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Part A: In the third week we focused on a contemporary policy issue and one of the emerging challenges (inequality). Explain the principal ways in which this issue is being defined. Do you think this is a policy problem that warrants the attention of public authorities? Why or why not? What are the key factors exacerbating and / or alleviating this situation and why[1]? Explain – using our inequality example in class – how these facets present challenges and opportunities for policy making in Canada and / or beyond. (Words 1210)

In contemporary policy the term inequality is largely centered on an understanding of some variation of income inequality. Internationally inequality is measured by a comparison of the Gini index, where the Gini index is a measure of income distribution within an economy (The World Bank, 2016). Statistics Canada gathers information regarding total net worth of Canadians and presents it as a basis to study the overall income inequality that exists in Canada (Statistics Canada, 2015). These metrics lend to the general premise that high income inequality is undesirable. Atkinson extents the idea of inequality to include the concept of 'inequality of opportunity' (Atkinson, 2015) but he largely argues that 'reducing the extent of inequality' is desirable.

Before considering if inequality is a policy issue it is critical to examine why income inequality is bad. Income inequality in isolation promotes some competition for better jobs and has incentives to seek better opportunities (Atkinson, 2015). Take for example an individual working a job at a local coffee shop, the level of specialization required for such a position can be argued to be low and is reflected in the remuneration offered for such a position in Canada. The amount of income that can be realistically expected by such a position would be considerably lower than if the individual attained more specialized positions through further advancement, either through experience or education. Income can be viewed as an incentive to gain more specialization that would then facilitate a higher standard of living. A key assumption here lies in considering access to routes of specialization- inequality of opportunity.

In an ideal scenario, low income jobs can serve to be incentives if opportunity to access education and other advancement is equal. A study done by Miles Corak highlights that this assumption of equal access to opportunity is not true and income inequality can create barriers to access avenues for higher paying jobs (Stastics Canada, 2005). Corak's study reveals a father's income can be an indicator of the son's income. This finding sheds light on the assumption of income mobility from one generation to another. A comparison between the United Kingdom and Denmark highlights that in the United Kingdom for every percentage point increase in a father income the sons income increases by 0.5 percentage points, where as in Denmark it increases 0.15 percentage points (Stastics Canada, 2005). Corak points to one key contributor in understanding generation mobility as access to education. The higher the amount of investment in a child's education the greater the amount of income mobility in the next generation. If investment in education is left to each family unit then income of the first generation will impact the amount of investment that can be made in the education of the next and will be a larger indicator of the income of the second generation. However, if governments invest in public education and create equal access to education then there is greater income mobility because there will be higher access to opportunity.

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A key consideration here is whether income inequality is an outcome of opportunity inequality or a cause of opportunity inequality. Corak's work suggests that access to education and public investment in social programs can help increase generational income mobility. This suggesting that even if there is income inequality, ensuring oppurtunity equality can overcome the barriers faced to access better paying jobs. Policy makers have an integral part to play to ensure that equal access to opportunities exists for everyone in society. The policies implemented can range from high quality public education, access to training programs, and access to University education and public grants for individuals trying to seek out areas of advancement.

Atkinson adds to the argument of inequality by introducing the concept of inequality of outcome as well as oppurtunity (Atkinson, 2015). Atkinson makes 3 key arguments the first being that individuals may try and fail to realize opportunities and may experience bad luck, the second being that there must be an equal distribution of prizes or outcomes for all participants and the third being that inequality of outcome impacts generational mobility.

While Atkinson makes some interesting arguments for this theory an important question is raised- is it realistic to expect governments to ensure equality of outcomes. Additionally, is it practical or desirable to assume that there should be equality of outcomes? Atkinson uses the example of a sporting event where access to enter a race may be equal but the eventual prices are not. He argues for more social distribution of the prices and outcomes of accessing opportunities. Atkinson's example can be extrapolated to a University education. All individuals in a society should be able to access education, however education must meet minimum standards to warrant the award of a degree. If two students set out to get a degree in economics but only one meets the standards required, the degree should only be allocated to one. Allocating the degree to both would undervalue the degree itself. While it may allow both individuals to access opportunities for economists only one student is intellectually capable of doing the job. Giving the 'prize'- the degree in this scenario, to both would no longer allow society to distinguish between the two. The reward of pursing a challenging field would be diminished if the outcome was certain for everyone who accessed that field.

Atkinson further argues for the redistribution of wealth to ensure income equality. While Atkinson maintains that some inequality can exist in society, he uses the example of private space flight to argue that, "a society in which no one could afford to travel privately into space, and in which everyone could afford to buy their food from ordinary shops, would be more cohesive and have a greater sense of shared interest." While it can be argued that some amount of redistribution of wealth, as Atkinson suggests, would be beneficial to society, an argument can be made that that redistribution should only empower people to actively access opportunities in society and to help them overcome barriers. Atkinson assumes that people operate to further the 'shared interest' of society and additionally makes the assumption that we cannot have a society where people have the necessities of life without having some elements of society that would have extreme wealth. In an increasingly globalized world, income equality through redistribution of wealth would remove the profit incentives that companies operate under. Such a policy would likely result in profit/ income generating companies moving to other regions with fewer restrictions, decreasing the amount of wealth to redistribute.

