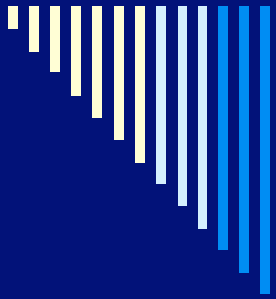



What Makes Agricultural Economics Research Relevant for Policy Advice?

The Broader Context for Policy Advice

CAES Workshop
24-25 October 2008

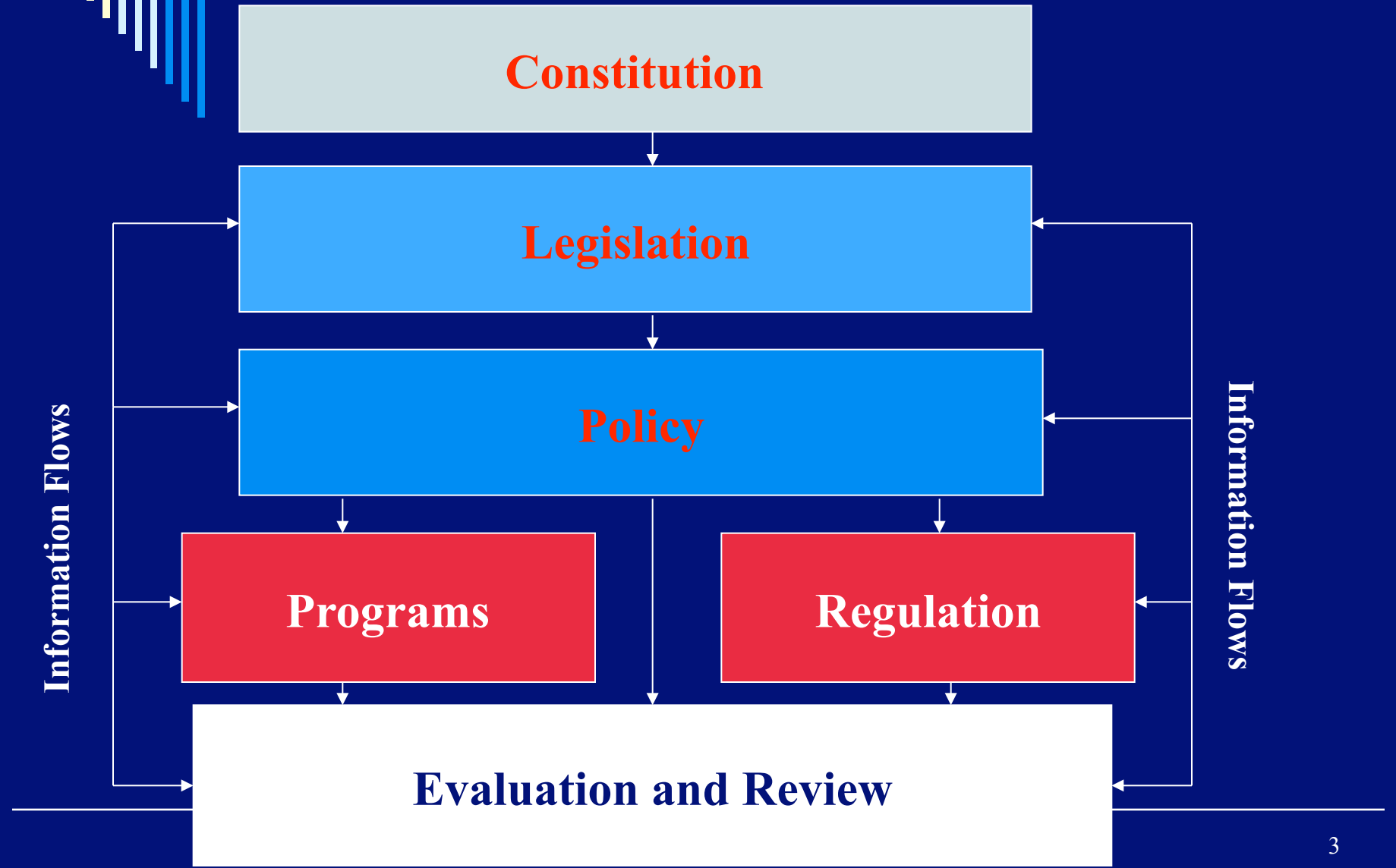
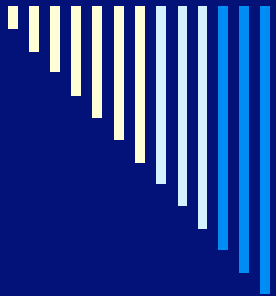
Douglas Hedley
douglashedley@rogers.com



