



Community Enterprise Wales: Response to the Economic Development and Transport Committee NAFW Consultation Economic Inactivity Rates

Terms of Reference

1. The high level of economic inactivity in Wales and the factors underlying them
2. The policies to raise economic activity levels being pursued by the WAG and other agencies
3. Recommendations for the development of policy in those areas.

Long -term economic in-activity is centred in certain areas of Wales Mainly the valleys and certain of the more rural areas.

Part of the problem, having looked at, and studied how the data is collected, is that there is more activity present than actually being shown in statistics. It tends to be lost, however because it is "unpaid " in tradition terms and a proportion of it is the un-measurable grey or black market.

Definitions can often play an important part in how statistics can be viewed and presented, often to our disadvantage. **There is need to review definitions used in this context in light of more modern views on economics per se.**

Economic Activity

To identify both the range and synergy of definitions used to describe economic activity, and the category of persons who would be included in such definitions, we reviewed the use of the term 'economic activity' by official government and quasi government bodies. Their definitions form the understanding of economic activity in the measurement of non-traditionally viewed work and in the decision-making process relating to all areas of employment and economic development.

In official analyses of the labour market, people who are considered economically active are those aged 16 and over who are:

- ◆ In paid employment



- ◆ Self-employed
- ◆ On government employment and training schemes
- ◆ Registered as unemployed

Paid employment

To be economically active refers to people of working age, i.e. over 16 years of age, receiving a wage as employees. Paid employment covers all types of jobs: temporary and permanent, full and part time, regular and irregular, and second jobs (jobs held in addition to the main paid job).

Self-employed

To be economically active includes people of working age who are self employed or working for a business owned by their family.

On training schemes

To be economically active includes those on government supported training and employment programmes with the aim of returning to employment. It does not however include people aged 16 or over in full time education.

Unemployed

And to be economically active includes people who are unemployed and actively seeking work or who are waiting to start a job they have already obtained. This means that they want a job and are available to start working in the immediate future.

This leaves all people not included in these categories to be economically inactive. This includes people who are retired, people under the age of 16, anybody looking after the home or family, and discouraged workers (those neither in employment nor unemployed who would like a job but whose main reason for not seeking work was because they believed there were no jobs available). We can immediately see how this definition affects women, carers etc as the care of the home and the family is usually the task designated or chosen by women.

All these categories of people termed as economically active imply a degree of commitment to being employed. Economically active people therefore do not include those who are out of employment and not actively seeking work. They do not include people who make an active decision not to work or who are forced by personal



circumstances to withdraw from employment and the search for work.

The inactivity is also centred in certain socio-economic groups. Young low skilled people, women, long-term sick, long-term unemployed. These groupings need very different policies to bring them back in to traditional activity. They also need programmes and opportunities that are innovative and non -threatening.

They have to have different support mechanism and programmes often untying them from red tape of the benefits system.

As an organisation based in the Valleys, but with a Wales remit and with staff who largely live or originated from the Valleys: we have been more than concerned at ways to improve the prospects of young people: the younger to 40s group, and the 40 plus who still have the ability to be at least in some part economically active and we have been looking at various more innovative ways of achieving this.

The one basic fact we have to acknowledge is that there are not the jobs available that appeal to young people or that can accommodate other inactives in the small steps needed to get them back into work

The majority of benefit claimants are in the category of “mentally or psychologically” unfit. Having discussed this with psychologists and health workers, most of the client group are depressed or at the low end of instability and the comments I have had is that it wouldn’t take much to move them back into work. If the right conditions were there and suitable support was present initially.

I have also undertaken some initial research with stroke victims who again would love to be more active and not confined to “Mickey Mouse “ activities. They want independence. Some I have spoken to have been businessmen and women prior to their strokes and still retain a tenacity that with the right encouragement and support could again go into business.

There is a role here I am convinced for specialised “community of interest” business or a more realistic ILM model to get people into mainstream economic activity.



Working with alleviating the depression caused by lack of self worth, lack of vision, lack of interest by the society people find them selves in. Using an economic model for soci-economic benefit.

After all what we need to do is create jobs that people want to do, there are services that are lacking in the valleys that community business or small lifestyle business could provide. The funds are there now to do that if they were used in a focused way and the right organisations given the remit to do this or to oversee others doing this.

But lack of imagination, cronyism and the understandable culture of non –risk taking with public bodies, that avenue is not opening up wide enough.

There is a case for some pilot initiatives in Merthyr/RCT /Blaenau Gwent etc to at least try this approach.

