

**New Zealand Department of Labour  
Occasional Paper Series**

**What is Community Development?**

**By  
Marie France**

**Occasional Paper 1999/7**

**December 1999**

**Labour Market Policy Group**



56 The Terrace, PO Box 3705, Wellington, NEW ZEALAND. Ph: 64-4-915-4742,  
Fax: 64-4-915-4040

Internet: RESEARCH@LMPG.DOL.GOV.NZ

The purpose of the occasional paper series is to promote discussion and debate on New Zealand labour market issues, and to make available to a wider audience the results of research carried out by or for the New Zealand Department of Labour.

A list of previously released occasional papers together with an order form are included at the end of this paper. Occasional papers are also available free of charge from the Department's website at:  
<http://www.lmpg.govt.nz/opapers.htm>.

The views expressed in this occasional paper do not necessarily represent the views of the Department of Labour.

New Zealand Department of Labour Occasional Paper Series  
ISSN 1173-8782

© 2001 Department of Labour, PO Box 3705, Wellington, NEW ZEALAND  
Ph: 64-4-915-4742, Fax: 64-4-915-4040  
Internet: RESEARCH@LMPG.DOL.GOVT.NZ

## **Labour Market Bulletin**

The Department of Labour also publishes the *Labour Market Bulletin* – an annual journal of applied New Zealand labour market research, which contains articles submitted by researchers analysing issues of relevance to the New Zealand labour market or labour market policies. Contributions are encouraged, and will be subject to critical peer review before acceptance.

For subscription information, or to obtain guidelines for contributors, contact the Labour Market Policy Group at the address listed above.

Articles from previous issues of the Bulletin are available from the Department of Labour's website at:  
<http://www.lmpg.govt.nz/bulletin.htm>.

# What is Community Development?

by  
**Marie France**

**Occasional Paper 1999/7**  
**December 1999**

---

*Abstract*

There has been something of a trend internationally towards development at a community level, involving “bottom-up”, community-generated solutions to intractable economic and social problems, rather than the application of “one size fits all”, “top-down” policies and initiatives from central government.

This paper seeks to define community development, provide rationales for the community development approach, and presents some examples of “best practice”.

This paper should be read in conjunction with the literature review by Judith Byrne (*Literature Review on Community Development*, Occasional Paper 1999/6), on which it draws. The paper was also informed by the author’s long experience with the Community Employment Group, and by a consultation with representatives from 39 groups active in the community development area.

This paper was written on contract to the Labour Market Policy Group of the New Zealand Department of Labour. The views expressed in this paper do not necessarily represent the views of the Department.

## Contents

<i>Contents</i> .....	4
<i>Community Development</i> .....	7
<b>1 Introduction</b> .....	7
<b>1.1 Employment climate</b> .....	7
<b>1.2 Costs of unemployment</b> .....	7
<b>1.3 Community development as a means of targeting labour market disadvantage</b> .....	8
<b>2 Rationale for the community development approach</b> .....	8
<b>2.1 What is the problem community development seeks to address?</b> .....	8
2.1.1 How are results measured?.....	9
<b>2.2 Why use a community development approach?</b> .....	10
<b>2.3 Broad social, employment and economic goals</b> .....	10
2.3.1 Building social cohesion & social capital .....	11
2.3.2 Links between social capital & economic development .....	11
<b>2.4 Building local capacity</b> .....	12
<b>2.5 Use of the local development approach to tackle disadvantage</b> .....	12
2.5.1 Human and social consequences .....	13
2.5.2 Economic consequences .....	13
<b>2.6 Maori and community development</b> .....	14
<b>2.7 Community development and individualised assistance</b> .....	14
<b>2.8 The advantages of a community development approach</b> .....	11
2.8.1 Community .....	15
2.8.2 Individuals .....	15
2.8.3 Government .....	15
2.8.4 Business .....	15
<b>3 What is community development?</b> .....	15
<b>3.1 What is a community?</b> .....	15
<b>3.2 What is a community development approach?</b> .....	16
<b>3.3 Community development vs contracting for services</b> .....	17
<b>3.4 What is community employment development?</b> .....	18
<b>3.5 Community employment development in practice</b> .....	19
<b>3.6 Community employment development operating style</b> .....	20
<b>3.7 Outcomes of community employment development</b> .....	21
<b>4 Recent trends in local development policies</b> .....	21
<b>4.1 Bottom-up employment and economic development</b> .....	21
<b>4.2 Entrepreneurship and innovation</b> .....	22
<b>4.3 Decentralisation and accountability</b> .....	19
<b>4.4 Global-local linkages</b> .....	22

4.5	Sustainable development.....	22
4.6	Integration of different players, policy instruments and funding streams .....	23
4.7	Partnership and co-operation .....	23
4.8	Targeting disadvantage .....	23
5	<i>What is a disadvantaged community?</i> .....	23
5.1	Working with disadvantaged communities .....	24
5.2	Community development and Maori.....	24
5.3	Community development and Pacific peoples .....	25
5.4	Urban community development.....	26
5.5	Rural community development.....	26
5.6	Community development and women.....	27
5.7	Community development and youth.....	28
6	<i>What can we learn from communities?</i> .....	28
6.1	Community expectations from government .....	29
6.2	What the community will do in return .....	29
6.3	Community perception of benefits and strengths of the community development approach .....	29
6.4	Practitioners' view on key success factors for community development .....	31
6.5	Community perception of problems/issues in the community development approach	31
7	<i>Best practice/lessons learned</i> .....	31
7.1	Strategy development.....	32
7.2	Strategy flexibility .....	30
7.3	Partnership.....	33
7.4	Kick-start funding.....	33
7.5	Encouraging innovation .....	34
7.6	Developing entrepreneurs .....	34
7.7	Leadership and skilled local staff.....	35
7.8	Local ownership .....	35
7.9	Structure.....	35
7.10	Transferability.....	35
8	<i>Strategic Issues</i> .....	36
8.1	Longer-term development timeframe.....	36
8.2	Evaluation.....	37
8.3	Transfer of knowledge and best practice.....	38
8.4	Devolution, maintaining policy fit and the mechanism for strong connections between the centre and local action .....	38

8.5	Maintaining innovation .....	39
8.6	Managing risk.....	39
8.7	Managing demand.....	40
8.8	Targeting those most disadvantaged in the labour market.....	40
8.9	Developing and nurturing community partnerships.....	41
8.10	Building capacity and leadership.....	41
8.11	Sustainability & dependency.....	42
<b>9</b>	<b><i>Role of government &amp; communities in community development.....</i></b>	<b>42</b>
9.1	Local development partnerships.....	42
9.1.1	Devolution to communities .....	43
9.1.2	Multi-sector partnerships .....	44
9.2	Role of government .....	44
9.3	Role of community .....	45
9.4	Role of local government.....	46
9.5	Role of private sector.....	47
<b>10</b>	<b><i>Conclusion .....</i></b>	<b>47</b>
<b>11</b>	<b><i>Bibliography.....</i></b>	<b>48</b>
	<b><i>Appendix 1 High level outcomes for community employment and economic development</i></b> .....	<b>54</b>
	<b><i>Appendix 2 Community groups consulted.....</i></b>	<b>55</b>

## **Community Development**

### **1 Introduction**

The Department of Labour's Human Capability Framework<sup>1</sup> identifies individual capacity as arising from both the individual and the family and community/society of which they are a part. Individual capacity comprises the skills, knowledge and personal attributes of an individual. Community employment development comes at the issue from the collective side, with the overall aim, as with other forms of development assistance, being to assist in the development of individuals with jobs and life skills who can take their place as full members of society, and to move individuals and communities towards self-sufficiency. In targeting disadvantage, community employment development covers both opportunity and capacity issues – that is, employment development and individual and community capacity building.

#### **1.1 Employment climate**

In a discussion on distressed urban areas, the OECD (1998b:9) noted a number of challenges facing many OECD governments in terms of employment. They are applicable beyond the urban situation and include:

- the need to develop new economic activities to replace industries that have become technologically obsolete or uncompetitive;
- the need for governments to implement policies more effectively in the context of decentralisation and fiscal constraints;
- the value of local initiatives and public-private partnerships to set priorities and develop innovative strategies;
- the need for active welfare policies that provide the safety net, without creating dependence and alienation;
- the close links between social conditions and economic performance and policies that can reconcile the two;
- the limitations of market-based mechanisms in the economy to resolve problems of poverty and unemployment; and
- the integration of environmental issues and the objectives of sustainable development.

There is recognition that fostering economic growth alone may not enable some people to be absorbed back into employment and well-being even in times of rapid economic and employment growth. There may be a mismatch between new job opportunities and the attributes of some job seekers. They may not have the required skill mix, and they may need training – mismatch is more likely to occur whenever the economy has experienced significant, structural change.

In today's employment market, people need literacy, numeracy, and interpersonal skills, the ability to think conceptually, identify and resolve problems. The people most likely to become and remain unemployed include people with low skills, young people, Maori, Pacific peoples, people with little or no current work history, people with disabilities, and those who live in communities isolated either by distance or by poor access to facilities.

#### **1.2 Costs of unemployment**

---

<sup>1</sup> Available on the Department's website at <http://www.dol.govt.nz/publications.htm>.

Persistent unemployment imposes both social and economic costs; these costs are compounded if the period of unemployment is lengthy, if more than one generation within a family is unemployed, or if many people within a community are unemployed. In social terms, unemployment can diminish the sense of purpose, belonging and self-esteem of individuals and their families. These factors may, in turn, reduce social cohesion. In economic terms, unemployment represents a loss of output and productivity, and generates cost in terms of income support and other government services. It also results in a loss of human capital, as skills become outdated.

### **1.3 Community development as a means of targeting labour market disadvantage**

It is widely recognised that job growth in an economy is affected by a number of things, some of which are beyond our control. Within this context, employment policy generally focuses on redistributing employment opportunities, so as to minimise the damaging effects that long spells of unemployment can have on people. Specific measures that tackle the diverse barriers to employment faced by those who have been out of work for some time have included both individually targeted assistance, and assistance provided through community employment development.

This paper considers the community development approach as a means of assisting those most disadvantaged in the labour market, and who are also experiencing broader social and economic disadvantage. It discusses the rationale for and issues around a community development approach, recent trends in local development policies, issues around defining a community as disadvantaged, best practice and lessons learned in community development, community concerns and views, and the role of government.

## **2 Rationale for the community development approach**

This section focuses on perceived problems and how a community development approach can be useful in solving them.

### **2.1 What is the problem community development seeks to address?**

Community development aims to solve a number of problems. They include:

- persistence of economic, employment and social problems (eg, joblessness, bad health, poverty, poor housing etc), despite efforts through the implementation of national policies to solve them, both in particular localities or among particular groups of people (e.g. Maori and Pacific peoples have persistently higher unemployment rates);
- increasing social exclusion, which is perceived as decreasing social cohesion, resulting in higher crime, alienation from mainstream society, and greater dependence on the state;
- the need for a quick response to a crisis/local conflict that strongly affects a community, eg, drought, floods, major employer closures;
- the prevention of further deterioration in disadvantaged communities through information dissemination on successful strategies that have been used elsewhere and awareness of failures and models to be avoided because they are unsustainable;
- the perception that there are close links between economic performance and social conditions and the search for policies that can reconcile the two;
- the need for government to implement policies more effectively in the context of fiscal constraints; and
- the situation of social apathy in depressed areas, where other policies have not worked, and where a climate of local confidence must be generated before change can happen.

(OECD, 1998b; Riccio, 1999; Community Employment Group, 1997a; Community Employment, 1999a.)

### 2.1.1 How are results measured?

The flip side of being able to define the problem is how do we know when we have succeeded? The difficulties of measuring the outcomes of community development work are canvassed in more detail below in section 8.2. However, there are some broad outcomes evaluation seeks to measure, that are summarised in Appendix 1, which proposes a range of high level outcomes for community employment and economic development. They include developing community capacity and leadership, increasing social participation, generating employment opportunities and sustainable resource development.

One of the major issues for community development is the tension between economic and social returns and the timeframe required to obtain the former. A recent OECD report on local development policy suggests that social objectives can play an even stronger role in the pursuit of economic goals. (OECD, 1999: 25 - 26.) As a result, it recommends that evaluations of local development should not place too much emphasis on short-term economic outputs.

Economic outputs are just one of the objectives of local development policy and indeed are often dependent on overcoming social and capacity barriers before endogenous development and structural adjustment can be released in the long term. (OECD, 1999: 136.)

There are also issues around measuring outcomes of community development processes, such as partnership and capacity building. The Aspen Institute suggests eight measures of community capacity building, for example, as follows:

- expanding, diverse, inclusive citizen participation;
- expanding leadership base;
- strengthened individual skills;
- widely shared understanding and vision;
- strategic community agenda;
- consistent, tangible progress towards goals;
- more effective community organisations and institutions; and
- better resource utilisation by the community (Aspen Institute, 1996: Introduction, p 11).

These measures are attempts to pin down some of the more intangible outcomes of the community development process.

Despite the issues outlined above, it is important that community development funders and practitioners are able to show their successes, and understand their failures. This issue is addressed in terms of future directions in section 10.2.4 below.

## **2.2 Why use a community development approach?**

Community development uses a bottom up rather than top down approach, which recognises that local input into solutions is likely to promote sound outcomes. The rationale for intervention through community/local development policy can be summarised as:

- stimulation of employment and economic development (increasing employment, raising incomes, encouraging people to take steps towards labour market participation, and assisting with enterprise development);
- improving quality of life (improving community facilities and services);
- encouraging social participation (enhancement of democratic participation and combating social exclusion);
- conserving and enhancing the environment; and
- increasing community capacity to develop solutions to local problems and act on local opportunities, and mobilising community participation (OECD, 1999).

The community development/community partnership approach is seen as important because of the:

- desire by communities to have more input into problem definition and solution, and for greater self-determination (this has been particularly true for Maori, but exists in most communities);
- perception that "top-down" approaches have not worked, especially in disadvantaged areas;
- perception that local solutions to local problems are effective because of local knowledge of problems and opportunities;
- idea that delivery of services may be improved in terms of local responsiveness if delivered by the client's own community;
- holistic approach needed to community issues, especially in areas of multiple disadvantage;
- need for community ownership of problems and solutions to achieve sustainable outcomes;
- ability to mobilise community resources to supplement government resources; and
- desire for longer-term sustainability of initiatives to combat disadvantage.

## **2.3 Broad social, employment and economic goals**

The broader goal of local development is the creation of wealth and employment for the economic and social benefit of the community and the individuals that make it up. While employment and economic development are seen as central to this goal, local development also looks at issues relating to social cohesion and takes a holistic approach to local problems. The holistic approach is seen as an important part of improving the lives and the living standards of communities and the individuals that they are comprised of.

