

Summative Evaluation of the Temporary Fisheries Income Program Initiative

Final Report

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Table of Contents

Executive Summary	i
Management Response	v
1. Introduction	1
1.1 Overview.....	1
1.2 Evaluation Goals.....	1
1.3 Methods of Research.....	1
1.4 Contextual Information.....	2
2. Temporary Fisheries Income Program Initiative Description.....	3
2.1 Background.....	3
2.2 Objective.....	3
2.3 Eligibility	3
2.4 Participant Profile	4
3. Key Findings	7
3.1 Program Relevance	7
3.2 Program Success	9
3.3 Program Cost-Effectiveness.....	13
3.4 Program Delivery.....	14
4. Conclusions	15
4.1 Program Relevance	15
4.2 Program Success	15
4.3 Program Cost-Effectiveness.....	16
4.4 Program Delivery.....	16

List of Exhibits

Exhibit 2.1	Most Recent EI Exhaustion Period	4
Exhibit 2.2	Grant Payment Duration and Weekly Rates	5
Exhibit 3.1	2002 Household Income, Before Taxes and Deductions.....	7
Exhibit 3.2	Average Incomes of Fishers in Canada	8
Exhibit 3.3	TFIP Initiative Participant Comparison: 2002 vs. 2003	8
Exhibit 3.4	TFIP Initiative Application and Acceptance Rates.....	10
Exhibit 3.5	Application Rates for ACOA/CED-Q Programs	12
Exhibit 3.6	How Individuals Heard About the TFIP Initiative	14

Executive Summary

During 2004, Human Resources and Skills Development Canada (HRSDC) undertook an evaluation of the Temporary Fisheries Income Program (TFIP) initiative, which was in effect from April 27, 2003 to September 6, 2003. The TFIP initiative provided temporary financial assistance to fishers and fish plant workers displaced by the closure of three cod fisheries and one crab fishery off Canada's Atlantic coast. Assistance was intended to be provided to individuals whose Employment Insurance (EI) benefits expired before the community-based economic development measures announced by the Atlantic Canada Opportunities Agency (ACOA) and Canada Economic Development for Quebec Regions (CED-Q) could be implemented.

The evaluation of the TFIP initiative focused on questions related to program relevance, program success, program cost-effectiveness and program delivery. To provide evidence to answer these questions, the evaluation adopted both quantitative (e.g., statistical analysis of HRSDC administrative data and survey data) and qualitative methods (e.g., review of program documentation and a literature review). The research was undertaken by the Audit and Evaluation directorate of HRSDC, although a telephone survey of TFIP participants and non-participants was performed by an external survey firm.

The current evaluation concludes that the TFIP initiative may not have been necessary for economic adjustment in this sector, as nearly 85% of grant recipients had found alternative employment within 10 weeks of exhausting their EI benefits in the spring of 2003. Although the grant payments helped some fishers and fish plant workers avoid undue financial hardship created by the fishery closures, many were able to adjust.

The evaluation led to the identification of some key results:

Program Relevance

- Adjustment situations, from a financial standpoint, should not create any unusual hardship for the fishers affected by the 2003 fishery closures in comparison to fishers who faced similar adjustment situations in previous years. This is because, for fishers in general, net fishing income makes up less than one-half of total annual income for all fishers, although a growing percentage of a fisher's income is comprised of EI benefits.
- The fishery closures may not have created a special need for extra programs, as almost 85% of TFIP initiative recipients found employment within 10 weeks of exhausting their EI benefits in the spring of 2003. The actual increase in the number of participants who exhausted their claim and were left unemployed was not large. In 2003, 343 of the 2,702 participants exhausted their claim and were unemployed 10 weeks after the end of the claim. This represented an increase of 162 individuals from 2002. Over 92% of these jobs in 2003 were fishing-related, indicating that the majority of these jobs were in other fisheries.

- Closing the fisheries is one part of a balanced, comprehensive package to rebuild stock levels. Fisheries and Oceans Canada is taking a number of steps to rebuild cod stocks in the affected areas. The TFIP initiative aids in the government's overall sustainable development strategy in that it assists those affected by the fishery closures by providing compensation for weeks in which individuals have no income.

