profit organizations for the purpose of providing, on a fee basis, needed community services."^{2}

Neither the Minister nor his employees were quite sure what was going to be accomplished in these two new aspects of LIP, an uncertainty that was to remain throughout the operations of both components and have serious consequences for their development.

Although the first LIP program was specifically directed not to fund potentially profit making enterprises, it was discovered that eleven per cent of the LIP applications received had been entrepreneurial in nature, and further, that ten per cent of the approved projects were potentially profit making.^{3} The fear that LIP might adversely affect normal labour market hiring practices, as well as create "competition" for existing enterprises was not a fear shared by the LIP staff during the operation of the first program. Indeed, based upon that LIP experience, the staff task force had flatly suggested that the entrepreneurial form of project become an integral aspect of LIP in future programs.

From the point of view of the LIP staff, the entrepreneurial projects "accidentally" sponsored by LIP seemed "...to combine all of the best elements of initiative, community benefit and long-term economic and employment potential."^{4} The headquarters task force analysis suggested setting up an experimental component of LIP to provide "...resources, information and funds to groups and organizations engaged in the creation of both short-term and long-term jobs through the provision of new services and facilities or the development of
potentially self-sustaining activities." Staff members found it difficult to accept the fact that just as some LIP projects 'got off the ground' and were functioning well, their funding period was terminated and the project, however valuable it might have been to both the participants and the community, had to be closed down. According to one staff member, in some cases the projects "...were centred around some potentially commercial activity. They were producing maybe from wood, producing furniture that could be used in Day Care Centres, but they were prohibited from selling it. They just gave it away, but there was no reason why they could not in fact sell it."6

The "ad hoc" development of both the Private Sector LIP and E-LIP components of the massive LIP program were vividly described by Cam Mackie. During the second year of operation of LIP, and the beginning of E-LIP, Mackie and some of the original headquarters staff were temporarily displaced into other programs, as an attempt was made to "clean up" LIP administration in response to public pressure and criticism. As Mackie explained:

"The first year, you see, us social nuts did it the way we wanted to do it, and the second year they had to bring in an administrator, the bookkeeper, to straighten things out. And one of his inputs along with the Minister was how do we get a private enterprise part of this operation. And they had two parts to it: one was a part that gave grants directly to private enterprise for purposes that would not contribute to their normal profit, wouldn't enhance profit, but might enhance their property, their recreational value of the land, offices. We did a very few projects there, and as well, on the back of an envelope, designed the entrepreneurial grants program. So in effect, what we've done is simply take advantage of the massive size of LIP, and leave out a little bit of money to do something that we feel is vitally important...." 7
In practice, more emphasis was placed on the development of the Private Sector component of LIP, than on the development of E-LIP. Indeed, the creation of the E-LIP component seemed to have been an accident, according to Mackie.

"...the whole thing started on a misunderstanding. After the first year of LIP, the rules for applicants essentially implied that there were only two types of organizations which were excluded from making an application: provincial governments and private business enterprises. This is the period in which private business enterprises, especially the larger ones, got very strong on enhancing public image and do-gooding and all the wonderful things business does. They exerted pressure to be allowed to participate in this do-gooding and they would match and contribute quite a bit if we would allow them to be under the auspices of this. And the indication came down from the Minister's office then to organize something which would allow private enterprise to participate. At this point, however, they were not quite sure, all that they were asked was to allow private enterprises to participate, but the accountants and bookkeepers there, who were not very good on policy, couldn't quite understand, and to make doubly sure that they understood the instructions correctly, started both. One that creates new business enterprises and one which allows private business to participate in the program."8

Both new components of the second LIP program were undertaken in a rather tentative fashion. The Private Sector component never really got off the ground and only assisted in the operation of a few projects, and was largely left undeveloped.9 E-LIP was seemingly thrown together after the Minister's December announcement, and appears not to have had any specific criteria or objectives established except for those already existing for the parent LIP program.

In the new program, emphasis was placed on the creation of new services or facilities, so as not to compete with existing businesses, and on the creation of some measure of community benefit. With a late start, little publicity, and internal problems in the
program, only six projects were approved for E-LIP support during its first six months of operation. However, in April of 1973 with the announcement of LIP project fund extensions, the Minister also announced that an additional $4 million would be available for profit-making projects, to be drawn from existing LIP projects that exhibited such potential. An additional 25 projects were then drawn from the existing operating LIP projects, making a total of 31 projects for E-LIP during its first year of operation.

The E-LIP staff were very conscious of some of the basic problems within the design and creation of the program itself. Although the LIP headquarters staff had made available their recommendations concerning entrepreneurial projects in March and April 1972, no concrete action was undertaken concerning their suggestions until the Minister's announcement in December of that year. Consequently, the first phase of E-LIP, although seriously intended to assist in the creation of long term employment opportunities, was created with even more haste, it would appear, than was either LIP or OFY. In addition, only five months were originally allotted to get the program running to produce concrete results, in spite of the experience within the LIP and OFY programs wherein the staff complained of too little time for project recruitment and development. The intended project span of only five months was even less than that of most LIP projects, particularly when compared to those that gained extensions during the first two years of LIP operation.

Basic lack of planning and the short time frame allowed for projects had serious consequences for the development of the program.
For example, it was noted that "...it had been rather hastily conceived without a consistent theory relating to the many issues of community economic development, there was a good deal of natural caution in its early operation." This caution was exhibited in that only six projects were approved during the first five months of operation. That caution was quite understandable for, although provisions were made for start-up capital to be provided to projects, there was "...no clear idea of what sort of capital expenditure would be legitimate, or even if the Department had the legal status to grant such funds." In addition, there was further confusion when the staff attempted to deal with the program principles of "non-competition" with existing business, and "demonstrated market potential" for prospective projects. Both issues were serious, for the success of the program would be measured by its ability to create viable businesses.

The operation of the initial phase of the E-LIP component was rather haphazard, to say the least. It was felt that an intensive review of the program was required, despite the tradition of very low profile analysis in LIP. The E-LIP evaluation was a major departure from the first two bland LIP evaluations for, since the program was designed to build businesses, and concomitantly long term employment opportunities, the evaluation took the form of a management assessment of those businesses supported by E-LIP.
The first E-LIP evaluation designed as a management assessment of the program, also provided the first formal list of the objectives for the program. As might be expected, they were rather general and reflected the influence of the larger parent program, LIP. The objectives were three-fold:

"To create long-term employment opportunity in the context of community.

"To provide opportunities for individuals or organizations who, for a variety of personal, cultural, or circumstantial reasons do not have access to normal capital markets or to funding from government departments.

"To assist in the establishment of small businesses in which the employees and the community can participate directly."13

The shaky beginning of the program, and the internal operational problems were not lost upon the outside consultants that evaluated the program, as they truthfully pointed out, "...the rationalization of the 'entrepreneurial' objective has, to a degree, occurred after the fact."14

In spite of these problems, there did appear to be a need for the creation of a funding mechanism for small scale entrepreneurs, given the existing conditions in traditional funding agencies. The consultants found that "...most projects analyzed would not be eligible for financing from other government departments because of the size of the operation or because of the nature of the output involved."15 Once the projects were established it was discovered that the revenue production capacities of most of them were grossly overestimated. Revenue returned to the projects much more slowly than
expected, leaving them in financial difficulties from the start. In addition, it was discovered that many of the well established projects failed to control their own funds adequately, and that they did not seek management or financial assistance from traditional funding agencies like banks on the strength of their established projects. Overcoming the basic problem of obtaining initial funding was therefore not the only problem a project had to face, for in practice the operating financial management of many of the projects appeared to be inefficient, and a detriment to eventual project success.

The report noted that the organizational structure of the projects tended to vary widely, that most projects lacked effective planning to "...guide the future management of the projects." The objective of community and worker participation in the management and planning for the projects was somewhat neglected as only about one third of the projects had group participation in decision making processes. Hence the consultants were moved to create a definition of "participation" for the program, attuned to the reality in the projects.

"The 'idea' of participation is not that all employees, or whole communities, take a direct part in all decision making, but rather that there is a structure capable of reflecting various essential interests in policy making and in overseeing the day-to-day operational management." 16

The first E-LIP evaluation concentrated on the success of projects, rather than upon the theoretical frills of participation, or even ownership. The problems of ownership and control of the projects themselves were interrelated, and not resolved during the
first few months of operation of the program. About one third of the 1973 projects were owned by four or more individuals, six were owned by non-profit or charitable organizations, and the rest were owned by one or two individuals. For the first year, the problem of ownership did appear to be a peripheral issue, owing to the projection of failure for many of the projects.

Based upon an assessment of probable success of the projects in terms of market possibilities alone, the consultants felt that "...37 per cent of the projects were producing products or services that appeared to have little opportunity to find a satisfactory commercial market." The inability of some projects to find a suitable commercial market, coupled with long range planning problems in others, contributed to make the success of the program itself rather doubtful. In addition, it was pointed out that the lack of internal financial control, management difficulties, and lack of adequate management support from the E-LIP staff, further contributed to make success of the projects less likely, even given that a market appeared to exist for the services or products produced.

The consultants offered a series of recommendations that challenged the very foundations of the program which had "...been designed on the back of an envelope." They suggested that a clear set of program objectives and criteria for project selection be designed, and that it was "...essential for future projects to have an adequate plan for development and management." They pointed out that the funding and financial management of the projects should be based on a model more suitable for the creation of long term employment, rather than
on the LIP model. Finally, they concluded that E-LIP staff support for the projects was crucial and had to be improved, for "...the provision of management assistance on a logical and planned basis is as essential to the success of long-term project development as the financial contribution."  

While the consultants were preparing their report on the operation of E-LIP, a task force was established within the headquarters at Ottawa to review the program too. In anticipation of the creation of the Job Creation Branch in the fall of 1973, the E-LIP task force attempted to design an entrepreneurial program that would be consistent with JCB operations, to "...avoid the 'ad hocery' of past program evolution by establishing a theory which could dictate the operation of a program and not vice versa." In fact, they were prepared to write off the initial phase of E-LIP as "experience" and prepared to begin anew.

The task force really found themselves with the task of justifying the program's existence, and clarifying its possible direction. From the beginning, the task force staff tried to make a distinction between LIP and E-LIP operations. From their LIP experience, many felt that LIP was simply a mechanism for the government to deal swiftly and economically with the problem of short-term unemployment. E-LIP, on the other hand, was directly involved in the creation of long-term, permanent jobs. For the staff, the importance of the E-LIP concept rested directly in that elusive area to which the Prime Minister had appealed, that of value change. To do this, they suggested that the traditional view of
the individual entrepreneur should be changed, and argued that the concept of entrepreneur should be identified with individual temperament, so that "entrepreneur" "...ought to refer to a particular style of leadership that can be harnessed for any number of causes." 22

The reasons for this emphasis on "style" of leadership seemed to be two-fold. First, from their LIP and OFY experience, the staff tended to emphasize the development of the individual wherever possible, hence their view of the entrepreneur in E-LIP was consistent with their experience. 23 Secondly, such an approach was consistent with their own image of themselves, for in their bureaucratic roles, they were disenchanted with the traditional approaches taken toward the unemployed in the 'economic system.' Hence, they concluded that the E-LIP program "...ought to be seen as a tool to promote a certain style and type of entrepreneurial commercial activity directed to a qualitatively different sort of economic development." 24

The task force simply pointed out that the basic difficulty for the rising entrepreneur was that of raising capital, especially for one from a disadvantaged background. In practice, it was felt that "...both private and government funds are not available until some level of production has been proven." 25 The task force was prepared to argue accordingly that the Department should take the initiative in providing financial support, in terms of both wages and capital once the project idea had been developed, through basic market testing, development and production. They believed that the
projects funded should be labour intensive, have some community orientation, use a "low level of technology", and avoid creating new products.

It was felt that E-LIP was simply a reasonable and necessary development, based upon the logical development of the LIP and OFY ideas, and the practical working experience that made them a success. In the task force view, "...Manpower now has an opportunity to continue and to support the changes it has initiated through the LIP experiment in a program to develop and harness the reservoir of 'entrepreneurial' energy' that has been exhibited in the past three years." The "unintentional" inclusion of revenue producing projects from the earlier LIP programs made the transition from LIP to a new form, E-LIP, simply that much easier, or so it appeared. The task force staff felt that the Department of Manpower and Immigration had a form of obligation to become "involved" and complete their work.

"Ultimately a rationale for Manpower involvement has to be tied to recent experience in direct job creation and a new method of local delivery. Without a LIP biography, Manpower would have no business in entrepreneurial promotion. With it, however, an entrepreneurial program becomes a necessary and logical extension of an economic and social phenomenon. LIP equipped the Department with community antenna and a knowledge of community employment building such as no other department shares. Delivery methods have been refined to effect a unique program of economic development. While other Departments are geared to respond to applications, Manpower has established the credibility and expertise to go in, initiate and develop. Because of this approach, such an entrepreneurial program would complement rather than compete with what appear to be similar programs." 27

Although E-LIP appeared to spring from the OFY and LIP experiences, emphasis on the creation of long term, self-sufficient operations meant that many aspects of the new program would have to be
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substantially different from those previously attempted, with the possible exception of activities in the Local Employment Assistance Plan (LEAP), already established within the Special Programs Division of the Department of Manpower and Immigration. New thought had to be given to the wage problem, the generation of project revenue, the project time frame, capital costs, ownership, competition, market potential, target groups, and the legality of the entire undertaking.

Many of the basic problems of the new program were fairly simple with which to deal. For example, in anticipation of criticism from local employers, LIP wages were closely pegged to the prevailing minimum wage. But if one were attempting to create long-term permanent employment, then this level of funding did not appear to be appropriate. The task force pointed out that "...if one is serious about the business of entrepreneurial promotion and the provision of resources and support to give it a chance to happen, then the pillory of $100 weekly on the LIP model is inadequate." They continued, "(I)f total investment is seen as the important decision, the argument over wage levels becomes a non-issue." The staff were concerned with the quality of the E-LIP employment created, in terms of decent well paying jobs, not merely with the numbers employed as in LIP. Accordingly, it was felt that wages to be paid in E-LIP projects had to be at least as attractive as the going rates in similar types of employment on the job market.

Although the wage problem was one with which the Department could deal with some ease, the provision of capital funding for projects was entirely another matter. The E-LIP projects were designed to create small, ongoing businesses, and as such they all required, to
a greater or lesser extent, a basic capital investment in order to get started. LIP had been designed as a labour intensive program with some funds set aside for operating costs: E-LIP projects were designed as something more permanent. The first E-LIP projects were arbitrarily given a capital grant on a $2,000 per permanent job discretionary basis. The funding design had problems built right into the formula.

"This arbitrary figure was originally intended to first guarantee a commercial bank loan and only in the last resort as a direct grant. There are certain irreconcilable problems in this concept - i.e. Manpower cannot both justify an Entrepreneurial program on the grounds that many good ideas were being still-born because of the inaccessibility to private venture funds and still refuse to provide such risk capital. ... It is a hard fact of life that a typical project sponsor, for a variety of reasons, will probably not be able to borrow from normal financial sources, even though wages and some depreciation costs are being paid through another program." 29

The capital funding provision for E-LIP was to make it the most distinctive, albeit the smallest, of all the Job Creation Branch Programs. LEAP's program policy objectives centred upon the clientele, the "target group", or specific, disadvantaged clients to enable them to become self-supporting. E-LIP, on the other hand, was focussed upon the economic activity, rather than upon the clients. Indeed, the task force even suggested that financial participation on the part of E-LIP project participants might be required to further lock them into the "success" or "failure" of the individual projects.

"The type of projects we ought to be interested in are labour intensive and do not require a huge capital investment. Success is more dependent on leadership, human resources, and the degree of commitment participants share. In this respect, it would be wise to insist on some form of equity participation by project individuals - (say perhaps 20%) - to ensure a real stake in the future of that enterprise. Evidence is required of individual commitment." 30
The task force deliberations appeared to be somewhat naive, for clearly, most participants, drawn from the ranks of the unemployed, would be unable to contribute to the capital funding of their project. Further, emphasis on the "social" aspect of the projects seemed misdirected, given the harsh economic reality faced by the first E-LIP projects. Economic survival seemed to be more important than style of leadership.

The financial recommendations of the E-LIP task force, other than that concerned with equity participation, seemed reasonable. It was recognized that a necessary precondition for project funding should be that the project had a reasonable potential for the generation of enough revenue to enable it to become self-supporting. In addition, it was suggested that instead of demanding that revenue generated be ploughed immediately back into the project to defray federal costs, that a longer term view be taken of each individual project. Thus, the projects were viewed in a developmental time frame, so that as revenue capability, and inventory was gradually built up, federal participation could be gradually withdrawn leaving the project on a sound commercial base. "The general principle remains, as revenue increases, the federal contribution decreases, so that when the subsidy is removed, the enterprise is capable of continuing."31

In E-LIP the creation of long term, financially sound enterprises was not a matter of legislating a specific time frame for projects, but rather of tailoring the support period to the projects for each stage of their development. The successful establishment of an E-LIP project was thus a far more complex process than was
the case in either OFY or LIP, and it was suggested that the support phase of E-LIP project development be more flexible. "On the whole, no project ought to be guaranteed for more than a year, but there would be flexibility to provide extra funds for an additional time period to see that enterprise through to commercial viability."³²

Beyond the interlinked problems of funding, wages, revenue, and project time frame, there remained a number of amorphous problems unique to E-LIP that were inherent in the program operations from the beginning. The task force tried to deal with the problems of project competition with existing enterprises, assessing the market potential of prospective projects, and the issue of "target groups".

The task force solved the problem of competition neatly, and effectively, based upon their OFY and LIP experience. They pointed out that, on the whole, there were less than two dozen legitimate complaints from employers who claimed that LIP project hiring conflicted with their own hiring needs in the labour pool. Therefore the staff felt that the programs did not particularly upset the market demand for workers. On the other hand, E-LIP would provide the going wage rates for employment, and just might upset local employers. The task force simply pointed out that "competition" was not a particularly dangerous phenomenon in an economy that overtly appeared to worship competition, but in practical terms, they suggested that E-LIP should simply not fund projects that would interfere with normal employment activities already established in a given area. As was the case in OFY, and to a lesser extent in LIP, the task force staff also suggested that E-LIP be prepared to fund innovative and unorthodox projects, thus further reducing the possibility of competition with existing businesses.
The problem of "target groups" was more an issue within the Manpower bureaucracy than without it. The traditional approach to the problem of unemployment was simply to define a problem and pour money into it. LIP and OFY managed to change that approach to a great extent by permitting the individuals involved to define their own problem and provide a solution, on a contractual basis with the Department. The focus of E-LIP, in terms of who could participate, was not based upon a specifically disadvantaged group as in LEAP, but on individuals who could create successful businesses. To do this it was proposed that E-LIP rely on the "style" and "ideas" of individuals, who were most likely already employed or under employed.

The task force had to argue just one step further:

"If the concept is to identify and promote 'latent' entrepreneurs, and to provide an opportunity to those who would not normally, for a variety of circumstantial and cultural reasons, have access to the required resources, then its application cannot be restricted to the unemployed if it is to have its widest potential impact." 33

In theory at least, E-LIP support was available to anyone who had a feasible idea of how to create long term jobs, and was unable to get capital financing, including the employed. In the task force view, "an entrepreneurial program "...should focus on individuals with vision and energy and areas where the human resources are immediately available."

Perhaps the most crucial problem with which the task force had to deal was that of how to determine the market potential of individual projects. This was their most difficult undertaking, for the success, or failure, of the program depended upon it. The problem
was compounded by the fact that E-LIP was to encourage the development of innovative projects which would not compete with existing enterprises, to solve their other program dilemma, "competition."
The task force observed:

"As a criterion, the application of 'market potential' is treacherous to assess. A potential is typically defined against a background of a known market for an existing service or product. When the business of underwriting innovative ideas and discovering new markets is involved, this decision is judgmental and not easily susceptible to the usual panoply of market and feasibility studies, commercial plans etc...." 34

Within the world of business, the operating context for E-LIP, the staff had to do exactly that - accurately assess the market potential of proposed projects. As they pointed out, "(T)his judgement calls for daring and risk which have not always characterized the bureaucratic mentality. If Manpower wants to engage the entrepreneurial concept, it must be willing to demand similar imagination and boldness in its mandarins." 35 A full circle had almost been turned, wherein now Department staff were also to be tapped for their imagination and initiative in the creation of employment opportunities. 36

There were two final problems to be solved, which arose out of the first year of E-LIP operation. The first problem involved the issue of legal authority for the program; the second, the problem of ownership of the enterprises which were created by the program.

The legal authority for both the E-LIP and the Private Sector programs rested entirely within the framework of the massive LIP program, as expressed in the main estimates of the Department. However, there was an obvious discrepancy between the overt aims of the E-LIP operation, and the specific guidelines for LIP operation
outlined in the estimates. From Vote 10 of the main estimates for 1973-1974 for the Department of Manpower and Immigration, LIP was restricted to projects of a "non-profit" nature. Accordingly, E-LIP had been started under and run in direct opposition to the funding authority of the parent LIP program.

For the first six or eight months E-LIP operated with LIP funds, but on the legal interpretation that the operation of the projects themselves indicated that a profit was not being made by any individuals, and hence not in opposition to the original authority. For example, it was found in one project that "...all revenues earned by the project during the period of funding went to reduce, by an equal amount, the Federal contribution or to the further development of the enterprise." The E-LIP staff accepted this definition of "profit-making", and continued to review operating LIP projects for "business potential."

Although Treasury Board apparently accepted the E-LIP interpretation, other legal opinion felt that further clarification was required. As early as April 1973, an attempt was made to change the working of the LIP authority to exclude the phrase "non-profit making" from the estimates, but the attempt was not successful. E-LIP carried on regardless. In the view of the task force, this type of administrative confusion was unnecessary.

"If the Department is serious about mounting an Entrepreneurial Program, it must seek to obtain all necessary authority to carry out its concept. If this means a special Cabinet document then so be it. But first clearly decide what has to be done. It is indicative of the fuzzy thinking that Entrepreneurial-LIP had to come in through the bathroom window."
The equally perplexing problem of ownership was also left for further reflection. In simple terms, if the project failed, there was no problem. On the other hand, if the project was a success, a question remained concerning the division of the profits. The task force simply suggested that "...participants must have a realistic opportunity to share in ownership, no matter how that investment is made (e.g. money, labour, etc.)."

The task force summed up its arguments for the creation of a special E-LIP component within the prospective Job Creation Branch by referring to what they perceived to be a fundamental change in values in the 'economic sector.' They believed that, "...in the dynamic socio-economic climate of the country, which LIP both recognized and propelled, the industrial state paradigm is dissolving away from growth/consumer/bigness norms towards a restructuring of fundamental values." From their image of the Canadian 'economic sector', it followed, for them, that "...there are opportunities to experiment for the development of new economic support systems." At the same time, in terms of justification, they were able to appeal to more traditional views about the nature of the Canadian 'economic sector', utilizing both sides of the coin as it were, by playing off a characterization of LIP against the possibilities inherent in E-LIP.