In communities with high levels of unemployment and benefit dependency, individuals generally experience unemployment as just one aspect of broader social and economic difficulties, including poor health, low incomes and inadequate housing. In order to address these problems, local development aims to tailor interventions to local opportunities and uses a holistic approach, taking the range of local needs and opportunities into account. Communities have varying levels of social capital, financial, natural and human resources and consequently different levels of need.

An Australian action research project (Smith and Herbert, 1997) tracked 80 government funded, local, community-based initiatives. Their qualitative data suggests that value was added to those communities in four specific ways. These were the resourcing, rebuilding and strengthening of communities; the generation of social capital; the integration of marginalised individuals and groups into the wider community including the labour market; and increases in the level of self-reliance, autonomy and material well-being for people on low-incomes. They conclude that many community-based initiatives are examples of social capital at work.

### 2.3.1 Building social cohesion & social capital

Stocker (1999:2) suggests that the key to community development is the creation of bridging social capital, which enhances co-operation across communities. Social capital is often viewed as a component of social cohesion – a means of achieving it Robinson (1997:35-6). Harvard political scientist Robert Putnam has defined social capital as “features of social organisation, such as networks, norms, and trust, that facilitate co-ordination and co-operation for mutual benefit” (Putnam, 1993: 1). Everingham (1999) traces theorist Pierre Bourdieu’s use of the term social capital in the 1970s, where social capital described the resources individuals gained through their social connections. More recent writers such as Putnam (1993) and Fukuyama (1995: 27) consider social capital as a resource possessed by groups and ultimately of benefit to society as a whole. This is also argued by Cohen and Fields (1999) who suggest in their study of Silicon Valley that networks developed there are based on collaborative partnerships between individual entrepreneurs, firms and institutions focused on the pursuit of innovation and commercialisation.

Internationally, a number of government initiatives specifically focus on the problem of social exclusion (Department of Social Security, 1999) or the concomitant desire to enhance social cohesion (OECD, 1997). In New Zealand, social cohesion has been conceptualised as “the glue which binds communities together” (Blakeley, 1998: 18) and thus creates “a society in which people work towards common goals and in which diversity is recognised but does not lapse into conflict” (Robinson, 1997: 35).

### 2.3.2 Links between social capital & economic development

The role of community organisations has been described as important both in its own right, but also as a contributory factor in achieving economic goals. Polese cites Bolton’s (1992) supply-side definition of community as an important form of intangible capital that has positive externalities (Polese, 1994: 101).

A recent OECD report on local development policy suggests that social objectives can play an even stronger role in the pursuit of economic goals.

Whilst social objectives as well as economic objectives have been a central part of local development programmes for some time, what is new is that the social is now seen not only as an objective in itself but also as a condition for future economic development. (OECD, 1999: 25-26.)

Another OECD study, focusing on fostering entrepreneurship notes that a:

... responsive and dynamic non profit sector can play an important role in supporting entrepreneurial activity in the economy at large, while making it easier to address the most important social concerns. (OECD, 1998c: 18-19.)

David Robinson, when pulling together New Zealand material on social capital and policy development, discourages pitching social interests against economic ones. Instead, he argues that the concept of social capital “can illuminate how social networks impact on both social and economic development” (Robinson, 1997: 4). Putnam’s analysis of regional governments in Italy also found that “the social capital embodied in norms and networks of civic engagement seems to be a precondition for economic development, as well as for effective government” (Putnam, 1993: 2).

## **2.4 Building local capacity**

Community development builds the capacity of communities to contribute to their own social and economic development by creating locally based opportunities for positive participation, employment, economic and social development. In the United States, the Aspen Institute has advocated the importance of building community capacity. They argue that community capacity is an essential precursor to sustainable economic development. Organisations primarily focused on economic impacts, such as the Washington-based Corporation for Enterprise Development, have adopted this concept of community capacity. For them, community capacity building involves “developing the organisational and leadership skills of community members, nurturing a sense of community purpose, and monitoring development and organisational performance” (Corporation for Enterprise Development, 1999: 37).

The Aspen Institute defines community capacity as:

The combined influence of a community’s commitment, resources and skills that can be deployed to build on community strengths and address community problems and opportunities (Aspen Institute, 1996: Introduction, p1).

Thus, the three essential ingredients of community capacity are commitment, resources and skills. The United Nations Development Programme (UNDP) has a commitment to building partnerships with community organisations or, in their terminology, Civil Society Organisations (CSOs). UNDP’s partnership with CSOs pursues three principal objectives, two of which address the need to build capacity within CSOs and UNDP itself. It is interesting to note that these objectives are described as complementary, as UNDP’s own capacity is enhanced through the increasing involvement of CSOs in the design, implementation and monitoring of UNDP programmes and projects (United Nations Development Programme, 1998: 4).

Smith and Herbert argue that community-based initiatives can be an important means of building the capacity of local communities, particularly rural communities, to respond to changing social and economic circumstances (Smith and Herbert, 1997: 65).

## **2.5 Use of the local development approach to tackle disadvantage**

The local development approach is considered to be particularly useful in disadvantaged/deprived communities where the traditional approach of nationally designed programmes appears to have been relatively ineffective. Part of the rationale for this is that local players can add value to employment and economic development and social policies through an awareness of local needs and opportunities and an ability to generate commitment from those who are likely to be suspicious of the bureaucracy. The local approach is also thought to add value because it takes a holistic approach to social, economic and employment problems, and because it can contribute to creating a climate of confidence locally.

In the United States, the interrelationship between social problems such as low levels of education, joblessness, poverty and poor housing has provided an impetus for comprehensive community development initiatives which tackle physical, economic and social disadvantage (Kubisch, Weiss, Schorr and Connell, 1995; Chaskin, Joseph and Chipenda-Dansokho, 1997). In addition, these projects all focus on a geographically defined target area, analyse community assets and resources as part of a strategic planning process and insist on community participation.

The emergence of these initiatives has been attributed to the convergence of several trends. Specifically, these are a desire to integrate fragmented social services, a focus on preventative strategies, and an appreciation of the limitations of physical revitalisation projects alone in achieving sustained improvements in low-income neighbourhoods. As a result:

For both pragmatic and ideological reasons, public-private partnerships and local action were being promoted as complementary, or even alternative, approaches to relying on “big government” to solve social problems. (Kubisch, Weiss, Schorr and Connell, 1995: 1-2.)

The UK Department of Social Security’s first annual report on Tackling Poverty and Social Exclusion outlines a similar integrated approach - building on an investment in individuals and communities, equipping them to take control of their lives. The two main thrusts of this UK strategy are targeting help to areas with the greatest problems and integrating policies across government departments in order to address the special needs of deprived areas. In New Zealand, the Community Employment Group has focused on a labour market approach, but taken into account social and environmental issues as part of the development work, across the range from positive activity and pre-employment development work to employment and business development.

The consequences of not taking action in disadvantaged/deprived communities exist in the human, social and economic areas as follows:

#### 2.5.1 Human and social consequences

- loss of human capital (low educational attainment);
- decline in civic participation and a sense of community identity, which often results in costs from vandalism or decay of public and private infrastructure; and
- increase in crime, which has associated costs in terms of policing, and creates a climate of insecurity where people are less interested in participating in local activities, constraining community, social and cultural life.

#### 2.5.2 Economic consequences

- lack of business confidence;
- lowering real estate values; and
- innovation and entrepreneurial activity decrease, as business creation is seen as an unattainable goal.

Costs can be measured in two ways – additional costs to meet needs incurred directly as a result of living in deprived areas (eg, health costs) and current expenditure by central and local government per resident in a deprived area, compared with that in an average neighbourhood/small town. Deprived areas require additional resources to meet the immediate welfare needs of high dependency and counteract local conditions and break a cycle of decline (OECD, 1998b: 65 - 67).

## **2.6 Maori and community development**

Community-focused delivery has proved particularly effective in working with Maori. This approach meets their needs, both from the point of view of resource ownership and style of operating. The non-bureaucratic approach familiar to community development is helpful in gaining access to isolated or alienated Maori who may find interaction with the formal bureaucracy difficult.

An example of this is the Mahi a Iwi strategy developed by the Community Employment Group, which focused on the involvement of whanau, hapu and iwi to encourage solutions to Maori unemployment (Community Employment Group, 1997a). Whanau development assists hapu and iwi development – its effectiveness is based on the cultural role of the extended family unit and the concept of whanaungatanga (kinship) and rangatiratanga (self-management) in Maori society. It is amenable to the community development approach where face-to-face communication and relationships of trust are particularly important. Douglas (1997) agrees that Maori development will embrace notions of social well-being, sustainability and participation by the individual for the greater communal good.

Acknowledgement of indigenous peoples' relationship to traditional land (and increasingly the settlement of long standing land grievances) play a pivotal role in indigenous community development in New Zealand and Australia (Blakeley and Suggate, 1997; CEG, 1997a; Aboriginal and Torres Strait Islander Commission, 1999; and Department of Employment, Education, Training and Youth Affairs, 1998: 36). In some cases this is coupled with calls for greater regional autonomy or devolution. For example, the Aboriginal and Torres Strait Islander Commission has advocated for greater regional autonomy on the grounds that "the cultures and traditions of Indigenous peoples are best safeguarded in the decision-making processes possible at the local level" (Aboriginal and Torres Strait Islander Commission, 1999: 9). Furthermore, this process ensures that decision-making rests with those who have the greatest stake in the resultant outcomes. Regional autonomy is also promoted on the grounds that it can increase programme co-ordination, identify gaps in service or instances of programme duplication, and facilitate the development of local inter-sector partnerships.

## **2.7 Community development and individualised assistance**

Community development complements individualised assistance programmes aimed at beneficiaries and other disadvantaged groups. It is not in opposition to individually-based or nationally proscribed programmes, rather it recognises that for different people and situations, different programmes work more or less effectively. In terms of using the community development approach to help with unemployment, there are also broader outcomes relating to social cohesion, leverage of contributions towards solving unemployment and developing human capital over a longer timeframe, as noted below.

## **2.8 The advantages of a community development approach**

Community development combines with other employment, economic and business/regional development measures to benefit all sectors of society.

### 2.8.1 Community

- government and business expertise is transferred to communities;
- local opportunities are developed and maximised;
- communities have access to national and international models of development; and
- kick-start funding helps get initiatives started that would otherwise not get off the ground.

### 2.8.2 Individuals

- people are able to reconnect to wider society through community activity;
- people gain group support not necessarily available through individualised schemes; and
- provides a pathway back to connection with mainstream services for alienated groups with particular social problems or barriers to employment.

### 2.8.3 Government

- communities take control of their own development and build up their expertise, relieving the government of long-term development support;
- a small amount of government funding generates greater resources for employment, economic and social development, leveraged through partnerships with communities;
- pilot projects are able to be run locally with limited input by the government;
- capacity and capability of community providers is developed and maintained; and
- greater community self-sufficiency is likely to lead to lower benefit dependency.

### 2.8.4 Business

- skilled and motivated people make good employees;
- small enterprise development is good for big business; and
- a healthy community with increased spending power is good for business.

## **3 What is community development?**

### **3.1 What is a community?**

OECD (1998b: 107) defines community from three (often overlapping) angles:

- community of place;
- community of interest or identity; and
- administrative/political community.

A community identifies itself as part of the process of developing a shared understanding of common interests, and is not just about living in the same neighbourhood (Berry, 1994, cited in Crozier, 1997). This is also suggested by Jones (1995) who emphasises the dynamic, rather than static, nature of communities, which are often, at least in part, defined by their locality. Jones (1995:7) describes a community as:

...a dynamic interplay of historic processes and complex relationships, acted out in environments. Community embodies a wholeness; it is not enough to describe it as a sense of place, or as a product (of relationships between individuals) or as a social system. Rather, community comes into existence and defines its own form, out of the interaction of the participating elements, in environments and over time.

This makes a community sound rather vague and hard to get hold of, but the reality is that community development process allows for community identification at the start, through the strategic planning process, and through the deliberate strategy of mobilising community support.

When looking at tailored local solutions it is necessary to look at how best to approach development work with a particular community. Differing communities will need different approaches in relation to relationships, local capacity and sustainability. For example, needs and resources will differ in a poor, inner city area, from those in an isolated rural area. There is also a need to look at development issues specific to working with Maori and Pacific Peoples.

In addition, it is important to remember that local solutions may not be the same as regional solutions. These terms are often conflated, but practice shows that while a local employment strategy, for example, may be part of a regional one, strategies may still vary within a region.

### **3.2 What is a community development approach?**

Local development initiatives often focus on employment and enterprise, but are not limited to this. They may act to combat social exclusion by integrating unemployed and marginalised people in the labour market, to improve the quality of life in a community, including improvements in social services, to provide cultural and leisure activities and improvements to the physical environment. This recognises that positive employment outcomes often do not precede individual, family and community development.

Local people bring the following to policy development and implementation:

- additional proposals for action and the resources, commitment and skills needed to help achieve them;
- local awareness of needs and opportunities and involvement in strategy development helps to tailor policy solutions to local needs; and
- local development structures provide a forum for an integrated approach to policy delivery; ie better co-ordination, which is important given the multiple causes of unemployment, poverty and social exclusion.

There are a number of definitions of community development:

... improve outcomes, employment opportunities and quality of life in their localities in response to the failure of markets and national government policies to provide what is required, particularly in underdeveloped areas and areas undergoing structural adjustment. Local development policies can also contribute towards the goal of strengthening local participation and democracy. (OECD, 1999:20)

In its more pragmatic institutional sense, it may be viewed as a means of mobilising communities to join state or institutional initiatives that are aimed at alleviating poverty, solving social problems, strengthening families, fostering democracy, and achieving modernisation and socio-economic development. (Campfens, 1997:25)

... promoting positive change in individual, family and community circumstances in disadvantaged neighbourhoods by improving physical, economic and social conditions. (Kubisch, Weiss, Schorr & Connell, 1995:1)

At the *conceptual* level, development is not a progress in a single direction, but a process of continuous adaptation, problem-solving and opportunity-exploiting under pressure. Causality is complex and circular, not simple and linear ... Development is not movement toward a fixed goal but continuous adaptation to maximise well-being in changing conditions. (Chambers, 1993:10)

Maori development, whether economic, political or social, is group-oriented and contains a very large measure of mana motuhake (autonomy and authority), together with whanaungatanga (kinship), manaakitanga (caring and sharing) and kotahitanga (unity). (Douglas, 1997: 6 – 7)

The key themes that come through these various definitions of community development and though the earlier discussion of the rationale for it suggest the defining factors for the local development approach as:

- multiplicity of stakeholders and involvement of networks of local people and agencies with sometimes conflicting interests, eg central, regional and local government, community and voluntary organisations, universities, employers, and trade unions;
- partnership - collective decision-making, with local communities involved in the design and planning of their projects, identifying and accessing locally-held resources, encourages ownership of solutions and develops confidence to meet future challenges;
- tailoring development - each area will have different needs and wants and therefore different processes and paths, due to the diversity of economic and historical conditions; it is not possible to simply transplant an approach from one region to another, without paying attention to differences in local context;
- emphasis on the notion of development and its capacity to generate new activities and the need for flexibility to accommodate change;
- works across multiple sectors (social, economic, physical, political, etc) and aims to pull them together;
- development processes are built up over the long-term, emphasising the economic and social dynamics and improving local capacity to take the initiative in response to events; and
- local development initiatives often focus on employment and enterprise development as a starting point from which a broad range of outcomes and impacts will result, ranging from economic and social through leadership capacity, physical and infrastructure development, etc.