Program Success

- The TFIP initiative grant payments were likely sufficient to alleviate financial need, as the income was approximately 85% of the amount required to cover the cost of the estimated necessary monthly household expenses.
- Evidence suggests that program officials attempted to ensure that only targeted individuals participated in the program, as 39% of applicants were not accepted. However, some ineligible individuals may have received benefits, as limited controls were available to ensure that individuals had derived at least 25% of their fishing income from cod and/or crab or whether individuals worked while receiving benefits. Also, 68 individuals did not exhaust their EI benefits at any point between October 2001 and August 2003, yet still received the grant payments.
- Although awareness of the TFIP initiative was relatively high for a small program, there was some degree of lack of awareness of the initiative in the affected areas, as 70% of non-participants had not heard of the program but would have applied to it. This represents an additional 700 potential applicants.
- Very few TFIP initiative participants took part in the ACOA or CED-Q job creation programs, indicating that not many participants used the grant payments as a bridge between the exhaustion of EI benefits and the short-term job creation programs, one of the stated objectives of the initiative. Survey results from several months after the end of the TFIP initiative indicated that only 8% of participants were aware that they had been in an ACOA or CED-Q program.
- More than 83% of participants in Newfoundland who were aware of the ACOA job creation program did not apply. In Quebec, roughly 46% of participants who were aware of the CED-Q job creation program did not apply. This further suggests that not many participants used the TFIP initiative as a bridge between EI benefit exhaustion and the short-term job creation programs.
- Administrative data reveals that 93% of all participants commenced an EI claim between the end of the TFIP initiative (September 6, 2003) and the end of December 2003. By comparison, more than 96% of all grant recipients commenced an EI claim during the same period in 2002. It can be concluded that the TFIP initiative and the short-term job creation programs had little effect on claimant behaviour. In addition, it is clear that some participants moved onto non-fishing related employment after the fishery closures, as there was almost a 12 percentage point drop in the number of TFIP initiative recipients that claimed fishing benefits during this period in 2003 as compared to the same period a year earlier.

Program Cost Effectiveness

- The weekly cost of the TFIP initiative was approximately \$318 per participant. The TFIP initiative is not readily comparable with other types of employment benefits and support measures (EBSMs), such as training or targeted wage subsidies, because it had to be implemented quickly and because it was an income support program and not an employment intervention. An employment intervention would have significant infrastructure and operational costs associated with it.

Program Delivery

- Almost 69% of TFIP initiative participants felt that the overall quality of service of delivery met most or all of their expectations, with about 87% satisfied with the timeliness in which their applications were processed and the timeliness in which they received their first grant payment.

Management Response

Although, the department was successful in making available quickly a grant program for people who had exhausted their Employment Insurance benefits, we concur with the finding that in hindsight, the Temporary Fisheries Income Program (TFIP) may not have been necessary for economic adjustment in this sector.

The Government of Canada announced the closure of three cod fisheries and one crab fishery off Canada's Atlantic coast on April 24, 2003. At the same time, the government also announced the introduction of community-based economic development assistance through the Atlantic Canada Opportunities Agency (ACOA) and Canada Economic Development for Quebec Regions (CED-Q) to support individuals and communities affected by these closures. It soon became apparent that the ACOA and CED-Q short-term job creation activities could not be developed until late summer or early fall, resulting in a potential income gap for those affected. Human Resources Development Canada (HRDC) was therefore requested to develop and administer a temporary passive income support program, TFIP, in order to bridge the gap between the exhaustion of the individual's Employment Insurance (EI) benefits and the implementation of the short-term job creation projects. This was accomplished in a very short time frame.

One criterion for receiving the grant was that 25% of the landed value of fish caught had to have come from cod and/or crab. In future programs, eligibility criteria must be more concretely defined, such as the difficulties in distinguishing cod/crab fishers from other types of fishers. This could serve as a valuable lesson from which future policy designers may benefit.

At the outset, program officials were aware of these and other program administration challenges associated with getting a program of this nature in place in a short period of time and undertook appropriate consultations. In spite of these challenges, the department concurs with the finding that TFIP may not have been necessary for economic adjustment in this sector, given that cod/crab fishers were able to find other jobs in the fishery. It is likely that the halting of any other forms of fishing would have similar results. We agree with the evidence presented to this effect in the report and that a more thorough needs analysis should be an integral part of program development; however the timeframe would have made this difficult to achieve.

The evaluation indicates that a relatively large percentage of respondents in the non-recipient sample reported never having heard of TFIP and stated that they would have applied for the grant if they had known. Given the extensive communications efforts and media coverage, we were surprised by non-recipient responses who claimed that they were unaware of the program. As the evaluation supports the finding that many people who applied for the grant were deemed ineligible, it is reasonable to assume that the proportion of those not eligible would have been similar or indeed higher given the targeted communications approach. One possible explanation for the subsequent responses from non-recipients is that they may never have seen themselves in need of TFIP and,

therefore, paid no attention to media coverage and/or never enquired about possible program assistance.

It was HRDC's responsibility to make available quickly a grant program to those affected by the closure and who had exhausted their Employment Insurance (EI) benefits. In so doing, we would like to highlight that 86.9% of grant recipients were either satisfied or somewhat satisfied with the timeliness in which they received their first grant payment. This is significant given the intent of the program was to provide temporary income assistance at a time when they may not have had other means of financial support.

