AGENCY OF THE FUTURE – CONCEPT PAPER

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PROJECT RATIONALE

Canada's immigrant service agencies and umbrella associations are facing major changes that will profoundly change the sector's orientation, financing and organization. In the past, the sector's response to such changes has been passive and adaptive. The Agency of the Future project is designed to help the sector chart a more pro-active and strategic course. The project's premise is that agencies and umbrella associations need to open up new territory in place of defending existing turf. This will entail re-conceptualizing the opportunity landscape facing the sector and bolstering its capacity to identify and seize opportunities. The aim is to win new clients and fend off competitors. This will require a focus on excellence and innovation in areas where the sector enjoys a strategic advantage. The way forward implicates both individual agencies and umbrella associations. It also implicates government in that there exists a shared interest by the sector and government in bolstering the capacity of settlement agencies in those areas where they enjoy a comparative advantage over other organizations.

CORE IDEAS

Three core ideas underlie the Concept Paper's position. These ideas originate in a pair of research studies undertaken for CISSA-ACSEI[1]:

1. IMMIGRANT SERVICE AGENCIES ENJOY A STRATEGIC ADVANTAGE OVER OTHER ORGANIZATIONS THAT DELIVER SETTLEMENT PROGRAMS: This advantage resides in the expertise that agencies have acquired in combining the intersecting and complementary programs offered by federal and provincial ministries. In addition, immigrant service agencies are able to mobilize newcomers and ethnocultural and religious organizations because they enjoy their trust. Both service expertise and trust result from the manner in which settlement organizations operate. As such, they constitute a strategic advantage that other organizations find it difficult to emulate.

[1] *Reconfiguring Settlement and Integration: A Service Provider Strategy for Innovation* and *Results* and *Study of Innovative and Promising Practices within the Settlement Sector*. Both studies will be accessible online at P2PCanada.ca prior to the June 21 meeting.

2. THE SIZE AND SPAN OF THE IMMIGRANT SERVICE SECTOR OFFERS A DEEP POOL OF 'EXPERIMENTAL' PROJECTS OR APPROACHES THAT OFFER IDEAS FOR SOLUTIONS TO MANY OF THE CHALLENGES FACING THE SECTOR: There is empirical support for the idea that there is extensive innovation by settlement agencies across the country. Individual agencies have evolved numerous approaches, combining different services and developing new partnerships, in their quest for synergy, better efficiency, and greater effectiveness. A tested methodology already exists for analyzing the internal and external factors that contribute to the success of such promising practices.
3. AN 'INNOVATION CYCLE' CAN BE IMPLEMENTED BASED ON A KNOWLEDGE PARTNERSHIP BETWEEN SETTLEMENT UMBRELLA ASSOCIATIONS AND AN ACADEMIC THINK TANK: The partnership would promote innovation and business development in priority areas where the settlement sector enjoys a strategic edge. Within these areas, as part of a formal innovation cycle, promising projects and techniques would be systematically identified, analyzed, and essential ingredients replicated by mobilizing and transferring knowledge across settlement organizations.

THE EMERGING SETTLEMENT ECOSYSTEM

Charting a new course for settlement will require a shared strategic platform that is based on a common understanding of the major factors affecting settlement organization. The following list of ten key factors reflects changes in the economic, demographic, social, technological, and policy environment. The factors suggest challenges that will need to be mitigated and opportunities than can be appropriated. The paper takes up this point in more detail in the section on business lines.

(1) FISCAL CHANGES: The sharp expansion in federal settlement funding that began in 2006 has been reversed less than a decade later. CIC's settlement budget has been trimmed by some 30 percent and there is no likelihood of it being restored. In fact, further cuts in spending should be anticipated. As well, expenditure will continue to be allocated to areas where numbers and productivity indicate greater need and higher productivity. The outlook is similar across government: federal and provincial agencies affected by fiscal cutbacks have reacted by refocusing on core mandates. This will make it harder for settlement agencies to access support outside CIC.

(2) CHANGES IN THE STRUCTURE AND LOCATION OF ECONOMIC ACTIVITY: The decline of Canada's manufacturing sector, much of it in Ontario, and the westward shift of economic activity has boosted western demand for immigrants and temporary workers. This has produced a westerly shift in immigration, accompanied by a growing need for settlement services. At the same time, the absorptive capacity of former receiving regions has declined due to job losses, diminished fiscal capacity, and spending cuts – both cuts in the overall settlement budget and regional reallocations tuned to shifting migration patterns.