Bringing in the higher range of jobs will not take away the under belly of inactivity.

Preparation for work, not just in new work related skills, but in social skills and confidence building is essential for the group that is causing most of the high statistics

Having spoken to a range of groups of inactives, including

- ◆ Young teen mothers who again could be encouraged into a more productive way of life for them selves and to the benefit of their babies and the economy
- ◆ Women who want to work but are up against lack of skills and no childcare
- ◆ Benefit claimants who would be far more interested in moving into media, music and more 21st century fields
- ◆ Older men and women who want to work but feel left on the shelf at 45
- ◆ A range of people with depressive illness who need confidence and small stepping stones to become economically active again (these included teachers, social workers, police officers)

Reform of the benefits system would also be a major advantage. Letting people have the safety net to try new ways of working and skills upgrade.



The sliding scale model use in Ireland worked fantastically in cushioning people as they quietly and steadily moved back in to mainstream economy.

To date neither objective one or communities first has come any where near tackling this problem, as they are both looking at far to wide a spread of activity. There needs to be a very specific focus on each of the identified in-active groups and strategies and policy developed for their specific needs and aspirations. The economically inactive are not a homogenous whole and so a " one fits all " policy will not solve the problems. In the same way one agency cannot do it. I believe it takes a true partnership of the organisations agencies LA s etc who have specific skills across the continuum of need of these groups to move them forward.

I would really like to discuss the ideas further with you, and bring along some people who are already trying to work this way and have sound backgrounds to be able to speak with authority based in reality

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Appendix One

This has been added as extra information on the " capacity building " that is so essential to tackle inactivity.

Capacity Building a building block towards Economic Activity for the excluded groups. (CEW 2002)

The Meaning of Capacity - How to define it

In its wider sense and in its community sense, both have to be considered. If you are capacity building communities then you have to look at capacity building of the civil servants, local authority officers and any other agency that interacts with those communities and who make policy that radically affects them.

Wider View

Hilderbrand and Grindle (1994: 10) Capacity Building as "the ability to perform appropriate tasks effectively, efficiently and sustainably." The authors define **appropriate tasks** as tasks, which are "defined by necessity, history, or situation in specific contexts."

Another important view of this concept is discussed by Berg (1993: 62 - 63) who regards capacity building as characterised by three main activities: "skill upgrading - both general and job-specific; procedural improvements; and organisational strengthening." Items, which Berg refers, have more bearing on institutional development but they illustrate the interaction between capacity building and institutional development.

Morgan (1993) defines **capacity development** as "the ability of individuals, groups, institutions, organisations and societies to identify and meet development challenges over time." The author summarises the main approaches to community development as follows: the core of capacity development is wider and more holistic, it attempts to contribute to the institutional environment in each country, there is a close relationship between human resource development and capacity development, there is an evolving relationship between training and capacity development; capacity development could be seen as a response to some of the major development themes, effective capacity development requires sustained attention over a longer period of time,

Morgan emphasises also another important facet of capacity **building** and capacity **development** - the latter term he uses to focus on ' . The **process aspects**' involved. In the immediate post-

independence period the emphasis clearly was on **building** - literally starting from scratch. The analogy of *building* a house is perhaps appropriate - once the structure is completed and the house is standing then the *development* of the property continues. In other word, development could be regarded as an on-going process.

Loubser (1993: 23) compiled a list of the elements of **capacity**: "Specified objectives, including vision, values, policies, strategies and interests; efforts, including will (motivation, drive) energy, concentration, work ethic and efficiency; capabilities, including intelligence, skills, knowledge and mental sets; resources, including human (for collective participants), natural, technological (infrastructure), cultural and financial; and work organization, including planning, designing, sequencing and mobilizing."

Community Based Capacity Building

The term 'community capacity building ' again means different things to different people. We understand it as meaning developing the capacity and skills of the members of a community in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society through an economic process.

Community capacity building as we understand it is therefore concerned with providing opportunities for people to learn through experience - opportunities that would not otherwise be available to them; and involving people in **collective** effort so that they gain confidence in their own abilities and their ability to influence decisions that affect them.

Thus individual involvement and collective activity go hand in hand: the aim is to encourage people in a community to join together with others so as to provide through collective effort what the community needs, but in such a way that those taking part also develop their own potential as members of society.

