Institutional Capacity, Policy Learning, and Path Dependency in the Canadian State

Markus Sharaput
(sharaput@lakeheadu.com)
Department of Politics, Lakehead University (Thunder Bay)

There exists a wide range of literature on the development and "storage" of policy capacity. Although the terms emerge from analytic different streams, there are definite links between the concepts of policy learning, path dependency, and institutional capacity. To date, however, discussion of these issues has tended to be divided, and lacking in fertile cross–pollination. The primary argument of this paper is that significant theoretical insight can be gained by attempting to bridge these various themes in the academic literature.

The critical insight that emerges is that it is not only the dynamics and structure of policy networks and communities that is relevant, but also their location, and relationship to, the institutional structure of the state. Policy capacity, i.e., the institutional ability to conduct policy analysis and implement its results effectively and efficiently, depends on the creation of an institutional channel between policy problems and policy communities. Policy capacity, while ultimately resident in policy communities, can only be effectively applied to realise change when such channels are established. Policy learning, as the aggregate accumulation and development of such channels, presents something of a double-edged sword. While it helps to develop and entrench the existence of such channels, and can provide limited opportunities for the development of new channels, it also creates conditions of policy inertia; institutions tend to keep on doing things the way they are used to doing them.

Where a capacity does not yet exist within states, the process of policy learning fosters its development where possible. Where a capacity does exist, however, there also exists significant disincentive to develop new institutional channels, even under circumstances where the existing links between problems and capacity are insufficient to the demands of the problem. It is only in periods of crisis, where the entire institutional dynamic is challenged, that such institutional formations can be significantly readjusted. The paper discusses Kingdon's concept of "policy entrepreneurs" as a bridge between institutions and policy communities, and as the critical actors in a crisis, able to rearticulate the community-institution relationship. The paper closes with a brief discussion of the recent economic crisis, and illustrates how disincentives and entrepreneur mis-location can frustrate efforts at change, allowing existing networks to define crises as problem of mitigation, rather than transformation.

Part 1: Policy Windows, Policy Networks, Institutional limits.

Since the late '80s early 90s, policy analysis has been divided by a debate concerned with policy change. One camp focused on the limiting impact of institutional structure on the formation and implementation of policy. The other focused on the dynamic relationships between actors, particularly in terms of the formation of communities and networks. While most authors acknowledge the interdependence of these factors, there is a recurring tendency to theoretically privilege one or the other as a prime cause. This paper, drawing on an ongoing project of research into the implementation of the innovation policy agenda in Canada, argues that a link between these two approaches can be forged through an adaptation of Kingdon's theory of policy windows. The paper argues that the location of policy networks within the institutional terrain of the state conditions their ability to organize and capitalize on policy windows,

and to speak to policy entrepreneurs in a position to use policy windows to generate policy change.

Institutionalist studies of policy tend to focus on the way that institutional formations and structures limit policy practise. In the Canadian context, common themes for study have been the impact of the federal structure, broad political compacts such as the welfare state, institutional culture within the bureaucracy, or the ongoing emergence of globalisation.[1] The common link between discussions involves how a dominant institution or institutional practise sets the terms of reference for policy formation in a given context. The communities and actors operating within this context are ultimately defined in reference to that context, whether in terms of their access, or resistance, to it. This school of policy analysis, particularly the elements concerned with the federal structure, has connections to a broader stream of institutionalist literature, typified in Canada by the work of Cairns.[2]

Cairns work on citizenship and federalism amply illustrates this connection. He argued that the federal structure has helped foster communities of government and extra-governmental actors coordinated around seeking advantage within the federal structure. The process of policy formation is thus conditioned by the opportunities and political incentives inherent in a federal structure, notably those associated with regional identities and agenda.   Cairns' work forms a bridge between institutionalist and community-based analysis, insofar as he was concerned with the impact of institutional structure on community formation.

Community-network analysts focus on the dynamics and relationships between actors. The latest iteration of this argument, initiated by Atkinson and Coleman and Skogsted, takes insights of older structuralists (notably Marxists), and inverts them.[3] Core groups dominate through an ongoing process of domination; domination of the deliberate policy agenda is a direct product of efforts to embed a relationship to the institutional structure of the state, and exclude competing policy actors and claims.[4]

Communities form around the advancement of particular policy agendas, and successful implementation of those agendas both encourages, and demands, the exclusion of competing agendas and the actors who pursue them. What distinguished Coleman and Skogstead's work was, first, their focus on the relationships between actors in policy communities, and second, their focus on the structural relationship between policy networks and the institutional structure of the state.[5] From the latter factor, the authors

---

[1] See Atkinson: 1993, Banting: 1987, Savoie: 2003, Gill: 1999, Doern et al.:1996.

[2] See Pal: 2005; Cairns: 1986.

[3] See Atkinson and Coleman: 1989a, 1989b; Coleman and Skogsted: 1990.

[4] See Baumgartner and Jones: 1991, 1993, 1994; Jones and Baumgartner: 2005; Roberts and King: 1991; Mintrom: 1997.

