FACTORS THAT HELP/HINDER COMMUNITY ECONOMIC DEVELOPMENT

Emerging learnings from CEDAR

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Abstract

The purpose of this paper is to look back over the three years of Community Economic Development Action Research (CEDAR) project and share some of the *learnings* with policy makers and with those engaged in community economic development work. The paper provides a summary of the issues emerging from CEDAR and offers valuable insights into factors that help/hinder communities in their journey towards economic and social development. A more detailed discussion of the specific issues identified in this paper can be found in our issues papers series 'CEDAR\ Issues\01-10\2003' which are available on request.

We hope that this paper will also serve as a starting point for discussions with relevant policy agencies. We will share the findings, through seminars and presentations to agencies and Senior Officials Groups, which will demonstrate, by way of tangible examples, some of the effects of policy on communities/community organisations. The paper also describes the next steps for the CEDAR project (2003-2005), and how we plan to build on its lessons in the Department's future work.

The three 'communities'

For the purposes of this research, we use the term 'community' to refer to 'communities of interest' rather than a geographically defined entity. The three 'communities' involved in CEDAR are:

- Twizel, a geographically defined, small rural community that has a narrow economic base

- Ngati Kahungunu Iwi Incorporated (NKII) focusing on the Tu Kahu project, based in Hastings. Tu Kahu, and the Hastings region provided a contrast to Twizel, i.e. it is iwi-based, more urban, has a more diverse economic base, and is situated in the North Island.

- The third 'community' comprises two Pacific initiatives in Christchurch. They are Pacific Underground (PU), a performing arts organisation, and Pacific Executive Trust of Canterbury (PET), an employment placement and support provider.

Emerging issues from CEDAR

There are three sections to this paper.

Section One	Issues that inform our understanding of community economic development (CED) processes
Section Two	Issues that inform our use of Action Research Methodology
Section Three	The way forward for CEDAR

Section one

Issues that inform our understanding of community economic development processes

One of the key objectives of the research was to identify factors that contribute to successful community economic development. In working with three 'communities' over a three-year period, we have been able to look at a series of events within these communities and/or community groups and build an understanding of the issues that impact on their ability to take advantage of the opportunities for economic development. For the purpose of CEDAR, only government and local government facilitated economic opportunities have been considered.

The issues raised are captured in more detail in the issues papers series (referred to earlier) generated by each project team. These papers can be used by policy teams to extend their understanding of how policy helps, and sometimes hinders, the processes of community economic development. Some of these papers are still work in progress, thus we are providing a broad summary of the issues through this note. The factors that appear to impede communities/community groups from reaching their economic development goals can be broadly clustered around seven broad groups:

1. Relationship between economic, social and cultural goals
2. Access to skills and training (people and initiatives)
3. Funding and resourcing for community groups
4. Recognising the value of strategic planning
5. Changing government relationship with Iwi
6. Co-ordination across government agencies
7. Issues facing rural communities

However, this is not an exhaustive list and represents illustrative examples from the three CEDAR communities we have worked with and are likely to be applicable to other communities in New Zealand.

Each of the above clusters have been discussed under two headings:
- The Issue
- Implications

1.1   Relationship between economic, social and cultural development goals

The issue

The GAINZ report recognises the important of a modern cohesive society, and the need for an integrated approach to economic and social development to achieve this.[1] Through the CEDAR project, we have seen how these concepts of social, economic and cultural aims are inter-linked and often inseparable.

In the early stages of our research in Twizel, our attempt to identify an economic development initiative that would enable us to learn about community economic development (CED) processes met with minimal success. Why? A series of interviews and conversations with community members revealed that a range of related issues were of more immediate concern to the community. These included:

-    population outflows from the community

-    skills shortages

-    burn out of volunteers

-    the trees that line the entranceway to Twizel, and

-    the lack of a platform for discussion and debate about community issues.

In the case of Pacific Executive Trust of Canterbury (PET), we found them trying to balance a 'holistic service delivery' approach with a 'contracted for service', funding driven approach of government agencies. While PET were contracted for placing Work and Income clients into employment, they were also providing wrap around services for these individuals to help them stay in employment. (e.g. picking them up and dropping them off at the workplace), and these costs were generally not covered in the contract. Consequently, most of the work was of a voluntary nature with workers doing the work in their own time, in the weekends and/or outside the typical nine to five work hours.

For Ngati Kahungunu, our third community, the Tu Kahu project had an economic thrust in that it sought to provide employment and training through housing construction. However, underpinning the project was a belief that housing offered a platform for better social outcomes for their people.

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[1] "The government recognises that well developed communities which offer all New Zealanders access to opportunities and networks are an essential part of, and precondition for, an effective economy….That requires that communities have the human, physical, institutional and technological infrastructure to allow them to operate effectively" (GAINZ Report,2002,p.23)

In all three of these instances, economic development and the broader social and community development goals are inextricably linked together. Often, it is the social/cultural objectives that drive and pull communities together. Consequently, maintaining a pure economic development focus in communities poses two kinds of challenges: firstly, government and communities perceive economic development in quite different ways and secondly, communities are keen to address a range of related, and more immediate issues at once (for instance, government may be keen on promoting an economic development activity, but the community is keen to talk about the need for pedestrian crossing or truancy).

Therefore it is useful to visualise social development as the companion or even a counterbalance to economic development[2]. For government agencies engaging with communities and community groups, understanding this interrelationship is key. Identifying the area where the community's energy lies, working through that point of reference and then leading them into what government wants done is likely to achieve a more positive outcome for all.

Implications

Given the inextricable link between social, economic and cultural development, there is a strong need for government agencies to integrate social, economic and cultural policies in a coherent way to help achieve sustainable community outcomes. There is also a strong need to consider social implications within an economic context when engaging with communities. Community Employment Group's strength lies in its ability to work across this area. More recently, the Ministry of Social Development has begun to make some changes in its policy area in recognition of this link between social, economic and cultural development.

