



**Industry
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**Formative Evaluation of the Language Industry Initiative
Industry Canada**

Final Report

**Prepared for:
Audit and Evaluation Branch**

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NOTE:

Minor editorial changes were made to this report in order to prepare the document for posting to the Industry Canada's Website (including the removal of standard Appendix such as list of interviewees and questionnaires). Readers wishing to receive a copy of the original version of this report should contact the Audit and Evaluation Branch at Industry Canada.

Executive Summary

Background

The Language Industry Initiative (LII) was created in 2003 under the Action Plan for Official Languages, announced the same year, with its accountability framework and three axes for development (education, communities and the public service). The language industry involves three main sectors: translation, language training and language technologies.

When it was launched, justification for the LII was based on the assumption that the language industry's capacity to meet future increases in demand caused by the Action Plan would be at great risk because of the following four problems or challenges: the fragmentation of the industry, a lack of visibility, a shortage of human resources, and a lack of research and development (R&D) and language technology skills. These problems/challenges were identified by the private sector during consultations on the language industry held as part of the Innovation Strategy prior to the LII's launch.

Under the Action Plan, Industry Canada received a total of \$10 million to implement the component of the LII that focuses on networking and coordination activities as well as marketing and branding for a period of five years (2003-2008). These two aspects include a secretariat that is responsible for coordinating and conducting activities that focus on development of the industry (studies, trade missions, etc.), the Language Industry Program (LIP) and a transfer payment to operate the Language Industry Association (AILIA). The LII includes an additional \$10 million to improve R&D and skills in the language technologies sector. This component of the Initiative is administered by the National Research Council of Canada (NRC) and is not part of this evaluation.

Evaluation Issues and Methodology

Industry Canada requested a formative evaluation of the LII. The evaluation focussed on issues regarding the Initiative's relevance, design and delivery, progress and success and cost-effectiveness (summary analysis). Evaluation issues and their respective items for consideration (18 questions in all) were identified beforehand in the Results-based Management and Accountability Framework (RMAF) and clarified by Initiative staff for purposes of this evaluation.

The methodology used for this formative evaluation included the following elements:

- review of the documents and information available on the Initiative;
- interviews with 17 key respondents;

- survey of selected LIP beneficiaries and companies that withdrew or whose application was denied (38 respondents in all);
- integrated analysis of the information from the preceding three elements.

The evaluation covered the three sectors of the language industry: translation, language training and language technologies. Although the *technological innovation* component of the LII, which includes the role and operation of the Language Technologies Research Centre (LTRC), is the responsibility of the NRC and is not part of this evaluation directly, the complementary relationship and coordination between the NRC/*technological innovation* component, on the one hand, and the LII/*building the capacity of the language industry* component, on the other, were included in this study.

Conclusions and Recommendations

Details of the main conclusions of the evaluation and its recommendations appear in the following section. In order to simplify the actions the LII must take to respond to the recommendations, they have been classified in three categories:

- critical to the success of the Initiative (critical);
- strongly recommended to improve management of the Initiative (strongly recommended); and
- recommended to correct minor weaknesses noted (minor).

Relevance

Generally, respondents feel that the Initiative is relevant and the federal government's investment should continue. However, the review team notes that the relationship between the LII and the Action Plan for Official Languages needs to be redefined. At first, the relevance of the LII as an element of the Plan was based in part on expectations of an increase in national demand for language products and services in the four sectors of the industry. The evaluation has shown that there is no formal data to support the Action Plan's effect on this demand. The review team also notes that the Initiative puts greater emphasis on the idea of multilingualism than on bilingualism, a central element of the Action Plan that includes development of the official language minority communities. Therefore the relevance of the LII in terms of the Action Plan could be affected.

Recommendation: That the LII clarify elements related to its positioning with respect to the Action Plan for Official Languages, particularly with respect to demand for language goods and services and support for official language minority communities, and that it redefine this position if necessary. (Critical)

The LII's relevance is also based on its capacity to meet the four challenges that characterize the language industry (fragmentation, shortage of human resources, visibility and R&D). The evaluation has revealed that, although most respondents agree that these challenges exist, fine distinctions regarding their nature, impact and applicability to the various sectors go largely unnoticed. This knowledge gap could be attributable in part to insufficient study by the LII of the circumstances surrounding these four challenges.

Recommendation: That the LII further develop and support information regarding definitions and characteristics by sector and impacts of the four challenges of the language industry, and that it communicate this information to key players in the industry. (Critical)

Design and Delivery of the LII

Although the design and delivery of the LII are satisfactory overall, both minor and major improvements still need to be made.

Secretariat:

The review team has noted that, unlike its components, the LII is not clearly perceived as a separate entity by key respondents. This fact tends to diminish understanding of the overall cohesion of LII activities and of its strategic positioning.

Recommendation: That the LII increase its visibility with key players in the language industry by effectively communicating its mandate, objectives, strategic positioning, activities and expected outcomes in order to increase understanding of the overall cohesion of its activities and its strategic positioning. (Strongly recommended)

With respect to all the secretariat's activities, the evaluation shows that the team was behind numerous studies, activities and tools designed to increase understanding of the Canadian language industry's problems, increase its visibility and improve its positioning abroad (trade fairs and missions). The only deficiency in this regard is that there is little documentation of efforts made to develop official language minority communities, particularly language industry businesses originating in these communities.

Recommendation: That the LII document more clearly the importance it lends to developing official language minority communities, particularly language industry businesses originating in these communities. (Strongly recommended)

Despite the merits of trade missions and participation in trade fairs, there is no clear documentation of a strategic direction intended to illustrate all international activities, past and future.

Recommendation: That the LII take action to better document the strategy regarding development of foreign markets for the Canadian language industry (government trade priorities, etc.), as well as basic information (background, indicators, etc.) for each target market. (Strongly recommended)

Lastly, everything indicates that the secretariat should increase effective monitoring of the use of financial contributions paid to LIP beneficiaries without making the process overly cumbersome, and that it should provide more details in its annual reports.

Recommendation: That the LII identify an effective way to better monitor use of financial contributions paid to LIP beneficiaries. (Minor)

Recommendation: That the LII increase the level of detail in its annual reports so that outcomes, challenges, strategic priorities and other aspects are clearer. (Strongly recommended)

AILIA:

Since its start-up, the Association has placed a great deal of emphasis on activities designed to promote the concept of one industry that groups together three sectors, as well as on increasing its membership. It is also quite involved in activities intended to push forward on human resources issues. However it seems that AILIA's positioning and its potential benefits are not clear enough and have not been explained well enough to key industry players and target organizations. Additionally, the review team wonders whether AILIA's resources are adequate. According to Association staff, there are not enough resources to meet the objectives the Association has set for itself. Lastly, it does not appear that AILIA will be able to be self-financing at the end of its agreement with Industry Canada.

Recommendation: That the LII encourage AILIA to develop a clearer definition of its positioning and the benefits it provides for its members and to communicate that definition appropriately. (Strongly recommended)

Steering Committee:

The LII steering committee is not yet meeting the expectations previously set, namely proactively directing and monitoring activities. Like key Initiative staff, the review team thinks that if

there were better representation of the private sector and language industry experts on the steering committee, greater emphasis would be placed on the mandate. However a change like that can only be implemented gradually.

Recommendation: That the LII gradually increase representation of the private sector and language industry experts on the steering committee and subsequently ensure that this committee meets expectations previously set. (Minor)

LIP:

Interviews with key respondents, a survey of a sample of LIP participants and a review of the results of consultations held by the LII during the summer of 2005 clearly indicate, to the review team, that the Program must undergo certain changes. The most significant finding is undeniably the markedly higher level of participation by companies in the language training sector. For reasons that are not completely clear, eligibility criteria, eligible activities and financial incentives (50% of eligible expenses to a maximum of \$10,000) are much more suited to this sector than to translation and language technologies. The people consulted have suggested several corrective measures to improve the program. That being said, a survey of a sample of beneficiaries revealed a high level of satisfaction.

Recommendation: That the LII take the necessary measures to improve the LIP in accordance with suggestions made during the two recent consultation processes, including achieving a more balanced rate of participation by businesses in the different sectors. (Critical)

Interdepartmental Cooperation and Partnerships:

In general, key respondents said that they appreciated the effectiveness of interdepartmental cooperation and of the partnerships. However, they would like further partnership within the language training sector as well as with the Translation Bureau and the Asticou Centre in order to reduce industry fragmentation and facilitate the testing of new technologies. In this regard, the review team notes that the LII has not clearly communicated its achievements and objectives regarding desired partnerships.

