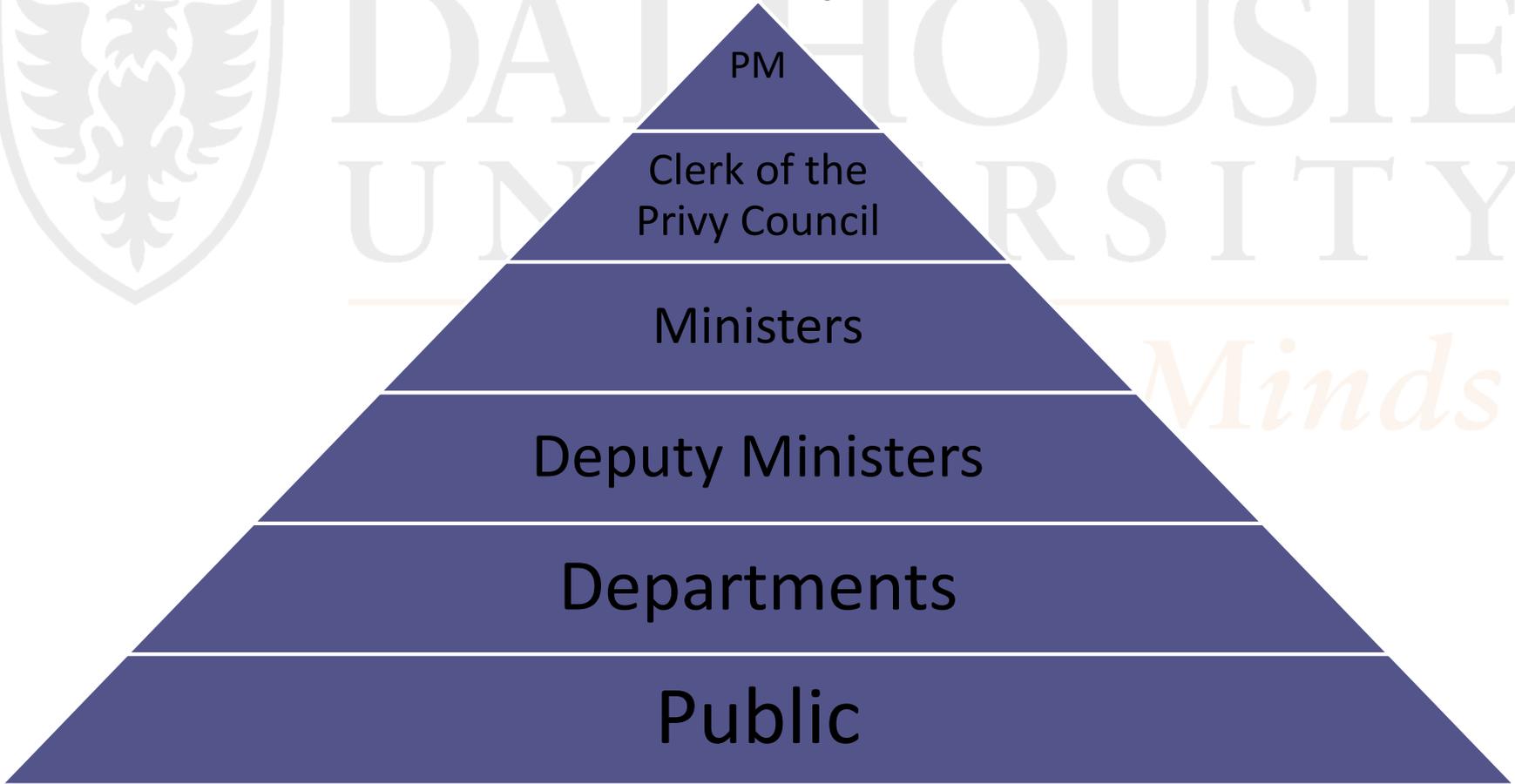


Dalhousie University

Bachelor of Management

MGMT 2803 Management in the Public Sector
Ministers and Cabinet Decision-Making Systems

The Prime Minister and the Bureaucratic Hierarchy



PM

Clerk of the Privy Council

Ministers

Deputy Ministers

Departments

Public

What does a Deputy Minister (DM) Do?