1.2 Balancing the tension between social and economic goals

The issue

A related issue is the balancing act that community groups need to perform to manage the on-going tension between social and economic goals. Community organisations that have meaningful social and economic objectives sometimes struggle to survive. This tension between their social and economic goals has been described by CEG fieldworkers as the 'conflict between the heart and the mind' and is faced in particular by Maori and Pacific organisations. They are torn between the need to be commercially viable and the social needs of their community. The tension appears to be between the need to generate income and the acknowledgement that many of their clients have limited ability to pay for services or access other user-pay services. These organisations tend to balance approaches to economic aspirations with community development. Often, the community development (encompassing capacity building and empowerment

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[2] Refer MSD paper on 'The role of community development in achieving sustainable social and economic development', a Policy framework

issues) aims involve investment that isn't covered by contracts relating to service delivery.

In the case of Tu Kahu, NKII wanted to build quality, low cost steel framed houses for members of the iwi, but wanted to use the opportunity to provide training and employment as well as operating a commercially viable building construction company. These objectives gave rise to some confusion and tension about whether Tu Kahu was primarily socially or commercially motivated, or a mix of both. There were some in the organisation who were strongly motivated to meet a social need, whereas others believed that a more commercial approach was necessary to cross- subsidise the organisation's social goals.

In the case of Pacific Underground, a Pacific performing arts organisation, a similar tension exists. There is a conflict in continuing to do some of the community oriented work they are currently funded to do (e.g. organising events and school tours) and shifting their emphasis to doing more of the performance work they want to do and seeking ways to generate income to support the work. Initially PU resolved this conflict by largely ignoring the economic or business side of things. Through their involvement in the training for Digital story telling, and telling their own story, titled *Nice Jacket,* Pacific Underground has been able to reflect on these tensions and have a fresh look at its future.

The Social Entrepreneur (SE) funding, that the co-ordinator has recently received, through CEG, is likely to help PU invest energy and time into exploring the business possibilities more fully. However, there remains the challenge of shifting focus from a project by project funding orientation to generating steady income from performance related business (e.g. mobile recording studio). Thus, the SE funding has created the time and space for the PU co-ordinator to think about their strategic goals and priorities, invest in building capacity of the organisation and identify a business mentor who can help them work through these contradictions. Strengthening the commercial practices of the group will in turn help them to be more effective in delivering their social services.

Implications

From a government perspective, recognising and understanding this tension experienced by some community groups is key when setting down outcomes linked to funding. Communities are sometimes confused by government's expectations of economic success. On the one hand, groups depend on government for funding to provide services to the community, but if they build a strong economic base, funding agencies either seek to reduce funding baselines or are suspicious of the organisation's motives. The community groups unwittingly stay 'poor' to access and sustain government funding.

These issues are being considered as part of the Community Government Partnership Steering Group's work programme. The review on 'improving resourcing and accountability' arrangements will include recommendations on different funding mechanisms that offer support to community groups working towards sustainability. Other partnership approaches such as the one between Pacific Business Trust and CEG, to provide support to community organisations to strengthen their commercial practices are also aimed at helping community groups cope with these issues.

2 Access to skills and training

There are four related issues under this cluster which collectively provide an understanding of how access to skilled/trained people and skills development programmes impacts on communities and community organisations.

2.1 Access to skilled or trained people

The issue

The ability to attract and retain skilled people is a challenge for any organisation. All three communities and community groups involved in CEDAR face problems in attracting and retaining skilled and trained people to support them in their journey towards development. The problem they face appears to be two-fold: finding/attracting people with suitable skills and then paying them enough so that they stay! Why do they face this problem? There are many reasons. In rural communities like Twizel and Tekapo, there is an outflow of population. Skilled workers are moving elsewhere in search of jobs, and there are not enough new people moving into the area. The consequence is that they face a constant shortage of skilled people. Since rural communities also offer limited opportunities for work and career advancement for the young and skilled, they fail to attract or retain an adequate pool of young, skilled workers.

> *Skills is our biggest issue. We don't have the people with the skills to undertake the tasks. Currently, we are setting up a Management Committee to help run the Twizel Events Centre. This group will be responsible for giving the Centre some direction for the future. But where will the people for this committee come from? Most people are already on other groups/committees and they don't have the time or the energy; also you need new blood, not the same old, same old, people.*
>
> *Mayor, Mckenzie District Council*

Access to skilled people is also an ongoing problem for Maori and Pacific organisations, particularly when cultural skills and relationships are considered as essential as technical skills. In these organisations, relationships are culture-centred and network based, and there is a preference to recruit 'their own' people. More often than not, these groups opt to recruit on the basis of cultural/network needs rather than on technical or organisational priorities. Consequently, considerable investment may need to be made by the community group in building the capacity of these individuals and supporting them in their roles. The problem is further exacerbated by a limited pool of skilled Maori and Pacific people in key employment areas, limited capacity to attract and keep such skilled people and a vulnerability to poaching from government organisations (who can generally pay more and offer incentives that non-government organisations cannot offer).

Implications

Government already plays an important role here through a number of programmes. There are capacity building initiatives, delivered by Te Puni Kokiri (TPK) and Ministry of Pacific Island Affairs (MPIA), for Maori and Pacific Groups in enabling 'communities' to develop their economic goals. In doing so, the government benefits from having individuals who are better placed to participate and contribute to economic activities within communities, which in turn, gives effect to government's goals for equitable and full participation in a knowledge society.

For instance, community groups have access to individuals and networks at the grassroot level and Government could benefit from these relationships in terms of accessing grassroots input to policy development and programme delivery. The value of this involvement is already well articulated in the government's policy focus on sustainable communities and community partnerships[3].

Programmes such as Department of Internal Affairs (DIA)'s Internship programme, are also designed to allow community groups to access the skills and expertise that is otherwise not available to these groups. However, our experience with PET suggests that there is a limited pool of Pacific people with appropriate skills and experience to draw from, for such programmes. Related issues include the readiness of the organisation to capitalise on the Internship programme, and the ability of the intern to cope with uncertainty and complexity.

There is also a role for agencies like CEG in co-ordinating access to such funding, so that these individual programmes can effectively knit together and give effect to government's goal for full participation in a knowledge society. These issues have been explored in issues papers "CEDAR isues\Christchurch\01\2003".