(3) NEW DESTINATION COMMUNITIES: A growing proportion of newcomers are moving to metro-adjacent communities as well as to smaller towns and more remote locations. The changes

reflect economic shifts, including migration that is linked to resource-based activity. They also reflect push factors such as the cost of housing in the large metro centres, quality of life decisions related to congestion and safety, and pull factors associated with demographic sustainability and increased efforts by smaller communities to attract new residents.

(4) NEW ADMISSION AND SELECTION POLICIES: The most salient changes involve a significant and sustained increase in the proportion of economic migrants within the overall immigration movement. This reflects a fundamental policy decision to privilege economic immigration. Mandatory language requirements, new flow management techniques (expression of interest), and other selection changes will enhance the job readiness of applicants. There has also been an enormous increase in the flow of temporary entrants (workers and, to a lesser extent, international students). The recalibrated Canada Experience Class has expanded opportunities for workers and students to transition to permanent residency, further enhancing the dominance of economically-based immigration.

(5) SHIFTING MIGRANT COMPOSITION: Constraints on family class migration, coupled with enhanced language requirements and a greater reliance on temporary workers to fill low skilled jobs, will produce compositional shifts in source countries analogous to those experienced by Australia. The compositional shifts (in source country) will, in turn, affect destination choices amplifying the westward shift of immigration.

(6) ALTERED FEDERAL-PROVINCIAL LANDSCAPE: The devolution of responsibility for settlement services to provinces fuelled provincial interest in immigration and helped settlement agencies to diversify their funding. This was complemented by a favourable fiscal environment that encouraged many federal and provincial ministries to adapt their programs to newcomers, allowing further funding diversification. The fiscal and political pendulum has now swung back. In the face of federal repatriation of settlement services, provincial appetite for incremental spending on newcomer settlement is waning and fiscal pressures are pushing ministries to confine their expenditure to core mandates. Barring counter-measures, this implies fewer dollars, from fewer sources, with greater competition for available funds.

(7) NEW STAKEHOLDERS: The last decade has seen the rise of three stakeholder groups into positions of prominence on migration matters: employers; educational institutions; and municipalities. Employers and educational institutions have assumed a major role in the selection and recruitment of newcomers. Their involvement in settlement and integration, on the other hand, has been far more rudimentary. In contrast, municipalities - notwithstanding the interest by smaller centres in attracting and recruiting newcomers - have focused on settlement and adaptation involving areas that include housing, health, education, social services, and recreation. All three stakeholders require – and regularly access – outside expertise on migration matters, especially settlement.

(8) NEW COMPETITORS: The sharp increase in settlement funding, starting in 2006, has attracted new organizations to the settlement 'business'. These include quasi-public institutions, such as schools and libraries; educational institutions, such as community colleges and technical institutes;

and non-profit organizations, such as the Y and women's centres. The new entrants compete with settlement agencies to deliver services to newcomers. Generally, but not always, these services are more specialized and more narrowly constructed than those offered by the settlement sector itself. Despite this (or, perhaps, because of it), some competing organizations have been very successful and have been embraced by CIC. A particular advantage of quasi-public institutions is that their core operations are already funded by government, so they only need to cover operating expenses.

(9) CHANGES IN FIRM SIZE AND ORGANIZATION: Settlement agencies have evolved considerably from their early days as small, charitable outlets. While they vary greatly in size and capacity, the trend has been to larger agencies that are better able to exploit new opportunities by accessing and combining a wider range of in-house resources and services. Major settlement organizations are now multi-million dollar institutions, with large staff complements, drawing support from multiple sources, and operating with a considerable degree of independence. Their size and prominence allows them to purchase the buildings they operate from, to form partnerships with major mainstream organizations, and to assume a prominent role in the local community. The combination of scale and relative autonomy remains to be fully exploited.

(10) NEW INFORMATION AND EDUCATION TECHNOLOGIES: New technologies, new technology platforms, and new methods for conveying and sharing information are transforming the production, dissemination, and organization of education and instructional materials. They are also having a transformative effect on related systems for accessing and maintaining contact with clients and stakeholders. The new technologies have been slow to fully penetrate the settlement sector. Nevertheless, they offer unprecedented opportunities for projecting the settlement expertise and information that is currently concentrated in major centres to remote parts of Canada and abroad.