In summary, the department was successful in designing and implementing a temporary income support program to meet the needs of some 2,700 participants. This was substantially less than the original number of forecasted TFIP recipients. It is also noteworthy that the vast majority of TFIP recipients never participated in subsequent job creation projects administered by ACOA, where they could have requalified for EI benefits; instead they were able to find other work on their own to requalify. For future programs, this signals the need for more careful consideration of the links with the programs of other departments and that timeframes allow for a more thorough needs analysis before going forward with similar programs.

1. Introduction

1.1 Overview

On April 24, 2003, the Government of Canada announced the closure of three cod stock zones and one crab fishery off Canada's Atlantic coast. In response to these closures, the Government of Canada outlined a two-year \$44 million investment through the programming of the Atlantic Canada Opportunities Agency (ACOA) and Canada Economic Development for Quebec Regions (CED-Q) to provide assistance for short-term job creation. This measure was to provide insurable employment to the most at-risk communities.

However, the short-term jobs were not due to come on stream in time to address the immediate needs of individuals whose Employment Insurance (EI) benefits had started to expire. To address the situation, on May 29, 2003, the Cabinet Committee for the Economic Union (CCEU) agreed that Human Resources Development Canada (HRDC)¹ would administer a \$27 million grant program outside of the EI program, the Temporary Fisheries Income Program (TFIP) initiative.

1.2 Evaluation Goals

The evaluation of the TFIP initiative examines the initiative's role in meeting its intended objective of providing temporary income support, in the form of a grant, to fishers and fish plant workers affected by the fishery closures. The grant was intended to bridge the gap between the exhaustion of EI benefits and the implementation of the short-term job creation projects or other future employment. Nine evaluation questions form the basis for this report and are addressed, in turn, in the Key Findings section.

1.3 Methods of Research

Whenever possible, the evaluation project used multiple lines of evidence to help answer these evaluation issues and questions. These lines of evidence included:

- A review of program documentation;
- An analysis of administrative data;
- A telephone survey of 1,000 TFIP initiative participants and 1,000 non-participants; and

¹ In December 2003, HRDC was divided into two new entities: the Department of Social Development Canada (SDC) and the Department of Human Resources and Skills Development Canada (HRSDC). The remainder of the report will use the HRSDC acronym.

- A technical report containing the survey methodology and a non-response bias analysis.

1.4 Contextual Information

Discussions of program delivery are overshadowed by the issue of the speed with which the program was developed and implemented. During discussions with program officials, it was asserted that the TFIP initiative was set up in an extremely short time frame, well after the decision to close the affected fisheries was taken by the government. HRSDC was only requested to assist the potentially affected communities when it became clear that the job creation projects to be created by the regional economic development agencies would not be ready on time, creating potential gaps in employment income for affected fishers and plant workers. Those persons affected only had a few weeks notice that the selected fisheries would close and, therefore, likely faced a disruption to their income stream that they had not anticipated. Using the best available information regarding those communities and EI claimants most likely to be affected, HRSDC was able to develop and deliver an income support program very quickly.

2. Temporary Fisheries Income Program Initiative Description

2.1 Background

Given that the TFIP initiative was a new program and that existing literature was rather limited, a brief literature review was conducted by Audit and Evaluation which focused on other recent evaluations that examined previous fisheries restructuring and adjustment measures in Canada:

- Evaluation of the Atlantic Groundfish Strategy (TAGS);
- East Coast Fisheries Restructuring and Adjustment Measures (FRAM) Summative Evaluation; and
- A summative evaluation of HRSDC's Component of the Pacific Fisheries Adjustment and Restructuring Program (PFAR).

2.2 Objective

The objective of the TFIP initiative was to provide temporary income support, in the form of a grant, to fishers and fish plant workers who had been significantly affected by the closures of the cod and crab fisheries in the affected zones. The grant was intended to bridge the gap between the exhaustion of the affected individuals' EI benefits and the implementation of short-term job creation projects administered by ACOA and CED-Q or other future employment.

2.3 Eligibility

Affected fishers and fish plant workers in the affected fishing zones were eligible if they could demonstrate that, at the time of application:

- They were unemployed;
- They were unable to fish cod and/or crab or work in a plant which processed cod and/or crab due to the fishery closures;
- They had exhausted their EI benefits (program guidelines did not specify when individuals had to have exhausted their EI benefits, as evidenced in Exhibit 2.1, which shows that 13.4% of all TFIP initiative participants did not exhaust their EI benefits during the April 2003 to August 2003 period);

- They were not receiving financial assistance for their participation in an employment benefit program funded under Part II of the *EI Act* or similar provincial programs that were the subject of an agreement under Section 63 of the *EI Act*;
- They were not receiving assistance under the *Programme de professionnalisation des pêcheurs et aide-pêcheurs du Québec* or the New Brunswick Fish Processing Workers Training Program; and
- They had a significant attachment (25% of fish caught was cod and/or crab) to the affected cod and/or crab fishery in 2002 or 2001.

