
Personal Reflections on the State of Public Policy Analysis in Canada

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ONE OF MY RESPONSIBILITIES WHEN I joined Finance Canada in 1977 was to adapt the Bank of Canada's RDX model to do simulations of policy options. Ian Stewart had been one of the principals in the path-breaking work at the Bank to develop this early version of an economy-wide econometric model. His name loomed large in the model documentation I studied. In a case of "isn't it a small world," other principals included Fred Gorbet, co-editor of this volume, and John Helliwell, another contributor. I would later have the opportunity to know Ian Stewart in person when he became Deputy Minister of Finance in the 1980s. He instilled an analytical discipline in the Department's work that combined rigour in theory and quantitative methods. A good deal of this policy work was put into the public domain where it could be scrutinized.

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In this paper I will examine whether the rigour in policy analysis of that era continues today. It is difficult, however, to establish definitive benchmarks from which to make judgments. It is certainly the case that over the past 10 years the federal government has published few analytical documents. Important policy shifts on matters such as immigration and the environment have not been accompanied by published analysis such as that accompanying the Free Trade Agreement (FTA) or the introduction of the Goods and Services Tax (GST). But that does not necessarily mean that the rigour has not continued internally. Paradoxically, then, this examination of the state of public policy analysis cannot have the rigour I seek in policy work. Rather, it is based on personal reflections, often formed on little more than anecdotal evidence of what is happening within policy institutions. As well, the reader should take heed of the saying that tales of the good old days are often the product of bad memories.

Sources of Public Policy Analysis

So what is the state of public policy analysis in Canada? First of all, there are a number of different sources where this kind of analysis could be found: the federal government, the provincial governments, the local governments, academia, think tanks or research institutes, the private sector and the media. I will just briefly go through a couple of the sources that offer literally nothing so that I can get down to the more interesting ones.

Local Governments

Local government would be one of the sources offering little. They have weak analytical policy capacity with few resources devoted to the field and a typical structural impediment in the sense there are thick walls separating the mayor, the council and the bureaucracy. This is a shame because mayors could make a credible claim that the most interesting economic and political activity in Canada over the next 10 to 15 years will come at the local government level due to urbanization and the clustering of economic activity in the major urban centres. Yet, local governments have little political authority and are poorly resourced and structured to apply analysis to the decisions they are able to make. In many cities the bureaucracy actually reports to council rather than

the mayor. In some municipalities, Toronto being an example, there is a move toward a “strong mayor’s office” where there is greater access to the policy resources in the bureaucracy and some independent, albeit limited, capacity within the mayor’s office. But still, it seems unlikely that local governments will become bastions of strong policy analysis over the next few years.

The Media

Another source, the media, is not of course charged with what one would think of as policy analysis. Journalists do not typically have the luxury of working on a particular file for very long. And the media doesn’t have much of a market for policy analysis. Nonetheless, the media is incredibly important in the public policy delivery process. Indeed, the media is much more important than most people would give them credit for, because I think that one of the most important aspects of public policy is the conditioning of the public. Politicians do not like to deliver surprises to the public. The public does not deal with surprises very well. A good example is the contrasting approaches to HST harmonization in Ontario and British Columbia. In the former case there was open communication, conditioning and ample analysis provided. In the latter, the policy was announced without context. The Ontario harmonization has occurred without serious political difficulties whereas the B.C. initiative is in peril. The media in the two provinces played predictable roles, reporting on the analysis in the Ontario case and covering the tension in B.C. But this is a reflective role rather than a matter of the media generating its own policy analysis.

Unfortunately, little can be expected on the latter front. In Canada there are very few investigative or even editorial writers to opine on policy matters, and the numbers seem to dwindle annually. Even the column space of the few we have has been reduced. Further, non-editorial writers seem saddled with very strict prohibitions against even a glimmer of personal perspective. So most articles consist of a few facts and then quotes from a few sources. I will note, however, that in recent months there have been some interesting longer features in newspapers, including reviews of healthcare systems, immigration, manufacturing and the workforce. Those who do policy analysis would do well

to pay more attention to the role the media can play in generating awareness and understanding of their work.