### **3.3 Community development vs contracting for services**

As will have become apparent, there is overlap between the concepts of community, local and regional development. This is perhaps most noticeable when communities are geographically based, and is recognisable by the desire for regional autonomy or devolution. This has been responded to by varying levels of devolution of service delivery, both in New Zealand and overseas. In the process, there has been a tendency to confuse this devolution of service delivery by government departments with community development. While there is interplay between the two areas, they are not the same thing. Contracting for services was a response both to increasing calls from communities to be allowed to 'do it for themselves' and a perception on the part of government that:

- local people, through local knowledge and connections, might develop more effective delivery mechanisms; and
- local providers could deliver services at less cost to government.

Contracting out delivery of government services may include, but does not necessarily have to, take account of broader social and economic goals within a community, or necessitate community commitment or vision for change in local circumstances. Nor does it have as part of its practice, the building of local capacity, in the broad sense, although in some areas, moves to contracting out have led to recognition that this is needed, and in some cases, to resource being put into provider development.

Garth Nowland-Foreman (1998) assesses the impact of a growth in purchase-of-service contracting in New Zealand. He agrees that there may be increases in both the level of accountability to government funders and, at least initially, the opportunities for Maori to become service providers. However he argues there are also costs associated with this approach. These include reduced accountability and responsibility to local members; a focus on service outputs rather than on the appropriateness, effectiveness or quality of the service provided; and greater competition hindering local co-operation. In a contracting environment, developmental, preventative and advocacy work is likely to reduce, with an increasing emphasis on discrete and measurable service outputs.

Nowland-Foreman's concern is that the bridging and empowering role community groups play in community development activities will be lost within a purchase-of-service contracting environment.

... if we believe that voluntary organisations also have a wider role to play in society – are as much about participation as provision, as much about citizenship as services – these will not be satisfactory tradeoffs. (Nowland-Foreman, 1998: 10)

Harington (1997) also looks at the impact of contracting out and funder/provider splits on New Zealand communities. His central questions are who has the power to define communities and iwi, and what processes are used to identify community or iwi representatives. Harington describes the contracting out process as counterproductive, if community or iwi are not funded sufficiently and thus are undermined. Professional community organisations are more likely to survive in this context (Department of Internal Affairs, 1997: 22; Chile, 1999: 17) - raising issues of community accountability.

Crozier warns that, in moving to a 'contract culture', New Zealand may lose "the potential for a dynamic and innovative relationship with local initiatives" (Crozier, 1997: 69). Papers presented to the 1997 'Social Capital and Strong Communities' forum in Wellington acknowledged this community concern about the contracting out model, and the resultant trade-offs between accountability and empowerment (Murdoch, 1998: 15; Blakeley, 1998: 24-25).

There has been a similar increase in the level of 'clientelism' and 'contractarianism' in Australia (Kerr and Savelsberg, 1999; Turnbull and Fattore, 1999; Wearing, 1998; and Yeatman, 1998). Commentators there have raised concerns that the foundations of community have been undermined (Kerr and Savelsberg, 1999: 11), leaving the unemployed further marginalised (Ramia, 1999: 117 cited in Turnbull and Fattore, 1999: 11).

The issue here is that contracting out service delivery can work alongside community development initiatives, but is not a substitute for them.

### **3.4 What is community employment development?**

Community employment development, also referred to as community economic development or local economic development, aims to enable local and community organisations to become active players in employment initiatives, with the goal being the creation of wealth and employment for the social and economic benefit of the community. As noted above, employment development is almost inevitably a part of community development, which also involves:

embracing broad social and cultural goals rather than a too narrow definition of what is economic. (Crozier, 1997:68.)

This is supported by the results from the evaluation of delivery of services to women undertaken by the Community Employment Group (Community Employment Group 1998: 6, 41 – 42), which shows that outcomes achieved related to a range of areas, including economic activity, upskilling communities, building networks and co-operation, building community pride, enhanced health, improved parenting skills and confidence.

Kemp and Coyle, when defining community economic development (CED) touch on this also: CED is undertaken in situations where underdevelopment, chronic unemployment, and industrial failure is high. Conventional approaches to economic and social development have often failed. CED represents a new way of doing things that promotes and builds community self reliance and control, inclusion and broad participation, and deliberately attempts to involve those who are marginalised by existing social and economic policy (Kemp and Coyle, 1994:261).

The OECD points out that a focus on developing enterprise and self-employment is an important and enduring part of local development initiatives.

One of the key aspects of bottom-up policies is the importance normally placed on the promotion of entrepreneurship ... In addition, much emphasis is often placed on the potential of the social economy and social enterprises to provide non-traditional routes into employment by meeting community needs that are not met, or are only partly met, by the public sector or the market (OECD, 1999: 24).

Such initiatives are usually based on particular local opportunities (e.g. tourism, green business), and many such policies have been used, especially in the most depressed areas. These include finance, information brokerage, promotion of business networks, skills support, mentoring, etc. Most of these policies have been tested through local employment development initiatives in New Zealand, where Community Employment Group has been a strong government agent of partnership with communities and local government.

While the particular development approach chosen by a local area will depend on local objectives, opportunities and resources, there are three main aspects to local employment development:

- *strategies* – local employment and economic development strategies provide a framework for spending and action, and are built on an assessment of the employment, economic and social problems affecting an area.
- *delivery structures* – a range of structures can be employed to deliver policy, eg, locally targeted measures operated by central government, local and regional government, and partnerships that combine different locally-based bodies, or combinations of the them.
- *actions* – a wide range of actions may take place, eg, improving skills and knowledge, enhancing social cohesion, strengthening capacity of local players, stimulating entrepreneurship and new business creation, attracting tourism or new investment, improving information flows and networking businesses, improving physical infrastructure, etc (OECD, 1999).

### **3.5 Community employment development in practice**

In New Zealand, the 1994 Employment Task Force identified “the need to empower communities recognising that those who know the problems best are often those who can find the best solutions” (Employment Task Force, 1994: 9). The government’s response to the Task Force included directing the Community Employment Group (CEG) “to target its

assistance primarily towards four priority groups: Maori, disadvantaged rural and urban communities, Pacific Islands groups and women” (New Zealand Government, 1995: 10).

CEG experience shows that there are a number of key processes involved in community employment development:

- strategic planning with sound analysis of strengths, weaknesses and opportunities, including planning for sustainability;
- consultation so that local people are willing to participate and support new developments;
- partnership between community, private and public sectors, including human and financial resources;
- focus on capacity building for individuals and organisations involved;
- strong leadership/developing community entrepreneurs;
- local ownership, so that development initiatives continue beyond any government funding;
- use of existing networks (and building new ones) to assist with local initiatives; and
- robust evaluation and risk management processes.

### **3.6 Community employment development operating style**

Community development requires an operating style that is different to that needed to deliver centrally-designed programmes with limited local flexibility. To succeed at community development requires an ability to move in and between communities, to help them develop projects to meet specific and sometimes narrow needs, and to have strong relationships of trust. It requires strong networks and contacts within local communities as well as an openness to innovation, flexibility in outlook and good knowledge of the area so as to be able to recognise and capitalise on opportunities for employment. Decisions are taken as close to the location of the action as possible and involve the people most concerned with the action.

Targeting assistance directly to those groups most disadvantaged in the labour market, who are disproportionately represented in long-term unemployment and benefit dependency statistics often brings with it a distrust of the bureaucracy as a means of improving their particular situation. It requires an ability to operate in a non-bureaucratic way, and a need to work directly with those affected, using whatever resources they have as a starting point, and to move forward at a pace appropriate to them. An essential feature of this is to stand outside of mainstream delivery mechanisms, on the margins, while maintaining links to them.

One of the major resources for any development work is the practitioners, both those who work for government agencies and those who work in community organisations. They must be able to relate to a wide range of people, connect them with others for mutually beneficial relationships, advise them on the best means of progressing their ideas and help them to plan. Given the longer-term timeframes of development work, there is a strong need for skill in short, medium and long-term planning, to help communities develop and plan for implementation and achieve sustainability of their initiatives. Mechanisms to encourage co-operation and sharing of experience, to increase their networks and to facilitate exposure to new ideas need to be in place.

In addition, government agency staff must be skilled at walking the line between bureaucracy and the community, and managing the risks inherent in this. They need to be able to build relationships of trust and communicate with severely alienated groups, and effectively act as an ‘honest broker’ between such groups and the range of government agencies.

The roles filled by a community employment development fieldworker are as follows:

- ideas generator/cultivator;
- strategic planning guide;
- explorer of existing and potential models;
- group facilitator and conflict mediator;
- mentor of project teams and key community participants;
- encourager of learning through doing;
- risk manager and evaluator;
- broker and co-ordinator;
- information disseminator; and
- networker of practitioners.

### **3.7 Outcomes of community employment development**

Community employment and economic development aims essentially to improve community well-being through sustainable employment and enterprise, community capacity building, and positive participation in employment or pre-employment/community activities. (A more detailed outline of the hierarchy of outcomes is attached as Appendix 1.) It recognises that there are five broad outcomes from working in this way:

- *increasing community capacity* - growing the capacity of a community to act without needing state assistance (and often, as a consequence of this, development of providers for delivery of mainstream programmes).
- *improving individual/family living standards* - increasing employment, positive activity, participation in training & education, confidence to try something new/take steps towards labour market participation, and providing a pathway back to connection with mainstream services for alienated groups.
- *improving outcomes in disadvantaged communities* – increasing the ability of disadvantaged communities to improve employment, education, social, economic and environmental outcomes and reducing costs to government (e.g. health, justice) that arise directly as a result of living in deprived areas.
- *improving a community's collective way of life* - development of local resources, enterprise development, encouraging social participation and social cohesion.
- *improving community ability to capitalise on opportunities for development* –building leadership and networks to share information, expertise and resources and facilitate development, along with leverage of resources and low-cost testing of new government initiatives.

## **4 Recent trends in local development policies**

Recent trends in local development policies over the past 10 years, both in New Zealand and other OECD countries include:

### **4.1 Bottom-up employment and economic development**

This refers to the emergence of the bottom-up, local development approach in social, employment and economic policy, in recognition that anticipated benefits from top-down policies have failed to trickle down. Assistance is tailored to the particular needs and opportunities of each local community and situation, drawing on their knowledge and resources. It is increasingly recognised that bottom-up development can be effective in supporting longer-term employment and economic development strategies, through measures such as support for entrepreneurship and innovation, developing human capital and skills, spreading best practice and building local institutions and firm networks.

## **4.2 Entrepreneurship and innovation**

Entrepreneurship and local innovation are important in driving bottom-up policies. The flexibility necessary for community development work allows tailored, local solutions, in terms of resources available, and pace of change and creates a climate for innovation to flourish.

People who are working at the community level are often thought of as not being entrepreneurial in a conventional business sense. However, as Boswell, Brown, Maniapoto and Kruger(1994, cited in Crozier, 1997) point out, they are often enterprising in their attempts to gain financial independence to contribute to community development initiatives. Thus, entrepreneurs can be either community entrepreneurs, focusing on broader community opportunities in terms of employment, economic, social and physical development, or the more traditional sorts of entrepreneurs, who start up new businesses. New business start-ups and self employment can provide jobs, based on local opportunities (e.g. tourism, recycling, better use of land), which have all been undertaken in NZ, but they are only one part of what can be achieved by using a community development approach.

## **4.3 Decentralisation and accountability**

Many OECD countries have moved to decentralise service delivery in one way or another, to regional levels, with some also moving to local levels. This has been a response to the perceived inflexibility of national organisations/programmes in responding to local needs. There are three main issues arising from this:

- different policy operating in different areas, which can be seen as inequitable;
- co-ordination is needed so that duplication of effort and/or funding is avoided; and
- a balance is needed between local responsiveness and the need for accountability and maintaining policy fit.

For these reasons, it is important that local development is situated within a supportive and rigorous national framework.

## **4.4 Global-local linkages**

Increased international competition, changes in technologies and international policies have led to a downsizing of traditional industries and the need to develop new activities. "Think global act local" is a common saying that encapsulates the experience of recent years that as globalisation of trade and business increases, local development must take account of this. Local development projects can use the global network to search for growing external markets, nationally and internationally, in, for example, communications, and tourism. They can also be a source of innovation and entrepreneurialism. International companies need local connections and relationships to give them a sense of the localities in which they operate in order to sustain success. As globalisation impacts are more widely felt, maintaining social cohesion becomes increasingly important. Breakdowns in social cohesion are seen as hindrances to economic growth and the promotion of social cohesion is seen as being good for business.

## **4.5 Sustainable development**

This is defined as "maximising human welfare and providing a sound economic, social and environmental base for both present and future generations" (OECD, 1998d, cited in OECD, 1999:25). Local development policies have started to take a role in this area because they

facilitate structural adjustments and help communities adapt to changing labour market conditions, improve social cohesion and make better use of social, human, economic and environmental resources. Planning for community employment development can include longer-term aims and issues of sustainability, including exit management strategies. (See section 8.11 below.)

Key factors in this are:

- a diversified and flexible economic base;
- improving quality of life in social terms, e.g. community facilities and services;
- improving the quality of the environment, including waste management issues and buildings and landscapes; and
- good governance, where decisions are built on consensus and flexible partnerships, and local solutions are tested.

#### **4.6 Integration of different players, policy instruments and funding streams**

There are a multitude of government agencies who work in the community, so that a co-ordination role is needed to gain the most from community development work (e.g. co-ordinating resources and expertise from people working in the areas of education, training, regional and business development, housing). Community Employment fieldworkers are an example of such a role funded by government.

