

Competences, Capabilities and the Policy Capacities of Government: Blending Skill and Resources to Avoid Policy Failures

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Outline

I. Policy Success and Failure

II. Policy (In)Capacity

III. (Dis)Proportionality & Over & Under
Reaction/Design

IV. Conclusion: Capacity and the Challenge of Policy
Design

Readings

Wu, Xun, M. Ramesh, and M. Howlett. "Policy Capacity: Conceptual Framework and Measures." *Policy & Society*, no. Fall (2015).

McConnell, Allan. "Policy Success, Policy Failure and Grey Areas In-Between." *Journal of Public Policy* 30, no. 03 (2010): 345–62. <https://doi.org/10.1017/S0143814X10000152>.

Leong, Ching, and Michael Howlett. "Policy Learning, Policy Failure, and the Mitigation of Policy Risks: Re-Thinking the Lessons of Policy Success and Failure." *Administration & Society*, 2022, 00953997211065344. <https://doi.org/10.1177/00953997211065344>.

Mortati, Marzia. "The Nexus between Design and Policy: Strong, Weak, and Non-Design Spaces in Policy Formulation." *The Design Journal*, August 20, 2019, 1–18.

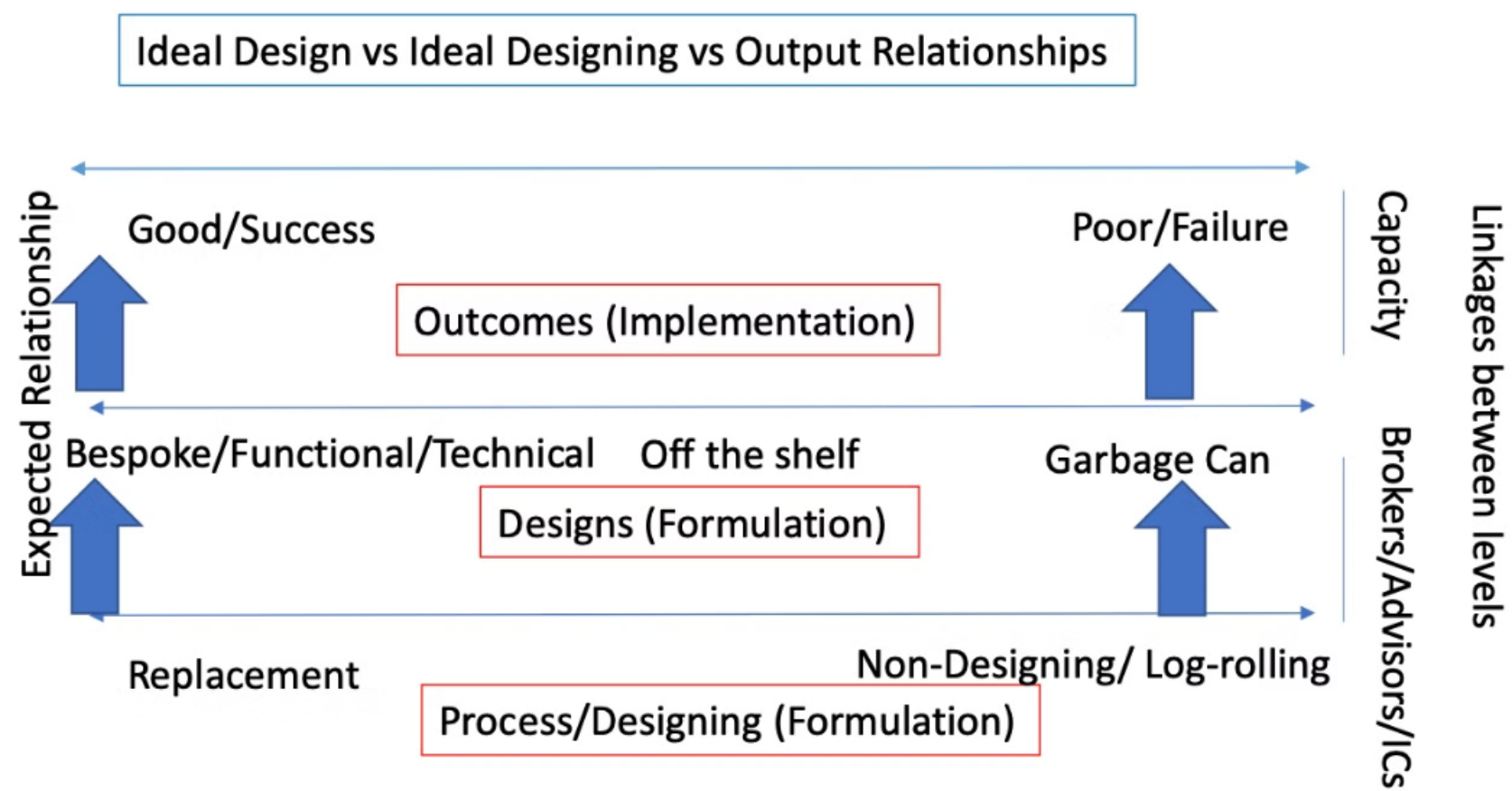
<https://doi.org/10.1080/14606925.2019.1651599>