Exhibit 2.1		
Most Recent EI Exhaustion Period		
Most Recent EI Exhaustion Period	# Clients**	Percent
Apr. 2003 to Aug. 2003 [*]	2,326	86.6
Oct. 2002 to Mar. 2003	117	4.4
Apr. 2002 to Sep. 2002	170	6.3
Oct. 2001 to Mar. 2002	...	...
Did not exhaust benefits between Oct. 2001 and Aug. 2003	68	2.5
Total	2,685	100.0
Notes:		
* Since the TFIP initiative ended on Sep. 6, 2003, Sep. 2003 was not included		
** The frequencies given for each variable do not always add up to the total number of participants (2,702) because of small numbers of missing cases and/or blank fields in the data.		
"..." indicates cell count under 30.		
Source: HRSDC Administrative Data.		

2.4 Participant Profile

TFIP initiative participants:

- Were comprised mainly of self-employed fishers, who made up 90.9% of all participants;
- Were mostly male, who made up almost three-quarters of all participants;
- Were older workers, with 66.5% of all participants over 40 years of age; and
- Had lower levels of formal education, with 78.5% of all participants for whom information was available having less than a high school degree. Although there were a high number of missing observations in the administrative data, this figure is similar to that reported in the TAGS evaluation, where 72% had less than a high school degree.

Exhibit 2.2 shows the average length of time of a TFIP initiative recipient's grant period and also provides information regarding benefit rates. It should be noted that, even though an individual may have 12 weeks between the start date and end date of their grant period, it is not known how many weeks existed where no grant payments were received. For simplicity, it will be assumed that there were no weeks in which no grant

payments were received. The majority of grant recipients (56.5%) received 12 weeks of payments, while 82.0% of all recipients were eligible for the maximum weekly grant amount of \$325. However, not all recipients received the full amount that they were eligible for, depending on individual circumstances. For example, recipients earning income while receiving grant payments or in receipt of some form of financial assistance had their grant payments reduced on earnings in excess of 25% of the weekly grant amount, until the entire amount of the grant payment for the week was reduced to zero.

Exhibit 2.2 Grant Payment Duration and Weekly Rates			
Variable	Sub-Category	# Clients**	Percent
Period Between Start Date and End Date of Grant Payments	1 to 4 weeks	336	12.4
	5 to 8 weeks	342	12.7
	9 to 11 weeks	421	15.6
	12 weeks	1,526	56.5
	More than 12 weeks*	76	2.8
	Total	2,701	100.0
	Average	9.92 weeks	
Eligible Weekly Grant Amount (Assessed Pay Rate)	\$99 to \$199	137	5.1
	\$200 to \$249	131	4.9
	\$250 to \$324	219	8.1
	\$325	2,212	82.0
	Total	2,699	100.0
	Average	\$309.18	
Notes:			
* Of the 76 recipients who had a benefit duration period of more than 12 weeks, 73 were from Quebec, where weeks with no grant payments were counted as part of the 19 weeks (i.e. the 12 weeks of grant payments did not necessarily have to be in consecutive weeks).			
** The frequencies given for each variable do not always add up to the total number of participants (2,702) because of small numbers of missing cases and/or blank fields in the data.			
Source: HRSDC Administrative Data.			

3. Key Findings

3.1 Program Relevance

The first two questions in this section are interconnected. Question 1 establishes that fishers have constantly had to face adjustment situations in past years due to the seasonal nature of their employment. These adjustment situations can often lead to extended periods of time with neither employment income nor EI benefits. The first question also establishes that cod/crab fishers are not significantly different than other fishers. Question 2 seeks to determine if the cod/crab fishery closures in the spring of 2003 presented a unique challenge to the fishery which justified the need for a special program.

Q-1: Do fishers face financial hardships during adjustment situations?

Based on the responses of TFIP initiative participants, average necessary monthly household expenses (i.e. food, shelter, etc.) were estimated to be roughly \$1,406, implying that the minimum annual household income threshold (before-tax) required to cover the necessary monthly household expenses would be around \$20,000. This figure is in line with Statistics Canada's Low-Income Cut-Off (LICO) for a three-person family living in a rural area and implies that families of this size should not face any serious financial hardship if their annual income is higher.

TFIP initiative participants were also asked to provide a range for their total household income in 2002, before taxes and deductions. The results show that 31.2% of all grant recipients would likely have been subjected to some financial hardship in 2002, as their income was less than \$20,000.