The community too has a role to play in responding to this *perceived* problem. For example, offering Twizel access to tools that can help them develop an accurate picture of skills or capacities residents possess[4] can help transform the problem into a solution. The analysis of the problem also needs to be data driven and not focussed on peoples notions of what are important skills. This analysis should include better use of available statistical data on communities.

For Ngati Kahungunu, there has been an acknowledgement that network-based recruitment means that they may need to invest more in capability development for their staff.

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[3] 'Building Vibrant, Sustainable Communities: AWhole of Government Approach to Community Development Policy and Practice". Ministry of Social Development.
[4] A Guide to Capacity Inventories: Mobilising the community skills of local residents. A community workbook from The Asset-Based Community development Institute.

2.2   Diminishing volunteer numbers

The issue

The issue of volunteers is closely related to the earlier issue of access to skills and experience. Communities like Twizel and community organisations like NKII and Pacific Underground note that there has been a downward trend in numbers of willing, available and skilled volunteers. Sustaining even the small number of individuals who participate in voluntary work has also become challenging due to increased responsibilities, increased paperwork and increasing pressure on time.

> *"When you pay - you can make certain demands but when you have volunteers, you have to count their goodwill. So you can't have Board meetings because it might not be a priority or it clashes with other commitments. But it isn't easy as that because you need volunteers – they come from the community and don't always want to be paid. They sometimes don't have the skill to do the job, but you are obliged to let them".*
>
> *Pacific Executive Trust of Canterbury*

Volunteering and community participation is an essential component in the development of any community. Without community volunteers and volunteer effort, the quality of life and many of the services and facilities that residents' enjoy would be diminished. Many of the services/organisations taken for granted by society are embedded and/or founded on voluntary, community-based contributions. These services/organisations include education services like playgroups and homework centres, elderly care and support, mental health support, youth support and employment support. This is particularly the case in smaller, rural communities. For instance, Twizel relies on work and support of volunteers for many of its infrastructural services such as policing, fire services, ambulance services and even governance through community boards and school boards. Almost every aspect of society has a corresponding voluntary social service and support for the government provided components.

Over the years, the government has increased the demands on voluntary agencies by moving away from organisational grants funding to a contract funding model[5], as well as increasing the requirement for services to use local people (e.g. school boards). The contracting process is identified with characteristics of uniformity, standardisation and bureaucracy. There is an expectation that voluntary organisations are involved in formal government services delivery and would regularly report on specific outputs, performance accountability and audits. This has resulted in a build-up of expectations and demands on volunteers regarding the type of work undertaken, the increased

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[5] Wilson, C. (2001) "Lady Bountiful" and the "Virtual Volunteer". The Changing face of social service volunteering, Ministry of Social development, Wellington.

responsibility associated with it, the amount of time devoted to volunteering, and the long term nature of this commitment. The picture painted is the antithesis of why people volunteer - the key characteristics of traditional voluntary activity were that it was flexible, interest driven, informal and network driven. Today, volunteering has become a full time occupation and requires a higher level of skills and knowledge than ever before.

Twizel, for instance, faces shortages of volunteers per se – there has been a gradual erosion in general volunteer numbers as well as a shortage of skilled volunteers with professional expertise. According to people in Twizel, the problem of numbers appears to be linked to a general reluctance of people to volunteer. This can be linked to growing family commitments, lack of a 'sense of community', increase in 'paperwork' that volunteers are expected to undertake, etc. We observed that there is a small core group of people who are involved in an ongoing way with most civic related activities and roles in the town. We also observed that people in the community seem more episodically involved in volunteering, coming together for brief but intense periods of civic activity, which suggests that 'formalisation' of voluntary activities/roles and expectations of ongoing involvement is a deterrent. The quotations below reflect this 'trend' particularly in Twizel.

> *"I have never had a problem in getting volunteers. Whenever I have wanted someone to run an errand for the elderly, or mow their lawn, I have always found a volunteer. The other day, we had a funeral as a family here lost their teenage son in an overseas accident. The whole town came together and supported that family in every way possible, baking for them, helping out with transport, it was beautiful to see. Some of the people that came forward to help, we will never see again. People are keen to help when there is a need, problem. But to do it on going requires too much time commitment. They don't want to do it. They don't want to be part of a group and fill in all those forms and papers"!*
>
> Community Resource Centre, Twizel
>
> *"at the annual mountain oyster festival, there are always enough volunteers. But they just fade away afterwards. People are happy to come together for that day, help out all day. But they don't want to be on any committee, or attend meetings".*
>
> Twizel resident

Implications

Government is responding to these issues through "Volunteers and Volunteering" policy work being undertaken by Ministry of Social Development. Our research identifies related issues that would need to be considered within the existing policy development process. From a government perspective, there are two key policy issues here:

(1)   How can government build capacity of voluntary groups and volunteers to cope with the increasing complexity of their 'job'?

(2)   How can the government sustain and contribute to volunteer involvement?

Firstly, if voluntary activity is recognised by government as being important for building social capital in a community, then this situation needs to be addressed. For instance, if government was able to provide funding for infrastructure development for community groups, it would mean that volunteers feel more supported and able to get external input for planning, as required. Secondly, diminishing volunteer numbers can have an adverse impact on crucial services currently run by volunteers and on which government increasingly relies upon.

These issues relating to volunteering, particularly for small, rural communities have been explored in detail in the issues paper series 'CEDAR issues\Twizel\04\02'.

2.3   Training for governance roles

The issue

Our research with the three 'communities' highlighted issues regarding the capacity and capability of community groups to undertake governance roles. Recurring themes from people in governance bodies such as community and school boards, organisational boards or voluntary groups related to limited understanding of roles and responsibilities, the lack of clarity around decision making processes, the inability to comprehend the technicalities of specific issues such as sewage or water management etc. Community and school board members in particular face another challenge. They are elected representatives and share a common passion about the welfare of their community/school. However, once elected, they need to learn new skills that can help them make the transition from a *community advocate* to a governance role. There is a need for building capacity and capability for people who occupy these roles.