Mukherjee, Ishani, M. Kerem Coban, and Azad Singh Bali. "Policy Capacities and Effective Policy Design: A Review." *Policy Sciences*, April 8, 2021. <https://doi.org/10.1007/s11077-021-09420-8>.

Maor, Moshe. "The Implications of the Emerging Disproportionate Policy Perspective for the New Policy Design Studies." *Policy Sciences* 50, no. 3 (September 2017): 383–98. <https://doi.org/10.1007/s11077-016-9259-8>.

I. Policy Success and Failure

A typical assumption in the literature is that a
good design process + good design
(instruments) = good outcome



So the focus for policy success is thus often on factors such as Capacity, Sequencing, Proportionality of Responses, Robustness & Resilience and other factors related to how an instrument mix is constructed.

But even well designed policies can fail and sometimes poorly designed ones can succeed.

WHAT DOES THIS TELL US ABOUT SUCCESS AND FAILURE AND NEED TO ALSO LOOK AT NOT JUST AT CAPACITY BUT ALSO INCAPACITY AND OTHER FACTORS LIKE DISPROPORTIONALITY and OTHER FACTORS IN UNDERSTANDING POLICY SUCCESS AND FAILURE?

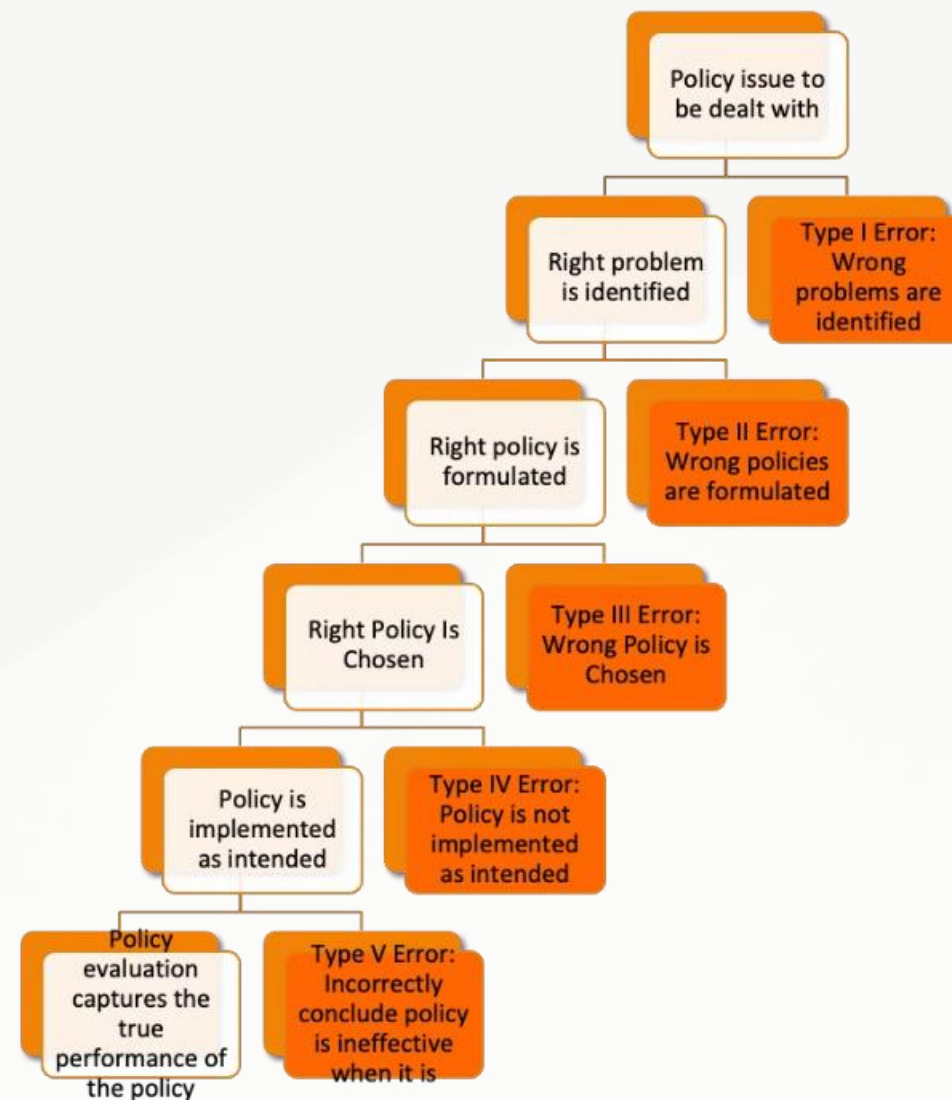
What Can Go Wrong?

