# Moving Mountains and Applying Band-Aids: The State of Differentiated Policy Capacity

Karine Levasseur
Department of Political Studies, University of Manitoba
Email address: karine.levasseur@umanitoba.ca

**Abstract:** The literature on policy capacity in Canada suggests that some governments have experienced an increase in policy capacity while other governments have experienced a decline. At the same time, the policy capacity of the voluntary sector in Canada is thought to be weak. Given the increased role that the voluntary sector may play in the public policy process, an important question needs to be asked: how do the differentiated policy capacities of government and the voluntary sector intersect? This paper provides an answer to this question through an examination of policy capacity at the programmatic – or micro - level. The paper identifies four case studies and assesses the impact of differentiated levels of policy capacity among voluntary organizations and the corresponding units/branches within government departments. The paper concludes that the public policy process unfolds differently depending on the mix of policy capacity amongst actors.

**Key Words:**
Policy capacity, voluntary sector, government.

La documentation scientifique sur la capacité politique au Canada suggère que certains gouvernements ont vécu une croissance de leur capacité politique alors que d'autres ont connu un déclin. Au même moment, la capacité politique du secteur volontaire au Canada est perçue comme faible. Étant donné le rôle accru que le secteur volontaire peut jouer dans la mise en oeuvre des politiques publiques, une importante question se pose: comment les capacités politiques des gouvernements et des organisations volontaires interagissent-elles? Ce texte propose une réponse à cette question, par le biais d'un examen des capacités politiques observées au micro-niveau de la mise en oeuvre des programmes. Il identifie quatre études de cas et témoigne de l'impact des différents niveaux de capacité politique parmi les organismes volontaires et les structures correspondantes de l'appareil gouvernemental. Le texte conclut que la mise en place des politiques publiques se déploie différemment en fonction de la capacité politique des divers acteurs.

**Mots-clés:**
Capacité politique, secteur volontaire, gouvernements

Policy capacity, which can be defined as the "intellectual dimension of governance that is the capacity of the system to think through the challenges it faces" (Bakvis, 2000: 73), is an increasingly important concept in the public policy literature and with good reason. The rationale for building good levels of policy capacity is straightforward according to Anderson (1996: 478): "Channeling public funds in the right direction and the avoidance of costly mistakes quickly justifies the
cost of good policy work, while a weak capability can prove a misguided and expensive saving." In light of austerity measures, both past and present, coupled with public sector management reforms and greater reliance on ideology to inform public policy decisions (Savoie, 2003: 1), concerns have been raised that policy capacity within governments across Canada has diminished. This, in turn, is thought to limit the ability of governments to adequately respond to complex policy problems such as poverty, obesity, and climate change.

While the policy capacity within government is thought to be diminishing, there is another important trend worth noting. The literature contends that there is movement towards more collaborative forms of governing (Osborne, 2006; Rhodes, 1996; Salamon, 2002). This model, which goes by a variety of names including 'collaborative governance,' 'network governance,' 'distributed governance,' and 'horizontal governance,' emphasizes the introduction of new partners such as charities, non-profit organizations, unions, and private businesses into the public policy process. Given their involvement as partners in the public policy process, assessing the policy capacity of the new actors becomes an important task.

This paper builds a framework to explore the policy capacity of both government *and* the voluntary sector, which consists of both non-profit organizations and registered charities, at the micro level in Canada. The micro level refers to study of public policy at the programmatic level and not at a departmental or institutional level. The framework limits its examination to the study of the voluntary sector, as opposed to other non-state actors, for one central reason: the voluntary sector has played an increasingly important role in the public policy process - notably implementation - in recent years as a result of welfare state restructuring in Canada. The framework provides a way for understanding what differentiated levels of policy capacity among partners means for the public policy process. For example, what does the public policy process look like when the policy capacity of one partner is notably higher than the other partner? What occurs when the policy capacity of both partners is low? Conversely, what transpires when the policy capacity of both partners is high? To answer these questions, this paper identifies four case studies – all at the programmatic level – and assesses the impact of levels of policy capacity among voluntary organizations and the corresponding units/branches within government departments. This paper concludes that public policy process unfolds in different ways depending on the mix of policy capacity amongst actors.

**Framework**

This paper makes three observations about the policy capacity literature in Canada. First, much of this literature has been undertaken from a government perspective. To date, the literature has assessed policy capacity either at the federal level (see Bakvis, 2000; Townsend and Kunimoto, 2009; Wellstead and Stedman, 2010; Voyer, 2007), within a specific province or territory (see Rasmussen, 1999; Singleton, 2001), or comparatively across provinces and territories (Howlett, 2009). There is other research firmly rooted in a government perspective that explores a particular dimension of policy capacity. Inwood et al. (2011), for

example, critically assess intergovernmental policy capacity while Lindquist and Desveaux (2007) examine how recruitment practices can improve policy capacity within government.