ESTABLISHING NEW BUSINESS LINES

A business line may be understood as a suite of related products, a set of services targeting a particular client group, or a capacity to undertake a defined set of activities. An example of each would be mentoring services, employer clients, and distance education, respectively. The Agency of the Future project aims to identify and develop new business lines, as well as modifying existing lines, in response to changing market conditions – driven by the factors identified above - and strategic interests (such as reduced dependence on individual funders). Investment decisions – that is, decisions to develop particular business lines - will need to be based on projections of the size, growth, location and potential competition in emerging or changing markets. Investments may also be driven by the realization that settlement organizations have not taken full advantage of existing opportunities or have failed to recognize the market potential of particular activities.

The language of business is somewhat alien to the sentiments of the settlement sector. Because of historical origins and orientations, settlement agencies and settlement associations tend to think of themselves not as businesses but as moral engines, committed to advocacy and assistance. This view is, without question, laudable and must not be lost, but it has a downside: it has diverted attention from the strategic decisions that need to be made if the sector is to develop and defend its position. It has also diverted the sector's attention from the fact that governments and commercial enterprises, and not newcomers, are its clients. Newcomers or, rather, newcomers endowed by the sector with particular skills and aptitudes, are the sector's 'products'. The result of the prevailing image reversal is that the sector and sector workers thinks in terms of 'influencing' and 'helping' rather than 'selling'.

This project will treat settlement organizations as businesses. As an initial step and precursor to the component studies listed below, the project should conduct a Canada-wide audit with a view to answering five questions:

1) What products and services are produced by the sector (both commissioned and donated)?
2) What level of effort is associated with each service and how pervasive are the services across the sector?
3) Which clients consume which services?
4) What commercial arrangements, if any, exist for each service type?
5) Where partnerships have resulted in new commercial opportunities, what form have the partnerships taken and what institutions have been involved?

The services and partnerships identified by an audit would likely be extensive, diverse and innovative. Work conducted by the P2P initiative (and its predecessor – the WCI) turned up numerous examples of creative entrepreneurial projects and entrepreneurial partnerships involving settlement organizations across the country. The number and distribution of these products and services is important because it suggests that the impediments to growth and business development do not originate in a lack of demand for settlement expertise; nor do the impediments arise because the sector lacks inventiveness. Instead, the sector appears to have been held back by its 'business model' and lack of a formal, systematic and collaborative process for identifying and exploiting business opportunities. [Note: For purposes of the present exercise, advisory relationships and forms of assistance such as convening newcomers or providing access to ethnic or religious leaders are considered to be services.]

The June 21st meeting will contain an initial discussion of business lines. Below are a number of initial suggestions to aid in that discussion:

a) Services to be marketed to employers in new destination communities. The services would focus on employee retention and integration, including support for families.
b) Services aimed at employers utilizing temporary foreign workers who have an interest in demonstrating compliance with regulatory conditions and wish to ensure employee retention and local support through investments in local integration.
c) Services aimed at small to mid-sized companies that do not have, or have only rudimentary, HR departments. The services would assist companies in recruiting, screening and preparing newcomer applicants, including assistance to employers and candidates in navigating the new 'expression of interest' labour pool.
d) Overseas recruitment services marketed to municipalities and companies, drawing on agency relations with domestic immigrant communities to identify prospective applicants abroad.

e) Services aimed at mainstream non-profit organizations whose client base is shifting to include a larger proportion of immigrants or in areas where specialized immigrant services do not exist. The services would be similar to those proposed for municipal institutions in item 'h'.

f) A service package directed to the needs of educational institutions, including services aimed at helping international students access language training, obtain integration services, apply for jobs in Canada and secure Canadian residency (including assistance in accessing the 'expression of interest' pool).

g) Advice to government ministries and agencies on how to adapt mainstream services to respond to desired or increased newcomer flows (as well as responding to particular sub-populations) – particularly in relation to welcoming areas that include housing, health, education, justice and recreation. This could be extended to agencies that receive government grants in order to address the needs of various groups (for example, adapting women's services).

h) Services to be marketed to municipal and regional governments in areas where there are few, if any, specialized immigrant service providers. The services would focus on municipal institutions and agencies that the municipal government contracts for services. The services could include diversity readiness audits, staff training, orientation materials, and advice on service reconfiguration.

i) Training, orientation and materials aimed at equipping quasi-public institutions – such as hospitals, schools, and libraries – to improve their response to newcomers.

j) Development of a curriculum and specialized training modules as part of a 'distance education' initiative that could be directed to particular client groups, such as hospital workers, police and schools.

k) Development and delivery of overseas counselling, information, and training to be delivered to immigrants, temporary workers and students (and their families!) prior to arrival.

l) Development of a specialized itinerant service that would be directed to particular institutions and would be supported and reinforced through distance education techniques.