Policy Failures, Evidence, and the Need for Analytical Capacity

Popular commentators often blame policy failures on personality quirks of participants (such as stupidity, venality or corrupt behaviour) or on innate organizational failings of government (“bureaucrats”)

But there are many opportunities for policies to fail (see Wu Xun list below).

Structure of Possible Errors in Policy-Making



Sources of Error

- (1) an over-reaching government has attempted to address 'unaddressable' or '**wicked**' problems (Pressman and Wildavsky 1973; Churchman 1967);
- (2) governments have failed to anticipate the consequences of their actions (Bovens and t'Hart 1996 and 1995; Perrow 1984; Roots 2004; Merton 1936);
- (3) a variety of 'implementation failures' (Kerr 1976; Ingram and Mann 1980) often where there has been a lack of effective oversight (McCubbins and Schwartz 1984; McCubbins and Lupia 1994; Ellig and Lavoie 1995); and
- (4) governments and policy-makers have failed to effectively evaluate policy processes and learn the correct lessons from their experiences (May 1992; Scharpf 1986).

Analyzing Failures by Examining Stages of the Policy Process

Agenda-Setting	Over-reaching governments establishing over-burdened or unattainable policy agendas
Policy Formulation	Attempting to deal with wicked problems
Decision-Making	Failing to anticipate policy consequences or risk of system structure failure
Policy Implementation	Principle-agent problems, oversight failures etc
Policy Evaluation	Lack of learning

Solutions to Policy Failures Typically Linked to Better Evidence/ Knowledge

<i>Stage of Policy Cycle</i>	<i>Problem</i>	<i>Solution</i>
Agenda-Setting	Over-reaching governments	Clarification and precision of government goals and resources
Policy Formulation	Attempting to deal with wicked problems	Provision of better data and research on policy alternatives
Decision-Making	Failing to anticipate policy consequences or risk of system structure failure	Better risk analysis and assessment
Policy Implementation	Principle-agent problems, oversight failures etc.	More careful design of monitoring and inspection systems
Policy Evaluation	Lack of learning	Development of improved benchmarking and performance measurement systems

Policy Success and Failure – More Recent Work (McConnell)

Allan McConnell 2010-2015

Alan McConnell – 2010-2015 Alan McConnell – 2010-2015 Marsh, David, and Allan McConnell.
“Towards a Framework for Establishing Policy Success.” *Public Administration* 88, no. 2 (2010): 564–83.
<https://doi.org/10.1111/j.1467-9299.2009.01803.x>.

McCONNELL, ALLAN. “Policy Success, Policy Failure and Grey Areas In-Between.” *Journal of Public Policy* 30, no. 3 (2010): 345–62. <https://doi.org/10.1017/S0143814X10000152>.

McConnell, Allan. *Understanding Policy Success: Rethinking Public Policy*. Basingstoke: Palgrave Macmillan, 2010.