School board members and organisational board members felt they had often been thrust into these roles and that they were not equipped with tools and information to guide them leading to frustration and concern about quality of their input and decision-making.

More specifically, the following problems with governance are experienced by our three communities.

•   At a project/ community group level, there are often only one or two key players who manage the group and the tasks, which means that the knowledge, and 'capital' rests with a few individuals. When these individuals move on, or burn out, there is no one else to take the work on, as they have not been trained to undertake the tasks. There is little evidence of succession planning in these projects or groups, which makes them very vulnerable.

- At an organisational Board level, we note that in Maori and Pacific organisations, personalities can dominate. Membership on governing bodies of Iwi organisations are generally drawn from whanau that have whakapapa affiliations to the iwi. In addition, members assume positions on the governing body by way of an election process. These two factors in effect restrict the choice of potential members with appropriate skills unlike a commercial organisation, where directors are appointed typically based on specific skills and competencies. Pacific groups often leverage on their obligations with individuals and/or support offered rather than their capacity to do or deliver, particular objectives. In the case of PET, for instance, community representatives were elected on the Board, but did not fully understand their legal obligations.

- At a Community Board level, members are elected by the community. The elected members share a common vision of doing good for their community and are committed to working together towards this goal. However, the board members may have variable skills with regard to governance and this often impedes or slows down decision-making. Two of the community board members in Twizel expressed some concern about making decisions that have a long lasting effect on the community without fully understanding either the issue/problem or the proposed solution. Other research in this area suggests that these are not isolated instances.

Overseas research[6] identifies the presence of appropriate governance structures and good governance as two key components or assets that make for strong, sustainable communities. From the government's perspective, governance is an important issue for reasons not just of accountability, but also sustainability of an organisation or a community group. A community group that has good governance structures and systems in place is able to respond to the needs of the community thereby contributing to its overall development. This issue has been in the public policy debate for a while now and we would like to recognise the work that is being done in this area by Local Government New Zealand, DIA and TPK.

Implications

Some lessons that emerged from this research about governance issues are outlined below.

a. If the intention of government is to use communities as a vehicle for the delivery of social services, then there is a need to think about ways of upskilling (in terms of governance accountabilities, legal compliance and IRD requirements) not only those in the governance roles but also those in the next level down. In the case of NKII, training is needed at the Iwi Board level, but also at Taiwhenua and arguably, Marae and hapu level.

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[6] Marie France,1999. "What is Community Development?" Occasional paper 1999/7, Labour Market Policy Group, Department of Labour, Wellington.

b.   Most government agencies fund community groups to undertake diverse activities and require the groups to report on these activities. Given that the community groups involved in CEDAR are facing difficulties in recruiting people (due to availability) with the right skills to assist them in their development efforts, this reporting requirement places an extra burden on the members who are in governance roles.

c.   For voluntary organisations, there is a need for succession planning. Key roles and responsibilities are typically vested in a few individuals. Groups need support to plan for succession, as this can help spread the workload, develop the skill base of the organisation, and build a second layer of leadership.

d.   For Pacific and Maori groups, there appears to be a some need for building governance capacity at two levels.

-    At the organisational board level, general awareness and knowledge of organisational structures, governance requirements and related compliance issues need to be raised. For instance, in a Pacific community where individuals did not have adequate appreciation of these issues, trustee members resigned en masse after they were individually approached by IRD to pay debts created by the previous Board. In the end, the organisation voluntarily ceased its operations because its governance structures could not be supported. After this experience, community people were reluctant to be involved as trustees.

-    At an individual level, there are issues of continuity as well as capacity training in governance needs. There needs to be a shared understanding across all board members regarding the purpose of the training, what their specific training needs are and what outcomes are sought from the training. Our experience with NKII suggests that the collective development of a training plan, identifying the individual as well as the collective training needs of the Iwi Board, and providing a platform for board members to also discuss non training related issues are useful steps to building capacity of a board. A Board may also need to address the issue of continuity, if there is a potential situation where all board members change at the same time, as with NKII. These issues relating to governance and training are being explored in issues papers from Napier and Christchurch which look at how government can manage the support and training needs of iwi and Pacific organisations.

2.4   Access to training and skill development

The issue

Access to specific training and skill development opportunities for rural communities is an ongoing problem. Our experience through CEDAR demonstrates some of the problems rural communities face in accessing skills training.

In 2001, Twizel undertook a project to explore employment and enterprise opportunities through training relating to screen production. Two workshops were set up amongst employers and these workshops revealed a need for more skilled people to perform a range of activities related to the hospitality industry such as housekeeping, administration, accounting and waitressing. To address the skill deficit in the community, the community scouted around for options offered by national and regional training providers such as BIZ and polytechnics. It then became clear that running these courses in Twizel would be difficult as they were unable to meet the criteria for the courses offered by these agencies. There were requirements for a minimum number of participants, minimum hours, and the need for assessment by a qualified assessor in order to meet NZQA standards for gaining qualifications.

The consequences of these criteria was that it put enormous pressure on potential participants, who would have to travel to Timaru for training, over two hours drive from Twizel. In some cases, for example, participants would need hard-to-find childcare in order to participate in the training. Consequently, the Twizel Promotion and Development Board decided to access some kick start funding from the Community Employment Group to offer subsidised training courses tailored for people in Twizel that were flexible, easy to access and relevant to their needs. This training initiative was called the Learning and Orientation Initiative. In all, over 200 people attended these courses. The Issues paper 'CEDAR Issues\Twizel\03\02' offers more details about the process the community had to go through to arrive at a solution to their need for trained staff.

Implications

Two lessons emerged from this experience for the community:

- Whilst Twizel now has the confidence that they can address training relevant to their community, they may have to develop on-going training initiatives through a variety of funding arrangements

- that learning occurs at a time and at a level that is needed for that community; this contrasts with current training provision where training content and timing of delivery is generally located outside the rural community.