"...programs to date have been concentrated in the public sector (i.e. dependence on government subsidy and avoidance of the private sector). This is too easy. It would be ineffective if Manpower were to become solely associated with public job creation for residual unemployment. The concomitant dangers of a 'grant-dependency' cycle are evident. As long as we have to operate in a market economy, there will be a premium on the private sector to respond to market demands. In this respect, because of Canada's unique patterns of structural regional and seasonal economies, we are in a position to experiment, and not simply to keep expanding the public sector."
In the view of the task force staff, the two new programs in the Department, the Local Employment Assistance Program (LEAP), and E-LIP, both indicated that the new Job Creation Branch could successfully initiate "...an alternative to the standard model of economic stimulation." In practice, however, their optimism would prove ill-founded.

**E-LIP 1974-1976, Accomplishments, Decline**

The report of the E-LIP task force seemed to constitute the high water mark of the program's existence. All the basic issues that could be dealt with were reviewed and a series of recommendations offered. It was suggested that the project time frame consist of one year with possible extensions; that wage rates be flexible and determined locally; that capital support continue to be tied to the number of jobs created; that a ceiling of $200,000 be declared as a maximum level for project support; and that some arrangement be made to encourage employee equity support. The most important recommendation suggested that E-LIP and LIP operations were basically incompatible and that E-LIP should become a separate module within the Job Creation Branch.

Unfortunately, E-LIP was never permitted to become fully independent from LIP. In practice this meant that the E-LIP budget was tied to LIP spending authority, and accordingly it only received LIP "slippage" funds for operational management and project support. These "slippage" funds consisted of LIP funds that remained unspent
due to over estimations of project spending during the course of the operations of the various LIP projects. Lacking independent status E-LIP never became a serious concern to many of the Job Creation Branch staff. However, its low profile and relative obscurity gave the E-LIP staff an opportunity to operate without too much interference from within, or without the Job Creation Branch. 42

The overall objectives of E-LIP remained the same throughout the operation of the program, a modified form of the LIP objectives. In the language of the Branch, "(T)hese objectives are an extension of the principle of LIP job creation from the context of limited seasonal or demographic employment aberrations into situations relating to regular or long-term employment." 43

A revised set of criteria for project selection gave the general outline for the program for the remainder of its existence. The problem of competition was seemingly dealt with in the first criteria: "Projects may be initiated by unemployed persons for the development of a new product or service which would be non-competitive with business enterprises in the local and surrounding areas." A minimum of three permanent jobs had to exist in the project proposal, and consultation with local authorities was required to avoid conflict with any local municipal projects. Funds were to be provided on the same basis as LIP, but with a higher provision for overhead costs, slightly higher wage rates and, "...in some instances, on a discretionary basis, a federal contribution of up to $2,000 per permanent job to be created be provided for 'start up' capital." The task force
recommendation concerning the use of revenue generated by the project was implemented.

"Normally revenue earned during the term of the project must go towards reducing project costs in determining the amount of federal contribution. In entrepreneurial projects a portion of the revenue earned may, at the discretion of the Minister, be accumulated for further expansion." 44

The term of the projects remained at 12 months, but unlike LEAP, there was no provision for a three or six month development period for the project, prior to the actual operation during the major funding period.

Interested applicants could not apply directly to E-LIP with a proposal, but as E-LIP was tied to LIP operation, all LIP project proposals were screened for E-LIP possibilities.45 If a likely prospect appeared, the project officer would then find out more about the sponsor(s), and attempt to work with the sponsor to create a proposal that might gain E-LIP funding. Once the basic proposal was worked out, with the project officer serving as a resource person for the applicant, an ad hoc review board might be established "...composed of four or five persons of various backgrounds who are able to meet regularly to consider proposals recommended for approval." Membership on the board could include LIP project officers, Special Programs staff, LEAP staff, or other "suitable persons". The ad hoc committee report would then be forwarded to headquarters for review by the LIP Director, Director of Operations and other persons for a final decision.46

Even before a proposal had gained E-LIP funding, the role of the project officer was crucial, particularly since no "official"
The awkward development of the program, its "entrance through the bathroom window", and neglect of the task force's recommendations left the project officers to deal with projects that were considerably more complex than those in LIP. They had to learn by experience. As one staff member pointed out, "(W)ith the inception of the program the project officers were, for the most part, ill-equipped to fulfill this role, however as the program matured so did the ability of the project officers to deliver it properly."\textsuperscript{50} In spite of these
difficulties, the staff did manage to develop a number of successful projects across the country.

One particularly interesting project involved the building and operation of a specialty restaurant in a depressed village in eastern Canada. The project was rather unusual in that it involved the cutting of timber to provide raw material to build the restaurant, actual construction, and finally, day to day operation. The project provided for the creation of 15 permanent jobs, and federal support was estimated to have been in excess of $100,000. In addition to federal support, the project also gained assistance from A.R.D.A., the Provincial Department of Fisheries, the Department of Highways, a local university, and from Newstart (D.R.E.E.).

In another small community, local residents helped develop a project to produce finished lumber. Prior to the project operation, local residents were accustomed to fishing part-time, and working part-time in the logging industry. The project provided year round employment to 6 persons, with the potential for hiring more men as it expanded. Federal costs for wages, and capital investment was in excess of $80,000, and the co-owners were able to contribute approximately $8,000. In addition, a $21,000 loan was negotiated from the Newfoundland-Labrador Development Corporation.

The values of community support and participation, as expressed in the program objectives, became concrete through the practice of the program. The injection of some requirement for community support for projects became an integral aspect of the program in 1974-1975, especially in the case of group projects wherein management or control,
or both, was invested in a number of individuals. The program set up Boards of Directors for those projects which became incorporated businesses, or set up ad hoc advisory groups of interested community residents for other projects. The benefits of this approach accrued to the community when a successful enterprise was created, in terms of employment opportunities created, the products or services developed, and general revenue production and spending in the local area. For their part, the projects also benefitted. "The stability and guidance offered by interested community residents has, on occasion, given the projects easier access to markets or financial assistance, or provided them, at no cost, with legal and accounting advice." 53

The problem of ownership, which was raised by the task force in the fall of 1973, was partially dealt with in the 1973-1974 program, although not without difficulty. An attempt was made to have successful projects incorporate "...in such a way as to ensure that ownership would be vested in the participants and/or the community." A variety of different proposals came from the projects themselves, but there were grave difficulties in assessing who got what, why, when, where and how: "...the problem of devising share structures which were sufficiently flexible to allow for normal staff turnover but which gave control to those individuals whose contributions were fundamental to the projects existence, was a difficult issue with which to deal." 54 As one staff member pointed out, "Look. You just can't come up to a successful project a week or two before we close it out and say, 'You've got to incorporate.'" In practice, the staff simply worked it out on an individual basis, and E-LIP was again left with a fuzzy, ill-conceived
solution to a difficult problem. "It was eventually concluded that prematurely enforcing a corporate form on an emerging community enterprise is unwise. Projects tend to 'settle out' once they are in operation and a particular business form follows naturally."

In one case, an ad hoc solution was created for the problem of ownership in a western project that appeared to be satisfactory. Project shares were issued at 1 cent each, to the various participants. The project manager received 12 per cent of the shares, eight employees received 6 per cent each, the community association held 20 per cent, and a further 20 per cent of the shares were withheld by the Board of Directors for future expansion. The Board of Directors had the rights to recall shares at 99 cents each, or less, the purpose of which was to keep the shares in the community if a worker or the manager decided to leave. At the same time, shares were only signed over to the worker after he or she had put in over one year of continuous employment in the operation. Although the employees held the largest single bloc of shares, they did not control the project, unless the residual shares were not voted by the Board. Presumably, worker ownership and control of the project would be assured when the project expanded and the remaining 20 per cent of the shares distributed.

Although E-LIP failed in an attempt to gain independent status from LIP, the staff tried to cope with the original intent of the E-LIP "idea", although without the resources that program status would have implied. The Job Creation Branch attempted to assess the results of the program after its second year of operation. The new
The evaluation report focused on program policy primarily, and on its operating conditions within the Job Creation Branch context. The objectives of the program were attacked for their vagueness, a fault which led to the inclusion of some projects which only marginally seemed to belong in the program. It was suggested that program criteria be more clearly defined to "...develop a common interpretation and understanding of such program principles as unfair competition, profitability, shared ownership (and access to it.)" In addition, a developmental phase for the projects was proposed, in the interest of funding only effective projects through an initial examination of every aspect of project operation, from market conditions, to organizational structure.

The performance by the project officers was also criticized by the consultant who felt that the project officer's role should be more clearly defined and that "...a training session be given to project officers entering the program and their performance be evaluated regularly." It was suggested that the Department use available staff to provide professional resource persons, or assistance to projects as required, for the developmental stages of project operation. Finally, as an additional safeguard for the Department, it was suggested that the project contracts should be re-negotiable over pre-established intervals and that project time frames should be extended beyond the simple one year formula.
The most shocking aspect of the second evaluation was the consultant's observation that few of the projects investigated had a good opportunity to become financially self-sustaining at the end of one year of project operation. It was found that "...in at least seventy per cent of the cases, the situation of the projects with respect to future profitability seems highly precarious. Many projects are reported to be borderline cases, that is, to have a fifty per cent chance of survival." 59

In response to this devastating critique, the staff attempted to formulate a more coherent, concrete set of objectives and criteria for the program. Although this feat was accomplished, the program never recovered. Funds were only made available to enable the program to operate five projects during its last intake of proposals.

Over the years of its operation, the Entrepreneurial Sector of the Local Initiatives Program managed to fund sixty projects at a total cost of $3.6 millions. The projects spanned a wide variety of activities, from craft production, day care centres, magazines, recreation centres, to oyster farming operations, albeit with varying degrees of success. A status report on the activities of the 1972-1973 projects indicated that ten out of thirty one projects were functioning well, a few were still marginally successful, and five others had received additional support elsewhere. 60 A later survey done concerning the 1973-1974 projects revealed "...that sixteen of the projects were operating on their own, mainly through sales revenue, and continued to employ 73 workers." 61
In spite of the declining amount of funding available and the strong possibility of program termination, the staff still felt that a "funding gap" existed in job creation programs. They believed that E-LIP, or a similar program, had a role to play if persistent unemployment and poverty were to be effectively dealt with, on a long term basis in the country. However, as less and less money was made available to E-LIP, more and more Branch staff attention was paid to a program which seemed to incorporate even more novel possibilities for long term job creation, especially designed for the disadvantaged, in the Local Employment Assistance Program (LEAP).

Local Employment Assistance Program
Origins and Development

LEAP was begun in the Special Services Division of the Department of Manpower and Immigration late in 1972, and was designed as an experimental program like OFY, for a special group of clients. "LEAP is an experimental (pilot project) program intended to increase knowledge, at all levels of government, about the feasibility of creating employment which will enable people, who usually remain unemployed despite normal labour market activity, to become economically self-sufficient." Drawing upon the OFY experience, in the creation of an experimental approach to one aspect of unemployment, LEAP focussed on the disadvantaged in general, distinct from the E-LIP approach which centred upon the nature of the activity of the projects.
Both OFY and the massive LIP program had demonstrated that it was possible for government to intervene effectively, and efficiently in areas of high unemployment to assist in the creation of jobs. In addition, the very wide range of project ideas developed by the participants, suggested that it was possible to utilize the resources and the initiative of the unemployed themselves in the solution of the employment problem. In OFY and LIP, added advantages included the creation of self-confidence and the development of work skills among the participants, and the basic programs helped overcome short term seasonal fluctuations in unemployment levels. The programs did not contribute to the solution of long term unemployment problems for many individuals. In short, "...it became evident that short term programs such as LIP were inadequate in terms of rehabilitating the severely disadvantaged, because such people had much more to overcome than the mere unavailability of jobs, and could not solve their employment related problems in five or six months." 

Unlike OFY and LIP, LEAP was designed with a longer term view in mind. Funding was permitted for a period of up to three years for projects, and no specific project application deadline existed. The staff solicited project proposals from across the country and hence played a much more visible role in the development of projects. The LIP and OFY staff often pointed out that there was never enough time for project solicitation and development in their programs, but in LEAP, the problem did not appear to exist.

"...LEAP field staff has the responsibility to identify and seek out groups of people in their area or region who have need of the kind of assistance which LEAP can provide. They then meet with the group to inform them about the program and what
it is possible for LEAP to do for them. An officer then works with the group for as long as it is necessary to identify the group's own perceived employment-related needs, its human and other resources, and the applicability of all Manpower programs and all other known programs of all levels of government to the fulfillment of the needs. If LEAP seems to be the only sensible way to overcome the disabilities which prevent the group, or individual members of it, from obtaining or keeping employment, then the officer assists the group to determine what kind of activity will best help them overcome their disabilities and, if possible, use their resources and satisfy their own social needs in the process. From this base a LEAP proposal is developed." 64

LEAP project proposals also arose from other sources. In some cases, operating LIP projects were picked up by LEAP for continuation. In other cases, proposals were made by communities, private agencies, individuals, and other government departments, and LEAP officers assisted in the process. In return, LEAP project staff had to be aware of all other sources of funding for a potential LEAP project, within the Department of Manpower and Immigration, other government departments, both federal and provincial, and from private granting agencies. Unlike E-LIP, however, LEAP did not have a capacity to provide capital cost funding for projects.

As a program of "last resort", LEAP therefore had to encourage joint funding of projects whenever possible, including "...the sharing of other resources such as technical expertise, social counselling or special guidance, to maximize the chances of the success of the projects." 65 Thus the LEAP officer had to be a jack of all trades and his client group, by comparison to those found in E-LIP, was that much more difficult with which to deal. In addition to seeking out potential LEAP clientele, and assisting in putting a project proposal together, the LEAP project officer was expected to act as a facilitator,
to put all the relevant agencies in touch with each other and with the group in developing the project.

Since the LEAP program was aimed specifically at the disadvantaged it could direct its activities in a number of different areas, both in terms of the "target group" employed, and in the form of that employment. In so doing, an unending tension was created within the program itself. On one hand, LEAP staff were interested in the creation of long term, eventually self-sustaining enterprises that would employ the disadvantaged on a permanent basis; on the other, they were interested in the development of the individual, disadvantaged participants. In the creation of long term employment, LEAP thus shared an objective with the E-LIP program, but did so without the possibility of providing capital funding, and under circumstances where it would prove even more difficult to obtain outside "risk" capital if required. Concentration on the participants made it possible to fund preparation projects, a form of project which would never become self-sustaining, but would in the short term serve as a transition point for the disadvantaged. Rather like a short term LIP project, the LEAP project participants could build up their confidence, job skills and experience, and would be able to move out into the normal job market. The basic program directions for LEAP were never clearly defined at the initial stages of the program's development, and its objectives were vague, if ambitious.

"A LEAP sponsor must be a non-profit group or individual other than a department of the federal or a provincial government. The employees of a project must, for the most part, be people who, for some substantial reason, would probably remain unemployed despite normal labour market activity. The activity in which the employees engage must, in some way,
improve their capacity to compete for jobs on the ordinary labour
market or, in isolated areas where there are few jobs of any
kind, the project must have potential to become a self-sustaining
enterprise, and so create permanent jobs for its employees. The
activity should also be in some way, productive or socially
useful."

The possibility of the creation of long term participant
dependency on the government was not ignored, as it was clearly
stated that "...LEAP is not in the business of creating sheltered
workshops, but of enabling project workers to become self-supporting
in the real world." By concentrating on the participants themselves,
the LEAP staff were able, at first, to view with equanimity the
essentially nebulous position that LEAP occupied, mid-way between
LIP and E-LIP activities. For their part, the staff felt that it
was reasonable that the program could provide two forms of employment.
The first, a retention, form of project, was to help create a
profitable enterprise; the second, the preparation form, rested upon
some form of continuing assistance that LEAP itself was not in a
position to give.

"A project can be self-sustaining either by generating
sufficient revenue to cover all its operating costs, or by
obtaining a commitment of permanent support from a source
other than LEAP; usually by convincing the source that the
project is preforming a function which would otherwise be a
responsibility of that source, as economically, or more so,
than the source itself could perform the function."

Ideally, it was hoped that some projects could be developed
which would be self-sustaining and operate in such a manner as to
take on and release a continuous stream of employees, to "successfully
recycle people into the open market." At worst, it was felt that
LEAP projects could serve as a special form of on-the-job training
for participants. "Projects which have no potential for becoming self-sustaining are perfectly acceptable as LEAP projects if they are likely to do a good job of recycling the disadvantaged employees into the normal labour market with saleable skills, provided that they do not create dependency in clients served by the project employees."\(^{69}\)

LEAP project funding was similar to that provided by LIP, with a few basic extra frills. Employee salaries were paid, as were additional funds for rent, light, heat, and the like, up to a maximum of twenty-five per cent of wages and benefits. The extra funding included an additional twenty per cent of the combined wage and other costs "...to enable the project to obtain expert supervision, direction training or counselling." In addition to the long project time frame, a special period was provided for market, or feasibility studies to be conducted, to attempt to estimate the potential success of the project. LEAP could provide up to six months funding during this development phase.

**LEAP 1973-1975, Objectives and Contradictions**

The development of the program was a rather gradual process, and its development was rationalized somewhat after the fact. Indeed, a coherent statement of the overt objectives of the program did not appear until several years after its initiation. The 1974 statement of the objectives of the program shows both an adherence to the founding ideas expressed in an early paper on the program, as well as reflects the general objectives of the Job Creation Branch which had
absorbed the program at the end of 1973.

The primary objective of LEAP remained consistent with the early experiment in Special Services, the creation of employment for those who would otherwise have extreme difficulty in participating in the labour force for a variety of reasons. In the rhetoric of the Job Creation Branch,

"The first objective is that the program itself is a demonstration of innovative approaches to long term job creation for designated target groups devised specifically as comprising persons who, due to poorly developed life and/or work skills, cultural handicaps, social inequities or physical disabilities, cannot be accommodated by existing work opportunities." 70

The second objective defined for the program clearly outlined the two pronged attack which was to be levelled upon the employment problems of the disadvantaged, either through the creation of long term permanent jobs, like E-LIP, or the creation of skill development and future employability for participants in preparation projects.

"The second objective of the program is the creation of employment alternatives for members of target groups through the funding of projects which would either increase project participant's employability or which, through attainment of self-sufficiency as project entities, would offer permanent jobs for participants upon termination of the federal subsidy."71

The final program objective, based upon LIP and OFY experience, and the Job Creation Branch approach to solving the problems of unemployment, concerned the creation of work of a "meaningful nature." For the program analysts this meant that,

"...a) the work itself should be of sufficiently high quality to make it attractive and rewarding to the individuals employed; b) the project setting should be an impetus to the life skill development of the participants; c) the jobs created should be responsive to the indigenous characteristics of the target groups, as well as the social, economic and cultural milieu of the projects' geographical location." 72
After two years of operation, it appeared that the staff were reconciled to program reality, that LEAP seemed to operate a social program, a business program, and a training program, simultaneously. In practice, this meant that the project managers and project officers had to deal with a variety of complex issues within most of the projects on a continuing basis.

The "social service" aspect of the program existed throughout its operation, understandably so, given that the disadvantaged participants were the focus of the program. In OFY and LIP, experience had shown that it was possible to motivate the unemployed in such a way that they not only enjoyed their job in accomplishing something worthwhile, but also learned skills and the confidence that would stand them in good stead in the job market, upon project termination. LEAP attempted to go one step further, to try to employ the unemployables, alcoholics, prisoners, native peoples, the young, and other disadvantaged persons. Some element of counselling and personal assistance therefore became a normal part of many projects for the duration of their existence. This aspect of the program was simply built in with its "target group" specification, and its emphasis on human development, and project managers and officers simply had to cope.

While the problems inherent in the social service aspect of the program had been anticipated, it would appear that those inherent in the business and training aspects of LEAP had not been foreseen. The realignment of the program objectives to include both retention and preparation projects actually occurred after the fact, after two years of operation. Preparation projects were
not emphasized in the beginning of the program, but in practice became much more important as the program developed. The tensions caused by the basic split between the project types contributed to problems in project operation and management that eventually began to threaten the whole fabric of the program. The entire issue was brought to the forefront of staff attention through a special consultant study of conflict in six projects.

The Alexander and Holland report focussed its attention primarily on the objectives of the LEAP program, as they related to actual project operation. It discovered that basic conflict occurred in project management wherein emphasis on one program objective meant the subsequent neglect of the remainder of the LEAP objectives.

The LEAP objective concerning the creation of "meaningful work" was found to be of little practical value. It was discovered that it operated as a constraint in achieving either of the first two objectives. The consultants felt that it was so difficult to create any work for the disadvantaged that the requirement that such work be first seen as "meaningful", be simply viewed as a minor concern or "secondary objective" for the program.

With respect to the problem of the tensions within the program between the retention/preparation project operations, the authors concluded that the least "conflict" in terms of achieving program objectives occurred in those projects that made a clear choice to pursue one objective to the exclusion of the other. In one case, a project made a flat commitment to create a viable commercial enterprise.
From that basic decision, a number of concrete consequences followed. The project managers had no reason to hire anyone but "...able and willing members of the adult working class in the immediate area..." In practice, this meant that "...there was no intention whatsoever to encourage the turnover of employees in order to increase the number of people who will have the experience of working there." The net result was to attempt to create an enterprise which, if it had obtained a commitment for basic capital funding, would have been more properly an E-LIP project.

Another project made a complete commitment to train and assist crippled workers "...to the point where they will be acceptable to other employers, and then find them positions with other employers." There was no intention of providing permanent employment to any of their workers, and it was clear from the beginning that the project would operate as a preparation experience for participants. To do this "...it treats the members of the target population that it attempts to make employable ...as a series of cohorts passing through, much as a school regards its students...." The project thus appeared to become a Manpower Training project, emphasizing the requirements of the labour market, rather than those of the participants.

In actual operation, many of the projects failed to make such a clear distinction concerning their own objectives, and this failure did not appear to be important in the first few years of operation. Indeed, there were many other problems to consider. Even in the case of a commitment on the part of a sponsor to create a retention project, the financial limitations of the LEAP funding formula made it rather difficult for the projects to get started.
For example, no matter how successful it might appear on paper, the construction of a planing mill on a remote reservation would require capital funding which LEAP could not supply. Consequently, retention projects with a desire to become viable enterprises were necessarily restricted to technologically unsophisticated levels of operation. In another instance a project manager interested in creating a retention project might hire only the least disadvantaged of a group. In the interests of increased productivity there was little incentive in hiring mentally or physically disabled workers if a manager could hire from the "educationally" or "financially" disadvantaged unemployed. The desire to achieve financial success could in fact override the ideals of the program.