McConnell, Allan. “What Is Policy Failure? A Primer to Help Navigate the Maze.” *Public Policy and Administration*, February 4, 2015, 952076714565416. <https://doi.org/10.1177/0952076714565416>.

McConnell's 3P's of Success & Failure

- Like Kingdon but slightly different.
- Process – processes leads to a solution that addresses a problem
- Programme – solution is implemented properly
- Politics – solutions and results are legitimate/accepted

What are common causes of failure – 1.

Processes

- Non-Design processes – often get political agreement but not programme that can deal with a problem (we have looked at this already)

A Spectrum of Policy Design and Non-Design Types



What are common causes of failure – 2. Programmes

Programme Failures – lack of robustness and resilience/Implementation failures

Both can result in failures linked to “Policy Myopia” or short-sightedness and overconfidence/hubris

- Can also be Capacity related both with respect to poor formulation but esp. implementation

Policy Myopia: Short-Sighted Over-Confidence

Nair, Sreeja, and Michael Howlett. "Policy Myopia as a Source of Policy Failure: Adaptation and Policy Learning under Deep Uncertainty." *Policy & Politics* 45, no. 1 (January 2017): 103–18. <https://doi.org/10.1332/030557316X14788776017743>.

- Policies are prone to rigidity and surprise
- Lack of Resilience and Robustness is a major issue as circumstances change
- (e.g. Standard operating procedures, Bureau-pathologies (Victor Thompson) – red tape/relentlessness – can cause major problems

Therefore need robust/agile policies and flexible/resilient processes to avoid surprises but often these do not exist or fail to develop.

What are common causes of failure – 3. Political Failures

Failure to secure public support for policy initiative

- (Dis) Proportionality in policy responses and reactions (Maor)
- Under and Over-Design (inefficiencies and/or ineffective)
- Failure to calibrate resources with the seriousness of problem (traditional bureaucratic plaint)
- Social Construction of Target Populations (Schneider & Ingram)

Schneider, Anne L, and Helen M Ingram, eds. *Deserving and Entitled: Social Constructions and Public Policy*. SUNY Series in Public Policy. Albany: State University of New York, 2005.

II. The Role of Policy (In) Capacity in Policy Success and Failure: Overview

- The policy capacity of a government is a commonly cited key indicator and (pre) requisite of policy success.
- The term describes the preconditions a government requires in order to make sound policy choices and implement them effectively in achieving its potential to deal with public problems.

The general idea, of course, is that higher levels of capacity are linked to superior policy outputs and outcomes while capacity deficits may be a major cause of policy failure and sub-optimal outcomes (Bullock 2001; Canadian Government 1996).

Introduction: Policy Capacity as a Subject of Interest and Inquiry

Policy capacity has emerged as a major concern for governments in many countries in recent years due to the recurrent failures many have encountered in producing satisfactory outcomes from policy actions.

- The recent global economic crisis suggests that such failures are just as widespread and persistent in some of the most advanced economies in the world as in developing countries.
- *The increasing level of complexity of many contemporary policy problems, coupling with rising expectations of the public, presents significant challenges to the ability of governments to make good decisions and to effectively implement them and concerns about whether such problems might outstrip the resources governments have to deal with them have sparked a renewed interest both among practitioners and scholars about the nature of policy capacity, its definition and composition.*

Overview (2)

- Policy capacity is at heart a function of three **competences** or skills which affect the ability of governments to develop and craft effective policies:
 - **analytical** ones which allow policy alternatives to be effectively generated and investigated;
 - **operational** ones which allow state resources to be effectively brought to bear on policy issues; and
 - **political** ones which allow policy-makers and managers the room to manoeuvre and support required to develop and implement their ideas, programs and plans.
- Each of these sets of skills or competences requires resources or **capabilities** which exist at the
 - **individual**,
 - **organizational** and
 - **systemic** levels.