- Proper role of the Minister is to “steer, not row” the department – “gifted generalist”
- Deputy Minister (DM) is the administrative head of the organization and chief manager of the department responsible to the Minister and the Prime Minister for
 - Administration of policies and programs
 - Development and assessment of policy initiatives
 - Liaison and communication
 - Attention to routine departmental needs for financial, personnel, and legal administration

What does a Deputy Minister (DM) Do?

- DM, not the minister, is responsible for ensuring that the department is able to fulfill its many duties; official expert is public sector management and all aspects of policy making with respect to the department portfolio

Inspiring Minds

What does a Deputy Minister (DM) Do?

- **Associate and Assistant Deputy Ministers (ADMs)** are in charge of one of the main functional divisions within a department — Operations, Finance, Personnel, or Policy
 - **Associate Deputy Ministers** are the more senior; departments usually have one or two, who work closely with the DM on policy and operational matters affecting the entire department; more common in the federal government
 - Large departments, seven to ten **Assistant Deputy Ministers** support the work of the DM and Associate Deputy Ministers; they have specialized policy, operational, or administrative portfolios assisted by a variety of other senior managers whose duties are to manage the work of their given branches and to supervise program directors, staff, and regional offices across the country

Appointing a Deputy Minister

- Appointed “at the pleasure of the Prime Minister”
 - PM acts on the advice of the Clerk of the Privy Council, who is the head of the Public Service
- Four practical characteristics
 1. Appointed from the ranks of the professional public service
 2. Non-partisan head of the department
 3. Ultimately responsible to the PM
 4. Relatively insulated from the power/authority of the Minister

Appointing a Deputy Minister

The Candidate Pool

- Senior public servants with significant experience; the pinnacle of one's career; crowning professional reward following years of hard work and faithful government service; once appointed, they can be moved laterally from Department to Department; most, remain one department for 5-6 years

Lack of Partisanship

- Neutral bureaucratic expertise and the independent wisdom of the professional public service

Appointing a Deputy Minister

Responsibility of the PM

- Owe primary responsibility to the PM who wants all departments to be administered economically, efficiently, and effectively

Insularity from the Minister

- Professional colleague to the Minister — an administrator and adviser to the minister, who enables and assists the minister in “steering” the administrative apparatus of the department

Ministers and Their Deputies

- **DM must walk a fine line, with a close eye on both the administrative interests of the department and the political interests of the governing party**
- DM opinions are based on:
 - The professional experience of the department's portfolio
 - The likelihood that particular policies and programs will meet their goals given the specified means
 - The capacity of the department to implement new proposals with existing or newly established means
 - Delicate balance between the administrative and political sides of policy advice is never easy
- DMs must give detailed and critical advice and be able to ask that an issue be reconsidered on theoretical, operation, legal, or managerial grounds
- The DM must always advance sound advice toward fulfilling the aims of the minister while also identifying any administrative, operational, or legal constraints
- Speak Truth to Power

Ministers and Their Deputies

A Duty to One's Minister

- First Duty to their minister is to keep him or her “out of trouble” by managing the department well; maintaining effective and positive communications and quickly, smoothly and quietly solving problems as they arise
- Second Duty is to assist the Minister in the development, cabinet approval, and departmental implementation of the policy agenda; a Minister's political leadership will be judged on results, and the success or failure of senior officials themselves