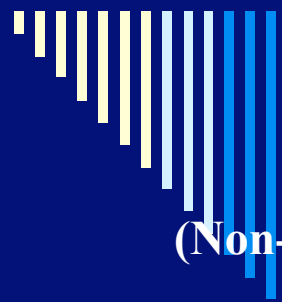
Outline

- **Understanding the “system” into which policy advice flows**
- **Guidelines and foundations for policy action**
- **The interface between policy advisors and decision makers**

Constitutional and Legislative Structure



Structure of Government Administration



(Non-political)

Governor General

(Appointed)

(Political)

Prime Minister

(Elected)

(Normally, Members of Parliament) **Cabinet Portfolios** (Named by Prime Minister)

(Political)

Minister of Agriculture and Agri-food

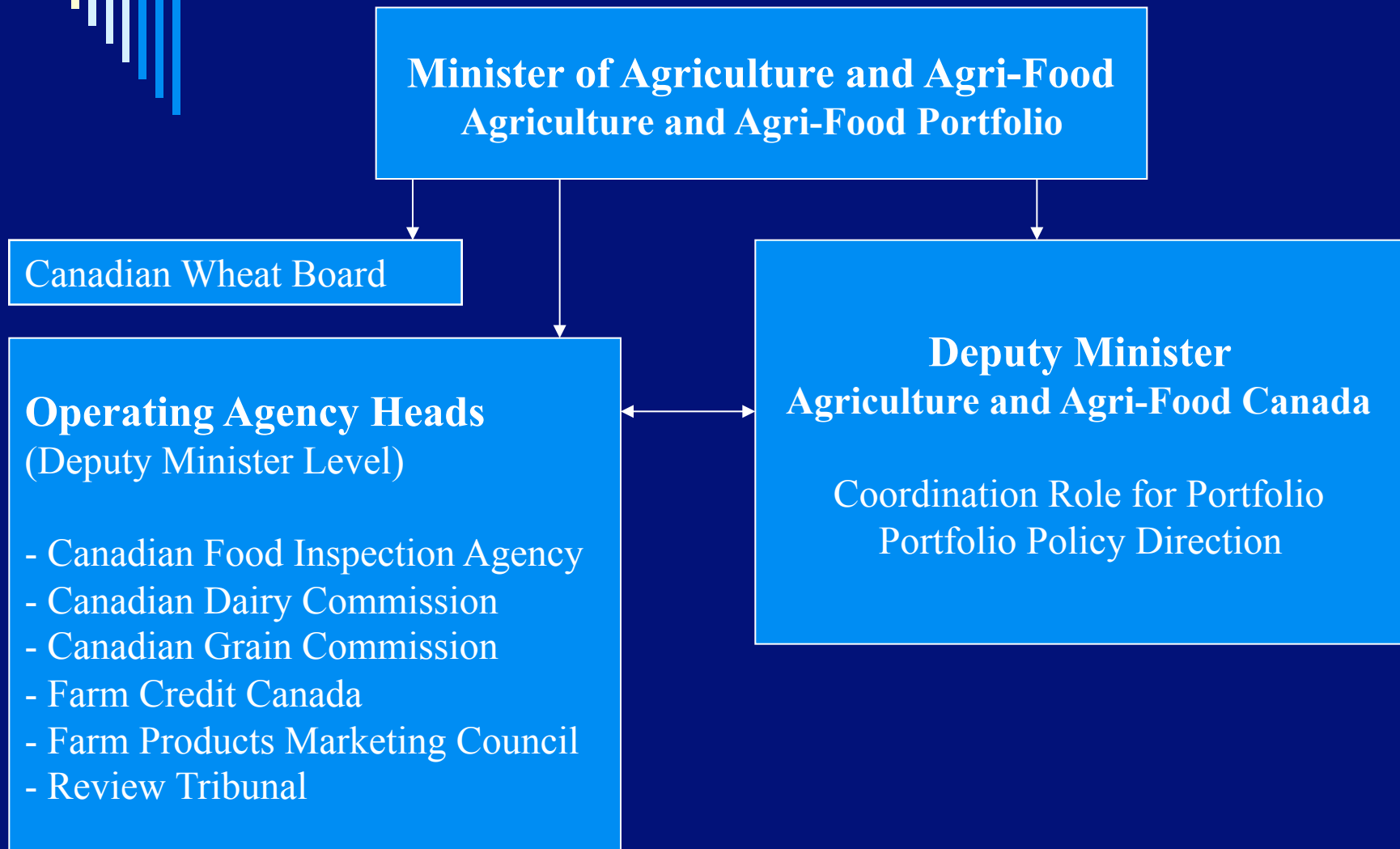
(Elected)