[5] Colemand and Skogstad can be contrasted with Sabatier and Jenkins-Smith: 1993, 1999. The latter are distinguished by their focus on actors. While both sets of authors are concerned with the activities of groups, Coleman and Skogstad privilege the relationship between those groups and the institutional structure of the state, while Sabatier and Jenkins-Smith privilege that actions directed by those groups towards the institutions of the state. In the former, institutions are a structural context, in the latter, an object of political mobilisation.

derived a typology based on the degree of state autonomy (the extent to which states could develop policy objectives independent of societal pressure), of state coordinating capacity (the ability of the state to act coherently, represented either by a high degree of centralisation or by a strong capacity for inter-departmental coordination), and of organisational development (the capacity of organisations to manage complex information and activity in such a way as to ensure both the long term interests and compliance of their constituents, despite potential conflict with short-term interests and demands).

Miljan, commenting on Coleman and Skogstead's work, notes that the subsequent development of Coleman and Skogstead's work is based on three assumptions. They argue that network analysis depends on the assumption that modern governance is non-hierarchical, that it is possible to disentangle and understand network relationships, and that while networks influence decision making, it is ultimately government that is responsible for governance.[6] In other words, while government or governmental actors remain the decision makers regarding policy, policy communities act as the impetus for decision making. The internal organisation of policy communities (ie., their network structure) coupled with their connection to and influence on governmental decision makers is the key to their ability to produce policy outputs, despite their location outside the formal institutions of government.

Even a brief empirical study, however, indicates there exists a host of cases that defy these core assumptions. Policy governance can be hierarchical. A strong executive can direct the policy process despite advocacy or resistance from a range of policy communities. Policy networks can be difficult to disentangle, especially because, as a process, they are not static. Finally, while one can argue that there exists a distinction between policy influence and decision making, practical empirical analysis requires an understanding of how influence reaches and affects decision makers. This latter factor tends to skew analysis back towards institutional approaches, with their clear focus on the allocation of decision making authority, and degree of permeability.

One approach to understanding policy formation that seeks to straddle the boundary between network dynamics and institutional limits is the work based on Kingdon's concept of policy windows. Kingdon argued that policy change was ultimately in hands of policy entrepreneurs, actors able to capitalize on the convergence of three relevant streams to create policy windows (windows of opportunity for policy change). The three streams in question were the problem stream (the degree to which the policy issue is broadly interpreted as a deviation from the desired state), the policy stream (the degree to which policy capacity and expertise is devoted to the policy issue) and the political stream (the degree to which the issue us associated with partisan or pressure group activity).[7] This concept has been developed and extended by Ridde to apply to policy formulation and implementation as well as agenda-setting. Ridde notes that stream convergence is specific to the stage of the policy process. Agenda setting is associated with the convergence of the problem and political streams, policy formulation

---

[6] See Miljan: 2008, 36-7
[7] See Kingdon: 1995.

with the convergence of the political and policy streams, and implementation with the convergence of policy and problem streams.[8]

The intersection with institutionalist and network approaches to understanding policy is clear. Institutional constraints are most commonly felt in the problem and policy streams, while networks are most relevant to the problem and political stream. The critical dimension then, becomes the intersection point, namely, the problem stream, and the capacity of a policy entrepreneur to connect that stream to the policy and political stream. The location of a policy entrepreneur within the organisational structure of the state conditions their capacity to coordinate the resources of the state towards solving a policy problem, as does the degree to which the entrepreneur can rely on or mobilize political support for the solutions generated. Equally, it is the degree to which policy communities are connected to policy entrepreneurs, their degree of influence over those entrepreneurs, and the location within the state of the potential entrepreneurs to which they are connected that conditions the degree of influence a policy community enjoys. It is the location of policy entrepreneurs within institutional structures and policy networks that determines the ability of policy networks to achieve policy, or even institutional change.

The bridging relationship played by policy entrepreneurs helps to explain why active policy networks can still fail to advance their agenda. The cases break down broadly into two groups. In the first, groups can be solidly connected to potential policy entrepreneurs, who in turn are located within the institutional apparatus of the state in such a way as to make implementation of their agenda problematic. In the second, entrepreneurs can be located within an institutional context hospitable to the agenda, but the policy networks most closely associated with that agenda have only tenuous connections to the relevant entrepreneurs. Policy entrepreneurs, and other key state actors, serve as gatekeepers to policy change.

Part 2: Institutions, policy learning, policy change.

An institution is fundamentally a tool for concentrating agency. It serves to direct the agency of its aggregate components towards a specific and valued goal, and is distinct from other such mechanisms by its relative durability.[9] While many institutions have some sort of formal limit or persona, they do not necessarily require them. Both

---

[8] See Ridde: 2009.

[9] While there exist a variety of institutional approaches (see Hall and Taylor: 1996), the more recent work in the approach is characterized by a common stress on the impact of institutions as organizing factors for human agency (see Peters: 2005; Schmidt: 2006). For institutionalists, it is the pattern of organization imposed by institutions that is key (March and Olsen: 1984). There exists a large body of literature dedicated to studying the historical evolution of such patterns of institutional organization. See Skocpol: 1995 and Pierson and Skocpol: 2002 for a more detailed discussion of the approach. The question of evolution introduces a recurring tension within institutional theory, between those approaches advocating a primarily descriptive project (Harris: 2006) and those recognizing the need to account for change (Immergut: 2006). Pierson: 2006 is explicit in his connection of policies and institutions, claiming they operate as such to the extent that they exert an indirect influence on political actors.

the Catholic Church and the children's game "rock-paper-scissors" are institutions, but only the former can be personified as a coherent actor.[10]

The agency-concentration function of institutions derives from both a magnifying and constraining capacity. One the one hand, institutions allow for the pooling of human agency, permitting forms of action that otherwise would be much more difficult. On the other hand, their tendency to focus this aggregate agency towards specific ends limits how that aggregated agency can be applied. While the Catholic Church may provide mechanisms for resolving debates of religious doctrine, it is not well suited to determining who is first up to bat.