Recommendation: That together with key industry players, the LII identify and define partnerships that are considered important for the development of the language industry. (Minor)

Significant Factors for Achieving Outcomes:

Three factors have been identified that have had or could have a major impact on the outcomes achieved by the LII. First of all, the considerable delay in launching the language industry portal has undoubtedly reduced the visibility of the concept of a single industry and the LII's role within this industry. The portal should be launched soon. Additionally, the recent failure of the attempt to harmonize national specifications and standards in the language training sector should be interpreted as reluctance by this sector to meet the challenges that characterize the language industry and to recognize the LII's role in this regard. Lastly, the precarious funding situation of the LTRC and its inability to influence decisions made by the Initiative's Research Centre are major threats to achieving the LII's medium- and long-term outcomes. In fact, the situation could compromise the relationship between the research conducted and the actual needs of the industry.

Recommendation: That the LII work with its partners, the NRC and the Translation Bureau, to find a long-term solution to the challenges experienced by the LTRC. (Critical)

Progress and Outcomes Attributable to the LII

The LII's Results-based Management and Accountability Framework (RMAF) presents the immediate, intermediate and final outcomes to which the Initiative is committed. The evaluation has shown that, in general, there is a delay in achieving these outcomes. Study of immediate outcomes indicated that some of these outcomes have not been measured or that the measuring tool does not exist or is inadequate. In the case of intermediate outcomes, most have not been achieved. This situation can be explained by the lack of time LII staff have devoted to this activity, by the slow start-up of certain activities, and by over-ambitious expectations for achieving certain outcomes. However, the review team is aware that these findings are common with new programs such as the LII, since performance management is rarely a priority during the first few years of operation.

Recommendation: That the LII update its RMAF to include current outcomes and performance indicators and ensure that it has a performance management system that functions properly. (Critical)

The review team noted other points for improvement with respect to performance management. Compared to its initial objective, AILIA is behind in membership growth. In the case of the LIP, it seems to be difficult to obtain information from beneficiaries on the impact of the financial contributions. There is also little information to be able to evaluate the rate of increase in access to national and international markets and their development. The same is true for the level of awareness of the LIP on the part of representatives of official language minority communities.

Recommendation: That, in updating its performance management system, the LII establish performance indicators that make it possible to measure the rate of increase in access to national and international markets and the level of awareness of the LIP on the part of representatives of official language minority communities. (Strongly recommended)

LII Cost-effectiveness

The review team feels that it is too soon to evaluate the cost-effectiveness of the LII precisely. Although overall findings do not cast doubt on the long-term cost-effectiveness of the Initiative, some issues are cause for concern. It seems that AILIA's financial self-sufficiency expected for the end of the LII's first term, must be reconsidered. Measurement of the cost-effectiveness of the LIP, the missions organized by the secretariat, and the various studies and activities conducted or funded by the LII is largely dependent on the outcomes achieved with each. In this context, the performance management system requires correction, as previously discussed.

1.0 Introduction

1.1 Background to the Study

Industry Canada requested a formative evaluation of the Language Industry Initiative (LII) in 2005-2006. The Initiative was created in 2003 under the Action Plan for Official Languages, announced the same year, with its accountability framework and three axes for development (education, communities and public service). Amongst other things, the Plan is intended to help develop the language industry in order to support development along the three axes. The three sectors of the industry that are targeted are translation, language training and language technologies. By consulting industry stakeholders, Industry Canada first identified weaknesses hindering the development of these sectors.

Under the Action Plan, Industry Canada received a total of \$10 million to implement the component of the LII that focuses on networking and coordination activities as well as marketing and branding over a period of five years (2003-2008). The LII includes an additional \$10 million to improve research and development (R&D) and skills in the language technologies sector. This component of the Initiative is administered by the National Research Council (NRC) and is not part of this evaluation.

A Results-based Management and Accountability Framework (RMAF) was drawn up for the LII and presents the industry's situation in 2003, the Initiative's logic model, as well as its evaluation and performance measurement strategies. Given its content, the RMAF is a key document for evaluating the LII.

1.2 Report Outline

This report presents a profile of the LII, the evaluation methodology, and the findings, conclusions and recommendations of the formative evaluation of the Initiative. The profile is described in Chapter 2 and includes the language industry situation, the Initiative's mandate and its organizational structure. The evaluation issues and items for consideration and the methodology used to review the documents available, the interviews and the survey are presented in Chapter 3, while the list of documents consulted, the list of individuals interviewed, the interview guides and the survey guides appear in appendices A to D respectively. Chapter 4 contains the findings and analysis, while Chapter 5 presents the conclusions and recommendations.

2.0 Profile of the Initiative

2.1 Action Plan for Official Languages

There are three main sectors in the language industry: translation, which includes interpretation and localization, language training, and language technologies. In the context of globalization, the language industry has become a pillar of trade and economic growth.

In Canada, bilingualism is central to the very definition of the country. To this end, in 2001, the Government of Canada formally committed itself to making the promotion of the Canadian linguistic duality one of the priorities of its mandate. In 2002, the government renewed its commitment to present an Action Plan that would strengthen the nation's linguistic duality.

The Action Plan for Official Languages was officially launched in March 2003. It was understood from the start that implementing the Plan would increase demand for translation, language training and language technologies. Consequently, the Action Plan required that language industry sectors be better able to respond to this increased demand by working on challenges in the industry identified beforehand by Industry Canada. That is why the Action Plan includes a component on the language industry that is primarily designed to meet the industry's main challenges. These challenges are described in subsection 2.2

The LII stems directly from the Action Plan for Official Languages. The Initiative involves two components: building the capacity of the language industry and technological innovation. They have been assigned to Industry Canada and the NRC respectively. Each component has been allocated \$10 million in funds over five years (2003-2008). The *building the capacity of the language industry* component is divided into two parts: (1) networking, coordination and governance activities, and (2) marketing and branding activities designed to increase awareness of the language industry.

The strategy proposed by the Action Plan reinforces Industry Canada's ability to achieve outcomes with respect to its three strategic objectives: innovation, marketplace and trade. Regarding innovation, the LII's activities are the result of the consultation process conducted in 2002 as part of the Innovation Strategy. These consultations revealed the challenges that language industry sectors must meet in order to become more competitive and innovative.

2.2 Industry Background

Based on the RMAF completed in 2003, justification for the LII was based on the assumption that the language industry's capacity to meet future increases in demand caused by the Action Plan for Official Languages would be in great jeopardy due to the following problems or challenges: the fragmentation of the industry, a lack of visibility, a shortage of human resources and a lack of R&D and language technology skills. These problems/challenges, which are

outlined below, were identified by the private sector during consultations held on the language industry as part of the Innovation Strategy in 2002, prior to the launch of the LII.

Fragmentation of the Language Industry

The first challenge is the fragmentation of the language industry and a lack of networking. Most Canadian companies in language industry sectors are “microbusinesses”. There are few large companies and liaison between them is minimal. While associations have been established, not one of them represents all the companies. Generally speaking, these companies do not have the resources to invest in research and development (R&D), marketing, skills development, recruiting and technology. Furthermore, they do not have the ability to offer integrated services although Canadian and international markets are demanding one-stop service. This weakness makes it difficult to take a common stand, influence policies, increase visibility and make joint investments in marketing, and human resources development and R&D.

Lack of Visibility

The language industry is largely unknown, both in Canada and abroad. Because of the industry’s fragmentation, small scale and lack of visibility, it is difficult to promote successful activities and products and to influence government policy-making. For example, industry sectors are generally overlooked when planning marketing projects such as Team Canada missions. In addition, young people, teachers, guidance counsellors and the world of education in general are not very aware of employment opportunities in the field.

Shortage of Human Resources

Demand for highly specialized workers in the language industry in Canada, and more specifically demand for translators, already exceeds supply. Each year, the industry hopes to recruit a thousand professionals, but universities produce only three hundred graduates. That is why the industry has to adjust to a widening gap between the need for human resources and the ability to meet that need. If the situation does not change, there will not be enough new people in the industry to meet the need on a national scale, and this will open the door to international competition. Therefore it is imperative to remedy the need for human resources.

Lack of R&D and Language Technology Skills

The lack of language technologies, such as computer-assisted translation tools and on-line service delivery, as well as the shortcomings noted with respect to marketing these tools, hurt the Canadian language industry’s ability to be competitive and meet increasingly complex needs in communications and information management. Given the fragmentation of the industry, its sectors have neither the critical mass nor the planning and strategic leadership required to benefit from investment in R&D. The private sector does not have the necessary funds and the government has not taken this sector’s needs into consideration. The problems surrounding

R&D are more the responsibility of the NRC in the context of the Action Plan.

2.3 The Initiative's Mandate

The objective of the LII, as defined in the RMAF, is to help the language industry sectors establish strategic directions, strengthen ties between partners and improve their ability to meet the increasing demand for language services and products following implementation of the Action Plan for Official Languages. The Initiative components include the following secondary objectives:

Networking and Coordination: Foster the creation of at least one viable, lasting language industry association, encourage networking, represent the interests of the three industry sectors and facilitate recruitment of new talent.

Marketing and Branding: Improve the image of the language industries, promote their products and services in Canada and abroad, increase their visibility and facilitate recruiting of new talent.

