STRENGTHENING OUR POLICY CAPACITY

December 1996

DEPUTY MINISTER TASK FORCES

PREFACE

During the course of 1995, the Clerk of the Privy Council established nine Task Forces led by Deputy Ministers. The intent was to explore a variety of issues, identified in the wake of Program Review.

The nine Task Forces and their mandates were:

- **Service Delivery Models** - to examine service delivery issues from a citizen's point of view.

- **Overhead Services** - to identify ways to improve management of overhead services on a government-wide level, with an emphasis on cost savings.

- **Federal Presence** - to develop an on-going database on federal presence across Canada, examine how that presence may change over time, and identify issues from a geographical or regional perspective.

- **Federal Presence Abroad** - to report on programs and Canadian government representation outside Canada, and to determine how federal government representation overseas could be made more cost-effective.

- **Strengthening Policy Capacity** - to review our current policy development capacity and to recommend improvements.

- **Policy Planning** - to provide an assessment of the policy agenda to date, survey the environment, and provide strategic advice on key policy issues.

- **Managing Horizontal Policy Issues** - to develop practical recommendations on the management of horizontal issues focusing on improved coherence, and improved collaboration.

- **Values and Ethics** - to examine the relationship between existing and evolving values in the public service, and to consider ways to align values with current challenges.

- **A Planning Tool For Thinking About the Future of the Public Service -** to identify long-term trends which influence the Public Service, and develop a strategic planning tool.

The chairpersons of the individual Task Forces were given broad mandates and the freedom to choose their approaches. Some conducted broad national consultations while others involved only key stakeholders. In some instances, they produced formal reports and recommendations. In

others, the results are tools, such as the database on federal presence and the scenario kit to test options against various future scenarios. Two Task Forces were integrated into broader exercises. The Task Force on Federal Presence Abroad flowed into the Program Review II exercise at Foreign Affairs and International Trade and the work of the Task Force on Policy Planning contributed to the preparation of the Speech from the Throne.

Despite proceeding independently, the Task Forces produced results and recommendations which reveal a high degree of convergence on key conclusions. They all point to a need for action on a number of fronts: horizontal integration, partnerships, culture, service in the public interest, policy capacity, client-focused service and human resource management.

The Task Force findings also echo conclusions emerging from other work in the Public Service during the same period. <u>Within departments</u>, there have been a wide variety of initiatives underway to modernize service delivery and the lessons learned are mutually reinforcing.

There has also been considerable work <u>across departmental lines</u>. In many instances, this work has been undertaken by interdepartmental functional groups. For example, the Council for Administrative Renewal has been working on a variety of initiatives to streamline overhead services. A Treasury Board Secretariat Subcommittee has been active in exploring how technology can facilitate the clustering of services, even across jurisdictional lines, based upon the life cycle needs of individuals and businesses for services from their governments. The Personnel Renewal Council has been working actively to engage unions and managers corporately, on a national basis, to renew our work environments and work relationships. In other instances, the work has been carried out by Regional Councils in developing initiatives to share local services and to integrate program delivery.

The central agencies have also been working to modernize systems and processes. For example, the Treasury Board Secretariat has been leading the Quality Services Initiative which has developed a wealth of material to assist departments in improving the services they provide.

Finally, a new initiative called *La Relève* to improve human resource management within the Public Service will comprise a wide range of initiatives at the individual, departmental and corporate levels, all with the aim of investing in people to build a modern and vibrant institution for the future.

The reports of the Task Forces are now available. Together, they have produced concrete tools and recommendations to improve service to the public and to elected officials. Their results do not constitute and were not intended to serve as a formal blueprint for public service renewal. Rather, they are expected to make a contribution to work already in progress toward getting government right. Departments and agencies working in partnership with central agencies will continue to work toward implementing the Task Force recommendations and will build on the common learning acquired through the Task Force work to further the process of renewal.

PREFACE

There has for some time been a sense that all might not be right with the policy capacity of the federal government. In recognition of this, the Coordinating Committee of Deputy Ministers (Policy), chaired by the Clerk, asked me in November to chair a task force of senior officials to review the state of our current capacity and recommend improvements. Ole Ingstrup, Principal of the Canadian Centre for Management Development, served as vice-chair. The full membership of the task force and its terms of reference are contained in Annex 1 to this document.

The task force was largely constituted of assistant deputy ministers with extensive experience in policy work, and it was supported by a small secretariat, headed by George Anderson. Its work plan included interviews with officials in almost all departments, a round table with junior officers working on policy, two round tables with experts in policy research outside government, two commissioned studies by academics and two staff studies--one on relations with the external policy research community and another on experience in managing cooperative policy work with the provinces--largely based on material obtained from departments. These two studies will be distributed separately, but their principal findings are included in this report.

I was struck by the very positive reception the task force's creation has received across government which leads me to believe that it was timely and struck the right chord. I wish to thank all those in government and outside who contributed to the task force's work.

This document, along with the shorter summary of findings and recommendations, is being given wide distribution in the hope that it proves useful to executives across government who might be reviewing their departmental policy capacity and to officers at other levels, especially those whose primary interest is in policy work summary of findings and recommendations is included in Chapter Six.

Ivan Fellegi
Chief Statistician of Canada

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CHAPTER ONE

INTRODUCTION AND OVERVIEW OF THE REPORT

Policy and Policy Capacity

Policy-making is central to a country's political life and to the life of governments. In one form or another it engages a good deal of the time of Ministers, parliamentarians and senior public servants. The quality, success and acceptance of a government's policies can be a major determinant of its fate.

In government, the word "policy" embraces everything from the central economic and social policies of the government to routine matters such as "parking policy". Our focus will be largely on the higher level policies which engage the interest of Ministers, the press and the broad public.

The policy capacity of the government is a loose concept which covers the whole gamut of issues associated with the government's arrangements to review, formulate and implement policies within its jurisdiction. It obviously includes the nature and quality of the resources available for these purposes--whether in the public service or beyond--and the practices and procedures by which these resources are mobilized and used.

Why a review now?

The current concerns about the policy capacity of the federal government in some ways reflect difficulties common to many governments while in other ways they are more particular to our own situation. We should avoid a rose-lensed view of a past that never was or, equally, too much gloom about our current inadequacies. While there are problems, some of them serious, we have been struck by the excellence of the people and practices we have found in many parts of the federal policy community. They give us a promising foundation on which to build.

Within the federal government, the emphasis on improved management in the 1980s may have caused a deemphasis on policy work. Indeed, there is a widespread sense that senior officials were for several years actually discouraged from engaging in active or structured policy dialogues across departments. Interdepartmental relations became too focused on transactions to the neglect of broader or longer-term policy.

However, the need for policy work has not diminished. Internationally, the world has been transformed by the end of the Cold War, the rise of Asia, the internationalization of capital markets, the new information technologies and the decline of many barriers to trade. At home, we are trying to come to grips with what a knowledge-based society means for jobs and economic competitiveness, what new family structures

mean for our children and for social safety nets, and what our fiscal problems mean for the future role of governments and for the character of our federation. In fact, many departments are "reinventing" themselves at a time when government is under great stress.

The process of policy-making has changed as well. Public participation in the policy process is undoubtedly greater and media scrutiny arguably tougher than a generation ago. There has been increasing scepticism of the contribution of experts given their evident failure or befuddlement in relation to key social and economic problems. Finally, new technologies offer possibilities for interesting innovations in policy-making methods.

Thus internal conditions within the public service, the new challenges facing government, and the changing nature of policy-making, all make a review of our policy capacity timely.

The Nature and Context of Policy Making

Real policy making is characterized by complexity and often confusion. We do not live in a textbook world in which Ministers have fully articulated objectives and officials always prepare rigorous analyses of costs and benefits of alternatives. While this is an ideal to strive for, a great deal of policy making must be made on short notice, with limited information. Decisions are frequently incremental. The lead in developing new policies can come from a dynamic Minister, from external sources or from visionary and entrepreneurial officials. The policy capacity in the public service should strive to be as professional as possible, but that requires flexibility and the ability to serve Ministers in different ways and in what are often less than ideal circumstances.

Furthermore, the role of the public service must be seen in its larger context. Obviously, officials are subordinate to Ministers. As well, they serve a particular role and are not well suited to make certain kinds of contributions to the policy process, such as developing theoretical frameworks or launching certain kinds of challenges to established policy. More generally, they are only one set of actors in the process of decision-making. The quality of policy debates outside government is, in an important sense, a key element in the policy capacity of the government.

Finally, the quality of policies is itself a very judgmental issue. There are standards for judging policies--such as efficiency, effectiveness and equity-- as well as for judging the processes of policy-making and implementation--such as participation, procedural fairness and predictability in delivery. While such concepts can help, they take us only so far. We cannot take the politics out of policy-making or reduce policy to a science. However, we believe that there are professional standards that can be applied to many

of the services officials provide to the policy process and maintaining these needs constant attention and support.

Overview and Main Themes

In reviewing our policy capacity, this document starts with the policy functions in departments -- what they are, how they are done, and how they are organized -- before moving to the level of the whole government, where horizontal and strategic issues are a principal focus, along with the role of the central agencies. It then addresses a number of issues associated with strengthening personnel management for better policy work, and examines relations with policy expertise outside government in the academic policy research community and in provincial governments.

Five themes run through our analysis:

- the continuing need for a high quality policy capacity to address the major challenges confronting government;

- the need for greater attention to the management and methods of policy work, both within departments and interdepartmentally;

- the need for more attention to longer-term and strategic issues, including the major horizontal issues cutting across departments, and better interdepartmental forums for considering such issues;

- the need to consider the policy resources and contributions of those outside government as a complement to the government's internal capacity; and,

- the importance of leadership at the most senior levels of the public service for meeting these needs.

CHAPTER TWO

POLICY MANAGEMENT WITHIN DEPARTMENTS

The main policy functions

Any review of our policy capacity must start with departments because they are the principal focus of policy work in government. Virtually all parts of a department can be thought of as working at some point on the continuum of policy development and implementation. It is important to avoid rigid distinctions because a department's--or the government's--policy capacity is only as good as the integration of all the various policy functions, including implementation. Policy capacity is not simply "what policy shops do"; it touches most parts of government.

It is useful to think of seven main policy functions, which include gathering inputs and applying analytical and quantitative techniques :

- Theoretical research

- Statistics, applied research and modelling

- Environmental scanning, trends analysis and forecasting

- Policy analysis and advice

- Consultation and managing relations

- Communications

- Program design, implementation, monitoring and evaluation.

Organizationally, these functions can be gathered together or distributed across a department. (Annex 3 identifies possible standards in relation to these functions.)

1. Theoretical research

Keynes's famous quip about a politician being a slave to the ideas of some long-dead economist captures the importance of theoretical ideas for policy. In Canada, theoretical research is found mainly in our universities, which operate in the international communities of researchers. Theoretical work is best done in universities. However, policy professionals within the public service should keep well informed of relevant developments in theory and research, and they can encourage

policy relevant research by those outside government. Departments vary a good deal in their attention to relevant theoretical work.

2. Statistics, applied research and modelling

Good statistics are vital to many areas of policy. In Canada, we have a national statistical agency of international reputation. As well, many departments can undertake some statistical work internally and most have a capacity for dealing with Statistics Canada data. Despite its strength, Statistics Canada has to strive to maintain its ability to respond to evolving needs. The system of national accounts continues to provide a basic framework for economic statistics, but it too is in need of evolving to take account of environmental issues, the role of work at home and other phenomena. More work is needed on statistics relating to some service industries, productivity, and science and technology and its impacts. There is no equivalent of the national accounts on the social side, though exciting work has begun in collaboration with Human Resources. Efforts to develop environmental indicators are still at an early stage although important progress has been made within the framework of the Green Plan.

Policy research within government often takes the form of quantitative modelling to explore the nature of problems and assess policy options. Some of this work is also done in universities and think tanks. Only a few departments have a strong applied research and modelling capacity and some express concerns about their weaknesses in this regard. In the past, the Economic Council and royal commissions made a major contribution, but this is no longer true. At the same time, the spread of powerful personal computers will democratize policy analysis, putting powerful techniques in the hands of large numbers of people. A few departments have rich administrative data bases which could be exploited more fully to great advantage

3. Environmental scanning, forecasting and trend analysis

We are often not very systematic in our approach to reflecting on the future. At one level, this can be as simple as following important trends, keeping up on what key thinkers have to say and surveying public opinion. Sophisticated forecasting models are a necessary part of much planning, but have proven extremely vulnerable, particularly over the middle to longer-term. This is why various techniques to deal with uncertainty, such as contingency analysis and scenario building, have found favour in some successful private sector companies. Such techniques are particularly valuable in assisting thinking about the nature and implications of possible major "discontinuities".

Work of this type risks being seen as either hopelessly "blue sky" at one extreme or flatfootedly mechanical at the other. However, when it is done well it can have a significant impact on how policy-makers think about issues as well as on the design of

programs. Most departments have elements of this function, though often in a fairly routine way, such as public opinion scanning. Finance has sophisticated forecasting techniques, which were subjected to a major external review recently. There is little use of scenario techniques or formal contingency planning within the government and not much awareness of them. However, the Canadian Centre for Management Development is coordinating a project with several departments on the development of scenario techniques.

4. Policy analysis and advice

This is usually seen as the core function of policy work. It is often messy, drawing together all the elements -- research, qualitative and quantitative analysis, program evaluations, consultations, instincts about what is possible, the wishes of the Minister-- into options and advice for the Minister and his colleagues. Sometimes, advice can be based on careful analysis, consultations and reams of data; other times, it is given largely on the hop--doing the best job possible in the time available. The best policy organizations try to anticipate demands that will be made on them, and even to be the first movers in identifying and developing issues for the policy agenda. Across government, senior policy managers frequently cite the scarcity of first class officers for policy analysis and the tendency for the best to be overwhelmed with work. Most departments do respectably or very well on the functions of short term advice and analysis. However, a few departments, particularly of a more operational type, are weak in this area, so that Ministerial requests can go unmet or very senior officials themselves end up having to draft policy documents.