From an analytic perspective, institutions permit a degree of simplification. The modern state is a complex phenomenon, involving the deployment of enormous numbers of human beings and resources. Efforts to account for the state by accurately tracking each and every person associated with it require analytic capacity well beyond that of most, if not all, potential researchers. Approaching the state from an institutional perspective, however, allows the researcher the opportunity to treat that complex phenomenon as a singular actor with a coherent function and goals. It is not so much that the analyst ignores the complexity of the state; but that they are able to focus their attention on particular outcomes it produces.

In the context of the policy process, institutions are a conditioning factor. They operate as a passive terrain for policy formation, they act to constrain and channel how that process can proceed, and they provide a structure within which to locate political authority and influence. Policy formation in a given context is not a direct product of the institutions through which it is created, but these institutions do set parameters for policy design and implementation. At the same time, it is important to remember that institutions do not create themselves, as most are a product of prior policy. As such, institutions represent one instance of policy learning, the reflexive process whereby policy actors accumulate and store expertise, both enhancing their capacity to create and implement policy, while at the same time reinforcing the tendency to produce certain kinds of policy in particular ways.

A more common term for "stored expertise" is policy capacity, what Pal defines as "the institutional ability to conduct policy analysis and implement its results effectively and efficiently".[11] Different states posses varying degrees of policy capacity,

---

[10] North: 1990 distinguishes between institutions and organizations. The former imply norms and rules, while the latter consist of coherent actors. One critical factor is the emergence of institutional interests. Institutions do not only exert passive constraints on actors; as organizations, they also posses a capacity to pursue a political agenda of their own, and in doing so, can alter the institutional environment in which they operate. See Hills and Michalis: 2000 for a discussion of this in the context of the European telecommunications industry. Hollingsworth: 2000 has argued for more rigorous study of the relationship between organizations and institutions, particularly in regards to innovation and change.

[11] See Pal: 2010, 37. The concepts of policy capacity, sovereignty, and state autonomy are all related, insofar as they refer to different dimensions of the capacity of the state to 'get things done'. Differences between the three are a product of level of analysis. Policy capacity is concerned with the institutional, sovereignty with the systemic, and autonomy

and the various subordinate agencies within a state tend to specialize in different aspects of policy capacity to varying degrees. Such specialization can take the form, for example, of differing capacities with the range of available policy instruments, with some agencies possessing greater capacity with more coercive instruments, and others with those less coercive, and more influential.

Policy capacity does not emerge from the ether. While some policy capacity is a product of deliberately allocated resources (financial, informational, human, etc.), accumulated expertise and the development of pre-existing analytical resources is also a contributing factor. The process whereby policy formulators accrue such non-material or financial resources, typically through the evaluation of past policy, is policy learning. [12] The development of specialized capacity tends to exert an influence on later decisions and processes of implementation; policy makers tend to stick with what they know, and tend to get better at doing the things they know how to do.[13] Over time, accrued policy learning is combined with material and financial resources in formalized institutions, which provide a reservoir of capacity, and reflect a tradition of policy learning.[14]

---

with the structural. Each concept is contested, a product of historical development, and historically defined. See Moggach: 1999 for a discussion of the problematic relationship between sovereignty and autonomy. Toope and Rehaag: 2005 discuss the implications of restricted sovereignty for policy formation, particularly the choice of policy instrument. See also Grande et al.: 2007.

[12] See Howlett and Ramesh: 2003, 220; Bennet and Howlett: 1991.

[13] See Eisner: 1993; Wilson: 2000.

[14] While policy learning is generally understood to be resident at the institutional level, there are authors who engage it at the level of the individual. See Busenberg (2001) for an illustration of this, and its implications for understanding policy learning. Policy learning approaches can be productively contrasted with human capital approaches, such as Courchene (2002). While both examine the impact of long-term knowledge acquisition, human capital approaches focus on the individual, rather than institutions. For theorists of human capital, policy learning becomes an individual-based economic strategy (Courchene: 2001; 2007). From this perspective, policy learning in the state, and thereby the development of policy capacity, becomes a necessary adjunct to developing human capital in the wider population. (Levine: 1998).

Policy learning can also be engaged at the level of organizational or institutional change. In this perspective, policy learning allows for organizational change, in that it is the ability of individuals in the institution to recognize the need for change (and adapt to it) that allows for change in the institution as a whole. Wolfe (2006) discusses how this dynamic operates at the level of the firm. Institutional parameters condition the extent to which policy learning can occur, i.e., to what extent, and in what ways, human capital can be productively exploited. The latitude an organization offers to those who occupy it directly contributes to the institutional flexibility of the organization (Barette et al.: 2007). This also suggests that for an institution to become innovative (to make specific forms of continuous learning part of the institutional culture) then a way must be found to encourage the individual components of the institution to adopt such practices.