When it was launched, it was understood that the Initiative would not only support the Action Plan for Official Languages but also help implement the Innovation Strategy and the *Skills and Learning for Canadians* program. Additionally, the Initiative was to propel the language industry onto the national and international stage as the industry became a leader in the delivery of language products and services.

2.4 Organizational Structure and Funding

In order to respond to the specific problems of the language industry in Canada, the LII was designed with two separate but complementary components. Each component has \$5 million over five years, and their respective subcomponents are described below:

Networking and Coordination

This component has three main subcomponents: creation and maintenance of an association to represent the industry, a secretariat that is responsible for implementing the LII, and a steering committee.

Language Industry Association

This subcomponent provided for the creation of at least one viable, lasting association to represent the interests of all language industry subsectors and to contribute to the development of critical mass. To this end, the Language Industry Association (AILIA) was launched in the fall of 2003. The Association receives \$600,000 per year (\$3 million over five years) from the LII budget through a contribution agreement signed in January 2004. However AILIA must find a way to become self-financing during this period, i.e., before the end of the 2007-2008 fiscal year.

AILIA's current mandate is to bring together the dynamic forces in the language industry and to serve as their representative in order to make Canada a world leader in the field. The Association has four committees, one for each of the following elements: translation, human resources, communications, and the Technology Roadmap¹. In addition to managing these committees, AILIA's main activities include promoting the industry (promotional tours, fairs, etc.) and supporting specialized studies (human resources, skills, technology roadmap, etc.).

LII Secretariat

The design of the LII provides for a secretariat with three full-time equivalents (FTEs) to oversee implementation of the Initiative. The secretariat is part of the Service Industries Branch of Industry Canada and it is responsible for a number of activities: creation and support of AILIA; coordination with other partners and administrative support for the steering committee; status reports on implementation of the LII; analyses and surveys to increase awareness of the industry; and management and monitoring of the contribution program for the marketing and branding activities of businesses. The secretariat has a budget of \$400,000 per year (\$2 million over five years).

Steering Committee

The mandate of the steering committee, which consists of a dozen stakeholders from the public and private sectors, is to provide general direction for the Initiative and to serve as a watchdog. According to the RMAF, the committee is to hold approximately three meetings a year. More specifically, the committee is responsible for sponsoring studies, advising the secretariat on how to improve data gathering, setting priorities for research and analysis, and helping to resolve any problems that arise during implementation of the LII.

¹ This committee has not been active since March 2005, as Technology Roadmap responsibilities were transferred to the Language Technologies Research Centre (LTRC).

Marketing and Branding

The purpose of this component is to enhance the image of the language industry and its products and services in Canada and abroad. It includes two elements: all the various internal activities (promotions, surveys, etc.) to support marketing and branding, and the Language Industry Program.

Internal Activities

In consultation with the industry, the LII secretariat has initiated or carried out a great number of marketing and branding activities. The most significant deal with surveys, market studies, production of information products, and trade missions and fairs to showcase the industry's abilities. Operating and maintenance funds totalling \$600,000 per year (\$3 million over five years) are available for these activities.

Language Industry Program

The Language Industry Program (LIP) was developed to work in cooperation with private sector organizations to build a solid and competitive industry. The program focuses on helping companies so they can launch marketing activities and other activities designed to increase branding in Canada and abroad. Examples of eligible activities include participation in trade fairs, development of marketing plans and communication strategies, creation of promotional materials (videos, compact discs, etc.) and trade missions. In principle, contributions provided are expected to foster a higher profile for the language industry, encourage the creation and growth of companies that are competitive in the national and international markets, and foster an increase in the level of skills and number of professionals to improve corporate productivity.

Financial assistance is limited to 50% of eligible costs to a maximum of \$10,000 per company on an annual basis. The LIP has access to \$400,000 per year, for a total of \$2 million over the five years of the Initiative. Lastly, the LIP is available to the three sectors of the language industry: translation, language training and language technologies.

3.0 Evaluation Issues and Methodology

3.1 Evaluation Issues and Items for Consideration

The formative evaluation of the LII dealt with the following:

- the relevance of the Initiative;
- its design and delivery;
- its progress and outcomes (success);
- its cost-effectiveness (summary analysis).

Evaluation issues and their respective items for consideration were identified beforehand in the RMAF and clarified by Initiative staff for purposes of this evaluation. These issues and items for consideration are listed in the table below.

Table 3-1: Evaluation Issues and Items for Consideration

1. Relevance
➤ Is the Language Industry Initiative (LII) still relevant and appropriate?
➤ Has the language industry environment changed, and therefore should changes be made to the Initiative? If so, what changes/modifications are required (if any)?
➤ Is the Initiative still consistent with the objectives of the federal government's economic development policy with respect to the language industries?
2. Design and Delivery
➤ How appropriate are the design and delivery of the Initiative? Are there areas for improvement? Possible changes?
➤ How effective is interdepartmental cooperation (Canadian Heritage, International Trade Canada, Industry Canada)?
➤ How satisfied are beneficiaries and participants with the various elements of service delivery?
➤ How effective have the partnerships been that were established? How can they be improved?
➤ What operational constraints affect the Initiative's ability to achieve its objectives and expected outcomes? What changes could be made to improve operational effectiveness?
➤ Do reporting and monitoring activities provide effective support for decision-making and delivery of the Initiative? How much data gathering is there?

3. Progress and Outcomes (Success)
➤ How much progress have partnerships made toward expected outcomes related to capacity building (duplication of addresses, visibility and succession planning)?
➤ To what extent has the LII produced a sustainable, lasting infrastructure for the language industries?
➤ To what extent has the LII secured and increased access to national and international markets and allowed for their development?
➤ What factors have facilitated and/or prevented implementation of the Initiative?
➤ To what extent has the LII reached its target public?
➤ To what extent has the LII helped increase awareness of the Language Industry Program on the part of representatives of official language minority communities?
4. Cost-effectiveness
➤ How cost-effective is the LII? Are there areas for improvement?
➤ Has the LII been managed effectively?
➤ Has the program been properly funded and designed?

3.2 Methodology Overview and Limits

The methodology used for this formative evaluation included the following:

- review of the documents and information available on the Initiative;
- interviews with 17 key respondents;
- survey of selected LIP beneficiaries and businesses that withdrew or whose application was denied;
- integrated analysis of the information from the preceding three elements.

The evaluation covered the three sectors of the language industry: translation, language training and language technologies. Although the *technological innovation* component of the LII, which includes the role and operation of the Language Technologies Research Centre (LTRC), is the responsibility of the NRC and is not part of this evaluation directly, the complementary relationship and coordination between the NRC/*technological innovation* component, on the one hand, and the LII/*building the capacity of the language industry* component, on the other, were included in this study.

When budget and time permitted, the evaluation methodology was designed and implemented to extract as much relevant information as possible, so that the findings would be valid and would reflect all viewpoints received.

However, because of limited resources, consultations were held with organizations and individuals who were aware of part or all of the LII's activities. Moreover, the relationship with the body responsible for coordinating the Action Plan for Official Languages, the Privy Council Office (PCO), was not examined.

3.3 Review of Available Documents and Information

A list of documents was submitted by the LII secretariat at the start of the project for evaluation purposes. Examination of these documents, in addition to other relevant documents that were added later, and a review of the websites deemed significant should lead to a better definition of the context of the evaluation and facilitate study of the various issues to be evaluated. A complete list of the documents examined appears in Appendix A.

The web sites of AILIA, the LIP and certain organizations represented by people to be interviewed (see the following section) were also consulted as part of this evaluation. The language industry portal was still under development at the time of the evaluation.

3.4 Interviews With Key Respondents

In all, 17 interviews were conducted with key respondents during the formative evaluation. Interview candidates were chosen by the LII secretariat (See appendix B for a complete list).

Two interview guides were prepared for the individual interviews. The first one was designed for current and former employees of the LII as well as stakeholders and experts in the language industry, and the second was developed for key AILIA staff. The interview guides were developed to cover the four evaluation issues as well as the items for consideration (see Table 3-1) insofar as they were relevant. These guides were approved by the evaluation steering committee² and translated into English. A copy of each guide appears in Appendix C. Interviews were conducted in person or by telephone in the individual's language of choice. The average interview lasted 60 minutes.

3.5 Survey of Language Industry Program Participants

In order to better evaluate the LII, and more specifically the Language Industry Program (LIP) established by the Initiative, a survey was conducted of program beneficiaries, i.e., businesses that received a financial contribution at least once and businesses that withdrew from the process or whose application was denied. As previously pointed out, this program is intended for private companies in the translation, language training and language technologies sectors. The purpose of the survey was to highlight comments regarding LIP design and delivery and results from the viewpoint of participants.

²The evaluation steering committee consisted of seven members representing Industry Canada (LII, LIP), the Department of Canadian Heritage, Statistics Canada and Passport Canada.