While there is good literature on the policy capacity within government, there is little attention given to the policy capacity of non-state actors, notably the voluntary sector in Canada.[1] The voluntary sector comprises approximately 165,000 non-profit organizations and is diverse in scope to include organizations in the areas of arts, sports/recreation, environment, human rights, education, health and social services. Voluntary sector organizations represent collective identities; promote citizen engagement; deliver programs/services; and, contribute to public policy development (Phillips, 2000; Warren, 2001).

What literature has been developed in this area suggests there are low levels of policy capacity within the voluntary sector. Empirical research conducted by Evans and Wellstead (2013) supports this suggestion. By conducting surveys with policy staff in government and non-government organizations (NGOs) across four policy fields in three provinces, Evans and Wellstead (2013: 81) conclude that NGOS "simply do not have the capacity to create dedicated policy units and policy work is thus only one aspect of work in this sector. Multi-tasking is the order of the day." This lack of policy capacity in the voluntary sector occurs for two reasons: lack of resources to undertake policy work due to government funding cuts coupled with a tough fundraising environment in Canada (Mulholland, 2010; see also Canadian Council for International Co-operation, 2006: 2-4); and, regulatory frameworks that require registered charities[2] to significantly restrict their advocacy[3] work which is an important public policy input (Bridge, 2002; Phillips, 2007; Levasseur, 2008). Despite these constraints, there are some areas of the voluntary sector, namely larger and provincially/nationally based organizations,

that may possess more policy capacity (Mulholland, 2010: 141).

Second, the policy capacity literature is largely compartmentalized. The literature examines the policy capacity of *either* government *or* the voluntary sector, but rarely how the policy capacity of both partners intersect.[4] This evolution in the literature has occurred despite the suggestion that more collaborative forms of governing have emerged. Under this model, the relationship between government and the voluntary sector becomes increasingly important as voluntary organizations become partners with governments in the development of public policy responses (Stoker, 1998; Osborne, 2006; Salamon, 2002; Rhodes, 1996). The resulting implication for policy capacity research is to examine the policy capacities of all partners working on the same file and to assess what these differentiated capacities mean for policy development.

Last, much of the research to date has been aggregated. Indeed, at times the research is so aggregated across an entire level of government or across an entire department, it is difficult to discern the impact that policy capacity has on the public policy process. Baskoy et al. (2011: 220) contend there is debate within the literature as to whether there have been changes in the policy capacity in Canadian governments. They identify two groups within the literature. The first group suggests that policy capacity within government has diminished in the past few decades whereas the second opines that such claims must be carefully scrutinized. This latter group contends that policy capacity may have been reduced in some aspects of government life, but that it may also have been enhanced in other aspects. By way of example, Bakvis (2000: 84) concludes that the impact of Program Review on federal policy capacity has been uneven. Some departments, such as the Department of Environment, experienced a significant decline in policy capacity as a result
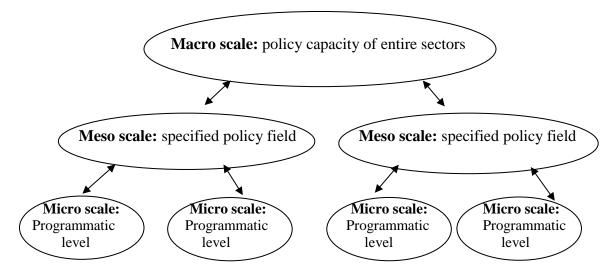
of Program Review.[5] Other departments, such as Transport Canada, actually increased their stocks of policy capacity post-Program Review. It is not therefore possible to draw broad conclusions as to whether there has been a noticeable decline in policy capacity in Canada. To be sure, there are benefits to examining policy capacity at an aggregated scale – across an entire department or an entire government - notably the identification of broad trends over time. However, there are also limits and as this paper argues, there is value in conducting analysis of policy capacity at the micro – or programmatic – level.

Given these observations, this paper argues that research must assess the policy capacity of all partners in a disaggregated manner.[6] Expressed another way, scale matters according to Mahon et al. (2007). Defined as the location of where policy action takes place, Mahon et al. argue that much of the policy literature has anchored its analysis on the nation-state at the expense of other locations of action including communities, cities, sub-national governments and so forth. In short, understanding policy means understanding scale.