Endogenous policy learning thus has a close relationship to the dynamics of policy communities and networks, which rely on their ability to dominate problem definition and agenda setting for their influence. The accumulation of policy capacity, and the structuring of the relationship between a policy community and the state in a network, are part and parcel of the larger policy learning process. Network formation and institutional development are both aspects of endogenous policy learning.

This vision of policy learning, in which it is a continuous and deliberate process, and an endogenous part of governance, represents the first of two basic approaches to the concept.[15] It is this approach that helps to account for the general tendency towards incrementalism in policy change. There exist a variety of disincentives to radical change of policy direction, among them the difficulty of creating a whole new set of capabilities from whole cloth. Dramatic change is often associated with periods of institutional or organizational crisis, where existing capacities are insufficient and cannot be adapted. It is this crisis model, in which the impetus for change is exogenous, that constitutes the second approach to policy learning; learning is a response to stimulus from outside government.[16]

The distinction between the two approaches to policy learning embeds debate on the subject within larger debates about policy change, agenda-setting, problem definition and issue structuring. The existence of a range of available tools encourages policy makers to interpret problems in light of pre-determined categories, and to assign responsibility for those problems to particular institutions.[17] Once assigned, problems are addressed according to the culture, pattern of learning, and capacities associated with the institution in question.

Policy learning is thus related to the structuring process. On the one hand, problems are structured in part by the inherited consequences of policy learning; issues become associated with particular agencies or government capacities, which encourages the assignment of similar problems to the same agency in the future. On the other hand, policy learning can be seen as a product of the structuring process, insofar as the capabilities a government agency develops are a product of the need to address particular types of problems with the available resources. The emerging policy rationality (the

---

[15] For the seminal work on this approach, see Hall: 1993.

[16] See Heclo: 1974 for an early analysis of exogenous policy learning. See Sabatier: 1999 for a comparative discussion of different theories of policy rationality and change, or Wilson: 2000 for a discussion of the impact of crisis. Howlett and Ramesh point out a need to distinguish between the two types of learning insofar as one is associated with particular policy communities below the level of the state, while the other deals with the larger policy environment (Howlett and Ramesh: 2003, 222). It can be important, however, to draw connections between the two, insofar as exogenous change in the overall system can have consequences for more focused endogenous learning. Freeman: 2006 discusses the process by which knowledge diffuses within and between such environments

[17] The issue of problem definition and agenda setting is perennial in policy literature. For a sample in the Canadian context, see Howlett: 1994,1998, 2002; Soroka: 2002. For a study of the role of bureaucrats see Bradford: 1998. For politicians, see Evans: 2005. For public interest groups, see Sabatier and Jenkins-Smith: 1993,1999.

perspective or ideational framework from which the policy makes sense) tends to be closely related to the pre-exiting culture and rationality of the authoritative institution.[18]

Part 3: Crisis, change, and policy window failure.

A clear link exists between the process of policy learning and the formation of institutions. Both offer enhanced capabilities while exerting a constraining influence on how those capabilities will be employed. Both inform how problems are perceived, but simultaneously impose limits on perception. Both involve the development of a culture establishing key terms of reference and a conceptual framework, providing a means of establishing conceptual links, while channelling tendencies to conceive of links in certain ways.[19]

Breaking out of the constraints of a given institutional array presents significant difficulties to policy makers, insofar as this requires a rejection of both known capabilities and the cultural and institutional framework granting policy-makers their authority to act; this is especially relevant for critical actors like policy entrepreneurs. Generally referred to as path dependence, this inertial tendency is a product of feedback within institutions; successfully fulfilling institutional functions reinforces the tendency to approach problems the same way; choices become limited, in that it becomes harder for actors both in and outside the institution to adopt new techniques or strategies.[20] Path dependence, structuring, policy learning, and institutional formation are all related, insofar as they describe different elements of a larger process in which particular institutions become associated with policy problems and the courses of action devised and implemented to correct them.

Crisis, and its implications for exogenous policy learning, constitutes a challenge to path dependence, insofar as it represents a failure of policy capacity, and of the institutions in which that capacity resides. It does, however, represent a condition of

---

[18] The institutional house in which policy issues are addressed bears direct consequences for how policy problems are defined. See Doern and Sharaput: 2000; Sharaput: 2002. Policy rationality is closely related to institutional culture, and reflective of the policy learning characteristic of that institution.

[19] The extent to which the particularities of a given state's institutions impact the process of change has been a topic of debate in the policy literature. Contrast, for example, Bartle: 2002, with Daugbjerg and Pederses: 2004. At stake is the question of whether the constraining influence of sub-state institutions is significant relative to that of systemic organization, or the fundamental dynamics of core institutions. Other authors focus less on the features of the institutions themselves, and more on their organizational arrangement (see Hale: 2004 or Monpetit: 2005) while others stress the impact of environmental conditions making the implementation of change possible (see Weissert and Goggin: 2002).