Private Sector

I will now turn to the private sector. Having just completed an 11-year attachment to the TD Bank I look back with some surprise, almost awe, at the latitude I was given to do policy analysis. TD CEO Ed Clark once remarked that of 70,000 employees, I was the only one able to do whatever he wanted. He emphasized that even he did not enjoy the freedom I had. But it wasn't really a free rein. As in most circumstances, there was an element of implicit censorship. The bank has clients with sensitivities. The bank is heavily regulated by federal and provincial governments so one has to be careful not to alienate government. A few of the TD Economics studies caused considerable controversy. Work on a carbon tax elicited what could only be called hate mail. The same thing happened when I first suggested we needed a debate on opening up the Canada Pension Plan for further reforms. Many people threatened to drop their TD business. Whenever I became aware of such a threat I would contact the client directly and that seemed to persuade most to stay with TD. But how many withdrew their business without me hearing about it?

The sensitivity of clients and governments to policy work by private sector entities leads to a natural tendency to only research "safe" subjects and stay away from anything that might be controversial. But that's hardly a recipe for a valuable contribution to policy analysis. To their credit, the TD Bank took an awful lot of risk, but even then I must admit I probably left them a bit of baggage because it seems a line was crossed with the report on climate change. None of us were under any illusion about this being controversial. And the public and even industry reactions weren't any harsher than we had anticipated. But the government reaction, at both the federal and Alberta level, was much more strident than expected. The effects of the controversy created by that report were still evident when a couple of months later the Ontario Health Minister asked Ed Clark to do a report for her on how to slow down health care spending. There was enormous nervousness in the bank and, for the first time in 10 years, I had lots of people peering over my shoulder wondering exactly what I was going to say, what I wasn't going to say, and how we

were going to communicate it. Fortunately for me, and again to the great credit of TD, there were no elements of censorship applied to our health care report. But I don't think one can expect many institutions, or even one institution, consistently to allow such free rein in policy work. And also keep in mind that even the work we did at TD Economics came from the equivalent of one person year on an average, annual basis and even that is probably rounding up. So the private sector contribution to policy analysis has been slight and will probably continue to be so. We do have business associations and other associations which occasionally have done studies, but one has to be very careful in interpreting them as they are often tainted by self-interest. They are still helpful, but not greatly.

Think Tanks and Research Institutes

Now I will move on to think tanks and research institutes. First of all, we don't have very many of them in Canada. We certainly don't even have anything close to our normal one to ten relationship with the United States. And a couple of those in Canada (as in the United States) display their ideological leanings in every single thing they write. It reaches a point where if you tell me the subject I can describe to you precisely what the report will say. Such contributions are hardly very helpful. Fortunately, not all research institutes are like that. We've had some very important longer pieces from the Institute for Research on Public Policy. In addition, the C.D. Howe produces an amazing quantity of relevant public policy research. They tend to be less in-depth than the work of the Institute for Research on Public Policy, but the faster turnaround of the C.D. Howe's projects keeps them very timely with current policy matters. I am envious of what they accomplish on a shoestring budget. In particular, they release a lot of commentaries on issues of the day. There was a time when the Conference Board of Canada took seriously their self-imposed prohibition on policy analysis. But this has been greatly relaxed in recent years, so they have become another positive source. But still, all the research institutes and think tanks together don't add up to that much policy analysis in Canada.

Federal Government

The void left over from local governments, the media, the private sector and think tanks leaves much to be done by federal and provincial governments. I will now turn to the federal government. This will be my main focus. I will offer up the punch line now: I think the state of policy analysis in the federal government is dismal. Remember that this is simply a personal observation and that I have neither empirical evidence of this dismal state nor any rigorous tracking of how the federal government's policy capacity might have deteriorated over time.

My sense of a dismal state of policy analysis capacity is largely based on discussions with former and current civil servants and a monitoring of published work. Indeed, there is precious little evidence of public policy analysis from the federal government in the public domain. If one thinks back to the past, whether one agreed with the policy and the analysis or not, the Conservative government of the Mulroney era put out very extensive documentation of their belief of what would happen under the Free Trade Agreement. They did the same when they introduced the GST. Both were preceded by publication of their economic vision through *An Agenda for Economic Renewal*. They did not shy back at all. In all cases, I was constantly on the road speaking to groups about our analysis. If someone wanted to know our assumptions or our model properties, everything was put out for inspection.