Exhibit 3.1				
2002 Household Income, Before Taxes and Deductions				
Income Level	# Clients	Percent	# Non-Participants	Percent
Less than \$10,000	43	4.3	72	7.2
\$10,000 to \$20,000	269	26.9	261	26.1
\$20,001 to \$40,000	454	45.4	407	40.7
\$40,001 to \$60,000	69	6.9	112	11.2
More than \$60,000	...	...	35	3.5
No answer given	149	14.9	113	11.3
Total	1,000	100.0	1,000	100.0
Notes: "... " indicates cell count under 30.				
Source: TFIP Initiative Survey of Participants and Non-Participants.				

Another factor that must be considered is the fact that fishers have had a history of coping with shocks and are not, on average, totally reliant on fishing income. Therefore, the closing of the fisheries in any given year does not represent a complete loss of income, as fishers also derive income from other employment, EI benefits and other sources of income, as shown in Exhibit 3.2. However, a large percentage of average employment income is also directly tied to the fishery and a significant share of average other income is welfare payments.

Exhibit 3.2						
Average Incomes of Fishers in Canada						
Year	Average net fishing income	Average employment income	Average EI benefits	Average other income	Average total income	Average total income (all Canadians)
1999	\$14,650	\$4,350	\$6,914	\$5,059	\$30,973	\$29,132
2000	\$14,523	\$4,117	\$7,426	\$4,784	\$30,910	\$30,952
2001	\$13,753	\$4,347	\$8,709	\$4,303	\$31,112	\$31,495

Source: Longitudinal Administrative Database, Statistics Canada.

Exhibit 3.2 shows that the average total income of fishers over the 1999 to 2001 period is almost identical to the average total income for all Canadians. In addition, some fishers and fish plant workers rely on cod and/or crab for a higher percentage of their net fishing income than others. Hence, the closing of the cod and/or crab fisheries may represent a 25% reduction in net fishing income for some fishers and possibly a complete loss of net fishing income for others.

Q-2: Did the cod/crab fishery closures create a special need for extra programs?

Historically, fishers have faced both income and employment gaps between the exhaustion of EI benefits at the end of the winter and the opening of the fishing season in the late spring. Thus, if fishers outside of the designated zones have previously had to deal with these gaps, closer examination is required to determine whether the fishery closures in 2003 justified the need for a special program. Exhibit 3.3 addresses this issue by providing a comparison between 2002 and 2003 for some key parameters.

Exhibit 3.3		
TFIP Initiative Participant Comparison: 2002 vs. 2003		
Key Parameter	2002	2003
Exhausted EI (between 1 st week in April - 2 nd week in June)	74.4%	84.2%
Found job within 10 weeks of EI exhaustion	91.0%	84.9%
Average gap between EI exhaustion and subsequent job	4.2 weeks	5.2 weeks
Average duration of subsequent job	10.7 weeks	8.6 weeks
Average insured earnings of subsequent job	\$7,898	\$7,935
Subsequent job is fishing-related*	95.4%	92.2%

Notes: * Salt water fishing industry, fish products industry, or fish and seafood wholesale industry.

Source: HRSDC Administrative Data.

The findings illustrate that, with the exception of the percentage of individuals exhausting their EI benefits (74.4% in 2002 vs. 84.2% in 2003), there is little difference between the parameters listed in Exhibit 3.3. The actual increase in the number of participants who exhausted their claim and were left unemployed was not large. In 2003, 343 of the 2,702 participants exhausted their claim and were unemployed 10 weeks after the end of the claim. This represented an increase of 162 individuals from 2002. These figures imply that, although the fishery closures had a visible impact, the fishery closures may not have created a special need for extra programs, as fishers faced little difficulty in finding alternate employment.

Q-3: Did the TFIP initiative aid in the government's overall sustainable development strategy?

The TFIP initiative and the \$44 million short-term local economic development projects by ACOA and CED-Q were part of the government's response to the short-term needs of fishers and fish plant workers affected by the fishery closures. Expanded opportunities for seals and shrimp were to assist individuals whose livelihood depended on the fisheries. At the same time, the groundwork was created with the provincial governments and community stakeholders on options for long-term sustainable development for fishing communities.

Evaluating whether the TFIP initiative aids in the government's overall sustainable development strategy is complicated by the fact that HRSDC had no input into the closure of the cod and crab fisheries. However, the initiative does assist those affected by the fishery closures and can, therefore, be seen as having an important role in the government's overall sustainable development strategy.

3.2 Program Success

Q-4: Was the funding for the TFIP initiative adequate to relieve any undue financial hardship?

To assess if the funding for the TFIP initiative was adequate to relieve any undue financial hardship, some specific measure was required. It was determined that a comparison of the actual grant payment amounts to the necessary estimated monthly household expenses would be appropriate.