[20] For a more detailed discussion of path dependence, see Arthur: 1989; Mahony: 2000, 2006; Howlett and Ramesh: 2003; Weir: 1992; Weir and Skocpol: 1985; Pierson and Skocpol: 2002; Pierson: 1993, 2000, 2004, 2006. Path dependence is also an element in the broader discussion of institutional change. See Piven: 2006 for a discussion of how both path dependence and institutional change are as much a product of political mobilization as institutional or systemic dynamics.

possibility for exogenous policy learning, in which a basic re-evalutation of policy capacity takes place. As such, it is also related to the formation of policy windows, and the entrepreneurial bridging discussed earlier in the paper. Solving the problem of crisis means developing the capacity to resolve the problem; in other words, in order to solve the problem, one needs to develop the ability to identify what the problem is, devise a solution, and implement it. This process is contingent on the role played by a policy entrepreneur, and involves policy learning in the form of the accumulation of new policy capacity, or the redistribution of policy capacity across existing institutions.

Crisis also involves the re-articulation of policy communities and networks. As noted earlier, policy communities, once embedded in a network, seek to monopolize problem definition and the policy agenda. The basic task for a policy entrepreneur is to coordinate actors and circumstances in such a way as to challenge this monopoly. Crisis provides an opportunity to do this, in that it allows an entrepreneur to identify the failure of existing institutional policy as a policy problem. When crisis results in a policy window, institutional change, or the reorganization of policy communities and networks, the analytic task is one of determining how key actors such as entrepreneurs were able to achieve the observed outcome. A more complex task lies in deciphering the failure to change; when crisis emerges, but substantial changes to policy, institutions, and policy communities / networks are not evident.

That the recent global economic crisis offered the potential of a policy window seems clear. The current Harper government took office with a stated intention to avoid strategic intervention in the Canadian economy. The recurring message in its early budgets was a focus on facilitating market activity, reducing government spending, and lowering the tax burden on both business and citizens. The collapse of the US real-estate market, the resultant global recession, and pressure from public advocacy groups, foreign economic partners, and the opposition parties compelled the government to adjust its stance. While a close examination of the succession of "Canadian Action Plans" produced by the federal government reveals a significant degree of repackaged policies from earlier years, there has been a distinctive shift in both the federal government's willingness to directly influence market activity (the latter notably on the demand side).[21]

The economic crisis represented a direct challenge to both the institutional and policy community foundations of the Canadian government. Issues that had dominated the Canadian agenda, notably the neoliberal banking-led policies characteristic of the Harper government and its supporters, came under attack for helping to produce the global recession. The idea of a "hands-off" government was no longer politically viable. This did not, however, result in the emergence of an interventionist industrial strategy; in fact, the most common theme in the Action Plan documents has been their characterisation as a necessary, but temporary, evil. The goals of the Action Plans have been mitigating the impact of the recession and a return to market-led growth, rather

---

[21] See Government of Canada, *Canada's Economic Action Plan: A First Report to Canadians* (Ottawa: Department of Finance, 2009); Government of Canada, *Canada's Action Plan: A Second Report to Canadians* (Ottawa: Government of Canada, 2009); and Government of Canada, *Canada's Economic Action Plan: A Third Report to Canadians* (Ottawa: Government of Canada, 2009).

than a successful attack on the policy networks and institutional formations that produced the recession in the first place. Why?

In circumstances where crisis is not successfully converted into a policy window (i.e., a transformative project), the problem is defined as preservation of the existing status quo. The problem of crisis, rather than being the failure of existing institutions (with their accompanying policy networks), but rather the threat the crisis represents to those institutions networks; crisis becomes a problem of (endogenous) policy learning, rather than an opportunity for (exogenous) policy learning. The policy goal becomes mitigation, rather than transformation, and the existing policy network mobilizes through its institutional links to maintain the status quo.

The failure to convert crisis into a policy window can be accounted for by a failure in one of the three policy streams identified by Kingdon, distributed across the institutional-network divide. Either there is a failure of policy (the problem of failed existing capacity does not lead to the development of new capacities), there is a political failure (insufficient political support for change is mobilized), or potential policy entrepreneurs fail to form the critical bridge between the institutional streams (problem, policy) and the community network streams (problem, politics); potential entrepreneurs lack the capability to define a problem in such a way as to link policy capacity with political support.

In the context of the recent crisis, neither the first nor the second case holds. There exists a long tradition of policy capacity devoted to projects of economic transformation, and since the 1990s, it has taken a consistent form, the innovation agenda. Housed in Industry Canada, the agenda dates back to the beginnings of the Cretien Liberal government, and has survived the transition to the current Harper government. To date, however, its success has not reached much further than the discursive, and it was almost totally ignored in the Action Plan documents developed in response to the crisis.[22] It is also difficult to argue that an absence of political support for change occurred, given that a radical shift in government spending took place, in direct response to political demands and pressure.[23]

This in turn suggests that the failure of the recent crisis to produce substantial strategic change in government policy lies in a failure of policy entrepreneurship. Either potential entrepreneurs faced disincentives to action, or they were unable to effectively bridge the gap between how the problem was defined politically within policy networks, and how it was defined as policy within the institutions of government. That politicians in the Harper government faced disincentives to assume such a role is clear. The dynamics of minority government, past practice, and the Prime Minister's leadership style all provided ample reason for Tory MPs not to take up the gauntlet.[24] Federal bureaucrats faced even greater disincentives to promote such an agenda on the part of their political colleagues.

Recent trends in civil service staffing, notably the disintegration of the traditional bargain between politicians and bureaucrats, the gutting of the civil service in the 1980s and 1990s, and the current lack of continuity in hiring and staffing, have had significant

---

[22] See Philips and Castle: 2010.