When the Liberals came into power in the early 1990s they set out their economic and fiscal beliefs very explicitly in the so-called *Purple* and *Grey Books*. In the mid-1990s, we had a fairly fulsome debate that the government fully participated in when Lloyd Axworthy was interested in changing a number of aspects of the social security system. All this was backed by an official government paper. The *Purple Book*, the *Grey Book* and Axworthy's paper were very explicitly designed for the public domain. Again, they offered the details of thinking from which a debate could spring. In 2003, the then Ministers Alan Rock and Jane Stewart put out documents on their innovation and learning agendas. These documents supported a series of conferences. Thus, historically it was clear that there was a critical mass of analytical thinking going on in the government because we would see the evidence of it, we could feel it, we could touch it, we could participate in it and, perhaps most importantly, we

could question it. I think that this has not been the case in recent years. The lack of public documentation of policy analysis is not necessarily a feature of the Conservative Government because there is no sharp break around 2006. Perhaps it is associated with minority government status. If that is the case, then the recent shift back to a majority government might bring forward more documentation on policy issues.

The classic example of an analytical void is climate change. Again this cannot be laid at the doorstep of the Conservative Government. Canada started the negotiations that ultimately led to Kyoto in the early 1990s, the agreement was signed in the late 1990s and we are now almost through the first reporting period. Yet there is not a single public document, from the Liberals or the Conservatives, with a complete government perspective on what it will take policy wise to hit various emission reduction targets. In fact, the only documents with any shred of analysis show that the policies that have been implemented to date, and those that are being contemplated, will not come remotely close to any of the government's targets.

I think that is scandalous and I don't know how it can be viewed in any way as acceptable. I don't know how a government can stay this silent on the policy analysis front. I don't understand why the media and public have not criticized the policy vacuum more aggressively. Perhaps the analysis exists internally. We can't know this if we can't see it. I do not know of any other public policy field where there is not immediately available, with a relatively tight degree of consensus, a ranking of the various different policy options with the benefit-cost ratios attached to them. It does not exist in the climate change of the environment area writ large. And that void leads to policy mistakes. For example, one finds something like the transit pass tax credit introduced under the guise of a climate change measure when it reduces emissions at a cost likely around \$2,000 a tonne but was financed by scrapping programs that were working at about \$60 per tonne. In other words, from the climate change perspective, it is a completely inefficient policy. That's probably why over time it has come to be described as a more general tax credit. My point is that without a rigorous policy analysis framework, governments are not called out on having introduced inefficient measures like this. And where do the figures of \$2,000 and

\$60 per tonne of emission reduction come from? From gossip concerning never-released government papers.

In the fall of 2008 the government completely reversed the immigration selection process from an emphasis on education to identifying 38 occupations allegedly in short supply. If potential immigrants wanted to be on the fast track, they had to have worked in one of these occupations. Why did the government make the switch? What was the analysis that led to the switch and on what basis were the particular occupations identified? What is the guarantee the same occupations will have labour shortages in future? At the time of the change I was chairing an advisory panel for the federal, provincial and territorial governments on labour market information and I tried with some insider access to figure out what the analysis was. I never did find it. I was smirking a little bit when the Auditor General's report revealed that her office couldn't find detailed analysis. So maybe the evidence of lack of policy analysis rigour is only superficial, but maybe there really isn't much for us to see.

Another source of anecdotal evidence is the many friends who were with me in the Government of Canada in the 1970s and 1980s who recently retired, thinking they would do the odd contract. Instead they find a seemingly endless supply of contract work available. Work that in their view would have been handled by internal policy shops during their years in government. It can certainly be a good thing to farm out some policy analysis work. There is a lot of expertise available outside government. But there's a downside to farming out a large portion of the work. For one thing, when the work is done outside, the government loses its inside champion. Policy is a holistic experience. One does not have an innovative policy implemented by sitting in one's office and writing a great report. It has to go through the channels, it has to be communicated appropriately, and it has to recognize the political realities. And it is hard to do when one is outside the process and does not have a champion inside the process. So what I have seen is that the disproportionate majority of policy analysis that is contracted out tends to find itself on the shelf rather quickly and it tends to stay there because it doesn't have that inside link. To my great regret, that seems to be what has happened to my labour market information report. Another downside is through the human capital side. The capital tends to stay with the external contractor rather than becoming embedded within govern-

ment. The recent tendency to commission external reports on policy aspects such as competitiveness and innovation can greatly inform policy thinking by bringing in outside expertise, but again there can be shortcomings through lack of inside involvement and limited opportunities for internal human capital development.

There is a legacy, or at least there was a legacy, in most of the government departments of doing first quality research. And when you came into government many years ago, that legacy was right there. You could smell it, you could taste it, you lived it. When I joined the Department of Finance in 1977 I was surrounded by people who had been used to taking a hard edge analytical look at issues. You couldn't help but be swept up by that. The tradition was extended and deepened by Deputies to come such as Ian Stewart, Fred Gorbet, David Dodge and Scott Clark. I think that environment is largely gone. And it will be hard but certainly not impossible to rebuild it.