(Non-political)

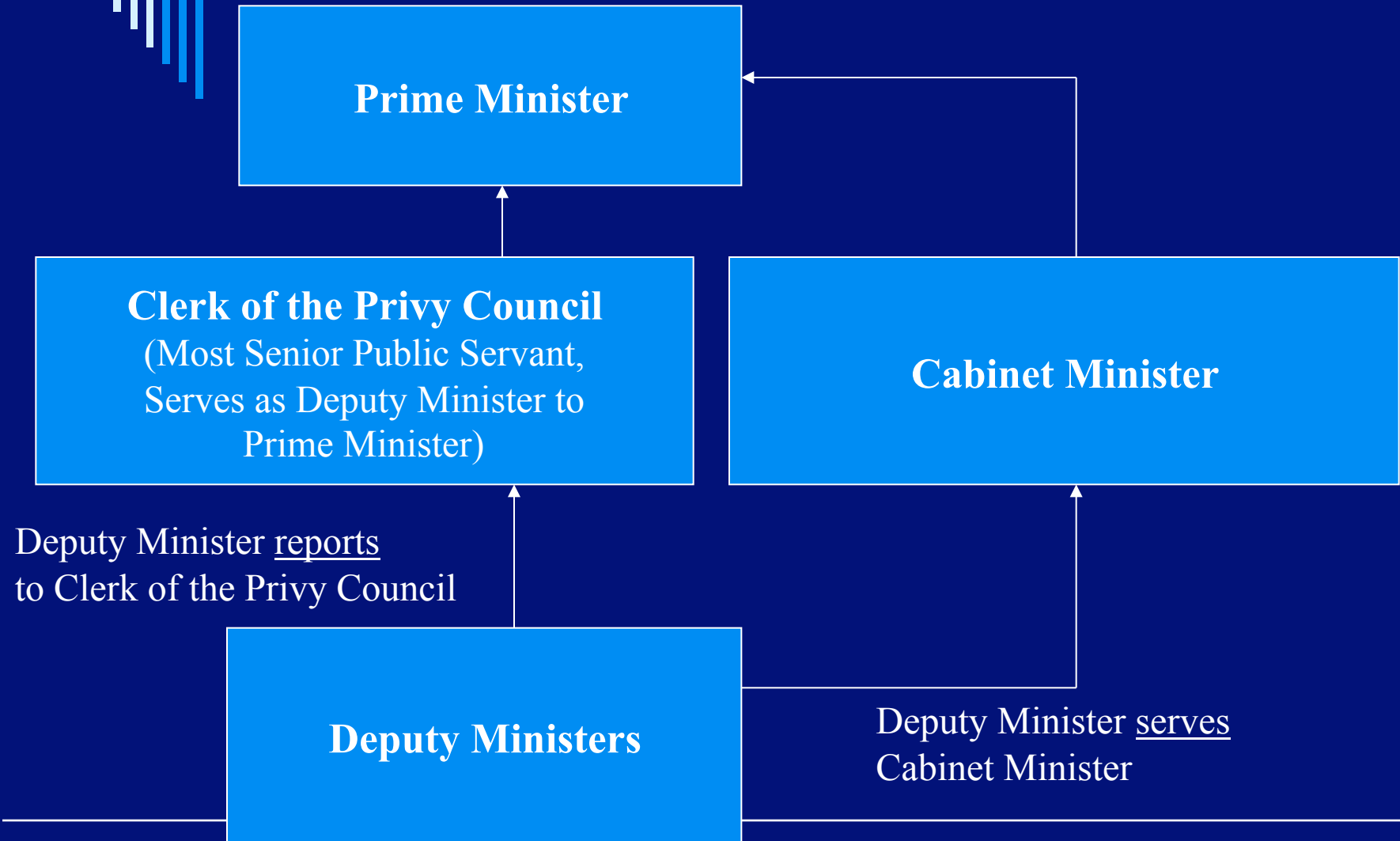
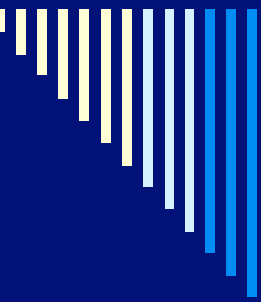
**Deputy Minister
Agriculture and Agri-food Canada**