[23] See Sharaput: 2010

[24] See Malloy: 2010.

structural impacts on the civil service. The population of established, mid-range bureaucrats (those with the greatest incentive and opportunity to champion a policy agenda as a means of career advancement) is currently relatively limited. There fastest growth in the contemporary Canadian bureaucracy consists of a cadre of temporary / contractual workers with limited security or influence. What senior managers remain tend to be marginalized by the current practice of shuffling bureaucrats between portfolios; this constant movement means that senior bureaucrats lack opportunities for long-term development of human capital, or to build the consistent relationships with mid-level colleagues that facilitate large projects of coordination.[25]

The remaining question is why opposition politicians accepted the terms of reference of the government? Despite the existence of alternate forms of policy capacity housed within government institutions, and widespread political support for government action, opposition parties were unable, or unwilling, to connect the two by defining the crisis as a problem of how Canada works, rather than of how well Canada was working. While the specifics of that question remain beyond the scope of this paper, they offer fruitful terrain for further research. If a critical dimension of policy change lies in the ability of entrepreneurial actors to connect the terms of reference for policy communities and the policy learning process in institutions, then determining the circumstances or conditions that permit or encourage such a connection are key.

---

[25] For discussion of the changing face of the Canadian Public Service, see Savoie: 2003; Zussman 2010; Batkiw: 2010.

Citations

Arthur, W. B. (1989) "Competing Technologies, Increasing Returns, and Lock-in by Historical Events" *Economic Journal* v. 99. London: Macmillan.

Atkinson, M. (1993) "Public Policy and the New Institutionalism", in M. Atkinson, ed. *Governing Canada: Institutions and Public Policy*. Toronto: Harcourt Brace Jovanovich.

Atkinson, M. and W. Coleman. (1989a) *The State, Business, and Industrial Change in Canada. Toronto*: University of Toronto Press.

Atikinson, M. and W. Coleman (1989b) "Strong States and Weak States: Sectoral Policy Networks in Advanced Capitalist Economies", in *British Journal of Political Science*, v19.

Banting, K. (1987) *The Welfare State and Canadian Federalism, 2nd ed*. McGill-Queen's University Press.

Barette, J. et al. (2007) "Organizational Learning Among Senior Public-Service Executives: An Empirical Investigation of Culture, Decisional Latitude and Supportive Communication.", in *Canadian Public Administration* v. 50, no. 3.

Bartle, I. (2002) "When Institutions no longer Matter: Reform of Telecommunications and Electricity in Germany, France and Britain", in *Journal of Public Policy*, v. 22, n. 1, Jan. 2002.

Bartkiw, T. (2010) "Temporary Help Agency Employment in the Federal Government", in G. B. Doern and C. Stoney, eds., *How Ottawa Spends 2010-2011: Recession, Realignment, and the New Deficit Era.* Kingston, McGill-Queens University Press.

Baumgartner, F. and B. Jones. (1994) "Attention, Boundary Effects, and Large-Scale Policy Change in Air Transportation Policy", in D. Rochefort and R. Cobbs. Eds. *The Politics of Problem Definition: Shaping the Policy Agenda*. Lawrence: University of Kansas Press.

Baumgartner, F. and B. Jones. (1993) *Agendas and Instability in American Politics*. Chicago: University of Chicago Press.

Baumgartner, F. and B. Jones. (1991) "Agenda Dynamics and Policy Subsystems', in *Journal of Politics* v. 53, n. 4.

Bennet, C. and M. Howlett. (1991) "The Lessons of Learning: Reconciling Theories of Policy Learning and Policy Change", in *Policy Sciences* 25, 3: 213-33.

Bradford, N. (1998) *Commissioning Ideas: Canadian National Policy Innovation in Comparative Perspective*. Toronto: Oxford University Press.

Burke, M. et al., eds. (2000) *Restructuring and Resistance: Canadian Public Policy in an Age of Global Capitalism.* Halifax: Fernwood Publishing.

Busenberg, G. (2001) "Learning in Organizations and Public Policy", in *Journal of Public Policy*, v. 21, n. 2, May 2001.

Cairns, A. (1986) "The Embedded State: State-Society Relations in Canada", in K. Banting, Ed., *State and Society*, Toronto: University of Toronto.

Coleman, W. and G. Skogstad. (1990) "Policy Communities and Policy Networks: A Structural Approach", in W. Coleman and G. Skogstad, eds., *Policy Communities and Public Policy in Canada: A Structuralist Approach*. Toronto: Copps-Clark.

Courchene, T. (2007) "Canada as a "State of Mind" in the Knowledge Era", in *Policy Options*. July-August 2007, v. 28, n. 7.

Courchene, T. (2002) "Human Capital in an Information Era", in *Canadian Public Policy*, v. 28, n. 1, Jan. 2002.

Courchene, T. (2001) *A State of Minds: Toward a Human Capital Future for Canadians*. Ottawa: Institute for Research on Public Policy.

Daugbjerg, C. and A. Pederses. (2004) "New Policy Ideas and Old Policy Networks: Implementing Green Taxation in Scandinavia", in *Journal of Public Policy*, v. 24 n. 2, Aug. 2004.

Doern, G. Bruce et al., eds. (1996) *Border Crossings: The Internationalization of Canadian Public Policy*. Toronto: Oxford University Press.