Ministers and Their Deputies

Departmentalized Cabinet System

- ✓ Each Minister was responsible for his or her own department
- ✓ Each department functioned on its own, with few formal links to any other
- ✓ Policy making was largely incremental with little long-term planning
- ✓ Cabinet possessed few coordinating mechanisms
- ✓ The PM alone was responsible for coordination and systematic planning
- ✓ Ministers and their departments were fairly autonomous

Ministers and Their Deputies

Departmentalized Cabinet System

- ✓ Policy making operated in departmental silos
- ✓ Strong cabinet ministers could wield great authority over their department and its policy field
- ✓ Weaker cabinet ministers would come to be reliant / dependent upon strong DMs
- ✓ Strong DMs could wield enormous power and influence in this system
- ✓ By the end of WW II, DMs were being referred to as **mandarins**
- ✓ By the 1960s the democratic legitimacy of the departmentalized cabinet system was being called into question

Ministers and Their Deputies

The Institutionalized Cabinet

- Traced back to the 1960s and the Lester Pearson government; **greater systematization to decision making while enhancing the power of elected ministers vis-à-vis unelected senior officials**
- Permanent system of “standing” cabinet committees staffed by ministers themselves; each given responsibility for developing recommendations with respect to a broad jurisdictional field spanning portfolios of several related departments
- **Full cabinet met to discuss these policy and program recommendations and to endorse those the ministers collectively desired as government initiatives**

Ministers and Their Deputies

The Priorities and Planning Committee (P&P)

- ✓ Key coordinating committee of cabinet, overseeing and directing the work of all other committees
- ✓ Only Committee chaired by the Prime Minister, with all other members being the chairs of other cabinet committees
- ✓ Was designed to ensure that elected ministers and not unelected Deputy Ministers were the makers of policy
- ✓ Designed to promote top-down centralized, systematic, and rational decision making
- ✓ Also provided with alternative sources of advice respecting policy making and assessing program administration different from government departments
 - ✓ These came to be known as **central agencies**

How an Institutionalized Cabinet Works

Cabinet Committees

- Provide a **FORMAL** forum where ministers with complementary portfolios (health, labour, Human Resources and environment = Cabinet Committee on social development), come together to discuss policy and program concerns
- Most portfolios require the minister to sit on more than one cabinet committee
- Each Prime Minister has full discretion to establish, disband, or reconfigure cabinet committees

How an Institutionalized Cabinet Works

- **Basic Functions**

- Departmental budget allocations under the Policy and Expenditure Management System (PEMS)

- What new initiatives should go to full cabinet for official ratification

- More heads are better than one in discussing policy

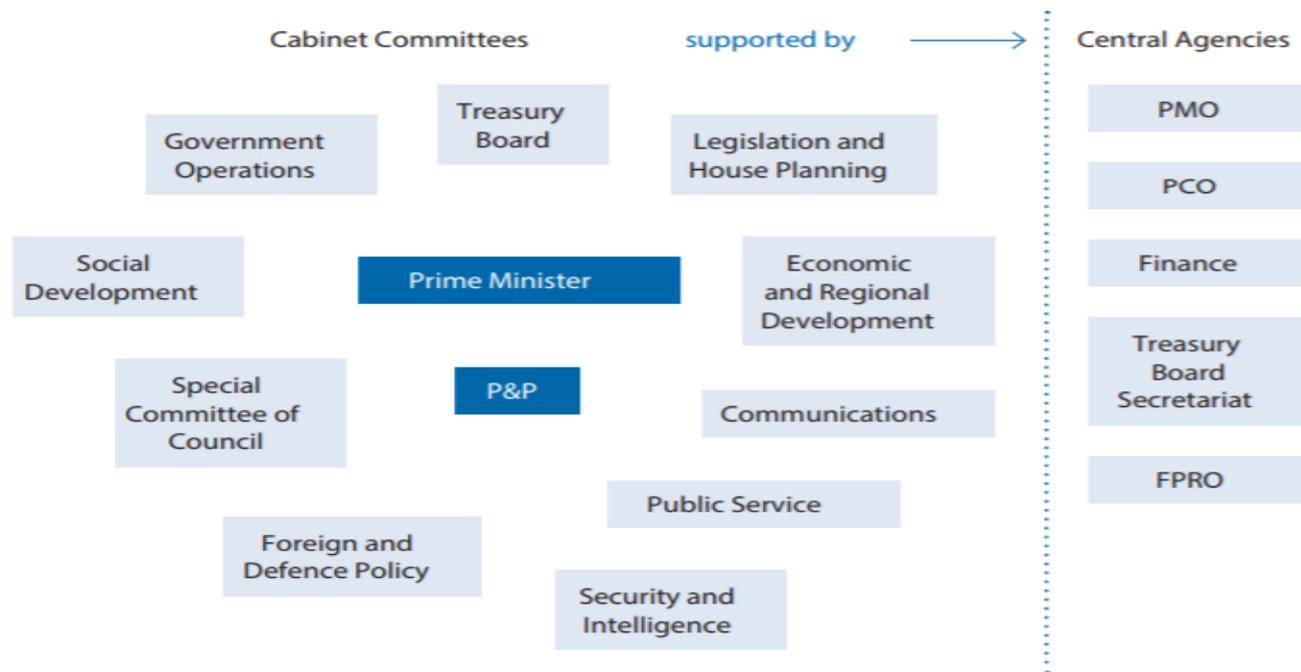
- http://pm.gc.ca/sites/pm/files/docs/Cab_committee-comite.pdf