The sample of businesses asked for an interview was drawn from the database provided by the LIP secretariat. As of December 13, 2005, the number of applications approved and applications not completed (withdrawn by the business or denied) per fiscal year is indicated in the following table.

Table 3-2: Number of LIP Applications Approved and Denied/Withdrawn

Data	2003-2004	2004-2005	2005-2006 (as of Dec. 13)	Total
Applications approved	13	38	69	120
Applications denied/withdrawn	12	23	16	51
Total applications	25	61	85	171

The database indicated that 171 applications for contributions had come from 114 businesses since several companies had applied more than once. The breakdown of the 114 businesses is as follows:

- businesses that received one contribution: 56
- businesses that received two or three contributions: 28
- businesses that did not receive a contribution: 30

A sample of 86 businesses was chosen for consultation purposes from the 114 in the databank. A profile was developed for the sample in order to obtain an accurate representation of the total population of the province of origin, industry sector (translation, language training, language technologies) and application status (approved and denied/withdrawn). The survey was conducted by telephone over a period of three weeks. A callback system was used for businesses that did not respond to the first message left with the contact person. Interviews lasted 20 minutes on average.

Two questionnaires were designed for the survey: one for beneficiaries and the other for businesses that did not receive a contribution (application denied or withdrawn). Both questionnaires were developed so that they covered only evaluation issues relevant to the survey, namely LIP design and delivery, as well as outcomes from the LIP and the financial contribution. They included both closed and open questions so that respondents could provide their opinions. The questionnaires were approved by the evaluation steering committee and translated into English. A sample of each questionnaire appears in Appendix D.

A total of 38 businesses responded to the survey, for a response rate of 44%. These businesses represent 33% of the total number of businesses that submitted at least one application for funding to the LIP in December 2005.

Table 3-3 provides a detailed breakdown of the number of respondents by LIP application result and by language industry sector.

Table 3-3: Breakdown of the Number of Survey Respondents

Number of Respondents by Application Outcome			Number of Respondents by Language Industry Sector		
Application Outcome	Number and Percentage of Respondents		Industry Sector	Number and Percentage of Respondents	
Number of beneficiaries (at least one contribution)	26	68%	Translation	4	11%
Number of businesses whose application was denied or withdrawn	12	32%	Language training	27	71%
			Language technology	7	18%
Total	38	100%	Total	38	100%

The number of respondents from those who received funding is equal to 31% (26/84) of the total number of beneficiaries in the databank, while the number of respondents from businesses whose application was denied or withdrawn equals 40% (12/30) of the total number of corresponding businesses in the databank. In all, the number of respondents is equal to 33% (38/114) of the total number of businesses in the databank.

3.6 Integrated Analysis

After data was collected from each information source (relevant documents, interviews and surveys), it was integrated and organized by evaluation issue and items for consideration and then analysed. The findings from this integrated analysis are presented in Chapter 4.

4.0 Findings and Analysis

4.1 Program Relevance

a) *Has the language industry environment changed, and therefore should changes be made to the Initiative? If so, what changes/modifications are required (if any)?*

As mentioned in Section 2.2 (Industry Background), justification for the LII is based in part on expectations of a sharp increase in demand for language products and services as a result of implementation of the Action Plan for Official Languages, and also on the existence of significant challenges that could undermine the language industry's capacity to meet future needs. These challenges or weaknesses involve various factors in the industry environment, including fragmentation, visibility, availability of human resources and R&D. Consequently, the LII must prove its relevance through thorough documentation of these factors for each sector of the industry (translation, language training and language technologies), and through strict monitoring of their development. For example, the rise in demand for language products and services should be based in part on quantitative data, which should be re-evaluated periodically in order to verify the demand with respect to a reference year. However, the LII has not reached this level of development yet.

Most key respondents feel that the challenges in the language industry are still valid. This was also found in studies and consultations conducted under the aegis of the LII, including the Hill & Knowlton Perception Audit (2004) and the 2003-2007 Technology Roadmap. However, interviews with key respondents brought out some important distinctions regarding some of these challenges. For example, the LII secretariat acknowledges that it is difficult to find good indicators to illustrate these industry challenges/weaknesses, which translates into a lack of complete data on the subject. As well, the scope of a particular challenge may differ from one industry sector to another, if it even applies. Additionally, differences were noted between key respondents with respect to their understanding of the nature and impact of each challenge.

Fragmentation of businesses applies first and foremost to the translation sector. While all respondents agree that this sector is very fragmented, in the sense that it is composed of many microbusinesses, respondents differ as to whether this is simply an unavoidable characteristic of the current context (full employment, heavy demand, etc.) or, on the contrary, a true weakness that leads to problems such as a lack of synergy and structure. In this context, *consultations with representatives of the translation and language technologies sectors* held in June 2005 in five Canadian cities (even though they were intended primarily to evaluate only the LIP) indicated a great diversity of opinions about fragmentation of the sector. Viewpoints ranged from acceptance of the current situation to an urgent need to act as quickly as possible. For now, there do not seem to be clear data to validate the degree of fragmentation of industry sectors and clearly explain its strategic implications.

Most respondents consulted confirm that the shortage of human resources still seems to be a major challenge primarily in the translation sector and the problem is increasing in the language training sector. A study conducted by Gestion AURI Inc. regarding career choices in the language industry (January 2005) provides further evidence of this shortage. This finding is based on considerations such as current labour replacement needs and the expected growth in the translation market in both official languages as well as other languages that will result from the increase in the volume of information. Additionally, a few respondents and certain key documents indicated that the labour shortage problem should be handled along with the issue of individuals' skills. Like the concept of fragmentation, there do not seem to be enough formal quantitative data to validate assessments of the current situation and the long-term repercussions of this weakness. However, as will be explained in one of the following sections, AILIA is currently working on the human resources issue.

None of the key respondents disputed that the industry lacks visibility or that the language technologies sector lacks R&D and skills, and these problems seem to have been confirmed by the studies conducted to date. However, with respect to visibility, some studies note on-going improvement, while for R&D, the recent centralization of LTRC research activities should speed up progress.

In summary, the main shortcomings identified for each sector are as follows:

- *translation*: fragmentation, shortage of human resources and lack of visibility;
- *language training*: lack of national specifications and standards, shortage of human resources and lack of visibility;
- *language technologies*: lack of R&D and skills.

Lastly, with respect to the impact of the Action Plan for Official Languages, opinion is divided as to whether or not the Action Plan has resulted in increased demand for official language products and services. Of course the Plan is still in its early days and it may take a few years for its impact to be felt. The LII secretariat is relying heavily on a major study currently being conducted by Statistics Canada, the results from which should establish reference data.

b) Is the Language Industry Initiative (LII) still relevant and appropriate?

The objective of the LII is to help sectors of the language industry to establish strategic directions, to solidify the linkages among partners and to help them build their capacity to meet the increased demand for linguistic products and services following the implementation of the Action Plan.

Generally, key respondents feel that the LII is relevant. The same is true for each of its components and subcomponents: *networking and coordination* (AILIA, secretariat) and *marketing and branding* (LIP, missions, internal studies, etc.). A review of the main documents regarding the nature and activities of these components and subcomponents also reveals their relevance: they all respond to industry problems (fragmentation, low visibility, human resources availability and R&D).

According to key LII and AILIA staff, the concept of grouping together the translation, language training and language technologies sectors (links being partners) into a single industry is one of the main objectives of the LII. Amongst other things, they admit that recognition of one “language industry” rather than three separate industries facilitates negotiation, is an easier sell to Canadians, and makes it easier to prepare for foreign competition. This objective is in keeping with one of the main findings of Hill and Knowlton’s Perception Audit (2004), which raises the issue of the lack of visibility, nationally and internationally, of the language industry in general and its sectors in particular. However, it should be noted that some stakeholders in the language training sector are opposed to the concept of integrating the three sectors.

The *LII’s strategic positioning* with respect to the Action Plan for Official Languages is not completely clear. Some key LII respondents do not seem to be concerned about the lack of information regarding the direct impact of the Action Plan on demand for goods and services in the industry. Similarly, a few respondents even admitted that the main priority is multilingualism and that the primary goal of the LII is to respond to Industry Canada’s Innovation Strategy, not the Action Plan.

Beyond the fact that strengthening the language industry is a prime means of dealing with the projected increase in demand for goods and services, making the Innovation Strategy the priority could suggest that the LII considers the development and impact of bilingualism in Canada secondary. This perception could have negative repercussions should the Action Plan for Official Languages be renewed, since it is based primarily on bilingualism.

c) *Is the Initiative still consistent with the objectives of the federal government’s economic development policy with respect to the language industries?*

Consistency with the objectives of the federal government’s economic development policy raised few specific comments from the people consulted. Several of them admitted that they were not familiar with this policy or the nature of the connection with the LII. According to one of the LII’s key respondents, the policy supports section 41 of the *Official Languages Act*. This section sets out the Government of Canada’s commitment to enhancing the vitality of English and French linguistic minority communities in Canada, supporting their development, and fostering full recognition of use of both English and French in Canadian society.