This paper does not use scale in a geographical sense to understand policy capacity, but draws inspiration from Laforest's (2011) examination into how states and civil society build relationships. She employs the concept of scale to isolate how working at different locations influences the attempts to build relationships between entire sectors from the microscopic to the macroscopic level. Analysis at the microscopic level examines the attempts to build relationships between organizations whereas analysis at the macroscopic level examines relationship-building attempts between entire sectors.

Figure 1, below, provides the context for the study of policy capacity of both government *and* the voluntary sector *across* different locations. At the macro level, analysis of policy capacity occurs at the sectoral level. By way of example, analysis at this level encompasses the policy capacity of one level of government (i.e. a national, sub-national or municipal government) *and* an entire sector (i.e. the voluntary or business sector). At the meso level, analysis of policy capacity amongst key partners is contained to a

**Figure 1: Scaling policy capacity**



*Note:* Figure modified by author based on work of Laforest (2011: 22)

particular policy field (i.e. health or industrial policy). Analysis of policy capacity at the micro level emphasizes specific programs within a particular policy field. Research at this level consists of organizational structures of both partners (i.e. domestic violence where voluntary organizations and the corresponding unit of a government department are responsible for this program).

To be sure, the study of policy capacity at the meso and macro-levels is an important endeavor because such studies provide insight into emerging trends and changes in policy capacity over time. However, there is much to be gained in our understanding of policy capacity at the micro-level, specifically the ability to precisely identify where cleavages / duplication exist in policy capacity that, in turn, can inform efforts to build policy capacity more strategically. As a result, my framework jumps scale and examines policy capacity at the programmatic level. It attempts to understand how differentiated policy capacities between voluntary organizations *and* corresponding government units/branches have an impact on the public policy process. The goal of this proposed framework is not to assess the impact of policy capacity on actual outcomes given that such an assessment is fraught with challenges (for example, institutional structures may inhibit certain policy outcomes despite the presence of high levels of policy capacity). Rather, this framework assesses the policy capacities of corresponding partners and their ability to do the following in a timely and responsive manner: identify problems, conduct research, develop prescriptive solutions, establish/maintain networks, build policy support/influence regardless of whether a policy is not adopted. Given this emphasis on differentiated policy capacities amongst partners, the resulting questions are raised: What is the impact on the public policy process when levels of policy capacity are high for both partners? Is there a substitution effect when the policy capacity of voluntary organizations is higher than the corresponding unit/branch in government? Or, do voluntary organizations capture the public policy process as a result of their high levels of policy capacity? Or, is the ability of voluntary sector organizations with high levels of policy capacity to influence the public policy process diminished when the policy capacity of the corresponding government unit/branch is low? What happens to the public policy process when levels of policy capacity are low for both actors? The next section outlines the methodology used to provide answers to these important questions.

**Case Selection and Methodology**

This research focuses on answering the following question: What are the implications for the public policy process when there are differentiated levels of policy capacity amongst partners? To answer this question, open-ended semi-structured interviews were conducted between December 2012 and March 2013. Research ethics approval was granted on April 25, 2012 (Protocol #J2012:049) and to protect the confidentiality of the respondents, no names are provided. A total of twelve interviews were conducted, but two respondents provided insight into more than one case study because of diverse work experiences. Given the scale at which these interviews were conducted – at the programmatic level – the pool of interviewees is quite limited and this helps explain the small number of interviews. Of the twelve interviews, eight were with senior staff members from the voluntary sector and four were with senior staff from government units / branches. Respondents were selected primarily through a purposive sampling technique, which required the author to make determinations as to who in the voluntary sector and government would be appropriate to interview, and a snowball sampling technique only when required. Given the small sample size, coupled with the reliance on non-probability sampling techniques, the results are not generalizable.

Given that this research employs four case studies with differentiated levels of policy capacities between government and the voluntary sector, an important challenge rested with finding suitable case studies. The first step required the author to speak with knowledgeable policy people from academe, government and the voluntary sector to ascertain appropriate case studies. Again, the emphasis of this research occurs at the programmatic level, and as such, it was important that all case studies focus on this. By narrowing the case studies to the programmatic level, this helped reduce the number of actors involved in the file. Lindquist (2009: 19) reminds us that there are numerous actors involved in public policy discussions from think tanks to consultants to unions and so forth. However, care was taken to ensure that the case studies selected reflected policy discussions where the *primary* actors involved voluntary organizations and a corresponding government unit/branch.