#### **4.7 Partnership and co-operation**

Partnerships bring synergies and a level of co-ordination across agencies and policies that is not easily achieved with nationally driven and sectorally divided policies. OECD countries (OECD, 1998a, 1999) have sought to increase employment policy effectiveness through partnerships of local and regional authorities, social partners, private sector and community in the design and implementation process. The Irish experience showed that partnerships had played an important role in drawing on local experience – eg, employment programmes set up by local unemployed people and enterprise creation programmes built using the expertise of local business people (OECD, 1996). Partnership is a major trend in local development policy which has the capacity to bring new skills and resources, co-ordination and public participation to economic and social policies.

#### **4.8 Targeting disadvantage**

Community development initiatives are increasingly seen as useful in helping those most disadvantaged in the labour market. The Community Employment Group has targeted Maori, women, Pacific Peoples and disadvantaged rural and urban communities. Other countries have run similarly targeted community development initiatives, targeting, among others, rural and urban areas, sole parents, ethnic minorities and women (OECD, 1999; Community Employment Group, 1997a & 1998). It has been recognised both as a means of developing new employment and economic initiatives and of connecting groups alienated from society and traditional government services back into the mainstream, where they can take advantage of other assistance measures.

### **5 What is a disadvantaged community?**

A community may be disadvantaged because enough individuals experience the two most important indicators of individual lack of well-being, low income and unemployment, or because the physical environment is affected – poor housing quality, derelict land, lack of

basic amenities. Another way of measuring this is defining less developed regions as where GDP per head is generally less than 75% of the average. OECD (1998b: 133 & 1999: 3). Weaknesses shown in such regions include:

- undeveloped or badly maintained infrastructure, including transport and telecommunications links, waste and water supply;
- lack of human capital, characterised by low education and training levels;
- sectoral imbalance in terms of over-dependence on one particular sector to produce wealth, for example, low value-added sectors, or in some cases a declining industrial sector;
- weak entrepreneurial culture, insufficient small and medium sized enterprises and poor capacity/climate to innovate;
- geographic isolation from core markets and production and service centres;
- lack of institutional and social capital in terms of lack of networks of firms, organisations and individuals; and
- under-developed public sector capacity to implement local development solutions.

Problems for individuals in these communities include:

- pre-existing personal characteristics over which they have no influence (eg, ethnicity, gender, age); and
- investment decisions made by individuals both before entry to the labour market (eg, educational qualifications) and after entry (eg, job- or organisation-type) (Savage, 1999).

### **5.1 Working with disadvantaged communities**

The factors of disadvantaged areas outlined above mean that they require a number of special features in development work (OECD, 1999; Community Employment Group, 1997a):

- long-term planning, including addressing sustainability issues;
- simultaneous use of social, cultural, economic and natural factors to address the multiple problems;
- good training for local players and commitment to ongoing capacity building;
- co-operation with universities, research and training institutions of a region;
- concern for cultural awareness and implications for delivery;
- mechanisms for economic support for direct investment and risk taking by project initiators; and
- bringing communities along with the development process and moving at a pace appropriate to them.

The OECD (1998b) points out that areas of multiple deprivation, such as urban areas, are an issue in many developed countries, both those with strong employment growth and those where unemployment remains high. The costs of deprivation are seen as impeding economic development, weakened social cohesion and high environmental costs. The suggested way of addressing urban deprivation is flexible, area-based policies, that stress education, employment and training, economic development, improvement of housing and the physical environment and community development. (OECD, 1998b). Implementation of these strategies requires a partnership approach, and a clear definition of roles and responsibilities among government and non-government participants, with private sector involvement. This applies equally well to strategies aimed at other disadvantaged groups or localities.

### **5.2 Community development and Maori**

There is an increasing demand for services from Maori communities who are disproportionately represented in unemployment statistics and are often hardest hit in times of lower economic growth. There is no single explanation to account fully for the differences in the unemployment rate between Maori and non-Maori, although the following factors contribute to it:

- Maori employment is largely focused in particular industries and occupations, many of which have undergone significant downsizing since the mid 1980s;
- Maori, on average, have lower educational qualifications;
- Maori have limited access to capital funding;
- low levels of Maori employers mean unemployed Maori have fewer networks to identify employment opportunities;
- differences in age structure, with the Maori population being much younger, on average, than non-Māori;
- family history of unemployment impacts on young people's expectations and motivation to work; and
- differing mobility patterns between Maori and non-Maori.

Key issues in Maori community development include:

- an understanding of Maori cultural values, processes, timeframes and expectations, and how to apply this to the development process;
- local networks and relationships of trust and acknowledgement of whanau obligations;
- working with the collective and bringing everyone along together and the need to work with the whole person, physical, spiritual and cultural;
- understanding that development projects have to relate to wider community well-being;
- social and cultural goals may need to be achieved to gain confidence to start looking at other issues, such as employment and enterprise development;
- making better use of under-utilised resources such as land, while recognising that multiple ownership of land can have implications for local economic development initiatives;
- good consultation and co-ordination of local service delivery; and
- flexibility and local control of funding for employment and training. (Community Employment Group, 1997a; Prime Ministerial Taskforce on Employment, 1994.)

### **5.3 Community development and Pacific peoples**

Pacific Peoples have been hard hit in the decline of the manufacturing sector, and have a low level of involvement in the business sector, despite increases during the 1990s. (Ministry of Pacific Island Affairs, 1999). Despite unemployment falling over recent years, their unemployment rate is still comparatively high. Key issues in community development with Pacific peoples include (Community Employment Group, 1997b):

- incorporating the values, cultures and beliefs of different Pacific peoples (e.g. Samoa, Cook Islands, Tonga, Niue, Fiji, Tokelau) into policy development;
- recognising that Pacific communities' social, economic and cultural goals need to be addressed together;
- ensuring that communication practices take into account the needs of Pacific peoples and that they have strong input into policy;
- acknowledging the importance of aiga/kainga/fanau in working with Pacific communities;
- to build on existing resources and expertise as a platform for development, for example culture, crafts and art, sport;
- recognise that Pacific populations are largely youthful and urban, and target development work accordingly, especially upskilling in business and technology skills;

- make use of existing agencies with strong cultural support, such as churches, art and cultural organisations, in development work; and
- recognise that Pacific peoples community groups may need a stronger focus on capacity building and active support and mentoring during the development process. (Community Employment Group, 1997b; Prime Ministerial Taskforce on Employment, 1994; Ministry of Pacific Island Affairs, 1999.)

#### **5.4 Urban community development**

While cities have always contained pockets of poverty, more recently, some of these have emerged as multiply deprived. They result from an interlocking mix of environmental, social and economic circumstances that discourages investment and job creation and encourages alienation and exclusion. Such neighbourhoods are likely to have:

- young populations;
- high rates of single parenthood;
- low income and high benefit dependence;
- high levels of informal economic activity;
- low educational attainment;
- high unemployment;
- cultural alienation;
- poor housing;
- high crime rates and rates of drug and alcohol abuse;
- few local businesses and poor access to retail centres; and
- high mortality and disease (OECD, 1998b; Community Employment Group 1997a; Work and Income New Zealand, 1998).

Employment development initiatives need to factor these characteristics and the opportunities that may arise out of them into planning and implementation. The following areas are important in urban community development initiatives:

- taking information and advice on mainstream government services out to the people isolated in the poorer suburbs;
- recognise the need for skills-based training, especially amongst youth;
- approach problems in a holistic manner, given that social, housing and health problems may be more acute in the city where living expenses are higher;
- recognise that while there may be more avenues of assistance available (than in a rural area) the connections into mainstream assistance and personal networks are often weaker and may need development;
- take into account the factors relating to community development for Maori and Pacific peoples who often live in pockets of urban disadvantage; and
- use existing infrastructure as a platform to build new initiatives, e.g. churches, youth groups, sports clubs.

#### **5.5 Rural community development**

Labour market shocks, fluctuating commodity prices and natural disasters, (eg, droughts, fires, floods) have led to an increasing level of disadvantage in rural communities. Key features of rural disadvantaged communities include:

- increased rural depopulation and an outflow of community leaders due to restructuring of rural services and deregulation;
- traditional agriculture no longer provides the level of work opportunities it did in the past due to mechanisation and changing market conditions; and

- because of geographic location, rural communities are likely to have limited access to information, services and/or resources from government departments.

New employment and enterprise initiatives have become essential for the preservation and development of rural employment. Key issues and opportunities in rural development include:

- leadership and network development are important as people seek employment opportunities elsewhere, or have less time to give to voluntary work than previously;
- effective information brokerage, to overcome the natural effects of geographic isolation;
- partnerships with research institutions, including universities, so that information on research results can be more easily fed back out to rural communities;
- encouragement of entrepreneurial activity and diversification, eg, organics, eco-tourism, using existing resources to add value to local produce;
- developing tourism and visitor corridors so that rural communities become more attractive as a holiday destination;
- use of sport and culture as means of building morale and confidence to tackle other problems; and
- means of overcoming isolation and lack of transport.

## **5.6 Community development and women**

Barriers to women's full and equitable participation in the labour force still exist, in terms of a lack of self-esteem and confidence, the family and caring responsibilities that are largely borne by women, isolation from social and job networks, lack of access to information and guidance, the predominance of women in lower paid and part-time work and industry and occupational segregation that limits earning ability. While women as a whole do not show disadvantage in terms of their unemployment rate, Maori and Pacific women represent areas of higher unemployment, at around 3 times that of Pakeha women.

The CEG evaluation of service delivery to women found that the barriers noted above are common and that all community groups in the survey reported broader social outcomes of their employment development work, including improvements in participants' health or improved parenting skills (Community Employment Group, 1998).

Key factors that need to be taken into account in community development work with women include:

- ability to work around family responsibilities so as to minimise the limitations they place on women's ability to take part in pre-employment, further education and training activities and paid employment;
- recognising that many women re-entering the labour force after time out caring for children, need to be involved in positive activity to gain the confidence to get involved in further training or employment initiatives;
- women's isolation from social and job search networks require more creative approaches (eg, a mobile advisory and information service that goes to them) and a focus on developing networks as part of any employment initiatives;
- mentoring, from pre-employment development through to the period after gaining employment, is necessary to help deal with problems that may arise, often relating to caring responsibilities and/or general workplace issues;
- focus on updating skills that have become outdated during time out of the workforce, caring for children or others, particularly new technology; also recognising skills transferability;

- peer support is important in successful employment initiatives for women, especially when they lack family support or are socially isolated;
- cultural values, expectations and roles of Maori and Pacific women need to be recognised in terms of project development;
- geographical isolation (suburban and rural) means that women need to be approached through the places they could be expected to have connections with e.g., kindergartens, schools;
- self-employment development requires creative ways of overcoming barriers to gaining start-up funding for new business ventures, given women's difficulties in accessing venture capital, and the possible debt load of sole parents trying to move off benefit; and
- provision of affordable, quality childcare.

## **5.7 Community development and youth**

Young people experience a number of indicators of labour market disadvantage, such as relatively low wages and relatively high unemployment. While this may be a reflection of their lower levels of labour market experience and that they have a tendency to change their labour market status, moving between work, education and unemployment, it becomes a problem when tied in with other factors. These include living in a household with multi-generational unemployment and the trend towards less permanent full-time work.

There is evidence that long spells of unemployment are likely to be detrimental to skills and work habits, which may flow through into adverse labour market outcomes later in life, particularly for young people who are disadvantaged in other ways (eg, lack of qualifications). Savage (1999), in his review on international evidence on the functioning of youth markets, concludes that young people who exhibit multiple risk factors need tightly targeted interventions that address more than just job creation. The community development approach, which addresses a range of issues (social, motivation, health, etc) besides employment is well equipped to help disadvantaged younger people.

Key issues in working with younger people include:

- the need to address the development of work skills that we tend to take for granted in older people;
- developing staircasing initiatives to move those without educational qualifications into further education or training;
- the ability to capitalise on the enthusiasm and energy of youth through entrepreneurship activities;
- need for development of leadership skills; and
- Maori and Pacific populations are relatively youthful, so community development approaches need to take account of their particular needs.

## **6 What can we learn from communities?**

A number of community groups working in the community employment and economic development area have been consulted as part of the work on this paper (see appendix 2). (Further discussion of the role of communities and government as partners in community development is in section 9 below.) Communities were clear on their expectations of partnerships with government agencies and what the issues are for community employment and economic development in New Zealand. There was general unanimity on the main issues around community development in New Zealand and what makes it work, in practice. Key themes that emerged from these discussions are as follows.

## **6.1 Community expectations from government**

- a commitment to real partnership, with shared decision-making and community input into policy development;
- the idea that government has a responsibility to create a climate for innovation/entrepreneurship;
- well trained government local development staff are needed who can facilitate the community development process, and help manage relationships/translate between community and government sectors;
- the need for longer-term funding, say 3 years, with appropriate accountability arrangements, to facilitate longer-term planning;
- flexibility of funding and use of resources, eg, funding not dependent on meeting nationally set rules, but on local development opportunities and needs;
- capacity building for community groups, in terms of general management and evaluation skills; and
- research and evaluation information to feed into the local development area.

## **6.2 What the community will do in return**

In return for this assistance communities indicated that they would:

- be committed to solving local problems holistically, in partnership with government and other partners;
- pursue new ideas for local development, and facilitate low-cost testing of them;
- provide quality service delivery;
- investigate community needs and opportunities, and solutions to local problems;
- bridge the gap between the bureaucracy and the community;
- work with those most disadvantaged in the community, helping them deal with change;
- be accountable for funding and committed to improving management and other skills necessary to reduce risks around the use of public resources; and
- be committed to developing community leaders to assist community self-sufficiency.

## **6.3 Community perception of benefits and strengths of the community development approach**

The following points illustrate some of the benefits and strengths of a community development approach from the perspective of community groups:

- bottom up policy development has the ability to tailor solutions to local needs and opportunities, taking into account cultural values and processes, and flexibility to accommodate change;
- the community as a whole is strengthened by bringing different sectors of it together;
- community development and entrepreneurship create a climate of confidence in a community's ability to tackle problems;
- holistic approach, and commitment to look at all the needs (e.g. health, welfare, employment) of the disadvantaged people with whom they work;
- community development acts like a laboratory, providing a research and development function for government;
- government gets community resources for free/outcomes for government are cheaper;
- local knowledge and ability to get commitment to a local vision and ownership of it, along with networks to make things happen;
- allows people to give something back to the wider community; and

- community groups are seen as approachable for people and groups who distrust the bureaucracy or are alienated from mainstream society. They can therefore be used as a vehicle for reaching disaffected individuals and groups.