To this end, the LII is committed to encouraging the development of official language minority communities, since businesses in these communities will have access to networks that will represent their interests in dealings with the government. Although the LII and its components are designed to support this commitment, the evaluation did not reveal any indication that a significant effort has been made in this direction. This question will be dealt with in greater detail in Section 4.2.

4.2 Design and Delivery

a) *How appropriate are the design and delivery of the Initiative? Are there areas for improvement? Possible changes? Has it reached its target public?*

In order to answer this question, we concentrated our evaluation on the following components of the LII: the secretariat, AILIA, the steering committee, trade missions/fairs abroad, and the LIP.

LII Secretariat

Consultation of key respondents and a survey of LIP participants revealed that the LII is relatively unknown to a large number of language industry stakeholders and businesses, while components such as AILIA and the LIP are familiar. Several respondents attribute the achievements of the LII secretariat to Industry Canada or AILIA rather than the Initiative itself. This perception tends to diminish understanding of all the LII's activities and its strategic positioning, as well as understanding of the specific role of the secretariat and its achievements. Most respondents who have dealt with secretariat staff before said they were very satisfied with the level of expertise as well as the quality of the services and information received.

Examination of documents submitted by the LII secretariat reveals that it was behind numerous studies and activities intended to raise awareness of the features of the language industry in general or of a sector in particular, as well as of tools designed to respond to the known challenges. There also seems to be an overall consistency if we consider the time line of these studies, activities and tools, as well as the explanations given by secretariat staff with respect to objectives and outcomes. Note that these studies, activities and tools involve both components of the LII (*networking and coordination* and *marketing and branding*) even though their funding is related to the second component only. The following are a few examples of documents considered significant in terms of impact:

- *“The Canadian Language Industry - Perception Audit” - Hill & Knowlton, 2004*: the report presents the opinion of 100 respondents in the language industry to a survey designed to determine the situation of the industry in general and its sectors in particular, the role of the Canadian government and the most pressing needs to meet weaknesses.

- *The Language Industry Round Tables: On major issues and technological opportunities, AMEC Earth & Environmental Limited, 2003*: This report presents the results of consultations held in five large Canadian cities on the LTRC, the future of AILIA and the issues, strengths and weaknesses of the three sectors of the industry.
- *Hill & Knowlton's integrated marketing and communications plan, 2004*: The purpose of this tool was to enable the LII to adopt a more coordinated strategy in order to improve its marketing activities and implementation of the program in Canada and abroad, starting in 2004.
- *The Language Industry – A Source of Interesting Career Choices, Gestion Auri, 2005*: A promotional document for professions related to the language industry. It provides a good description of the expected increase in activities, working conditions and access to the professions.

The only downside revealed by the review of the studies, activities and tools conducted or initiated by the secretariat is that there is little formal documentation of the development of official language minority communities, and more specifically the development of businesses specializing in the language industry in these communities. As this is an acknowledged impact and a major objective of the Action Plan for Official Languages, we might have expected to see more of this aspect of the development of the language industry in the design and delivery of the Initiative.

Lastly, during the evaluation, we noted that the secretariat has seven employees, which exceeds the three employees provided for in the LII design. In fact, the comment was made that the number of employees required to run the secretariat effectively was underestimated. The four additional employees are currently being paid by Industry Canada.

AILIA

AILIA has been in operation since the fall of 2003 and has an annual budget of approximately \$700,000 (\$600,000 from Industry Canada and \$100,000 from other income). AILIA has received an additional \$300,000 (in 2005-2006) from Human Resources and Skills Development Canada (HRSDC) to develop a human resources strategy.

Key LII staff say that they are very satisfied with AILIA's role and achievements despite the delay in starting up this organization and in formally positioning it within the industry. The Association is helping the progress in meeting major challenges in the language industry. However, we noted some ambivalence in opinions from other respondents regarding AILIA's role, particularly among those in the language training sector. For example, some wonder whether AILIA can provide anything new that existing language school associations (Canada Language Council (CLC), Canadian Association of Private Language Schools (CAPLS), etc.) do

not already bring to the sector, while others see added value in the Association's new contribution. However, a number of respondents agree that AILIA should do more to explain its purpose and the added value it provides its members as well as the organizations it targets in order to meet its objectives better.

A review of AILIA's website and annual report and the interview with key Association staff showed that it meets LII objectives. These sources of information also indicate that it has put a great deal of emphasis on activities designed to increase its own visibility and that of the language industry. Annual trips to selected Canadian cities and the first language industry trade fair held in Ottawa on September 16, 2005 are indicative of these efforts. AILIA staff are also trying to apply pressure (lobbying) to the federal government to change practices for invitations to tender, especially in the translation field, in order to encourage grouping of businesses.

AILIA is currently able to respond more actively to challenges involving human resources needs and skill levels in the language industry thanks to funding from HRSDC for the 2005-2006 fiscal year. Its human resources committee had previously developed a three-year (2004-2007) human resources strategy involving the three sectors of the industry. This strategy included the following four components: promotion of professions, integration into the workplace, professional development, and development of professional standards.

AILIA staff have two main concerns: insufficient resources and long-term funding for the organization. AILIA currently has three employees: the executive director, a communications officer, and an officer responsible for managing the agreement with HRSDC. The feeling is that the Association needs one or two more resources to carry out lobbying activities and provide administrative support. This shortcoming is the major impediment to increasing the provision of services demanded by a number of members of the Association. Additionally, it was understood that AILIA was to be self-financing by the end of the first five years of the LII, in 2008. It is already apparent that it will be difficult to achieve self-financing due to certain factors, including fewer members than expected (see Section 4.3). Alternative sources of funding are currently being explored, including selling services, sponsorships and advertising. AILIA is also slightly concerned that its presence in Montreal does not facilitate lobbying activities anymore than it encourages exchanges with centres of expertise in the language industry in general, which are located in the Gatineau area. However, key AILIA staff believe that relocation may be considered in the next few years in order to solve this problem.

LII Steering Committee

The LII steering committee has met twice since the Initiative was created, and a third meeting is scheduled for the end of the 2005-2006 fiscal year. Interviews with key respondents and consultation of the minutes from the two meetings show that, first of all, these meetings were used to provide committee members with information about Initiative components. The meetings also led to an exchange of basic information regarding the broad directions of the LII.

However, the LII secretariat would like this committee to play a more proactive role with respect to strategic directions and monitoring of LII activities. Moreover, this is the role that was assigned to the committee when the LII was created. Some respondents feel that the solution would be to have more representatives from the private sector on the steering committee or to ensure that all members are more familiar with the language industry.

The comments received suggest that the composition of the committee and its operating procedures currently prevent it from meeting the objectives set initially.

Trade Missions and Fairs Abroad

According to LII activity reports for the 2003-2004 and 2004-2005 fiscal years, the Initiative's secretariat organized the following trade missions and participation in the following trade fairs:

- Exploratory trade mission to China: December 2003
- Exploratory trade mission to Chile (Team Canada): December 2003
- Trade fairs in England (BETT) and France (cultural forum): January 2004
- Chile language mission: October 2004
- Exploratory mission to Brazil (Team Canada): November 2004
- Mission to China (Team Canada): January 2005
- Trade fairs to Brazil, Spain and England: 2004-2005

Overall, respondents feel that Canadian trade missions and participation in specialized trade fairs meet one of the LII's major objectives. A review of the relevant documentation reveals that the missions and participation in fairs are supported by preliminary studies or mission reports. However, clear documentation of a strategic direction intended to illustrate all international activities past and future is not clearly documented. Also, there is little documentation of longer-term effects of these activities. This last point will be discussed in Section 4.3.

Language Industry Program (LIP)

All key respondents feel that there has been much more participation in the LIP by businesses in the language training sector than by businesses in the translation and language technologies sectors. Since the Program was designed to meet the specific requirements of all three sectors, this result can be seen as a partial success or as an indication that the translation and language technologies sectors have much less need of this type of help.

The changes suggested to attract the translation and language technologies sectors include authorizing maximum financial support in excess of the limit of \$10,000 or 50% of eligible costs and redefining eligible expenses. Some key respondents feel that the three sectors are different enough to justify program terms and conditions (eligibility criteria, eligible expenses, etc.) that are specific to each. In addition to these suggestions, other modifications were proposed, such as

reducing the waiting period for payment of contributions, increasing marketing to promote the program, and communicating the reasons for denying an application more clearly.

Other proposed adjustments to optimize the LIP include simplifying the application process and increasing controls to ensure that the funds transferred are used in accordance with targeted objectives. This opinion, put forward by LIP staff, will be discussed at the end of Section 4.2. Lastly, it was noted that the impact of the financial contribution is greatly reduced because it is taxable.