Aspects of Policy Making That Require (Analytical) Capacity

Components

Environmental scanning, trends analysis and forecasting methods

Theoretical research

Statistics, applied research and modelling

Evaluation of the means of meeting targets/goals

Consultation and managing relations

Program design, implementation monitoring and evaluation

Department's capacity to articulate its medium and long term priorities

Policy analytical resources - Quantity and quality of employees; annual departmental reports; budgets

Types of policy formulation spaces

		Level of Government Knowledge and Other Constraints	
		High	Low
Government Formulation Intention	More Problem-oriented and Technical/Instrumental	Capable Policy Design Space. Relatively unconstrained formulation via design is possible	Poor Policy Design Space. Only partially informed or restricted design is possible
	More Political and less Technical	Capable Political Non-Design Space. Relatively unconstrained non-design processes are possible	Poor Political Non-Design Space. Only poorly informed non-design is possible

Chindarkar, Namrata, Michael Howlett, and M Ramesh. "Conceptualizing Effective Social Policy Design: Design Spaces and Capacity Challenges." *Public Administration and Development* 37, no. 1 (February 1, 2017): 3–14. <https://doi.org/10.1002/pad.1789>.

Problems with the Existing Literature

- Although there is no dispute that policy capacity is a necessary condition for policy success, there are considerable disagreements on the conceptual definitions of policy capacity among scholars.
- First of all, some scholars argue that policy capacity is concerned only with the availability or quality of particular tasks such as policy advising to support decision-making, while others define policy capacity beyond policy advising by including tasks such as the acquisition and utilization of policy relevant knowledge, framing options, the application of both qualitative and quantitative research methods, communications, and stakeholder management strategies (Howlett 2009; Oliphant and Howlett 2010).
- *Others move well beyond the analytical category, however, to emphasize the systemic and structural preconditions of good governance – honesty, rule-of-law, merit appointments, social trust and legitimacy and other such characteristic – which they argue must first be fulfilled if analysis is to have any hope of influencing policy-making and policy outcomes (Holmberg and Rothstein 2010, Rotberg 2014).*

- **Second, there is also no agreement on the stages of policy process where the concept of policy capacity can be applied.**
- Painter and Pierre (2006), for example, focus their attention only on the capacity for policy formulation in their definition of the term as: “... the ability to marshal the necessary resources to make intelligent collective choices, in particular to set strategic directions, for the allocation of scarce resources to public ends.”
- *But Glyn Davis (2000) argues that policy capacity should include the ability of governments to implement preferred choices of action as well as decide upon them, and Parsons (2004) defines policy capacity as the ‘weaving’ function of modern governments---the ability to weave together the multiplicity of organisations and interests to form a coherent policy fabric.*

- **There is also no agreement on whether or not policy capacity should be restricted to the capacity of the government, or public service, or extended to the non-governmental and private sector.**
- Most scholars define policy capacity from the perspective of the government as the ability of governments to make intelligent choices (Painter and Pierre 2005), to scan the environment and set strategic directions (Howlett and Lindquist 2004; Savoie 2003), to weigh and assess the implications of policy alternatives (Bakvis 2000), and to make appropriate use of knowledge in policy-making (Parsons 2004; Peters 1996).
- *Fellegi (1996), however, argue that the concept of policy capacity should include the nature and quality of the resources available to review, formulate and implement policies, and the practices and procedures by which these resources are mobilized and used, both within the public service and beyond.*

Our Framework: Capacity: Blending Competences and Capabilities

Wu, Xun, M. Ramesh, and M. Howlett. "Policy Capacity: Conceptual Framework and Measures." *Policy & Society*, no. Fall (2015).

Overall this paints a picture of governments which enjoy a high level of policy capacity having the following characteristics will have a higher level of policy success

1. Policy professionals, including policy-makers, public managers, and policy analysts, with adequate skills, knowledge and competence that allow them to perform well in carrying out various tasks in policy process;
2. Well Managed organizations involved in policy development, including key government agencies, non-for-profit organizations and think tanks) with adequate resources (human resources, financial resources, and political support) that allow them to perform well in carrying out various functions in policy process;
3. Legitimate policy systems or sub-systems, including policy sectors, policy networks, policy communities, with adequate trust and institutional arrangements and resources to allow them to perform well in governing the relationships among policy professionals and among organizations involved in policy process