There are wider implications for addressing ongoing training needs for Twizel and these are:

(a)   access to training towards nationally recognised qualifications and

(b)   availability of skills and capabilities and resource within the community, to develop and co-ordinate the delivery of training (due to the reliance on voluntary input)

3   Funding and resourcing for community groups

The issue

Application procedures for funding from government agencies vary widely, resulting in high costs to groups who try to secure funding, and often piecemeal funding arrangements.

Pacific Underground, for example, receives funding from the Christchurch City Council for organising and managing local annual cultural event, from CEG for specific planning and development initiatives and from Creative New Zealand for school tours. Each funding grant comes with its own sets of outputs/ deliverables, monitoring procedures and reporting requirements. However, none of the agencies are really investing in Pacific Underground as an organisation or taking the responsibility to help build the organisation. For example, none of the agencies fund PU's maintenance costs. The PU group comes together when there is a performance, and finds alternative sources of employment during the non-performance periods. All funding is directed to the delivery of contracts (e.g. performance workshops) and any capacity building or organisational development are either incidental or assumed to be the responsibility of the group. Since PU is a performing arts group, their skill sets reflect performance-related capabilities. Other organisational and management skills, which the co-ordinator has developed over time, are largely incidental to their core purpose but ironically critical to their survival. Many groups that don't have the capacity or the opportunity to learn new skills or invest in development of organisational structures/systems fail, as PET did.

Clearly, resourcing of community, iwi or organisational development efforts and services are seldom co-ordinated at a government level due to:

a.   funding being based on departmental outcomes; this does not fit well with community objectives

b.   a community or iwi lacking a clear plan for development or the capabilities to develop plans

c.   task and project funding versus organisational funding; funding is easier to get for projects rather than for organisations

d.   a funding rather than an investment mentality amongst government agencies. Community groups may find it relatively easy to get money from government, but what they don't get is support in terms of mentoring, access to new information, or infrastructure development.

From a community's perspective, this lack of co-ordination at a government level impedes any holistic approach to development, and forces the community group to 'tell different stories to different government agencies' to access the funding needed to pursue their development goals. It also locks the groups into a short term project planning cycle and does not encourage help them think long term. The lack of apparent co-ordination of funding from government also encourages ad hoc development rather than strategic and sustainable progress[7].

Implications

There is a role for the government in supporting groups like Pacific Underground towards economic development. The group has all the ingredients (sense of passion, networks, reputation, skills and talent and consistent high quality performances) to be commercially viable, but they don't know how to get there. The group is poised to go into the next stage towards economic development and needs to be assisted in this journey. In terms of government assistance to this end, the transition from community development to community economic development is not well sequenced. There are a few missing stepping-stones in this path.

How can government respond through its economic development agencies to groups like PU? In recognition of the frustration of community enterprises that have meaningful social and economic objectives, yet struggle to survive and prosper, Pacific Business Trust is setting up a pilot scheme, in collaboration with Community Employment Group. This is a 12-month pilot and will employ an experienced person to deliver commercial and mentoring support to Pacific community groups. It would be interesting to see how this pilot pans out and the contribution it makes to the lives of not-for-profit Pacific groups.

4 Recognising the value of strategic planning

The issue

This has been a recurring theme across all of the three CEDAR communities. In the absence of a clear, agreed plan, a community group's direction can be largely determined by government funding resulting in an ad hoc response.

For instance, Pacific Underground has been locked into short term, project funding and planning cycles, relying on government funding related to specific projects. Consequently, all their energy goes into project planning so they do not have the time,

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[7] Review of the Centre Report, 2002

resources or the energy to engage in building a future vision for the organisation. Yet if they wish to achieve their vision of being a sustainable business, then they need to think about their bigger goals for the future. In the case of Tu Kahu, looking at where Tu Kahu fitted in with NKII's long term strategic plan helped them in making some tough decisions about the future in relation to Tu Kahu.

Engaging in planning and more specifically strategic planning, can have some positive spin-offs for community groups like PU and PET and has had positive spin-offs for NKII. The planning process:

- allows for a co-ordinated approach, so that the groups can see where government, other external groups and agencies and other parts of their structure fit in

- helps communities develop a common path, a shared vision of their future

- acts as an advocacy tool for groups as it projects a positive image for the group

- acts as a catalyst – it can initiate a range of related activities that maybe good for the community.

However, planning can end with some communities/community groups feeling cynical. In the case of Twizel and the two Pacific groups involved in CEDAR, there was some cynicism about engaging in strategic planning. In Twizel, an outside expert was brought in to help the community develop a strategic plan. When he left, the focus and impetus for the planning process ended. The community was left 'high and dry' and their initial enthusiasm turned to cynicism and a reluctance to embark on such a journey again. Pacific Underground is happier to engage in a project planning cycle as they can visibly see its value (events run smoothly, no glitches in their performances, etc) for them and assess its worth each time they implement an event. By contrast, their foray into strategic planning has been instigated by outside agencies; they ended up with a plan but no ideas as to how to implement it.

The varied experiences of our community groups suggest that for strategic planning to work, some key ingredients need to be present:

- the decision to engage in this process needs to come from the group

- timing is key

- recognition that it is an ongoing activity and not a one off activity

- understanding the benefit of strategic planning and what it offers to communities.

Implications

There is a role for government, through agencies like CEG in providing leadership and facilitation of community awareness of the need for strategic and organisational planning. While CEG has a mandate to help groups through strategic planning, project planning and implementation process, their experience suggests that groups cannot be forced to go through a strategic planning process. Also as community groups are at different stages of development, some are very competent and have good plans, whilst others need a lot of help. Hence, strategic planning is not a panacea for all and needs to be seen as a vital tool for a group, by the group. This lesson has a wider implication for Action Research and Action Learning (AR/AL). Groups cannot be forced to engage in action learning either but if they choose to do, then they will benefit greatly.

5   Changing government relationship with Iwi

The Issue

The Community-Government Relationship Steering Group and the associated Statement of Government Intentions for Improved Community-Government Relationships recognises the unique and vital role that the community, voluntary and iwi/Maori organisations play in New Zealand society. The statement indicates a commitment by Government to creating a genuine partnership based on respectful relationships and gestures towards the facilitation role that the State can play in the development and maintenance of a strong civil society.