In spite of these difficulties, a tremendously high number of projects during the first few years of LEAP operation indicated that they intended to continue after the conclusion of the three year period of LEAP funding. Out of a total of 126 projects in operation by mid-summer of 1974, it was discovered that sixty eight per cent of them intended to become commercially viable upon termination of LEAP funding. Thirty two per cent indicated that they would not. In terms of project type, as might be expected fully ninety per cent of the retention projects indicated that they would continue to operate, whereas only forty nine per cent of the preparation projects felt that they could continue. The major difference between these attitudes seemed to reflect the greater difficulty encountered by project managers trying to make a financial success out of preparation projects.
While many projects indicated that they intended to continue after the end of LEAP funding, there was a difference between "commercial viability" and "project self-sufficiency." Self-sufficient projects were those that relied only on their own production for income to continue operation. Projects that intended to become commercially viable might continue to rely on support from one grant source or another to bring their generated revenue up to the break-even point. Many of the project managers were extremely optimistic concerning the future of their projects, but Alexander and Holland reported that of the six representative projects that they studied, only two appeared to have a sixty to eighty per cent chance to achieve self-sufficiency. 78

By 1975, the program objectives were re-defined. During each year of operation, LEAP took in an additional influx of projects, so that the number of projects operating at the end of the third year was a cumulative total. Accordingly, there were roughly three influxes of projects, and three different phases of project operation or maturity, as the projects had a maximum of three years of support. Each new set of project proposals had to be measured against the status of the program's objectives and general direction. As more was learned about project development and operation, changes took place in the formal objectives of the program.

After three years of operation, the "social" aspect of the objectives for LEAP were emphasized more, as the definition of "suitably" disadvantaged groups became more specific. At the same time, the type of project to be funded, in terms of project objectives,
tended to become obscured. The objective concerning the creation of "meaningful work" had disappeared. The new objectives were two fold:

"a) To develop new approaches to long term job creation for target groups defined specifically as those persons who are unable to maintain regular and adequate employment and earnings because: i) they lack marketable job skills, or ii) they reside in a geographic location divorced from the mainstream of Canadian economic development, or iii) they are affected by racial or cultural prejudices, or iv) they have social, mental or physical disabilities which create barriers to employment, such as chronic dependency, a criminal record, alcoholism, retardation or physical disabilities.

"b) To create employment opportunities that will contribute to the ongoing self-sufficiency of predetermined target groups and/or communities." 79

As the program developed, the projects became much more complex, the objectives practically vague, and the staff more confused. By 1976 the headquarters staff professed that they could no longer see the basic difference between the 1974, and 1975 objectives: "This reformulation of LEAP objectives appears to emphasize the job creation rather than the labour market preparation intent of the program - although it is not entirely clear where the essential difference in the two most recently stated objectives really lies." 80

The Job Creation Branch context for LEAP seemed to affect its basic development, as the creation of long term jobs was stressed, and the emphasis on the individual seemed in practice to be lessened. The problems with the creation of preparation or retention projects which could be potentially independent contributed to the problem of clarification of the basic program direction. In spite of internal confusion, the projects themselves accomplished much.
LEAP 1973-1975, Operation and Achievements

Through three years of operation, LEAP managed to fund 163 projects. Most contracts were developed during the second of operation, as the program staff was able to build upon the experience of the first year. In 1973, 54 contracts were signed, followed by 87 in 1974, and 21 more in 1975. Since the projects could be funded for up to three years (plus a six month development period) the program did not run at full capacity until 1975. The first fiscal year of operation cost $5.4 million for 94 projects; the second, with a total of 137 projects, cost $11.8 million; and the 1975-1976 LEAP budget included 163 projects at a cost of $13.3 million. Funding and support was withdrawn from 51 projects for a variety of reasons, particularly during the six month development period, when unsuitable projects were not permitted to proceed to full activity. In thirteen cases, however, the projects terminated LEAP support, for six became self-sufficient, and seven continued with support from other agencies or government departments.

The sponsors of the projects were varied. Individuals made up the largest single group, and sponsored 27 per cent of the projects during the first three years of operation. Community agencies sponsored 21 per cent, cooperatives, 16 per cent, citizens committees 11 per cent, and status Indians sponsored 10 per cent of the projects. The remainder were sponsored by educational institutions, service clubs, ethnic groups, non-status indians, and others.

Over the years the types of activity conducted by the projects were varied. Production and trade accounted for 29 per cent
of project activities, followed by renovation and repair, cultural arts and crafts, both at 13 per cent, and roughly 8 per cent each in education, social services, recycling of materials, and community development. Building and construction, and recreation activities lagged far behind with 3 per cent each.

The program seemed to reach those it was intended to serve, while increasing overall employability, and self-sufficiency among participants. Prior to LEAP participation, over one half of the employees indicated that they had been unemployed. Only 17 per cent of the respondents indicated that they had been employed, either full time or part time. The remainder had been temporarily laid off, were in training courses, working at home, or had transferred from a LIP or OFY project.

Other than those who had been employed, the main sources of income for participants prior to LEAP employment came from support payments of one kind or another. Twenty per cent indicated that they had relied on unemployment insurance benefits, and a further 38 per cent indicated that they had been on welfare. Others received support from their families, or had modest pensions or savings. Prior to LEAP employment, most participants' incomes, either through support payments or work, were very low, as 78 per cent indicated that they had received less than $4,000 per year. Indeed, fully 65 per cent of the employees had been living on income levels at or below the poverty line prior to LEAP participation. By 1976, one project officer estimated that the average annual income of LEAP employees amounted to about $8,5000 per year.
A follow-up study of LEAP employees who had left their projects found that the program had been of benefit to the participants. Of the group that had left the program, prior to their LEAP status, only 5 per cent had been employed, and 58 per cent had been unemployed and seeking work. Upon leaving the program, 47 per cent indicated that they were employed, and 25 per cent said that they were unemployed but seeking work. The former LEAP employees seemed to think that their LEAP employment was valuable to them along a variety of dimensions—to learn a skill or a trade (34%), to increase their income (17%), and had helped them to "improve their relations with others" (16%).

The reasons that the participants gave for leaving their projects seemed to vary by the type of project. Over 40 per cent of those who had left a preparation project indicated that they did so in order to take up employment in the normal labour market, whereas only 15 per cent of those who had left retention projects gave a similar reason. Further, 16 per cent of those who left a preparation project indicated that they did so to go to school or enter a training program, while only 4 per cent of those leaving a retention project gave this reason for leaving. Of course, there were a number of other reasons why participants left their projects, among them; illness, relocation, dismissal, or even incarceration. The increased ability of employees to successfully move into the normal labour market or to take up additional training or education, seemed to indicate that many of the preparation projects were operating well—at least in the achievement of one of their major goals.
As might be expected, the operation of the LEAP program was rather different than those of OFY or LIP. The program guidelines were rather far more ranging than those in LIP, or OFY given the complex nature of the task given to the program. In addition to the overall objectives, the program criteria helped to make the operation more concrete by suggesting both the possibilities and the limitations for it. For example, the program criteria indicated that project proposals by private, profit-making enterprises were to be rejected. The ceiling for annual project funding was set at a maximum of $200,000, far higher than that set for OFY or LIP in their latter programs.

The problem of the generation of revenue, and what could be done with it, surfaced in LEAP, as was the case in E-LIP. According to the program criteria, revenue generated by the projects had to be applied to project costs, either immediate or foreseeable, but without the stipulation that the revenue had to go to reduce the federal contribution by an equal amount. The LEAP operational guidelines simply stated that "...a project sponsor must obtain prior approval from the minister (i.e. Job Creation officials) before disposing of its income." There appeared to be both some external control over the expenditure of the monies earned by the project, and some internal control and project freedom to apply the income where it would be most beneficial for the project. It was stipulated that the income earned by projects was taxable, and further, that the amount of the federal contribution to the project was also "...to be considered as revenue in the calculation of the projects' taxable income." Some extra funds could be provided to projects for special
costs such as "...expert supervision, direction, evaluation, training or counselling may be included if they are necessary to the achievement of the project objectives." 93

At first the problem of project ownership was a minor concern to LEAP staff, when compared to the problems of simply getting the projects to function properly. The long time frame for the project operations meant that the ownership issue would be worked out with each individual sponsor. It was suggested that "(W)here appropriate, the structures of the project should allow the participants to share in the ownership and profits of the enterprise." 94 This profit sharing provision assumed that the project would have to become financially independent and self-supporting. However, even though a project might not become self-supporting, participants were encouraged to take part in the "...development and management of the project activity." 95

The project approval process was much more formal in LEAP than in E-LIP. After the initial work done by the project officer, in consultation with the sponsor, the proposal was presented to a provincial review board. A provincial review board had to include representatives from the local community, and officials from the Department of Manpower and Immigration, and other government departments. Their role was to recommend acceptance or rejection of the proposal to the Job Creation Branch provincial manager who was responsible for final departmental approval and contract authorization. 95

The early formula for project approval rested ultimately upon the decision of a national review board in LEAP headquarters.
in Ottawa. However, LEAP's entry into the Job Creation Branch in 1973 meant that the program followed the gradual Job Creation Branch decentralization of its activities, as was the case with LIP and later for OFY. The primary centre for decision making power began to be located in the ten provincial offices. The strategy and tactics used to disburse funds became decentralized too.

"Target groups and geographical areas will be identified and prioritized after thorough discussions with relevant federal and provincial officials, voluntary agencies, community based self-help groups, poor people's coalitions, and interest groups or organizations. (e.g. provincial native associations)." 97

The identification of "target groups" was relegated to the local offices, those with the best knowledge about the "field." The groups selected became the focus for the program, and the setting of program objectives through project selection seemed to become a field responsibility, in accord with the overall Job Creation Branch view toward the delivery of government. While the program became decentralized, the project officers had begun to wonder if the program was all that it might be.

_LEAP, In Crisis, 1976_

Three years after the program had been started, and had reached its peak, with projects in all stages of development, program analysts from within the staff began to wonder seriously if LEAP was a feasible approach to long term job creation, or even participant development. The crisis in LEAP stemmed from a number of factors, among them: lack of clarity in the objectives of the program; lack of experience on the
part of project officers to effectively perform their roles; a time
frame and financing formula which militated against concerted efforts
on the part of project managers to create self-sufficient or viable
enterprises; and an erosion of operational control at LEAP headquarters.
It seemed that by the end of the third year, that field operational
policy, and the directions taken independently by the projects themselves,
had begun to dictate the direction of program policy.

One of the major program problems concerned the projects
themselves. A basic tension continued to exist with preparation/
retention tendencies and the intent to become self-sufficient, or
viable, among the projects. The program staff, both in Ottawa, and
in the field were aware of this issue for years, particularly so
after the presentation of the report on the conflict in program
objectives, by Alexander and Holland in 1974. Another study was
commissioned in 1975 to perform an in depth examination of eleven
retention projects. It was concluded that none of the projects examined
would even achieve commercial viability, let alone self sufficiency,
within the prescribed framework of support provided by LEAP. The
problems in the projects seemed to be representative of the problems
of projects across the country. It was observed, for example:

"Quite apart from the constraints of time and the type of
employee projects are required to hire, there was evident
(in the majority of projects) a lack of business acumen on
the part of project managers/supervisors, sponsors and LEAP
project officers alike. This combined (in some instances)
with unsuitable locations (e.g. too far from markets), and
problematic activities (e.g. the cyclical nature of the
furniture industry) increases the probability that the majority
of these ventures will never realize their goal." 99

The "constraints" of time actually consisted of three years,
plus additional development time, the longest project time frame in
in any of the job creation programs. The target group concept was developed within the program as a major feature of its operation, and the choice of which groups to work with, made by the staff. The project officers had difficulty in fulfilling their own roles, owing in part to the complexity of the projects, their special hiring requirements, and lack of capital funding provision in the program. The role of the project officer was very important, as one commissioned report noted.

"Without competent staff in sufficient numbers, LEAP cannot meet its objectives. As both financial opportunity and back-up support service are intrinsic to the very basis of the program, incompetent staff would deny the projects the non-financial assistance required. On the other hand, a competent staff together with sufficient financial resources could provide a real option for disadvantaged people, in a way that no private or public Canadian program has yet demonstrated." 100

The project officers themselves felt that heavy responsibility, but at the same time complained that they had little training, or time in which to learn some of the basic skills which would help them with their job. 101 One consultant warned,

"There does not exist ... a comprehensive training program offered at any level, by any sponsoring body, for the kind of job assumed by LEAP project officers. Because it is not possible to 'plug' project officers into existing training programs, LEAP will have to develop its own approach to staff development and orientation." 102

In practice, the project officers had on the job training.

In spite of these difficulties, project manager and sponsor expectations continued to remain high concerning the future of their projects. Staff analysts found, at the end of three years of program operation that almost ninety per cent of the projects fully intended
to operate after the termination of LEAP funding. They found that "...slightly less than half of this group expected to be totally self-sufficient - the remainder expected to continue operating with the assistance of other funding sources." One staff member felt that it would be more realistic to assume that perhaps twenty per cent of the projects would achieve commercial viability. The problem of project success or failure was becoming acute, for as a three year program, the first year's projects could be expected to come off stream in 1976. This, then, was the crisis in LEAP in 1976.

As Alexander and Holland had warned earlier, some of the consequences of the unresolved problems within the projects began to appear. The 1976 staff task force evaluation of the program found that one half of the project managers who indicated that they expected to create self-sufficient projects, also indicated that they would have to change the style of the project.

"For example, many project managers saw a need to reduce staff size and cut down on the special services they provide their employees (such as supportive counselling, etc.) Several projects stated that they intend to upgrade the quality of workers hired in the future." Other project managers indicated that they would have to change a whole range of marketing, development and staffing decisions in order to achieve a profit making level of activity. The staff analysts noted that "(C)ertain of these changes could result in the development of what would be essentially non-LEAP projects. Our project follow-up survey revealed that 42 per cent of projects have already modified their original objectives considerably." The analysts concluded that
one fundamental theme of the program, the creation of long term employment, was in serious trouble. "Underlying many of these modifications was the realization that commercial viability was becoming an unrealistic goal within the mandatory time frame and target group requirement.¹⁰⁶

The whole thrust of the program seemed to be called into question. Indeed, only two possibilities appeared to exist, to either change the projects, or change the program policy. The first possibility seemed unlikely in practice, for many of the projects were already reaching their termination dates, with little hope of success. Although many of the projects had indicated an intention to continue operation after termination of LEAP funding, fully 81 per cent of the retention projects, and 76 per cent of the preparation projects were earning revenue that amounted to less than 25 per cent of their existing operating costs.¹⁰⁷ Many of the projects had been operating for several years and were nowhere near achieving a measure of commercial viability, let alone self-sufficiency.

The retention/preparation project tensions continued to exist, but by the end of three years the program's projects were even more fragmented. The 1976 study identified five types of project. Two types were the typical, clear cut retention or preparation project. The first, striving toward commercial viability while retaining its target group participants; the second, up-grading the skills of participants as the major project focus, with production as a secondary matter. A third type, a preparation project, attempted to train
employees and produce a continuous stream of goods for revenue generation. Mixed projects also existed which trained some participants, retained others, and attempted to create a commercially viable project. Finally, a fifth type of project appeared, a retention type "...whose goal is commercial viability but now employ non-target group participants (essentially non-LEAP projects)." 108

The second alternative, to change the policy of the program, seemed to constitute a possible approach, in face of program reality. However, the task force staff seemed to feel that the entire program required analysis of its basic roots, to begin anew by asking significant questions. In their words,

"It would be useful to have the assumptions underlying LEAP's currently stated objectives clearly delineated. For example, what type of assumptions underly the program's perception of 'work' and 'job creation'? Is 'work' seen as being basically therapeutic in itself, or, is it the type of 'work situation' created by projects that is believed to be therapeutic? Is it assumed that retention projects will be less geared toward production of a therapeutic 'environment' for their participants (as against that created by preparation projects)? What assumptions underly the concept of 'job creation'? Is it assumed that funding several small entrepreneurial enterprises is somehow more advantageous for participants than funding fewer but larger (and perhaps more efficient) ventures?"

Beyond the florid language, an attempt was made to deal with the crisis on all fronts simultaneously. The staff presented four major recommendations for future programs. First, they recommended that a basic review of program policy be constituted. Secondly, they argued that the capital outlay restriction in the program should be re-designed to permit more appropriate funding for retention projects. The also suggested that the funding period, or project time frame for cost effective preparation projects be extended - presumably
indefinitely if necessary. Finally, they also suggested that good retention projects that were close to commercial self-sufficiency might also receive a form of deficit financing for a limited period until the project could achieve commercial success. 110

Essentially, three of the recommendations dealt with financial authority changes in the LEAP funding framework which if implemented would immediately help to stave off the existing project crisis. The first recommendation was merely disingenuous. LEAP Operational Guidelines (1975) specified that centralized headquarters control over the program be invested in a National Review and Development Group.

"A National Review and Development Group will maintain an national overview of Program development, through which a responsive Program strategy can evolve, with implications for project support, policy and evaluation. Within this framework, they will ensure that Program objectives are being met." 111

This mechanism existed for a year, but never functioned, as one staff member pointed out, for they had too much work to do, were understaffed, and could not spare the time to deliberate. 112

Both the E-LIP and LEAP programs shared many common themes, especially in terms of the generation of long term employment for the unemployed. E-LIP certainly emphasized the creation of viable businesses, and felt that "human development" or the social aspect of creating community benefit, would simply follow in the wake of
the creation of a successful enterprise. LEAP, of course, emphasized
the development of the individual, to help provide him or her with
both working and living skills, that would enable the participant to
enter the normal labour market, or find permanent employment in one of
the successful LEAP enterprises. While both programs shared space in
the same large office, curiously, the program staff seemed to operate
in splendid isolation from each other.

Even many of the problems were shared by the programs. Whereas
LIP and OFY were short term reactive responses to the problems of
seasonal and cyclical unemployment, E-LIP and LEAP attempted to
deal with structural employment problems by creating long term
employment opportunities. Structural unemployment could, of course,
be attacked either by creating new, permanent enterprises, or by
training participants and counselling them to enable them to
overcome intrinsic barriers that made it difficult for them to enter
the job market. The role of the project officers in both programs
was roughly similar, and more demanding than was the case in either
of OFY or LIP. Initially, each program started with a concrete
problem, an idea, but without a carefully conceived program policy,
from which to develop objectives, criteria, and strategies to assist
their client groups.

The relative isolation between the programs was inexplicable
given the commonalities that both shared. Indeed, in the summer of
1975, a consultant's investigation of both programs suggested that
the two programs be combined, owing to the great similarity of their
operations. It was argued that both programs dealt with extrinsic
and intrinsic problems of participants. E-LIP program projects strongly resembled LEAP retention projects that had achieved, or were about to achieve economic self-sufficiency. Both programs dealt with extrinsic barriers to employment, and shared an interest in projects that attempted to become economically self-sufficient. The limitations inherent in the short time frame for E-LIP projects, one year, could be overcome by integrating with LEAP's more generous three year span. LEAP's disadvantage concerning its inability to provide capital funding could be overcome by utilizing E-LIP's capital funding capacity. In short, a strong case existed for the integration of the two programs, to the ultimate benefit of each other, and, of course, to the benefit of the project participants.

The consultant's views were simply ignored. In 1975, LEAP staff gave their fullest attention to soliciting, developing and funding their third phase intake of projects. E-LIP staff had selected eleven promising project proposals, and made strong representations to Treasury Board for approval of a new set of program objectives which were designed to obtain a separate program status eventually for E-LIP, from LIP. The submission was rejected, but E-LIP was permitted enough funding to operate five final projects. According to one source, a decision was finally reached high within the Manpower Division of the Department that it had no place becoming involved in capital funding, when other more traditional sources were available. E-LIP was permitted to collapse.

In the very next year, LEAP prepared its 1976 evaluation report and decided that the advantages of the E-LIP model might
complement LEAP operations. In August, 1976, LEAP received authority to provide capital funding to its projects, up to a maximum of $2,500 per project employee. Further, they received the authority to fund for an additional year those projects that might become commercially viable or self-sufficient in that period, although at the end of their original three year contract.\textsuperscript{115} Three of the LEAP staff's evaluation report recommendations were accepted, and in one sense, LEAP absorbed the "idea" and operation of E-LIP, in a rather unexpected fashion.

In a broader perspective both E-LIP and LEAP, especially at the beginning, served as "demonstration programs" in the sense that they showed that it was possible to attempt to deal with intrinsic and extrinsic barriers to help tackle the problem of unemployment. Both programs demonstrated that significant gaps existed in terms of availability of resources to deal effectively with the long term employment problems of the disadvantaged. They also extended the OFY and LIP conceptions of community involvement and benefit, indirectly through the development of community project approval processes in LEAP, and directly through project ownership and control in E-LIP. Compared to OFY and LIP, LEAP and E-LIP appeared to constitute more holistic attempts to deal with human problems. In one sense, all of the Job Creation Branch Programs helped to demonstrate the possibility and the need for an even more broadly based attack on social problems like unemployment. Such an attempt would be made, through the offices of Community Employment Strategy.
Chapter 4

Footnotes


8. P. Zollman, MIT Transcript, op. cit., p. 41-42, emphasis added to original.

9. The private sector liaison group operated for once cycle of LIP, and OFY, but problems of solicitation of funds, and project control led to the abandonment of the idea.


11. Ibid., p. 2.

12. Ibid., p. 2.


15. Ibid., p. I-3.


17. Ibid., p. III-17.


19. Ibid., See Ch. IV "Recommendations."
22. Ibid., p. 2.
23. Other programs, like DREE grants tended to attract new business into an area and provide some form of grant or loan combination, to proven businesses. E-LIP offered capital funding to locals already in the area.
25. Ibid., p. 4.
26. Ibid., p. 4.
27. Ibid., p. 5.
28. Ibid., p. 7.
29. Ibid., p. 10.
30. Ibid., p. 10, emphasis his own.
31. Ibid., p. 8.
32. Ibid., p. 9.
33. Ibid., p. 11.
34. Ibid., p. 12.
35. Ibid., p. 15.
36. Since most of the E-LIP staff were seconded from LIP operations, few if any had business experience, much to their regret. Many complained about their lack of background experience but added that they were taking courses, or had resource persons in the community on whom to call if necessary. Some Provincial Managers tried to solve the problem simply by hiring only staff who had successfully run a small business in the local area.
37. Memorandum, to the ADM Manpower, ADM Administration, by D.C. Trehearne, June 8, 1973, "LIP Authority - Entrepreneurial Section," (Ottawa: JCB A.).
38. Memorandum to J.D. McIsaac, Chief, Atlantic & Ontario Regions, from R.L. Evans, Legal Services, June 5, 1973. Evans argued that the wording of the main estimates had to be changed to accommodate the E-LIP operation. Treasury Board, on the
other hand, according to the memo declared that the act contained
the required authority. Evans disagreed. The original reference
to a request to change the main estimates appears in memorandum
from G.E.Simmons, Assistant Director, Financial Services, to
Mr. W. Sherry, Program Analyst, Social and Cultural Program
Division, Ottawa April 11, 1973. (Ottawa: JCB A.)

Inspite of the controversy, E-LIP continued to function, although
without program status separate from the massive LIP operation —
the source for E-LIP program funds.