Too many policy groups confess to doing little longer-term, strategic policy work. Often this reflects the shortage of resources and the claims of urgent day-to-day requirements. But it can also reflect a lack of demand from Ministers and Deputies, a weak example from the central agencies, and lack of innovation on the part of the senior management of the policy group. There are interesting exceptions. For example, Human Resources has dedicated resources to defining its longer-term policy research agenda, including the definition of its statistical needs, as part of its strategic planning. Transport has regularly created special teams of temporary assignees working for a year or more to prepare in depth analysis of two major policy issues with a view to developing strategies; these teams met the ADM weekly for feedback and direction. Foreign Affairs and Defence have both done major white papers on long-term policy recently.

Another aspect of policy analysis requiring greater attention is the rigorous assessment of the expected outcomes in both qualitative and, whenever possible, quantitative terms. Lack of rigour diminishes the value of analysis, weakens the decision process, and makes subsequent evaluation tenuous and subjective.

5. Managing consultations and relationships

"Consult, consult, consult" is the mantra of some policy gurus, but it is not quite as simple as that. There are sensitive questions of who is consulted how and when, about what and for what purpose. Consultations are an important source of information for policy makers and they are critical for testing the reaction of key groups to possible measures and messages. They are an important part of the citizens right to know and participate in the process of government. But it is a rare policy that bubbles up fully formed from the well-springs of the public or that satisfies all groups equally. The worst consultation processes are those which seem to lack all sense of direction, except a desire to please. Good consultations walk a fine line between having a clear sense of direction and being open to the views and information brought by an interested public. The purpose of consultations is rarely to achieve consensus, but it is often to help test and refine options as part of determining how to go forward.

This is delicate work for public servants, which can test their ability to be politically sensitive but non-partisan. It is easy to say that officials should provide information about government programs rather than promote them. But in practice officials do and should try to move the government's policy agenda forward, and in our participatory age this involves the ability to present sound information on issues and options cogently, while stopping well short of partisanship.

New information technologies, ease of travel, and a political culture which is more participative and demanding of governments for information have all combined to make the consultation functions of policy work more demanding and critical. The public is often cynical, while organized interests can be very sophisticated in their analysis of issues. Major consultative exercises can now be very complex. For example, Immigration consulted over 10,000 Canadians and received 300 briefs in preparing its Ten Year Framework. All these factors lead to a need for rigour and professionalism in the presentation of issues and the management of consultations.

Of course, consultations have an internal dimension as well--the often limitless demands of those around the system who think they have a right to know and be accommodated. Again, judgement and balance are required. Most policy initiatives of any importance involve several parts of the home department, a few other departments and the central agencies. Close collaboration between policy and program officers is critical, and the more work is focused on substance the easier it usually is. A rogue policy unit would be as useless as it would be short-lived. But any good policy unit has a sense not just of how to collaborate with colleagues but also of its own prerogatives--of the point when it has the right to proceed.

Those who lead in analyzing and advising on policy usually play a central personal role in managing consultations and relationships. At the same time, the scale of demands often means that special units are established to help, whether with stakeholders, other

governments or "the town". Individuals in these groups require a good understanding of the substance of policy as well as presentational and diplomatic skills. Some of them play a significant analytical and advisory role as well.

Consultations and negotiations are an important subject for training and there are definite lessons that can be taught in the classroom; the Canadian Centre for Management Development has a major project on consultations

6. Communications

 This function overlaps heavily with that of managing relationships, but is typically distinct in organizational terms. The communications function is extremely important to Ministers and to the effectiveness of many policy reviews, but the execution is too often marked by tensions and dysfunctionnality. Part of the problem can be that communications officers usually do not come from a policy background, but equally often it is that working relationships between communications and policy groups are too distant. Communicators can hardly expect to put out an effective and nuanced message if they are brought in on major issues only after everything is decided and then told what to say by someone who may not have much sense of public opinion. The best policy shops are characterized by very close relations between the communications and policy groups--either by putting them together or by ensuring the communications group is part of the policy team and present at major briefings. Such arrangements can also have a positive impact on policy development, in that the communicators can have useful contributions, and lead to the communications team relieving some of the burden of day-to-day responsibilities, such as letters and speeches, from the policy analysis and advisory group.

Some policy managers worry about the increasing dominance of communications considerations in policy. The need to communicate through sound bites can create pressures for a "dumbing down" of policy, where attractive policy options may be rejected because they are too hard to convey.

7. Program design, implementation, monitoring and evaluation

There is no point in policies being adopted if they are not implemented. But the gap between policies as adopted and policies as implemented can be quite startling and too often it is neglected. A few years ago, for example, there were major difficulties in Immigration because the policy contained in new legislation was not properly explained to staff at delivery points; with appropriate measures to support and monitor desired behaviour. The definition of resource requirements and program design should be well advanced by the time a policy is approved. This means that policy, program and field people need to work closely throughout the process. Their program design should include such critical issues as the outcomes expected from the policy and what this will mean for the monitoring and evaluation of the program.

In no area were the expectations of the 1960s for the "policy sciences" greater than for program evaluation. Ideas like cost-benefit analysis and program planning and budgeting were going to revolutionize government administration. Many of these failed and we learned a lesson about the limits of certain rationalistic, formulaic methods.

The Auditor General has been a leading advocate of more evaluative work and undertook a major audit of departmental efforts in 1993. It found the quality of evaluations across the system to be uneven and inconsistent, too often focused on smaller issues and operational questions rather than large expenditure programs. Since the audit, Treasury Board has strengthened the review function and developed a central source of information on key reviews. Too often evaluations are done by groups with little understanding of the program or by outside contractors who are given little supervision. As well, evaluations often come so late that the program they evaluated has disappeared or been changed beyond recognition.

> However, good evaluations can be an absolutely critical management tool. They provide the feedback on how programs performed against objectives and can help shape new policies and programs. It seems almost indispensable for success that the evaluation function be closely associated with policy analysis and advice. Evaluations which have contributed significantly to policy development have typically been directed by an evaluation team working closely with policy people. Too often there is a cultural gap between policy officers and evaluators and both sides should work to close it.

> In summary, evaluation should play a key role in a strengthened policy process, acting as a form of feedback loop. It should serve as an ultimate test of the success of policies: did they accomplish what they set out to do and, if not, why not? Evaluation can also play an important role in strengthening the rigour of policy analysis by posing the question systematically: have the expected outcomes been identified in a manner capable of subsequent program evaluation?

The Organization of the Policy Functions within Departments

There is no one best way to organize policy functions for all departments. Three factors bear heavily on how departments organize these functions:

- *Interrelatedness of departmental issues:* Some departments are quite homogenous; others resemble loose holding corporations. The more interrelated the elements of the department's mandate, the greater is the need for coordinated or centralized policy functions.

- *Policy intensiveness:* In some departments almost all branches are engaged in significant policy work, while in others most branches are

largely engaged in program delivery or operations. Departments which are policy intensive across many sectors typically do not develop a strongly centralized policy function because of the risk of overload and duplication; instead, they focus on mechanisms to ensure coordination, challenge and synthesis. Some departments define themselves almost entirely in operational terms and make little provision for policy functions, either centralized or decentralized.

- *Size:* Very small departments tend to rely more on informal mechanisms to achieve the necessary policy coordination, while larger departments need more formal processes and structures, including resources at the centre.

Departments which have a high interrelatedness of issues and a significant policy function combined with major program or operational responsibilities--such as Human Resources or Agriculture--typically have a major policy branch containing all or almost all of the functions set out in the previous section. This branch may be complemented by small, usually more program or sector specific policy groups elsewhere in the department. The central unit usually has the lead in the preparation of major policy documents, though "program policies" may be done in other branches, usually subject to some review or coordination by the policy branch.

Departments which are very policy intensive and have a significant interrelatedness of issues take different forms. Smaller departments, such as the central agencies, usually do not have a central policy group but depend on different mechanisms, such as regular policy committees, informal links, and planning exercises to effect the needed coordination and coherence. Finance has traditionally had strong practices in this regard, with weekly coordination meetings and inclusive approaches to issue discussions with the Deputy or Minister. Justice is working to develop stronger coordination through a policy committee, an evergreen policy coordination document and more strategic planning.

Larger departments which are policy intensive in a diversity of domains, like Industry, Indian Affairs and Northern Development or Foreign Affairs, may have a central policy branch, but typically its functions represent only some of the policy function outlined above. The focus of such policy branches is on coordination, larger "overview" documents, and specific files assigned to them, usually because of their strategic or cross-cutting nature. DIAND's central policy group has developed an interesting model for this type of department (see Annex 2).

Finally, there are some departments, like Heritage Canada or Natural Resources, whose individual branches may have both significant policy and diverse operational responsibilities which are viewed as having only a slight interrelatedness. Such departments typically have distinct policy groups for each major subject area,

though some functions, like evaluation, relations with the central agencies and communications, may be centralized. Coordination is promoted largely by informal mechanisms or a small policy group at the centre.

Some of this depends on how a Deputy Minister sees the department. One Deputy can manage a department as a loose holding company, emphasizing the distinctiveness of the branches, only to be succeeded by one who redefines it in terms of strong issue linkages across sectors--which usually requires beefing up the central policy function. Similarly, one Deputy can see a department almost entirely in terms of management and operations only to be succeeded by one who is struck by the number of underlying policy issues that need to be examined.

Improving Policy Management

1. Organizational Arrangements

Certain organizational weaknesses are quite common. Too often, the monitoring and evaluation function is largely cut-off from policy analysis and advice; this is particularly true when it is associated with the audit function as part of corporate services. Similarly, the communications function is frequently poorly integrated with other policy work. More important than the precise organizational arrangement is ensuring that communications is truly integrated into the policy stream.

There can also be problems with the mandates of central policy branches where they exist. In some cases, they are simply unclear or too weak, but in other cases they involve serious overloading. A few policy ADMs have large spans of control and very time consuming responsibilities for programs, substantive legislation or sectoral issues. These arrangements are a virtual guarantee that longer-term thinking will suffer. They can also undercut the "neutrality" of the central policy group vis-à-vis other branches. If there are limits beyond which the overloading of a policy ADM cannot be reduced, then the model of having a second officer of ADM rank within the policy group can be helpful.

When departments do not have a central policy group, this puts an extra burden on the senior executive group for managing the policy functions and ensuring adequate coherence. As well, a few departments which have traditionally been viewed as largely operational are increasingly faced with policy issues which they appear not fully equipped to deal with. In some departments, senior management appears not to have considered systematically the nature and organization of departmental needs in relation to the key policy functions. This is a manifestation of the more general tendency to underestimate the management dimension of policy work.

Agriculture and Agri-food Canada is examining an interesting organizational alternative for its main statistical and applied research functions which employs ninety staff. This would hive these off into a new organization which would serve both public and private sector clients. The department has examined various models within Canada and internationally, including the Australian Bureau of Agriculture and Resource Economics, which is that country's largest applied economics and commodity research organization and is funded by both government and the private sector. This and other alternative organizational models could be the subject of a fruitful dialogue across the federal government.

We are not espousing any particular organization design, but do provide in Annex 3 some functional standards to consider in designing the arrangement of policy work that best fits the particular mandate and traditions of departments. Any review of the organization and effectiveness of the policy function of departments needs to pay particular attention to the following essential elements of policy work:

Functions	Inputs	Techniques
- Analysis	- Consultation	- Forecasting
- Design	- Statistical information	- Scenario modelling
- Advice	- Theoretical and applied	
- Communication	research	
- Evaluation	- Environmental scanning	

In respect of each of these functions, inputs and techniques the key questions to pose are: where should they be located; what links, inputs and outputs should exist in relation to the operational and evaluation activities of the department; what links should exist among the different policy functions; are there adequate arrangements for the acquisition, management and integration of the necessary inputs; are the techniques actually used adequate to the expected future tasks, and, if not, how can they be implanted or acquired; are the links to the external policy community adequate?

2. Leadership

One constant message from our consultations is the importance of Deputy Ministers for the creation and maintenance of an effective policy capability within a department. Some departments have gone through fallow periods where there was little external demand for policy work, but they had a Deputy who recognized real longer-term issues and was committed to the policy function and used the time for building and preparation. In contrast, occasionally Deputies have disparaged the policy function and presided over the erosion of a good capacity they inherited.

Building a strong policy capacity takes a long time so regular chopping and changing regarding a department's needs can be very costly.

3. Resources

Most policy functions are relatively inexpensive, with quality counting as much as quantity. However there are important exceptions: a number of departments annually spend millions on their data bases; elaborate consultations and polling can become expensive. Relative to program costs, or, even more so relative to potential impacts, even these expenses are quite minor. The prime issue is the relevance and value of the work done. Channelling public funds in the right direction and the avoidance of costly mistakes quickly justifies the cost of good policy work. Conversely, weak or ineffective policy functions represent a waste and opportunity cost. The demand for policy work has not diminished in many departments and it is greater in some even with fiscal cutbacks.

4. New Technologies.

Policy groups often have a high level of competence in relation to the new technologies, and there are interesting examples of innovation. Agriculture and Agri-food Canada runs an electronic policy bulletin board with the provinces and Foreign Affairs' policy group has developed an info-net database, which includes titles of key documents. The 1995 budget was put on the Internet and had over 200,000 inquiries in less than a month. A number of departments are now cooperating in "policy research networks", which include electronic linkages between governments, academics and the private sectors. Various software programs, such as Lotus notes, could revolution how analysts access data and bibliographic material.   Indian and Northern Affairs has developed an executive information system called Dossier, which is a "virtual briefing book" that permits rapid recall of a wide variety of materials, including text and statistics. More attention and sharing of experience in this area would pay dividends.

5. Policy and science

C.P. Snow's famous characterization of the "two cultures" separating scientists and non-scientists is as relevant today as it was in the 1950s. Very few policy groups include scientists, even in large "science based" departments. More and more policy issues-- whether global warming, fisheries management or sustainable forestry--require the integration of scientific information into a policy framework. Too often, doing so is an exercise in frustration. Policy analysts can see scientists as rigid or blinkered, while scientists often feel that the import of their findings is not appreciated. Many large departments do little to integrate their scientific and policy research agendas, including a fair assessment of the pay off from different

projects. This issue will become more important within the federal government and should be the subject of a focused dialogue between the two communities.