Significant findings came out of the consultations the LII held with representatives of the translation and language technologies sectors in the summer of 2005 to evaluate the LIP and respond to the needs of these sectors better. These consultations took the form of focus groups and were conducted in Vancouver, Toronto, Ottawa, Montreal and Moncton. This report presents the major findings by sector, as well as the conclusions and recommendations to improve the Program. The main conclusions include the following:

- the maximum amount awarded by the LIP is insufficient;
- the nature and needs of each sector are different enough to justify a three-component program with specific conditions for each;
- the LII should promote the LIP better, given the number of participants who had never heard of it before the consultations;
- the type of expenses and activities allowed under the LIP and its approval process must become much more flexible.

The survey of a sample of LIP participants conducted as part of this evaluation was intended in part to validate this information. The results of the survey are presented further on in this section (sub-section c).

b) How effective is interdepartmental cooperation (Canadian Heritage, International Trade Canada, Industry Canada)?

Most key respondents indicate that close interdepartmental cooperation is a major factor for success in achieving LII objectives. Overall, respondents indicated that this cooperation was effective, with one exception. According to respondents, the departments with which there is adequate cooperation are NRC, Canada Heritage (PCH), HRSDC, and Statistics Canada (StatCan). The only department with which respondents wanted better cooperation was Citizenship and Immigration Canada (CIC). They felt that CIC could coordinate promotional activities with embassies in order to attract foreign students to study French and English in Canada and thus help increase the market share of the language training sector internationally.

Lastly, some respondents claim that changing the way federal translation contracts are awarded in order to use large translation firms more, which is one of the means considered to fight

fragmentation, would be possible with the cooperation of a significant number of departments.

c) ***How satisfied are beneficiaries and participants with the various elements of service delivery?***

The level of satisfaction of LIP participants was measured by means of a survey of 38 firms, including 26 Program beneficiaries and 12 businesses whose application was denied or withdrawn. Projects submitted to the Program include participation in trade missions and fairs, creation of promotional tools, and website updates. Survey parameters are presented in Section 3.5.

In general, *respondents find this program very useful*. They say they are satisfied with delivery of the services offered by the LII. A majority of respondents point out that management of the LIP's human resources is very good, and they refer to the quality of service provided, the politeness, availability and helpfulness of the staff, and the straightforwardness of the process.

Most beneficiaries recognize that without this contribution, their promotional capacity would be limited. Knowing that they are supported by the government, these businesses became more aggressive in using market penetration techniques. Businesses that have already received a contribution in the past are able to measure its impact and they recognize that there have been many improvements to the Program.

The main highlights of the survey are as follows:

- 92% of respondents feel that the Program is an important tool for the industry;
- 94% of respondents would like to submit a new application to the LIP in the next few years;
- 79% of respondents feel that the Program process (application, evaluation, etc.) is adequate;
- 77 % of respondents feel that the Program enables them to reach their objectives;
- 47 % of respondents who have received at least one contribution would have been unable to carry out their project without LIP assistance;
- 43 % of respondents feel that LIP advertising should be improved.

A number of the beneficiaries questioned in the language training sector pointed out that results can be measured by the number of students registered in schools.

The results of the survey corroborate those of the consultations held in the summer of 2005 with representatives from the translation and language technologies sectors.

Comments from respondents helped identify five themes for which there were relevant observations. These themes and the most significant observations are presented below.

Flexibility of the Program: The eligibility criteria for a project do not reflect the reality in each

sector, and the LIP should encourage not only promotion but also innovation. For example, expanding eligibility criteria and eligible activities to include more technological innovation would probably be more attractive to the language technologies sector.

Contribution amount: \$10,000 is not enough to really make a difference in terms of promotion. In addition, amounts are not reimbursed until the end of the project, and small businesses cannot always put up the reimbursable portion.

LIP and LII visibility: Several respondents feel that LIP advertising is insufficient, and a majority of respondents were not aware of the LII.

Communication: Some respondents noted that employees assigned to the LIP did not follow up on projects and there was a lack of direction regarding claims and reports.

Cooperation with Citizenship and Immigration Canada: Several language schools have difficulty with this department's position on the rights of foreign students. These students are not allowed to work off campus and a number have been denied entry to Canada.

Respondents who have not received any contributions from the LIP (application denied or withdrawn by the business) find that the decision-making process is not transparent enough and explanations provided by the Program when an application is denied are not satisfactory. However, a number of them said they would submit a new application in the future.

d) How effective have the partnerships been? How can they be improved?

According to key LII staff, many partnerships have come out of the Initiative. Several have developed through AILIA (e.g. LTRC) and through trade missions abroad. The partnership between AILIA and HRSDC is an example of an effective partnership highlighted by respondents. HRSDC invested \$300,000 in 2005-2006 so that the Association could push its human resources strategy forward.

Some shortcomings were noted with respect to the effectiveness of partnerships, including difficulty developing solid partnerships in the language training sector, which is an obvious impediment to achieving a unified national strategy. At the same time, several respondents recognized the important role of the Translation Bureau as an LII partner. In fact, the Bureau could be a catalyst for the much-desired reversal of the trend in the translation sector, that is, the grouping together of microbusinesses. It could modify translation firm hiring practices by supporting the development of service agreements with larger businesses. Similarly, some respondents feel that partnerships with the Translation Bureau and the Asticou Centre should encourage the testing of new technologies in the language industry. Because of their important role and their influence in the language industry, these two organizations could serve as major test laboratories for new language technologies and the emergence of new ideas.

e) ***What operational constraints affect the Initiative's ability to achieve its objectives and expected outcomes? What changes could be made to improve operational effectiveness?***

The evaluation identified three constraints that have or could have a major impact on the outcomes achieved by the LII: 1) the role and financial status of the LTRC; 2) the lack of harmonized standards and national specifications in the language training sector; 3) the considerable delay in setting up a language industry Internet portal.

While the LTRC was seen initially as the body responsible for managing R&D operations in language technologies, discussions with key respondents showed that the organization is more a showcase for the research centre. In fact, the LTRC is a non-profit organization whose main role is to market technologies and increase the visibility of R&D in language technologies. As researchers are hired by the NRC out of the \$10 million budget granted under the Action Plan for Official Languages, the LTRC has little impact on research directions³. This situation could compromise the relevance of some research or create a disconnect between the LII and its R&D function in the language technologies sector.

The LTRC is also having funding problems since its funding for the 2006-2007 year is not guaranteed. Although the NRC covered the organization's entire operating budget in 2004-2005 and part of this budget in 2005-2006, it has not undertaken to provide long-term financial support

for the LTRC. Operation of the LTRC was even ensured this year by a \$300,000 payment from the LII, which is the amount that was saved by the delayed launch of AILIA in 2003-2004. This is an awkward situation and, together with the situation described previously, it seems to be jeopardizing the concerted development of the language technologies sector.

Establishment of harmonized standards and national specifications in the language training sector was identified as a prime means of dealing with global competition. To achieve this objective, CLC and the CAPLS, the two main Canadian associations in the sector, must agree to harmonize their own standards and specifications. That is why the LII recently tried to bring these two associations to the table so they could begin the harmonization process. Based on the initial findings of the associations involved and certain key players, there have been mixed results.

One of the main ways identified to increase the visibility of the language industry is undeniably the launch of a portal representing the basis, activities and strategic directions of this industry.

³ When referring to the LTRC, two separate elements can become confused: the LTRC as a non-profit organization consisting of a director and an assistant, and the research centre (facilities, researchers, etc.). The interviews reveal that the first element has little impact on decisions about the second element's research activities.

However, various operational problems, such as harmonization with the AILIA and LTRC websites, have delayed this. Additionally, a key LII resource indicated that the cost associated with future management of the portal was underestimated and discussions are under way on this issue. The lack of a portal in the early years of LII operations could be part of the reason for the LII's lack of visibility (compared to that of its components) as well as for key respondents' lack of understanding of the language industry's challenges.

f) Do reporting and monitoring activities provide effective support for decision-making and delivery of the Initiative? How much data gathering is there?

LII staff assigned to LIP management would like to increase follow-up with Program beneficiaries in order to ensure that financial contributions are used as agreed. Note that in 2003, the LII's Risk-Based Audit Framework (RBAF) indicated that it would not be necessary to audit beneficiaries because of the low dollar amounts of the contribution agreements. However, this same document points out that strict monitoring methods should be established. Instead, the comments heard reveal the lack of such a process. With respect to monitoring AILIA activities, the mechanisms in place seem appropriate.

Each year, the LII prepares a report summarizing activities conducted the previous year and those planned for the current year. A review of the 2003-2004 and 2004-2005 reports indicates that they present a complete summary of all activities, and they also provide great transparency regarding costs. However, there is no detailed report to provide further information about objectives and the results of activities as well as the LII's achievements and major challenges.