(Appointed)

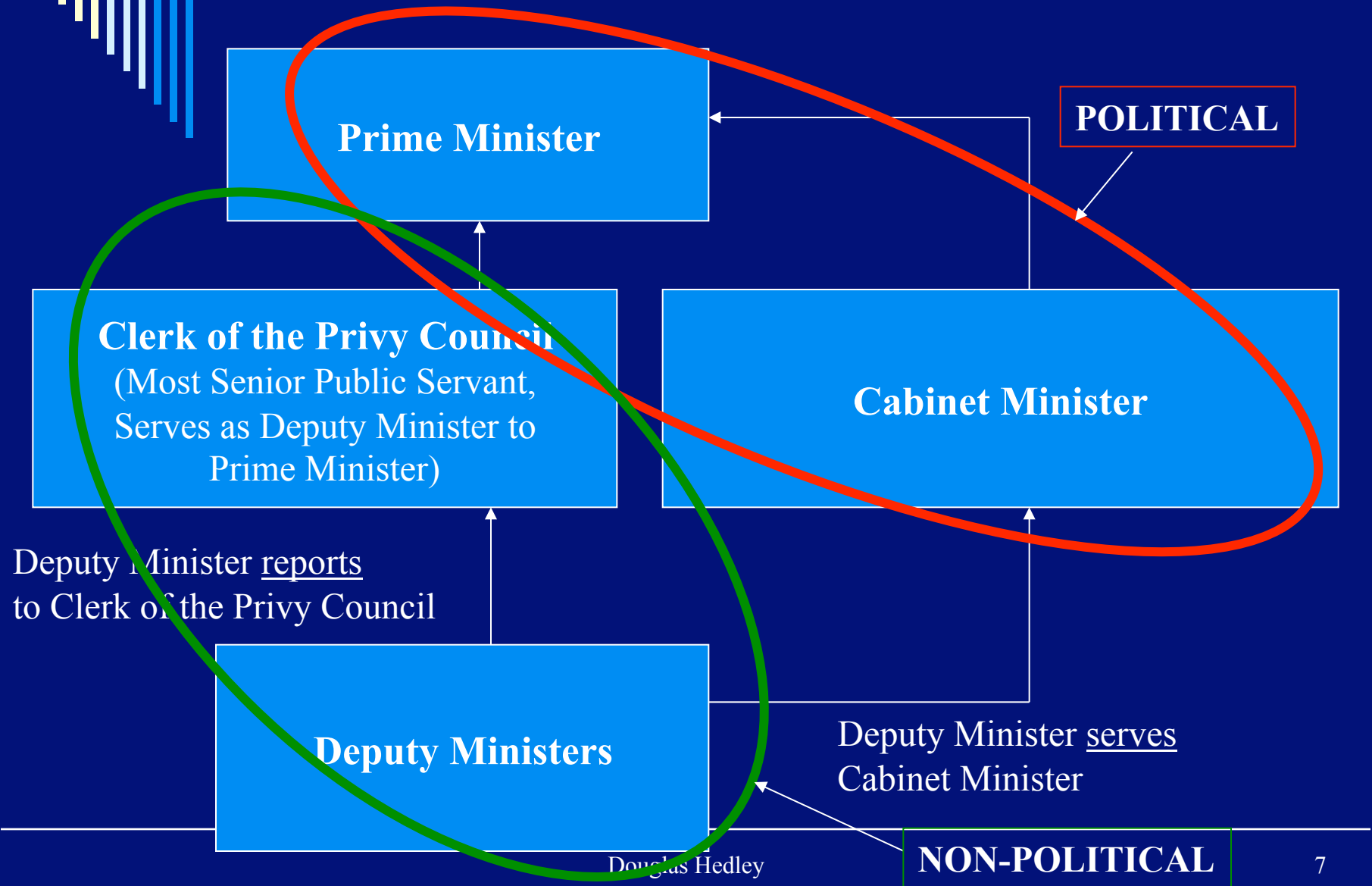
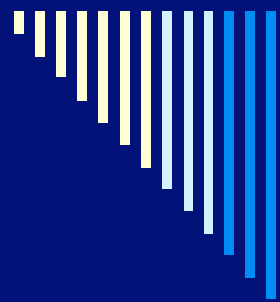
Portfolio Structure: Agriculture and Agri-Food Canada