From our work with communities this is a list of some, not all areas, where capacity is needed. (This is not a prioritised list as prioritise vary from community to community)

- ◆ To develop a more effective and sustainable base for community empowerment
- ◆ To prioritise funding in accordance with local priorities

- ◆ To maximise the delivery of capacity building projects from within the community and voluntary sectors
- ◆ To establish a community development resource within the community sector
- ◆ To establish organisational development support for the community sector
- ◆ To develop better facilities for the local community sector
- ◆ To support an infrastructure to allow the community sector to have a sustained input into the regeneration of their community
- ◆ To extend awareness and opportunities for volunteering
- ◆ To promote and support community enterprise development.
- ◆ To develop an effective system of communication and information dissemination
- ◆ To provide a quality information service for the residents and community groups in a given community
- ◆ To improve networks both horizontally and vertically.
- ◆ To develop and sustain quality training and development services
- ◆ To improve information flow about training already available within and for the sector
- ◆ To increase the capacity of groups to offer training within the sector
- ◆ To increase the capacity of formally constituted voluntary agencies to offer training for their own users, volunteers, paid staff and management committee members
- ◆ To increase the amount and range of training opportunities offered to the community sector by other sectors
- ◆ To build the skills and confidence of individuals to participate in community forums
- ◆ To improve access and increase take up for IT training and support
- ◆ To improve access and increase take up for employment related training programmes
- ◆ To improve access and increase take up for leisure classes for a given community
- ◆ To improve access and increase take up for literacy and numeracy training
- ◆ To promote an environment which maximises access to learning opportunities
- ◆ To maximise the opportunities for those undertaking training to receive accreditation
- ◆ To extend awareness and opportunities for mentoring

- ◆ To tackle the exclusion and marginalisation of disadvantage groups
- ◆ To ensure that new and existing services for young people are appropriate and accessible
- ◆ To increase the representation of young people in management and in volunteering
- ◆ To increase capacity of vulnerable and marginalised people to be involved in both decision making and service delivery
- ◆ To enhance access to services for the enforcement of housing standards
- ◆ To assist vulnerable people to secure stable decent standard accommodation in the private rented sector
- ◆ To increase access to recreation and leisure facilities for homeless and insecurely housed people
- ◆ To increase accessibility of services for young single parents
- ◆ To increase participation of vulnerable people in community groups and facilities
- ◆ To provide accessible service for Asian young people
- ◆ To provide improved partnership working across the community, private and public sectors
- ◆ To work with key providers in addressing concerns, interests and priorities of local people
- ◆ The local authority sector to support the development of a sustainable, more self sufficient community sector
- ◆ To maximise the training and consultancy contributions to the community sector from other sectors
- ◆ Public service agencies to make decision making processes more accessible
- ◆ Public service agencies to enable community enterprise development.

The Charities Commission View

This is useful to have a context in which to set more localised views on capacity building, especially if there is going to be a funding bid or a charitable registration to enable the work.

'Community' for this purpose?

A group of people who share a position of social and economic disadvantage or social disadvantage only.

They may share that disadvantage by virtue of living in the same geographical area (a 'geographical community'). Or they may share

it because they have something else in common, such as a disability or membership of a particular ethnic group (a 'community of interest').

The community, be it a geographical community or a community of interest, need not be in the United Kingdom, it could be overseas. To support a claim to charitable status, the community in question will need to be socially and economically disadvantaged or, in some cases, simply socially disadvantaged.

'Capacity building ' for this purpose?

Making a positive difference to the capacity and skills of the members of the community in question because they participate with other members of that community in activities directed towards meeting their needs in some way. Sometimes this process is described as 'empowerment'.

In more specific terms, this is likely to involve: equipping people with skills and competencies, which they would not otherwise have. Realising existing skills and developing potential; promoting people's increased self-confidence; promoting people's ability to take responsibility for identifying and meeting their own, and other people's, needs; and in consequence encouraging people to become involved in their community and wider society in a fuller way. A wide range of activities may be undertaken to this end.

Is community capacity building distinct from community activity generally?

Not every activity, which benefits a community, can be seen as promoting community capacity building in the sense described above. Many community-based activities may strengthen the capacity of the community.

Because of the emphasis on equipping people to be better able to do things for themselves, suitable activities will involve:

- ◆ working with members of the community;
- ◆ providing support and assistance that enables them to identify and deal with problems that affect them as members of that community;
- ◆ Developing structures which enable them to be better placed to co-operate with each other and deal with organisations in the wider community;
- ◆ Providing advice and support for evaluation of projects;



- ◆ Nurturing networking and the sharing of experiences as part of the learning process;
- ◆ And enabling groups to consolidate and build upon existing skills.