4.3 Progress and Outcomes Attributable to the LII

The LII's RMAF contains important sections about achieving outcomes. The *Logic Model* presents the LII's immediate, intermediate and final outcomes, while the *Performance Measurement Strategy* describes the performance indicators as well as the sources and methods for gathering information. This information was compared with the outcomes attributable to the LII to check for consistency. Table 4-1 (following page) shows the progress of activities towards immediate and intermediate outcomes for each of the LII's two components, together with comments on the respective levels of achievement. These levels were examined through the review of documents and the interviews conducted with key respondents. Final outcomes were not included in this table since their scope far exceeds the length of time the Initiative has existed.

Table 4-1: Outcomes Achieved Versus Expected Outcomes Based on the RMAF

Types of Outcomes	Expected Outcomes	Comments
<i>Networking and Coordination</i>		
Immediate Outcomes	HR development action plan	Outcome achieved. AILIA developed an HR strategic plan and an action plan.
	Clear strategic direction	An LII strategic direction exists in terms of the four challenges, but it is incomplete.
	Consensus by industry sectors on strategic direction	In progress, but there is still no consensus on all elements of the strategic direction.
	Awareness of possibilities	Achieved in part, but this needs to be developed further and communicated better to partners.
Intermediate Outcomes	Synergy between industry sectors	Not achieved yet. There must be complete consensus beforehand.
	Development of programs in educational institutions and expansion	Not achieved yet. Outcomes observed must be proven to be the result of LII activities.
	Elimination of the gap between market demand and available HR	Not achieved yet. Work is currently under way on tools to achieve this. Analysis will be performed later.
<i>Marketing and Branding</i>		
Immediate Outcomes	Increased awareness of the language industry on the part of students and potential clients	Achieved in part. Efforts have been made to create tools and activities to increase visibility, but client awareness has to be measured.
	Increased awareness of the language industry on the part of Canadian representatives abroad	Achieved in part. However, the level of awareness has to be measured more formally.
	Increased participation in trade missions and fairs.	Achieved, but performance indicators must be formalized further.
	Understanding of market opportunities abroad	Achieved individually. A synopsis of the markets studied and those to be explored would have added value.
	Increased use of government programs by the language industry	Not measured. The measurement tool will have to be improved: identification of programs, etc.
Intermediate Outcomes	Increased volume of business by industry companies	Not measured. Too ambitious in the medium term and difficult to obtain this information from the industry.
	Viable level of human resources replacement	The necessary replacement level is currently being analysed. Achieving a viable level is too ambitious at this stage.

	Increased number of contracts and international market share	Probably achieved in part, but not formally measured. Difficult to obtain industry participation
	Increased presence of the language industry in international promotional activities	Achieved, but performance indicators must be further formalized.

In the case of immediate outcomes, there are several different findings. Some outcomes were achieved in full or in part, and outcomes were not measured by the LII, or the measurement tool did not exist or it was inadequate. Most intermediate outcomes have not been achieved yet. This may be due to the slow start-up of some activities, over-ambitious expectations with respect to some of these intermediate outcomes, and the relative newness of the Initiative. According to LII staff, this situation can be explained by a lack of time to review the extent to which outcomes have been achieved, as more emphasis was placed on carrying out LII activities. However, the logic model and performance measurement strategy are expected to undergo revision in 2006-2007.

By excluding the particular context of the RMAF, the evaluation was able to identify positive and negative points regarding achievement of outcomes. Additionally, key AILIA staff agree that the language industry is heading towards synergy of its three sectors. However, growth in Association membership is slower than expected. There were 162 members at the beginning of January 2006, including 102 businesses and 60 independent workers (these independents were mainly in the translation sector). Since the objective for the end of 2005-2006 is 250 members, there is a shortfall of 88 businesses and individuals. Some key players note that AILIA still only represents 10% of the industry and it should do more to accelerate growth of its membership. Lastly, AILIA representatives say that they are satisfied with the current proportion of members by sector: 45% in translation, 40% in language training and 15% in language technologies.

Much is expected from the study Statistics Canada is currently conducting to draw a complete picture of private translation and interpretation establishments, and of language schools. According to a number of respondents, this study (the report is expected in the coming weeks) will establish a reference year for future analyses of LII results. However, it was pointed out that the study took longer than expected to launch because of the long, complex process.

In the case of the LIP, it was noted that despite a few specific examples of positive results, there has been little overall analysis to evaluate program outcomes. In this regard, the fact that it is a repayable contribution limits information gathering from beneficiaries reporting benefits from the project supported by the program.

b) *How much progress have partnerships made toward expected outcomes related to capacity building (duplication of addresses, visibility and succession planning)?*

A review of the documents and opinions given by several key respondents confirm that the work AILIA has done on human resources, thanks to a financial contribution from HRSDC, is a good example of an outcome achieved through a partnership. The effects of the partnership between AILIA and the LTRC are another success story. As previously mentioned, this aspect of LII outcomes can be improved by greater involvement of key organizations such as the Translation Bureau and the Asticou Centre.

c) *To what extent has the LII produced a sustainable, lasting infrastructure for the language industries?*

It is still too early to determine if LII activities will result in a sustainable infrastructure for the industry. The future of the LTRC, and of AILIA in the longer term, will have to be decided first.

d) *To what extent has the LII secured and increased access to national and international markets and allowed for their development?*

Some key LII staff admit that despite mission reports, there are few outcomes that allow for evaluation of the impact of language businesses' missions and participation in trade fairs. Table 4-1 clearly shows that there has been a delay in measurement of these outcomes. Even though much work goes into preparing activities, identifying promising markets and writing mission reports (short-term), not enough has been accomplished yet to measure the medium- and long-term effects.

e) *What factors have facilitated and/or prevented implementation of the Initiative?*

These factors have been dealt with in sub-section e) *Operational constraints that affect the achievement of expected outcomes* in Section 4.2.

f) *To what extent has the LII helped increase awareness of the Language Industry Program on the part of representatives of the official language minority communities?*

This seems to be a weakness of the LII, especially since the Initiative is funded by the Action Plan for Official Languages. Official language minority community representatives' awareness of the LIP is not one of the items measured in the RMAF. We would also note that this item did not attract the attention of key respondents and consultation of minority language communities was not part of the study.

4.4 Initiative Cost-effectiveness

a) *How cost-effective is the LII? Are there areas for improvement?*

The LII is still too new to deal with its overall level of cost-effectiveness. This aspect will be dealt with in the summative evaluation to be performed at the end of the Initiative's first five years. However, this evaluation did not reveal any major issues that could cast doubt on the LII's current cost-effectiveness. A few findings have been reported below, but they are more a report on issues that have had or could have a negative effect on the cost-effectiveness of the LII.

- The \$300,000 granted to the LTRC as partial funding for 2005-2006 does not have a direct impact on LII objectives, apart from the survival of a partner organization. This amount could be a direct loss should the organization disappear due to a lack of operating funds effective 2006-2007.
- In principle, AILIA should become self-financing before the end of the LII's first five-year term. However, key AILIA staff feel that it will be difficult to achieve this objective. Therefore the long-term cost-effectiveness of the *Networking and Coordination* component may be greatly affected by AILIA's future financial situation.
- The LII spends fairly significant amounts on studies, tools and consultations of various types. These activities are fairly numerous, while information about their justification, objectives and results is fragmentary. This lack of information makes it difficult to determine cost-effectiveness individually and as a whole.
- Examination of the cost-effectiveness of trade missions, participation in trade fairs and the LIP depends to a great extent on the ability to evaluate their outcomes in a tangible way. The preceding comments underscoring the difficulty of achieving these outcomes increase the difficulty of measuring cost-effectiveness.

b) *Has the LII been managed effectively?*

The previous comments in sub-section a) apply here.

c) *Has the program been properly funded and designed?*

The previous comments in sub-section a) apply here.

5.0 Conclusions and Recommendations

On the one hand, the formative evaluation confirms the validity (or relevance) of the LII and the effectiveness of its implementation despite the necessary revision of certain measures. On the other, it indicates that the Initiative must improve its results management system. We would point out that the Initiative is relatively new (2003) and some components have only just been implemented or have not even been started yet.

Details of the main conclusions of the evaluation and its recommendations appear in the following section. In order to simplify the actions the LII must take to respond to the recommendations, they have been classified in three categories:

- critical to the success of the Initiative (critical);
- strongly recommended to improve management of the Initiative (strongly recommended); and,
- recommended to correct minor weaknesses noted (minor).

a) *Relevance of the LII*

The relevance of the LII as an element of the Action Plan is based in part on expectations of an increase in national demand for language products and services in the translation, language training and language technologies sectors. The evaluation has shown that the effect of the Action Plan on this demand is not supported by formal data. Similarly, there is little documentation of activities intended to promote development of official language minority communities. Neglecting this aspect could adversely affect the relevance of the LII. These findings indicate that repositioning the LII with respect to the Action Plan, could be important.