INNOVATION: KNOWLEDGE PARTNERSHIPS BASED ON ACADEMIC RESEARCH AND MORE MUSCULAR UMBRELLA ASSOCIATIONS

To move from 'thought experiment' to action, an 'innovation cycle' will need to be engineered and resourced. The creation of this cycle constitutes a core outcome of the Agency of the Future Project. The following roles and activities would need to be developed and managed by umbrella organizations in collaboration with the academic partner:

- A process for determining the business lines and critical activities (within the business lines) on which the knowledge partners will focus. Frequently, the activities will centre on new partnerships, new ways of assembling services, and the marketing of knowledge as distinct from the provision of services. The decisions should be based on detailed market analyses.

- A national process for identifying promising practices that correspond to the critical activities selected by the umbrella associations, in consultation with the academic partners.
- Detailed analyses of the chosen promising practices to determine what factors account for their merit and how those crucial ingredients might be replicated and transferred elsewhere.
- A procedure for identifying agencies or agency consortiums that are interested in the market opportunities afforded by the promising practices.
- The development of a curriculum and material for transmitting the promising practice information to interested agencies.
- A system for managing the various stages of the innovation cycle process and for evaluating outcomes.

Managing the innovation cycle would equip umbrella organizations with a substantive capacity to steer the settlement sector.

THE WAY FORWARD

To attain its goals, the Agency of the Future project will need to move ahead on two fronts: it will need to progress idea-wise; and it will need to engage a wider audience, starting with settlement umbrella associations and expanding to include member agencies, CIC, and provincial ministries. The June 21st meeting will solicit ideas for advancing the agenda on both fronts.

One method for progressing on the idea-front while, at the same time, broadening participation is to break the project into components that could be managed by different teams. The teams could be designed to ensure geographic (region, community size and community type) and linguistic representation. Care would be needed to ensure that the individual teams are well aware of the larger picture and the overall project goals. Below is a possible configuration that involves four distinct components:

COMPONENT 1: MAPPING THE NEW SETTLEMENT LANDSCAPE

Component 1would create a detailed spatial mapping of the changing economic, demographic, fiscal, business and policy landscape facing the settlement sector. This would include the growing competition from, and involvement with, business, quasi-public, and voluntary organizations. The study team would analyze the implications for regional settlement agencies and settlement associations of the changes identified by the mapping exercise.

COMPONENT 2: DEVELOPING THE BUSINESS MODEL

Component 2 would concentrate on developing a new business model that is better attuned to the policy and environmental shifts that are underway. The model would outline new business lines and opportunities and would be accompanied by an analysis of potential clients, required services, and market size. As well, the component would address the question of agency and sector capacity in respect of the proposed business lines.

Component 3: INVESTIGATING THE POTENTIAL USES OF NEW TECHNOLOGY

Component 3 would examine the potential uses of new technology and social media to support the new business models being developed under Component 2. This would include an examination of the potential for settlement agencies and associations to project expertise to remote destinations, as well as overseas, and to make use of new distance learning techniques and technologies to support training within the sector and for newcomers.

Component 4: ELABORATING THE INNOVATION CYCLE

Component 4 would focus on the development of the knowledge partnership and the creation of a more muscular and purposive role for settlement umbrella organizations and academic researchers in mobilizing and transferring expertise across the sector. The component would clarify the roles of the knowledge partners and the precise operations of the 'innovation cycle', including the manner in which information would be taught or otherwise transferred to agencies.

Over and above the management of individual components, the settlement sector and the Pathways to Prosperity Partnership will form a steering body to guide the Agency of the Future project. The steering body will provide assistance where needed; it will coordinate Component teams; and it will ensure that the project has the necessary management and financial resources, as well as intellectual support. To this end, sector and academic members of the Component teams will be augmented, as needed, by policy experts, business development specialists, technology experts, and experts in the use of social media and new communication technologies.

In addition to offering ideas for the project's structure and governance, the June 21st meeting will propose clear, measurable target outcomes for the project, along with a timetable and milestones.