6. Creating a functional policy community

The performance incentives for senior policy executives are often heavily oriented to substantive output with little weight to management. Both policy managers and Deputy Ministers need to give more attention to the management dimension of policy work and the system needs to provide greater support in this regard. Today's public service has no "functional community" amongst policy managers in the sense that there is very little sharing of best practices and addressing common problems in relation to the management of policy and the methods of the various policy functions. Interdepartmental contact between senior policy officers is heavily focused on substantive issues, as opposed to the "business of policy management". This task force has been a rare and happy exception.

A central theme of this report is that policy management is a complex and demanding business which requires systematic attention. Our colleagues in the administrative area faced a similar problem of the lack of a functional community which they have been addressing with considerable success through the interdepartmental Council on Administrative Renewal (Annex 4). This type of mechanism in relation to policy management would be very helpful. Such a mechanism could address a large number of issues (examples of which are given in Annex 5). Over time it could do much to help develop greater professionalism in our policy work as well as to strengthen the sense of community amongst policy analysts and managers.

Recommendations:

Departmental policy capacity

The Clerk should request DMs to undertake a substantive review of the quality, organization and practices of the Department's policy capacity. The review should highlight departmental strengths and weaknesses as well as remedial measures proposed. The criteria for the evaluation should include a department's capacity to:

- **articulate its medium and long term priorities;**

- **test the robustness of its policy options by building alternative scenarios;**

- attach both qualitative and quantitative assessments to different policy options in terms that lend themselves to rigorous post facto evaluations;

- communicate and defend policy thrusts to its operational arms as well as to its major stakeholders and to the public;
- formulate policies that can withstand rigorous professional challenge; and

- use judiciously the results of regular programme evaluation in order to confirm or adjust to changing circumstances the policies which those programmes embody.

Creating a community of policy developers

- The Clerk should establish an inter-departmental umbrella group consisting of ADMs policy or equivalents, to discuss and deal with shared problems of management and methods in policy work. Directly or through subcommittees and task forces, the group should share experiences and, where desirable, develop common approaches to such issues as: policy research and associated methods; information management and the use of information in the policy development process; statistical and data management issues; monitoring and evaluation; personnel management issues specific to the community; contacts with external bodies, including research institutes and academics; best practices in placing federal-provincial issues into a longer term strategic framework through shared strategic policy explorations.

- The group's chair should be appointed by the Clerk. PCO should provide secretariat services.

- The group, in collaboration with CCMD, should sponsor events, including a high profile annual meeting, on issues of policy management or policy substance.

CHAPTER THREE

POLICY MANAGEMENT ACROSS GOVERNMENT

Every government wants to be coherent, strategic and to have a good sense of its longer-term direction. The pursuit of these objectives requires both strong central coordinating mechanisms, as well as leadership from the Prime Minister, other senior Ministers and their senior officials. The nature of these mechanisms differs a good deal in Cabinet governments around the world. Some have very weak Cabinet offices and put the main burden of coordination on Ministers and departments themselves; in such governments, the Finance ministry is normally the key central agency. The federal government has long rejected this model and looked to the Privy Council Office to play a strong coordinating role, though its precise character has varied a good deal over time. The Department of Finance has also played a key role in our system because of its lead on the budget, but there has been a consistent view that this needs to be balanced by PCO, which has a broader view of the government's objectives. Our review suggests that there is a need for the Clerk to strengthen the role of the Privy Council Office and the community of Deputy Ministers in the management of key strategic and horizontal issues.

Coordination in the management of strategic and major horizontal issues includes the following functions:

– Ensuring that there is an identification of strategic and major horizontal issues;

- Setting system wide priorities for developmental work on such issues;

– Establishing mechanisms for interdepartmental collaborative work as and when needed;

- Providing needed support to the functioning of such mechanisms;

– Providing substantive stimulation and challenge for departmental policy work;

- Encouraging the evolution of system wide consensus, wherever possible, in problem definition and eventual assessment of options by providing mechanisms and fora for substantive interactions, exploration of competing views, timely resolution of dissension.

Coordination, by its very nature, is a sensitive task. Two risks, both fatal, are, on the one hand, heavy handedness or excessive prescriptiveness; and, on the other hand, lack of effectiveness. The successful conduct of coordination requires a substantive understanding of issues and a professional respect, as well as authority. These considerations lead us to conclude that the coordination of function must be seen as an extension of the activity of the Clerk. In carrying out this function, the Clerk can make extensive use of the community of Deputy Ministers and other senior officials, and a small but intellectually authoritative staff within the Privy Council Office.

Managing Horizontal Issues

The organization of portfolios is intended to achieve as good a fit as possible between the mandates of departments and the main issues facing the government. Shifting issues can require new departmental structures. Each department has the lead responsibility for ensuring coherence in its area of responsibility. Of course, this is easier for some departments than others. A strongly "vertical" department, such as Transport or Agriculture, is in a very different situation from a strongly "horizontal" department, such as Environment or Foreign Affairs. The central agencies are at the extreme of horizontally.

However, no fit of departments with issues is ever perfect. Many major issues of government are horizontal. The fewer, larger departments created in 1993 were intended to reduce the number of such issues and to bring the lead on some major issues, like social programs, more clearly into a single portfolio. While this has facilitated some issue management, there is concern that the new, larger departments are more inward looking and have thicker walls. Each reorganization favours some issues over others. Some issues are squarely the responsibility of one department which has most of the necessary levers; others, like environment, are shared, with one department having a horizontal lead; and still others, like regional policy, might have no clear lead for managing them.

There is no such thing as perfect coherence or horizontal coordination; issues compete for priority and accommodations are found. In general, horizontal coordination is facilitated by:

- *shared interests:* a perception of mutual interest and priority in cooperation between departments;

– *shared frameworks:* intellectual or policy frameworks which provide a shared vision or approach to an issue area and guide joint analysis and development of proposals;

- *clear governmental priority:* the extent to which the government has defined an issue as a priority and has the will to force real adjustment in affected policy areas;

– *appropriate tasking*: ensuring clear mandates and that those with the right skills and effective levers are assigned.

When most of these conditions obtain, coordination usually proceeds fairly smoothly. However, the obverse is that when they do not, coordination can break down. Typically the role of PCO should be most active when there are difficulties in policy development. The Treasury Board Secretariat has a horizontal role in relation to implementation, where it can pick-up interdepartmental issues associated with program administration such as the unintended impacts of some programs on others.

For example, there can be real problems associated with lead departments. These can arise if the lead mandate is not clear and there are major disagreements. Line departments typically do not have the capacity and the mandate to study the programs of other departments, so they are poorly equipped to develop a horizontal or corporate view of an issue. They rarely control the interdepartmental allocation of resources, so they are lacking a key lever--and when a line department does lead in the allocation of resources, as happened under the Green Plan, other departments can challenge its objectivity. Typically lead departments also have only weak levers in relation to the process of decision making and they have none of the broader influence that comes from the Prime Minister's and the Clerk's role in Ministerial and deputy ministerial appointments. Thus frequently there is significant frustration around major interdepartmental exercises lead by a line department.

Sometimes it is probably unfair to ask a line department to take the lead on a file. Other times, the lead should stay with the line department but PCO should pay careful attention to how it can strengthen the conditions favouring cooperation: is the object of the exercise clear enough? is there a need for an early definition of the policy framework to guide subsequent work? is the issue's priority clear and when should difficult points of conflict be resolved? should the Prime Minister play an active role?

Policy coherence across government is more likely to emerge in a collegial environment. The core of our system is Cabinet, which meets frequently. As well, in recent years there have been various innovations--such as weekly breakfast meetings--to strengthen the collegiality of the Deputy Ministerial community. More recently, the Coordinating Committee of Deputy Ministers has been restructured into two committees, one focused on policy.

While deputies meet often, they have relatively few occasions for reflective, broad-ranging discussions of policy. Their meetings tend to focus on information exchange, transactions and management issues. In fact, for a considerable period real policy discussions amongst deputies was actually discouraged. The signals have now changed, but the absence of for a remains an issue. The mirror committees operating in the early 1980s provided regular occasions for deputies to discuss larger policy issues and they had the staff necessary to provide useful material on issues. Even so, the committees too often became burdened with the review of routine material. More recently, the Deputy Minister of Justice has chaired a committee on Justice and Legal Affairs, which has initiated an almost unique forum at the DM level for wide-ranging policy discussions. This committee has dealt with transactional items but has also set aside time for well prepared discussions of larger issues which are not on the current agenda.

The absence of fora is even more notable below the deputy level. There a relatively few occasions when ADMs or Directors General or Directors get together interdepartmentally to discuss broader policy issues. For example, the past practice of PCO of holding occasional meetings of policy ADMs in a broad sector has largely died. The ADM Updates really do not provide a forum for discussion. Some exceptions, such as the ADM-level committees on trade policy and some justice issues have been very valuable, but in some key areas, like economic policy, the absence of continuing, structured interdepartmental dialogue is manifest. Meetings and committees should not be an objective in their own right, but the weakness of our current networks undermines the development of shared visions and creative thinking. PCO and officials across government should show more initiative in promoting new fora and mechanisms for collaborative work on major horizontal issues.

Departmental officials are widely critical of what they see as a deterioration of the less structured aspects of communication with the central agencies: they see fewer wide ranging bilateral discussions of issues and directions as well as less effort to brief and debrief departments on major developments. They also find frequent confusion in the lead on files within the central agencies.

Strategic and Longer-term Thinking

Governments operate in a highly complex and unstable environment which makes longer-term planning difficult. However, it is important to try to anticipate future possibilities and to analyse longer-term trends as part of strategic thinking. This type of work is more likely to be done and to be valued, the more there are:

> – *dedicated internal resources:* because it can be neglected by those with heavy day-to-day responsibilities;

- *supportive external resources:* such as groups doing good work on major long-term or strategic issues;

– *useful techniques:* which are recognized as making a real contribution to how to think about these issues;

– *internal demands:* either from Ministers or senior officials, who are genuinely interested in stepping back and trying to develop the bigger, longer-term view.

At its broadest, strategic thinking deals with the interrelatedness of big sets of issues and how they fit together and into the government's agenda. It also has an important longer-term dimension--a look over the horizon to identify new issues and position the government to deal with emerging trends or possible major developments. In a sense, the coherent management of all these issues is itself the central strategic issue for the government. It involves pulling together all the different strands, resolving their competing claims on resources, time and profile, and doing so within a framework of basic themes or objectives as well as of political management. The recent decision to have three major Cabinet retreats each year--one on the budget, one on strategic orientation, and another on implementing the workplan--will provide a useful focus for much of this work.

With fiscal constraint, the budget itself is increasingly a, perhaps *the,* central strategic planning exercise for the government. Many major sectoral issues are deeply intertwined with fiscal policy. Budget making has become increasingly open and collegial but there continue to be concerns that too many critical decisions are being taken in the crucible of the budget rather than in more inclusive and deliberative forums.

Good strategic and longer-term thinking should be rooted first and foremost in departments, but most departments admit to weakness in this regard. The solution is not for the central agencies to try to do it for them. There are real limits to the creativity or usefulness of any central attempts at longer-term or strategic thinking without a rich contribution from departments. At the same time, leadership from the central agencies, especially PCO, is critical in creating a real demand, helping identify key priorities, giving guidance on cross-cutting issues and pulling departments together. PCO should play the role of "maestro" in encouraging and guiding this type of work, as well as in creating fora and finding occasions for this kind of work. As well, Finance has unique analytical resources that can be applied to major strategic and horizontal issues.

The Challenge Function

Of the roles played by the central agencies, the challenge function is perhaps the most controversial. It is well recognized that departments can become wedded to policies which are inconsistent with other priorities or policies of the government, are too defensive of a particular client group, or are ineffective. Sometimes there is just a lack of imagination and energy. The problem will be less, the more there are:

- *lively substantive challenges from outside government:* including from policy researchers, interest groups, press, political parties and legislatures;

- *effective challenge mechanisms and practices within departments:* including a strong policy capacity, good evaluations, and an open debate in the senior executive;

- *effective challenge and coordination mechanisms between departments:* including horizontal issue coordination and properly equipped and motivated central agencies;

- *significant substantive differences over policy choices:* conflicting objectives or views provide strong motivation for challenge;

- *scarce resources:* which, to give current pressures their due, concentrate minds wonderfully.

While a healthy challenge function is valuable, challenges which deteriorate into ill-informed second guessing or simple obstruction can be very negative.

Central agencies can take on quite different roles in this regard. For example, in the 1970s the British Cabinet office had the Central Policy Research Unit which conducted four or five major policy reviews a year. While these were done in cooperation with departments, the CPRU controlled the final products and many were published. Some of these reports served as major challenges to departmental thinking and succeeded in affecting future policy directions. However, Prime Minister Thatcher, with her strong convictions, was not always happy with their work and shut the unit down.

We have never had anything quite like this in the federal government. Many view the department of Finance as now having the strongest central challenge function, but also worry that its perspective is too narrowly fiscal. In the past, the Ministries of State played a strong challenge role, which included preparation of major documents. PCO's role has varied a good deal according to personalities and

issues, but it has never been organizationally equipped to exercise a really independent challenge role, based on an internal capacity to do policy research and analysis of major issues. Of course, departments and Ministers challenge one another - and in some cases, these bilateral relationships are critical. The Australians have integrated this into their Cabinet documentation, by permitting any Minister to include his own critique of a colleague's proposal with the memorandum supporting it.

PCO has a particularly strong challenge role to play in relation to major horizontal and strategic issues, which arises from its broader responsibility to encourage coordination. Some believe PCO has not been fully effective in its current challenge function because there are inadequate strategic frameworks within which it would formulate challenges and because it has not insisted enough on the quality of work supporting Cabinet submissions. It would help to have the plans function clarified and to provide more resources to major horizontal and strategic issue management.