Recommendation: *That the LII clarify elements related to its positioning with respect to the Action Plan for Official Languages, particularly with respect to demand for language goods and services and support for official language minority communities, and that it redefine this positioning if necessary. (Critical)*

The LII's relevance is also based on its capacity to meet the four challenges that characterize the language industry: fragmentation, a shortage of human resources, a lack of visibility, and a lack of R&D and skills. According to the LII's initial design, these challenges or weaknesses could compromise the Action Plan in part since the expected increase in demand requires a strong language industry. The evaluation has revealed that if most respondents agree that these challenges exist, they are largely unaware of fine distinctions in their nature, impact and applicability to the various sectors. This knowledge gap could be attributable in part to insufficient study by the LII of the circumstances surrounding these four challenges and a lack of communication about the findings from the few studies already conducted. The review team

feels that the fact that most members of the language industry agree with the definitions, characteristics and impacts of these four challenges is indicative of the long-term relevance of the Initiative.

Recommendation: *That the LII further develop and support information regarding definitions and characteristics by sector and impacts of the four challenges of the language industry and that it communicate this information to key players in the industry. (Critical)*

b) Design and Delivery of the LII

Although the design and delivery of the LII are satisfactory overall, both minor and major improvements are still required.

Secretariat:

The review team noted that, unlike its components, the LII is not clearly perceived as a separate entity by key respondents. For example, they know individuals in the secretariat and are aware that they are very competent; however, their work is associated with an Industry Canada group. This confusion tends to diminish understanding of the overall cohesion of LII activities and its strategic positioning.

Recommendation: *That the LII increase its visibility with key players in the language industry by effectively communicating its mandate, objectives, strategic positioning, activities and expected outcomes in order to increase understanding of the overall cohesion of its activities and its strategic positioning. (Strongly recommended)*

With respect to all the secretariat's activities, the evaluation shows that the team was behind numerous studies, activities and tools designed to increase understanding of the Canadian language industry's problems, increase its visibility and improve its positioning abroad (trade fairs and missions). However, there is little documentation of efforts made to develop official language minority communities, particularly language industry businesses originating in these communities. Despite the merits of trade missions and participation in trade fairs, there is no clear documentation of a strategic direction intended to illustrate all international activities, past and future. Lastly, everything indicates that the secretariat should increase effective monitoring of the use of financial contributions paid to LIP beneficiaries without making the process overly cumbersome, and it should provide more details in its annual reports.

Recommendations: *That the LII document more clearly the importance it lends to developing official language minority communities, particularly language industry businesses originating in these communities. (Strongly recommended)*

That the LII take action to better document the strategy regarding development of foreign markets for the Canadian language industry (government trade priorities, etc.), as well as basic information (background, indicators, etc.) for each target market. (Strongly recommended)

That the LII identify an effective way to better monitor use of financial contributions paid to LIP beneficiaries. (Minor)

That the LII increase the level of detail in its annual reports so that outcomes, challenges, strategic priorities and other aspects are clearer. (Strongly recommended)

AILIA:

Much is expected of AILIA because, based on its positioning within the LII, it must provide a good part of the language industry's networking and coordination over the long term. Since its start-up, the Association has placed a great deal of emphasis on activities designed to promote the concept of one industry that groups together three sectors, as well as on increasing its membership. It is also very involved in activities intended to push forward on human resources issues. However, it seems that AILIA's positioning and its potential benefits are not clear enough and have not been explained well enough to key industry players and target organizations. Additionally, the review team wonders whether AILIA has adequate resources. According to Association staff, there are not enough resources to meet the objectives the Association has set for itself. Lastly, it does not appear that AILIA will be able to be self-financing at the end of its agreement with Industry Canada.

Recommendation: *That the LII encourage AILIA to develop a clearer definition of its positioning and the benefits it provides for its members and to communicate that definition appropriately. (Strongly recommended)*

Steering Committee:

The LII steering committee is still not meeting the expectations previously set, namely proactively directing and monitoring activities. Like key Initiative staff, the review team thinks that if there were better representation of the private sector and language industry experts on the steering committee, greater emphasis would be placed on the mandate. However, a change like that can only be made gradually.

Recommendation: *That the LII gradually increase representation of the private sector and language industry experts on the steering committee and subsequently ensure that this committee meets expectations previously set. (Minor)*

LIP:

Interviews with key respondents, a survey of a sample of LIP participants, and a review of the result of consultations held by the LII during the summer of 2005 clearly indicate to the review team that the Program must undergo certain changes. The most significant finding is undeniably the markedly higher level of participation by companies in the language training sector. For reasons that are not completely clear, eligibility criteria, eligible activities and financial incentives (50% of eligible expenses to a maximum of \$10,000) are much better suited to this sector than to translation and language technologies. The people consulted suggested several corrective measures to improve the Program. That being said, a survey of a sample of beneficiaries revealed a high level of satisfaction.

Recommendation: *That the LII take the necessary measures to improve the LIP in accordance with suggestions made during the two recent consultation processes, including achieving a more balanced rate of participation by businesses in the different sectors. (Critical)*

Interdepartmental Cooperation and Partnerships:

In general, key respondents said that they appreciated the effectiveness of interdepartmental cooperation and of the partnerships. The only improvement desired in this regard is increased partnership within the language training sector as well as with the Translation Bureau and the Asticou Centre in order to reduce industry fragmentation and facilitate testing of new technologies. In this context, the review team notes that the LII has not clearly communicated its achievements and objectives regarding desired partnerships.

Recommendation: *That together with key industry players, the LII identify and define partnerships that are considered important for the development of the language industry. (Minor)*

Achievement of Outcomes:

Three factors have been identified that have had or could have a significant impact on the outcomes achieved by the LII:

1. The considerable delay in launching the language industry portal undoubtedly reduced the visibility of the concept of a single industry and the LII's role within this industry. As the portal should be launched soon, there should be a gradual recovery.
2. The recent failure of the attempt to harmonize national specifications and standards in the language training sector should be interpreted as reluctance by this sector to meet the challenges that characterize the language industry and to recognize the LII's role in this regard. Further study of these challenges and their future impact on the industry could increase the level of cooperation as long as the results are communicated clearly to key players in this sector.
3. Lastly, the precarious funding situation of the LTRC and its inability to influence decisions

made by the Initiative's Research Centre are major threats to achieving the LII's medium- and long-term outcomes. In fact, the situation could compromise the relationship between the research conducted and the actual needs of the industry.

Recommendation: *That the LII work with its partners, the NRC and the Translation Bureau, to find a long-term solution to the challenges experienced by the LTRC. (Critical)*

c) *Progress and Outcomes Attributable to the LII*

The LII's RMAF presents the immediate, intermediate and final outcomes to which the LII is committed. The evaluation has shown that, in general, there is a delay in achieving these outcomes. Study of immediate outcomes has indicated to the review team that some of the outcomes have not been measured or the measuring tool does not exist or is inadequate. With respect to intermediate outcomes, most have not been achieved. This situation can be explained by the lack of time LII staff have devoted to this activity, by the slow start-up of certain activities, and by over-ambitious expectations for achieving certain outcomes. Additionally, the reference year for their analysis does not seem to have been established since those involved are waiting for results from a Statistics Canada study to this end.

The review team noted other weak points regarding performance management. Compared to its initial objective, AILIA is behind in membership growth. In the case of the LIP, it seems to be difficult to obtain information from beneficiaries on the impact of the financial contribution, undoubtedly because it is a contribution that is partly repayable when there are financial benefits. There is also little information to be able to evaluate the rate of increase in access to national and international markets and their development. The same applies to the level of awareness of the LIP on the part of representatives of the official language minority communities.

Lastly, although some data does confirm that the LII is progressing in the right direction, the Initiative's performance management system is imperfect and requires review by staff, including an update of the RMAF. There is no cause for alarm yet since the Initiative is relatively new. However, the review team feels that an efficient performance management system should be implemented before the end of the Initiative's first term.

Recommendations: *That the LII update its RMAF to include current outcomes and performance indicators and ensure that it has a performance management system that functions properly. (Critical)*

That, in updating its performance management system, the LII establish performance indicators that make it possible to measure the rate of increase in access to national and international markets and the level of awareness of the LIP on the part of representatives of official language minority communities. (Strongly recommended)

d) Cost-effectiveness of the LII

The review team feels that it is too soon to evaluate the cost-effectiveness of the LII precisely and accurately. Although overall findings do not cast doubt on the long-term cost-effectiveness of the Initiative, some issues are cause for concern. It seems that AILIA's financial self-sufficiency, expected for the end of the LII's first term, must be reconsidered. Measurement of the cost-effectiveness of the LIP, the missions organized by the secretariat, and the various studies and activities conducted or funded by the LII is largely dependent on the outcomes achieved with each. In this context, the performance management system requires correction, as previously discussed.