In some cases, these discussions proved fruitful in that a specific case study was identified with a normative assessment of the overall policy capacity of the corresponding government unit/branch and voluntary organizations. Based on these discussions, three case studies were identified and the sample was selected. By proceeding with the interviews for these three case studies, the remaining case study was identified by respondents. This last case study, which sees high levels of policy capacity in both the corresponding government division/branch and voluntary sector organizations, proved to be a challenge. Finding a suitable case study at the programmatic level in which both sets of partners have solid levels of policy capacity, especially in the voluntary sector which is reported to have limited policy capacity overall, took considerable time. Indeed, there were several 'failed' starts where case studies were identified, but it was soon discovered that both partners did not have high levels of policy

capacity. However, as a result of the interviews, a successful case study was identified where both partners have higher levels of policy capacity.

The assessment of policy capacity was based on self-perception and a self-administered questionnaire. During the interview, respondents were asked to describe the state of policy capacity within their organization. Respondents were also asked to describe the attributes that contributed to low/high levels of policy capacity within their organization. Furthermore, respondents were asked to describe whether their policy capacity had changed over time, and if so, why this was occurring. Last, respondents were asked to reflect on the policy capacity of the corresponding government unit/branch and other key voluntary organizations. At the end of the interview, respondents were asked to complete a self-administered questionnaire (note, one questionnaire was tailored to respondents from government while another questionnaire was tailored to respondents from the non-profit sector). This questionnaire contained 23 and 25 indicators for government and non-profit sector respondents respectively. These indicators to measure policy capacity fall under the following four sub-headings:

- foundational capacity (for example, ability to undertake quantitative research; ability to deal with risk; knowledge of the broader social/political context);
- network capacity (for example, negotiate consensus among stakeholders);
- institutional capacity (for example, developing allies in central government) and
- policy cycle capacity (for example, ability to identify a problem, produce recommendations, policy evaluation).

To create the indicators, a thorough search of the policy capacity literature was completed with a long list of potential indicators

identified. From this list, groupings of indicators were selected to make the questionnaire more manageable. For each indicator, respondents were asked to list whether the capacity for that particular task / skill was weak, adequate, good or strong. To then determine what constituted 'low' and 'high' levels of policy capacity, the author reviewed the interview notes and the completed questionnaire. For the questionnaire, if the majority of the indicators were listed as 'good' or 'strong', coupled with a self-perception of having good or high levels of policy capacity, the organization was listed as having higher levels of policy capacity. Conversely, if the majority of the indicators were listed as 'weak' or 'adequate', coupled with a self-perception of having limited levels of policy capacity, the organization was listed as having lower levels of policy capacity. This is important to note: several respondents were quite critical of their policy capacity because of the inability to undertake original research in part because of the costs involved in large-scale survey work. However, upon examining the completed questionnaires, it was clear there were significant levels of policy capacity in many other areas such as network capacity. So, while an organization may be lacking in a particular area of policy capacity, this does not necessarily undermine their overall policy capacity. One organization in question compensates for this limited ability to undertake original research by critically assessing the use of pre-existing data sets and the possibility of linking data sets. In addition, it further compensates by relying on policy transfer and using critical functioning skills to determine whether a policy could/should be adopted. In sum, while policy capacity was first assessed through self-perception, this was backed by a questionnaire to validate whether the organization in question had lower or higher levels of policy capacity.

As outlined in Figure 2, the implications for public policy are provided depending on the mix of policy capacity between voluntary organizations and the government unit/branch responsible for the program in question. These implications are discussed in further detail below.

**Figure 2: Typology of Differentiated Policy Capacity (PC)**

| | | Government Unit / Branch | |
| --- | --- | --- | --- |
| | | **Low PC** | **High PC** |
| **Voluntary Sector Organizations** | **Low PC** | **Status Quo** | **Hiding behind a wall: delayed change** |
| | **High PC** | **Hitting a wall: delayed change** | **Potential catalyst** |

**Implications of differentiated policy capacity: Four cases studies**

**Case Study 1: Status quo**
This case study, which involves low levels of policy capacity for both voluntary sector organizations and the corresponding unit/branch within a government department, relates broadly to labour market development policy. More specifically, the partners are involved in the development and implementation of training programs for under- and un-employed Canadians. In this case study, four respondents were interviewed. One respondent is a senior manager from the unit within government responsible for this program. Three respondents are Executive Directors of voluntary organizations that are funded by this unit to provide training supports to vulnerable populations who typically experience difficulty attaching themselves to the labour market. Respondents indicated there was a lack of policy capacity both within the corresponding government unit and the broader collection of voluntary sector organizations involved on this file.