41. Ibid., p. 14, emphasis his own.

42. The E-LIP staff consisted of only about four headquarters
people, and ten field staff at any given time. Some field staff
divided their time between LIP and E-LIP.

43. Sandra Benjamin, "History of JCB Programs," (Ottawa: JCB

44. Memorandum, to all Regional LIP Coordinators, from,
Director Operations, Job Creation Branch, October 23, 1973,
"Interim Arrangements for E-LIP Assessment Procedures, Sub-

45. As many as 90 potential E-LIP projects would be culled
from the LIP project applications, and eventually reduced to
just 1 project, by E-LIP project officers. Interview, E-LIP
staff, Ottawa, 1976.

46. Memorandum, to the ADM Manpower, ADM Administration, from

47. Only the second "crop" of E-LIP projects was drawn from
existing LIP projects, 1973. In later years, projects were
primarily culled from LIP applications.


49. Memorandum, to the ADM Manpower, ADM Administration, from


51. Project profile information provided by E-LIP staff,
1976.

52. Project profile information provided by E-LIP staff,
56. Interview, E-LIP staff, Ottawa, 1976. The problem of ownership and control remained a thorny issue for the program throughout its existence. Solutions were provided on an ad hoc basis. LEAP similarly failed to provide clear guidelines on the issue of ownership and control and developed similar problems. Indeed, some projects were very successful, yet upon the termination of program support, the program operators could not obligle a sponsor to share the ownership of the successful enterprise with the employees.


69. Ibid., p. 5. The problem of not creating dependency in either the project participants or the client group that the project might serve was a major problem for LEAP - particularly since by definition, the participants were much more likely to require assistance than were LIP or OFY participants.

71. Ibid., p. 3.
72. Ibid., p. 3.
75. Ibid., p. 16-17.
76. Ibid., p. 22.
81. Ibid., p. 8-9.
82. Ibid., p. 10.
83. Ibid., p. 11.
84. Ibid., p. 17.
85. Ibid., p. 19.
86. Ibid., p. 16. Their view was validated by Statistic's Canada, "Revision of Low-Income Cut-offs", a revised "poverty line", January 1974, which placed a single person with an annual income of $2,917 (residing in an area between 100,000 and 499,999 persons) at the poverty line level of existence. The same person, with one dependent, $4,229.
87. Interview, LEAP staff member, Ottawa, 1976.
89. Ibid., p. 32.


99. LEAP, Evaluation 1976, op. cit., p. 34.


101. Interview, LEAP staff, Ottawa, 1975.


103. LEAP, Evaluation 1976, op. cit., p. 34.

104. Interview, LEAP staff, Ottawa, 1976.

105. LEAP, Evaluation 1976, op. cit., p. 35.

107. Ibid., p. 36. The report noted, in graphic form:

<table>
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<tr>
<th>LEAP Projects by Type*</th>
<th>Retention Projects</th>
<th>Preparation Projects</th>
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<tr>
<td>Proportion of operating</td>
<td>0/25%</td>
<td>81%</td>
</tr>
<tr>
<td>Costs covered by revenue</td>
<td>26/50%</td>
<td>11%</td>
</tr>
<tr>
<td>Generated by project</td>
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<td>04%</td>
</tr>
<tr>
<td>Activity...</td>
<td>76/100%</td>
<td>04%</td>
</tr>
</tbody>
</table>


108. Ibid., p. 37.

109. Ibid., p. 41.

110. Ibid., p. 43-44.
111. LEAP staff, "Operational Guidelines," op. cit., p. 10.
112. Interview, LEAP staff, Ottawa, 1976.
114. Interview, E-LIP staff, Ottawa, 1976.
115. Interview, LEAP staff, Ottawa, 1977.
Chapter 5
COMMUNITY EMPLOYMENT STRATEGY

Introduction

The Job Creation Branch was created in the late fall of 1973, to run the massive LIP program, and E-LIP and LEAP. Opportunities for youth remained at the Department of Secretary of State. By early 1974, federal and provincial authorities had agreed in principle to initiate a new approach to "direct job creation" through the development of a Community Employment Strategy.

Compared to the development of programs like OFY, LIP, E-LIP and LEAP, the development of Community Employment Strategy (CES) seemed coherent, and rooted in a critical understanding of the problems inherent in the existing ad hoc approaches to solving problems in the area of unemployment, and income security. The basic statement of the need for a Community Employment Strategy rested directly in the Working Paper on Social Security in Canada, the "Orange Paper" of April, 1973, which in turn was based on an earlier paper on income security and social services, and the whole process of constitutional review. While OFY and LIP were literally thrown together in a matter of a few weeks and were developed in practice, CES was thoroughly discussed and examined in the social security review, and unlike the JCB programs, the examination was conducted cooperatively by federal and provincial levels of government.

The "paper" development phase of CES began with the statement in the Orange Paper concerning the necessity for a more coherent
approach to solving employment related problems. In the context of the social security review, deliberations concerning the establishment of CES involved the Committee of Ministers of Welfare, the Continuing Committee on Social Security, a coordinating secretariat for the federal-provincial discussions, and the establishment of various working parties on employment. Throughout these deliberations the members of the various working committees had the examples of OFY, LIP, E-LIP, and LEAP, from which to draw upon in the creation of a new approach to the problems of unemployment and income security.

The Orange Paper

The Working Paper on Social Security in Canada, the "Orange Paper," presented a review of the nature of social security policy developments over the preceding few years. It attempted to outline the earlier general approach to the overall problem of social security, point out problems and inequities within existing approaches, and to re-outline and rationalize an overall statement for a social security review. In the words of the Orange Paper, "(T)he problem is that we have together built our social security system step by step and block by block, in response to problems as they became apparent. Inevitably this has given rise to deficiencies..." The Orange Paper was the opening federal statement concerning developing cooperative means to help solve this problem and remedy existing deficiencies.

The deficiencies outlined in the Orange Paper were eight fold, and included a discussion of misconceptions concerning the possibility
of full employment, inadequacies of income for the working poor, the lack of incentive to leave welfare rolls, through to abuses of the welfare system. With respect to the development of a Community Employment Strategy, the single most important deficiency of existing approaches to income security seemed to rest with a redefinition of the concept of full employment.

The Orange Paper pointed out that it was simply no longer possible to assume that the "economy" would be able to provide full employment for all of those seeking work. It was felt that "...there is extended unemployment in Canada - seasonal, regional, and sometimes structural - and the nation's social security system should be constructed with this reality in mind." Thus a commitment was given to create policy more closely aligned with existing socio-economic environmental conditions. There was an explicit recognition of the "limits" of government to stimulate economic conditions to provide full employment.

"This is not to suggest that Canada's economic policies have been a failure: the fact that Canada is among the richest countries in the world and among the fastest growing countries in the world is evidence that this is not the case. But it is to recognize, as indeed every industrialized country in the world is coming to recognize, that there are limits to what general economic policies can do --- limits to macroeconomic policies (fiscal, monetary, trade and balance of payments policies); limits to the general policies designed to develop particular sectors and regions of the country (investment, subsidy, and adjustment policies); and limits to the measures designed to facilitate the rapid movement of labour and capital to the places where they can be used most productively." A whole variety of examples were provided in the Orange Paper to validate their conclusion that there were limits to what could be accomplished through traditional means, and traditionally targetted
programs to deal with the problem of unemployment. The net result, according to the authors of the paper was the "self-evident" proposition that "...Canada's social security system must be based on the assumption that special employment measures will be required to supplement general economic policies, and that such measures should be looked upon as a basic element of the social security system." It would seem that government was no longer prepared to regard job creation programs like OFY or LIP as "experimental", but that the "limits" of government would be extended to flatly incorporate job creation programs in the future.

The rationalization of the patchwork or building block approach to social security was outlined in the form of strategies to help change the existing social security system. The first of these suggested was an employment strategy for Canada. The basic underlying "principle" of the approach suggested in the Orange Paper seemed to be that which underlay the patchwork approach; "The first strategy in providing income security to Canadians must be to provide people with jobs - with income through employment - rather than income through social assistance." It was felt that this approach was more rewarding to the individuals involved, more productive to the economy as a whole, and more acceptable to Canadian taxpayers.

Three propositions were offered in this regard to stimulate federal-provincial discussion. The first dealt with existing social security measures, and suggested that those on social security should, if they were able, move into the labour force, and that welfare benefits should be less attractive than income through employment.
The second proposition simply reiterated the view that governments should do a better job to assist those looking for employment. The third proposition related directly to the development of a Community Employment Strategy, and while it emphasized the overall development of a strategy, directly invested this attention in the creation of yet another program.

"That as a means of meeting social needs that are now neglected or inadequately met, governments should consider the establishment of a community employment programme. Its purpose would be to provide socially useful employment to people who have been unemployed for an extended period of time, either by reason of the lack of jobs in the areas in which they might reasonably be expected to look for work, or by reason of the 'employability' of the people concerned." 7

In very practical terms it was suggested that such a program "...would presumably make available to voluntary agencies, 'local initiatives' groups (along the lines of the Local Initiatives Program), and probably to governments, grants for the purpose of financing the employment of socially useful endeavours of people who have been unemployed for an extended period of time..." 8

Along with other "strategies" to achieve a model social security system - dealing with social insurance, income supplementation, employment and other federal-provincial strategies - the basic "employment strategy" helped to form the foundations for the development of CES. However, even the authors of the Orange Paper were not entirely sure how such a strategy would operate, other than suggesting that a continuing dialogue would be required with the provincial governments in the forum of the social security review.

Serious questions were raised outside official government circles concerning the social security review in general, and about a
community employment program in particular. The National Council of Welfare felt that there were some fundamental questions that had to be answered concerning the development of such a program and its role in the community.

"Discussion of a community employment program should begin with a clear definition of the role which it is intended to play, both within the social security system and also as an instrument of government economic policy. Is the program to be primarily an economic one, with a secondary social function? That is, is it primarily one to create more jobs, with the proviso that these should be socially beneficial jobs? Or is the program to be primarily a social one, with priority attached to the benefit which communities will derive from the work made possible by the program?" 9

Others applauded the basic idea of trying to develop a strategy, but felt that it was not clear why the "employment strategy" would not simply fall into the residual category of yet another patch in the patchwork of programs and policy. One critic believed that in reality a community employment program was "...an unwanted appendage to the traditional economic and social system and will be discarded for all but the severely disadvantaged when full employment is achieved." It was believed that fundamental issues were at stake, concerning the relation of the state to the population, particularly the unemployed.

"The impression is strong that social values (or new economic values) still must not interfere more than marginally with long held economic values, and when conflicts in values occur it is clear that traditional economic values (efficiency and growth) take precedence. There is no recognition that the types of services provided by a community employment program are 'legitimate jobs' and perhaps more worthwhile to society than a good number of jobs performed in both the private and public sectors." 10

The authors of the Orange paper did have an explicit image of the environment, with reference to unemployment problems, accepted
primary responsibility on the part of the federal government for the welfare of those suffering under those conditions, and proposed a tentative solution.

"It will be evident that there would be some real problems in establishing a continuing community employment programme. But the evidence of persistent seasonal and regional unemployment and constantly recurring problems of structural change in the economy, together with lags in the response of retraining and job replacement, suggest that at any point in time a significant number of Canadians may find themselves without jobs and dependent upon the state. This is acceptable neither to the people involved, nor to the community generally, nor to the Government of Canada."11

It was not immediately clear how the various provincial and territorial governments would receive the federal proposals, or what might evolve from a discussion concerning an employment strategy. It did appear that dependence upon the state by those otherwise capable of working formed the basic "negative" reason why it was felt that something had to be done. The concept, or rather "value", of interdependence stressed at the beginning of the Orange Paper had been thoroughly supplanted by that of "fairness" for the able-bodied unemployed, in a word, work.

The Community Employment Debate

The Orange Paper established the bare structure of some of the federal government's ideas concerning the development of a model social security system. The development of these ideas was the responsibility of several federal-provincial committees, among them, the Continuing Committee on Social Security, and sundry working parties. The Continuing Committee on Social Security was chaired by A.W. Johnson, then Deputy Minister of National Welfare, and included
deputy ministers from appropriate ministries from each of the provinces. The Continuing Committee served to advise the first Ministers, and in turn, commissioned specific papers from various working parties. The Working Party on Employment Strategy was chaired by J. Manion, then Assistant Deputy Minister of the Department of Manpower and Immigration, and included members from each of the provinces and the territories.

The background working papers on a community employment strategy constituted a major investment in "development" that none of the other direct job creation programs had received prior to their inception. A detailed examination of the background papers produced by the working party on employment helps to show the process of program policy, from the initial propositions in the Orange Paper, to the development of a full fledged program.

Two major documents were produced by the Working Party on Employment Strategy during 1973, for the perusal of the members of the Continuing Committee on Social Security. The first of these papers dealt with the general "environment" - macro factors affecting unemployment, types of unemployment, and related issues - and the role of an employment strategy within a social security context. The second paper dealt with a preliminary discussion of a community employment program.

In Etzioni's terms, the first working paper seemed to provide a "contextuation scenario for decision making". The paper addressed some very basic issues raised by the Canadian Council on Social Development and the Canadian Council on Welfare. Was the government...
interested in preserving traditional economic values, or interested in promoting social values? Or as Ross asked; "Is our primary concern people for jobs, or jobs for people?" The working party attempted to deal with this issue at once.

"...the development of an employment strategy 'within a social security context' necessarily entails the adoption of a framework different from the economic one in which the problems of unemployment are traditionally discussed. The primary focus of a social employment strategy, as opposed to a purely economic one is on the individuals who are adversely affected by current labor market conditions, and not on the workings of the economy as a productive system. Such a strategy goes beyond the normal concerns of employment policy in that it considers social goals which are conceptually broader than purely economic criteria, such as efficiency and productivity." 12

The initial concerns expressed in the Orange Paper, and even in the earlier social security review seem to be evident in the working party's emphasis on the individual in the social system. However, as Lindblom has pointed out, a simple declaration of the recognition of an environmental problem is not necessarily followed by rational processes leading to policy development. It would appear that compromise was inevitable. The working party added,

"...it must be realized that the Working Party is in no position to 'design the world anew'; it must devise programs and policies which will operate in the context of the whole range of existing policies and programs, and take into account their varying goals. These existing policies are not always in harmony with one another, given that they are formulated by different levels of government at different times; and many, such as the macroeconomic policies of the federal government, may be formulated with objectives other than employment in mind." 13

As the social security review was both a federal and provincial enterprise, the working party felt obligated to point out that provincial priorities and responsibilities were also important. They noted that provincial governments might want to
establish strategies of their own "...which go beyond considering employment solely as a means of distributing income but which take into account the quality of people's working lives, and which may seriously question the social utility of many kinds of employment."14 Perhaps the working party felt that the provincial governments could begin to "design the world anew."

A whole range of questions were posed concerning the nature of employment itself. A whole range of cost problems were outlined, including inflation-employment tradeoffs, possible competition with the private sector, and the financial costs that might be accrued in trying to achieve a full employment goal. In addition, some distinctions were made between various types of unemployment - seasonal, frictional, demand-deficient, and structural - with the recognition that "...policies and programs implemented to deal with one type of unemployment may have little or no effect on the other types."15

The working party felt that the hard core unemployed could be considered to be those out of work for more than six months, and that unemployment could be related to both intrinsic and extrinsic barriers to employment, thus taking into account the individual as well as the specific situation in which he found himself. The ultimate approach for an employment strategy was felt to be one in which resources would be concentrated on situations and barriers faced by those with "continuing difficulty in finding and keeping regular employment." What was required, the authors argued, was a "...fully flexible and responsive strategy that is capable of taking into account the unique situation of each individual, including both objective and subjective factors."16
The paper showed a clear awareness on the part of the working party members of the distinction between macroeconomic approaches to solving unemployment problems, and the targetted approaches used in the direct job creation programs. It was also understood that macroeconomic activities on the part of the federal government could promote or hinder the development of an employment strategy. The authors of the working paper self-consciously chose to take a view, no longer a compromise, in which general government policy and the employment strategy aspect of an overall income security policy, became irrevocably separated.

"In principle then, an employment strategy in a social security context is quite different from what we have defined as a 'global employment strategy'; for its point of departure is not with macro considerations such as the definition and determination of full employment, but rather with particular individuals who fare badly in the labour market, their problems and needs. Where a global employment strategy could begin with general economic considerations to deal with particular individuals indirectly an employment strategy in a social security context would proceed from particular individuals to broader considerations. Furthermore, its aims are more than employment per se, but contain broader social objectives." 17

The working party simultaneously developed a legitimate area of concern for a potential community employment program within very limited confines, while upholding the paramountcy of the role of general macroeconomic activity of the federal government in relation to the problem of unemployment. In so doing, the authors validated their decision with a virtuous concern for "broader social objectives" which were seen to be implicit in an employment strategy in a social security context. In one short paper, the working party had come full circle, back to a concern with a limited, easily defined target group, well short of the lofty claims made in earlier papers.
Thus the innovation suggested in the Orange Paper as a necessary component for the development of an employment strategy subtly began to be supplanted by "safer", well worn suggestions concerning the potential form for a community employment program. Strategy at the grand or, in their terms, "global" level had been replaced with a concern centering upon the development of a new program. It was believed that the single greatest barrier for employment was the lack of suitable employment opportunities, therefore it was suggested that a "new" program should have two main functions: "a) the restructuring of existing vacancies to make these accessible to and suitable for our clientele; b) the generating of new jobs through various forms of employment creating activities." 18

The second major paper written by the Working Party on Employment Strategy attempted to take up where the first paper left off, and presented a discussion of possible elements for a community employment program. It was felt that the broader strategy would operate to remove financial disincentives to employment, for example, through manipulation of the rewards of the welfare or unemployment insurance system, or even by enhancing the employability of individuals through traditional retraining programs. The new program would constitute the "...principal mechanism through which employment opportunities are generated...". 19 The "working principles" of the proposed program were outlined briefly as objectives.

"To develop employment opportunities for those who experience chronic and continuing difficulty in finding and keeping regular employment. To create jobs that are both satisfying to individuals and useful to communities."
To enable individuals or groups to participate actively in the economic and social life of their community. To coordinate the operational aspects of all relevant programs at both federal and provincial levels." 20

The proposed sub-objectives of the program were many and varied, and included; "flexibility", the need for a continuing program, voluntary participation on the part of "clientele", the possibility of providing permanent jobs, that jobs be adapted to the abilities and preferences of individuals, and that management by participants be encouraged. 21

The authors of the working paper felt that the program could sponsor a variety of different types of activity, among them; sheltered workshops, production of goods, community services, social services, labour pools, handicraft and cottage industries, development of municipal and school services, environmental projects, urban renewal projects, cultural and recreational activities, innovative projects, extensions of regular public employment, and extension or redesign of private sector employment. Many of their suggestions were hardly new, and many of the potential activities were already "occupied" either through provincial or municipal program projects, or by Job Creation Branch program project operations. With few exceptions, most of the jobs created would be short term, or in the terminology of the working party, be "peripheral" in nature.

In other areas the suggestions were naive. According to the authors, innovative projects might include the "...creation of self-sufficient forest villages, or the development of greenhouse horticulture in urban areas." 22 It was also difficult to understand how the program would be able to redesign private sector employment
given that such employment was in the hands of private, not public, concerns. The most concrete possibilities for the creation of semi-permanent or permanent jobs seemed to rest within the categories of cultural and recreational activities, and production of goods where some capital funds might be provided.

The content of the program was important, and so was its operational style. Echoing the phraseology of the Job Creation Branch, the working party approved of the better "delivery of government," which presumably was to be achieved through the style of operation of the program itself, or through "...the operational means of achieving the objectives set out for the Community Employment Program." In the spirit of the White and Orange Papers, it was understood that "...both senior levels of government should participate in the determination of which delivery mechanisms are appropriate for what regions." The delivery mechanism seemed to consist of four interrelated aspects that were to become of paramount importance in the development of CES. According to the working party,

"Delivery mechanisms, as conceived here, can vary along at least four different dimensions: (1) who defines the jobs; (2) the nature of the activities carried out; (3) the structure of the work situation; and, (4) who pays. These dimensions are not wholly independent of one another ~ presumably for example, the structure of the work situation will depend to some extent on the activities being performed..." 24

The dimension of "job definition" essentially meant who had the right to decide who would do what, a question of control and the basic direction for the program. Their suggestions varied and included the establishment of community development corporations, or the development of community resource boards. The structure of
the working situation was important insofar as it potentially involved the development of the individual, and thereby involved "higher social objectives" for the program. It was suggested that experimentation take place within the working situation, for it was observed that "...it may be desirable for the clients of the program to have a genuine opportunity to initiate their own employment needs." This possibility depended upon the definition of the kind of activity to be undertaken, for example, a cooperative farm project could encourage such development, but increased public service hiring could not.

The working party also assessed the potential costs of such a new program, and debated such issues as possible competition with the private sector, grant dependency on the part of participants, and the cost of the undertaking. It was simply admitted that, at first, the costs of a Community Employment Program would be higher than those incurred by keeping the unemployed on the welfare rolls, but in the long term, it was felt that the investment would pay off in terms of reduced welfare payments, increased spending by participants, and other "down stream" effects of revenue producing projects. Significantly, the question of who would pay for a CEP was not discussed, and indeed, formed a major stumbling block for the working party. They felt that they would be unable to provide a more concrete proposal to the Continuing Committee without some sense of the financial resources that would be committed to the undertaking.

Finally, it was suggested that a CEP could constitute a learning experience for government. Not only could the employment
problems of disadvantaged target groups be dealt with, but the program could provide "...valuable experience for governments in non-cumbersome flexible forms of administration." They added that if the program was successful, "...the structure put in place through CEP need not be restricted to dealing with the hard to employ, but could be extended to deal with other groups in the population as funds and experience permit."26

The social security review was constituted as a process, involving the provincial and federal levels of government. As such, each level of government made a separate contribution to the deliberations of the Working Party on an Employment Strategy. A brief review of these responses to the Orange Paper underlines the complexity of the process of policy, and the mixture of motives that appears is illuminating.

CEP - Federal and Provincial Perspectives

Throughout 1973, a variety of papers were produced at the federal and provincial levels in response to the developments outlined in the Orange Paper. The provincial viewpoints concerning the development of a community employment strategy, or program, were far-ranging. Some, like the Ontario proposal, dealt with the operationalization of the concept of target groups, and the consequences which would follow from selecting one approach to the exclusion of others. The Quebec view, on the other hand, was extremely detailed, outlining target groups, areas for control and administration, program objectives, program projections for a five year period, and anticipated expenditure.
While there was a general acceptance among the provinces that some form of program or strategy within the boundaries suggested by the Orange paper did constitute a desirable end, there was no general agreement in the working paper responses as to how the Orange Paper propositions should be made concrete.

