Policy analytical capacity: The supply and demand for policy analysis in government

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Abstract

''Policy analytical capacity'' is an important component of overall policy capacity, bringing together individual level analytical skills (competencies) and resources (capabilities) needed for the systematic evaluation of policy alternatives and practices. Despite the existence of a large body of literature on policy analysis, a more complete picture of the roles played by policy analysts in policy appraisal is needed if the nature of contemporary policy work and formulation activities and the impact and influence of higher and lower levels of capacity of governments in this area are to be better understood.

1. Introduction: the concept of policy analytical capacity within the general framework of policy capacity

Gill and Saunders (1992, 6–7) characterize policy analysis as ''a method for structuring information and providing opportunities for the development of alternative choices for the policymaker.'' As part of the policy formulation process, this activity involves policy appraisal, that is, providing information or advice to policy makers concerning the relative advantages and disadvantages of alternative policy choices (Howlett, Ramesh, & Perl, 2009; Mushkin, 1977; Sidney, 2007; Wildavsky, 1979).

Undertaking such activity requires ''*policy capacity*'' (Peters, 1996) and relates to both the competences and skills of policy-makers and the capabilities or resources they require to exercize them. In general terms it has been defined as:

> ''a loose concept which covers the whole gamut of issues associated with the government's arrangements to review, formulate and implement policies within its jurisdiction. It obviously includes the nature and quality of the resources available for these purposes—whether in the public service or beyond—and the practices and procedures by which these resources are mobilized and used'' (Fellegi, 1996).

However, while 'policy capacity' can be thought of as extending beyond analysis to include the administrative or organizational capacity of a government to undertake the day-to-day activities involved in policy implementation and system level competences and capabilities such as effective institutions and legitimacy (Painter & Pierre, 2005; Peters,

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1996; Woo, Ramesh, & Howlett 2015), an important area of study of policy capacity in the policy sciences focuses more precisely on the individual level and specifically on the ability of individuals working in public policy organizations to produce sound analysis to inform their policy-making activities (Parrado, 2014; Dobuzinskis, Howlett, & Laycock, 2007, 4–5).[1] This can be thought of as constituting a distinct subset of policy capacity: "policy analytical capacity".

This capacity for policy analysis is a more focussed concept than overall policy capacity and involves competences and capabilities involved in effective knowledge acquisition and utilization in the policy process (Adams, 2004; Leeuw, 1991; Lynn, 1978; MacRae, 1991; Radaelli, 1995). While these competences and capabilities are nested in larger managerial and political ones (Wu, Howlett, & Ramesh, 2015), which allow effective individual work at this level to take place, these analytical skills and resources are ultimately deployed by individuals. Their skills and capabilities are an important determinant, for example, of the amount of basic research a government can conduct or access, its ability to apply statistical methods, applied research methods, and advanced modelling techniques to this data and to employ sophisticated analytical techniques such as environmental scanning, trends analysis, and forecasting methods in order to gauge broad public opinion and attitudes. Their abilities, or lack of them, affects overall governmental capacity and its ability to anticipate future policy impacts and react to them in a timely fashion (O'Connor, Goran, & Vickers-Willis, 2007; Preskill & Boyle, 2008). These skills also extend to the ability to communicate policy related messages to interested parties and stakeholders (Fellegi, 1996) and to aid the efforts of governments to integrate information and evidence into the decision-making stage of the policy process (Howlett, 2009; Tiernan, 2011).

The term '*policy analytical capacity*' thus describes the ability of individuals in a policy-relevant organization to produce valuable policy-relevant research and analysis on topics asked of them or of their own choosing (Howlett, 2009). It is important to recognize that this capacity is a function of the individual skills or competences of analysts and other policy workers (Colebatch, 2006a, 2006b; Colebatch, Hoppe, & Noordegraaf, 2011) as well as the analytical capabilities or resources at their disposal. This kind of policy capacity is not limited to governments as other kinds of policy research and advice organizations also require it, from independent government inquiries to non-governmental organizations (NGOs) and lobbyists. However, given space limitations, in this article only the state-level aspects of policy analytical capacity are discussed.

The general relationship between policy analytical capacity and the other components of policy capacity are set out in Fig. 1 below which is developed in the introductory overview to this special issue (Wu et al., 2015). Policy analytical capacity exists in the upper left quadrant of this matrix and is related in a nested fashion to other competences and capabilities of government, ranging from the organizational to the systemic level and dealing with managerial and political skills and resources in addition to analytical ones. Each of these other categories or types of capacity is discussed in other articles in this special issue. The discussion contained herein deals with some of the inter-relationships found between these different capacities, but its focus is on the contents and dynamics of the specific type of capacity found at the individual-analytical level.

2. The relevance of policy analytical capacity: supply and demand considerations

In general, observers of policy research organizations have argued that an organization's analytical capacity is composed of its ability to "articulate its medium and long term priorities, test the robustness of its policy options by building alternative scenarios, attach both qualitative and quantitative assessments to different policy options…communicate and defend policy thrusts to its operational arms as well as to its major stakeholders and to the public, [and] formulate policies that can withstand rigorous professional challenge" (Fellegi, 1996, 14–15).

All other things being equal, having more individuals with higher levels of policy analytical capacity is expected to lead to organizations more likely to be successful in impacting policy not only in the short-term, but also in the longer-term (Aucoin & Bakvis, 2005). Organizations with stronger policy analytical capacities are thus more likely, *ceteris paribus*, to have a greater impact on outcomes than those lacking the principle components of such a capacity (State Services Commission, 1999).

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[1] Some of the earliest work done in this area can be traced back to scholars from New Zealand and Australia. Waller's article, *Evaluating Policy Advice* (1992), is particularly helpful in laying the foundation of the importance of policy advice and the difficulties of assessing its quality.