Relationship Between Ministers and Deputy Ministers



Relationship Between Ministers and Deputy Ministers





Guidelines and Foundations

- Must have legislated authority for action
 - Some very broad: e.g., Section 5 of AAFC
 - Some very narrow: e.g., FAA, Sections 32, 33, 34
- Must meet legislated requirements
 - Some legislation mandates actions rather than enables action, e.g., environmental assessments
- Must have legislated authority to make regulations
 - Legislation must specifically enable government to set regulations within a defined scope
- Alternative: Change the legislation
 - Plan on 1-3 years but it can be done in a few weeks



Guidelines and Foundations

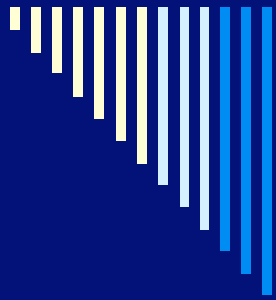
- No expenditures without Parliamentary approval
 - Budget
 - Appropriations Act
 - Supplementary Appropriations

- Options and decisions must lie (normally) within Throne Speech and Budgetary guidelines
 - Political frame of reference
 - If you really want something done, convince the PM to allow one or two sentences in the Throne Speech



Guidelines and Foundations

- Plan on interdepartmental discussion
 - Often confrontational, seen as a win-lose proposition: money, mandate, image
- Plan on F-P-T discussion: decide on which of the three levels to pursue
 - Common policy objectives approach
 - Common programs across provinces
 - Common implementation across provinces



Interface between advisors and decision makers

Two different aspects in policy advice:

- Getting the **policy analysis** right
- Getting the **presentation** right: knowing the client/audience

Both issues critically important for policy makers



Getting the policy analysis right...

- Policy makers and analysts must:
 - Be convinced of the relevance of the problem
 - Be comfortable with the scope or boundaries of the problem
 - Understand the time frames for answers
- Policy makers do not need to know the methodology in detail
- Analysts do not need to explain the “model” or analytical methodology
- Economic analysis is not policy analysis



Getting the policy analysis right...