The Newfoundland response was the most terse, although the province generally experienced the highest levels of seasonal unemployment in the country. They suggested that a simple "down to earth" approach to the program was most sensible, and one which should "...be structured to meet the requirements of the ordinary citizens' concept of Community." They felt that control of the program should be vested in the "grass-roots" of the community and that program coordinators should, accordingly, be chosen with great care to assist local groups to operate the program successfully. Greater federal, provincial, and municipal cooperation was stressed and it was suggested that a CEP be undertaken on an experimental basis in an isolated area and in one relatively large urban area.

The other island province, PEI, took a much more aggressive stance and argued that the government ought to be able to give overt recognition to their role as employer of the last resort and to play that role in fulfilling other functions. They felt that the existing "alphabet programs" had become so instilled with bureaucratic values like efficiency, that they were no longer of importance for those being served. For their part, they emphasized two program factors, the creation of sheltered employment, and the development of independent productive enterprises. Community control was not viewed as a particularly attractive aspect of a CEP, as it was pointed out that various "disservices" had been created by programs like OFY and LIP,
not the least among which was "... the subsequent pressure upon the provincial governments to provide continued funding." The province provides a working model of a CEP which would first coordinate and examine existing approaches to unemployment problems, involve itself in direct job creation activities, and maintain a research, evaluation and data base for future development in the area. Funding, it was suggested, would come primarily from the federal level.

The Nova Scotia response argued that a CEP should not offer terminal programs and if they were serious about creating long-term employment, should have "built in career ladders for the poor." They suggested that a CEP incorporate federal, provincial and municipal operation and consultation. Project activities could vary from outright entrepreneurial activities to self-managed cooperatives of various forms. A variety of local and regional boards were to be given the administrative duties of the program, as overall administration was to be vested with the province, with the federal level paying the bills.

The New Brunswick government tended to agree with their Nova Scotia counterpart. They felt that control of the program should rest with the province. "It is the New Brunswick view that the combination of philosophy and finances do not by themselves guarantee program success. The results of any program are determined at the operational or field level." They too disapproved of the "back door" policy developments initiated by the "spin off" effects of federal programs like OFY and LIP. Like Newfoundland, they were interested in vesting the local communities with some substantive, if unspecified, control over program operation "to avoid tokenism", however the primary
responsibility for "legislation, regulations, policies, administration requirements..." would rest with the province.

The Quebec government offered a series of proposals, objectives, and sub-objectives for a CEP. It was felt that the first element of a CEP should consist of an inventory of existing programs and services provided by both levels of government through the activity of "un organisme bipartite, fédéral-provincial". They even anticipated that such an organization would have the power "de recommander l'abolition de services ou ressources inutiles", somewhat of a departure from the bureaucratic norm. It was felt that program participants should have an opportunity to develop their own projects, for they argued that the problem of unemployment was greater than that of simply finding jobs for those in need.

"Puisqu'un des objectifs du programme est d'assurer le passage des clients d'un état de dépendance sur les paiements de transfert comme principale source de revenu vers un état d'indépendence, ceci implique un changement radical dans leurs habitudes de vie, leur attitude vis-à-vis la société, le travail et eux-mêmes.

"Nous croyons que l'approche la plus logique est celle qui permet aux clients de devenir leur propre agent de changement."33

The overall control for the administration of the program would rest with the federal, provincial and local officials, depending upon the application of a particular program element. For example, use would be made of the existing Manpower Needs Committee for the coordination of existing federal and provincial programs. A five year plan was put forward, involving $200 millions in funding on the part of the provincial government, and approximately $600 millions from the federal government. They clearly recognized that a CEP could operate as only one part of a social security employment strategy, and suggested that
the major emphasis of a CEP should centre upon "des objectifs plus sociaux qu'économique."

The province of Ontario chose to point out that the definition of target groups themselves would inevitably influence the remainder of the development of a CEP. Three possible models for the development of a CEP were offered, depending upon definition of a target group. The first dealt with the chronically unemployed, but employable; the second, with marginal workers entering or re-entering the labour force; the third, with special programs for upgrading or retraining existing members of the labour force; and finally, with an umbrella program for all the unemployed. The Ontario paper did not emphasize one approach to the exclusion of the others, but practically pointed out that once a decision was taken concerning a target group, consequences would follow, excluding other potential participants from consideration.

The Manitoba response was direct, and to the point. They were interested in seeking full employment in their province for all those who wanted to work. In their view, this commitment was to be interpreted...

"...to imply much more than guaranteeing every individual a job within the limitations of his or her physical or mental limitations. It assumes a variety of job choices, the right to participate in work decisions, including the right to decide where to live and to work. It also assumes assurance of an adequate income, a greater degree of financial security, and generally an improvement in the quality of the human condition." 

Like many of the other provinces, the Manitoba response indicated that they wanted more broadly based decision making within the CEP at appropriate, if unspecified, levels to include the federal, provincial, municipal governments and individuals. A greater coordination of existing programs was called for, because without it a CEP which was...allowed to proceed with little regard to previous programs or
existing structure, would have the potential to disrupt or even destroy what has already been or is being accomplished. The overall costs of a CEP were anticipated to be higher than those incurred by the province in direct financial assistance, but they pointed out that CEP costs would probably be less than those incurred in "the present proliferation of manpower and training programs."

The Saskatchewan CEP submission to the working party on employment strategy was the most 'radical' of the various provincial proposals. They suggested that a CEP should initially attempt to employ five percent of the existing labour force. Their argument centred primarily upon the grounds that existing patchwork approaches to the problem of unemployment were primarily undertaken as remedial action when the economy, the primary government concern, was unable to provide full employment. In their terms "(T)he efficient operation of the private economy is the sacred cow which prevents us from reassessing our priorities." For their part they were willing to address "the question of national priorities and the relationship between certain kinds of production and serial values." They added, "(A)t the very minimum, however, we cannot allow ourselves to endorse a position that any employment strategy should not disrupt the operation of the private employment market."

The Saskatchewan proposal refused to regard a CEP as a residual or "garbage" program for the detritus of the economic system, and rejected attempts "to delegate community employment programs to the category of a pump priming element of macro-economic policy." They suggested that the major focus for such a program should rest in the community, for if a CEP was "to be reflective of a realigned set of
social and economic values, then extensive mechanisms to encourage community involvement must be established." It was felt that a whole variety of activities was possible, from LIP style service projects, to some form of entrepreneurial projects. Saskatchewan suggested that the federal government fund the program, which the province would administer with the assistance of regional boards and community groups at the local level.

The Alberta government suggested that an "umbrella" approach to CEP was most appropriate. It was felt that this type of approach would create a wide variety of both short-term and long-term jobs cued to the needs of various types of clients. As was the case with other provinces, it was suggested that job creation activities within the province should be coordinated, that the federal government should do the same, and that a CEP could coordinate both, although the provincial programs would remain independent. It was felt that the federal-provincial Manpower Needs Committee, and local sub-committees could oversee provincial CEP operations. It was believed that a CEP would be more expensive initially than traditional programs and transfer payments, but over the long term that it would prove less costly as more individuals were integrated into the labour force.

The British Columbia government also felt that a CEP would provide an ideal means to coordinate federal and provincial activities in the manpower field. They argued that "(T)he critical problem appears to be that substantial manpower expenditures are being made available to programs that are not reflective or satisfying to regional or community requirements." In their view, the solution was to administer a coordinated program like CEP in regional areas through local
Community Resource Boards. It was suggested that the financial burden for a CEP be shared between the province and the federal government, but that the administration of the program should rest with the provincial government.

The provincial responses to the debate opened by the Orange Paper concerning a community employment strategy tended to vary widely concerning the concrete provisions for the operation of such a strategy. However, some common themes did tend to emerge concerning the development of a CEP. As might be expected, the majority of provinces expressed the desire that the administration of a CEP, or direct operational control, be vested in the provinces. Several provinces indicated that a CEP might coordinate federal and provincial programs, but that the provincial programs would remain independent and under the control of the province. The general theme of "coordination" of existing approaches to manpower programs and unemployment generally appeared throughout the provincial submissions. Some element of local control over the operation of a CEP was put forward by many of the provinces, but the proposals tended to be vague. In terms of funding, a number of the provinces indicated that the federal level should be responsible for funding a CEP, which in turn, they would be willing to administer.

The federal contribution to the working papers and the general debate about a CEP was generally self-congratulatory with respect to existing provisions in the areas of social services and manpower activities, in terms of providing income security and employment to Canadians. The potential benefits of an employment strategy, however, seemed irresistible attractive. In their words,
"The essence of an employment strategy in a social security context can be seen as seeking to move as many people as possible who have the capacity to work and who are expected to by the community to do so, from the social services system over to the manpower system and into the labour force." 41

The virtues of efficiency, economy and productivity seemed to supplant earlier concerns expressed in the general constitutional review process. The concept of work had replaced more general declarations concerning the promotion of "national economic, social and cultural development, and the general welfare and equality of opportunity for all Canadians...." At a most general level, the federal paper did suggest that financial disincentives to employment be removed, that skill-training and supporting services be emphasized, and job placement and job creation could be developed. With respect to a CEP, the paper stressed that "...absolute priority in a community employment program must be given to those who have experienced particular and chronic difficulty in finding and keeping work." It was also felt that participants should be encouraged to participate in the economic and social life of their community.

The idea of the "target group" was clear, but participation in the economic and social life of the community seemed to mean two different things simultaneously. First, the authors suggested that "...individuals should feel that they themselves are participating meaningfully in community life." The reason for this approach appeared to be founded in the authors' understanding that a sense of "psychic" poverty accompanied actual income poverty. They "...recognized that idleness and dependence tend to be debilitating to individuals and
wasteful to communities." Individuals were not guaranteed that participation in a CEP activity would present them with an opportunity to "participate meaningfully" in community life, but it was important that they should feel that it occurred.

The second side of "participation" related to the perception of the local community concerning the activities performed by the CEP participants. The paper stated that "...the activities undertaken must be perceived to be of value to the community, and this implies the existence of an appropriate mechanism to give expression to such perceptions." The existence of a community consultation board was validated by the necessity for the government to have some formal community mechanism to express approval concerning CEP operations. Interestingly, the argument for the establishment of community boards was not couched in terms of local control over the operation of the proposed program.

The federal contribution stressed that there were limits to government activity, and emphasized the need for economy, efficiency and the rationalization of existing programs.

"While new elements will no doubt be added - particularly as experience reveals the need - limitations on resources dictate that a central feature of any community employment program must be greater efficiency in the use of existing legislation policies and programs. As suggested...a community employment program would have to be integrated in with other elements of employment strategy, including notably direct employment programs." 43

The conservative tendencies expressed in the federal paper were far removed from initial suggestions concerning the basic need to rethink and redevelop existing approaches to social security made in the Orange Paper. There was some interest expressed in
innovation in terms of "delivery of government", arising out of the experience garnered in OFY and LIP operations. Various possibilities were suggested to develop community initiative and imagination, through use of non-profit organizations, voluntary agencies, or personal contracts. It was further suggested that,

"...it might be worth exploring the design of a simple mechanism recognized in law and specifically aimed at facilitating the release of the initiative and organizational capacities of individuals and groups in communities. Such a mechanism would facilitate the creation of 'community partnerships' or 'companies.'" 

Since community involvement appeared to be an important aspect of achieving support for CEP operations, a wide variety of possible activities were suggested as a mandate for a community group. These included,

"- assessing the needs of the target population within the community
- identifying specific employment needs
- selecting proposals for employment activities and identifying the participants
- generally co-ordinating the program elements which themselves might be 'run' by government agencies, or by citizens' groups under contract with government agencies."

The suggestions seemed to resemble the activities undertaken, in part, by Local Advisory Committees in OFY, but appeared to be much more complex.

It was felt that there was a necessity to develop a CEP given that there was little likelihood of improvement in the unemployment situation, and a CEP would be the "best" means of getting people off welfare rolls and into the labour force. The problem of client dependency on yet another government program, an issue raised throughout the operation of programs like OFY and LIP, seemed
to be of less importance in the creation of a CEP. The federal paper argued that employment created through a CEP must be seen as completely legitimate "work", as in the case of jobs normally provided through the normal market economy. Thus, it was felt that the "dependency" issue was simply a matter of perspective,

"...for to be dependent upon employment as a means of acquiring income, and to be therefore 'dependent' to various degrees on the existence and economic health of employers, is in fact the state of the world for the vast majority of Canadians. The issue is no different in essence in the case of the forms of 'jobs' contemplated here, than in any form of economic expansion." 47

The major difference, of course, between "economic expansion" and the increased numbers of unemployed working "for the government" was simply that additional funds to employ these workers would be taken from the public, rather than the private purse. A fear was expressed that if the jobs offered under a CEP were too attractive, and open to all, that a CEP might have a significant impact on local labour markets, and constitute a significant expansion of the public sector of the economy. Expansion of the public sector of the economy was viewed as an "important political issue", so it appeared that a CEP would first have to be accommodated to more 'global' economic and political concerns.

Given the general economic climate of restraint, the authors of the federal paper felt that it was unlikely in the extreme that a CEP would be given sufficient funds to make an appreciable impact on the unemployment problem in Canada. They emphasized, therefore, that "...success or failure in this area will have primarily to do with
the reduction of reliance on transfer payments, reduction of idleness (increased participation) and on other social goals, rather than with traditional measures such as the unemployment statistics. It appeared that the need for a new approach to social security stressed in the Orange Paper, had given away in the employment strategy, to the creation of a defensible, efficient, productive program, another ad hoc addition to the patch work.

All of these reports and papers contributed to the background review process, the creation of "alternatives", for a report to be developed by the Continuing Committee on Social Security and presented to the Ministers of Welfare at the federal-provincial conference in February, 1974. The final form for a CEP would be generally ironed out by the Deputy Ministers, based upon the working party papers, and the federal and provincial contributions.

**Report of the Continuing Committee on Social Security**

The overall review of the contributions made by the federal and provincial governments, and the Working Party on Employment Strategy was undertaken by the federal and provincial Deputy Ministers in the Continuing Committee on Social Security. The process of idea development for a CEP was simply raised one step further. In this process some of the major ideas already developed were ignored, some remained the same, and still others underwent modification.
The idea expressed in the constitutional papers, and in the Orange Paper concerning the development of an employment strategy within a social security context simply became an "item of note" in the report to the Ministers made by their Deputies. The crucial relation of the government's general approach to the economy, and to the development of a suitable employment strategy was simply noted en passant.

"The Continuing Committee noted the view of the Working Party that an employment strategy in a social security context, if it is to be effective, must be related to general economic and employment policies of the federal and provincial governments, and that such relationships should be examined seriously by the appropriate federal or provincial authorities." 49

The problem of the "quality of work" for Canadians was noted in a similar fashion, in other words, dismissed. The task of a major review of one aspect of social policy in Canada was reduced to the practical creation of a Community Employment Program.

The Continuing Committee did agree forthrightly with some of the earlier papers' ideas. It accepted the view that an experimental "targetted approach" be taken to provide solutions to unemployment problems, rather than an overall open employment approach. The committee members recommended that CEP target groups should consist of those who "...experience particular and continuing difficulty in finding and keeping satisfactory continuing employment", as did the earlier reports.

The Continuing Committee suggested that various forms or mechanisms be created for the delivery of the program which would provide the utmost in administrative flexibility and adaptability to existing
local conditions. As was the case in OFY and LIP, the imagination and the initiative of local citizens were to be harnessed for the development of the program. The Deputy Ministers did approve of the concept of some local control through the development of "representative advisory and coordinative bodies" which might set local priorities, identify needs, and coordinate activities. But control over the operation of the program was not to devolve to the local level, but remain firmly in the grasp of the various elected governments, or their civil servants.

"What is suggested here is not the LIP or OFY approach in which groups devise their own projects with governments involved only in funding, or in rejecting proposals. Instead, it is envisaged that governments would take the lead, that projects would fit within national, provincial and even municipal strategies and guidelines, and that governments would in no sense relinquish their responsibility for decision-making to any private group." 50

In a nod to the more participatory views expressed by the working party and some of the provincial submissions, the Deputy Ministers did add: "Governments should, however, endeavour to use such local and private bodies to carry out projects, rather than creating new institutions and structures to do so." This, then, became "participation."

Perhaps the most significant recommendation of the Continuing Committee was contained in the view that the new program should coordinate existing programs. "An essential prerequisite to a Community Employment Policy would be improvement and better coordination of existing employment and related services and programs...." 51

The idea of a CEP began to approach that of a massive "umbrella" program for all other programs, subsuming all the activities of other
welfare/job creating programs under its wing. The perceptual game was also replayed wherein it was stressed that the "...new employment opportunities created in a community employment program must be perceived to be useful by a community and by the participants." 52 How this was to be achieved was left unspecified. In addition, project participants were to be encouraged to get out and get a "real" job, for a CEP was to provide "...a developmental experience for participants to improve their capability to move on to jobs not encompassed within the scope of community employment policy." 53

Other problem areas were left unresolved by the Committee, including the scope of the proposed program. Both the size, and locales of the target groups remained to be chosen. The financing of the program remained to be determined, and there was no estimate of the job creating potential of the program.

The great 1973 debate concerning the development of a community employment strategy concluded with the meeting of the Ministers in February, 1974. For their part the Ministers were unable to come to an agreement concerning many of the program issues. The Community Employment Program seemed to be accepted in principle with the disclaimer that further discussion of its program policy would be required if financial details were to be discussed satisfactorily. Perhaps most important, the "new" program became a mirror of the prior approaches to solving unemployment and social security problems.

"The Ministers agreed that community employment policies should be constructed on the foundation of existing legislation and programs with closer integration of federal and provincial efforts, and progressive identification and filling gaps and inadequacies." 54
Through extensive federal-provincial consultation, the long developmental process for an employment strategy in a social security context seemed to turn a full circle, and return to the specific, traditional development of a program. The larger issues implicit in the development of an employment strategy in a social security context had, for the moment at least, been reduced to the creation of a Community Employment Program, the substantive content of which could not be elaborated because no one could agree on fundamental issues like program direction, content, structure, operation or financing. The further the "idea" of a community employment strategy rose within the bureaucratic and political hierarchies, the more diffuse and contentless it appeared to become. The values stressed in the final inconclusive "consensus" seemed to be those of efficiency, economy, and rationalization of existing programs within a framework of bureaucratic and political control.

A CEP as conceived by the Ministers certainly failed to live up to the expectations of some of the provinces, particularly those of the Saskatchewan Government, as has been seen. It could, perhaps, be argued that any process of this kind, involving by its very nature the participation of eleven different governments, each with their own priorities and interests, could only result in the reduction of the content of the process to the blandest possible result. On the other hand, it could equally be pointed out that a reprehensible failure existed on the part of the federal government to live up to the values that it had expressed in the earlier constitutional review.
process. For it had declared that the third objective of Confederation was:

"To promote national economic, social and cultural development, the general welfare and equality of opportunity for all Canadians in whatever region they may live, including the opportunity for gainful work, for just conditions of employment, for an adequate standard of living, for security, for education, and for rest and leisure." 55

It was very difficult, if not impossible to reconcile the activities of the Ministers concerning the development of a CEP with the implicit value statements in the constitutional review. Indeed, by early 1974, the official pronouncements by the Minister of Manpower took on an even more conservative character. In an address in Burlington concerning a community employment strategy, the Minister emphasized the differences between a proposed strategy, and LIP or OFY, in terms of greater government control over the program and, incidentally, its participants. The "economy" became a more important concern, and characteristically, there appeared to be an aspect of an anticipated CEP which could fulfill business expectations too. Andras said, in part,

"...I see a great opportunity for business to identify in their establishments, jobs which could readily be performed by workers with minor disabilities. In the case of certain dull and repetitive jobs, some employers have found that slightly retarded people perform very well and absenteeism and turnover can actually be reduced. Obviously organized labour has a role and a responsibility as well." 56

Although some employers would be provided with subsidies to carry out such hiring, the Minister added, "...in many other cases, it would be in the employer's interest and part of his community responsibility to do his share without subsidy."
The potential of a CEP was linked with the rhetoric of LIP, concerning the creation of new, long term employment opportunities for the chronically disadvantaged. New jobs "...would have to be perceived to be useful by the participants and by the community itself." The Minister acknowledged that a "work-for-welfare" stigma attached to the activities "...or any hint of meanness in their administration would be fatal." In short, the public was advised how they were to regard the program before it was established. "The program must be universally regarded and accepted not as a means of saving tax dollars but rather as a means of making better use of valuable community resources to do important community work." Instead of creating long term employment, the Minister was willing to relegate the participants to the limbo of peripheral occupations.

"The community projects should not be competitive with existing enterprises, but could include such things as augmenting social services, beautification, recreation services, anti-pollution activities, as well as non-profit activities sponsored by businesses." Given such a view, it would be difficult for participants to avoid the stigma of "work-for-welfare." The Minister was primarily concerned, in his own words, "...with the costs of inactivity than of activity."

However, in spite of the Minister's speeches, the bland position papers, and the generally nebulous agreement on the part of the Ministers to institute a CEP, the actual practice of the program was a new matter. Indeed, as the development and operation of OFY, LIP, E-LIP and LEAP had shown, a great deal could happen between the announcement of a program and its actual implementation.
The Developmental Phase of Community Employment Strategy

Throughout the months of September and October, 1974, a series of visits were made by federal officials in order to negotiate agreements and settle the details for the operation of CES in the provinces and territories. There was a general agreement on the basic direction of the new "program" with respect to the selection of target groups, the community orientation of the program, and a movement to establish appropriate federal-provincial structures to deal with the "new" initiative. It had also been established that the "new program" would enter into a low-profile "developmental phase" as a means to gradually work out its operational details through negotiation, and experience.

It had been decided that the new program was not be called a program at all, but was officially called a "strategy." The reasons for this approach were very instrumental. It was felt that local communities chosen as sites for CES activities might seize upon the initial funds contained in the CES budget simply as a means of forwarding their own projects. What the CES staff had to make clear to the local politicians was that, as a coordinating program, CES would help marshall existing resources for the solution of community employment problems. Only in the last resort would CES funds be used to fund activities.

There appeared to be much in a name, for it was pointed out that "(N)o new programs identified as 'community employment' are
proposed for the developmental phase of the community employment strategy." The reasoning behind this also seemed to centre upon a question of federal-provincial responsibility, and power. As one paper delicately phrased the problem,

"Indeed, in the longer term, the objective is not necessarily to articulate a new program but possibly to develop a strategy to make better use of existing and evolving programs. In the circumstances, the question arises as to whether a principal objective of the developmental phase is to coordinate or to integrate governmental programs."  

At stake were questions of accountability, and responsibility for activities conducted under the CES umbrella, and also credit for successful projects. It was decided that CES would operate a coordinated but not integrated strategy.

"The underlying principle here is that existing program elements would continue to be funded and administered as before, with the government having responsibility for the program element, continuing to be held publicly accountable for the administration of its program, as at present."  

However, even as an exchange of notes continued between the various Ministers concerning the strategy, there was no clear conception of what the new program really was to be. With respect to the selection of target populations it "...was not possible at this time to develop a precise idea of the size, composition, characteristics and location of the target population throughout the country." It was clear that the developmental phase of the program was a logical first step in clarifying its nature, but no precise definition of the concepts of community or community selection were offered as late as the end of 1974. It was hoped that a variety of different suggestions might be brought forward through federal-provincial discussions, to assist
in developing its experimental form.