Doern, G. Bruce and M. Sharaput. (2000) *Canadian Intellectual Property: The Politics* of Innovating Institutions and Interests. Toronto: University of Toronto.

Eisner, M. (1993) *Regulatory Politics in Transition*. Baltimore: Johns Hopkins University.

Evans, G. (2005) "Exporting Governance", in *Canadian Public Administration* v. 48, n. 1, spring 2005.

Freeman, R. (2006) "Learning in Public Policy", in M. Moran et al., eds. *The Oxford Handbook of Public Policy*. Oxford: Oxford University.

Gill, S. ed. (1999) *Globalization, Democratization and Multilateralism.* New York: St. Martin's Press.

Grande, E. et al. (2007) "Political Transnationalization, the Future of the Nation-State: a Comparison of Transnational Policy Regimes.", in S. Schirn, ed. *Globalization: State of the Art.* New York: Routledge.

Hall, P. (1993) "Policy Paradigms, Social Learning and the State: The Case of Economic Policy Making in Britain", *Comparative Politics* v. 25, n. 3. New York: City University of New York.

Hall, P. and R. Taylor. (1996) "Political Science and the Three New Institutionalisms", in *Political Studies*, v.4 3.

Hale, G. (2004) "Canadian Federalism and the Challenge of North American Integration", in *Canadian Public Administration*, v. 47, n. 4, Winter 2004.

Harris, J. (2006) "Institutions, Politics and Culture: A Case for 'Old' Institutionalism in the Study of Historical Change and Development", in A. Wimmer and R. Kossler, eds. *Understanding Change: Models, Methodologies, and Metaphors*. New York: Palgrave Macmillan.

Heclo, H. (1974) *Modern social Politics in Britain and Sweden: From Relief ot Income Maintenance.* New Haven: Yale University Press.

Hills, J. and M. Michalis, (2000) "Restructuring Regulation: Technological Convergence and European Telecommunications and Broadcasting Markets", in *Review of International Political Economy*, v. 7, n. 3, autumn 2000.

Hollingsworth, J. (2000) "Doing Institutional Analysis: Implications for the Study of Innovations", in *Review of International Political Economy*, v. 7, n. 4, winter 2000.

Howlett, M. (2002) "Do Networks Matter: Linking Policy Network Structure to Policy "Outcomes: Evidence from Four Canadian Policy Sectors, 1990-2000", in Canadian Journal of Political Science, v. 35, n.2.

1998) "Predictable and Unpredictable Policy Windows: Institutional and Exogenous Correlates of Canadian Federal Agenda-Setting", in *Canadian Journal of Political Science,* v. 31, n. 3.

Howlett, M. (1997) "Issue-Attention and Punctuated Equilibria Models Reconsidered: An Empirical Examination of the Dynamics of Agenda-Setting in Canada", in *Canadian Journal of Political Science*, v. 30, n. 2.

Howlett, M (1994) "Policy Paradigms and Policy Change: Lessons from the Old and New Canadian Policies Towards Aboriginal Peoples", in *Policy Studies Journal,* v. 22, n. 4.

Howlett, M. and M. Ramesh. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems.* Toronto: Oxford University Press.

Immergut, E. (2006) "Historical-Institutionalism in Political Science and the Problem of Change", in A. Wimmer and R. Kossler, eds. *Understanding Change: Models, Methodologies, and Metaphors.* New York: Palgrave Macmillan.

Jones, B. and F. Baumgartner. (2005) *The Politics of Attention: how Government Prioritizes Problems*. Chicago: University of Chicago Press.

Kingdon, J. (1995) Agendas, Alternatives and Public Policies. Boston: Harper-Collins.

Levine, D. (1998) *Working in the Twenty-First Century: Policies for Economic Growth Through Training, Opportunity, and Education.* Armonk, NY: M. E. Sharpe.

Mahony, J. (2006) "Analyzing Path Dependence: Lessons from the Social Sciences" in A. Wimmer and R. Kossler, eds. *Understanding Change: Models, Methodologies, and Metaphors.* New York: Palgrave Macmillan.

Mahony, J. (2000) "Path Dependence in Historical Sociology", in *Theory and Society*. V. 29, n. 4.

March, J. and J. Olsen. (1984) "The New Institutionalism: Organizational Factors in Political Life", in *American Political Science Review*, v. 78.

McRoberts, K. (1993) "Federal Structures and the Policy Process", in M. Atkinson, ed. *Governing Canada: Institutions and Public Policy*. Toronto: Harcourt Brace Jovanovich.

Miljan, L. (2008) *Public Policy in Canada: An Introduction, 5th ed*. Toronto: Oxford University Press.

Mintron, M. (1997) "Policy Entrepreneurs and the Diffusion of Innovation", in *American Journal of Political Science* v.41, n. 3.

Moggach, D. (1999) ""Concepts of Sovereignty: Historical Reflections on State, Economy, and Culture", in *Studies in Political Economy*, v. 59, summer 1999.

Monpetit, E. (2005) . "A Policy Network Explanation of Biotechnology Policy Differences Between the United States and Canada", in *Journal of Public Policy*, v. 25, n. 3, Dec. 2005.

North, D. (1990*) Institutions, Institutional Change and Economic Performance*. New York: Cambridge University Press.

Pal, L. (2010) *Beyond Policy Analysis: Public Issue Management in Turbulent Times*. Toronto: Nelson.