#### **6.4 Practitioners' view on key success factors for community development**

Unsurprisingly, the views of practitioners largely reflect the best practice set out in section 7. The key factors put forward by groups were:

- partnerships in terms of work on the ground and resources, and relationships of trust to facilitate problem solving and implementation of development initiatives;
- local ownership of problems and solutions, and the commitment and passion that go alongside this;
- local flexibility, and a channel for community input into policy development;
- strong local leadership and a commitment to developing this;
- maintaining and developing networks;
- mentoring and support along the development path, from individuals to groups;
- longer-term planning and investment;
- capacity building for groups;
- need to recognise local culture and values in local development initiatives; and
- employment and enterprise development are a strong part of local development initiatives.

#### **6.5 Community perception of problems/issues in the community development approach**

- There is a tendency to confuse the contracting model with the community development model, resulting in insufficient emphasis on development needs.
- Silo funding (where funding is very narrowly targeted, with no flexibility ) and delivery makes it hard to get funding for an initiative that is broad ranging, as most community development projects are, and also means that groups will sometimes conform to a narrower area to gain funding, and then are in danger of being distracted from their original purpose.
- Short-term funding hampers ability to plan well, and increases likelihood of burn-out, through the constant effort of looking for the next source of funding and trying to fit a flexible approach into narrow funding criteria. A lack of dependable funding increases dependence on volunteers, who may leave at a vital stage, while a key worker salary ensures continuity.
- There is a need for greater focus on developing local leadership and entrepreneurialism.
- Resources and support for community groups are needed to mentor them and help to build capacity.
- More research and development and evaluation is needed to assist community development, such as transferring research information on to farms, feasibility studies, land use opportunities, assessment of community development outcomes and successful models.

### **7 Best practice/lessons learned**

By its very nature, local development uses a range of ways of doing things and produces a range of outcomes. This means that there is no one model of how to implement local development or of which strategies to adopt. A large body of knowledge has been built up both in New Zealand and overseas. Indeed, one of the benefits of bottom-up policy development is that it increases the number of players and approaches, enhancing the potential for innovation. By the same token, local circumstances can be diverse, in terms of opportunities, institutional arrangements, cultural, social and economic conditions and local capacities. Being able to call on examples of successful development elsewhere can be

important in motivating local people to act, and develop their version of it. Despite these caveats, there are general policy guidelines that are useful when considering local development initiatives.

## 7.1 Strategy development

It is important to do a local planning exercise, looking at the opportunities and challenges of a particular local area, prioritising action, key players and methods. Partnerships must be built well and allow flexibility in implementation of the plan, as situations change. Key factors for successful strategies gleaned from NZ and OECD experience are:

- commitment by all the partners for the future development of an initiative, and an early test of this. The involvement and participation of all the key local players is important, so that their combined expertise, local knowledge and enthusiasm are translated to action on the ground.
- realistic appreciation of the likely time scale – local development is usually a long-term investment strategy, given the need to develop networks and skills, get the key players and local community on board etc.
- identification of an organisation to take the main responsibility for the strategy, which has the resources and local credibility to carry out the task.
- development of a strategic plan that takes account of the locality's stage of development and local conditions (obtained by a 'strategic audit' - essentially an analysis of local strengths, weaknesses and opportunities, focusing on natural and physical resources, as well as technical skills, funding availability, business environment, etc). In this way, the development strategy can take account of the three key factors: local needs, capacity and circumstances.
- tailor-made solutions to problems and opportunities, where communities design their own programme of action and address any needs in accordance with their own cultural, social and economic values.
- recognition that while a local strategic plan may cover a range of areas, niche strategies complement wider development plans, and can fill gaps and build on particular local strengths, eg, tourism, culture-based business.
- capacity building for individuals and groups involved, through stimulating the development of new skills, new linkages and networks, encouraging new forms of organisation for delivery, and increasing ability to manage flexibility and adapt to a wide range of situations.
- setting of goals that are clear, attainable and measurable, and a plan for evaluating the outcomes, so that lessons learned are not lost.
- monitoring to ensure that any needed adjustments or enhancements are made, and pre-emptive action is taken to solve emerging problems.

Blakely's theory and practice of local economic development identifies pitfalls that occur when communities select economic development strategies. Some of these, for example, depending too much on government programmes, letting the tools determine the strategy and following fads that may not suit their locality are the likely result of a lack of strong planning focus. (Blakely, 1989, cited in OECD, 1999: 32; Community Employment Group, 1999:16). By the same token, if funding is not flexible, then communities will tend to try and fit their work into the criteria.

## 7.2 Strategy flexibility

Local development brings with it a need to revisit plans and adapt to changing circumstances and priorities. The EU LEDA programme put forward a typology of stages of development (Humphreys, 1996, cited in OECD, 1999: 32) and argues that each requires a different strategy.

- *foundation* stage of learning how local development works usually takes five or more years. At this time, it is suggested, effort should be on a number of high profile projects and on raising public awareness.
- *using the know-how* takes place over the next five years, as the established core of people, institutions and infrastructure built up allow projects to be initiated spontaneously, with a greater focus on targeting, measurement of outcomes, innovation and inter-business co-operation.
- *self-sustaining development* is the third stage, in which local development is working well, and further work looks at gaps in service provision, providing small business finance and looking for new opportunities.

While it is true that different strategies are needed at different times of the local development process, the key lessons learned from the New Zealand experience are that the typology outlined above is not rigid. Some organisations and communities will move faster than others, and some will fall off the development staircase and have to start again. The main success determinants are getting the right people together, planning wisely, promoting innovation and flexibility and providing good information brokerage and seed funding.

## 7.3 Partnership

Critical factors for successful partnerships include strong community support, clear roles, goals and benefits for partners, the ability to maintain a level of autonomy within the partnership even if publicly funded, perhaps through setting up a structure/legal entity focused on the local development initiative, excellent communication systems, and networks of individuals and organisations that can be called upon. Honesty, trust, mutual respect and patience are vital, yet often need to be developed over time given the potentially conflictual relationships between partners (Jones, 1995; OECD, 1999; Riccio, 1999).

Successful partnerships, as in other walks of life, tend to be based around a small number of key partners, who bring significant or strategically vital resources – people or finance – and can tap into other networks as needed. These factors have to be translated into a suitable partnership operation on the ground, one that is likely to be influenced by local conditions and able to adapt to changes in them. There are also life cycle elements to partnerships. For example, at the beginning of a project, it may be useful to have broad partnerships to establish and communicate the vision and plan; implementing a development plan is likely to require a narrower partnership focused on the action. Broad local participation may be critical in the initial planning stages, but may make communication and decision-making more difficult later on. (UK Employment Department, 1995, cited in OECD, 1999; Riccio, 1999.)

## 7.4 Kick-start funding

As noted earlier, in the absence of flexible funding, community groups tend to try and fit their initiative into the criteria for different pots of funding. This can lead to diversion away from addressing the real problems, loss of effectiveness of the group itself and a lack of local commitment to carry an initiative through after initial funding is withdrawn. In a discussion paper for the Lottery Grants Board, Robinson has argued that grant funding - which can be

directed towards meeting needs identified from within the community - is more conducive to building social capital than is a system of contracts for service (Robinson, 1997: 41).

Case studies from a recent OECD report highlight the vulnerability of rural (as opposed to urban) local development programmes which are unable to commercialise their activities and less likely to have independent funding (OECD, 1999: 117).

Discussions with community groups in the course of this project highlighted the desire for longer-term, flexible funding, so that there is more certainty for planning, and room for development over time, along with an ability to develop initiatives based on local needs, rather than trying to fit national programme criteria. The flip side of this was seen as maintaining good information and accountability for funding. This view was echoed in a speech to the annual conference of Britain's National Council for Voluntary Organisations, where Prime Minister Tony Blair acknowledged that "past insecure short term funding practices hindered the proper development of the sector's role" (Etherington, 1999, cited in NZ Council of Social Services, 1999: 15).

## **7.5 Encouraging innovation**

It is important to create an environment where innovation can flourish. This follows on from allowing flexibility but is more than this. Such an environment tolerates failure, sees opportunities in changing circumstances and provides the means to facilitate research and development (OECD, 1999:130). It requires strong risk management and commitment to capacity building within community organisations.

The OECD (1998a: 60 - 61) suggests that the local development area is particularly suited to testing new initiatives in employment, training and social integration. Local staff need to be skilled at recognising opportunities, be able to encourage and take an interest in innovations, and validate them and help spread the lessons learned.

## **7.6 Developing entrepreneurs**

Entrepreneurs are essential agents of change in a market economy, leading the move to make efficient use of existing resources and find new ones, and speeding up the generation, dissemination and application of innovative ideas. In areas either undergoing rapid economic change, or which do not experience the benefits of positive economic change, well-developed entrepreneurship will help to soften adverse social impacts by facilitating the creation of new employment opportunities (Arzeni, 1997/98: 18 – 20). Local development needs the 'public entrepreneur' – one who will use these skills in the classic, business sense, but who also seeks to develop new local opportunities that may not have a business focus, but will be aimed at encouraging civic participation /social cohesion.

Entrepreneurship is changing not only as Arzeni (1997/98: 20) notes because of its broader social content, but also because it is increasingly the result of collective, not merely individual, effort. Trust is an important part of spreading entrepreneurial activity. Arzeni (1997/98) gives the example of rotating local credit associations prevalent amongst immigrant communities which do more than simply providing credit. By cementing self-help and teamwork and establishing voluntary non-profit organisations covering a range of social requirements, they encourage savings, foster ethnic solidarity and serve as a springboard for social cohesion.

### **7.7 Leadership and skilled local staff**

Leadership is key to local development initiatives, along with the ability to mobilise key movers and shakers in an area. They need to be supported by staff with skills in managing financial and human resources, setting goals and measuring them and developing a pool of local workers. These are the people who will mobilise the local population and organisations to support initiatives, build partnerships and networks and monitor performance. The recruitment, training and retraining of managers and local development workers is a key issue for local development programmes (UK Employment Department, 1995, cited in OECD, 1999: 35).

### **7.8 Local ownership**

One of the success factors in local development is the way in which it starts and/or builds on existing local initiatives, and maintains a sense of local ownership. This is supported by the creation and maintenance of networks of local interest groups, building capacity for action. This is likely to keep an initiative going, after central government resources are withdrawn, and help in the move to self-sufficiency.

### **7.9 Structure**

A visible structure for local development initiatives is important in terms of establishing an identity and as a means of communication between partners and interest groups. This may be a new structure set up for a particular initiative, or an existing structure. The latter brings with it the benefits of existing management systems, resources and networks. Different structures work for different things, for example using a sports club as a base for a labour pool, or a marae as the base for a local land development initiative.

### **7.10 Transferability**

Given the dynamic nature and diversity of local approaches it is important to recognise what is transferable to other situations and to ensure appropriate mechanisms to achieve this. The OECD (1999) found that many areas face similar challenges, subscribe to the same broad principles of development and have set up comparable organisations. However, there is also considerable diversity in local circumstances and often a natural resistance to change. For these reasons, imported solutions need to demonstrate credibility and relevance. It is unwise to transfer initiatives into an area if it does not have sufficiently strong institutional structures to support these activities. The report concludes that methods and techniques, operating rules and know-how can be easily transferred, but that ideas and principles for action and programmes and institutions are not easily transferred.

This is echoed by Brodhead and Lamontagne, who caution against dissecting a community economic development (CED) scheme in isolation from the local dynamics within which it operates.

The potential for the success of a given CED strategy is not inherent in the structure or strategy of the CED initiative itself. Rather, successful CED strategies evolve together with the environments in which they are undertaken. (Brodhead and Lamontagne, 1994: 267)

The New Zealand experience suggests that some programmes and ideas may be usefully transferred, and depending on local need may be operated in different areas along similar lines (e.g. Be Your Own Boss, Company Rebuilders, sports academy in schools).

The key to transferability is the ability to take the core idea or programme and adapt it to local conditions, opportunities and capability, and to have face-to-face contact between those who understand particular local conditions and those who understand the idea or programme to be transferred. While best practice can be disseminated on a national basis, it is unlikely to be taken up without some connection to local circumstances.

## **8 Strategic Issues**

The community development mode of operating recognises that local and regional differences reflect strengths as well as weaknesses, opportunities as well as threats. It brings with it strategic issues which must be managed, relating to:

- longer-term development timeframe;
- evaluation;
- transfer of knowledge and best practice;
- devolution, maintaining policy fit and the mechanism for strong connections between the centre and local action;
- maintaining innovation;
- managing risk;
- managing demand;
- targeting those most disadvantaged in the labour market;
- developing and nurturing community partnerships;
- building capacity and leadership; and
- sustainability and dependency.

### **8.1 Longer-term development timeframe**

It is important to recognise that local development outcomes usually occur over the longer-term and are not only shown in economic outputs; it is a broad process that involves social development, the environment and longer-term capacity building. In reality, economic outputs are one of a number of the objectives of local development initiatives, and will often only occur after other barriers (e.g. social, capacity) have been addressed (Galaway & Hudson, 1994: 260-1).

Community development is an investment strategy, with a number of phases of development (OECD, 1999: 130; Community Employment Group, 1997a: 12). These can be summarised as:

- *catalyst phase* – ‘soft’ policy intervention, such as developing partnerships, planning, identifying resources, implementing a pilot.
- *consolidation phase* – successful pilots evaluated and assessed and lessons learned incorporated into existing and /or expanded initiatives, with ‘hard’ interventions, such as grants and help with infrastructure development.
- *self-sufficiency phase* – most of the preconditions for further development are in place, and policy intervention is only required for specific needs/issues.

A community development approach necessitates a longer-term timeframe to allow for this process, from initial vision, through mobilising participants and developing partnerships, to implementation, evaluation and self-sufficiency. Outcomes will generally take longer to

achieve when one is working with those most disadvantaged in the labour market or who have multiple problems. If groups and communities have not necessarily been active in local development issues they will need upskilling and time to bring the community along with the issues.

## 8.2 Evaluation

Monitoring and evaluation are an important tool for effective decision-making in local development initiatives and for policy development. In a climate of devolution to the local level it is important that good information is available so that lessons learned are available to practitioners and policy makers alike. It is also important to focus on outcomes, and to be able to measure spin-offs of community development policies.

The practice of local development involves trying fresh approaches and new solutions continually. Strategically, a strong evaluation capacity is needed to:

- measure the longer-term outcomes of local development processes and funding and feed this information into the policy development process;
- identify areas of concern or potential improvement in community development approaches;
- increase accountability;
- demonstrate the value for money of public spending; and
- review and capture examples of good practice.