For the entire population of 2,702 TFIP initiative participants, the average total grant amount received was \$2,963. Per four-week period, grant payments amounted to \$1,195. On an aggregate basis, the income from the TFIP initiative was approximately 85% of the amount required to cover the cost of the estimated necessary monthly household expenses, which may or may not have been sufficient at an individual level.

Q-5: Did the TFIP initiative reach the intended people?

To help determine the degree to which individuals who were affected by the fishery closures and had exhausted their EI benefits were aware of the initiative, a representative sample of 1,000 individuals employed in the fishing industry in the affected areas who had exhausted their EI benefits and who did not receive any TFIP initiative grant payments was surveyed.

It was estimated that 44.8% (138 surveyed individuals) of the representative sample affected by the fishery closures (308 surveyed individuals) were unaware of the TFIP initiative and that 70.0% of these individuals would have applied. Thus, it can be concluded that almost one-third (31.4%) of all affected fishers and fish plant workers who did not receive any TFIP initiative grant payments would have applied for them. This represents about 700 additional potential applicants. However, some of these potential applicants may not have been eligible for the grant payments.

Exhibit 3.4 provides a breakdown of application approvals and rejections for those who applied, by worker type and province.

Exhibit 3.4				
TFIP Initiative Application and Acceptance Rates				
Worker Type by Province	Applied	Percent	Accepted	Percent
Newfoundland				
Self-Employed/Salaried Fisher	2,919	69.7	2,322	79.5
Fish Plant Worker	1,129	27.0	122	10.8
Unspecified/Other	139	3.3	52	37.4
Total (Newfoundland)	4,187	100.0	2,496	59.6
Quebec				
Self-Employed/Salaried Fisher	177	73.8	164	92.7
Fish Plant Worker	63	26.3	42	66.7
Total (Quebec)	240	100.0	206	85.8
Total	4,427	100.0	2,702	61.0
Source: HRSDC Administrative Data.				

Fish plant workers were far less likely to be accepted for grant payments than either self-employed or salaried fishers, particularly in Newfoundland. The findings (table not provided) indicate that 70.4% of all applicants who were not authorized to receive TFIP initiative grant payments could not demonstrate a significant attachment to the cod and/or crab fishery. A further 20.7% of individuals were refused grant payments due to having not completely exhausted their EI benefits.² Those not authorized to receive grant payments due to an insignificant attachment to the fishery were obvious instances in which the individual had zero attachment to the cod and/or crab fishery.

² The most common reasons for rejection were available only for 1,197 individuals in Newfoundland, as similar data for Quebec was not available.

In addition to potentially eligible individuals not receiving any TFIP initiative grant payments, it is also the case that some ineligible individuals may have received the grant payments. Findings indicated that the eligibility of fishers was difficult to ascertain and pointed to potentially low eligibility rates, particularly in Newfoundland and Labrador. Documentation exists indicating that there were problems determining whether fishers had earned at least 25% of their income from cod and/or crab and that this was known by officials outside the department at the time of program implementation. The TAGS evaluation also found that eligibility was difficult to ascertain and that the eligibility criteria for TAGS allowed many people to qualify for the program who were marginally attached to the groundfish industry and/or who might not have needed the program, while some with strong attachments were excluded.

Q-6: Did TFIP initiative participants have success in entering the ACOA and CED-Q job creation programs?

The extent to which TFIP initiative participants were successful in entering the ACOA and CED-Q job creation programs can be verified using both administrative and survey data. CED-Q administrative data indicates that 51.0% (105 of 206) of TFIP initiative participants ended up taking part in the CED-Q job creation program.³ However, survey results shown in Exhibit 3.5 indicate that very few of the 2,702 TFIP initiative participants took part in the short-term job creation programs.

The discrepancy is, in some cases, due to respondents being unaware that CED-Q was the agency responsible for the administration of the short-term job creation program that they were participating in. Another possible reason for the discrepancy is that respondents may not have even known that they were in a short-term job creation program. Similarly, the low participation rates in Newfoundland may have resulted from survey respondents not knowing that ACOA was the agency behind the short-term job creation programs.

Exhibit 3.5 also shows that of the 477 surveyed individuals who were aware of the ACOA program, 397 individuals (83.2%) did not apply. In Quebec, 45.6% of those aware of CED-Q did not apply. This further suggests that few participants ended up on either of the job creation programs and that the TFIP initiative did not act as a bridge between EI exhaustion and the job creation programs for many individuals.

³ ACOA administrative data was not available.

Exhibit 3.5
Application Rates for ACOA/CED-Q Programs

Applied for ACOA/CED-Q	# Clients	Percent
Newfoundland		
Yes – Accepted	52	5.8
Yes – Not Accepted	...	...
No – Aware of Programs	397	44.1
No – Not Aware of Programs	384	42.7
No answer given	39	4.3
Total	900	100.0
Quebec		
Yes – Accepted	...	...
Yes – Not Accepted	...	...
No – Aware of Programs	...	...
No – Not Aware of Programs	31	31.0
No answer given	...	...
Total	100	100.0
Notes: "...” indicates cell count under 30.		
Source: TFIP Initiative Survey of Participants.		