Working closely with Ngati Kahungunu has given us an opportunity to explore how this particular iwi views its relationship with government and how they would ideally like to work with government.

Ngati Kahungunu Iwi Incorporated has recently taken the step of not renewing any of its government contracts to provide contract services, wishing to focus instead on following the goals set out in their strategic plan. This has represented a major shift for them and has had many implications not only for NKII but also for their constituent Taiwhenua. This does not mean that NKII do not have any relationships with government, but instead means that they are choosing for themselves, the areas of their involvement with government on the basis of how it fits with their strategic plan. This has left them with more time to focus on their own social and economic goals as they are not trying to 'fit' the contracts in with their own needs. This approach also places responsibility on NKII to have a clear plan and to set up ways to ensure that they can achieve these goals. Service delivery in the Ngati Kahungunu rohe is now being primarily done at the Taiwhenua and Marae/hapu level that has implications for capacity and capability issues.

Implications

The CEDAR work provides an opportunity for government agencies to see from an iwi perspective how they can best support the iwi's strategic goals and development. This may mean:

- developing different ways of engaging and working with iwi than are currently used

- building knowledge and understanding of the groups that make up the iwi

- supporting the capacity development of the groups within the iwi such as Taiwhenua, Taurahere, and also down to the Marae and hapu level. These groups may over time form key relationships with government at an operational level in the delivery of services.

6   Co-ordination across government agencies

The issue

There is a growing expectation from communities of greater co-ordination among government agencies and other stakeholders to help achieve community outcomes. This is also a particular goal of government and a discussion paper on "A Framework for Developing Sustainable Communities" released by the Department of Internal Affairs and the Ministry of Social Development[8] describes this in greater detail.

Our experience with the CEDAR communities suggests that there is perceived lack of co-ordination among government agencies working with community groups, particularly in the area of funding and resourcing. Interestingly, both, the community groups and the government agencies commented on how the lack of apparent co-ordination and collaboration created frustration and limited the impact of community development at a macro level. For instance, in Christchurch, both Pacific groups source their funding from a variety of central and local government agencies. Since the funding is focused exclusively on its own aims and outcomes, the organisations are forced to treat each funding proposal separately and in isolation. Consequently, the unacknowledged overlap and the pressure on already limited resources, often ends up eroding rather than building organisational capacity.

Clearly, co-ordination means different things to different agencies, relative to their level of involvement, interest, exposure, risk with a community or project. It is our understanding that co-ordination can mean.

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[8] http://www.dia.govt.nz/Pubforms.nsf/URL/SCDframework.pdf/$file/SCDframework.pdf

- an information sharing activity, ensuring that all parties are kept informed about what is happening with the community group.

- An information sharing forum whereby all parties are kept informed about what is happening as well as what each agency is doing. In the instance of Tu Kahu, for the most part, each of the government funding agencies acted independently of each other and worked independently with NKII. While aware of each other's involvement with NKII (through funding application disclosures as well as informal networks), no formal mechanism or structure existed to facilitate a co-ordinated approach, to supporting Tu Kahu.

- Involving both the sharing of information and a collaborative approach to problem solving.

Implications

While co-ordination can be an influential tool for change, particularly for policy implementation, it is important to be realistic about the limitations of co-ordination and to understand that it is not a panacea for all problems.

A common theme from the interviews with regional CEG and TPK personnel was that co-ordination is most useful when it happens on the ground, out there in the community. That is, it occurs in the day to day practice of fieldworkers or Kaiwhakarite working in or with communities. While co-ordination needs to be supported by regional management and directed by regional or national management and/or government policy, successful co-ordination occurs when:

- government agency staff have good working relationships with communities

- government agency staff enjoy good working relationship with staff in other agencies

- a single agency/entity has the responsibility for the lead co-ordination role

- all parties are committed to the process-including the time and resource commitment required

- all parties are clear about what they to offer.

These insights as well as the value of personal relationships lend further support to the findings of the Review of the Centre report, 2002. Ultimately, as illustrated in the following quotation, it is the personal relationships that cement interagency co-ordination at the local level.

> *"where no formal directive or policy exits, it is the personal relationships that make it happen"*

> *"Personal relationships cement interagency relationships. We know each other, we've worked together in the past. He knows what I can bring to the table, the constraints I face. He therefore doesn't expect me to operate outside of my parameters. It is about bringing to the table what we can and working with that. Its also about trade-offs. This time I might take a lead role, next time he might"*

7   Issues facing rural communities

With its remote rural location, working in Twizel has surfaced specific issues relating to access to information and benefit debt that are discussed in this section.

7.1   Access to information

The issue

Twizel's remoteness means that they often don't have access to information that can help them in their journey towards community economic development. The Community Resource Centre, funded by the Community Board, leans towards the welfare and social services side of the continuum and has built networks with agencies that can offer information and assistance to the community in this area. But the business side of the continuum has been largely untouched. Early conversations with local businesses revealed that there was strong need for information on the Employment Relations Act, the Paid Parental Leave Act, the amendments to the Health and Safety in Employment Act, the Tax Act etc. However, there was some hesitation amongst the businesses to seek information from the resource centre, as they were not sure about its role and capacity to delivery such information. The question then remains: where do businesses go for such information? Access to internet is not always easy in these remote parts and not everyone is able to understand the information available on the net easily. In rural areas, people still prefer face to face contact and having a government representative who can respond to their individual needs is preferred.

Implications

Programmes such as the Heartlands Initiative gain significance as they respond to this problem of access to information by offering a 'one stop shop', a single access point for service delivery for provincial and rural New Zealand. They allow communities to access relevant information that can help them make informed decisions about their development needs and how they can go about it. A Heartlands Centre has been set up in Twizel in May 2003 and it would be interesting to monitor the extent to which the current situation is readdressed. More generally, it would be important to undertake some evaluation activity to assess the different Heartlands makes to provincial, rural New Zealand communities.

