

The underlying problem is that both the poverty *rate* and poverty *gap* are inappropriate indicators to judge the true success of community-based work which is primarily intended to build social capital.

ARE OUTCOMES THE BEST OUTCOME?

by Sherri Torjman



THE POINT

This commentary challenges the obsession with outcomes as part of the current preoccupation with accountability. It recognizes the need for clearly defined targets. But it argues that many crucial and equally important developments inadvertently can be overlooked in the quest to quantify.

The requirement to perform effectively and efficiently is nothing new. The pressures appear to have become all the more intense in a highly competitive world, however.

The all-pervasive climate of accountability represents a milestone in terms of garnering public trust. It also has created a millstone for the groups that must live with the expectations that the new imperative has imposed. The current obsession with outcomes could end up undermining important work that often gets overlooked in the search for “hard” data.

THE STORY

This story is about Opportunities 2000 (OP2000), a project launched in 1998 by the Lutherwood Community Opportunities Development Association (Lutherwood CODA) to reduce poverty in Waterloo Region.

The project’s long-term objective is to reduce the region’s poverty rate to the lowest in the country. This long-term objective was translated into the short-term goal of helping 2000 households move out of poverty by the year 2000.

In order to achieve this overall objective and specific goal, Lutherwood CODA sought to mobilize the entire community. It set a target of engaging in partnerships with at least 30 community organizations to create a range of opportunities to reduce poverty.

The project also added a unique feature: a Leadership Roundtable composed of representatives from business, low-income households, government, and social agencies. The Roundtable provides overall direction and promotes awareness of the dimensions of poverty and possible solutions.

THE CHALLENGE

OP2000 set as its vision the reduction of poverty in Waterloo Region. The project then had to seek support for its work. At its early stages, all the financial backing came from private foundations and business. A concrete measurable goal was deemed essential to capture the essence of the dream to mobilize the community and to attract financial support - hence the "2000 by 2000" goal. A small phrase involving an enormous challenge.

The problem is that this goal is near impossible to attain, at least within the very tight time parameters of the project and the current economic context: lots of low-paying work at irregular hours. And even if it were theoretically possible to achieve "2000 by 2000," measuring the achievement of this goal would pose countless technical difficulties.

Other problems include the fact that the staff and other stakeholders in a given project can become "target fixated." Regardless of how good the results actually are, they can be deemed inadequate and the project considered a failure because it may not achieve what it said it would as quickly as promised.

A strict focus on a numerically-defined target can make it difficult to absorb new learnings, shift direction, or change practices if required. Another problem is that work which could help allevi-

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ate some of the nonmonetary aspects of poverty, such as reducing the isolation and social exclusion of single parents, assumes less importance than employment-related activity.

On the other hand, the role of psychological factors - especially a community-based initiative trying to mobilize disparate sectors with very different interests and agendas - should not be underestimated. Sometimes a clear numeric goal is the best way to get a project started in order to catalyze a diverse group and focus scarce resources.

Such a concise outcome statement can not only act as the spark to get people moving but also may lead to better results through a more focussed set of actions. Another advantage of clearly defined outcomes is that they can be highly motivating for the staff to encourage them to think "outside of the box."

THE CONCERN

In order to exit poverty, 2000 households would have to see their incomes rise closer to the poverty line by narrowing the poverty *gap*. Moreover, they would have to see their incomes exceed that line, thereby lowering the poverty *rate*.

Reducing the poverty rate would require that the incomes of these households increase, on average, by several thousand dollars. Most workers employed in the current labour market know how hard it is to grow their income by that amount, especially in a short period of time.

But the poverty reduction goal is all the more difficult in the case of OP2000. The project targets individuals who have had problems entering or re-entering the labour market. They may have been laid off from a company that was downsized or closed, for example.

Some of the households participating in OP2000 may not even have had marketable skills in the first place. A significant investment of time and effort often is required simply to ensure that a given worker is "job-ready," let alone "higher-income-ready."

Finally, the economic climate in which the project is operating is complex and difficult. The labour market of the 1990s has become increasingly insecure. There has been growth in well-paid, high-skilled jobs in computer applications and financial services. But the economy also is creating an abundance of unstable, low-paying jobs.

The goal of reducing the poverty rate by increasing household income by thousands of dollars in a short period of time is a virtually impossible task. If, indeed, any effort is made to quantify the project's impact on poverty, it should focus instead on reducing the poverty gap: the extent to which households fall below the poverty line.

Yet even a focus on the poverty gap may be considered questionable as a measure of success. The poverty line construct effectively defines the problem as one of relative deprivation in a strict income sense. Households are deemed to be poor because they spend a disproportionate share of their income on the basics of food, clothing, and shelter.