Recommendation

Horizontal and strategic issues

- **The Clerk should stimulate and PCO should lead and coordinate policy development that has major horizontal and government-wide strategic implications. It should clarify its planning function and give greater resources to horizontal and strategic policy work.**

- **PCO should promote key interdepartmental policy initiatives dealing with horizontal issues in order to respond to anticipated needs and to ensure that the internal policy capacity of departments is continually tested by external challenges. In order to do this, the Clerk should create appropriate ad hoc and standing committees of DMs and other senior officials, as well as special interdepartmental task forces to enhance the collaborative development of horizontal and strategic policies.**

- **The Clerk should mandate a committee of deputy ministers to develop options concerning the role and functions of the federal government in today's society, recognizing the global context and the fiscal restraints. For each option, key strategic issues should be identified together with a research agenda for these issues.**

- **The main focus for strategic and longer term work should be in departments and they should normally initiate their own measures for cooperation on horizontal issues.**

- **Departments should be asked by the Clerk to identify systematically the major longer term and strategic issues they see for their portfolio, including significant horizontal issues involving other departments.**

- **PCO should link work on strategic and horizontal issues to appropriate occasions (e.g. Cabinet planning meetings, DM retreats, special planning meetings of Cabinet committees) and in doing so should develop and share its own substantive assessments using departmental as well as other inputs.**

- **When initiating interdepartmental work on horizontal and strategic issues, PCO should pay careful attention to definition of the precise objectives, the likely obstacles to success, and the mandate of the department or official in the lead.**

- **While PCO should ensure that development is properly coordinated among departments, it should do so without micro-managing the process.**

CHAPTER FOUR

PERSONNEL AND POLICY WORK

A Mix of Skills

A strong policy capability requires teams of high quality with a mix of skills. While the precise requirements will vary by policy area, a large organization will typically require individuals with skills in all or most of the policy functions: quantitative techniques and modelling; knowledge of the relevant theoretical and empirical literature; communications; managing relations; strategic thinking and environmental scanning; and policy analysis and advice.

Senior policy officers consider that the quality of officers working in policy is still good, though there are concerns. There are shortages of some key skills, notably those of first class "policy generalists" and, to a lesser extent, those of certain technical specialists. There are risks for the longer-term because of restraint and cutbacks. The community is not renewing itself as it should through recruitment and career development. These difficulties will require a strong focus on personnel issues by policy managers. Junior officers have expressed concerns that policy managers do not pay sufficient attention to personnel management.

Three Policy Types

1. Policy Generalists

The emphasis on the need for first class "policy generalists" is not surprising. All the various skills in a policy organization must ultimately produce a product in terms of analysis, communication and recommendations. Policy generalists work where the different streams flow together. They synthesize, interpret and steer much of the work of a policy organization. Their contribution is central to the quality of the whole organization's products and services. Clearly they are intelligent, but they must also have breadth and curiosity about ideas and evidence, a turn of mind which makes them comfortable with the uncertainties of policy making, and a strong sense of what is relevant to policy and decision making. They should have a mastery of both oral and written presentations as well as the ability to simplify complex issues. And they should be effective in their personal relationships.

Strong policy generalists can emerge from almost any academic background and from quite diverse early work experiences. In many departments, the normal recruitment into the policy stream is through the ES group, some of whom start

with relatively technical work before moving to more general policy. In other departments, recruits come from widely different academic backgrounds and essentially learn the relevant subject matter on the job. Senior policy managers believe they can usually spot a potentially good generalist policy officer. Such individuals are more likely to emerge from a broad--not narrowly technical--education emphasizing general analytical, quantitative and communications skills. Their ultimate value depends a great deal on learning from experience, which is why their systematic development is important.

We should not confuse "generalist" with "amateur". A policy organization needs depth of knowledge of its issues and most of its officers should have this. However, it is usually a mistake for policy officers to become too specialized over a long period because it can dull the ability to tackle new subjects. A balance is required.

While good generalist policy officers are a "type", many technical specialists and program managers become excellent general policy analysts--and bring the extra dimension of their technical or program knowledge. And within policy groups, there are many jobs--from technical analysis, to managing relations, to preparing briefings--which can be done well by individuals who are not strong policy generalists themselves.

2. Specialist Personnel

We have spent less time on the more specialist needs of the policy community, but the question merits careful attention. The largest group of specialists in the policy field is in the ES category of statisticians and social scientists, this is often the preferred category for staffing in policy groups because levels are not closely tied to managerial responsibility; as a consequence, the qualification of "equivalent experience" has become a fairly broad doorway and the technical character of the group has been significantly diluted.   We see no real prospect or need for undoing this, but the question of how to protect the professional quality of technical work in fields such as economics and statistics needs more review. The group grew by 16 per cent to 13,300 in the four years to 1994; two per cent of the group have doctorates and about 8 per cent masters degrees.

A number of departments expressed particular concern over possible problems in managing economists and statisticians. In the United Kingdom, the civil service has the concept of professional groups across departments and within departments. In the cases of statisticians and of economists, there is a "head of profession" for each within most departments as well as across the whole government and their responsibilities include seeing to the quality of professional skills and practices in their groups. While the British model would not fit with our personnel management systems, some of its strengths might be grafted onto our system.

In a few cases, the demand for a particular type of policy specialist is heavily in one department. Defence is the largest employer of defence scientists, as is Solicitor General for criminologists. These departments tend to be proactive in addressing the supply and quality of such specialists.

3. Policy Managers

The strong and desirable emphasis in the public service on improving management has, in some cases, resulted in underestimating the importance of policy skills for very senior public servants. Equally, it undervalued the managerial challenges of policy work.

There needs to be a greater focus on the management skills of senior policy personnel in their career planning. The concept of "policy manager" helps in this refusing. It is not difficult to find stories of senior officers who cannot delegate, insist on doing much of their own drafting, pay scant attention to organizational or personnel issues and do little real planning. The standards expected of policy managers need to be clearer and policy managers need to be provided more support for the managerial dimension of their work -through interdepartmental mechanism along the lines of the Council for Administrative Renewal, training courses in policy management, and clearer managerial benchmarks for their performance.

Renewing and Motivating Policy Personnel

Departments vary considerably in the quality of management of their policy personnel. In the best cases, senior policy managers have very direct involvement in all aspects of personnel management: recruitment planning for rotational assignments, the assessment of training needs, and evaluation. They pay particular attention to the needs of young officers. Even the best could learn from others. At the governmental level, good management of policy personnel would include features such as attention to mobility between departments, professional standards in certain technical areas, common training needs, cooperation in recruitment and so on. A committee on such issues should be established as part of the proposed interdepartmental mechanism for strengthening policy management. The executive group in the policy community has not been reviewing itself as it should. While precise data are not available, there are few executive-level policy officers under 40, which is a marked contrast with earlier periods and indicates weak preparation for succession. Across the public service the average age of all five levels of executive officers has crept up to almost fifty, though this should change as a result of the program review cutbacks.

1. Officer Recruitment

(a) **General Weaknesses in Recruitment**

Recruitment is literally the life-blood of the future public service. It cannot be shut-off, even in a period of downsizing. The present recruitment efforts of the public service are highly fragmented, largely decentralized to departments, often poorly publicized and extremely variable in their merits.

Recruitment of officers into departments --particularly at the entry level--should be a corporate priority and responsibility. Most highly regarded large private organizations, such as the banks, manage entry-level recruitment corporately, as do many public services abroad. Within the federal government, this has long been the practice at Foreign Affairs and more recently at Statistics Canada, both of which consistently attract high quality recruits. However, only twenty-five per cent of university level recruitment into the public service was being done through competitive recruitment programs in the early 1990s. In 1993/94, 393 of the 816 officers recruited came in through organized recruitment programs; this improved score reflects the fewer indeterminant appointments from terms because of restraint, rather than a change in policy. Too often, recruitment is done through various side doors--such as ad hoc hiring or indeterminate appointments granted to term employees--which have weak controls on quality. These practices may also account for the very disproportionate number of recruits coming from universities in or near the national capital. Given its importance beyond the mandate of this task force, the whole issue of current recruitment practices merits a separate review in order to ensure the highest possible quality of recruits during a period of limited new entries.

While responsibility for entry level recruitment of officers should ultimately rest with departments, departmental efforts should be better coordinated and jointly publicized. University level recruitment should normally be done through formal recruitment programs. Serious attention should be given to common basic screening and tests for university-level recruits into policy and management positions in the federal government.

(b) Recruitment Programs for Policy Officers

While they account for only a fraction of current recruitment into policy work, there are a number of structured recruitment programs which are important to the policy community (Annex 6). The three central agencies have run the Accelerated Economist Program, which has recruited about eight master's level economists and MPAs each year; Foreign Affairs, Industry, Finance and Defence have their own programs for recruitment largely targeted at officers who can do policy work. The Management Trainee Program has attracted a number of officers with strong

policy skills, though that has not been its focus. Statistics Canada, though not engaged in policy work as such, has a rigorous corporate recruitment program each year. These programs have brought in excellent young officers, especially in the last few years when the labour market was so tight. However, they do not all place an equal emphasis on excellence or offer equally well run programs. The Accelerated Economist program's recruits, who are typically strong generalists, are particularly highly regarded for policy work. These programs recruit young officers to serve as trainees for a period before assignment to a continuing position.

The best programs show certain common features. They insist on excellence; Statistics Canada, for example, only considers applicants with first-class degrees. They have a clear definition of what they are looking for and use careful testing and interviews to identify it. They are well publicized. They ensure good mentoring for recruits, well considered initial training programs, and planned rotational assignments followed by an assured regular assignment The programs are managed by the user community--whether foreign service officers, statisticians or central agency policy officers--and senior management is closely involved in the selections made. They exclude entry by side-doors.

Our current programs could be strengthened by having better publicity, especially abroad where we often have very able graduate students. More coordination between programs could be cost effective and clarify choices for prospective recruits. They could become more sensitive to the need to distinguish between graduates at the bachelors, masters and doctoral levels. (The old Plans branch of Treasury Board, the Bank of Canada and Finance all once recruited significant numbers of Ph.D.s who made a disproportionate contribution to our policy community. Current programs are rarely oriented to recruiting doctoral graduates; the department of Finance finds it cannot pay Ph.D.s as much as universities do.) Most important, such competitive, corporate programs should become the normal route into the public service.

Most recruitment into policy work will continue to be through the various departmental recruitment programs for junior officers. Improving these programs along the lines discussed above, including greater common standards and more interdepartmental cooperation, would strengthen the policy community. In addition, the Accelerated Economist program, though small, has had a disproportionate impact on the policy community and should be transformed into or supplemented by a larger Accelerated Policy Analyst program.

3. Mobility and varied experience in the policy community - a powerful developmental tool

Mobility and new assignments develop the ability of policy analysts to address different problems quickly and with confidence. Furthermore, policy analysts are prone to burn-out or becoming stale if they stay too long in one assignment. The current constraints in the public service are limiting mobility. Promotions are fewer and positions vacated are often not filled. Secondments are less available and often mistrusted because of re-entry problems when they end. So policy managers will need to pay more attention to promoting mobility if the desired levels of officer rotationality are to be achieved.

Much of this can be done within departments themselves. In the Defence policy branch, for example, the normal practice is that analysts change assignments after two years in a job; it is understood that they should have worked in most parts of the branch as preparation for promotion to the director level.

It is also important that there be mechanisms for interdepartmental mobility. Statistics Canada has got round part of the problem of secondments by protecting the positions of secondees for their return; the temporarily vacant positions are often used as training opportunities for more junior officers. The personnel community has adopted the regular practice of posting openings widely across the system. Policy managers should take measures to promote the mobility of policy officers both within and between departments.

4. Training

Policy work is usually best learned on the job rather than in a classroom. However, there are advantages to general policy training for officers new to the field and for young trainees. In addition, training programs in policy can be useful for non-policy officers who have a policy dimension to their work. Often the greatest need for training in the policy community is not in policy analysis but management. Many a desk officer has found the first transition to management difficult; as well, most senior policy managers could improve their management skills. Measures to strengthen the interdepartmental policy community in areas of management should lead to the development of materials which would be useful in policy management training courses. Varied experience can also be important and it need not be expensive in time or money. Immigration gives policy officers temporary assignments at program delivery points and has found this very useful for sensitizing them and breaking down organizational barriers (see Annex 7 for an example at HRD)**.**

Recommendation:

Strengthening personnel management in policy area

- **There should be a Committee on Management of Policy Personnel as a subcommittee of the umbrella group, to set standards and provide guidance on human resource issues of common concern to the policy community, including recruitment and career management of future members of the community. In order to consider career development in a broader context, it might usefully include some members from outside the policy community.**

- **There should be adequate recruitment of young officers to ensure continuing renewal of the government's policy capacity.**

- **The Committee should oversee the creation and management of:**

  - ➢ **An Accelerated Policy Analyst Program. Trainees on this program should be selected on the basis of academic achievement and other screening indicative of high aptitude for policy work. They should all have a home department on entry whose responsibility they would remain, but their training program should include assignments in both central agencies and line departments.**

  - ➢ **A Late Entrant Policy Analyst program, targeted at officers of high potential who wish to transfer into policy work.**

  - ➢ **Mechanisms to ensure that interdepartmental mobility is an integral part of the career development of policy officers.**

- **The CCMD and Training and Development Canada should work closely with the Committee on Personnel Management in the development of appropriate training programmes for policy analysts and policy managers.**

CHAPTER FIVE

WORKING WITH THE EXPERTISE IN THE POLICY RESEARCH COMMUNITY AND THE PROVINCES

Public policy making must be open and inclusive. It should draw in a wide variety of people and draw on their knowledge and views. In most areas of government, there are groups or interests which are organized to put forward views; in many cases, they are capable of sophisticated analysis of policy options. Departments typically have close relations with such groups, whether through formal consultative mechanisms or otherwise. A review of consultative experiences, lessons and mechanisms would be a good subject for the umbrella group on policy management and methods to initiate.