When asked what low levels of policy capacity mean at the programmatic level, respondents suggest the status quo reigns (see Figure 2). One Executive Director of a voluntary sector organization laments, "Nothing happens…I mean, let's be honest. A lot of this is due to not having the capacity within the staff and sitting down [together]" (Interviewed on February 26, 2013) while an Executive Director of another voluntary sector organization similarly notes, "It's very status quo. It's the same in and same out" (Interviewed on February 19, 2013). The remaining Executive Director provides an example of how little changes on this file. She notes that her organization is contracted by this unit to deliver a month-long workshop each year. In her estimation, there is little flexibility to modify the workshop because of the policy expectations set out by government. She further notes that the government staff with whom she interacts are not trained in public policy per se and as a result, there is a lack of policy dialogue despite her serious concerns related to the effectiveness of this workshop. As she indicates below, the rigid structure of the workshop does not respond to the specific needs of her clients. In this example, there is little ability to engage in a discussion or research as to how these workshops can be better designed (policy implementation) or whether this was part of the 'right' policy mix in the first place (policy formulation). She notes,

> There's no room to be dynamic with [this branch of the department]… Half the people who want to go to work do not want to sit in a four week workshop. Some of them have PhDs [so] they know how to go to work, [but] they just need to get their confidence back to get back into the work place…Other people with anxiety disorders that can't be around folks [in a workshop]…We need to focus on some individual needs, but no....we will provide these…workshops and everybody will go through it whether they need it or not. It's so contrary to what we believe for service delivery (Interviewed on February 20, 2013).

The senior manager within the corresponding unit of government concedes that the result of limited policy capacity amongst all partners is akin to applying a band-aid. He notes,

> I think you can always band aid a solution over…there's this reactionary [response where]… you explain why that happened and plug the holes, instead of taking time to rethink it. Someone sneezes and you give them a Kleenex instead of thinking of their diet. You plug the hole. We're not really addressing why it happens (Interviewed on December 11, 2012).

In this scenario, the comments provided by the government official echo Savoie's (2003: 28) concern that public policy is becoming more about "fire-fighting" where the "urgent drives out the important" such that the public policy system is unable to address long-term

issues in a strategic and coherent manner. Not surprisingly, transformative policy change is unlikely to occur when policy capacity is low amongst both sets of actors.

## Case Study 2: Hiding behind a wall - delayed policy change

This case study, which involves low levels of policy capacity in voluntary organizations and high levels of capacity in the corresponding unit of a government department, also relates to labour market development policy. Unlike the previous case study however, these partners develop and administer a specific type of technical training. Perspectives from two government officials and two voluntary sector officials were obtained for this case study. Respondents are all senior managers within their respective organization.

When asked what these differentiated levels of policy capacity mean for public policy, there was a sense of frustration amongst respondents. This frustration centred on how research is introduced and used in public policy discussions. Two respondents, both from government, raise concern that voluntary sector organizations are unable to produce systemic, empirical, rigorous evidence to inform and support their argument. As a result, there is a reliance on the part of voluntary sector organizations on anecdotal evidence according to one government official,

> It led to a lot of heated debates… [The] policy capacity in [that] sector, like, I mean, zero, none. It wasn't even on their radar screen. It's all about "This is how I did it", and "This is how you're going to do it"…Not a lot of interest in really understanding the dynamics of why things happen (Interviewed on December 11, 2012).

Another government official similarly notes,

> We get anecdotal all the time. We're going to do a strategic plan for next year [to examine barriers and gaps to training] and we had some people come in and say: "Well, with our experience this person has that..." That means nothing…I can't take stories and go [up the policy chain]…If

you're going to make an argument for something, and talk to government about something, you have to be prepared with research [and] good methodology (Interviewed on December 7, 2012).

These comments from government officials illustrate two interconnected ideas. First, they illustrate the importance of evidence in the public policy process. It may therefore be possible that the voluntary sector organizations in this case study understand the issues quite well, but do not have the capacity to produce evidence. Second, they illustrate that government may prioritize certain forms of inputs into the public policy process (i.e. empirical evidence), whereas voluntary sector organizations may prioritize other inputs (i.e. testimonials, personal experience, relationship-building through networks). In this light, policy capacity can, and should, be thought of in different ways. Large-scale survey research completed by Evans and Wellstead (2013:78) supports this finding. Their research reveals that government policy workers prioritize the role that evidence plays in policy work compared to non-governmental policy workers who prioritize the role that networking plays in policy work.