Factors Behind the Decline in Federal Government Policy Analysis

So the question is then why did that happen? Well one of the answers is money. In some respects I played a role in that, which can be traced back to a large degree to Program Review. In the wake of Program Review, government departments did what companies typically do. When budgets are cut, the first cuts are generally applied to capital spending, and in a sense the infrastructure that allowed government departments to do policy analysis was the equivalent to capital. It is not something that causes an organization to go under immediately. A department has a set of legislative and regulatory responsibilities and protects those at the expense of the infrastructure, which includes research.

One of the projects I enjoyed most in my government experience was an assignment in the late 1990s by then Clerk of the Privy Council Jocelyne Bourgon. She asked me to do a study of the policy capacity of departments. This took place about three years after the Program Review. I went into the assignment with a pre-conceived notion that capacity had been weakened but I was shocked at the extent of the damage. In fact I encountered a large number of departments that had completely closed down their policy analysis capacity. Citizenship and Immigration was one that came pretty close to a

shutdown. For example, in this department, one group that had 11 people was at one point reduced to one person. They have since rebuilt to some degree, as did quite a few other departments. To the credit of Jocelyne Bourgon, when she was faced with this documentation showing how weak the policy capacity was, she forced deputy ministers to go back and assign a larger portion of their budgets to research. She also created the Policy Research Institute which could help smaller departments and exploit synergies from issues that cross-cut departments. But I think even to this day we can see the scars of that loss of human capital even if it lasted for just a short period. And even though the budgets have been resurrected to some degree, in many cases they are still smaller in real terms than they once were.

I think a second reason for the decline in policy analysis by government is that in my experience, and that goes back to 1977, we are living in a time of unprecedented divide between the political and bureaucratic in Ottawa. Throughout my career, I have certainly witnessed many fights between the two sides. But fighting meant talking, even if very loudly. Even with fighting there was a mutual respect. In a recent parliament, I was part of external advisory groups for two ministers. They both started the first meetings by noting that there was no representation from their departments because they did not feel they got valuable input from them. That's very sad. One can see why such an environment would lead to further weakening of policy research, or at least to the publication of it. I don't think this state is all a product of a Conservative government. More likely the realities of minority governments play an important role. Such a climate certainly changes the focus from forward-looking policy agendas to more day-to-day management of issues.

It is interesting to hear of trickle down effects from a less tight association of the political and bureaucratic sides. Essentially much of the work done in a department is preparation for going to the Minister and Cabinet. If there is no final performance it is natural to have fewer dress rehearsals. In this sense it is hard for a department to maintain its analytical strength when its prowess is not on display at the political and then public levels.

I will come back to the provincial capacity but I just want to draw a lesson for the federal government of what I observed happening in Ontario. The Mike Harris Conservative Government developed its policy plans outside of

office and looked to the bureaucracy only for implementation. Ernie Eves carried on the same tradition. Over this period the bureaucracy lost considerable capacity to do policy analysis. Then Dalton McGuinty came to power in 2003. He asked the bureaucrats for their ideas and they were slow to come up with them, having lost a few strides over the previous decade. Departments were even slow to submit transition briefing books, in an apparent attempt to first judge the directions the new political leaders wanted to pursue. That's sad and in a sense irresponsible to the bureaucratic mandate of offering independent and reasoned advice. In recent years, the Ontario bureaucracy has been attempting to rebuild its policy capacity. But the lesson should not be lost on other governments, including the federal. I don't think the federal government's policy capacity is beyond the point of no return. But care must be taken to revive it and soon.

That revival will require action on both the supply and demand side. As argued, the bureaucracy is likely to only go so far in rebuilding policy capacity if the political side does not make demands against that capacity for both internal decision-making and public engagement. We have seen a weakening of this demand side. It will be interesting to see if there is a revival under a majority provincial government.

Provinces

I will now turn to the provinces. Each province has policy shops in several departments. I have worked with many of them in my Finance and TD days. There is tremendous variability by province and by department. In general, they tend to be fairly weak, in good part because they have few resources. For example, I was always astonished that provinces which received as much as 40 per cent of their revenues from equalization were dependent upon the federal government for estimates. Quebec is a notable exception because on this and many other matters I found that province to have competent policy capacity. Particularly during the PQ era there were sharp policy differences between the federal government and Quebec, but Quebec bureaucrats always seemed to show up with their analytical homework done. One element of their strength may have been that they recruited heavily from the federal Depart-

ment of Finance. It seemed that every time I had a strong francophone economist, Quebec lured the person away after I had invested a few years in training.