In this chapter, we focus on two particular sets of partners for the federal government in policy making: the policy research community and the provinces. Both have potentially important roles to play, but there has been surprisingly little focused attention on the issues associated how best to work with them on policy issues. As part of our work we canvassed departments extensively on their relations with the academic community and held two roundtables with representatives of the policy research community. We also conducted a number of case studies of policy cooperation with the provinces.

The Policy Research Community

(a) An important partner

Canada has a much smaller, less active and less diversified community of policy researchers and analysts outside government than does the United States. This can be explained by the American division of powers, the tradition of in-and-outers in the upper ranks in Washington, and their well endowed foundations and universities. Whatever the reasons, American public life is enriched by a flow of policy research and studies which is out of proportion to similar work in Canada.

The issue has become more acute in Canada. The termination of the Economic Council, the Science Council, the Law Reform Commission and the Canadian Institute for Peace and Security eliminated some important centres of policy research in the country. While there are several lively privately financed economic policy institutes in the country, their budgets combined are less than that of the former Economic Council. They do not have the resources to do major research and between them they employ only a handful of policy analysts. As well, there are specialist policy institutes in a number of areas, but these too are modestly funded. Typically, our "think tanks" draw on experts in universities to do policy

papers which are largely based on existing research. They serve an important purpose in bringing research findings and informed views into public debate, but they generally have inadequate resources to generate significant basic research themselves.

Thus universities play a major role in non-governmental policy research in Canada. By their nature, universities are far better suited to do fundamental and theoretical research than are government departments. Even for applied research, the universities can have advantages because of their independence and longer-term horizon, and academic specialists can play a key role in informed public debate. While academic policy research is frequently valuable, it has had a chequered history. Those in government can find it abstract, of little relevance or partisan. The universities themselves can deprecate it because it is not sufficiently theoretical or oriented to the issues in a particular discipline. But a healthy academic policy research community can play an important role in public policy, and strengthening it should be a goal of public policy.

(b) Federal role

The federal government has historically played a key role in sustaining the policy research community in Canada. In addition to its support over many years of the advisory councils, the federal government has, through the granting councils, been the principal funder of academic research--some of which bears on policy. It has occasionally sponsored Royal Commissions and other inquiries which have made lasting contributions to our understanding of issues as diverse as the economic union, bilingualism and biculturalism, and, currently, aboriginals in Canadian society. Finally, individual federal departments sponsor policy research capability and work in universities, and in a number of cases support policy institutes.

We have no clear picture of the total federal resources going to external policy research. There is evidence that some departments are expecting to cut back on this type of research quite sharply as part of their program review reductions, while--particularly at the entry level others seem determined to protect their external research programs. The Social Science and Humanities Research Council has been putting increased emphasis on policy relevant research through its strategic grants program, which may be somewhat reduced as part of the cuts to the granting councils. Industry Canada has tilted phase 2 of the Centres of Excellence program, worth $47 million over four years, towards more policy relevant research, including the environment, competitiveness and sustainable development and new learning technologies. University researchers are worried about coming cutbacks in university funding which will affect all kinds of research, including that on policy.

Federal departments and agencies vary tremendously in how they follow, value and promote policy research by outside experts. A number of departments have given consistent priority to promoting such research. The most notable is probably Health Canada, which has pursued a number of initiatives over several years to build up this capability across the country. Its efforts have been complemented by those of several provinces. The consequence is that Canada has an exceptionally strong community of health policy researchers, with many internationally recognized experts, who contribute actively to public policy formulation.

Several departments -- Human Resources, Industry, Defence, Foreign Affairs, Solicitor General and CMHC and others -- have also been active in this area with a clear impact on the development of external policy capacity. However, even relatively active departments have usually invested quite modest amounts-- hundreds of thousands a year, as opposed to the many millions often spent on the natural and applied sciences. Some departments express a low regard for their external policy research communities, sometimes because of perceived irrelevance or the scarcity of external experts, but in a few cases, because academic researchers in a field are thought to have become too partisan, and lost their objectivity.

The approaches taken by departments to promote academic policy research vary greatly. Departments have provided longer-term funding for chairs or policy centres, sponsored seminars, publications and research networks, given contracts for specified research, promoted exchanges and sabbaticals, and had academic advisory committees. However, there has been very little systematic review of such activities or sharing of experiences across departments. Often, relations with the academic community have had a low priority and been given only intermittent attention. However, some departments, like Health Canada and HRD, have identified the promotion of external policy research in their sectors as a natural area for federal leadership and a way to contribute to the quality of public policy across Canada at a relatively small cost. The Central Mortgage and Housing Corporation has played such a role in many issues associated with the built environment, including infrastructure and municipal planning, despite the limited direct federal involvement.

Some major horizontal issues may be neglected if the responsibility for promoting policy research lies strictly within individual departments. The Privy Council Office, which has played a key role in relation to the old advisory councils and the formation of royal commissions, should maintain a broader oversight in this regard and promote occasional overall stocktaking of the state of policy research; it might be assisted in this by the Social Sciences and Humanities Research Council, which has begun playing a more active role since the demise of the advisory councils. One issue that merits review is what, if anything, should be done to fill some of the gap left by the disappearance of the old advisory councils. Justice is planning a

new mechanism to address the issues formerly studied by the Law Reform Commission. There may also be advantages in making more use of some existing organizations, like the Royal Society of Canada and the Canadian Institute for Advanced Research in considering major horizontal issues of public policy.

While it would be valuable to have enhanced general oversight of the government's activities in relation to external policy research, there is consensus both in government and outside that we should avoid any attempt to have central management of relations with the academic community. Rather, there is room for more coordinated nurturing of those relations.

(c) Developing Effective Relations

Departments could learn a good deal from one another and the external policy research community if they had more exchanges on their programs and practices. Departments should distinguish between the objectives of building external policy research capacity, commissioning applied research, and seeking policy analysis or advice.

Building external policy research capacity need not be very expensive--the health scientist program costs only fifty or sixty thousand dollars a year to secure a top flight researcher--but it does require a longer-term focus of at least several years. Once a researcher or institution has made a major commitment to a subject area, they may even carry on after federal funding is wound down, as has happened with various centres formerly funded by Transport and Solicitor General. Building capacity will require a focus on the next generation of policy researchers: it can be quite inexpensive to steer graduate students into certain areas of policy work, which may then become central to their longer-term interests.

There are some innovative new models for building such capacity. Both McMaster and the University of Manitoba have health centres with close links to their provincial ministries of health. The Ontario Department of the Environment and Energy is currently running a competition for an exclusive, five-year research relationship with the selected university. The CIRANO program, centred at the Université de Montréal, is a joint endeavour including the provincial Department of Industry and various private sector firms. These and other models merit careful review, but at the same time a constant theme from the academic community is the need to avoid too institutionalized an approach to policy research because high quality policy researchers will not normally be clustered in one place.

A second issue is how to improve commissioned external policy research done for departments. HRD has been consulting with outside experts to develop a longer-term statement of its policy research needs. This will pay particular attention to defining issues and key topics where knowledge or research is lacking. Industry

Canada has an ambitious program of sponsoring research, conferences and publications on micro-economics, which has already produced important contributions. If a program is designed to respect academic incentives and constraints--particularly publication and the need for a fairly long lead-time--it can produce substantial results for a small amount. But typically commissioning papers, particularly against short deadlines does little to develop long-term capacity.

Policy analysis and advice is the special interest of many of our policy institutes. Typically, their work draws heavily on already existing research. It is very valuable to develop academic specialists who are comfortable with following through research to include policy advice, and departments can encourage this.

Academics point to one extremely low cost way of promoting useful policy research, namely better access to information and data. There is already a major cooperative effort underway between the Social Science Federation of Canada, Statistics Canada and the Depository Services Program of the Canada Communications Group, to provide affordable access to statistical microdata files in electronic form (see Annex 9). This initiative should be extended to departmental data bases as well. Beyond this, there are many useful studies and reports done internally to government which should be made available in a timely way to outside researchers.

A critical element in improving the relevance of external policy research is "continuous interaction" between government and the universities. Standing consultative groups of academic advisors can prove very helpful, on both substantive policy and empirical issues, as well as in the design of research programs. Statistics Canada has more than a dozen external advisory committees with slow rotation of members. Over the years, this has resulted in hundreds of "plugged in" academics. Recently the federal and provincial deputy ministers of health have invited two or three health policy experts to attend their meetings on a continuing basis as participant-observers and the experience has been very positive.

Policy collaboration with the provinces

In our complex and highly decentralized federation, there are innumerable areas where the federal and provincial governments have a shared interest in policy questions. In general, the federation will function better the more there is shared analysis and understanding of the nature of issues and agreement on the appropriate types of policy response. This can be difficult to achieve if the focus is entirely on urgent issues and transactions. But the exploration of strategic options can be of significance in itself and can provide useful context for the discussion of contentious issues.

Our institutions for cooperative federal-provincial policy work are weak. It is something of a paradox, for example, that we operate within far more structured institutional arrangements for cooperative policy work with many of our international partners than we do within our federation--there is nothing within Canada for such work which compares with the Organization for Economic Cooperation and Development internationally. Other federations, like Australia and Germany, have stronger institutional--and sometimes constitutional-- arrangements for promoting cooperative policy work than we do in Canada. Similarly, the European Union frequently undertakes significant joint policy reviews even in areas reserved to the member states, and it is able to draw on the resources of the European Commission for such work. The Council of Europe and the Nordic Council have also long sponsored joint policy studies between their members.

The focus of federal-provincial relations in Canada for the past generation was heavily on constitutional arrangements, as well as key joint programs. Our federation's decision-making structures are often characterized as "executive federalism", where the emphasis is on high-level political contacts and bargaining. With the failure of the last two constitutional rounds, there is an increasing focus on other issues, such as overlap and duplication, within a broad framework of administrative improvements to federal-provincial arrangements.

While Canadian institutions for federal-provincial cooperation are relatively weak, there has been a great deal of experience in this area, both institutionally and informally, which, so far as we know, has not been reviewed systematically. The task force, through the Intergovernmental Affairs secretariat in PCO, undertook a modest first step in this direction by commissioning and then reviewing sixteen case studies of such cooperation. (Annex 10). The cases studied varied in their ambitions. Two were limited to information gathering; four took the further step of developing a joint analysis; and, ten tried to promote some agreement on policy design, whether of a "soft" framework or of specific recommendations and joint implementation.

Success in the cases studied depended on a number of factors: building trust, which requires time, openness and careful attention to the interests of all the parties; working within existing mechanisms of cooperation, such as standing committees of officials or organizations like the Transportation Association of Canada; and a shared sense of the need to collaborate. Difficulties were frequently caused by the inconsistent quality of provincial participation, weak management of group dynamics and a dysfunctional politicization of the issues. These findings along with some lessons regarding best practices will be developed further in a separate paper.

More of this kind of work is merited. PCO, Intergovernmental Affairs, could lead in this work through a committee operating under the umbrella group on policy management. As well, it might consider preparing a more general policy document on the new federal-provincial context and its implications for federal-provincial policy management by departments.

<u>Recommendation:</u>

<u>Relations with external research community.</u>

> **The umbrella committee on policy issues, with PCO and SSHRC, should conduct a periodic stocktaking of the state of relations between the federal government and the policy research community. It should also share best practices on such issues as departmental statements of research needs, methods to achieve productive interactions, policies on data availability and costing, approaches to building long term capacity, and new research networks.**

> **The committee of deputy ministers on the role and functions of the federal government, together with PCO, should develop recommendations on how joint federal-provincial strategic policy work can improve the functioning of the federation.**

CHAPTER SIX

FINDINGS AND CONCLUSIONS

- A healthy and well functioning policy capacity in the federal government, having strong sectoral and horizontal dimensions, remains critical for the quality of government and public life in Canada. Examples of issues at the top of the challenges to government and pressures on its agenda are:

  - reinventing mandates and on-going program review;

  - globalization and its implications for domestic policy;

  - determinants of success in labour markets, including education and training;

  - an ageing Canada and its implications;

  - social security review;

  - determinants of health and health care costs;

  - evolution of the role of the family;

  - crime prevention, justice, corrections;

  - sustainable development;

  - aboriginal issues.

- A more openly questioning public environment and budgetary stringency require increased, rather than diminished rigour and professionalism in support of policy development.

- A sustained demand for high quality policy work from the Clerk, the Privy Council Office, and Deputy Ministers is an essential condition for quality improvements. The strongest signal of priority from senior officials is the commitment of time.

- The most notable weaknesses at present relate to longer term strategic and horizontal issues. Resources are disproportionately consumed by

short term demands. This is true both within departments and across government.

- There is not sufficient reflective, longer term interdepartmental discussion amongst either deputies or ADMs and other senior officials.

- The management of major horizontal reviews actually undertaken is often weak. When specific reviews are assigned to an interdepartmental committee with a lead department, the mandates tend to be unclear, the role of lead departments are not specified, and the central agencies do not provide adequate guidance and support.

- The central agencies have a vital role to play in increasing the focus on strategic and major horizontal issues. Yet there is no fully effective central function that helps to define issues of strategic importance, to guide the process for developing longer term and horizontal policies, and to promote interdepartmental networks. PCO is the logical focus for such a function.

- The Clerk, in addressing strategic or major horizontal policy issues, can rely on both the resources of a suitably strengthened PCO and the community of Deputy Ministers and other senior officials.

- Departments must be the main locus of policy work within the federal government. Only departments have the resources and detailed knowledge necessary to perform the full range of policy functions. Even work on major horizontal issues must normally depend principally on resources within departments and very often departments will lead on addressing such issues.

- Within departments, there is a need for deputies and senior management to pay more attention to their policy needs, capacity, organization, and processes in relation to the main policy functions. Weaknesses in some of these functions, e.g. strategic planning, data development and management, and evaluation as a feedback mechanism for policy improvements appear to be widespread. There is also a need for increased rigour in the articulation of expected outcomes of policy options.

- There are numerous shared problems affecting policy work in departments which would benefit from organized exchanges of best practices as well as from some joint management. There is a need for an interdepartmental forum that would permit the exchange of best practices, the improvement of professional standards, and

> collaborative measures to deal with shared management issues affecting policy development.