The debate about the appropriate role that scientific knowledge should play in the public policy process is an important one (Parsons, 2004: 51). It is not the purview of this paper to delve into that debate, but to illuminate the tension that arises under differentiated levels of policy capacity. At best, this uneven policy capacity produces frustration. It is clear that this government unit enjoys high levels of policy capacity and can thus produce and consume scientific knowledge with ease. Moreover, there is a demand for this type of research capability within this unit. The relationship between a high demand for research output and high levels of policy capacity is in keeping with the idea advanced by Howlett and Oliphant (2010: 20). They suggest, "…organizations that do not have a high demand for their research will have lower

capacity, as this lack of demand is likely to negatively impact the quality of the final product." Conversely, a high demand for research is the foundation for building high levels of policy capacity. It is not surprising that, by extension, it is expected that voluntary organizations also produce this type of research. Given their low levels of policy capacity, these voluntary organizations are unable to produce the type of evidence that is needed by government. As a result, their ability to effectively participate in public policy discussions is limited at best.

At worst, this uneven policy capacity generates mistrust. Given the high levels of policy capacity within government, it is not surprising that respondents from voluntary organizations suggest that government dominates the policy agenda. Voluntary organizations are skeptical and distrustful of the policy capacity within government and this accounts for significant delays in evoking policy change. This finding is reminiscent of the idea advanced by B. Guy Peters (2005) in his work that theorizes the relationship between policy instruments and policy capacity. Peters similarly incorporates both the state and civil societal actors into his work, although at a much larger scale. He surmises that when the state has significant capacity, coupled with limited capacity on the part of civil society actors, the result may include "some effective governance, or at least from a hierarchical perspective, [but] the results may be quite alienating for the citizens. Examples of this are totalitarian regimes…" (Peters, 2005: 83). While his work is not a direct comparison to what is presented in this paper, his concern that societal actors may be alienated from the process when the state has strong policy options is reflected in this finding.

To prevent conflict, considerable time is spent managing partners and hiding the policy capacity of government. One of the government officials has built a defensive mechanism so as not to be seen as the 'policy mover and shaker'

by the partners. This defensive mechanism involves shielding the policy unit behind decisions behind the policy-makers. The policy unit uses policy-makers to "compensate for [the] blame because [it has] more policy capacity," meaning that while the unit may 'inform' the policy discussion, it does not make the final policy decision. It deflects responsibility in order to prevent conflict with stakeholders (interview with government official on December 7, 2012). While the policy unit attempts to shield its capacity and prevent tension with stakeholders, another government official concedes this tension is simply inevitable because voluntary organizations do not have the capacity to critically assess evidence that is generated by the government. This government official laments,

> I've heard on a number of occasions from stakeholders that all this policy stuff is hocus pocus and magic and is not really true; you can make these things say whatever you want them to say. Sort of a lack of trust on what research is, and what the process is. People involved in the field of policy and evidence based decision making really don't have any objective, or agenda to achieve other than to come to the right conclusion. What is the *right* thing to do. And I don't think the stakeholders ever really got that…It was very frustrating to be there in that environment and have some capacity to actually generate...real evidence that could inform decisions, or at least lay down the groundwork to develop the evidence, and have available the evidence to make good decisions (Interviewed on December 11, 2012).

On the one hand, this differentiated policy capacity may provide an opportunity to move mountains. On the other hand, the corresponding lack of policy capacity within key partners means it is not always clear where the mountain should be moved according to one government official. There is the potential for policy change to occur, but significant time is spent by partners trying to manage each other and the policy process.

**Case Study 3: Hitting a wall - delayed policy change**

The next two case studies deal with the prevention and treatment of illness. This broad definition includes a variety of specific goals including the prevention and treatment of a specific illness; modification of behaviour; advancement of disease-specific knowledge; and advancement of a social-determinants-to-health-approach (for example, provision of safe and affordable housing). This case study, which involves low levels of policy capacity in government with higher levels of capacity in the voluntary sector, focuses on the prevention and treatment of a specific illness. Interviews were conducted with one senior government official and two senior managers with health-based voluntary sector organizations.

Whereas the previous case study emphasized the need to hide policy capacity to avoid conflict, this case study is more about hitting a wall in the public policy process. In this case study, respondents feel that the limited policy capacity within government means that a relationship has yet to be established. In this sense, the partners recognize the differences in policy capacity, and are in the beginning stages of trying to build relationships, albeit very slowly. What policy capacity exists on this specific file is left to put out fires and apply band-aids, which is reminiscent of the experiences of the case study where policy capacity was low. The senior government official in this area confirms this reality,

> If you look at CBC today, there was an issue about a man's artery being nicked....so it's managing those issues and providing information to the Minister…that was really how [the process worked]. But to me that was never an appropriate way to lead or drive change in a healthcare system. I always believed it was more important for us to develop the policy framework that drove our [work]....first to set a direction, set goals for where we want the health system to go, and then to develop the policy capacity to ultimately support that, and so that hasn't been a major focus (Interviewed on February 19, 2013).