Working with organisations that are experiencing multiple disadvantages in the labour market means that progress may be unspectacular at first. It is easy to measure short-term outcomes, such as getting a job, but more difficult to measure outcomes that may not be easily apparent, such as encouraging more money into a community, improving local participation, or effects that come sometime after the initial intervention, such as a long-term unemployed person getting a job following interventions over time aimed at confidence building, upskilling and reattachment to the labour market.

It is widely acknowledged that there are difficulties implicit in evaluating local development policy (see for example Foley, 1992; Brennan, Rhodes & Tyler, 1998; Hunt and Owen, 1998; OECD, 1992, all cited in OECD, 1999: 137; Hungerford, Hutchings and Simonsen, 1998, cited in Russell, 1999: 8).

These relate to:

- the broad range of objectives and outputs that should be measured and the difficulty of quantifying some types of benefit or attributing them to particular actions;
- assessing the benefits of local development approaches in terms of levering in additional mainstream funds, increasing the tailoring of mainstream programmes to local needs; and
- assessing benefits of partnership and the integration of delivery mechanisms at a local level.

Also, statistical measures are not enough on their own as they will not tell the whole story. (Galaway & Hudson, 1994: 260-1.) Amongst community development practitioners, there is much debate and a little scepticism over the value of evaluation exercises, with a common theme being that too much quantitative accountability leads to the tendency to achieve measures of numerical outputs, but do not provide a good indication of successful outcomes or information about how a project might be developed. This raises the other side of the 'what gets measured gets done' syndrome, where what is not measured gets lost, and funders and community development practitioners misunderstand each other. While

evaluation may not be able to provide definitive answers, it can provide a framework for making judgements on an initiative's effectiveness in meeting its various goals and for assessing its relative strengths and weaknesses.

It is desirable to involve community groups in a collaborative approach to evaluation, both to ensure their support and to collect more valid information about developments at the local level. The evaluation design has to take into account the strengths and weaknesses of the collaborative approach, and it should be noted that this kind of approach can present difficulties for community groups who are not well-resourced.

Evaluation should be integrated into local development initiatives, and communities must be involved in the evaluation process and in determining the outcome/success indicators. In this way, action driven from the bottom up feeds into policy development, maintaining the feedback loop and constructing a robust knowledge and database. Stories and case studies are a useful way to show what happened, what worked and what didn't work, and why, because they contextualise the approach, and are more accessible to practitioners. (Galaway & Hudson, 1994: 260.)

### **8.3 Transfer of knowledge and best practice**

While it is not possible to transplant local initiatives to other areas lock stock and barrel, because of differences in local circumstances, culture, players, capacities and so on, experience in NZ and overseas (Community Employment, 1999a; OECD, 1999) shows that it is important to establish mechanisms to spread best practice and learn from experience. Proven ways of facilitating this are:

- developing and maintaining local to regional to national networks amongst community development practitioners;
- publications that give examples of successful initiatives and problems encountered and how they were overcome;
- conferences/seminars/workshops on different issues/practices;
- a strong training capacity, for the development partners; and
- fieldstaff working in the community who act as information brokers.

### **8.4 Devolution, maintaining policy fit and the mechanism for strong connections between the centre and local action**

Devolving policy decisions and funding to a range of local organisations involved in community development raises a number of issues for the relationship between local practitioners and national and regional partners:

- perceived inequity of policy provision in different areas;
- co-ordination of local development;
- risk management; and
- autonomy to respond to local need, without cutting across national and regional priorities, and while maintaining accountability for public funds.

Devolution requires strong connections between central government and local initiatives. This is necessary to support the process of community development by:

- promoting a two way information exchange to inform policy development, helping manage risks associated with flexibility and innovation (including maintaining policy fit);
- managing the sometimes delicate balance between competition/local focus and co-operation when regional delivery mechanisms operate;

- making optimum use of local to regional to national support and networks;
- deploying national assets to assist regional or local initiatives, unrestricted by administrative boundaries;
- ensuring that community development issues are understood in central decision-making forums;
- allowing the centre to get a close feel for the needs of target communities and for national concerns to be quickly reflected back to regions and local areas;
- redeploying resources from within a wide pool of staff, the community and business sectors;
- evaluating and feeding out lessons learned; and
- supporting staff who must manage to be both of the bureaucracy and the community.

### **8.5 Maintaining innovation**

Innovation and flexibility is the cornerstone of the community development approach to employment initiatives. Flexibility allows a community group to tailor their employment solutions to their own needs with the resources they have available and allows each group to progress at their own pace in a way that is appropriate to them.

Openness to innovation demands that any funding/assistance must be flexible in its approach because too many rules and criteria can constrict the progress of new ideas.

An innovative approach means there must be a tolerance for failure and deviation from original plans. A project that does not meet its target or changes direction may still have positive spin-offs, and provide lessons for future initiatives.

### **8.6 Managing risk**

While all policy initiatives have risk, relating to how policy outcomes might be compromised and the potential for misuse of public money, community development is often perceived as being particularly risky, in relation to accountability, maintaining policy fit, and the often expressed desire by communities to have full decision-making ability. While these risks can be real, there are proven ways to manage them.

A key issue for any policy involving disbursing funding is maintaining and improving capacity to manage risk and enhance the effectiveness of funding placement. Kick-start funding is intended to get projects off the ground, leading to self sufficiency or integration into mainstream sources of support, so funding is moved around. Continual redistribution of funding to a succession of new organisations, or for a succession or previously untried local development initiatives, carries a higher level of fiscal risk than re-funding previously successful group and/or projects. A new organisation may lack administrative skills and require more intensive support. There is the risk that projects may not work, or may be used for their own ends by dishonest recipients of development assistance.

Risk management is dependent on relationships of trust and strong networks on the one hand, and a realistic appreciation of risks, based on a good knowledge of communities, on the other. Methods of risk management include:

- a commitment to developing relationships of trust over time;
- having locally-based advisors working alongside community groups to provide regular support and advice. Such staff are also in a good position to hear if any difficulties are being encountered;
- negotiating an individual contract with a group which specifies expected results;

- requiring comprehensive reports on progress, achievements and project expenditure;
- regular monitoring; and
- identifying and tracking risk factors.

There are also informal checks and balances that apply in community development work. The most important is that of communities themselves. The evidence is that communities value their ability to gain project funding and are quick to police themselves in situations where funding seems to be being used inappropriately in case the project is jeopardised.

### **8.7 Managing demand**

Growth in community awareness and expectation of devolution initiatives has led to an increased demand for local development initiatives, including funding and support for these from government. Increased community demand for a limited amount of resource (human and financial) means that government must ensure its resources are most effectively used and are directed to those most in need.

In order to do this staff are needed who:

- have a good knowledge of the pockets of long term unemployment and benefit dependence in their region;
- are able to take decisions on the allocation of these resources primarily at the local level; and
- follow a funding approval process that allows for local development, supplemented by regional input to ensure the project contributes to the regional picture, and a national overview to ensure the wider policy fit.

### **8.8 Targeting those most disadvantaged in the labour market**

Targeting assistance directly to those groups most disadvantaged in the labour market, who are disproportionately represented in long-term unemployment and benefit dependency statistics, often brings with it a distrust of the bureaucracy as a means of improving their particular situation. It requires an ability to operate in a non-bureaucratic way, and a need to work directly with those affected. The high level of disadvantage, including low education and skill base, lack of confidence, isolation from the labour market and lack of resources, means that these groups need more intensive support, facilitation, strategic planning and brokerage, often for a longer period. The greater the level of disadvantage, the greater the input needed from government and other partners to ensure the project's success.

Taylor and Hunter (1999) have recently assessed the economic costs of the continuing low economic and employment status of indigenous Australians. They argue for continued investment in special employment programmes for Aboriginal and Torres Strait Islanders, in order to meet the needs of this growing population lacking the skills necessary for a rapidly changing labour market. This situation is not dissimilar from that in New Zealand, where Maori and Pacific peoples are disproportionately represented in unemployment statistics.

A recent impact report from Community Employment (1999a: 15-16) outlines some of the problems of working with those most disadvantaged in the labour market. Working with people with limited labour market attachment brought ongoing motivation, self-esteem and commitment difficulties. The US Jobs-Plus research demonstration project found that these were exacerbated if some participants had drug and alcohol problems (Riccio, 1999: v).

Evaluations undertaken of three of CEG's employment strategies identified some additional barriers emerging from a community employment development approach and working with disadvantaged groups. The Mahi a Iwi evaluation highlighted a need for further follow-up if positive activities were to develop into employment opportunities – that is, strong and ongoing support was needed. The 1997 Pacific Peoples evaluation identified the same need, with twelve month project funding seen as too short term for Pacific Islands groups, as many took longer to develop given the possible language difficulties and lower education levels of group members. The 1998 evaluation of services to women found that lack of childcare and family responsibilities could affect participation in development activities, and that issues relating to culture and roles of women had an impact (CEG, 1998, 1997a, 1997b).

### **8.9 Developing and nurturing community partnerships**

In principle, the government enters into partnerships with communities to achieve a synergy of effort and resources. Community partnership is a cost effective method of assistance where a little public sector money can lever a substantially larger amount of social and economic benefit for those who are most disadvantaged. This means that:

- the community is an active partner in the identification and development of their own locally-appropriate employment solutions;
- community involvement increases commitment and a sense of ownership that will help the project survive beyond government input;
- “learning by doing” upskills community participants – projects involve, among other things, business skills, project, resource and people management; and
- government resource input (advice and/or funding) acts as a catalyst for projects to begin and grow.

A workshop on government and community partnerships, held at the Social Capital and Strong Communities conference, identified issues around devolution. It was felt that certainty of funding is needed, along with efforts to overcome lack of trust between government and community (Davis, 1998).

Coady and Galaway's Canadian research identifies difficulties in establishing and maintaining inclusive partnerships focused on both social and economic development. In particular, they acknowledge “the disparate, often conflicting, interests of the potential partners and the lack of trust and acceptance among them” (Coady and Galaway, 1994:204). They argue that local grassroots participation is essential in the initial stages of a partnership, and that considerable work is involved in understanding and communicating the linked needs and opportunities of various partners, and the overlap between social and economic objectives. The evaluations of CEG service delivery to Maori, Pacific peoples and women found that the fieldworker role was valuable in filling this need.

### **8.10 Building capacity and leadership**

Communities vary across NZ in their ability to contribute to local development; capacity building for some community groups will be needed both to help them contribute to local development initiatives and to upskill them as providers able to contract to deliver government services. This has been identified as a challenge in New Zealand both by the Community Employment Group (1997a; 1997b; Community Employment, 1999a) and the Department of Internal Affairs (1997), particularly for those who have low levels of resources or are disadvantaged in the labour market. Similarly, an OECD (1998b) report on distressed urban areas found that small community organisations without the human and financial resources or management skills to implement change in their local areas were, in effect,

merely the service deliverers for national or local government funding programmes, rather than agents of local development. CEG work, however, shows that such groups can be upskilled, and that working with disadvantaged groups can be very useful in gaining access to those most disadvantaged and alienated from mainstream society (Community Employment Group, 1998 & 1997a).

### **8.11 Sustainability & dependency**

Sustainable local development requires attention across the range of community development issues, economic, employment, social, environmental and cultural. Under-developed communities represent pools of under-utilised resources, human, physical and financial. It is important that the wider potential of a community is tapped into so that new development opportunities are realised, both through adding to existing resources and using them in new ways; the 'king-hit' initiative - the new employer, the key industry, etc - is only one of a menu of responses. On the micro level, results are more likely to be sustainable if remedies are tailored towards individual needs, rather than through a one size-fits-all programme.

Issues of dependency are real and need to be addressed in accompanying strategic planning exercises, where longer-term outcomes are considered, and through robust evaluation of outcomes that can feed back into policy development. Exit strategies should be considered as part of the policy development process. Kick-start funding with sunset clauses, combined with longer-term funding (say 3 years) allows community developers to plan for a time when they will need to be either self-sustaining or have developed new sources of funding.

On the other hand, community groups have commented that where a need remains, someone must take responsibility for meeting that ongoing need. This comes down to a policy decision, both on what should be targeted and who should deliver it.

## **9 Role of government & communities in community development**

A community development approach is able to address one of the central policy challenges facing many governments today – how to balance the achievement of economic goals with the maintenance of social equilibrium. It is based on a model that emphasises concepts of community, reciprocal advantage (for government, individuals, communities and business), trust and co-operation. It is a long-term investment strategy that recognises that without government assistance, cycles of disadvantage are unlikely to be broken. Critically, however, it also recognises that the community itself has an essential role to play in its own development, that government is only one of a number of players and that ultimate success depends on a range of local community players owning development issues and activities.

Making policy and budget decisions discretionary at the local level raises issues for the relationship between local development practitioners, and national and regional bodies that imply a need for appropriate national and regional structures (OECD, 1999: 134). These are discussed below.

### **9.1 Local development partnerships**

Local development policy has become increasingly important in more recent years as governments and communities have sought to address persistent problems of economically and socially depressed areas by supporting locally-based initiatives, complementing more mainstream, nationally designed, individually-focussed programmes. In theory, one of the

main advantages of involving community organisations in policy planning and implementation is that a range of people is mobilised. Increasing globalisation and changing technologies (knowledge economy) have opened new markets and competition where local development initiatives can offer a response – for example through the promotion of innovation, local interventions and encouraging entrepreneurship. The OECD believes that there is ...strong potential of the local development approach to help regenerate the economies and societies of less developed regions and to bring greater local participation in the decision-making and actions that underpin restructuring (OECD, 1999: Foreword).

Putnam argues for an appreciation of the important, respective roles played by both the state and civil society. In doing so, he agrees with Skocpol's defence of a government role and her criticism of those who idealise bottom-up solutions and do not acknowledge the benefits of government-community partnerships (Putnam, 1996: 3).

Similarly, in their review of recent literature on the role and reform of the state, the United Nations' Office of Development Studies calls for such a combined approach. In particular, it advocates cultivating the energy and vitality of civil societies, and developing institutionalised links between public institutions and decentralised civic organisations (Reddy and Pereira, 1998: 36). Successful development projects in rural Mexico, Brazil and the Indian state of Kerala are attributed to reciprocal relationships between dynamic local groups and a facilitative state.

#### 9.1.1 Devolution to communities

Both in New Zealand and overseas there has been some criticism about the extent to which social capital and appeals to civil society have been used to shift responsibility for social problems away from the government or welfare state, and onto an amorphous community (Skocpol, 1996; Everingham, 1999: 1; Robinson, 1997: 32). These critics argue that community responsibility has been a convenient response to the imposition of fiscal neutrality within a downsized public sector attempting to grapple with growing social and economic disparities.