Since it was expected that the operations of the program would cross-cut a variety of federal programs from different departments as well as those at the provincial level, it was suggested that a national office be developed which would essentially oversee CES activities. The national office was charged with the overall operation of the program, its review, liaison with the social security review, and would provide policy development and coordination. It was felt that the provinces, for their part, would provide parallel structures and assistance from their various departments. An executive committee was established at the federal level to coordinate activities of the various departments.

The membership of the executive committee included the Director of the CES office, Ivo Krupka, the Director General of the Job Creation Branch, Cam Mackie, and other officials from the Department of Manpower and Immigration, as well as representatives from National Health and Welfare, and the Department of Regional Economic Expansion. This committee was charged with overall supervision of the developmental phase of CES and of the coordination of existing resources at the federal level for the new program. It was also suggested that the Manpower Needs Committees in the various provinces, which included the Regional Directors General of the Department of Manpower and Immigration and provincial representatives, would serve a liaison and coordinating function in the provinces. Of course, once the initial communities were selected on the basis of federal-provincial consultation, appropriate structures would be established at the local level to start making the strategy work.
By the end of 1974, it was hoped that the initial federal-provincial agreements would be negotiated and the first community work begun by the spring of 1975. For those first few months it was felt that an initial budget of $10 million, provided by the federal government, would be more than adequate for the fiscal year ending in March 31, 1975.

As it turned out, CES had to return most of its initial allocation to Treasury Board that year, for the program started much more slowly than was expected. Indeed, the greatest preoccupation of the CES staff was getting the program off the ground, through the signing of federal-provincial agreements concerning the operation of the program in each of the provinces. British Columbia was the first to sign, in late 1974, but most of the remaining agreements had to be worked out over the entire 1975 calendar year. For its part, the province of Manitoba flatly refused to have anything to do with the program.

As the Premier of the province pointed out, "...although we feel the concept of 'community employment' as an alternative to existing arrangements for able-bodied or welfare (recipients) is an excellent concept, there is far from sufficient detail and definition available thus far from the Government of Canada as to cost-sharing etc."

It was up to the CES head office to undertake to provide that essential detail and content for the program. The objectives of CES were five fold;

"-to devise and provide employment opportunities to persons who suffer chronic unemployment or underemployment

"-to activate the community resources within given, select geographic areas to assist in the solution to the above problems

"-to coordinate programmes, services and projects operated by
a variety of governmental departments in order to provide a meaningful work basis for the income support of persons who now depend upon government assisted income support.
"-to devise mechanisms for active, federal-provincial cooperation in the development of an employment policy.
"-to proceed with a 'developmental' approach to the above, which means to monitor, continuously the activities of CES in order to devise longer term policy directions in the general area of employment policy."63

How CES would undertake to fulfill these objectives would, in practice, define the program. CES was in fact a program designed to help develop an employment policy for the CES national office was formally charged with the problem of policy development within the developmental phase. The CES national office was in the rather interesting, and unique position of having as their mandate a directive to "create themselves", their program, based upon the loose and general outline provided by the Orange Paper, and the papers produced during the 1973 CES debate. The direct job creation program staff undertook to develop their programs on an unofficial level, but the CES group was charged with this responsibility from its inception.

During the first year of operation, the overriding concern of the office was the negotiation of federal-provincial agreements to begin operations at a practical level. The program began actual operation in British Columbia in 1974 as a CES coordinator was appointed, as was a provincial counterpart. The communities of Kamloops and Nanaimo were selected, through federal and provincial agreement, for initial CES operations. Local community coordinators were appointed for each town, and Community Boards were established. The Community Boards were charged with the task of identifying problems in employment in their area to begin to direct working activity for CES in the communities. All of the relevant resources of both the federal and
provincial governments were to be made available through the CES coordinating function to help the Community Boards begin to solve specified chronic employment problems in their areas.

Once the basic idea of a "developmental" approach to CES was accepted, it seemed perfectly logical to conduct actual operations in the field on an experimental basis. A whole variety of different target groups and "communities" were selected for experimentation, as the federal-provincial agreements were gradually signed. In Alberta, native peoples and employable welfare recipients became the target groups for CES in Northeastern Alberta, and South Calgary respectively. In Nova Scotia, one entire municipality was chosen, as was a portion of Halifax. In the latter, the specified target group was composed of single parent families. The Province of Saskatchewan negotiated an agreement in which the entire province was designated a CES "community" whose target group would comprise all employable welfare recipients.
Chapter 5

Footnotes


2. Ibid., p. 9.

3. Ibid., p. 9.

4. Ibid., p. 10.

5. Ibid., p. 22.

6. Ibid., p. 23.

7. Ibid., p. 25.

8. Ibid., p. 25


13. Ibid., p. 23.


15. Ibid., p. 41.

16. Ibid., p. 74.

17. Ibid., p. 75.

18. Ibid., p. 79.

20. Ibid., p. 88-89.
21. Ibid., p. 89-90.
22. Ibid., p. 93-95.
23. Ibid., p. 95.
24. Ibid., p. 96.
25. Ibid., p. 100-105.
26. Ibid., p. 105.
29. Ibid., p. 138.
33. Ibid., p. 181-182.
38. Ibid., p. 222.


42. Ibid., p. 112.

43. Ibid., p. 116.

44. Ibid., p. 118.

45. Ibid., p. 118.

46. Ibid., p. 119.

47. Ibid., p. 122.

48. Ibid., p. 123.


50. Ibid., p. x-xi.

51. Ibid., p. xi, emphasis their own.

52. Ibid., p. x.

53. Ibid., p. xi.


Ibid., p. 10, emphasis added.

Ibid., p. 10.


Ibid., p. 8.

Ibid., p. 8.


Interview, CES staff, Ottawa, 1976.
Chapter 6

CONCLUSION

Once we have explored the concrete reality of a given situation with its manifold complexities, the reality of five programs in the search for policy, we are faced with almost an embarras de richesse. Through the conduct of an inquiry of this kind we develop a new appreciation of the relevance of decision-making theory, and policy-making analysis to the Canadian experience in general. In particular, we gain further insight into the actual operation of one facet of government which may be similar to many others, both in strengths and weaknesses. The purpose of this chapter, then, is to gather together some of the major themes of the inquiry as seen through the analysis of a "strand of events through time", and show how these themes interrelate and point toward the direction of the development of a perspective for the analysis of policy.

First, it will be suggested, hearkening back to traditional concerns with the structures of policy making, that the core areas traditionally responsible for the making of policy may have partially abandoned that role. Structural problems within what Jackson and Atkinson have called the "policy prism" underline the tremendous difficulties entailed in the analysis of the process of policy, from "idea" to evaluation. Concentration on the problem of technique, or even basic misconceptions about the "nature" of policy itself have contributed to the inability of government to move beyond existing modes of policy analysis and development. As Prefontaine has suggested, our present
problems in the area of social policy in general may be conceptual in nature. 

Secondly, it will be suggested that general difficulties within the policy prism are reflected at the program level, with reference to the operations of the Job Creation Branch programs. The gradual decline in the development of the programs in the Branch by 1975 seemed to illustrate the existence of a tremendous gap between the declaration of "policy", and its execution. The internal struggles of the Branch to develop "policy" will be briefly outlined.

Thirdly, it will be suggested that analysis of Job Creation Branch programs from both within, and without, seems to have suffered from basic conceptual problems. Development in the policy analysis area outlined in the first chapter are illustrated in the microcosm with respect to the direct comment on, and analysis of the JCB programs themselves, by contemporary Canadian analysts. Problems of interpretation it will be suggested, call into question some of our basic conceptions about the activity of the state, in part, simply due to their existence.

An attempt will be made to integrate the new conception of the process of policy, through a review of the basic developments of the direct job creation programs themselves. Some of the major themes discussed in the earlier chapters will be drawn together to illustrate the prospective, and thereby creative aspect of program development in a residual policy area. Finally, the prospective potential of Community Employment Strategy will be briefly noted, in a context of the development of policy.
The structural locus for policy decision making does not rest with one, or two, or even a half-dozen locations within government. Clearly, it would seem to rest with a whole variety of actors in a variety of positions. Different agencies and groups, form in different combinations to support or defeat specific policy alternatives. As Friedrich has noted, the old idea that policy formation was a process distinct from policy execution, has faded given current practice. In his view, "...concrete patterns of public policy formation and execution reveal that politics and administration are not two mutually exclusive boxes, or absolute distinctions, but that they are two aspects of the same process." Friedrich added, "Public policy to put it flatly, is a continuous process, the formation of which is inseparable from its execution."3

On the other hand, in terms of responsibility, policy and policy execution are exclusive in some senses, for in practice the constituencies of a politician, and a bureaucrat are remarkably different. Accordingly, we make all kinds of distinctions in analysis, albeit in different manners. Jackson and Atkinson, for example, offer the concept of a "policy prism" to "...denote the operations of central institutions in the coordination of government policies and the explication of their legislative details and ramifications for Parliament and the public."4 Within this "prism" various structures, like cabinet committees, are seen to be of primary importance. The actual operation of these processes, the filtering of ideas through the prism, tends to remain somewhat opaque owing to the norms of cabinet secrecy
and solidarity. Whittington and Van Loon suggest that at given stages of the development of a specific policy, different institutions are of paramount importance. However, they suggest that one area has experienced great growth, and has attained great influence in the development of the "positive state" - the bureaucracy. In their view "...the role of the public service has grown from the neutral implementation of decisions made by the politicians in the cabinet and parliament, to the very positive function of policy-making." 5

Within the civil service itself there has developed a general recognition of the importance of civil servants in terms of participation in the development of policy. In testimony before a Commons Committee, R. B. Bryce, then Deputy Minister of Finance stated that in some technical areas of policy-making that civil servants have provided the initiative, information, and expertise. In addition to serving as resource persons in the policy process, Bryce also pointed out that civil servants have operated as a form of internal opposition. Bryce explained that, in one way or another, public servants have become involved in major issues.

"This is an old game you know. Many Ministers prefer to get their work done before it comes to the Treasury Board and the Department of Finance and marshall as strong a case as they can because as I said in introducing the matter, we frequently are cast in the role of sort of an internal opposition, but in any event, if we do not get them while they are in the process of crystalizing then we have them presented to us for discussion, either at a Cabinet committee or occasionally inter-departmental committees." 6

Bryce added that in some cases of conflict, civil servants from the departments involved can even meet to iron out differences,
and then present the compromises to their Ministers. There is a definite division of responsibility in terms of formal responsibility for policy development, but the lines tend to get blurred, as Bryce pointed out: "(A)s to who is really boss, well there is no doubt, the Minister is our boss, and in the end the Prime Minister is the boss, but how far the boss can attend to all the details is the thing that matters...."7

The Prime Minister cannot, of course, make decisions in total isolation, nor attend to all the minutiae of public life. In part, his importance in the policy process "...stems from an ability to command the maximum possible amount of information about the political environment and to use this resource in persuading political actors to follow his policy initiatives."8 His responsibility for policy is exercised collectively with other ministers, each of whom generally has administrative responsibility for the operation of a department. In practice, however, it has been suggested that while "...policy derives from a multitude of sources, these government departments predominate in providing specific policy initiatives." The link between the civil service and the especially important committees of cabinet remain the minister for "...only a minister may carry forward departmental requests to the cabinet or defend departmental policies in the House of Commons."9

The concept of a policy "prism" seems not unreasonable, given the possible combinations of personalities in different structures, cabinet committees, departmental bureaucracies, the House of Commons, or elsewhere, that can participate actively in the process of policy
formation, an operation in which "...undifferentiated phenomena (are converted) into an organized and recognizable pattern."\(^1\) In the last decade attempts have been made to combine new approaches to policy formation with new structures to implement these changes. According to Jackson and Atkinson, such changes in structure were designed to reflect "...the essentials of rational policy-decision-making --- the efficient pursuit of predetermined goals." The purpose of the new approach itself appeared to be to achieve a more orderly and coherent approach to policy making.

"In theory, goals would be established and the government would develop policies designed to attain them. Policies would be chosen on the basis of the resources required for their implementation and their relation to other commitments."\(^1\)

Some of the changes in this new approach have been reflected in the development of Planning, Programming, and Budgeting Systems within the operations of the civil service, essentially as a technique to attain better financial administration. In addition, the increased importance and emphasis placed on the operations of the Treasury Board, responsible largely for the introduction of PPBS, and upon the Committee on Planning and Priorities, and the various "functional" sub-committees of cabinet, are all structural indicators of a change in over-all policy approaches made by government. However, after a number of years of operation, Jackson and Atkinson have suggested that the new approaches have not been as successful has had been originally hoped. "The rationalist approach underlying this assumption has not proven as successful in relating goals to items in the legislative system as it has in the budgetary process."\(^1\)
In simple terms, the "accounting" aspect of financial control has been strengthened, although perhaps not to the extent that the Auditor General would wish, but the "policy" aspect of the operation of the "prism" has been much less successful in operation. Jackson and Atkinson believe that there have been several general reasons for this failure, including the lack of specificity in party platforms, and the lack of rational "technique" to make choices between goal alternatives. In practice, they suggest that "...goals are difficult to establish at any time and recent government experience indicates that they are usually so nebulous as to be virtually useless." Indeed, the major relationship between goals, priorities, and legislation is seen as intuitive. The authors flatly state that: "Ministers do not develop their legislation in response to the government's goals, but use the goals as rhetorical categories to justify their legislation."^{13}

While the structures for more "rational" policy making appear to have been developed, what appears to have happened in the past is that incremental processes have dominated within those structures. This style of operation has grave consequences for the development of policy itself, and for our understanding of the process of policy. If politicians fail to establish clear goals and priorities at the high cabinet level, then policy processes become fragmented, and lacking in guidance or direction. Long range planning, one of the most appealing characteristics of PPBS, must often give way in face of short term contingencies, or even political problems, as Doern has pointed out in his critique of the Economic Council's account of
rational policy-making. As might be expected, even the individual priorities of the ministers themselves - their pet projects or political concerns - can and do play a part in policy development that runs contrary to the orderly establishment of goals and policies that the rational approach would seem to require.

The process of the initiation of an idea to its adoption as a governmental activity can take years, from the normal process of Privy Council requests for information on departmental priorities through to legislation. During this period, a whole host of individuals in various institutions have an opportunity to examine, change, or propose rejection of proposals. The vast numbers of individuals and structures involved, initially at least, in the policy process tends to make the task of understanding these operations more difficult. In addition, at the cabinet level, ministerial collective responsibility, and in the bureaucracy, administrative secrecy, also compound the problems of attempting to analyse policy. One of the most important institutions in this process, aside from the Prime Minister's Committee on Priorities and Planning, is the Treasury Board.

Much of governmental action is seen in terms of policy implemented through the use of programs, particularly in quasi-policy or residual-policy areas as we have seen. Programs that are conceived of as policy "instruments" are "vetted" at the PMO, "prioritized" by the Planning and Priorities Committee, and eventually examined by the Treasury Board. While the departments themselves have a logical responsibility to present new programs and to defend old ones, as the need arises, they also have the responsibility for the continuing
evaluation or operation of their own activities. In a larger frame of reference, however, the Treasury Board has commitments to policy analysis and financial administration which encompass departmental activities in terms of aligning departmental policy suggestions to government policy statements, to financial analysis, and to program monitoring.

At the most general level, the role of the Treasury Board within the "rational structures" of government policy making, is twofold; planning, and financial control. In its role as cabinet committee on the expenditure budget, Johnson has pointed out that the Board is charged with an important task.

"...for it is for the Treasury Board to propose to cabinet the allocation of funds as between the myriads of competing programs and projects, taking into account three things: the priorities of the government and its broad policy directions; the effectiveness of the programs in achieving the government's objectives; and the efficiency with which the programs are being administered. The job in short is to propose an expenditure plan which at one and the same time represents an expression of the government's policies and priorities, and results in the optimum allocation of the taxpayer's money in terms of value received for each dollar spent." 16

In addition to these broad, general tasks, the Board also makes tens of thousands of decisions annually concerning such matters as personal contracts, and hiring policies, in its seven general divisions which deal with such diverse areas as financial administration and bilingualism. It also oversees the day to day operations of programs, for it establishes the necessary regulations or administrative policies which govern departmental operations. 17

The Treasury Board is linked to cabinet in structure and operations. In terms of structure, the Board has representatives at all
major cabinet committee meetings, from the Priorities and Planning Committee, to the area "functional" committees "...thus ensuring the Treasury Board and its Secretariat are fully aware of the program decisions and the emerging priorities of other cabinet committees...."

Operationally, the Board serves as a filter through which the ideas and proposals from both departments and cabinet committees are vetted at one stage or another in the policy process. However, within all these processes, the establishment of policy appears to be a tremendous mixture of mixed motives, of contradictory goals and desires. With respect to Treasury Board operations and the establishment of the budget, Johson has pointed out that it is a complex process.

"This process requires, as has been said, an understanding of the several goals of government and the relative importance attached to each of them by ministers, a knowledge of the myriads of policies and programs of the government - both present and proposed, and an appreciation of how they relate to both the goals they are designed to achieve and to complementary or competing goals. It also calls for reliable information as to the effectiveness with which particular programs - and hopefully alternative ones - are achieving, or can be expected to achieve, the specific goals for which they were designed, as well as information as to the side effects the programs may have upon the accomplishment of other goals. A clear idea is needed, too, as to the efficiency with which the government's programs are being administered both of and by themselves and in relation to one another." 18

The coordinating role of the Treasury Board, between the cabinet and the departments "...places it in a vital position in the resource allocation process." 19 In short, it is concerned with efficiency in government - but with efficiency of various kinds. Johnson has realistically suggested that there is more to the concept of efficiency than merely administrative efficiency, a traditional concern with good management and effective financial control. He pointed out that the
concepts of policy efficiency, service efficiency, and political efficiency are also important particularly in an era when "...government is the largest service industry there is." Policy efficiency is the first step "...as a matter of making the right policy decisions, of selecting the appropriate programs in order to achieve the government's objectives." Service efficiency pertained to realtions between institutions and the public, for example, in terms of government "responsiveness" to the public, or in terms of parliamentary control of government processes. Political efficiency seemed to be required simply through the demands of the political process, and an important factor as"...efficiency in government must be measured not in economic terms alone." Then Secretary of the Treasury Board, Johnson added, "...whether there are three or four dimensions to 'efficiency', however, the PPB expert must take them all into account."

The translation of ideas into action is not only related to the structures of policy and decision making, but as we have seen at the level of program policy, is also related to how they operate. One of the key elements in the "rational" process of decision making within the government is Planning, Programming and Budgeting Systems. PPBS, according to White and Strick,

"...places emphasis on planning, on the identification of departmental programmes, and objectives, and on quantitative techniques of evaluation. The objective is to increase efficiency in the allocation and utilization of resources. Greater responsibility will be (is) placed on departments in that they are granted increased financial authority to act, but are held accountable for the efficient management of the financial resources placed at their disposal." 21

In the early 1970's, Johnson expressed the hope that PPB would help the government to move beyond incrementalism in decision making to
move to more "rational planning", for in his view,

"...to succumb to 'incrementalism', to make decisions only at the margin, is to fail to get at the fundamentals of PPB analysis. 'Incrementalism' does not lead to an evaluation of the many programs which contribute to the same goal, nor does it lead to an examination of the inter-relationships between programs which serve different goals. It does not even, in itself at least, lead to the removal of the more obvious contradictions and failures in coordination." 22

Johnson did point out that it was first necessary to understand the context for PPB, to understand policy decisions, for he believed that the PPB expert could serve only as an adviser, and not replace politicians "...whose duty it is to make decisions." Presumably, Johnson referred to some conception of fundamental decision, for he noted that goal conflicts exist and that politicians must make basic choices. The approach is complicated by the fact that, according to Johnson, programs themselves may be judged by multiple measures of "efficiency", including of course, "political efficiency." In addition to the problem of goal conflict, and the problems of assigning a measure of goal efficiency to programs, programs themselves may serve more than one goal, or "...they may even have come to serve other goals than the ones which the program was established to serve." Even the whole political process contributes to problems of policy creation, according to Johnson; it is more "intuitive than scientific", that is, there is no rational setting down of priorities and goals in a concrete and orderly manner. He added,

"Rather the political process tends to identify and to resolve problems within the context of unstated or implicit goals or objectives. People tend to think more in terms of problems - the problems of unemployment or the problem of inflation - or in terms of programs - unemployment insurance or wage and profit guidelines - then they do in terms of objectives - stable economic growth or a fair distribution of income." 23
Interestingly enough, even given his own interest in more "rational planning", Johnson did recognize the importance of existing modes of decision making - incrementalism. "This is how a large proportion of public policy decisions are and must be made, given the scale of government and the very nature of social change."24 Others within government have argued that one's attitudes toward decision making is a matter of perspective. Yeomans, then Deputy Minister of Supply and Services, suggested that "...from the politician's point of view, their decision making is very rational, because they evaluate and weigh the 'soft variables' such as the sociological, political and cultural effects of a program which are usually omitted from an economic study."25

The style of operation of institutions appear to be as an important a factor as their structure, or "technique". For example, Johnson somberly noted that, through a preoccupation with management and administration, the Treasury Board ran the serious risk of abandoning one of its major roles, that of overseeing the development of policies aligned with cabinet priorities. To some extent, Jackson and Atkinson have put forward similar arguments. In practice, the operation of the Job Creation Branch programs has tended to support this view too.

Part of the problem may rest with public conceptions concerning the role of government. In general, we all expect government to have "policy" - policies on everything except the weather.26 Indeed, we may have come to expect too much. In the case of the direct job creation programs, it has been suggested that the most suitable
conceptualization is that of programs within a quasi-policy or residual-policy area. However, it is extremely doubtful if residual-policy area programs like the direct job creation programs can overcome some of their basic program policy difficulties, given that senior government structures like Treasury Board have equated the idea of policy with that of management by objectives, or other equally limited approaches. This lack of vision, coupled with the instrumental importance of the Treasury Board, for example, in setting program criteria in job creation, has served to frustrate the potential development within programs at worst, and at best, provided such a rigid framework for operation such as to reduce programmatic activity to merely ritual behaviour.

In practice, it would appear that the formal aspect of "problem solving" rests less with a complex appreciation of the environment, the issue, possible solutions, side-effects or spin-offs, impact, consequences, analysis and resultant modifications, than in a fragmentation of analysis into "manageable" problem areas or objectives. Programs become the instrumental means of achieving "priorities" or "goals", but wither policy?