A respondent from a health-based charity also concedes there is limited policy capacity within the government unit on this file: "Yeah, on an institutional side their policy capacity is pretty weak" (Interviewed on January 15, 2013). Comparatively, the policy capacity within the lead health-based charities in this policy area is perceived to be higher. One of the health-based charities routinely develops surveys that are targeted to key sub-populations such as volunteers, donors, patients, caregivers, etc. to identify public policy concerns. The survey results are synthesized and shared with a round table of public policy specialists who meet monthly to assess the results and frame them as issues within the entire health-care system. From there, a plan is established and executed by staff to work with bureaucrats and elected officials to address these issues. Another health based charity describes its policy capacity in terms of building and maintaining relationships / networks as particularly strong. She notes,

> I think [we excel at] relationship building and getting to know the players. We have a really good reputation for playing well together. The next step for us is to meet with the Ministers in each department and have a different plan for what we'd like to see happen [and] engage the Ministers in what we want to do…For example, right now we're working with the workers compensation board to get them to enforce legislation that has been in place for a very long time to protect workers' health (Interview February 20, 2013).

The impact of this differentiated policy capacity is one of frustration. One of the respondents from a health-based charity echoes his experience of working with government on this file: "…when dealing with a department like this…you're fighting fire on a daily basis, as opposed to looking further out" (Interview with senior staff person on January 15, 2013). He further notes, "I can't even say it's frustrating because it's not even to that level. There's not enough engagement to make it

frustrating. It literally is a wall." The other respondent from a health-based charity concedes that this differentiated policy capacity translates into delayed policy change. She notes,

> It takes longer to get something going. You got to get buy-in. Any time you change policy you need that champion so it's just finding that person or people that would be willing to take on your cause…it takes longer I think. I don't think they [government] always get what we're doing…I think a lot of people at [this government branch]…are so overworked and so stretched. It just takes longer to get their attention, so that they can see we're there to help, to complement (Interview February 20, 2013).

The concern expressed here is that with limited policy capacity within government, it is challenging to locate an individual who has the time, skills and expertise to work with health-based charities on this particular file. Without a champion inside government, the health-based charities concede that making policy change is delayed at best and potentially limited at worst. As a result, there is no ability to substitute the policy capacity of the voluntary organizations and make up for the lack of capacity within government. Rather, there are delays because without the capacity within government to complement the capacity within the voluntary organizations, attempts at policy change run into the wall as described by respondents.

**Case Study 4: Potential catalyst**
This case study, which sees higher levels of policy capacity amongst both sets of partners, relates to behavior modification in health. Perspectives from two senior managers at health-based voluntary organizations and one from a senior government official were obtained to support this case study.

When asked about their levels of perceived policy capacity, respondents suggest that with the exception of undertaking original research, which is rather costly, the policy capacity on this file is sound. Respondents note

there is a strong use of capacity in other ways than undertaking original research. For example, the government official suggests that the capacity in his policy shop does a good job in building networks of relationships across Canada and the world to determine new programming and policy options to modify behavior with the expressed goal of preventing illness and reducing health costs. This government official also indicates the ability to draw on the networking capabilities of the voluntary sector organizations that work on this file:

> [Working with the lead voluntary sector organization provides] access to their national office and their various initiatives that they undertake around research and policy development, including legal advice and legal support as well (Interview February 27, 2013).

A senior staff member from a health-based alliance, which is comprised of several voluntary sector organizations, agrees that the collective networking ability is quite strong. He notes,

> I would say we have strong [policy capacity]…If you talk about networks that exist, there are both national and international networks that exist where research is put forward…that may not be available to you as an individual without cost being attached. So that's one of the things …And we also have some survey capacity, so in the next five years we're looking at surveys that we could do (Interviewed on March 14, 2013).

This senior manager further notes the benefits of forming an alliance of various voluntary sector organizations for heightened policy capacity. He notes that some members have high levels of overall policy capacity and others may have specialized policy capacity. With these combined policy capacities, they "can speak for all the organizations, regardless of their individual policy capacity [and this] is important. The overall policy capacity is increased because of it" (Interviewed on March 14, 2013).