If only 7.7% of all TFIP initiative participants ended up in the short-term job creation programs, what was the outcome for the majority of participants after the TFIP initiative ended? Administrative data reveals that 93% of all participants commenced an EI claim between the end of the TFIP initiative (September 6, 2003) and the end of December 2003, with over 56% starting their EI claim by the second week of October. Approximately 82% of the claims were for fishing benefits and 18% were for regular benefits.

Analysis indicates that 96.4% of all grant recipients commenced an EI claim during this period in 2002. Of these claims, 93.7% were for fishing benefits and 6.3% were for regular benefits. Almost 63% of these claims had commenced by the second week of October 2002. Therefore, since the percentage of individuals that commenced an EI claim during this period fell only slightly, from 96.4% in 2002 to 93% in 2003, it can be concluded that the TFIP initiative and the short-term job creation programs had little effect on claimant behaviour. In addition, it is clear that some participants moved onto non-fishing related employment after the fishery closures.

Further administrative data analysis revealed that 19.6% of all participants were employed at some point between the beginning of September 2003 and the end of December 2003. Of all the jobs held, 36.3% were in one of the following three industries: salt water fishing, fish products, or fish and seafood wholesale. During the same period in 2002, 16.9% of all participants were employed, with 66.9% employed in one of the three industries mentioned. These figures indicate that the short-term job creation programs had little impact on employment rates in the fall of 2003, but may have had an impact on the percentage of non-fishing related employment.

Although 93% of all participants commenced an EI claim between September 6, 2003 and the end of December 2003, not all of these individuals worked after their TFIP initiative

payments ended. In fact, many individuals were able to qualify for EI before receiving or while receiving the TFIP initiative grant payments. Administrative data indicates that 19.3% of all TFIP initiative recipients did not work between the date on which their TFIP initiative payment period ended and their EI benefit period commenced, although participants could work while receiving the grant payments. There were numerous instances of individuals exhausting their EI benefits in the spring of 2003, finding alternate employment after exhausting their benefits (and before the implementation of the TFIP initiative), receiving the TFIP initiative grant payments, and then going back onto EI after their TFIP initiative grant payments ended.

3.3 Program Cost-Effectiveness

Q-7: Was the TFIP initiative cost-effective?

On June 3, 2003, \$27 million in funding was allocated to HRSDC to deliver the TFIP initiative, of which \$23.1 million was set aside for weekly grant payments. The remaining funds were to be used for telecentres, processing, systems, communications, evaluation and program management. It was originally anticipated that between 3,000 and 6,120 displaced fishery workers would be eligible for the grant payments.

With the \$23.1 million in funds, HRSDC provided \$8,005,513 in financial assistance to 2,702 individuals, the majority of whom live in remote communities where there are few job opportunities. The administrative costs for the TFIP initiative amounted to \$575,410, of which \$512,263 was for salaries and \$63,147 was for operations and maintenance. Therefore, only \$8,580,923 of the \$27 million initially allocated was used.

Per participant, the total cost of the TFIP initiative was \$3,176. Given that the average duration of grant payments was for 10 weeks, the weekly cost of the TFIP initiative was approximately \$318 per person. Administrative expenses comprised 6.7% of the total expenditures of \$8.6 million. Due to the short length of the TFIP initiative, administrative expenses accounted for a higher percentage of total expenses than in other programs (see TAGS below), as start-up costs are a significant factor in any program.

By comparison, the HRSDC component of TAGS, whose activities included income support, counselling, training, mobility supports, employment supports, early retirement programs and some job creation initiatives, had a total budget of \$1.7 billion.⁴ TAGS ran from May 16, 1994 to August 29, 1998 (224 weeks) and had 40,025 clients, equating to a cost of \$42,473 per person. Based on the 224-week duration of TAGS, this worked out to a cost of roughly \$190 per client (for the TFIP initiative, based on the 19-week duration, the cost was about \$167 per person). Administrative expenses made up a smaller portion of total expenditures (3.9%) than in the case of TFIP.

⁴ Income support comprised the majority of total expenditures (\$1.3 billion).

3.4 Program Delivery

Q-8: Was the delivery mechanism of the TFIP initiative satisfactory to the clientele?

Participants appear to have been generally pleased with the timeliness in which their applications were processed, as 87.5% replied that they were either somewhat satisfied or very satisfied. Similarly, 86.9% were either very satisfied or somewhat satisfied with the timeliness in which they received their first grant payment.