Specifically, appropriate activities might include:

1. Providing training or instruction of any sort, including formal training (e.g. in the use of a PC or the preparation of accounts);
2. Providing advice/support as to how to identify needs or priorities of groups, or to plan projects and their implementation (e.g. drawing up business plans, budgets, funding applications);
3. Equipping with or developing transferable skills such as team-working and problem solving
4. Developing peoples' capacity to organise structures and practices within their organisations(s) (e.g. through training in meeting skills, management methods and techniques for projects and people); and
5. Developing peoples' capacity for working within structures outside their group(s) (e.g. by coaching in negotiation, assertiveness and advocacy).

Promoters will need, therefore, to look at discrete activities, taking into account factors, which might impact upon the benefits they bring.

The following factors might be relevant:

- Who is to benefit from the activities?
- What type of benefit is involved?
- What is the value of the benefit?
- How is any benefit to be used?
- How long will the benefit last?

SPECIFICS

Answering the questions you pose

1. Roles in Capacity Building

The National Assembly:

- ◆ Set standards



- ◆ Criteria
- ◆ Accredits providers
- ◆ Should not be deliverers
- ◆ Can be end users

Local Authorities

- ◆ Can be monitors
- ◆ Have a role - through their officers with a Regeneration/Community brief
- ◆ Should not be deliverers
- ◆ Can be end users

Community/Voluntary Sector

- ◆ Keep database of accredited providers
- ◆ Can be deliverers
- ◆ Provide support to groups to assess their needs and make informed decisions
- ◆ Can be monitors

Community Groups

- ◆ List their needs
- ◆ Engage who they feel can fulfill them
- ◆ Can become deliverers
- ◆ Should be monitors

2. Training Requirements

These have to be assessed against, the specifications of the roles and skills required.

This can be done in an interactive way and draw down chart of what is available produced to print off.

There are several reports available specific to statutory staff and Capacity Building that may be useful.

The main need is to standardise and accredit appropriately.

Much of the provision within the sector is ad hoc, variable standards and not benchmarked.

A specific agency to do this job would and could draw all existing training together and give much needed cohesion.

There is no existing vehicle to do this and a new agency would cut through existing 'protectionism'.

There are core skills and ancillary skills that are needed. These are not standard packages. Community Development and Community Economic Development are a continuum and so skill will vary, contingent on the point of that continuum.

3. Mechanisms

This is a book on its own, I think rather than be prescriptive, what is needed is a clear process to trigger and identify mechanism. A process that is easily understood, workable, not complicated etc., user friendly to end-users, not a bureaucratic fantasy.

The mechanisms also need to be categorised, as the point the user comes from may be different. Economic, social, cultural, environmental if they are tied into the context the user is familiar with, they are much more likely to be successful. For example, give people the tools, information and entry pointers they can contextualise.

4. Effective Participation

- Equal status in a Partnership
- Equality of value in a Partnership
- At a time, place that suits
- Intelligible paper work
- Relevant paper work
- Access to 'tools' required that 'Statutory' takes for granted
- Fund to underpin travel, hire of venues, childcare and other care needs
- Ownership of the project is essential
- Finding out who below 'activist' level is willing to participate and giving a wider audience opportunity and support
- Perception of the role and the status of the project are key
- Positive outcomes, sustainability and seamless interchanges
- Interchange as the project progresses
- Communication is another vital element.



5. Support

The issues here are who does what. Every organisation offering support should be 'Health Checked'. Each should be categorised according to its products and its target market.

When support is needed the 'Menu and Providers' should be available to communities.

Part of the development and capacity building of a community should be to make decisions on which they want, for what and at what price - free choice from a pre-approved list.

There are such a variety of needs across the spectrum of this development from soft to hard skills, to quick fix and long-term process.

We have a Mentoring programme
A series of quick fix pick and mix
Community business skills portfolios
Health checks
Personal skills need
Project management
Skills for committees
Skills for directors
Etc. etc. if you need a comprehensive list we can provide that
all build capacity.

You need individual training plans and project training plans. We have found such a wide differential in abilities, motivation, prior knowledge, educational level etc. that to be effective you have to take a tailored not 'off the peg' approach to Capacity Building and Development.

Often with our client group the process of developing an enterprise provides the catalyst to increasing capacity and capability.

GENERAL

The term Capacity Building is so wide as to be almost amorphous.



We have had concerns for a while that the money set aside to facilitate this has been, being eaten up by agencies rather than utilized by communities and supporters at grassroots.

There is a difference between formal training, informal training, mentoring and just challenging and doing with support.

We feel strongly that capacity builds as challenges and tasks are set and that after if you take a rigid approach you can actually contain the capacity.

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