Pal, L. (2005) "The Political Scientist as Hedgefox: Key Themes in Cairns' Approach to Institutions", in G. Kenerman and P. Resnick, eds., *Insiders and Outsiders: Allan Cairns and the Reshaping of Canadian Citizenship*. Toronto: University of British Columbia Press.

Peters, B. Guy. (2005) *Institutional Theory in Political Science: The 'New Instituionalism*. New York: Continuum.

Philips, P. and D. Castle. (2010) "Science and Technology Spending: Still No Viable Federal Innovation Agenda", in G. B. Doern and C. Stoney, eds., *How Ottawa Spends 2010-2011: Recession, Realignment, and the New Deficit Era.* Kingston, McGill-Queens University Press.

Pierson, P. (2006)) "Public Policies as Institutions" in I. Shapiro, et al. eds. *Rethinking Political Institutions: The Art of the State.* New York: New York University Press.

Pierson P. (2004) *Politics in Time: History, Institutions and Social Analysis. Princeton:* Princeton University.

Pierson, P. (2000) "Increasing Returns, Path Dependence, and the Study of Politics", in *American Political Science Review*, v. 94, n. 2.

Pierson, P. (1993) "When Effect Becomes Cause: Policy Feedback and Political Change", in *World Politics*, v. 45.

Pierson, P. and T. Skocpol. (2002) "Historical Institutionalism in Contemporary Political Science", in I. Katznelson and H. Milner, eds. *Political Science: State of the Discipline*. New York: W.W. Norton.

Piven, F. (2006) "The Politics of Retrenchment: The US Case", in in M. Moran et al., eds. *The Oxford Handbook of Public Policy*. Oxford: Oxford University.

Ridde, V. (2009) "Policy Implementation in an African State: An Extension of Kingdon's Multiple-Streams Approach", in *Public Administration*, v. 87, n. 4.

Roberts, N. and P. King. (1991) "Policy Entrepreneurs: Their Activity Structure and Function in the Policy Process", in *Journal of Public Administration Research and Theory*. v. 1, n.2.

Sabatier, P., ed. (1999) *Theories of the Policy Process: Theoretical Lenses on Public Policy*. Boulder: Westview.

Sabatier, P. and H. Jenkins-Smith. (1999) "The Advocacy Coalition Framework: An Assessment", in P. Sabatier, ed., *Theories of the Policy Process: Theoretical Lenses on Public Policy*. Boulder: Westview.

Sabatier, P. and H. Jenkins-Smith. (1993) "The Advocacy Coalition Framework: Assessment, Revisions and Implications for Scholars and Practitioners", in P. Sabatier and H. Jenkins-Smith, eds., *Policy Change and Learning: An Advocacy Coalition Approach*. Boulder: Westview Press

Savoie, D. (2003) *Breaking the Bargain: Public Servants, Ministers, and Parliament*. Toronto: University of Toronto Press.

Schmidt, V. (2006) "Institutionalism", in C. Hay et al., eds. *The State: Theories and Issues*. New York: Palgrave Macmillan.

Sharaput, M. (2010) "New and Old Industrial Innovation and Recovery Policy?", in G. B. Doern and C. Stoney, eds., *How Ottawa Spends 2010-2011: Recession, Realignment, and the New Deficit Era.* Kingston, McGill-Queens University Press.

Sharaput, M. (2002) "Biotechnology Policy in Canada: The Broadening Scope of Innovation", in G. Bruce Doern, ed. *How Ottawa Spends 2002-2003: The Security Aftermath and National Priorities*. Oxford: Oxford University.

Skocpol, T. (1995) "Why I am a Historical Institutionalist", in *Polity*, v. 28, n. 1, fall 95.

Soroka, S. (2002) *Agenda-Setting Dynamics in Canada*. Vancouver: UBC Press.

Toope, S. and S. Rehaag (2005) "Globalization and Instrument Choice: The Role of International Law", in Eliadis, P. et al. eds. *Designing Government: From Instruments to Governance*. Montreal: McGill-Queen's University.

Weir, M. (1992) "Ideas and the Politics of Bounded Innovation", in S. Steinmo et al., eds., *Structuring Politics: Historical Institutionalism in Comparative Analysis*. Cambridge: Cambridge University Press.

Weir, M. and T. Skocpol. (1985)) "State Structures and the Possibilities for 'Keynesian' Responses to the Great Depression in Sweden, Britain, and the United States", in P. Evans, et al. eds. *Bringing the State Back In*. New York: Cambridge University.

Weissert, C. and M. Goggin. (2002) , "Nonincremental Policy Change: Lessons from Michigan's Medicaid Managed Care Initiative", in *Public Administration Review*, v. 62, n. 2, mar. / apr. 2002.

Wilson, C. (2000) "Policy Regimes and Policy Change", in *Journal of Public Policy,* v. 20, n. 3, Dec. 2000.

Wolfe, D. (2006) *Knowledge and Innovation: A Discussion Paper*. Toronto: Ontario Ministry of Research and Innovation.

Zussman, D. (2010) "The Precarious State of the Federal Public Service: Prospects for Renewal", in G. B. Doern and C. Stoney, eds., *How Ottawa Spends 2010-2011: Recession, Realignment, and the New Deficit Era.* Kingston, McGill-Queens Univeristy Press.