□ Analysts should not:

- Pre-judge or forecast the political outcomes
- But be fully aware of policy or political constraints within which a decision may be taken
- “Freelance” to answer questions

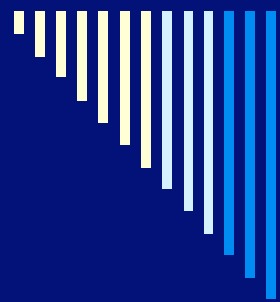
□ Analysts should:

- Speak truth to power
- Be willing to say: “I don’t know”
- Explain confidence around point estimates, precision
- Explain the limitations of the policy assessments



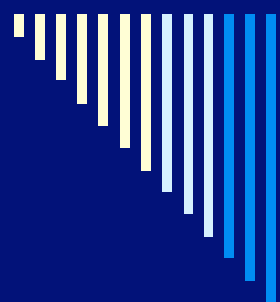
Getting the policy analysis right...

- Common tasks for policy analysts:
 - Developing/presenting information from analysis to:
 - Peers in government, provinces, academic, professional groups
 - Interest groups
 - Focus groups
 - Refining/extending analysis to meet concerns raised
 - Consolidating information across many disciplines: legal, history, biology, sociology, engineering
 - Contingency planning: “when things go wrong”



Getting the policy analysis right...

- Common tasks for policy analysts:
 - Set baselines for the policy option
 - Collect and analyse data on whether policy goal is being achieved: changes from baseline
- Understand what policy change means:
 - A desired change in the economy or society
 - Use of governmental tools to achieve change
 - Money, regulation, information
 - Legal foundation for making change



Know your audience/client...

- Political decision makers:
 - Little experience if any as “analysts” or researchers
 - Often without an “economic framework” for thinking
 - Winners, losers and votes: principal framework
 - Major time pressures
 - Searching for the “sound bite”
 - No absorption if no interest
 - A lot of information is for ‘protection’, not decision



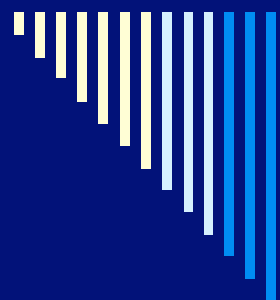
Know your audience/client...

- Presentational style:
 - Literacy and numeracy; text or oral, graphics or bullets
- Seek interaction, not a lecture
- Problem statement: brief, relevant to client
 - Be sure both sides accept the relevance and scope of the problem
 - Provide the summary evidence from analysis
- Go directly to conclusions:
 - Three to four points maximum
 - Give rationale for each, briefly; amplify in discussion
 - Outline options and variations of each



Know your audience/client...

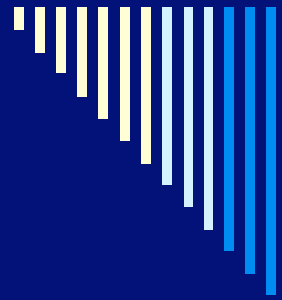
- Seek reactions for further refinement of analysis
- Narrow the options for consideration
- Outline communication considerations:
 - How to present to interest groups, political level, general public
- Policy advising is a long term endeavour:
 - Build trust, confidence
 - Build interest, background knowledge, ideas
 - ‘One shot’ advice rarely heeded



Problems and Priorities

(1) Primary objective is to be re-elected

▣ Doing the “right thing” is often hard to do, so...



Problems and Priorities

- (1) Primary objective for the is to be re-elected
 - ▣ Doing the “right thing” is often hard to do, so...

- (2) “Leave the heavy lifting to your successor”
 - ▣ Create a commission, inquiry or an advisory committee



Problems and Priorities

- (1) Primary objective is to be re-elected
 - ▣ Doing the “right thing” is hard to do, so...

- (2) “Leave the heavy lifting to your successor”
 - ▣ Create a commission, inquiry or an advisory committee
 - ▣ Unless you have an “open treasury” and you believe...

- (3) “Spending more money (or taxing less) will garner more votes”
 - ▣ Contrary to a large body of evidence



Problems and Priorities

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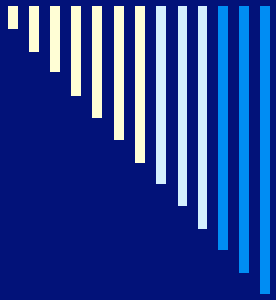
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(3) “Spending more money (or taxing less) will garner more votes”

- Contrary to a large body of evidence
- See (1) above



Thank you for your attention.