Overall, there is cautious optimism that with good levels of policy capacity amongst the partners, certain goals can be achieved assuming they are politically and institutionally viable. These findings appear to validate the claim advanced by Howlett and Oliphant (2012: 20) that "higher levels of policy…capacity…[would be] …successful in impacting policy not only in the short term, but also in the longer term." Unlike the previous case studies, which were characterized by a degree of fire-fighting tactics, this case study reveals there is an emphasis of planning long-term.

## Concluding thoughts

This paper asserts that the process for public policy will differ depending on the mix of policy capacity amongst partners. In some instances, where policy capacity is low for both partners, public policy is largely reactive and more likely to result in applying a band-aid as a solution. In short, partners are left to extinguish fires which, in turn, means there is little ability to plan strategically. In the end, the status quo permeates in this scenario. In other instances where policy capacity is high amongst the corresponding partners, there is the potential to move mountains. The policy capacity of the partners appear to complement one another such that one partner can engage the other partner to assess new ideas, conduct research, build support within/outside government for the idea and work together to articulate the idea into a sound public policy solution.

Comparatively, when the policy capacity is uneven amongst partners, there is a wall. When the policy capacity of voluntary organizations is weak and the policy capacity of government is high, there is the real potential for mistrust to breed. As evidenced by the case study presented in this paper, the policy unit within government that possesses high levels of policy capacity regularly produces evidence using sophisticated economic modeling and

statistics. When this evidence is presented to the partners, who have little capacity to interpret the evidence, there is distrust in the evidence and anecdotal evidence is provided as a counter-balance. To prevent being seen as dominating the policy agenda, the policy unit in government spends its time trying to shield its policy capacity behind a wall, which in this instance involves the policy-makers.

When the policy capacity of voluntary sector organizations is high and the policy capacity of government is weak, there is the feeling of hitting a wall. Voluntary sector respondents suggest that while their policy capacity could be drawn upon by government, there is such little capacity within government to initiate or drive this process. As a result, the process is marred by frustration. Policy change occurs, largely through large-scale mobilization efforts on the part of voluntary organizations, but these can cause significant delays in developing responsive public policy.

Re-scaling the analysis of policy capacity at the programmatic level provides greater precision as to where gaps occur. This, in turn, provides greater insight into how policy capacity is built. In some cases, the appropriate response may not be to further build policy capacity within a government unit/branch if it already possesses high levels of capacity. The more appropriate response may be for government to work with key partners to build their limited policy capacity. Indeed, Anderson implores (1996: 472) that policy managers in government "need to pay more attention to the external policy community, including its potential contribution and its needs as a complement to the government's internal policy capacity." But, what should occur when the policy capacity of both partners is low? The data reveal that efforts to build policy capacity should begin within government. In thinking back to the two case studies where uneven levels of policy capacity existed between the partners, it is clear that even when charities and non-profits have high levels of policy capacity,

it is not enough to move the public policy process when the policy capacity within government is low. It would seem that while policy capacity amongst all actors is important, the policy capacity within government matters the most because of the need to drive public policy internally. Expressed another way, there is no ability for non-government actors to make-up for low levels of policy capacity within government. As a result, in instances where policy capacity is low for both partners, the evidence suggests that attempts to rebuild capacity should be aimed within government.

These results are helpful to government and non-government actors when trying to determine where best to place limited resources to improve policy capacity. If partners can honestly assess their collective policy capacity, and genuinely support capacity-building efforts of all partners, there may be less need to apply band-aids and more opportunity to move mountains.

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**Endnotes**

[1] There are exceptions such as Voice in Health Policy (2003); Phillips (2007); and, Laforest and Orsini (2005).

[2] Registered charities can issue income tax receipts for donations that can then be used for tax credits or deductions. Of the approximately 165,000 non-profit organizations in Canada, half are charities registered with the federal government.

[3] Advocacy involves mobilization and the promotion of a particular policy option (Carter, 2011: 432).

[4] There are notable exceptions including the work of Evans and Wellstead (2013) who assess the degree of policy capacity in both sectors in four policy fields and the degree of dialogue between the sectors. See also Howlett and Oliphant (2010) who examine the policy capacity of three key environmental actors in the area of climate change: Environment Canada; British Columbia Ministry of Environment; and, the David Suzuki Foundation (note, the Foundation is a registered charity in Canada).

[5] Program Review was a large-scale federal expenditure reduction exercise in the mid-1990s.

[6] The work by Craft and Howlett (2012) reflects this approach in their examination of policy capacity at different scales related to the climate change file.