This failure, in conceptual terms, has had practical consequences. Management by objectives within the formal program area presents program operators with interesting problems. While, on the one hand, permitting a narrow focus of energy for the solution of manageable problems, it simultaneously reduces the problem area and objectives so greatly, that only a minor aspect of the original
problem can be dealt with on a piecemeal basis. As a result, there appears to have been engendered within government a reflex wherein narrowly focussed programs are justified in terms of large, diffuse, and hopefully positive objectives. OFY's dedication to the solemn cause of "national unity" would seem to be an example of this kind of behaviour. Unfortunately, this approach ill-served those seriously interested in attempting to deal with problems or issues, but helped in achieving program approval, justified civil-service jobs for incumbents, and incidentally, contributed to the debasement of the language. There is always the unspoken, but generally assumed sense that eventually there will be enough programs to solve all our problems. On the other hand, Jackson and Atkinson maybe right when they point out that the fragmentation of the policy process has resulted in a situation in which ministers (and departments for that matter) do not develop legislation in relation to the government's goals "...but use the goals as rhetorical categories to justify their legislation." 27

The very confusion which affects the governments approach to "policy making" is reflected in the manner in which solutions are entertained concerning existing problems. For the Treasury Board, and other institutions, there is a growing awareness that the massive expenditure of funds does not always contribute to successful problem solving. The Treasury Board itself has noted, with reference to recent experience in various federal departments, that "...the implied rationale supporting the demands by departments for increased program expenditure seemed to be, simply:"

"the richer a program becomes, the
According to the Treasury Board, the major problem in this regard is the lack of adequate measures of the efficiency and effectiveness of government programs. Thus, within the narrow confines of a programs approach to the solving of public problems and issues, they are unable to break beyond the concepts of further rationalization, the problem of technique, to the prior concept of problem; that is, to pose the significant questions that government must begin to ask.

Treasury Board's proposed solution to the existing confusion in spending is, for the most part, the establishment of more rigorous accounting procedures and systems, through the use of Operational Performance Measurement. Within the PPB system itself, OPM was designed to improve the program evaluation capabilities of the Board. The development of OPM is the responsibility of the Planning Branch of the Board. Treasury Board emphasis on the development of new techniques to better evaluate the performance of existing programs is only part of a much larger attitude, one in which it is held that all basic societal problems are amenable to solution through some tinkering, or "fine tuning" of existing mechanisms to deal with these problems.

Indeed, the breaking down of problems into specific targeted areas for the application of programmatic solutions seems not only to serve the best interests of bureaucrats and politicians, who can therefore be seen to visibly "respond" to an issue, but to protect them simultaneously. It is very difficult to accuse program administrators of "failure" when the fragmented mandate given to them precludes the
possibility of taking serious action to solve societal problems in the first place. Questions about the merits of such an approach are not taken seriously in a government which conceives itself of administering programs of all kinds to solve problems. There appears to be a willingness to go on extending programs to "fill gaps", and a basic unwillingness to admit that not all significant problems are permitted to appear on the political agenda or shopping list.

Although there is a growing recognition of the limits to government growth and spending recently, program creation has generally been viewed as traditional, easy, quick, simple, and safe. Indeed, much of governmental activity has become reduced to this form of performance. Thus for the Treasury Board,

"The Cabinet, for example, in the process of conceiving new programs or determining the need for changing or eliminating existing ones, must recognize the social preferences, both expressed and implied, of the various segments of society. In light of these preferences, Cabinet can decide on the extent to which the government will take action to satisfy them. Once a decision is made and Parliament passes enabling legislation, funds are allocated according to Cabinet guidelines to the appropriate government departments and agencies." 31

Policy is presumed, therefore, to "take place" at the cabinet level alone, and would largely seem to consist of setting hierarchical priorities, validated by the fundamental justification that "...the final objective of government is to improve the well-being of individuals and their families." For Treasury Board, the very fundamental and revealing problem, from their perspective, is that "...no single measure of well being is as yet available." 32 It would appear that the Treasury Board approach to policy, programs, and the relation of the individual to the state, is not dissimilar
to that expressed in the concept of the service state, or by Johnson, who characterized government as the largest service industry in the country. After Titmuss, and Marshall, we begin to ask important questions such as, "Whom does the service state exist to serve?"

In practice, it would appear that the "policy prism" is rational in structure but less so in operation, although the issue is less clear in face of processes which seem to require secrecy as a minimum for the maintenance of ministerial solidarity. Almost twenty years ago Johnson described a "functional" division of labour in the policy process that, from the Treasury Board perspective, seems apposite even today. He said, in part,

"The definition of objectives is surely the job of the ministers; the formulation of policies and programs for achieving the objectives, a job for ministers and their senior officials; the designing of administrative methods for executing the programs, the job of operating personnel in the departments." 35

In this view, programs are seen simply as the instruments of policy, which in turn, is simply the active expression of "objectives" established at the cabinet level. The role of the budget official was simply seen as one operating within the framework created by government planners. The meeting point for the planning and budgeting aspects of government policy making was seen to occur through the evaluation of policy instruments, that is; "...the evaluation of programs in relation to the policies implied by government goals."

In practice, the operation of government is much more complex than would seem to be implied by Johnson. He did point out that the
prime responsibility for efficiency control has come to rest with the individual departments, for a tendency has developed to let the departments manage.

The enormous growth in government spending, and "policy" initiatives in a number of areas, among them direct job creation programs, has been accompanied by attempts, as we have seen, to develop more efficient structures for decision making. While the structures appear to have lost, or almost have lost financial control over the operations of government, according to the Auditor General, it may be similarly possible that control has been lost of the policy processes within government. Confusion of ends and means, and the substitution of problems of "technique" by core institutions like the Treasury Board for substantive issues, has contributed to blurring much of the operation of government. The consequences of this uncertainty, and confusion are well illustrated by the experience of the direct job creation programs.

Full Circle - Survival

The tendency to "let the departments manage" on the one hand, coupled with a preoccupation on the part of Treasury Board with management and administration, on the other hand, has meant in practice the devolution of a great deal of responsibility to the program managers to develop program policy. The result is a peculiar situation in which the departments have a responsibility to evaluate their own programs, and make suggestions concerning their future operations. In
one sense, the departments themselves may have become the interpreters of the broad objectives outlined by cabinet, and through practice, technical expertise, and the gradual devolution of responsibility, have become the source for some policy suggestions at the early stages of policy development.

The management and financial aspects of program operation are much more circumscribed by "rational procedures", as Jackson and Atkinson have claimed, than are the policy processes themselves. This appears to be particularly the case when cabinet objectives appear to be contradictory, and so vague as not to provide adequate direction for program operation and development. The weaknesses in the structure of institutions involved, and the style of policy making tend to emerge directly in the departments and program operations to which "policy" is deemed to apply. This was particularly evident in the case of the job creation programs.

By the end of 1975, the programs of the Job Creation Branch had reached the logical culmination of their developmental processes. Throughout its three years of operation, the Branch had demonstrated the capacity to develop and deliver programs from the national level to the field level in an efficient manner. In the words of one analyst, "...conceptually the achievement is recognized in the international attention and modelling that JCB has provided, and organizationally in the esteem and fear/respect with which the JCB is held by other branches of Manpower and Immigration and other Departments." Indeed, the JCB model had been studied and copied in both Australia
and Britain, and interest had been shown by a variety of other countries.  

While its programs were being emulated elsewhere, however, serious problems were beginning to emerge within the Branch, and appeared to be recognized as such - at least up to a point. The then director of policy for the branch observed, "Although we have successful program formulas and a positive public image, there are significant dangers of erosion, stagnation and bureaucratization all around." The problem of the Branch was that of survival, as the director concluded, "... the process of renewal and development is the issue that we now have to face." "Renewal" meant more than a simple internal program "face-lift", but as annual programs, approval to continue had to be secured each year.

Within the confines of the Branch itself, problems of "policy" had become reduced to the imperatives of survival. As might be expected, the extreme vulnerability of the programs over the years - to public attack, internal project abuse, the scrutiny of the Auditor General, and political attack - had influenced Branch operations. The first three threats were generally dealt with through the development of more rigorous accounting procedures. Clearly, it was the political relationship that was the most important, the most delicate, and the one which was paid the most attention by Branch staff. Promotion of a "positive image" and the development of a "pork-barrel" relationship with M.P.s from all parties, seemed to have cemented the Branch relations with the House to the point where it could be opined that "...politicians make jolly bedfellows." Further, the very political foundations of program
survival were clearly indicated.

"They (the politicians) enjoy the salience and constituency presence that our program seems to give them at the grass roots level. While the symbiotic attachment of JCB programs to the party system can be criticized from the point of view of bureaucratic purity, it has ensured a level of political support and caucus clout that has guaranteed not only the survival but the growth of resources for programs. From a perspective of democratic theory, this overt political participation shifts responsibility to elected representatives who are answerable to their own electors. This political constituency is a valuable asset in supporting programs that have no legislative authority and which must seek Cabinet sanction several times a year." 40

The JCB had achieved success with OFY and LIP, for they had "...defined but limited objectives served up regularly and delivered quickly." The potential of CES was not yet apparent to the JCB analysts at that time, so while OFY and LIP appeared to be overtly instrumental and rather narrowly focussed, they felt that only LEAP appeared to have any potential for the development of long term community employment and job creation. E-LIP was simply too small, too experimental, and too well hidden by the other programs to be visible. The overwhelming success of LIP and OFY and the accompanying complacency within the Branch moved their analysts to pose "new" questions.

"How can we move beyond those successful formulas to continued growth, developmental policies, and organizational change? What ought our objectives to be in the next 3-5 years and what should our strategies be to get there? Does JCB need or want a face lift? Can we not elaborate our own five year plan? Without our own plan of development and a strategy to achieve it, we will have to react to the plans and initiatives of others." 41

During the early years, the focus for programs like OFY was the development of the individual participant. In a few short years the overarching concerns of Branch analysts had become their
own survival and growth. There was also exhibited a recognition of inter and intra-departmental rivalry, and the necessity for continued growth, or, in their view, inevitable decay.

If the internal, inward looking aspect of the Branch analysis of its own operations seemed overly narcissistic, this concern seemed to be more than balanced by an appreciation of the larger issues that made program survival, and therefore Branch survival, important. Indeed, they complimented themselves on one of the effects of the programs which, in their view, produced "...an awareness and recognition of the legitimate aspirations of a community level of life." It was felt that "...the explicit assumptions under which JCB operates are gradually eroding the previously economic context of the deployment of human resources that has typically characterized Canadian macro-economic policies." Their own rhetoric had become real to them, and the import of this development was reflected in the consequences it had for their own thinking and behaviour. For example, while it was believed that project activities served as learning experiences for participants, it was also believed that the same was true for staff, and this experience could be marshalled to justify the continued survival of the programs.

"This program experience means the JCB and its personnel are a reservoir of knowledge and experience in terms of how government performs its functions of social integration. It has created an empathy and credibility with local groups, organizations and individuals. The problem is how to capitalize on this goodwill in moving beyond our status quo." 42

Movement beyond the status quo did not appear to imply a movement beyond the basic failings within the programs themselves, the formulas which they thought to be efficient and satisfactory. If perhaps
the programs were not completely satisfactory, their failings appeared to be of secondary importance compared to the issue of Branch survival as a whole. Was it not, after all, a Branch to be held in "esteem, fear and respect?"

By the closing months of 1975, the staff of the JCB were well aware of the potential disaster looming in the unemployment figures, in terms of the high levels of unemployment and the kinds of unemployment that might be expected. The Gratias paper predicted that unemployment levels would rise well above seven per cent and "...the actual number of unemployed could exceed one million during the opening months of 1976." In addition to demand deficiency unemployment, the staff were also aware of traditional unemployment due to seasonal factors, and, more significantly, due to the increased level of frictional-structural unemployment in Canada. It was predicted further that such conditions would persist over the next several years such that "(E)conomic reality then is going to provide an environment that will continue to demand employment creation, political constraints notwithstanding, at a rate that the private sector cannot sustain."43 Accordingly, while it was felt that LIP did have an impact on seasonal unemployment, in light of their own projections, that the program would have to "...adapt to conditions that need a larger intervention by the public sector."

The incredible irony of the situation appeared to be that, given an excellent diagnosis of the unemployment program, a projection of its future development, an understanding of the complex nature of unemployment, and a realization that the Branch had the experience,
knowledge and "credibility" to offer policy suggestions of a genuine kind, the staff analysts appeared to retreat. By the end of 1975, then, the Branch appeared to be right back at its foundations in terms of the questions that it was beginning to ask. It was felt that a "clear articulation of Branch objectives" was required, along with "a statement of management goals," and an "identification of program gaps, developmental policies and strategies to get there." In their own view, they found themselves in a chaotic administrative situation characterized by "...internal and external organizational tension and uncertainty," with delegation and authority problems owing to centralization-decentralization tendencies within the organization. Further they recognized "...the absence of national and well-articulated policies over and above the sum of individual program objectives," and the expenditure of a great deal of time and energy on what could be called "organizational maintenance." As one Branch member observed concerning continuing, exhausting management conferences; "(W)hen are we going to be able to stop saying: We've got to stop meeting like this."

Only one interpretation of the Branch members' concern seems to be consistent with both the context of the times, and with the actual operations of the Branch itself. The primary problem of the Branch, according to its own members, was that of survival. The cancellation of OFY, rationalized by the Prime Minister as an "anti-inflation" move, simply demonstrated to the JCB staff just how vulnerable they really were. Indeed, of the 960 staff members, only 167 were actually "permanent" employees, and the remainder were on various short term contracts.
Centralization-decentralization tensions reflected the Branch director's interest in structural experimentation, and Ottawa-field power struggles, wherein provincial managers attempted to assert their own authority, in view of their more intimate knowledge of local conditions. At the same time, empire building was not unknown in the field, as was the case with Quebec, where intense planning of management superstructures was intended to create a lot of well-paying, permanent management positions, but little else. Paradoxically, some form of national purpose and financial control, especially, required strong central authority, but the day to day exigencies of "crisis management" required the exercise of much provincial authority and responsibility at the local level.

The initial impetus, the "idea" for the OFY experiment, had become so routinized, that it was difficult to break away from the well trodden paths of programmatic activity. Indeed, the "new" strategies called for largely involved the rationalization of existing activities, which were to include "...a process of program development and experimentation to identify gaps and priorities...." Presumably, this process would include a greater emphasis placed on LEAP, the major long-term job creation program, additional cooperation with CES, an exploration of relations between the JCB and the Unemployment Insurance Commission, a better use of existing resources, identification of evaluation problems and some activity in the area of "...youth oriented resources beyond summer student programs."

In the final analysis, the "new" strategies were really the same tired suggestions. Essentially, the Branch continued to engage
in crisis management in its day to day operations, even in view
of the cancellation of OFY, for it was not generally believed that
OFY was discontinued for the reasons which the Prime Minister
officially outlined. In the staff view, their existing "policy
development process were "...tainted with our organizational
history of panic-oriented, crisis management techniques." The ad
hoc nature of policy conferences, committees, task forces and the
like were characterized by poor preparation, lack of information,
and an inability to move beyond operational concerns - day to day
activity. In the process of becoming a large, sophisticated organ-
ization, the intimate knowledge of operations became compartmentalized
and understandings of the purposes of the Branch and its programs,
obsured.

Finally, the acknowledged lack of national policies over
and above the sum of individual program objectives seemed to take
first place in the preparation for a major managers conference at
the end of 1975. The then Director of the Local Initiatives Program
flatly suggested that "...before we can move ahead in the articulation
of program policy, there is a need to articulate the real issues and
to identify the problem or desired objective."45 Accordingly, an
attempt was made to strip away the prevalent "myths" in the organization -
to try to move beyond the rhetoric of the past toward a new a more
realistic appraisal of the Branch and its operations.

"An example of a sacred cow which was successfully unmasked
was the premise that politicians had no role in the routine
operation of a government program. While the premise was not
articulated, specific structures were introduced to 'protect'
the program from political interference. In hindsight this
premise was not quite accurate and considerable energy was wasted on 'defence.' It may be interesting to note that the premise which has replaced the erroneous one is also not very well articulated and in essence our policy on political involvement in the program continues to be articulated through delivery instruments." 46

In addition to the "sacred cow" of political non-interference, basically a trade-off of MP involvement for MP program support, the staff questioned the necessity for universal starting rules, contribution ceilings, the fear of profit making, and the role of the sponsor.

In the last analysis, although the JCB policy analysts proposed a variety of suggestions and strategies in a conscious review of past programmatic activity, they were unable to break beyond their situation in any creative sense. As one staff member pointed out, they operated in an "oral culture", one which, unfortunately, both time and increasing size and complexity had rendered obsolete. The staff analysts found themselves "...overwhelmed by the enormous volume of raw data and experience which this Branch has accumulated and the extreme poverty of coherent information on which to base policy and strategy recommendations." 47 Some attempts were made to gather such information, with respect to LIP, but it appeared that there was a notable lack of "consensus" concerning the strategies and objectives of the program. Claiming the need for just such direction the analysts observed that "...this task is all the more difficult in an innovative program in which the strategies are subject to constant change."

The impact of the failure on the part of high levels of government to clearly delineate "policy" for the job creation programs
was great, particularly as the staff eventually reached the stage in 1975 of no longer being able to ignore "policy" in favour of program development. Left simply with a collection of vague and nebulous objectives, which could not longer be adequately defended, the Branch was particularly concerned with some form of change in that they recognized their own vulnerability. Confronted with problems of administrative efficiency, policy efficiency, service efficiency, and political efficiency, it had appeared that OFY had fallen victim to the last of these, the one criteria least susceptible to departmental control or influence.

After the first heady days of program implementation, operational concerns became the major issues within the Branch. Emphasis on the "delivery of government", and good financial control, coupled with internal departmental struggles for control of the programs left little actual time for program policy analysis. In house evaluations tended to stress program achievements in an uncritical manner, with the exception of the first OFY evaluation which was a passing abberation - or were kept out of circulation. Even within the department, the planners and managers did not meet over program evaluations and analyses since little of the necessary information was gathered in the early years, or in the later programs, if gathered, then shelved. Critics from without the Branch were if anything, less well informed, but at least had the advantage of a perspective through distance and time in which to present their views.
The Problem of Interpretation

As noted in the earlier chapter on OFY, we continually seem to be confronted in analyses of Job Creation Branch Programs with differing perceptions of different levels of social reality. The necessity for coming to some form of adequate theoretical perspective concerning "policy" has been underlined through an examination of the inability of the JCB internal analysts to distinguish between the concepts of policy and program. Indeed, the net result, for such misconceptions do have consequences, tend to lead one to unduly pessimistic conclusions concerning the process of policy within government. Even the mode of analysis stressed by Treasury Board contributed to the continuing problem of policy conception within the Branch, as the search for policy was reduced to a search for evaluative technique. Similar problems existed elsewhere too.

What were the programs of the job creation branch? From the official government point of view, their major focus seems to have been on the problem of unemployment. However, with respect to OFY for example, the initial Task Force Report clearly pointed out that the roots of discontent and unemployment among youth went far beyond the creation of simplified work projects and their prosecution. In the case of LIP, there was little contemporary evidence available to its creators to indicate precisely what aspect of unemployment they would be affecting - other than it occurred in winter, in areas of high unemployment, and could probably be called seasonal unemployment. Furthermore, it was difficult to challenge this premise, at least for the program administrators, for an evaluation component was not
built in the LIP design for purely political reasons.

As a result, it was not until some major evaluative studies were undertaken on a contract basis - which meant many of them would not be made public - was it clear that some problems had begun to emerge. It was clear that LIP was not attacking the problem of unemployment except on a very limited scale. Further, it was not exactly clear what kind of unemployment LIP tended to affect, for begun in face of increasing unemployment levels, LIP actually appealed to a type of unemployment that appeared to be on a decline. Seasonal unemployment actually declined during the period 1961-1974, and by the 1970's, both structural and frictional unemployment had begun to increase. During this period it was felt that structural and frictional problems accounted for the largest proportion of the unemployment problem and that the proportion could be expected to rise. 48

Only LEAP or E-LIP seemed to be directed toward having a long term effect on the unemployment problem, but by the nature of their size, could only have a marginal effect. By the end of the second or third LIP program, the staff had enough experience to understand the limitations of the program, but essential changes were not made, and emphasis within the Branch was placed on more efficient internal financial administration, control, and structural reorganization. Bound by an approach that admitted only the creation of programs for the solution of problems, through the declaration of management objectives, the Branch staff were simply unable to break away from
the dominant approach to policy analysis.

As a direct result of the failure of the JCB program operators, and the government for that matter, to come to grips with the contradictions in their own analyses and behaviour, others took it upon themselves to deal with these policy or quasi-policy areas. At the C.D. Howe Institute, Goldman felt that the major problem at hand was unemployment, in relation to the most important policy area, the economy. The costs of unemployment to the individual were seen as a minor theme, for in Goldman's view,

"Unemployment represents a real cost to society in terms of both idle productive resources and the inefficiency often associated with high job turnover. It is also a cost to society in the form of a drain on governments revenues to finance unemployment insurance and social assistance and personal costs associated with the individual's loss of economic independence." 49

As Goldman emphasized the economy, the criteria of judgement concerning the effectiveness of program activity were reduced to the instrumental concerns of "stabilization", "equalization", and "transitional employment." Based upon these criteria of judgement, LIP did not fare very well according to Goldman, in terms of contributing to anything but some needed public services.

From another point of view, but one in which the dominance of the "economy" was equally emphasized, Miner and Roussopoulos argued that LIP, OFY and similar programs were largely political gestures to significant minorities - the unemployed - as a by-product of government. In their view "...what is provided is but the image of economic and social change; in fact the programs serve to strengthen the system and confirm the power of the dominant class which is the
This theme emerges particularly forcefully in Huston's analysis of OFY.

The problem of "buying off the revolution" was feared by the staff of OFY, and, according to Huston, was actually accomplished through the funding of projects for the pursuit of "meaningful activity." In his view, "(T)hat the psychological satisfaction of the participants in the programmes is more important to the government than what is actually done in the projects is clear." The major thrust of the projects, according to Huston, was to create some form of displacement activity to "impair a sense of involvement to marginal youth in society." For Huston, the operation of LIP seemed even more pernicious.

"...the very nature of the program is designed for the educated unemployed, that is, those that can prepare, organize, and administer a project. In both cases the target group is primarily those who constitute a threat to social stability." 52

The very nature of the majority of the projects, service activities, pursued in the job creation branch programs seemed to underline the "band-aid" approach to the solution of social problems. This almost incidental treatment of the problems of the citizens resulted, according to Huston, not from a genuine interest in providing transition points for the unemployed, as Goldman would have it, but for the continued maintenance of traditional economic authority patterns in capitalist society. Huston concluded,

"On the social level, programmes such as OFY and LIP signify an unprecedented concern for the control of social consequences of economic behaviour. The isolation of marginals produced by capitalist society can no longer be left ignored. They must be integrated in order to eliminate any traces of a possible resistance." 53
It can, of course, be seen almost immediately that Huston's and Goldman's view of OFY and LIP appear to differ radically although each emphasized the importance of the economy, albeit from a somewhat different perspective. While these analysts concluded that OFY and LIP could not really be defended as an appropriate measure to deal with a specific problem - with the exception of the provision of needed public services - Branch analysts themselves were preparing to reverse their direction, to de-emphasize the social aspects of the programs. In view of the OFY cancellation, it was felt that in times of "...restraint and retrenchment, direct job creation cannot be justified merely in terms of social objectives or facilitation of community development."54

According to the Branch analysts, one of the major problems at hand seemed to be political. They were quick to scent the changed emphasis that government placed upon the economy. "Purely social objectives, if not attached to measureable economic impact do not carry enough weight in terms of analysis of the government's general intervention as a public policy."55 Even Goldman seemed to recognize the impact of the political aspect of program activity in terms of analysis. She argued that financial cutbacks in JCB programs were probably made "...in order for the government to establish immediate credibility in its fiscal restraint program, it had to cut programs what were visible to the public and that affected individuals with little political clout."56 We are thus forcefully reminded of Doern's warning concerning the exclusion of political
factors in public policy analysis, and of Titmuss's observation concerning the rise of the pressure group state in the irresponsible society.