7.2   Benefit tax interface

The issue

Twizel has a seasonal economy and while there is work available in the tourism/hospitality sector in the summer, there is virtually nothing available in the winter months, when tourist numbers are at their lowest. This means that there are individuals who have work in the summer, but rely on the welfare system to tide them through the winter months, when there is no work. Since these individuals move between benefit and employment, their interaction with the benefit and the tax systems often leaves them with a debt. There are examples of workers in Twizel, employed in the highly seasonal tourism sector, who have received notices from IRD for debts of up to $1400! From the employee's perspective, such debt lowers the returns from employment and creates a disincentive to obtain employment.

> *An employee who has been with us a long time experiences extreme hardship at the end of our tourist season. She works with us on a part time basis, and is on the DPB. She has to phone in her hours every fortnight to her case manager and this is apparently to have her benefit adjusted. However, she has brought to my attention that for the past three years, she has received (as we have also, as her employers) a Notice to deduct amounts owed to Inland Revenue. They stated that as her employer we are legally bound to deduct 10% of the amount owing or 20% of the gross wage. Because the employee does not have set hours, it was too much to deduct each week. So after special arrangements she was allowed to have $20 deducted each week. She has been unable to pay the first one off, before the next one arrived and the same old, same old situation arises once more.*
> *This puts undue hardship on individuals who genuinely want to work (as many hours as possible) but then at the end of the season, they end up with a debt which they are unable to pay off.*
>
> A Twizel employer

Implications

The transition between not working and working part-time or full-time needs to be simple and straightforward, so that people moving between benefit and work do not incur significant benefit or tax debt. A MSD study has shown that if a beneficiary works while on benefit they are more likely than non-working beneficiaries to incur a benefit debt.[9] There is work being undertaken in this area by both MSD and IRD to address these issues. IRD is working on two policy initiatives that are expected to prevent and reduce the amount of annual overpayments and of debt carried forward. MSD's policy work in the area of Making Work Pay is also aimed at addressing related issues. Our research validates some of these issues.

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[9] *The Causes of Innocent Overpayrment Debt* by Anne Heynes, published by the Ministry of Social Development, February 2002.

Section Two

Future Use of Action Research Methodology

A secondary objective of CEDAR was to contribute to building knowledge about the usefulness of an Action Research (AR) methodology for future policy evaluations. The use of AR in this context was new and it was felt that through CEDAR the Department of Labour could build knowledge about AR and how it works in practice.

Action Research

Yoland Wadsworth states that:

> "Action research is not merely research which it is hoped will be followed by action! It is action which is *intentionally* researched and modified, leading to the next stage of action which is then again *intentionally* examined for further change and so on *as part of the research itself.*"[10]

A key part of AR is this "Critical reflection" : critical reflection is a form of analysis that not only explores how and why things happened but identifies the assumptions underpinning that analysis.

Bob Dick notes that action research is a cyclic process; action alternates with critical reflection, and consequently that "the critical reflection is as important as the action"[11].

Therefore an AR approach places much greater demands on those responsible for 'action' in the 'research' or 'critical reflection' processes, than is common with many research approaches, where the responsibilities for action and research are separated. Consequently, action research approaches are usually very collaborative.

Our experience suggests that an action research methodology is valuable in many ways and in many circumstances. The following section outlines:

- the value of CEDAR and the AR methodology to the participants

- a framework that will help to identify the situations where AR is likely to be a valuable approach to use, and

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[10] Yoland Wadsworth, *Everyday Evaluation On The Run*, 2nd edition, 1997, Allen & Unwin, p. 78.

[11] Bob Dick, *Action Research and Evaluation*, paper prepared for on-line conference on 'Innovations in Evaluation and Program Development', 1998. The quote and statements referred to are from p. 2 & 3.

Engaging in Action Research – The value for the participants

CEDAR was designed as a collaborative research project across LMPG and CEG researchers/policy, CEG fieldworkers and the community/community group. By engaging in action research/action learning, there was an expectation that each of the participant groups would extend their understanding of the situation and find creative ways to respond to it.

In this section, we provide a summary of the learnings for the different participants (CEG fieldworkers, community groups, researchers and policy staff) of the value of engaging in action research.

Building a closer connection between policy and practice

By pulling together CEG fieldworkers, community groups, researchers and policy staff, CEDAR opened the doors for dialogue and discussion between them. The result was that a structured process was set up for on-going exploration and better understanding of community economic development issues and processes.

A common criticism of policy development is that it is often not informed by what is going on in practice. CEDAR provided a useful feedback loop for policy teams and those engaged in fieldwork to access relevant "ground level" information to inform their policy development work, including what actually happens when policy meets the ground, and the real dynamics of community development.

It also provided a unique opportunity for the CEDAR communities to be more aware of the various policy initiatives that are likely to benefit their own actions. It created opportunities for those active in communities to access people and ideas outside that community and normally unavailable to them.

For CEG fieldworkers, CEDAR provided a conduit between the demands on them to facilitate and resource community action, and their need to keep abreast of wider policy issues.

Demonstrating the value of critical reflection

Fieldworkers and community groups often struggle to find the time and space to reflect critically on their actions. By engaging with CEDAR, both sets of participants have been provided with conscious, structured opportunities, tools, time and space to reflect on identified issues, check their assumptions and develop deeper understandings of the puzzles/situation confronting them. The AR process highlighted the value of raising questions, inviting inquiry, re-looking at patterns of behaviour and ways of thinking about things has impacted on individual and group practice.

For those active in local communities (including CEG fieldworkers), CEDAR provided a "forum" independent of the normal cycle of meetings for them to reflect on their actions and plan future actions. In essence, CEDAR allowed the role of "critical friends" to develop – whose job it was to ask "hard" questions and promote deeper understanding.

Such critically reflective practice has provided those individuals, groups and organisations with:

- new skills
- new perspectives
- new practice
- new opportunities

Choosing situations where AR is likely to 'work'

We have found that action research tends to sensitive to the following circumstances.

1. Action research projects need time. For most people it is a new approach and like any learning process things tend to get harder before they get easier. People come to understanding action research in their own time. The impact of "action" can also take some time to unfold. So "success" may take time; expectations of success need patience.