How an Institutionalized Cabinet Works

Priorities and Planning (P&P)

- Usually chaired by the PM and comprises the chairs of all the other cabinet committees, the Minister of Finance, and other senior Ministers selected by the PM
- Six main functions
 1. Setting long-range priorities
 2. Tackling short-term political crises
 3. Establishing broad goals and objectives for the other standing cabinet committees
 4. Reviewing all standing committees decisions and resolving disputes
 5. Setting budgetary parameters under the PEMS for committees and departments
 6. Establishing policy and program initiatives in the name of the full cabinet

Cabinet Committees



How an Institutionalized Cabinet Works

Central Agencies

- Central set of advisory bodies to cabinet designed to provide the cabinet with detailed information, intelligence and expert opinion and advice regarding any and all matters
 - **Prime Minister's Office (PMO)**
 - **The Privy Council Office (PCO)**
 - **Department of Finance**
 - **Treasury Board of Canada Secretariat**

How an Institutionalized Cabinet Works

Prime Minister's Office (PMO)

- Designed to provide routine administrative assistance to the PM as well as to offer policy advice
- PM's personal staff, appointed directly by, and entirely responsible to, him or her
- Serve at the pleasure of the PM and are not members of the permanent public service
 - Pierre Trudeau – 100, Brian Mulroney – 120, Jean Chretien – 63, Paul Martin – 73 and Stephen Harper – 94

How an Institutionalized Cabinet Works

- Chief of Staff (currently Katie Telford - <https://www.macleans.ca/opinion/the-huawei-deal-that-the-trudeau-government-missed/>), senior policy advisor, research director, director of communications, and a director of operations
 - **Offers administrative assistance as well as advice**
 - Deals with correspondence, media communications and relations, advice on partisan appointments, organization of public appearances, and drafting of speeches
 - **POLITICAL SWITCHBOARD!**

How an Institutionalized Cabinet Works

Direct political and partisan advice about:

- How the PM should address leading issues
- How the PM should be developing policy
- How the PM should be directing ministers and other senior officials in the development of the government's policy and program agenda
- What decisions the PM should make or refrain from making
- How the PM should relate to other ministers, caucus members, opposition leaders, and opposition parties
- How the PM should deal with the media and what sort of public image he or she should foster
- What type of message the PM should send to the Canadian public and to major interest groups
- Who the PM should meet with, talk to, and deal with in the pursuit of the policy agenda