Ensuring the 'equality of outcome' as Atkinson suggests would be a significant burden on governments and public policy. In an increasingly interconnected world it would be challenging to realize such a goal, however it is equally important to question if such a goal is advantageous to society. Income equality

itself should not be a goal of public policy, rather public policy should aim to ensure income mobility exists by providing opportunity equality. Investment in education programs and social infrastructure that reduces the correlation between generational incomes is critical. While some amount of redistribution of wealth is important to ensure that all members of society have a minimum standard of living, wealth itself is a poor indicator of mobility in an economy.

Part B In Week 5 we examined policy implementation with a few readings (Savoie and Hill and Hupe), as well as through our simulation exercise. Sometimes referred to as the dismal science of policy studies (Pal), issues include the disconnect between formulators and implementers; advocates for top down versus bottom up approaches; trying to 'fit' the public sector into the private sector mold through metrics like performance measurement indicators despite varying objectives, motivations; and so on. What do you think are some of the most challenging aspects of implementing policies and why? What would be some mechanisms you would propose to help overcome them? Feel free to draw from policy examples to help elucidate your points, such as policy issues we discussed in class, from the readings, or elsewhere. (Words 1062)

Without consideration for implementation strategies, a well-developed policy or business plan has limited value. The simulation done in week 5 is an important example of implementation failure- who is to take accountability for the failure of a policy? The simulation was very revealing, not only for how public policy works but also for how private industries may fail in this critical test. Each actor- viewed the policy from their perspective and was largely concerned with ensuring that the actor they were representing was not at fault. Their department fulfilled the criteria set out for them. The overall failure of the policy was not in question, but as long as the individual policy players could 'pass the buck' to another actor, they were in the clear. This leads to a critical comment made in Pal that emphasizes that "the conventional work on implementation has tended to highlight its multidimensionality, difficulty, ambiguity and a growing realization of its importance" (Pal, 2014). With multiple actors and multiple agencies involved the question arises if successful implementation is a reflection of successful organizational process or a successful political process (Pal, 2014).

Pal goes on to showcase a 9 step process for successful implementation which include creating goals and timelines, breaking projects into smaller pieces scenario planning etc. The concern with process led implementation is that not all scenarios can be planned for, additionally targets are often made for each individual department, each individual unit that the project is broken into. In such a case if the intention of each management unit is to ensure that their set of regulations is met then the process ensures that processes are adhered to and not the intent of the process. As an example, in the simulation there were multiple actors involved from business to government and citizen groups. Each group could claim that they satisfied the regulations laid out for them and thus were not ultimately culpable in the circumstances that led to an unmarked container of electronic waste heading to China with no documentation. The overall intent of the regulations was to ensure responsible disposal of electronic waste. The simulation gave the impression that all actors had fulfilled their responsibility and yet the policy failed.

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The design of the implementation strategy in the public sector causes one to question as Savoie does about the incentive structure that are needed to ensure overall compliance. While Savoie points to the private sector as an example for incentives, he acknowledges that a similar structure would be difficult to create in the public service. Savoie's comparison raises an interesting question about the nature of incentives in general. While it can be argued that incentives help facilitate a team or a project to accomplish very specific goals their effectiveness can diminish to ensuring that an organizational process is completed accurately.

One key contributor to the breakdown in incentive structures and poor implementation policy in the public sector may be that policy makers are removed from policy implementers. The intention of the policy may not be easily communicated to those designing the implementation strategy. Such a disconnection between the two may lead to policies that are unable to have their intended impact. An example of such a case can be the design of the Ontario Feed in Tariff program. The Ontario Feed in Tariff program was designed to comply with the Ontario Governments initiative to adopt more renewable energy in the Ontario grid (IESO, 2009). The FIT program was effective in increasing the total amount of capacity from renewable generation in the Ontario grid, this capacity was largely due to wind energy projects. Wind energy is largely generated in the evenings in Ontario when the demand for energy is lowest, therefore it is seldom used by the Ontario grid and the province largely pays nearby jurisdictions to take the excess power or asks suppliers to turn off the electricity (Ontario Society of Professional Engineers and Professional Engineers of Ontario, 2013). From one perspective the policy was a well-intentioned effort to increase the amount of renewable energy in Ontario, a growing percentage of the power in Ontario does come from renewable sources, and thus the policy can be concluded to be a success. However, since most of the electricity generated is not used, it can also be considered a failure. The question of success and failure may largely reside with what the intention of the policy makers was, therefore it may be critical to have policy makers also responsible for the development of policy implementation tools.

While there are many challenges with policy implementation, the first key step must be to understand the policy intent. Without the involvement of the policy makers it would be challenging to measure success or failure for implementation. Thus key policy makers must be critical stakeholders in the design of the policy implementation. Another critical aspect would be how to break up the policy into smaller objectives (Pal, 2014) and where to link steps. To avoid the danger of each individual department or stakeholder working in silos there needs should be an overall strategic objective met at each stage of the project. As an example, in the simulation, it was noted that the process of approval for goods being shipped was not the responsibility of the responsibility of the broker dealing with the recycling groups that hired them. However the broker could be viewed a key strategic partner in the last phase of the process. Thus while they have the procedural job of shipping the container, they should also have the strategic role of ensuring all paperwork is completed to code. They could be incentivized to ensure this final step of completion before the goods are shipped. Another key step in the implementation process is having a strategic oversight body. The objective of such a body or process would be to ensure that the intention of the policy is met along with the procedural steps of the project. A final step of implementation should be a feedback process. This would ensure that the information on the goals of the process are met with information about the end result. A part of this feedback process should be the ability to modify and add changes to the regulations if the intentions are not being met. Such a system would be more dynamic and faster to adapt to gaps once they have been identified.

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