In Australia, Everingham cites calls from MP Mark Latham who argues for the devolution of responsibility from the state to 'self-governing communities of interest'. Latham's support for devolution is based on an assumption that communities are less bureaucratic and promote horizontal, more equal social relationships where welfare recipients are not merely passive recipients of coercive state intervention. Earles challenges this assumption by arguing that three decades of devolution (peaking in the 1990s) have resulted in more centralised and bureaucratic non-government organisations (Earles, 1997 cited in Everingham, 1999).

The experience of the Aboriginal and Torres Strait Islander Commission (1999) sounds a cautionary note in this regard, listing a number of barriers that would need to be overcome in order to move successfully towards greater levels of regional autonomy for indigenous people in Australia. These include increasing the level of local management skills, ensuring the regional population base is large enough to be an efficient basis upon which to provide services and greater flexibility of mainstream funding, with clear lines of accountability between partners.

Despite this, and caveats re contracting vs local development (see section 3.3 above) discussion with community groups showed that they have long experience in community

development and see their roles quite clearly. (See section 9.3 below.) Much has been achieved and community organisations are determined to continue this work.

### 9.1.2 Multi-sector partnerships

Strong arguments have been made for partnership approaches that involve central government, local government, community organisations and the private sector. Increasingly multi-sector partnerships have been established to deal with broad issues of social exclusion. The World Summit for Social Development, held in Copenhagen in March 1995, advocated an integrated, inter-sectoral and multi-faceted approach to poverty. Similarly the United Nations Development Programme (1998: 11) asserts the significance of fostering partnerships between the public and private sectors.

In New Zealand, a 1997 report by the Department of Internal Affairs notes a rise in the number of multi-sectoral projects here (Department of Internal Affairs, 1997: 23). Some current examples are the work of the Community Employment Group, the Strengthening Families initiative established in 1997 and the Local Employment Co-ordination (LEC) groups introduced in 1996 (as a result of the 1994 Prime Ministerial Taskforce on Employment).

The UK Department of Social Security's first annual report on Tackling Poverty and Social Exclusion outlines a similar integrated approach - building on an investment in individuals and communities.

We recognise that local people know best of all about the problems that they face, and that they have an essential role in finding solutions that will work and will bring sustainable improvements. Former policies have not engaged the communities they were meant to help: ideas that are imposed on a community often fail. Our approach is to work with, rather than on behalf of, local people in partnership with voluntary bodies, local authorities and business. (Department of Social Security, 1999: 144.)

What, then, are the respective roles of government and communities in community development?

## **9.2 Role of government**

The Government role is to facilitate community development and movement of the community towards self-sufficiency. National policy makers/bodies have a role in local development issues, in terms of setting the framework within which local development initiatives can best add value to national approaches. The government has a role insofar as national initiatives are likely to provide much of the framework within which efforts at the local level proceed.

They can assist in:

- commitment to partnerships, where policy-making is shared;
- capacity building, including teaching local organisations about good practice in strategic development and planning, financial management, evaluation, and risk management;
- providing a mechanism for local co-ordination to avoid duplication and promote co-operative work, e.g., shared marketing or use of infrastructure;
- securing co-ordination at the central policy level so that policies can be integrated at the local level;
- building in the capacity for local flexibility in the implementation of nationally designed and funded policies;
- financial resources/partnership funding to kick-start innovative local strategies, particularly in severely disadvantaged areas, and including secondment of government staff to work in community organisations;

- dissemination of best practice guidance and the development of national and regional policies that can be applied at the local level; and
- creating a climate of entrepreneurship, where innovation and flexibility are encouraged. (Arzeni 1997/98; Community Employment Group 1997a & 1997b; OECD, 1998b & 1999, discussion with community groups.)

In advocating an integrated approach to the problems of distressed urban areas, the OECD strongly makes a case for central government taking on a pivotal role. This is because:  
 ... some of the responsibilities of the public sector in cities are its alone, because the problems of distressed urban areas have consequences for national economic, social and environmental outcomes, and because national policies and programmes can help local governments and actors develop and implement more effective solutions. (OECD, 1998b: 118.)

The role of central government in local partnerships is also described as 'levelling the playing field' by providing the extra resources required to establish basic infrastructures in disadvantaged areas, recognising that private markets do not provide equal access to venture capital or finance to these residents (OECD, 1998b: 127-8).

### 9.3 Role of community

Commenting on local government and community partnerships in the United Kingdom, Karen Jones asserts the need for greater clarity about the role of 'community'.

The community are both beneficiaries and working partners. The community are the people left in the area when the project ends; strengthening the community should be a specific target of the partnership. (Jones, 1995: 19).

A number of papers presented at the Voluntary Social Services conference highlight the increasing demands placed on this sector (New Zealand Council of Social Services, 1999). Both Blakeley (1998: 25) and Nowland-Foreman cite a 1996 survey funded by the New Zealand Community Funding Agency (NZCFA), which concludes that voluntary welfare organisations are "viable but vulnerable" (Ernst & Young, 1995, cited in Nowland-Foreman, 1998: 3).

Nowland-Foreman agrees with Higgens' (1997) assessment that the voluntary sector's strength is its skill in "integrating people into the community and empowering disadvantaged groups rather than merely planning for their needs" (Nowland-Foreman, 1998: 7). This is supported by Reid (1997: 104) who suggests that as social capital is generated in the relationships and connections between people, it is "primarily constructed at a community level". Clearly this is not something that can be legislated by government – communities and families are the places where social capital and social cohesion are built. However, government has a strong interest in this, and supporting families and communities to contribute.

Communities can assist with:

- co-ordination of assistance across the range of social, employment and economic areas;
- getting access to and understanding ways of working with targeted disadvantaged communities;
- entrepreneurial/innovative models and provide a low cost means of testing new models;
- building the capacity of community organisations to contribute to their own social, employment and economic development;
- enhancing social cohesion through their community development activities;

- local knowledge of needs and opportunities; and
- delivery of local services for government and local government.

#### 9.4 Role of local government

As outlined above, local government has a role as a partner in local development initiatives. That can be both as a provider of government services and as a partner in local development initiatives.

O'Neill, in a review of the Opotiki development project, concludes that "a willingness to suspend the pursuit of short-term parochial goals in order to obtain long-term, sustainable economic and social growth" (O'Neill, 1997: 43) is crucial.

In an analysis of New Zealand's community and local government reform, Bruce Hucker supports a role for local government in redistributing resources to address inequalities that threaten the stability of neighbourhoods and cities.

Locally we need to acknowledge our bonds with our neighbours and explore ways of developing policies that aim at expressing respect for persons, a commitment to social justice and a sense of collective communal responsibility. (Hucker, 1997: 62)

However Hucker also suggests that the size and remoteness of the larger local authorities constitute a problem, that is not overcome by community boards, which operate more at the local level, but have too few powers granted to them to make a real difference. He also suggests that there has been a shift of power from elected councillors to council officers (Hucker 1997: 54-55).

Mike Reid, writing about the New Zealand experience suggests that local government is effectively community government, dependent upon the strength and resourcefulness of its local communities. Local government can play a potentially strong role in developing social capital, particularly if it adopts a participatory approach to governance (Reid, 1997: 104 and 108; Department of Internal Affairs, 1997: 31; Hutchinson, 1999: 1).

Karen Jones (1995) and Peter McKinlay (1999) argue that community development work is beyond the capacity of central government and local government is best placed to deal with these issues. Jones defines the local government role as "to lead, stimulate, encourage and orchestrate the transformation of the district, in an environment of uncertainty, competing interests and fragmentation" (Jones, 1995: 6).

McKinlay agrees that:

... the core role of local government must become one of enabling local governance – the process of communities deliberating on, choosing and achieving their preferred futures. (McKinlay, 1999: 16).

Amongst community groups spoken to as part of this project, there was mixed support for the idea of one layer of government having the more powerful role in community development initiatives – many saw the role of central government and local government as partners with communities. This is an issue that needs careful consideration. As yet there is no strong evidence that devolution to local government is more effective than going more directly to community groups. There is also a need in regional devolution to manage the balance between co-operating and competition so the co-operative gains from the community development approach are not lost. When mentioned, many pointed out that working in an area concerned with the broader social, economic, employment goals rested properly with

central government, in partnership with communities, and that local government was properly a part of this partnership.

## **9.5 Role of private sector**

The role of the private sector has tended to be smaller scale in community development in New Zealand. There are exceptions, however, and these tend to be more in the business development end of the community development spectrum. For example, Business in the Community has business sponsorship in partnership with government funding, and relies on business people to act as mentors, in return for expenses (e.g. travel costs), although many do not claim these expenses. Some organisations have given funding regularly to community development initiatives, e.g. ASB, Canterbury Development Trust, Tindall Foundation.

Business has also been involved through Mainstreet initiatives, which aim to attract more spending into an area by making the town centre more attractive to local people and visitors through improving the environment and working to retain essential services in declining areas. Some local businesses have also been involved in community development projects on a small scale, from donating photocopying or operating resources to small amounts of funding.

The OECD suggests that initiatives involving large corporations have had variable results, with variations relating in part to the tradition of social responsibility within a particular country, while small and medium enterprises do not often have the resources to become involved. Where such initiatives have happened there is often a brokerage role necessary between business and community, for example the Neighborhood Employment Network (NET) in Minneapolis (OECD, 1998a: 49 –50). In New Zealand, this role has been filled in some instances by Community Employment Group fieldworkers. Encouraging partnership contributions from the private sector is an area worth further exploration.

## **10 Conclusion**

Community development is one of a number of policy approaches to address disparity, which include more flexible, co-ordinated use of mainstream policies, increasing local targeting of initiatives, contracting out service delivery to local groups, involvement of non-governmental sectors, and developing a partnership approach.

All of these features, relating to flexibility, addressing disparity and co-ordination at the local level are common to the community development approach, which has traditionally focused strongly on developing partnerships and tailoring solutions to local needs.

While the community development approach can bring significant advantages, relating to the holistic approach, local knowledge and resources, and ability to achieve results in disadvantaged areas, it is not a panacea able to solve all local problems, nor does it come without problems and issues of its own, relating to funding, capacity, managing risk etc. Also, it is not possible to simply transplant an approach from one region or locality to another, without paying attention to differences in the local context, and adapting to local circumstances.

## 11 Bibliography

Aboriginal and Torres Strait Islander Commission. (1999). *Regional Autonomy for Aboriginal and Torres Strait Islander Communities – discussion paper*. Australia: Aboriginal and Torres Strait Islander Commission.

URL: [http://www.atsic.gov.au/default\\_ns.asp](http://www.atsic.gov.au/default_ns.asp) [Cited 22 October 1999]

Arzeni, Sergio. (1997/98). Entrepreneurship. *OECD Observer no 209*, Dec97 / Jan98. Paris: OECD.

Aspen Institute. (1996). *Measuring Community Capacity Building. A Workbook – in Progress for Rural Communities. Version 3./96*. Washington DC: The Aspen Institute, Rural Economic Policy Program.

Blakeley, R. (1998). Social Capital and Public Policy. In Davis, R. (ed.) *Social Capital and Strong Communities*. Wellington: Capital City Forum.

Blakeley R. and Suggate, D. (1997). Public Policy Development. In Robinson, D. (ed.) *Social Capital and Policy Development*. Wellington: Institute of Policy Studies.

Brodhead, Dal and Lamontagne, Francois. (1994). Summary, Future Directions and the Research Agenda. In Galaway, Burt and Hudson, Joe (eds.) *Community Economic Development. Perspectives on Research and Policy*. Canada: Thompson Educational Publishing.

Campfens, Hubert. (1997). *Community Development around the World: Practice, Theory, Research, Training*. Toronto: University of Toronto Press.

Chambers, Robert. (1993). *Challenging the Professions. Frontiers for rural development*. London: Intermediate Technology Publications.

Chaskin, Robert J, Joseph, Mark L. and Selma Chipenda-Dansokho. (1997). Implementing Comprehensive Community Development: Possibilities and Limitations. *Social Work*, Vol. 42, No. 5, pp 435-444.

Chile, L. M. (1999). *Social Policy and Family Change in Aotearoa New Zealand: Creating Community Capacity for Positive Family Change*. Paper presented to the 1999 National Social Policy Conference, "Social Policy for the 21<sup>st</sup> Century: Justice and Responsibility", Social Policy Research Centre, University of New South Wales.

Coady, Nick and Galaway, Burt. (1994). Partnerships Conducive to Effective Community Economic Development: Summary, Policy Implications and Research Agenda. In Galaway, Burt and Hudson, Joe (eds.) *Community Economic Development. Perspectives on Research and Policy*. Canada: Thompson Educational Publishing.

Cohen, Stephen S. and Fields, Gary. (1999). *Social Capital and Capital gains – an examination of social capital in Silicon Valley*. Paris: OECD.

Community Employment. (1999a). *Community Impact Report. June 1999*. Wellington: Community Employment, Work and Income New Zealand.

Community Employment. (1999b). *Three Year Outcome Assessment (TOA) Project*. Project proposal prepared for Community Employment Group, Work and Income New Zealand.

Community Employment Group. (1998). *Evaluation of the Community Employment Group's Delivery of Services to Women 1996/97*. Wellington: Community Employment Group, Department of Labour.

Community Employment Group. (1997a). *Mahi A Iwi Evaluation Report*. Wellington: Community Employment Group, Department of Labour.

Community Employment Group. (1997b). *Pacific Peoples Evaluation Report*. Wellington: Community Employment Group, Department of Labour.

Corporation for Enterprise Development. (1999). *Ideas in Development*. Washington, DC: Corporation for Enterprise Development.

Crozier, Margaret. (1997). Employment: Local Empowerment and Central Policies. In Bell, Claudia (ed.) *Community Issues in New Zealand*. Palmerston North: Dunmore Press.

Davis, R. (ed.) (1998). *Social Capital and Strong Communities*. Wellington: Capital City Forum.

Department of Employment, Education, Training and Youth Affairs. (1998). *Pathways to the Future – Indigenous Economic Development Conference*. Conference proceedings from an international conference on economic development for Aboriginal and Torres Strait Islander peoples, Darwin, Australia, 9-12 September 1997. Canberra: Department of Employment, Education, Training and Youth Affairs.

Department of Internal Affairs. (1997). *Building Strong Communities: A 'Thinkpiece'*. Wellington: Department of Internal Affairs.

Department of Social Security. (1999). *Opportunity for All: Tackling Poverty and Social Exclusion*. London: The Stationery Office.