Goldman's recommendations concerning the development of a three stage process for direct job creation might well have been of interest to the JCB analysts. She suggested a long term strategy be created to respond to different employment needs. The first would involve long term projects to create jobs, like LEAP; the second, transitional employment, in LIP form acting as recycling projects; and short term winter works projects that could be mounted easily and quickly anywhere. And yet the imperative of perspective remained paramount, even given a deteriorating employment situation,

"...At present the need for fiscal restraint places real constraints on the funds available for new programs for which there are not statutory commitments, it would be unrealistic to recommend a major increase in the total manpower budget through job creation. However, job creation programs can provide a non-inflationary route to reducing the rate of unemployment by simultaneously meeting the public demand for services and employing individuals who have difficulty finding and retaining work." 57

While it would be interesting to see how some fundamental changes in analysis might result from a reappraisal of the Job Creation activities on Huston's part, in view of Goldman's observations, the result might well be the generation of more heat than light. Not only does it appear that one's interpretation of the state affects one's view of events within the state, but the reverse may also be true. As Roussopoulos and Minser have claimed, an emphasis on the study of political economy in the emerging phenomenon of state intervention in
the capitalist order may offer new clues to its origins, development and eventually, its transformation. Along with the traditional image of the welfare state, they suggest that the image of the capitalist state is long since overdue for the dust-bin of outmoded concepts. In their view, the new image of the state is to be founded in the growth of the public sector.

Growth in the public sector implied the gradual intervention by the state apparatus into all aspects of society, the purpose of which is, according to Milner and Rossopoulos, "...to serve private capital, and those segments that are owned by the state are never-the less private in their fundamental purpose and thrust." Ever increasing intervention to support the capitalist system in face of, and required by, systematic perturbations has required ever newer and more adventurous band-aids to meet political opposition. In the case of OFY and LIP, according to the authors, the projects simply represented a "...new and sophisticated way in which the State preserves the prevailing socio-economic system, only in this case it is by managing and deflecting discontent." In short, the public sector state is "...not a means of meaningful social change, it is a subtle and powerful means of preventing it," a view far distant from Titmuss's gentle observation that social policies in the modern state, by definition, tend to involve positive change.

The variety of approaches to the analysis of the direct job creation programs suggests that the analysts themselves have prior commitments in much the same fashion as had those in the Treasury Board, or "policy prism", and bureaucracy itself. Indeed, analysis
from within and without government appears to have been a melange of mixed motives, whether owing to a concentration upon administrative control, or day to day management, or to complex authority structures, or owing to a commitment to the existing state of economic relations, or even to their transformation. Emphasis on broad frameworks for analysis, whether the "economy", or "participatory democracy", may add to our repertoire of knowledge, but simultaneously, provide an inadequate basis from which to analyse policy developments within a quasi-policy or residual-policy area. Indeed, emphasis on the concerns of the "forest" tends to leave us with little knowledge about the "trees", the programs themselves, and their significance for the development of policy.

On the Process of Policy

Similar confusion appears to exist within academic circles regarding social policy analysis too, as has already been seen. However, if the very questions that are raised by the observation of the conduct of public activity are not permitted within the dominant framework for analysis within government, for they are not recognized as such, then the role of public policy analysis becomes that much more important. In practice, the rationalist and incrementalist differences in the American mode seem to dissolve in the instrumentalism of "systematic knowledge", and the creation of a "structured rationality" for the "conscious shaping of society." Somewhere beyond this narrow and largely self serving approach, as Helco notes, other possibilities exist.
The process versus content approaches seem to concentrate upon the structures of decision making, the movement of an initial "idea" through to its eventual offering as "policy." Often contained in this view is the conception that the structures of the decision making process are most important, and the consequences of policy decisions, somehow beyond the pale. On the other hand, emphasis upon the consequences of policy, often seem to be related back in terms of importance for the further understanding of policy structures, or in terms of the possible political effects upon the policy-makers themselves.

At least one of these approaches implies some form of evaluation of governmental performance, engendering in part the great value debate concerning the role of the analyst, one which Titmuss rightfully dismissed as inappropriate. However, it is worth noting that Bevan's "This is my truth, what is yours?", used gently by Titmuss, is a validation for the conduct of evaluative inquiry that simply does not apply when analysts generally stop asking the question, or stop listening to the response. In addition, the general fragmentation of policy analysis by area has also tended to create difficulties when it is immediately realized that the pure divisions tend to dissolve as "economic policy" and "defence policy" for example, seem to interconnect in complex relationships upon closer examination.

To some extent it must be accepted that the context in which we live dictates both possibilities and restraints to projected modes of action designed to produce given ends or instil change.
It is clear, for example, in purely economic terms, the Finance Minister does not have all the budgetary resources at his command at a given moment, owing to previously committed funds for continuing activities. Similarly, neither would it seem that any one principle or group of principles could be given priority, in terms of "policy", to the exclusion of all others. The most that can be done, and this the incrementalists would appear to argue, is that simple, short term steps can be taken along a general direction leading to a principled conclusion. On the other hand, it is equally evident that startling new ideas, as in the case of OFY, can take root and be implemented without prior experience. Indeed, it might well be said that the idea of the "demonstration grant" or program has been thoroughly integrated in Canadian federal and provincial departments of government. However, it is entirely one thing to admit to the possibility of a "fundamental" decision as Ugalde would have it with concomitant slow incremental bits of change 'forward', and entirely another to conceive of policy as other than a series of end states, but rather as the gradual development of a continuing movement - action towards a principled end. Indeed, not all decisions are policy decisions, but may culminate in the development of policy, and may help set the parameters of future decisions "...by developing and long-term perspective in issue areas."  

In part, the common approach to the study of the policy process, that is the analysis of a series of institutional steps, decision makers and decisions, toward the development of a final authoritative decision,"policy", precludes thinking of policy in
developmental terms. On the other hand, the approach centered upon the process of policy would seem to subsume all the positive features of the policy process approach, while admitting, permitting the contemplation of the developmental aspect of policy. This is a condition, from the analysts and even the politicians perspective, that may be salutary. For if we are to come to some understanding of all the disorder of facts, systems, and choices concerning certain areas of our social life, according to Titmuss, then it would appear that the more general approach, the process of policy, would contribute to that understanding.

Focus upon the facts of social life seem to have rendered the basic conceptions of the welfare state, for example, untenable, and that of the service state, doubtful. As Prefontaine has suggested, we must begin to re-think our approach to our basic conceptions about society, its problems, and the means to overcome them. Usage of contemporary terms, or images of the public situation, for the analysis of social conditions seem to result in consequences that militate against their usage. At the same time, given the many differences in approach and content of American, British, and Canadian perspectives on social policy analysis, it is clear that Canadian public policy analysis must be rooted in Canadian experience if it is to contribute to understanding aspects of our social life.

In this regard, the idea of "grand policy" analysis sometimes seems inappropriate when it is seen that the predominant approach taken by government to solve social problems appears to be that of programmatic activity. The idea of residual or quasi-policy
areas does not, as Gil might argue, deny the interrelated aspect of policy, but rather emphasizes the partialized approach taken to general "policy problems." This in turn permits us to begin to note the various combinations of programmatic approaches, thus underlining the complexity of social problems, and the exposure of existing fragmentation further makes possible the continuous reappraisal of those areas for the creation of future possibilities.

The reality of existing social conditions presents adequate evidence for the necessity of the inclusion of the JCB programs and CES as aspects of quasi policy or residual policy areas, as a further example of the traditional Canadian approach to the solution of "pressing social problems." However, as has been noted throughout the thematic development of the program chapters, it is equally clear that concrete experience militates against the more simplified and naïve conceptions of programs seen in only instrumental terms. Indeed, it is through a study of the process of policy that we begin to see the complexity inherent in such an approach, and the limitations of previous conceptions of programmatic activity.

The retrospective aspect of programs is simply that which recalls previous experience in a policy area. For example, modern job creation activity is firmly founded on earlier approaches to relief, albeit with some significant differences. Such programs are reactive in the sense that they are usually created in view of the recognition of an existing problem which is current, and deemed worthy of solution. Programs tend to be incremental in two senses. First, they seldom form a radical departure from preexisting approaches
to the solution of similar problems in the past. Secondly, changes within the programs themselves are generally gradual, and limited. The active element of programs relates to the instrumental aspect of their institution; they are created to get something done as efficiently as possible, albeit in conjunction with other considerations. Programs are generally partial in a conceptual sense, in that their narrow focus, while important for validation or implementation, does not permit problem solving on a holistic basis. The provisional nature of programs generally relates to their expected duration. It is presumed, in theory if not in practice that problems amenable to programmatic attack must be amenable to solution, and therefore solved. Programs may equally be viewed as incomplete, in the operational sense that they do not fulfill their own objectives, or in that they are partial, and from the perspective of general problem solving, incomplete. Programs may be prospective in the sense that they may open up further avenues for the creation of possibilities, either through example, or perhaps by other means, for example, by exacerbating an existing problem into an issue that demands a solution.

Individually and collectively, the programs of the Job Creation Branch and Community Employment Strategy seem to illustrate these qualities over the years of their operation. At the individual level it must be recalled that Opportunities for Youth consisted of a number of successive programs ... not one continuous administrative whole. As such it can be seen that a variety of refinements took place within its operation over the years, through an examination of
the process of policy. Much the same could be said for other programs like LIP and E-LIP. LEAP, on the other hand, did have the unique opportunity of planning for a three year mandate, with subsequent extensions, but similarly demonstrated a general internal movement or development.

The Job Creation Branch programs were reactive in the sense of being directed largely toward the problem of unemployment in a context of high unemployment. Traditional economic measures were incapable of providing a solution, and something was needed both from a social and political point of view. The programs were retrospective in the sense that they recalled generations of similar acts and programs over the past thirty years. The active element of their institution can be seen in the direct manner in which the programs achieved results. They were partial in the sense that their narrow focus never permitted the solution of the many broad problems which the programs were officially purported to solve. The provisional nature of the job creation programs during this period was vividly apparent, as the major programs operated for only a few months per year. Individually, all had to be considered incomplete, in terms of their own objectives, and in the sense that their partial nature and the continuing nature of the problems to which they were addressed would ever leave them incomplete. Finally, among themselves, it can be seen that the programs were prospective. For example, the first year of operation of OFY, in spite of its various problems, was used to validate its second program, and the changes made therein. The prospective natures of these programs is most clearly seen at the collective level.
Collectively, the programs of the Job Creation Branch and Community Employment Strategy exhibit the same qualities described at the individual level, for they are all related through the general types of problems which they were directed to solve. The initial success with OFY as an experimental program, or demonstration program, made possible the mounting of the first massive LIP program. An idea had been presented that appeared to work, and was instituted. LIP recalled OFY, which in turn, rested upon earlier job creation experience. Even the winter works aspect of the first LIP program recalled earlier leaf-raking schemes of the 1960's, as initially half the funds were allocated to municipal sponsors. Changes within and between the programs tended to be slow, tentative, but fundamental, and thoroughly incremental to some. The fact that the changes occurred at all seemed to underline the thoroughly prospective natures of the programs themselves, and the activities of their participants. All of the Job Creation Branch programs seemed to be subsumed by the development of Community Employment Strategy, literally and figuratively.

Literally, CES did subsume job creation programs in the sense that they were to be utilized as resource programs for CES activities within the selected target communities. Figuratively, in its charge to create policy, CES drew upon the experience of all the preceding JCB programs. OFY served to demonstrate that it was possible to directly fund the initiative and drive of individual young Canadians in the creation of employment. Stress on individual development and community betterment in OFY, was carried over in the development of CES. CES also included an evaluation component within its design
to monitor the development and operation of the new "experiment."
The CES design also stressed social and economic objectives, the importance of management style, and the importance of community participation.

From LIP, CES drew upon the massive experience of an enormous funding program, geared to the adult level of initiative and interest. Local participatory community structures, like the OFY Local Advisory Groups, and LIP's Constituency Advisory Groups, were recreated in CES as community boards. E-LIP demonstrated the potential of small, local capital grants, even though the program itself was never wholly part of normal JCB operations. LEAP demonstrated the possibility of long term job creation, or retraining for the chronically unemployed, the hitherto "unemployable", as well as their capacity for self-management, and self-development. CES, as chapter five outlined, did not exist in a political and social vacuum, but in a concrete tradition and experience developed by the operation of generations of direct job creation programs.

CES also learned from prior mistakes in the JCB programs. The financial administration of the various projects would have the standards finally developed in the latter LIP programs. The initial antagonism generated by lack of prior consultation in the early operation of the job creation programs was avoided from the very beginning through use of exhaustive consultation procedures, and the creation of parallel administrative structures. The location of CES seemed to be secure, given the Orange Paper view that special employment measures would be required to supplement general economic
policies and that "...such measures should be looked upon as a basic element of the social security system." The direct job creation programs made a revolutionary leap forward, from the conception of providing relief, to active participant job creation. Through a variety of circumstances, the basic impetus for the development of these programs seemed to fade, especially by contrast to the potential inherent in CES.

Toward the Realization of Possibilities

The difficulties encountered by Job Creation Branch analysts, and Branch observers, in attempting to come to grips with policy issues seemed to rest upon an inability to see beyond the confines of the more limited conceptions of program or, on the other hand, an inability to descend from the lofty heights of "policy" to come to grips with the reality of program operation. On the one hand, the problem is engendered and exacerbated by a perspective concerning solving public issues which cannot rise above a short term instrumentalism and on the other, by a perspective that seems incapable of recognizing anything other than "grand policy", usually with the "economy" as the major concern. As Prefontaine suggested, perhaps it is long since past time that we realized "...our basic problems are deeply imbedded in the ways we understand ourselves and our situation, that our present problems are primarily conceptual in nature and not technical, administrative, managerial or even financial."
The inability of either government or policy analysts to come to an adequate understanding of the process of policy within the Job Creation Branch programs, and Community Employment Strategy, has had consequences for the development of both theory and practice. It has been suggested that the ideal of analysis of a quasi-policy or residual-policy area, in the words of the government of the day, constitutes a more realistic approach to the every-day activities of government problem solving. Furthermore, in an attempt to supplement more general institutional approaches involved in the study of the policy process, it has been suggested that the conception of the process of policy be entertained. It is hoped that the consequences of the usage of these concepts will militate in their favour. As the entire work has been titled "Five Programs in Search of Policy", we therefore approach the final task of this enterprise, a discussion of the realization of possibilities, or toward the development of a humanly adequate social policy.

The possibilities inherent in the development of the Job Creation Branch programs over the years have been seen to culminate in the development of Community Employment Strategy. The fifth chapter has traced the origin and development of CES largely in terms of paper policy development, pending analysis of field experience. The potential for CES program activity toward the development of principled policy has generally been recognized as outstanding among Job Creation Branch staff. Whether or not this goal can be achieved rests ultimately in its mandate to create policy for itself, within
its framework for operation. The multiplicity of different kinds of "communities" involved in the program increase the likelihood that one, two, or even more of the projects are going to be an outstanding success. However, while we have suggested that programmatic activity is prospective, and may tend toward the development of policy, over time, there is no necessary movement implied. In other words, the potential invested in Community Employment Strategy, for the creation of policy, may be unfulfilled.

One analyst of the CES experiment has suggested that all employment programs tend to expand during time of need, and retract in time of prosperity, thus ensuring a stable labour market supply, inspite of any other fringe benefits to community included in the original program. Shragge has suggested that the patchwork nature of CES, along with many other programs in the social security and welfare systems, have the dual potential of operating in either or both directions of the pursuit of social, or economic goals. CES was designed to create jobs during a period of high unemployment, and to pursue social objectives as well, according to Shragge. Thus emphasis placed on one aspect or another may prove to be the practical key to understand the development of the program in practice. In short, as has been suggested earlier, it is the actual operation of the program that assumes major importance.

In this regard, Shragge was not optimistic. In his view, Lalonde was basically not interested in exploiting the job creating potential of CES, but rather in the creation of short term seasonal jobs that would not interfere with the needs of the traditional labour market.
Thus, "...Lalonde shifts the priority of the program from community service and creative job possibilities to a program whose priority will be to secure a constant and regulated labour pool." The suggestion of Robert Andras, then Minister of Manpower and Immigration, that CES employment on projects could be linked to UIC or welfare office files seem to point toward the development of a "work for welfare" program. In Shragge's view, the situation was distressing.

"Between Lalonde's limiting the program to those with problems of employability and Andras' work-for-welfare model, a distressing program seems to be developing; a program in which the hardcore unemployed will be forced to work, and a program that will protect in as many ways as possible, the low wage labor pool for the private sector." 64

Other analysts were equally dubious about the possible success of CES. The C.D. Howe analysts suggested that CES's complex authority structure, growing lack of cooperation and interest on the part of both the federal and provincial levels of government, continuing inter-departmental and departmental rivalries, the resignation of key head office staff in the face of few concrete results, and the possibly predominant role of Manpower Needs Committees, instead of local community boards, all seemed to indicate that the program was in serious difficulty. It was concluded that "(I)t now appears that the CES was introduced as a political move and that it may eventually face the same fate as OFY." 65

The failure of the government to deal seriously with problems of unemployment was indicated by the rejection of the Turner budget in mid-1975, which stressed job creation heavily; and then its abrupt about turn, in the face of political necessity when job creation programs were heavily supported. The C.D. Howe analysts suggested
two possible interpretations existed for the governments confusion and lack of policy, given the problems of high unemployment and inflation combined with a declining GNP. First, the Institute suggested that the primary problem rested with the governments view that they had to make a choice between inflation and unemployment. The Institutes report simply pointed out that "...Canada is suffering from the effects of both inflation and high unemployment, and policy makers must recognize both problems as requiring simultaneous policy action." Secondly, it was suggested that the failure rested with the government's inability to "...recognize, differentiate and respond effectively to various types of short turn shifts in labour market conditions." They added, "(I)n other words, there are serious rigidities in the manpower budget and program mix."66

On the one hand, there appeared to be a fundamental error on the part of government in artificially separating the two problems, but on the other, the Institute's suggestions that there were problems with the "program mix" seemed to suggest that there were serious rigidities with their analytical approach to public policy analysis. Failure of analysis of this kind, either to identify major problems, or once having done so, to misconstrue the symptoms for the problem in the analysis, is often a feature of contemporary policy analysis. On the other hand, recognition that policy itself is not necessarily a given within government or institutions, but rather can more adequately be grasped as a process, in some instances, suggests that we can begin to realize the potential inherent in these processes. What then is possible? What can be learned from existing programmatic
activities? In what directions can these activities seem to have
developed, or are developing? In short, what are the prospective
aspects of programmatic activity with reference to CES, and the
possibility of progress toward policy?

When we begin to conceive of possibilities in this manner
we begin to respond to the realities of our existing public policy
experience. In a more optimistic view which parallels our own,
Aster has suggested that all the evidence is not yet in concerning
the possible development of CES. Indeed, from our perspective, almost
none of it is available. And the task is immense, as he has pointed
out, for the task of the program is,

"...to make sense, rationalize, resolve, and solve the
accumulated experience of the role of government for a
period of 40 years in the areas of employment, income
security, manpower services and the government's vague
efforts in the past 10 years at community development." 67

We have been waiting for forty years, and can afford to wait a little
longer.

The context for the necessity for change outlined in the opening
problem-statement of the thesis is seen to be self evident. We must
continue to analyse "strands of events through time" given the
preferred patterns of behaviour of government in the development
and analysis of policy, with all the requirements of secrecy, cabinet
solidarity, and participation from various institutions which contribute
to making the conduct of that study more difficult. The possibilities
inherent in an exercise of this kind are inspiring, if we can contribute
to the development of a "coherent, comprehensive and humanly adequate
social policy."
Footnotes


7. Ibid., p. 121.


9. Ibid., See Ch. 4., pp. 51-73.

10. Ibid., p. 58.

11. Ibid., p. 59.

12. Ibid., p. 60.

13. Ibid., p. 60.


23. Ibid., p. 15.
24. Ibid., p. 19.
27. R. J. Jackson, M. M. Atkinson, op. cit., p. 60.
29. The adoption of PPBS and other "techniques", presumably like OPMS, are pointed to by Jackson and Atkinson as "elements of rational policy making" introduced in the bureaucracy. They feel that the problem is the emphasis on technique at some levels of government is not matched by similar precision at the cabinet level. See R. J. Jackson, M. M. Atkinson, op. cit., p. 59.
31. Treasury Board, OPMS, op. cit., p. 5.
32. Ibid., p. 5.

34. See R. J. Jackson, M. M. Atkinson, op. cit., p. 53. Indeed, for any study of decision making at the highest levels of government, problems invariably occur through the supposed need for Cabinet secrecy, administrative secrecy, or even caucus secrecy. The matter of secrecy intruded in the writing of the thesis, owning the the annual nature of the programs studied, which required for their operation, annual review and confirmation by upper management, Treasury Board, the Cabinet and caucus, thus making the analysis that much more difficult to prosecute.


36. Canada, Report of the Auditor General of Canada to the House of Commons, for the Fiscal Year Ended March 31, 1976, (Ottawa: Supply and Services, 1976), p. 9. Mr. Macdonell stated in part: "I am deeply concerned that Parliament - and indeed the Government - has lost, or is close to losing, effective control of the public purse."


38. A number of countries sent representatives to the Job Creation Branch Headquarters in Ottawa to examine the various programs. "Guided Tours" became a normal part of office routine.


40. Ibid., p. 2.

41. Ibid., p. 2, emphasis the author's own.

42. Ibid., p. 3.

43. Ibid., p. 4.

44. Ibid., p. 4, emphasis added.


47. Ibid. p. 22.
48. A. Gratias, "JCB Where..?", op. cit., p. 3-4.
52. Ibid., p. 101.
53. Ibid., p. 108.
54. JCB Staff, "Where Do We Go From Here," (Ottawa: JCB A., 1976), p. 4.
55. Ibid., p. 4.
57. Ibid., p. 61-62.
59. Ibid., p. 13.
60. R. J. Jackson, M. M. Atkinson, op. cit., p. 16.
63. Ibid., p. 23.
64. Ibid., p. 24.
66. Ibid., p. 66.
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