- Personnel issues, in particular, require more concerted attention by policy managers. While there is no sense of crisis, the quality of the policy community is at risk because of weaknesses in: renewal through recruitment, rotations, orderly succession planning and career development.

- The government should relate closely to the outside policy research community and should seek to promote its relevance and quality. A vibrant external policy research community is a major asset for government and it can make a unique contribution to public debate. Departmental performance in this regard varies considerably.

- Key issues often cut across jurisdictional boundaries. Collaborative policy work with the provinces is a major issue requiring attention.

RECOMMENDATIONS

The recommendations below break down into five categories.

The first concern measures to strengthen the capacity to identify, coordinate, and lead those policy measures that are central to the government's agenda and have horizontal and strategic implications. Those recommendations relate mostly to PCO.

The second concern those measures that are designed to improve the policy capacity within departments. They relate to an across the board assessment by departments of the scope of policy shops, methods used, relations to bodies outside the public sector, as well as to their organization and management.

The third concern both formal and informal methods designed to create a policy community.

The fourth set of recommendations have to do with the personnel management, training and career steering required to ensure that the policy community gets the required experience, perspective, and training in formal methods.

And lastly there are some suggestions regarding fruitful interactions with the research community external to the federal government.

1. Horizontal and strategic issues

- The Clerk should stimulate and PCO should lead and coordinate policy development that has major horizontal and government-wide strategic implications. It should clarify its planning function and give greater resources to horizontal and strategic policy work.

- PCO should promote key interdepartmental policy initiatives dealing with horizontal issues in order to respond to anticipated needs and to ensure that the internal policy capacity of departments is continually tested by external challenges. In order to do this, the Clerk should create appropriate ad hoc and standing committees of DMs and other senior officials, as well as special interdepartmental task forces to enhance the collaborative development of horizontal and strategic policies.

- The Clerk should mandate a committee of deputy ministers to develop options concerning the role and functions of the federal government in today's society, recognizing the global context and the fiscal restraints. For each option, key strategic issues should be identified together with a research agenda for these issues.

- The main focus for strategic and longer term work should be in departments and they should normally initiate their own measures for cooperation on horizontal issues.

- Departments should be asked by the Clerk to identify systematically the major longer term and strategic issues they see for their portfolio, including significant horizontal issues involving other departments.

- PCO should link work on strategic and horizontal issues to appropriate occasions (e.g. Cabinet planning meetings, DM retreats, special planning meetings of Cabinet committees) and in doing so should develop and share its own substantive assessments using departmental as well as other inputs.

- When initiating interdepartmental work on horizontal and strategic issues, PCO should pay careful attention to definition of the precise objectives, the likely obstacles to success, and the mandate of the department or official in the lead.

- While PCO should ensure that development is properly coordinated among departments, it should do so without micro-managing the process.

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2. Departmental policy capacity

The Clerk should request DMs to undertake a substantive review of the quality, organization and practices of the Department's policy capacity. The review should highlight departmental strengths and weaknesses as well as remedial measures proposed. The criteria for the evaluation should include a department's capacity to:

- articulate its medium and long term priorities;

- test the robustness of its policy options by building alternative scenarios;

- attach both qualitative and quantitative assessments to different policy options in terms that lend themselves to rigorous post facto evaluations;

- communicate and defend policy thrusts to its operational arms as well as to its major stakeholders and to the public;

- conduct analyses that can withstand rigorous professional challenge; and

- use judiciously the results of regular programme evaluation in order to confirm or adjust to changing circumstances the policies which those programmes embody.

3. Creating a community of policy developers

The policy community is ultimately made up by the ADMs Policy and their immediate staff. There is no single prescription that by itself can improve the sense of community. But this sense is necessary if interdepartmental initiatives are to be successful. Accordingly the following recommendations are more of an illustrative than prescriptive:

- The Clerk should establish an inter-departmental umbrella group consisting of ADMs policy or equivalents, to discuss and deal with shared problems of management and methods in policy work. Directly or through subcommittees and task forces, the group should share experiences and, where desirable, develop common approaches to such issues as: policy research and associated methods; information management and the use of information in the policy development process; statistical and data management issues; monitoring and evaluation; personnel management issues specific to the community; contacts with external bodies, including research

institutes and academics; best practices in placing federal-provincial issues into a longer term strategic framework through shared strategic policy explorations.

- The group's chair should be appointed by the Clerk. PCO should provide secretariat services.

- The group, in collaboration with CCMD, should sponsor events, including a high profile annual meeting, on issues of policy management or policy substance.

4. Strengthening personnel management in policy area

- There should be a Committee on Management of Policy Personnel as a subcommittee of the umbrella group, to set standards and provide guidance on human resource issues of common concern to the policy community, including recruitment and career management of future members of the community. In order to consider career development in a broader context, it might usefully include some members from outside the policy community.

- There should be adequate recruitment of young officers to ensure continuing renewal of the government's policy capacity.

- The Committee should oversee the creation and management of:

  ➢ An Accelerated Policy Analyst Program. Trainees on this program should be selected on the basis of academic achievement and other screening indicative of high aptitude for policy work. They should all have a home department on entry whose responsibility they would remain, but their training program should include assignments in both central agencies and line departments.

  ➢ A Late Entrant Policy Analyst program, targeted at officers of high potential who wish to transfer into policy work.

  ➢ Mechanisms to ensure that interdepartmental mobility is an integral part of the career development of policy officers.

- The CCMD and Training and Development Canada should work closely with the Committee on Management of Policy Personnel in the development of appropriate training programmes for policy analysts and policy managers.

5. Relations with external research community.

- The umbrella committee on policy issues, with PCO and SSHRC, should conduct a periodic stocktaking of the state of relations between the federal government and the policy research community. It should also share best practices on such issues as departmental statements of research needs, methods to achieve productive interactions, policies on data availability and costing, approaches to building long term capacity, and new research networks.

- The committee of deputy ministers on the role and functions of the federal government, together with PCO, should develop recommendations on how joint federal-provincial strategic policy work can strengthen interactions between governments and improve the functioning of the federation.

Annex 1

TASK FORCE MANDATE AND COMPOSITION

1. The review will recognize the broad context within which policy development takes place but will focus on the professional quality of policy advice and analysis.

2. It should include analysis and recommendations on the following:
   the nature and scope of the problem, and the context and constraints within which policy development is currently occurring;
   digest of best practices;
   workable approaches to ensure a high level of intellectual rigour in the assessment of policy options provided to ministers at various stages of the policy development and/or evaluation process, and the development of an environment and "culture" in which this is clearly expected;
   how can the design of post-implementation monitoring become an expected part of policy development;
   the skill set needed for policy development, and recommended approaches to the acquisition, development and deployment of the required human resources;
   how to involve, benefit from, and interact with outside experts, including non-departmental agencies of the federal government, policy institutes and universities;
   better ways to cooperate with provinces in developing analytical frameworks for policy development of mutual interest;
   arrangements which might be needed:
   (a) to ensure that cross-cutting issues related to major policies are rigorously explored inter-departmentally, and
   (b) to ensure the development of broad policy options for the government two or three years ahead (themes for a Speech from the Throne two years from now might be a concrete illustration).

3. The review will be carried out by a committee of Assistant Deputy Ministers, constituted for the purpose, chaired by Ivan Fellegi, vice-chaired by Ole Instrup and assisted by George Anderson as Executive Secretary. The committee will consult, as needed, within the federal government and with representatives of the policy community outside government.

4. The Committee shall submit a final report to CCDM(Policy) by March 31, 1995.

Members of the Committee

Ivan Fellegi, Chair
Chief Statistician of Canada

Ole Ingstrup, Vice-Chair
Principal, Canadian Centre for Management Development

George Anderson, Executive Secretary
Senior Advisor to the Deputy Minister, Finance Canada

Barry Carin
Assistant Deputy Minister, Trade & Economic Policy, Foreign Affairs & International Trade

Moya Greene
Assistant Deputy Minister, Policy & Coordination, Transport Canada

Peter Harrison
Assistant Deputy Minister, Human Resources Branch, Revenue Canada

Peter Hicks
Senior Policy Advisor, Human Resources Development Canada

Michael Horgan
Assistant Secretary to the Cabinet, Priorities & Planning, Privy Council Office

André Juneau
Assistant Deputy Minister, Policy & Consultation Branch, Health Canada

John Knubley
Director of Operations, Intergovernmental Affairs Secretariat, Privy Council Office

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Victor Rabinovitch
Assistant Deputy Minister, Cultural Development & Heritage, Canadian Heritage

Jacob Ryten
Assistant Chief Statistician, Business & Trade Statistics, Statistics Canada

John Sargent
Senior Advisor to the Deputy Minister, Finance Canada

Charles Stedman
Assistant Deputy Minister, Services Industries & Small Business, Industry Canada

Policy Capability Secretariat

Helena Borges, Transport Canada

Allen Sutherland, Privy Council Office

Yves Vaillancourt, Human Resources Development

Christine Lockman, CRTC

Sylvia Perron, Finance Canada

Annex 2

INTERNAL POLICY COORDINATION MECHANISMS:
EXAMPLE OF INDIAN AND NORTHERN AFFAIRS

Many departments have interesting mechanisms for coordinating internal policy work. The appropriate models vary a good deal.

The Indian and Northern Affairs' (DIAND) policy coordination system is an interesting example of a mechanism that assists senior management with overall policy coordination. At DIAND, most policy work originates in the individual sectors, though the central policy branch leads on some issues. Branches are expected to work closely with other sectors. All policy proposals are directed through the central policy branch which ensures coordination and quality standards before consideration by the executive policy committee. This rigorous in-house policy process promotes quantity and quality control of products and a strategic approach to all policies.

DIAND's Senior Policy Committee (SPC) is part of a matrix of committees that supports senior management and the Minister. The SPC's mandate includes: setting departmental priorities for the next year; making decisions on major policy issues to review and approve strategic plans of various program sectors; reviewing and approving the proposed Cabinet and legislative agenda for approval of new programs or major changes to programs; allocating funds for new proposals; and discussing and giving direction on high profile and major urgent issues.

The SPC is chaired by the Deputy Minister or the Associate and members include Assistant Deputy Ministers, Senior General Counsel, the Directors General of Communications, Human Resources, and Strategic Policy (also the Secretary), and, as required, Regional Directors General--substitutions are not allowed. The SPC meets every two weeks and the agenda is set by the ADM Policy and Strategic Direction in consultation with the Deputy Minister and after canvassing the sector ADMs. Items for SPC consideration are assessed against priority criteria and documents are prepared according to an establish format and distributed at least three working days in advance of the meeting.

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Annex 3

POSSIBLE Fᴜɴᴄᴛɪᴏɴᴀʟ **STANDARDS FOR USE IN A REVIEW OF DEPARTMENTAL POLICY CAPACITY**

Theoretical research: There is a good understanding of and consensus on the relevant theoretical issues underlying the policy area.

Statistics, applied research and modelling: There is a clear view of the statistical or data requirements for policy work, including what is needed to follow trends and analyze the critical factors affecting outcomes. Where applicable, it will include proactive measures to develop the necessary statistical frameworks or data. Systematic monitoring of relevant Canadian and foreign applied research in the policy area; this knowledge is actually used in policy making. Priority gaps in applied research are identified and addressed. The department has a good working relationship with the external policy research community. It routinely provides quantitative estimates of the impact of possible policy options, and these estimates are based on sound methods of modelling and analysis.

Environmental scanning, trend analysis and forecasting: There is systematic identification of factors most likely to influence policy in the middle to longer-term, including budgets, demographic change, shifts in public opinion and technology. The department uses a variety of techniques, such as scenarios and contingency plans, in developing its longer-range frameworks.

Policy analysis and advice: There is a proactive analytical and advisory function of high quality which bears heavily on actual decisions taken. Advice routinely incorporates both soft knowledge obtained from consultations and experience and the hard knowledge obtained from data and research. There are regular exercises to identify major new strategic and horizontal issues and resources are dedicated to this function. Major objectives and planning priorities are frequently reviewed, are widely know within the department and have operational significance.

Consultations and managing relations: There is a regular and systematic review of the evaluation of its performance by interested parties: Minister, deputy, departmental colleagues, central agencies, main stakeholders and the policy staff itself. Consultations on policy are well conceived, based on experience and norms.

1

The consultations reflect a clear sense of the roles of the key players, including the possible contributions of those outside government, so as to minimize wasteful duplication and fill gaps.

Strategic communications: The strategic communications function operates closely with the other policy functions, especially policy analysis and advice.

Program design, monitoring and evaluation: The evaluation function is closely linked to policy, is based on best practices of evaluation, and is used in program redesign and policy reviews. Programs are designed in such a manner that the expected outcomes are specified in an explicit manner capable of subsequent evaluation.

Personnel management: Senior management places a high priority on and is directly involved in all personnel management activities including, human resources planning, recruitment, training and development, staff rotation, and reviewing management performance. A competency profile has been conducted to evaluate skill mix and determine training and development needs.

Organization and internal processes: The department has reviewed its mandate and organized policy functions to maximize coverage and integration and make best use of available resources. The mandate of any policy branch is clear and the work load is manageable. A systematic review of organizational linkages across policy functions has been conducted and appropriate mechanisms to ensure participation and coordination developed.

Annex 4

COUNCIL FOR ADMINISTRATIVE RENEWAL (CAR)

Objectives

Established in December 1991 by senior departmental financial officers and central agency executives, the CAR seeks to reduce the costs of administration and improve support to program delivery, notably by rationalizing administrative systems and processes across the functional boundaries of personnel, finance and materiel. CAR identifies opportunities for renewal and streamlining, serves as a forum for information exchange, and sponsors innovative and cooperative projects.