There is a risk of an incomplete picture by discussing the federal government and the provinces separately. I think we are missing an institutional layer now in Canada. We have had a massive devolution of power from the federal government to the provinces, in theory, but probably even more particularly in practice. Health and education were always in the provincial jurisdiction, but the federal government played an active role. The current federal government does not want to play that role. They have ceded most of these areas to the provinces, and that includes matters such as labour and housing policy as well. The provinces have picked up the ball on an individual basis to a certain extent, but the institutional layer we are missing is a group of entities that are national without being federal.

If one looks at issues like health care, we do not have a strong entity of provincial health care ministers. They did address the tainted blood supply issue together, and at the last Premiers' meeting they were tasked with setting up some kind of entity to bulk purchase drugs, but there isn't much more on their record. We do have a Council of Ministers of Education, and with a secretariat support of about 40 people, it has some analytical capacity. But these areas are about it for national but not federal institutions that can do policy analysis.

I ran smack into this issue when I dealt with labour market information. The federal government actually had a reasonable labour market information system in place, but it disbanded it when the labour market policy powers were devolved to the provinces. Some of the provinces picked up the pieces individually and for their own jurisdiction. Some of them have not yet developed much capacity. Nothing has been done on a cohesive, comprehensive, national basis. So, for example, one can look at a pretty good website in Saskatchewan to help one find a job in that province. But it is much harder to search for what might be available elsewhere. Ironically, the best source of labour market information in Canada is now a website that is designed for, and almost exclusively used by, people who are not in Canada. It is managed by Citizenship & Immigration with support from HRSDC. Its purpose is to give people contemplating immigration to Canada a sense of what jobs are available here. We have no equivalent for Canadians. Several provinces are strengthening health

quality councils that research and publish best practices on various health interventions. But the situation is virtually the same in all provinces. It seems inefficient for each jurisdiction to be going it alone.

Academics

My final potential source of policy analysis is academia. First of all, I note there are not very many people on the academic scene involved in public policy. It is not something that neatly fits into the normal tenure track as the policy route doesn't often lead to publication in the kinds of journals that count most. The tenure track is more geared toward publication in refereed academic journals. Certainly in my field, economics, there has been a shift toward academics working in theoretical and highly mathematical matters. Most of the academics who have been involved in public policy tend to be further along in their career. They have tenure, they are feeling more comfortable, so they indulge in work that interests them. They tend to be in their 50s and 60s. So we must be cognizant that as weak as the policy scene has been in academia, the effort has largely been concentrated in a cohort that is about to retire. One does not find many professors in their 30s and 40s actively working on policy issues. And when they do, they tend to analyze particular fragments of issues rather than taking holistic approaches.

In part this fragmented approach is fuelled by the administrative structure of universities. The departments operate as silos and professors view themselves as independent contractors. So there doesn't tend to be a lot of collaboration across departments. The collaborations are more likely across universities, but within a particular branch of a discipline. So, for example, few academics would look at the whole immigration system or the whole health-care system. And there are few agents who can bring together the bits and pieces that individuals are working on. There are of course academic conferences, but for the most part the conferences are attended by fellow academics. The proceedings may be published but are usually largely forgotten. In part that relates back to my earlier point about the cost of not having internal champions of policy research within government departments. If these bureaucrats are not integrated into the conference proceedings, then the results don't tend to get transferred to the policy implementation level.

The internationalization of academia has also changed the nature of policy analysis. Academics working in Canada are now much less likely to be Canadian than they were historically. The internationalization has undoubtedly increased the capacity to study global issues and to provide global perspective on Canadian matters, but the interest, personal ties and knowledge of Canadian policy have likely weakened.

Could the academic scene play a bigger role in policy? I think it could but certain changes would have to occur. One would have to have much more collaboration amongst academics on both an individual and institutional level. One would probably also have to cross into an area traditionally uncomfortable for academics. Public policy is a holistic experience that synthesizes ideas. One has to be cognizant of public perceptions and even be prepared to change them. That requires creating consensus and engaging with the public. For very good reasons, academics often say that this is not their responsibility, that this would be crossing the line. My response to that is that if one wants to make an impact in the policy arena, one has to accept the conditions of the game. One can no longer just do the abstract research on policy analysis, hand it over to the government and think that they will run with it. Because they won't. They have lost that receptor capacity. Academics have to recognize that and adjust their model accordingly.