URL: <http://www.dss.gov.uk/hq/pubs/poverty/pdfs/six.pdf> [cited November 8, 1999]

Douglas, T. (1997). On the Notion of Social Capital: The Perspective of the Maori Congress. In Robinson, D. (ed.) *Social Capital and Policy Development*. Wellington: Institute of Policy Studies.

Employment Task Force. (1994). *Employment: Addressing New Zealand's Biggest Challenge: Proposals for Action*. Wellington: Report of the Employment Task Force.

Everingham, Christine. (1999). Globalisation and the Politics of Community. Paper presented to the 1999 National Social Policy Conference, "Social Policy for the 21<sup>st</sup> Century: Justice and Responsibility", Social Policy Research Centre, University of New South Wales.

Fukuyama, F. (1995). *Trust. The social virtues and the creation of prosperity*. London and New York: Penguin.

Galaway, Burt and Hudson, Joe. (eds.) (1994). *Community Economic Development. Perspectives on Research and Policy*. Canada: Thompson Educational Publishing.

Harington, Paul. (1997). "Community": Language and Ideology. In Bell, Claudia (ed.) *Community Issues in New Zealand*. Palmerston North: Dunmore Press.

Higgins, J. (1997). Transparency and trade-offs in policy discourse: A case study of social service contracting. *Social Policy Journal of New Zealand*, No. 9, pp 1-15.

Hucker, Bruce. (1997). Community and Local Government Reform: A Brave New World? In Bell, Claudia (ed.) *Community Issues in New Zealand*. Palmerston North: Dunmore Press.

Hutchinson, Vivian. (1999). *It is the local that learns – some thoughts on community governance*. Speech given to the local government Community Governance Forum, Christchurch, 2-3 June.

Jones, Karen. (1995). *People and Participation in Rural Areas. A report on relationships between local governments and communities in the United States, United Kingdom and Ireland*. Wellington: Winston Churchill Memorial Trust.

Kemp, Leslie and Coyle, Mary. (1994). Summary, Policy Implication and Research Needs. In Galaway, Burt and Hudson, Joe (eds.) *Community Economic Development. Perspectives on Research and Policy*. Canada: Thompson Educational Publishing.

Kerr, Lorraine and Savelsberg, Harry. (1999). *Community Organisations in the Era of the Market Model: Facilitators of Social Change or Servants of the State*. Paper presented to the 1999 National Social Policy Conference, "Social Policy for the 21<sup>st</sup> Century: Justice and Responsibility", Social Policy Research Centre, University of New South Wales.

Kubisch, Anne C.; Weiss, Carol H.; Schorr, Lisbeth B. and James P. Connell. (1995). Introduction. In *New Approaches to Evaluating Community Initiatives. Volume 1. Concepts, Methods and Contexts*. USA: The Aspen Institute.  
URL: <http://www.aspenroundtable.org/vol1/index.htm> – [cited 12<sup>th</sup> October 1999]

McKinlay, Peter. (1999). *Globalisation, Subsidiarity and Enabling Governance of our Communities*. Paper presented to the Community Government Forum, Christchurch, June 2-3, 1999.

Ministry of Pacific Island Affairs. (1999). *The social & economic status of Pacific Peoples in New Zealand*. Wellington: Pacific Vision Status Reports Series.

Murdoch, S. (1998). The Path to Social Capital. In Davis, R. (ed.) *Social Capital and Strong Communities*. Wellington: Capital City Forum.

New Zealand Council of Social Services. (1999). *Proceedings of the Voluntary Social Services Conference' held in Wellington from 30 September – 1 October, 1999*.

New Zealand Government. (1995). *Focus on Employment. The Government's Response to the Employment Task Force and the Multi-Party Group Memorandum of Understanding*. Wellington: Government Print.

Nowland-Foreman, Garth. (1998). Purchase-of-service contracting, voluntary organisations, and civil society. *The American Behavioural Scientist*, Vol. 42, Issue 1, pp 108-123.

- OECD. (1999). *Local Development Policy Experiences in OECD Countries: Good practices and transferability in less developed regions*. Paris: OECD.
- OECD. (1998a). *Local Management for more effective employment policies*. Paris: OECD.
- OECD. (1998b). *Integrating Distressed Urban Areas*. Paris: OECD.
- OECD (1998c). *Fostering Entrepreneurship: A Thematic Review*. Note by the Secretary-General for the Council at Ministerial Level, 27-28 April, 1998. Paris: OECD.
- OECD. (1997). *Territorial Development Policies for Competitiveness, Social Cohesion and Environmental Sustainability – issues for discussion*. Draft annotated agenda – Ministerial meeting on Territorial Development Policy.
- OECD. (1996). *Local Partnerships and Social Innovation: Ireland*. Paris: OECD.
- O'Neill, Rose. (1997). Strategic Frameworks of Government-Community Partnerships: Opotiki Development Project – A Case Study. *Social Policy Journal of New Zealand*, Issue 9, November, pp 27-44.
- Polese, Mario. (1994). Community Economic Development Revisited: The Preconditions of Success. In Galaway, Burt and Hudson, Joe (eds.) *Community Economic Development. Perspectives on Research and Policy*. Canada: Thompson Educational Publishing.
- Prime Ministerial Taskforce on Employment. (1994). *Employment: understanding New Zealand's biggest challenge: summary of consultations*. Wellington: Prime Ministerial Taskforce on Employment.
- Putnam, Robert. (1996). Robert Putnam Responds. *The American Prospect*, No. 25, March - April, pp 26-28.  
URL: <http://www.prospect.org/25/25-cnt4.html> [cited October 15, 1999]
- Putnam, Robert D. (1993). The Prosperous Community: Social Capital and Public Life. *The American Prospect* No. 13, Spring, pp 35-42.  
URL: <http://epn.org/prospect/13/13putn.html> [cited October 15, 1999].
- Reddy, Sanjay and Pereira, Anthony. (1998). The Role and Reform of the State. *ODS Working Paper 8*. New York: Office of Development Studies, United Nations Development Programme.
- Reid, M. (1997). A Local Government Perspective on Social Capital. In Robinson, D. (ed.) *Social Capital and Policy Development*. Wellington: Institute of Policy Studies.
- Riccio, James A. (1999). *Mobilizing Public Housing Communities for work. Origins and Early Accomplishments of the Jobs-Plus Demonstration*. New York: Manpower Demonstration Research Corporation.
- Robinson, D. (ed.) (1997). *Social Capital and Policy Development*. Wellington: Institute of Policy Studies.

Russell, Marie. (1999). *Measuring community outcomes: the theory and practice of community capacity building and employment outcomes. A literature review.* An unpublished paper for Community Employment, Work & Income New Zealand, July 1999.

Savage, John. (1999). *The youth labour market and disadvantage: issues and evidence.* An unpublished paper for The Treasury, October 1999.

Skocpol, Theda. (1996). Unravelling From Above. *The American Prospect*, No. 25, March - April, pp 20-25. URL: <http://www.prospect.org/25/25-cnt2.html> [cited October 15, 1999]

Smith, Barry and Herbert, Jeff. (1997). *Community-Based Initiatives: Gateways to Opportunities.* A report on the community-based Action Research Project element of the Community Research Project. Canberra: Department of Social Security.

Stocker, G. (1999). Capitalise on Community. *New Zealand Local Government*, January / February. P 2.

Taylor, John and Hunter, Boyd (1999). *The Job Still Ahead: economic costs of continuing Indigenous employment disparity.* Australia: Aboriginal and Torres Strait Islander Commission.  
URL: <http://online.anu.edu.au/caepr/onlinedocs/jobahead.pdf> [cited 19 Oct 1999]

Turnbull, Nick and Fattore, Toby. (1999). *Mutual Obligation and Social Capital: Towards a Critique.* Paper presented to the 1999 National Social Policy Conference, "Social Policy for the 21<sup>st</sup> Century: Justice and Responsibility", Social Policy Research Centre, University of New South Wales.

United Nations Development Programme. (1999). *Sustainable Livelihoods – Frequently asked Questions.* Web page developed by the United Nations Development Programme. URL: <http://www.undp.org/sl/FAQs/faqs1.htm> [Cited October 19, 1999]

United Nations Development Programme. (1998). *UNDP and Civil Society Organizations. Building Alliances for Development.* New York: United Nations Publications. URL: <http://www.undp.org/csopp/csobroch.htm> [cited 21 October 1999]

Wearing, M. (1998). *Working in Community Services: management and practice.* St Leonards: Allen and Unwin.

Work and Income New Zealand. (1998). *Urban Employment.* Pamphlet in the Community Employment Group series. Wellington: Work and Income New Zealand.

Yeatman, A. (1998). Interpreting Contemporary Contractualism. In Dean, M. and Hindess B. (eds). *Governing Australia: Studies in Contemporary Rationalities of Government.* Cambridge: Cambridge University Press, pp 227-241.

## Material cited in other work

Berry, W. (1994). *Sex, economy, freedom and community*. USA: Random House.

Blakely, E. J. (1989). *Planning Local Economic Development. Theory and Practice*. Newbury Park: Sage.

Bolton, Roger. (1992). Place prosperity vs people prosperity revisited: An old issue with a new angle. *Urban Studies*, Vol. 29, No. 2, pp 185-203.

Boswell, K, Brown, D, Maniapoto, J and T Kruger. (1994). *Grassroots 11: community development initiatives at the grassroots*. Wellington, Ministry of Agriculture and Fisheries.

Brennan, A, Rhodes, J & P Tyler. (1998). *Evaluation of the single regeneration challenge fund*. London: Department of the Environment, Transport and the Regions.

Earles, W. (1997). Contracting and Devolution: Centralisation or Decentralisation for Third Sector Organisations? *Third Sector Review*, Vol. 3, pp 87-100.

Ernst & Young. (1995). *NZCFA – Study on the viability of the Not-for-Profit Sector in New Zealand*. Wellington: Community Funding Agency.

Etherington, Stuart. (1999). Promising partnerships: the relationship between voluntary organisations and government: the compact between the UK government and the voluntary sector in England. In New Zealand Council of Social Services (1999). *Proceedings of the Voluntary Social Services Conference*, held in Wellington from 30 September – 1 October, 1999.

Foley, P. (1992). Local economic policy and job creation: a review of evaluation studies. *Urban Studies*, vol 29.3/4, pp 557 – 598.

Humphreys, E. (1996). *LEDA local pilot actions: synthesis report*. London: LRDP.

Hungerford, R, Hutchings, L and H Simonsen. (1998). The challenges of evaluating community-based youth at-risk programmes. In *Evaluation: investing in our future*. Australian Evaluation Society, 1998 International Conference proceedings, pp 294 – 304.

Hunt, A and G Owen. (1998). *An impact evaluation model for local economic development partnerships*. Department for Education and Employment, Research Report no. 52.

OECD. (1998d). *Fostering entrepreneurship: country experiences of what works and what doesn't*. Paris: OECD.

OECD. (1992). National programmes in support of local initiatives: contents and evaluation. *ILE Notebook no. 16*. Paris: OECD.

Ramia, G. (1999). *The "New Contractualism", Social Protection and the Yeatman Thesis*, unpublished manuscript, Faculty of Law, University of Sydney.

UK Employment Department. (1995). *Partnerships for economic development*. Sheffield: Employment Department.

# Appendix 1 High level outcomes for community employment and economic development

## Government community employment and economic development priorities



<b>Community employment &amp; economic development outcomes, eg</b> <ul style="list-style-type: none"> <li>• sustainable employment</li> <li>• viable businesses</li> <li>• participation in unpaid work</li> </ul>		<b>Community capacity outcomes, eg</b> <ul style="list-style-type: none"> <li>• viable community organisations</li> <li>• sustainable resource development</li> <li>• well-developed community accountability</li> <li>• community ownership of solutions</li> </ul>	
<b>Medium and longer-tem outcomes are that these immediate community employment and capacity outcomes are sustainable</b>			
<b>Immediate community employment &amp; economic development outcomes, eg</b> <ul style="list-style-type: none"> <li>• increased employment &amp; enterprise opportunities</li> <li>• increased participation in paid or unpaid work</li> <li>• quicker responses to labour market shocks</li> <li>• greater economic self-sufficiency</li> </ul>		<b>Immediate positive participation/community capacity building outcomes, eg</b> <ul style="list-style-type: none"> <li>• expanded participation</li> <li>• expanded leadership base</li> <li>• strengthened skills base</li> <li>• widely shared understanding of vision</li> <li>• tangible progress towards goals</li> <li>• enhanced development and use of resources</li> </ul>	
<b>These projects &amp; activities enhance the ability of groups to build community capacity and lead to employment opportunities for individuals, the group and the wider community. Both these immediate outcomes lead to greater individual and community self-sufficiency</b>			
<b>Projects</b> developed and managed to completion	<b>Positive activities</b> held, eg sporting & cultural events, confidence building activity	<b>Increased participation</b> in community group	<b>Group delivers services</b> to group or community members
<b>The community group develops activities/projects that help meet its community employment, economic and well-being goals</b>			

These indicators are fairly high level and are largely abstracted from the 3-year outcomes assessment project proposal of the Community Employment Group (Community Employment, 1999b).

## **Appendix 2 Community groups consulted**

Representatives of a number of groups active in the community development area were consulted in the preparation of this paper.

### **Northland**

Community Business and Environment Centre (CBEC)  
Runanga o te Rarawa  
Runanga o Whaingaroa  
He Iwi Kotahi Tatou Trust

### **Auckland**

Manukau Enterprise & Employment Trust  
Auckland New Venture Trust  
Auckland Volunteer Centre  
Methodist Employment Generation Fund  
SENZ Charitable Trust (Sport Education New Zealand)  
Business in the Community  
Te Whanau O Waipareira  
Peer Health Development Trust

### **Wellington**

Hosanna World Outreach Centre  
Outlook Resources  
Angel Bank  
YWCA Wellington and Hutt Valley, & National YWCA  
SuperGrans  
Mature Employment Service Hutt (MESH)  
Samoan Advisory Council  
Fangai Trust  
Taeaomanino Trust  
Tanumafili Trust  
Local Government NZ  
Wellington Chamber of Commerce

### **Christchurch**

Ministry of Pacific Island Affairs  
Ngai Tahu Development  
Company Rebuilders  
Pounamu Trust  
Third Age Co-ordinator, Canterbury Development Corporation  
Christchurch City Council  
Sustainable Cities

### **Dunedin**

Anglican Methodist Family Care  
Pacifica  
Approach  
Crops for Southland & Southland District Council, Enterprise Development  
Clutha Agricultural Development Board & Positively Clutha Women  
Strath Taieri Agricultural and Rural Tourism Trust