Capacity = Competences + Capabilities or Capacity = Skills + Resources

Competences = Skills of Policy Formulators and Actors

3 Types of critical competencies or skills required for successful technical and/or political design

- **Analytical**

= ability to quickly marshal knowledge and evidence relevant to problem at hand

- **Managerial/Operational**

= ability to organize and implement knowledge-based processes in government

- **Political**

= ability to generate and sustain political support for knowledge-based recommendations and alternatives

Capabilities = Resources

3 Types of critical capabilities required for successful technical and/or political design

- Individual

= personnel must be available who can ability to quickly marshal knowledge and evidence relevant to problem at hand

- Organizations

= organizations must have the resources to implement knowledge-based processes in government

- System

= the political and socio-economic system must be able to to generate and sustain knowledge-based processes

A 3x3 Matrix Model of Policy Capacity to Design and Implement Knowledge-Based Policies

	Individual Capabilities	Organizational	Systemic
Competence Dimensions			
Analytical	Analytical Capacity	Technical Capacity	Knowledge System Capacity
Managerial/Operational	Managerial Capacity	Administrative Capacity	Governance Capacity
Political	Political Acumen Capacity	Political Resource Capacity	Legitimation Capacity

	INDIVIDUAL Capabilities	ORGANIZATIONAL	SYSTEM
POLICY ANALYTICAL Competencies	Policy Analytical Knowledge of policy substance and analytical techniques and communication skills	Informational Information system; Budgeting, Human Resource management. E-services.	Knowledge Mobilization Quality of educational and training institutions. National statistical system and access to it.
MANAGERIAL/ ADMIN Competencies	Managerial strategic management, leadership,, negotiation and conflict resolution, financial management	Administrative Resource Performance and financial management. Itra- and inter-agency coordination.	Accountability to it. Due process. Transparent adjudicative and career systems
POLITICAL Competencies	Political Acumen Understanding of the needs and positions of different stakeholders; judgment of political feasibility; Communication skills	Organizational Political Effective Civil Service bargain.. Inter-organisational trust and communication. Government-society collaboration	Political-Economic System Public Legitimacy and Trust. Fiscal resources for programs and projects

III. (In)Capacity for What? – Disproportionate Policy- Making

Maor, Moshe. “Emotion-Driven Negative Policy Bubbles.” *Policy Sciences* 49, no. 2 (September 1, 2015): 191–210. <https://doi.org/10.1007/s11077-015-9228-7>.

———. “Policy Overreaction.” *Journal of Public Policy* 32, no. 3 (2012): 231–59. <https://doi.org/10.1017/S0143814X1200013X>.

———. “Policy Persistence, Risk Estimation and Policy Underreaction.” *Policy Sciences* 47, no. 4 (July 9, 2014): 425–43. <https://doi.org/10.1007/s11077-014-9203-8>.

———. “The Implications of the Emerging Disproportionate Policy Perspective for the New Policy Design Studies.” *Policy Sciences*, July 19, 2016, 1–16. <https://doi.org/10.1007/s11077-016-9259-8>.

Maor, Moshe, Jale Tosun, and Andrew Jordan. “Proportionate and Disproportionate Policy Responses to Climate Change: Core Concepts and Empirical Applications.” *Journal of Environmental Policy & Planning*, January 24, 2017, 1–13. <https://doi.org/10.1080/1523908X.2017.1281730>.

Different Types of “Disproportional” Policy Responses: Sustained Over and Under-Reaction and Policy Oscillations

	Nature of Policy Design Problem	
Nature of Policy Response	Small	Large
Small	Proportionate Response	Under-Design (e.g. climate change)
Cycles	Swings between Under- and Over-Design	
Large	Over-Design	Proportionate Response

Cases of Disproportional Policy Reaction and Design

Howlett, Michael, and Achim Kemmerling. “Calibrating Climate Change Policies: The Causes and Consequences of Sustained under-Reaction.” *Journal of Environmental Policy & Planning* (May 24, 2017): 1–13. <https://doi.org/10.1080/1523908X.2017.1324772>.

The Idea of Over- and Under-Design

- Policy designs can be thought of as ideal configurations of policy elements which when adapted to specific contextual settings can reasonably be expected to deliver a specific outcome within a range of resource intensiveness and goal achievement (Linder and Peters 1988).
- This opens up the possibilities of ‘under-reaction’ in which inadequate resources are provided to resolve a problem and optimal designs are poorly implemented, and ‘under-design’ when sub-optimal designs are adopted.
- In the opposite scenario ‘over-reaction’ and ‘over-design’ can also occur in which the reverse occurs and resources are wasted in ‘over engineering’ a design vis a vis the significance of the problem.