The CAR has an Executive Group which meets approximately every 8 weeks. The larger CAR Forum allows all members (30 ADMs Corporate Services/Central Services/TBS's equivalent representatives) to keep informed and provides views through two to three meetings a year. The CAR has focussed on business reengineering, common information management and shared systems. Six key projects have been:

1) Information Technology Security Strategy (now has separate workplan and involves about 150-200 people from all departments)
2) Redesign of Pay and Benefits (18 departments participating in design of new business process model for pay and benefits);
3) Redesign of Procurement and Payment (9 lead departments participating in developing models and system tools for re-engineering procurement and payment);
4) Locally Shared Support Services (250 initiatives underway across Canada involving all departments);
5) Common Information Management (which has resulted in the creation of a continuing interdepartmental Committee); and,
6) Shared Systems.

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The CAR Secretariat

A Secretariat, in TBS, has been vital to the success of CAR. It has only one full-time project manager but normally has several seconded officers working on specific projects. Once a project is well launched, the Secretariat tries to pass its functions to a lead department.

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Annex 5

**POSSIBLE SUBJECTS FOR CONSIDERATION BY
THE PROPOSED INTERDEPARTMENTAL MECHANISM
ON POLICY MANAGEMENT AND METHODS**

1.   **Personnel Management:** recruitment, training and career management of personnel in policy work; special corporate or assignment programs; arrangements to promote mobility; issues concerning key technical groups for the policy community, e.g. ESs; training courses in policy management; definition of managerial benchmarks.

2.   **Relations with the External Policy Research Community:** stocktaking re think tanks and universities; foreign experts and international organizations; best practices; recommendations regarding the corporate dimension of these relations and the development of better cooperation.

3.   **Statistical and Data Management Issues:** relations with Statistics Canada; the use of administrative data; data planning; quality control; data accessibility; pricing of data.

4.   **Long-term and Strategic Policy Methods:** scenarios, environmental scanning, contingency planning, strategic overviews, sensitivity analysis; links with outside thinkers engaged in middle to longer-term thinking; data issues.

5.   **New Technologies and Policy Work**: including the use of new technologies for information retrieval, policy networks, electronic billboards, new approaches to program evaluation.

6.   **Federal-Provincial:** best practices in managing policy work with the provinces; framework for institutional relations.

7.   **Contractual and Non-departmental Arrangements for Policy Functions:** models for arm's length statistical or applied research; use of consultants.

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8. **Advisory boards:** experience with different models of advisory boards: composition, functions, staff support, confidentiality, nature of advice, links into system.

9. **Policy making and science:** cultural gap between policy analysts and pure scientists; increased role of science in policy; techniques for better integration.

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Annex 6

FORMAL COMPETITIVE RECRUITMENT PROGRAMS

The attached table provides a comparison of six existing competitive recruitment programs. There are several other organized programs that are not reflected in this table, for example, Finance Canada has a recruitment program for ES candidates to work in the Fiscal Policy sector; on average, it has brought in twelve recruits per year.

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COMPARISON OF RECRUITMENT PROGRAMS

	Accelerated Economist Trainee Program	Management Trainee Program	Industry Canada University Recruitment Program	Statistics Canada ES Recruitment and Development Program	National Defence Policy Trainee Program	Foreign Service Officer Recruitment Program
Target Group	designed to identify individuals with the potential to excel as senior policy analysts	designed to attract top university graduates with a master's degree and, selection of high potential public servants with a bachelor's degree with potential to become generalist middle-managers	in 1993, Economist Recruitment Program aimed at strengthening economic analysis capabilities in 1994, program was generalized to allow recruitment of candidates with variety of backgrounds to give managers flexibility in recruiting candidates possessing skills and expertise required in their particular line of work	program was initiated in 1988 to recruit high-quality, very intelligent university graduates interested in becoming career professionals with Statistics Canada	candidates with an interest in strategic and security issues	seeks dynamic, innovative individuals with outstanding judgement and analytical skills who thrive on change and are committed to work on a rotational basis in Canada and abroad includes Foreign Service General and Management/Consular Officers and FSOs with Citizen and Immigration
Recruitment Process	administered by PSC and operates under guidance of Steering Committee of senior officials from Finance, TB, PCO and PSC evaluation of applicants' files by PSC officers and Program Advisors pre-selection based on academic background, three texts and C.V.	administered by PSC evaluation of applicants' files by PSC officers pre-selection based three texts and C.V.	applications retrieved from three PSC inventories, i.e. Accelerated Economist Program, Management Trainee Program and Post-secondary Recruitment Campaign in 1994, retrieved 840 applications	administered by PSC under direction of Statistics Canada recruitment team (chosen by Committee on Human Resources) engage directly in university recruitment at time when can attract the best and brightest	letters sent to university research centres, political and history professors and Deans of Arts or Graduate studies post-graduates must send resumé to the PSC and copy DND	administered by PSC with some direction from FAIT PSC receives applications and tests all applicants on one set date (usually two weeks after deadline for submitting applications); on average receive about 7,000 applications
Initial Screening	initial screening process assesses candidacy for program from written application: high academic credentials and strong interest in public policy career strong leadership abilities and strong analytical, communications and interpersonal skills content and style of written communication in 1995-96, 183 candidates screened final selection of candidates to be made by Steering Committee members	initial screening uses a combination of sources (application forms, resumes and transcripts of courses) to assess: academic degree stated commitment to a Public Service career demonstrated written communication skills demonstrated management potential willingness to relocate willingness to travel during program willingness and capacity to become bilingual two references candidates screened in are scheduled for interviews and second language diagnostic test in 1994, applicants totalled 1831 (417 internal and 1414 external)	Master's Degree in Economics or combination of Bachelor's Degree in either Economics or Commerce and a Master's Degree in any field two further screenings conducted produced pool of 100 candidates which undergo interviews by a team of Directors General	screening is conducted by recruitment team and looks at: graduate degree at the Master's or PhD levels in economics, sociology or related discipline high academic standing, particularly applicants social science specialization familiarity with quantitative methods and analytical software for computers for 1995, received 400 applications for 15 positions; 200 selected for interviews	Master's Degree in Strategic and/or Security Studies or related discipline(political science, history, economics, sociology, etc.) request candidates possess fluency in both English and French and are required to pass proficiency test (B/B/B) - this can vary depending on availability	the qualifying exams consist of three tests: Entry-Level Officer Selection Test (ELOST) - general cognitive ability Foreign Service Knowledge Test (FSKT) - knowledge of Canada in relation to the world Written Communication Test (WCT) -ability to communicate in writing first two tests scanned by PSC and those with highest scores will have the third test corrected (highest score cut-off determined by demand identified by FAIT PSC prepares ranked list and screens out those not meeting academic and citizenship requirements (academic requirements can vary by year according to departmental needs but generally a BA in Social Sciences, Law, Business, Commerce will suffice; this has worked well in past, no desire to change) list is passed to FAIT for interview process

COMPARISON OF RECRUITMENT PROGRAMS

	Accelerated Economist Trainee Program	Management Trainee Program	Industry Canada University Recruitment Program	Statistics Canada ES Recruitment and Development Program	National Defence Policy Trainee Program	Foreign Service Officer Recruitment Program
Selection Process	rigorous selection process consisting of structured interview and ½ day at an assessment centre (includes role-playing activities and written exam) 1. Interviews are conducted by one or two Steering Committee members, a PSC officer and a Program Advisor and are designed to assess job-related skills and ability up to and including the level of senior policy analyst: - knowledge of current affairs and economic/policy issues in Canada - analytical thinking and judgement - planning and organizing - leadership - motivation and initiative - oral communication - interpersonal skills 2. Assessment centre process assesses the above in addition to written communication (written exam evaluated by Program Advisors) and involves role-playing exercises 3. Final selection by AETP Steering Committee based on profiles of qualified candidates in 1995-96, 36 candidates interviewed; 31 recommended candidates; 15 borderline candidates know by mid-March who are the candidates	1. Interviews are conducted by a team composed of a PSC Program representative and two departmental executives and are designed to probe six dimensions of management: - leadership - decision-making and judgement - planning and organizing; - motivation and initiative; - oral communication; and - interpersonal skills Candidates are required to sign a statement of willingness to undertake second language training 2. Assessment Centre assesses six management skills: behavioural flexibility; action management; communication; leadership; interpersonal relations; thinking skills. Tools used include simulation exercises and structured behavioural interviews. 3. Final selection by MTP Steering Committee based on profiles of qualified candidates During this period departments are asked to confirm with PSC number of external Trainees they will hire for the annual intake and provide a profile for each assignment. in 1994, interviewed 410 (43 internal & 367 external); and invited 224 to the Assessment Centre (19 internal & 205 external) 4. Successful Trainees are referred to departments of primary interest which then decide who will be interviewed and appointed	from interviews, candidates ranked on rating system based on following criteria (interviews done in February): - educational background with strong GPA - knowledge of current issues in government - abilities and skills (oral & written communication, - leadership and planning and organizational skills - personal suitability (motivation, interpersonal skills, judgement) create eligibility list based on merit, target group and regional representation	interviews are conducted by recruitment team and based on a generic statement of qualifications - knowledge of economic and statistical theories and principles - knowledge of quantitative techniques - familiarity with analytical software for computers - ability to analyze socio-economic data - good oral and written communications skills - personal suitability - reference check successful candidates offered a training position at ES-1 to ES-3 level depending on level of experience in 1995, identified 15 available positions (number varies by year, have had up to 30 positions)	experience in research and writing on subjects related to defence or governmental policies	FAIT reviews list to ensure all requirements on poster are met and list is reduced taking in account number of positions available and employment equity requirements candidates are invited to full day interview, conducted by several teams, comprised of: - 45 minute oral interview looks at abilities in analysis, evaluation, oral communication, planning, organizing and control; and personal suitability including leadership, interpersonal communication, etc. - 45 minute written exercise - 2½ hour group simulation exercise to assess ability to defend and negotiate, analyze, interrelate, team work, judgement final list is established based on merit and before job offer, candidate must qualify for top-secret security clearance, pass reference checks and be certified medically suitable for assignments anywhere in the world (process can take up to two years because of security) FAIT determines (sometimes co-operatively) based on interviews and candidate's studies the stream for which job offer will be made (political/economic, trade commissioner, management/consular, immigration) offer letter specifies stream and the candidate then becomes responsibility of the stream; the stream assignment officer then determines where the candidate will go majority of candidates hired have a Bachelor's level education- in 1994, 8 of 14 and in 1993, 33of 55. Department resists change in this requirement because it has provided excellent candidates in the past.

COMPARISON OF RECRUITMENT PROGRAMS

Training Program					
two year internship program consisting of four six-month assignments in each of Treasury Board Secretariat (Program Branch); Finance, Privy Council Office, and either a regional development agency or one of four line departments in Ottawa (FAIT, CIDA, Industry, HRD) ideal assignments involve participants in topical policy-oriented tasks rather than longer-term, research-oriented work assignments provide: exposure to variety of policy issues; experience in analyzing sector issues; broad view of role, mandate and modus operandi of the central agencies in the federal government; understanding of how Cabinet and government decision-making works; opportunity to work with variety of supervisors and analysts; and opportunity to improve analytical and communications abilities	five year internship program agreed to by Trainee and Department should include the following series of assignments: formal training suited to the Trainee including language training mandatory training (CCMD) another department a central agency a regional office corporate experience operational experience functional experience; and bilingual environments During the five year period, the functional areas of management should be covered, e.g. team building, supervision, delegation, problem solving, planning, decision making, etc. Yearly salary increments are based on satisfactory performance	offers are made in early March and recruits brought in at ES-02 level attend two day session on orientation to government (CCMD) and Department (Industry) two-year rotational assignment consisting of one year in policy area and the other in sector area training and development plan prepared for each trainee specific to his/her background and skills as well as departmental requirements (includes specialized training) language training may be provided after completion of rotation during rotational period trainees are evaluated and promoted based on satisfactory performance and demonstrated ability to adapt quickly to organization and its requirements (first yea have quarterly appraisals and one before end of second rotation) assigned executive level mentor to ease transition and provide concrete guidance	two year program comprised of three "real" jobs in different areas of the department and specialized training courses recruits are exposed to surveying skills through an inter-disciplinary field assignment (mini survey) done in a period of six weeks the three assignments are no longer than 6-8 months aimed at broadening perspectives, increasing versatility and providing managerial skills training includes: orientation; on the job training; knowledge of the department's business; function, professional and position-specific training trainees may be promoted while on rotation if performance satisfies statement of qualifications requirements	program gives two year introduction to Department and in particular to Policy and Communications Group contracted for first year and then if both parties are satisfied renew for a second year rotate between directorates of Policy Group to get experience in areas of public affairs, program management and policy analysis work requirements include writing, research and policy analysis tasks vary from answering ministerial correspondence, writing briefing notes or providing departmental liaison with governmental and non-governmental organizations	new recruits are based in Ottawa where they undergo formal classroom and on-the-job training: once hired candidates must also obtain required level of bilingualism within specified time period - training provided for up to 1½ years training programs differ for each career stream and last from one to four years including several months of common training at the Canadian Foreign Service Institute first international assignment, usually after 4 years at headquarters, lasts from two to four yeas, after which officers typically return to Ottawa or are assigned to another post abroad