Healthcare will be an interesting test case for Canada's policy analysis capacity. Let us take it as a given that something has to give within the next few years. Governments cannot return to fiscal balance with health care spending growing 6-7 per cent per annum. And worse, relative to international standards, all the money Canada spends on health buys a fairly mediocre system in terms of quality. We saw governments pare back on health spending in the 1990s, but the rapid spending increases quickly returned because they did not do the required underlying reforms. Few other countries have found magic solutions to lowering cost growth while preserving quality, so Canada will have to carve a unique path to reform.

But who will lead the charge? The federal government? No way. Even if they had the analytical capacity they wouldn't exercise it because they are walking on eggshells in this provincial jurisdiction. They will likely not be activists, even on just the policy research areas. Can the provinces do it? Prob-

ably not because they are petrified of the sensitive political elements. They just need to witness what happened to Obama's reform proposals to get even more frightened. Even seemingly sensible ideas came under sharp attack and every ounce of political capital was required to forge a compromise agreement that in the end isn't very satisfactory and may not last. Think tanks? They can and should play a role. The Conference Board and the C.D. Howe Institute have recently launched health care initiatives. They have succeeded in raising funds but it is too early to judge the substance of what they might do. Could academics play a role? I think they can. But it would take a fairly large number of researchers because it's a huge sector. Most aspects of the issue have to be covered if we are to arrive at a sustainable system that requires much lower growth rates of funding.

The sector's stakeholders, including doctors, nurses and the drug companies must also become involved. They must put out their own ideas for reform and engage with the public. Most critically, we would have to find or create an institute or some kind of facility as a means of bringing together all the ideas, making sure the approach was holistic rather than a scattering of isolated ideas. One would have to build a consensus and to do some conditioning, working with the media. And again this would be going into a new capacity for most academics, for the sector stakeholders and the respective institutions. After others have gone a certain distance and the public has been informed and in a sense conditioned, then perhaps governments, in this case most likely at the provincial level, could poke their heads up and follow in wake others have created. It will be an interesting policy analysis experiment to observe.

Policy studies schools are a growth industry in universities lately. They are springing up all over the place. They certainly offer the potential to greatly increase policy analysis capacity. But I would caution that if they are to succeed on that front there must be a certain rigour developed in the curriculum. And that will be tough to achieve for those schools with one year programs. In particular, there must be more rigour around quantitative issues. Let's face it, most policy research requires an empirical bent. People doing it must be comfortable in this space. Courses are typically available to address deficiencies students may have had after their undergraduate degrees in fields such as economics and quantitative methods. But they seem imperfect substitutes for stricter entrance

requirements. Having students with better quantitative backgrounds would also offer better research assistance to the faculty working in the policy studies schools. Opportunities should also be sought to combine economics and policy studies courses. This would address what a Queen's economics professor observed when he said "economics has moved away from policy and policy studies has moved away from economics." Both movements are in the wrong direction.

Concluding Remarks

My personal reflections on the state of policy analysis in Canada are rather bleak. But I do think there is hope. Universities can play a big role in turning around the situation. There has been a tremendous investment in academic research. We need to see the pay-off. That pay-off will only come if universities change the model and bring together the various strands of research and work more effectively with governments and the public. The bureaucracies at all levels of government can lift their game. In each department it might only require putting a handful of the right people into the right places. A few Ian Stewarts here and there, for example. That speaks to the supply side. Governments need to ask more pointed questions of their civil servants and need to re-establish the rigour of publicly releasing policy analysis. Perhaps with the return to majority government in Ottawa we will see more of this.

I am particularly encouraged by a very recent initiative. Industry Canada, with the support of Statistics Canada, is taking the lead on an initiative to better understand Canada's productivity malaise. There is tremendous interest within the academic community. The Social Sciences and Humanities Research Council may provide considerable funding. It won't require the creation of a new institution such as the old Economic Council of Canada which got bogged down in excessive overhead. It will require drive on the part of the federal government and that seems to be shaping up.

Policy analysis capacity has slipped in Canada relative to the good old days, which weren't even as good as they could have been. However, this trend can be turned around. And indeed it must be turned around for the sake of delivering solid policy.