But there may be many households with relatively low income but substantial assets. They may be cash poor but asset rich, in the case of farmers who own their land, property, and tools. These households may not consider themselves to be poor, even though they fall within the strict poverty-line definition of the term.

A related issue also poses a difficulty. If only the income of some households is taken into account, they may not be designated as poor. But they may in fact have to spend a disproportionate amount of income on "special necessities" because a household member may have a health- or disability-related need, the costs of which are not covered under existing programs. These necessities may amount to hundreds or even thousands of dollars a year, a burden that can create straitened financial circumstances.

Perhaps the most serious problem arises not from attribution complexities or the technical problems associated with gathering poverty data. The underlying problem is that both the poverty rate and poverty gap are inappropriate indicators to judge the true success of community-based work.

THE REAL INDICATORS

The primary purpose of OP2000 (and of most community projects for that matter) is to build the capacity of community members to tackle complex problems and to find ways to ensure that these

efforts can be sustained. The real work of the project is to establish the long-term structures that can enable the community to reduce poverty, change policy, and introduce innovation.

In the language of evaluators, measures of “process” may be more appropriate to community-based poverty reduction than measures of “outcome.” Indeed, process is a major outcome that should be assessed through qualitative as well as quantitative measures.

In the area of process, OP2000 has made substantial achievements. The project has set up an active Leadership Roundtable composed of various sectors. Its members are trying to create community support for poverty reduction through education and raising awareness of the problem.

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A committee of private sector representatives formed as part of the project is developing a human resources guide for employers. It will cover a range of areas including adequate salaries, associated benefits, flexible work time, and training and volunteer contributions to the community, such as mentoring and voluntarism. As a direct result of his involvement in the project, one national employer introduced a pay increase for entry-level employees.

Discussions are under way with the Kitchener-Waterloo Chamber of Commerce. The Chamber is considering the possibility of assigning staff to assist members who wish to become involved in OP2000. This involvement might entail volunteering with one of the community-based projects, mentoring prospective entrepreneurs, or hiring participant households in the OP2000 project.

On another front, OP2000 has engaged in on-going discussions with regional government. The regional chairman is a member of the Leadership Roundtable. Regional Council has committed itself to review its policies and practices to determine how these may create barriers for low-income households.

OP2000 has had an important impact upon policy at other levels. The project has carried out research on the role of the federal, provincial, and local governments and possible changes required in their respective policy areas, including taxes, welfare, and social housing.

At the community level, OP2000 has engaged at least 30 different community agencies in partnerships around various aspects of poverty reduction. The project received \$1 million from Human Resources Development Canada for support of the diverse community projects. The United Way of Cambridge plans to second staff to this community initiative and will help sustain many poverty reduction efforts beyond the duration of OP2000.

The project has promoted awareness about the realities and complexities of poverty through newspaper, radio, and television

stories. Many more community members now have a better understanding of the scope and dimensions of poverty.

But even if the project had been successful in achieving its 2000 by 2000 goal, there still would be other families that would remain in or fall into poverty. Poverty is not a static state in which the same people stay poor all their lives. The changing face of poverty speaks to the importance of income security programs that do just that - provide income security.


The dynamic nature of poverty reinforces the important role that governments play in reducing income poverty by establishing a variety of financial safeguards against the contingencies of life. The primary role of community work, by contrast, is to build the problem-solving infrastructure that effectively mobilizes diverse sectors of the community to tackle complex issues. The role of community-based organizations is to *build social capital*.

While there is no commonly accepted definition of this term, it is often described as the features of social organization such as networks, norms, and trust that increase a society's productive potential. There is growing evidence that the presence of social capital has a positive impact upon the business climate. Countries deemed to have a high level of social capital have been found to perform better economically than countries in which social capital ranks low.

This emerging research is challenging the conventional wisdom that sees social well-being merely as a fringe benefit of a well-performing economy. The traditional goal has been to create a strong economy in order to reap the associated social benefits. But there appears to be a causal linkage in the other direction as well - from social cohesion, represented by dense networks and social infrastructure, to macroeconomic performance.

Social health is not simply the product of a strong economy; it is one of the determinants of a well-functioning economy. A productive economy requires a strong social infrastructure. This infrastructure is precisely what OP2000 is trying to build.

THE FUTURE

OP2000 will still work towards achieving the lowest rate of poverty in the country and moving thousands of households out of poverty. The dream remains alive and the resolve as strong as ever. But the project must also ensure that all the parties involved come to understand the value of community capacity building and its long-term role in poverty reduction. 

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