For the overall quality of service, 68.7% felt that the quality of the service met most or all of their expectations, while the remaining 31.3% felt that the service met few or none of their expectations. This level of satisfaction is reasonably similar to the levels reported in a survey of PFAR program participants.⁵

Q-9: How were the intended beneficiaries made aware of the TFIP initiative?

Exhibit 3.6 shows how TFIP initiative participants and non-participants were made aware of the initiative. The two most common avenues by which participants and non-participants found out about the initiative were through a co-worker, friend or family member or via television or radio.

Exhibit 3.6				
How Individuals Heard About the TFIP Initiative				
Method	Participants		Non-Participants	
	# Clients	Percent	# Clients	Percent
Co-worker/friend/family member	471	47.1	71	41.8
TV or radio	441	44.1	75	44.1
Brochure/pamphlet/flyer	80	8.0	...	...
Newspaper	74	7.4	...	...
Union/Committee/Association	48	4.8	...	...
Other	159	15.9	52	30.6
No answer given	66	6.6	...	...
Number of Clients/Responses	1,000/1,339	N/A	170/252	N/A
Note: N/A indicates respondents could provide multiple responses to this question. "..." indicates cell count under 30.				
Source: TFIP Initiative Survey of Participants and Non-Participants.				

Of the 170 non-participants who were affected by the fishery closures and who had heard about the TFIP initiative, 48.2% (82 individuals) applied for the grant payments.

⁵ The summative evaluation of the PFAR program found that roughly three quarters of the surveyed PFAR participants indicated that they were satisfied with the scheduling of the programs/services and with the people providing the programs and services.

4. Conclusions

The evaluation of the TFIP initiative attempted to provide answers to specific questions set out by the HRSDC TFIP Initiative Steering Committee using multiple lines of evidence from both quantitative data and qualitative information. This section highlights the conclusions from this summative evaluation.

4.1 Program Relevance

- Fishers have many sources of income, with net fishing income making up less than one-half of total income for all fishers. Thus, an adjustment situation in any given year does not represent a complete loss of income, although a growing percentage of a fisher's total income is comprised of EI benefits.
- The 2003 fishery closures may not have created a special need for extra programs. Fishers faced little difficulty in finding alternate employment, with little or no difference in employment income and duration from the same time period of one year earlier.
- The initiative assisted those affected by the fishery closures and can, therefore, be seen as having an important role in the government's overall sustainable development strategy.

4.2 Program Success

- The average total grant amount received was \$2,963. Per four-week period, grant payments amounted to \$1,195, or 85% of the \$1,406 in necessary monthly household expenses.
- Evidence suggests that program officials attempted to ensure that only targeted individuals participated in the program, as 39% of applicants were not accepted. However, some ineligible individuals may have received benefits, as limited controls were available to ensure that individuals had derived at least 25% of their fishing income from cod and/or crab or whether individuals worked while receiving benefits. Also, 68 individuals did not exhaust their EI benefits at any point between October 2001 and August 2003, yet still received the grant payments.
- Although awareness of the TFIP initiative was relatively high for a small program, there was some degree of lack of awareness of the initiative in the affected areas, as 70% of non-participants had not heard of the program but would have applied to it. This represents an additional 700 potential applicants.

- Very few TFIP initiative participants took part in the ACOA or CED-Q job creation programs, indicating that not many participants used the grant payments as a bridge between the exhaustion of EI benefits and the short-term job creation programs, one of the stated objectives of the initiative. Survey results from several months after the end of the TFIP initiative indicated that only 8% of participants were aware that they had been in an ACOA or CED-Q program.
- Administrative data reveals that 93% of all participants commenced an EI claim between the end of the TFIP initiative (September 6, 2003) and the end of December 2003. By comparison, 96.4% of all grant recipients commenced an EI claim during the same period in 2002. It can be concluded that the TFIP initiative and the short-term job creation programs had little effect on claimant behaviour. In addition, it is clear that some participants moved onto non-fishing related employment after the fishery closures.

4.3 Program Cost-Effectiveness

- The weekly cost of the TFIP initiative was approximately \$318 per participant. The TFIP initiative is not readily comparable with other types of employment benefits and support measures (EBSMs), such as training or targeted wage subsidies, because it had to be implemented quickly and because it was an income support program and not an employment intervention. An employment intervention would have significant infrastructure and operational costs associated with it.

4.4 Program Delivery

- In terms of the overall quality of service, 68.7% of recipients felt that the delivery mechanism met most or all of their expectations. Participants appear to have been generally pleased with the timeliness in which their applications were processed, as 87.5% replied that they were either somewhat satisfied or very satisfied. Similarly, 86.9% were either very satisfied or somewhat satisfied with the timeliness in which they received their first grant payment.
- The two most common avenues by which participants and non-participants found out about the initiative were through a co-worker, friend or family member or via television or radio.