COMPARISON OF RECRUITMENT PROGRAMS

	Accelerated Economist Trainee Program	Management Trainee Program	Industry Canada University Recruitment Program	Statistics Canada ES Recruitment and Development Program	National Defence Policy Trainee Program	Foreign Service Officer Recruitment Program
Number Recruited and Timing	traditionally have selected eight graduates per year since 1988 for 1995 will expand to twelve	Letter of Offer is sent to candidate selected by department and PSC appoints Trainees as indeterminate employees of the hiring department in the MM category (similar to PM category) program was intended to recruit maximum of 100 new participants each year in 1994, appointed 69 candidates - from 1991 to 1994, have appointed 382 trainees	at end of assignment, trainees are transferred from central pool to permanent position in a line or policy branch through matching process 18 hired in 1993 and 30 hired in 1994	on average, 30 hired per year	timing and number vary by year depending on demand expect to bring in two in April 1995 and one later since 1987, 17 policy trainees have been employed in DND currently seven of these are still in training and seven are under contract or have indefinite positions	number varies by year depending on demand 40 positions identified for 1995 which includes Immigration entire recruitment process can take up to two years for some candidates because of security clearance requirement
Retention Rate		there are 347 active trainees, 35 (9%) have left the program	4 of 48 have left department	retention rate is very high	3 of 17 have left the department	while there is some attrition, retention rate is very high
Career Prospects	most take policy analyst positions in federal government both central agencies and line departments most appointed to the ES-04 level (or equivalent intermediate level position) or higher upon graduation	trainees are expected to be ready to perform at PM-05 or equivalent at graduation (as program commenced in 1991 there are no graduates yet)	attempt to offer recruits position of interest to them and deployed at ES-03 level	after two years, there is a brokerage where recruits are allowed to select preferred job and if job is available they are appointed or offered something else that is available deployed into department at ES-03 level	after training, eligible to compete for permanent positions	once in Foreign Service, trainees will be rotated to a variety of positions anywhere in department or abroad at the FS-1 level
Strengths	high level of satisfaction from both graduate and hiring managers experience offered to trainees is excellent - strong and varied work experience senior management is committed to program and has considerable interest in trainee personally and his/her career trainees own and manage program	generates trainees with very broad range of qualifications	strong mentor program provides good knowledge of departmental operations	recruits are assigned a mentor (not a boss) to act as an advisor training is relevant and very well structured rotational development helps trainee in competing for future positions	no designated mentor, but individuals in directorates provide personal guidance and counselling on career management - recruit makes personal selection management manages career development through rotation to ensure versatility	continuous management of officers' career including rotation very structured and hands-on learning program makes candidates very versatile, adaptable and quick studies program offers a career of constant change and continuous learning very competitive process and select only the very best

COMPARISON OF RECRUITMENT PROGRAMS

	Accelerated Economist Trainee Program	Management Trainee Program	Industry Canada University Recruitment Program	Statistics Canada ES Recruitment and Development Program	National Defence Policy Trainee Program	Foreign Service Officer Recruitment Program
Weaknesses	-program was too small; now being increased to 12 trainees	program lacks commitment by departments in exercising their responsibilities trainees are left to own devices to find rotational assignments and training no real ownership of program by either a committed group of managers or the trainees	personal development and career counselling viewed as weak by recruits managers were not fully taking on responsibilities toward recruits some expectations did not materialize, e.g. automatic job rotation, continuous feedback, relevant and structured training	working on developing a stronger database on results and needs of program	most are staffed into AS category because of its broadness - would like to formalize classification arrangements	level is in the individual not the position, and sometimes assignments may not be as challenging as officer would expect lengthy time for promotion and low starting salary may be drawbacks - are considering doubling the number of FS levels to four from current two to increase promotability and rewards continuous rotations can be considered difficult over time

Annex 7

**TRAINING POLICY OFFICERS: EXAMPLE OF
          HUMAN RESOURCES DEVELOPMENT CANADA**

A number of departments including National Defence, Citizenship and Immigration, Finance and the Energy Sector at Natural Resources, have established practices or programs to train and develop policy staff. The following describes Human Resources Development's (HRD) efforts to create more multidisciplined and mobile employees.

The Strategic Policy Group (SP) at HRD has initiated a "Training Needs Analysis" project to develop appropriate training and development programs adapted to staff needs. The result will be training plans that reflect the interests and aspirations of individual employees. The ultimate goal is to make people more multidisciplined and mobile within the group and more widely in the Public Service. A consultant was hired to conduct the group's "Training Needs Analysis" in a four-part process:

Phase I involved a **survey** of all employees to identify training related issues including the skills, knowledge and competencies staff felt they need to do their present job. The data gathered will be used to identify the range of training needs in the group, develop Competency Profiles for job classifications, and prepare for the next phase of the Assessment.

In Phase II, the skills and competencies data reported in the survey will be validated through a series of **Focus Groups** among a representative selection of employees from every Branch as well as a selected group of SP's internal clients and outside stakeholders. The data will be used to develop a listing of core competencies by occupational grouping and by individual Branch in SP.

In Phase III employees will make a **self-assessment** of their training needs using the established criteria for their respective competency chart. The employee's immediate supervisor or manager will be available to review the employee's self-assessment.

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In Phase IV the employee and the immediate supervisor will develop a customized training and development schedule and program to address the employee's needs by selecting from an array of **human resource developments tools** such as "off-the-shelf" training packages, tailor-made packages prepared for SP employees, PSC or HRD courses, developmental assignments, sabbaticals, team building exercises, etc.

Annex 8

SELECTED PROACTIVE MODELS OF COOPERATION BETWEEN DEPARTMENTS
AND THE EXTERNAL POLICY RESEARCH COMMUNITY

Health Canada
Health Canada has an extensive relationship with outside expertise for policy-related and scientific research. The National Health Research Development Program (total budget exceeds $25M) is the major source of funds within Health Canada for support of extramural research activities and comprises: research training fellowships; career awards for postdoctoral fellowships, National Health Scientists and research scholars and visiting national health scientists; large research projects usually undertaken by centres of research at universities; small budget projects; and funding for conferences, workshops and symposia. The program funds innovative national health research and development which is strategically driven to support the functions and responsibilities of Health Canada. The program is charactized by careful attention to building research capacity, which has resulted in Canada's great strength in health policy. Through the National Forum on Health, academics and researchers will help develop a national health research agenda. Academics also participate as participant observers in federal-provincial Deputy Ministerial meetings and this works extremely well, bringing valuable new insight to such meetings.

Human Resources Development (HRD)
HRD is developing a policy research agenda to address the systemic gaps in Canada's research capacity to support social and labour market policy. The needs identified include: building a statistical framework with Statistics Canada; creating networks with professional researchers, outside bodies, provinces and other departments; encouraging fact-based research; building structures and processes for the Minister to obtain advice; building expertise on horizontal design of programs and services and re-designing grants and contributions; and establishing missing local delivery structures. As well, in cooperation with Judy Maxwell, HRD has contributed to the creation of two policy research networks in the areas of Training and Family Safety Net Policy; those involve experts from universities, the provinces, Statistics Canada and HRD. In a joint initiative with the academic

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community, HRD created and funds ($100,00-150,000 per year) the Canadian Employment Research Forum (CERF) which was designed to promote policy oriented research among academics and to increase government's understanding of policy-relevant research. CERF commissions research papers related to economic and social policy which are presented and disseminated at CERF's four workshops and major conference. As a result of CERF success in achieving its objectives, the provinces are participating in joint efforts and other sectors are imitating CERF for their research programs.

Industry Canada
Industry Canada's Research Publications program (total budget of $500,000) provides a solid analytical research base for the department's micro-economic policy mandate. The program: increases the profile of and encourages policy discussion on micro-economic issues; engages the research community in micro-economic issues; establishes a system which permits all areas within the department to participate in the research and policy formulation process; integrates the department's analytical activities; nourishes a learning culture with a strong analytical base; and promotes branch and sector partnerships. The program comprises four research documents which contribute to the analytical foundations of a micro-economic agenda; a newsletter which communicates the department's research activities and policy orientation; and, discussion forums on economic issues. Research papers are commissioned from academics world-wide, with experts being continuously rotated to maintain a fresh perspective on issue; papers are peer reviewed and published by university presses so that authors get academic credit. Direct costs are modest, though a small staff must be maintained. Industry Canada has also supported the strategic research grants program of the Social Science Research Council and certain programs at the Canadian Institute for Advanced Research.

Foreign Affairs and International Trade (FAIT)
The Policy Staff works with the outside community on policy related research and think pieces. The Staff publishes a number of research and policy papers each year (produced 24 papers in 1994), distributes them widely, and makes them available through a computerized system. Some work is done in-house, and some is conducted by visiting fellows. Recent activities have related to Canada's economic and trade policies. In addition, the Policy staff participates in special projects organized with other parts of the Department and sponsors collaborative work with universities and other centres. Other branches at FAIT contract policy-related research, on an ad hoc basis, directly with consultants, qualified individuals

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Annex 8

and organizations like the OECD. For the last three years FAIT has sponsored three fellowships which allow scholars to spend six months to an year with the Policy Staff. The awards provide Fellows with direct experience.

Defence
National Defence, through its Military and Strategic Studies (MSS) program has provided research grants to thirteen university centres for Strategic Studies and three institutes (Canadian Institute of Strategic Studies, Canadian Institute of International Affairs and the Centre for Conflict Studies). The grants provide administrative and seed money, support major out-reach programs and initiatives such as conferences, and develop a diverse pool of talent and expertise, some of which is recruited into DND. The centres provide valuable input to departmental and government policy work. The program also provides funding for a scholarship and internship program and for direct applicants who wish to conduct research. DND's budget for the MSS program has been continuously reduced (budget for 1995-96 is $1.6 million).

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Annex 9

INITIATIVES FOR IMPROVED DATA AVAILABILITY

Data Liberation Initiative

The Data Liberation Initiative, coordinated by the Social Science Federation of Canada (SSFC), is a cooperative effort between Statistics Canada, the Depository Services Programme (DSP) in the Canada Communication Group and the academic community. It aims to provide affordable access particularly by the research and education communities to statistical microdata files in electronic form to enhance public debate and policy-making. The Initiative will provide academic institutions with a vast amount of data for much less than the cost of one copy of each data file. Subscription costs will be a fixed annual price based on the size of the institution and its research profile in the social sciences. Currently a three-tiered approach to fees has been proposed, depending on the size of the institution.

For Statistics Canada, this initiative will ensure that data users are familiar with Canadian data products, and permit the agency to increase its liaison with Canada's scholarly community. For the DSP, this initiative will allow the programme to add electronic products to its services and will act as a test-bed for the eventual transition from paper to electronic formats. It is also in keeping with the Canadian government's overall information objectives and will result in cost savings for government.

The three major partners will share the costs and benefits of this five-year pilot project. Universities and colleges will subscribe to a consortium-like organization which will purchase data files on a cost-shared basis from Statistics Canada, and then will support such indirect costs including personnel, hardware and software. Statistics Canada will provide the data files, offer product support and cover storage costs, while the DSP will administer the initiative. While all government departments should eventually be included, this pilot begins with Statistics Canada. A proposal has been submitted to Treasury Board for approval of the funding. The cost of the program would be about $200,000 annually but could escalate up to $500,000 during the census years.

Canadian Global Change Program

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The Canadian Global Change Program (CGCP) has evolved into an interdisciplinary and multi-agency network which brings together specialists to plan research and assess and communicate its policy significance. It is independent and non-governmental.

In 1990, the Data and Information Systems Panel (DISP) was convened as an ongoing panel of the CGCP. DISP has done considerable work on barriers to data access in Canada including a review of the existing legislative, policy and institutional frameworks vis-à-vis intellectual property rights, data management, data access, preservation and standards, and an examination of the effect on data access for research. The issues examined by DISP are common to all areas of research not just those which relate directly to global change. The Panel will be making recommendations for an integrated national and international approach to data management that can be applied to all disciplines. DISP seeks to: heighten awareness of data issues and promote debate on the best means of exploiting, sharing and preserving the important resource that data represents; sensitize key federal policy-setting agencies to the critical importance of supporting data management and data access; and, stimulate changes to enhance the use of data resources.

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Annex 10

CASE STUDIES:
      FEDERAL-PROVINCIAL COOPERATION IN POLICY WORK

Departments were asked to prepare case studies of their experiences in intergovernmental cooperation in specific policy areas. Sixteen case studies from eight different departments were prepared[1]:

1. **Continuing Committee of Officials on Fiscal and Economic Matters - Equalization Sub-Committee (Finance Canada)**: Examination of the equalization formula, particularly tax base definitions, statistical inputs and the timing of calculations and payments of equalization.

2. **Government Expenditure Cost Driver Study (Finance Canada)**: Analysis of future trends in government spending and review of successful cost containment measures.

3. **Trade Policy and Provincial Practices (Foreign Affairs)**: Federal-provincial cooperation in informing Canada's NAFTA negotiating positions.

4. **Mainstream 1992 - Developing Disabled Policy (HRD)**: Assessment of federal and provincial programs which serve persons with disabilities.

5. **Internal Trade Agreement (Industry Canada)**: Development of an internal trade agreement, using the model of an international trade agreement with chapters on procurement, energy, investment, etc.

6. **Federal-Provincial Task Force on Regional Development Assessment (Industry Canada)**: Assessment of Canadian regional development policies and the development of policy approaches for the future.

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[1] Four departments (Agricultur, PCO, Citizenship and Immigration and Health Canada) also provided input into this document. Copies of the case studies are contained in <u>Case studies in Federal-Provincial Policy-making</u>.

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7. **Federal-Provincial-Territorial Family Law Committee Study on Child Support (Justice Canada)**: Development of new approaches to raise child support levels throughout Canada.

8. **Federal-Provincial-Territorial Task Force on High Risk Violent Offenders (Justice Canada)**: Development of improved approaches to the detention of high risk violent offenders.

9. **Federal-Provincial-Territorial Working Group on Community Safety and Crime Prevention (Justice Canada)**: Development of a national strategy on Community Safety and Crime Prevention.

10. **Advisory Committee on Private International Law (Justice Canada)**: Development of a more competitive private international law regime in Canada.

11. **Advisory Group on Private International Law - Commercial Arbitration (Justice Canada)**: Adjustment of federal and provincial legislation to bring Canadian practices into compliance with a recently concluded U.N. Convention.

12. **Global Warming (NRCan)**: Examination of the implications of an international commitment by Canada to reduce CO_2 emissions by 20% by 2005.

13. **CMEC - Development of Education Statistics (Statistics Canada)**: Improving the quality and collection of Canadian education statistics.

14. **Federal-Provincial Development of Justice Statistics (Statistics Canada)**: Improving the quality, relevance and improving service to provincial clients in the development of justice statistics in Canada.

15. **National Highway Policy Study (Transport Canada)**: Development of national highways policy, including design standards, costing and funding.

16. **Trucking Task force (Transport Canada):** Assessment of the competitive situation of the Canadian trucking industry and the effect of free trade and deregulation.

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