2. Action research projects need space. Action research is emergent, that is, what it starts off doing may not be what it ends up doing. Action research needs openness and flexibility to follow the emerging issues (and go where the energy is). Sticking to the original objective can prevent this. Action research works best with management systems that do not demand performance based on original intentions.

3. Therefore action research projects need people and organisations able to work with 'unpredictability'. It is often difficult to 'predict' where a project may need to go to explore the issue.

Consequently action research is a suitable approach for many situations, but not all. On the basis of the past three years and the action research literature, the CEDAR team has developed a tool for choosing suitable situations.

The tool will be tested during the next phase of CEDAR to see if it is useful as a monitoring tool as well as a 'diagnostic' and 'explanatory tool'.

The tool has also been circulated to AR practitioners and academics around the world, and has received a positive response.

The rationale for what we developed is that our experience over the past three years has demonstrated that the key variables of an AR setting that impacts on success are:

i.   the people involved

ii.   the task or problem situation that is the focus and

iii. the nature of the environment within which the people and focus are located.

Furthermore the key variables of the AR approach - at least from our experience seem to be:

i.   the ability of the people, the task and the environment to promote or undertake action informed by critical reflection and

ii.   their ability to promote or undertake critical reflection informed from action.

Laid out as a table[12], each box contains the questions or criteria that we think will help sift out those projects, problems or situations that will respond better to an AR approach.

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[12] Developed by Bob Williams and Robyn Bailey, with contributions from the wider CEDAR research team, 2003.

How To Select A Suitable Occasion To Use Action Research

Focus of question	Ability to promote or undertake *action* informed by critical reflection	Ability to promote or undertake *critical reflect* informed by action
The People involved	How do the roles, divisions of labour, job descriptions permit people to act?	• Do the people involved have the ability to reflect critically? • Do the people involved have the imperative to reflect critically (pressure to deliver)? • Are they open to laying out assumptions, being challenged? • Do they have autonomy and freedom to move within the task? • Do they have access to other people doing similar things? • How close are they to the edge of their skills? • Is the technology available to those involved suitable for critical reflection (ie able to keep in touch with each other, able to track what is going on etc?
Task / Situation / Problem that is the focus	• Is there some action that can be intentionally informed? • Are there adequate skills, resources, time, tools that permit action on critical reflection? • Is there an imperative to act? • Is there an urgency to act?	• Is the situation/task a puzzle (ie solutions not immediately obvious)? • Fuzzy? • Is there a strong imperative for the issue to be resolved creatively? • Is there a clear purpose for doing the task? • Is the task challenging – tough but not too tough?
The Environment within which the People and the Focus is located	• Does the historical environment promote action based on critical reflection or other forms of norms, support resources)? • Do the environmental norms promote action based on critical reflection or other forms of , norms, support resources)? • Is the technology available to those involved suitable for critical reflection (ie able to keep in touch with each other, able to track what is going on etc?	• Are people allowed to admit ignorance? • Are people are pressurised into providing quick fixes? • Are there places for formalised learning processes (as distinct from technical training)? • Does critical reflection tends to be individualised and occur off the work site? • Is the environment safe for critical reflection? • Is the history of the setting about fitting old ideas into new settings (ie patterning rather than puzzling)? • Is the technology available to those involved suitable for critical reflection (ie able to keep in touch with each other, able to track what is going on etc? • Is the wider decision making environment able to handle evolutionary projects, shifting objectives etc?

Section three

The way forward for CEDAR: 2003-2005

One of the challenges for CEDAR has been balancing the dual objectives of learning about community development process and practice within the same research. Over the next two years, we would like to build on our understanding of successful use of Action Research for communities and fieldworkers. We would therefore like to design the next phase as two parallel strands of work:

a) An Action Research project with two communities or community groups. We would like to pull out relevant research puzzles, which are significant for LMPG and CEG, from current CEDAR learnings as well as from relevant policy work, and identify suitable vehicles that permits an exploration of these puzzles, using an AR approach.

b) Setting up learning cycles within CEG, explicitly focussed on promoting better, more reflective field practice. This part of the work will test potential approaches for incorporating AR as one element of future community development work. It would involve an exploration of questions such as ' what are the interesting lessons that an Action Research intervention can teach/transfer to CEG field practice?'

Apart from the above work, we will continue to work with NKII and Pacific Underground for the next three to six months and preparing our closure strategy in these two groups. We will also be building mechanisms for sharing lessons from CEDAR within CEG, within DoL and more widely with other policy agencies.

Appendix one

Background

For some time now there has been recognition in communities and in the policy arena that communities are well placed to find solutions to their problems and that these solutions should build on community strengths. However communities are often constrained by a number of factors including skills, funding, capacity, access to information and problems around communication/ co-ordination in working through and implement these solutions. The Community Economic Development Action Research (CEDAR) project signals an attempt by government to further our understanding in this area and build knowledge about factors that help/hinder communities in their journey towards economic development. By working with selected communities over a three-year period, researchers are aiming to identifying factors that contribute to effective management and growth in communities/ community organisations.

Key research questions

The key research questions explored through CEDAR are:

- What are the contributing factors to successful community economic development?

- What is the role of government (central and local) in community economic development?

- In what way does research linked to action help our understanding and therefore contribute to:

  - improving CEG field practice

  - the processes of community economic development

  - building knowledge about the usefulness of Action Research method for policy evaluation?

Research methodology

Using an action research approach, the researchers and members from community organisations involved in CEDAR work together to:

- collaboratively identify and investigate a problem/issue facing the community, thereby

- extending their understanding of the problem, and finding ways to resolve them

- explore how the lessons can be shared with the policy community and other communities

The CEDAR project involves researchers working closely with communities, fieldworkers' and policy agencies with an aim to develop knowledge through debate and reflection around 'what works'. The researchers walk along side community groups as they pursue their economic development goals, and through active reflection, explore the systemic barriers that prevent them from getting started on their economic development path.

The Action Research approach contributes to community economic development policy and practice, at both the community and government levels, through following (and sometimes facilitating) the involvement, providing information and asking questions of all the key players, as they develop community based solutions to problems. The aim is to work towards building a knowledge base about the principles that underpin community (economic) development policy and practice through critical reflection.