- In this sense, “intentional” ‘over’ and ‘under-design’ and ‘over’ and ‘under-reaction’ can be distinguished from unintentional design errors that might occur when an otherwise well-intentioned effort to correct a problem fails due to unexpected behaviour on the part of targets or implementers, or when expected government capacities and capabilities fail to materialize.
- Hence when we talk of ‘over’ and ‘under’ design then, we are speaking of situations of over and under-reaction in which either too many or too few tools are used to attain policy goals or where inadequate or superfluous resources are provided (Newman and Head 2015; Bali and Ramesh 2015).
- These, again, differ from other kinds of design failures when the wrong kinds of tools are used which are not capable of matching or attaining expected goals.

IV. Conclusion: Capacity and the Challenge of Policy Design

- Solving difficult problems requires a conducive design space.
- It requires:
 - an understanding of the problem at hand,
 - the features of the tools relevant to addressing them and how they operate when used individually and in combination with other tools
 - the organizational and systemic resources that allow the skills and competences to be exercised.
 - This requires a modicum of policy capacity and a desire on the part of policy-makers to be more problem-oriented and instrumental in their approach to solving problems

Policy Capacity Deficits and Government Performance

- Policy capacity at its core is a function of the interactions and inter-relationships that exist between the three sets of skills and three sets of resources set out above.
- The three critical skills essential for policy success are: political, operational, and analytical.
- These skills need to be matched by critical resources at three levels: systemic, organizational, and individual.

But this doesn't always happen (e.g Institutional Isomorphism w/o capacity is a failure waiting to happen)

Andrews, Matt, Lant Pritchett, and Michael Woolcock. *Building State Capability: Evidence, Analysis, Action*. Oxford: Oxford University Press, 2017. <https://doi.org/10.1093/acprof:oso/9780198747482.001.0001>.

Pritchett, Lant, and Michael Woolcock. "Solutions When the Solution Is the Problem: Arraying the Disarray in Development." *World Development*, Part special issue: Island Studies, 32, no. 2 (February 2004): 191–212. <https://doi.org/10.1016/j.worlddev.2003.08.009>.

Pritchett, Lant, Michael Woolcock, and Matt Andrews. "Looking Like a State: Techniques of Persistent Failure in State Capability for Implementation." *The Journal of Development Studies* 49, no. 1 (January 1, 2013): 1–18. <https://doi.org/10.1080/00220388.2012.709614>.

Effective Policy Process Needs

Designing the policy process includes:

- Agenda-setting, which includes (1) Problem recognition, and (2) Problem Structuring
- Policy formulation involving setting up processes to ensure that alternative policy solutions are comprehensively identified, classified and compared.
 - Generate inclusive but manageable options
- Decision-making must be based on some acceptable criteria and supported by available evidence.
- Implementation has to be
 - carefully designed and communicated, and
 - offer appropriate incentives to the implementers.
- Evaluation needs to be integrated into the policy itself.
 - Monitoring

Achieving such arrangements may not be simple or easily accomplished.

The framework set out helps to clarify the existing literature and provide policy-makers and others interested in good governance with a better idea of how capacities can be built and constructed from individual competences and capabilities than existing conceptions currently allow.

Defining and operationalizing policy capacity is a very important, but only the first, step in applying the concept to the better understanding of policy-making and especially issues about the quality of policy-making and governance issues.

A Research Agenda Moving Forward

In addition to clarifying the concepts and providing empirical referents to each of these types of capacity, several additional themes and questions related to policy capacity in the context of the matrix set out above emerge. These include:

- Are some components of capacity more important than others? For what? How do we know?
- While we know the components of policy capacity vary by “level” (ie. system, agency, individual), do they also vary by policy sector (Eg. Water, telecommunications)? And if so, in what way(s) and why?
- Related to these, how can policy capacity and its components be measured? How problematic is this?
- What are the implications of governments’ different policy capacities for policy success and failure? For policy change?
- How do capacities change and how can the policy capacity of governments be enhanced?