How an Institutionalized Cabinet Works

Privy Council Office (PCO) -

<https://www.canada.ca/en/privy-council.html>

- Gives administrative support and policy advice to the entire cabinet
- Staffed by career public servants, and its head, **the Clerk of the Privy Council and Secretary to Cabinet**, is the most senior public servant in the country and official head of the public service of Canada
- Expert and non-partisan advice on the management of cabinet decision-making and government operations

How an Institutionalized Cabinet Works

- Provides logistical support to cabinet and its committees
 - Developing agendas, organizing meetings, preparing informational material and analytical briefing notes for ministers, taking and circulating minutes, and disseminating cabinet and committee decisions
- General responsibility for overseeing the “*machinery of government and the appointment of senior public service personnel*”
- Also, responsible for Intergovernmental Affairs

How an Institutionalized Cabinet Works

- As of 2015, 727 employees divided into policy branches: foreign and defence policy, security and intelligence, Indigenous affairs, economic and regional development, social development policy, regulatory affairs and orders-in-council, legislation and house planning and counsel, machinery of government, and financial planning and analysis
- **Some of the most influential public servants in the country**

How an Institutionalized Cabinet Works

The Clerk of the Privy Council

- Acts as the linchpin between the political world of the cabinet and the administrative sphere of departments
- **Deputy Minister to the PM**
 - Meets daily with the PM; Structure cabinet committees, structure and restructure department portfolios and functions, appointing senior public servants, and appointing, promoting, demoting, or even removing DMs
- **Secretary of the Cabinet**
 - Ensures that the cabinet and committees receive briefing materials, policy and program analyses, and administrative-operational reviews, ministers are privy to relevant information and the paper flow into and out of cabinet and committees is detailed, accurate, efficient, and strictly confidential
- **Head of the Public Service**
 - Ensures departments are well organized and staffed, senior officials are competent, and department employees are trained and motivated
- Currently Michael Wernick - <http://www.clerk.gc.ca/eng/feature.asp?pageId=258>

How an Institutionalized Cabinet Works

The Department of Finance - <https://www.fin.gc.ca/>

1. Acts as central agency in its role as macro-economic policy advisor to the PM and cabinet on all policy and program matters touching upon the economy and government revenues and expenses, *i.e. everything it does / health of the national economy and the effects of government activity in general and taxation policies in particular*
 - **“the most powerful actor in the federal government”**
2. Develops the annual budget that
 - Establishes federal corporate and personal tax policy
 - Addresses deficit and debt management
 - Provides a multiyear government stream and broad fiscal framework for revenue management in terms of deficit and / or debt reduction, taxation reductions, program funding, and new program development

How an Institutionalized Cabinet Works

3. Provides advice to the cabinet about
- International trade and tariff policy, including management of foreign trade treaties such as NAFTA, foreign borrowing and debt repayment, overseeing the national debt and balance of payments and foreign exchange
 - As of 2015, 743 public servants; **both feared and respected**

How an Institutionalized Cabinet Works

The Treasury Board of Canada (TB)

- With its administrative arm, the **Treasury Board Secretariat (TBS)**, provides micro-economic advice to cabinet pertaining to all internal government expenditures and personnel management
- TBS is its operational heart and it was staffed by 1,761 public servants in 2015, **it reviews and analyzes the annual budgets of all departments in details to ensure that they fall within the spending parameters set by Finance**
- Budgets are screened for compliance with government priorities and spending targets and have to receive TBS approval prior to ratification » **Guardian of the public purse**
- **Official employer of government personnel**; collective bargaining, grievances, salaries, promotion of the merit principle, etc.

Making a Mesh of Things

THE FORMAL VIEW OF DECISION MAKING

The P&P Sets the Agenda

- Chaired by the Prime Minister
- Established government policies and priorities and oversaw all other cabinet committees
- Set the broad agenda, settling on **three to five broad major issues** as the defining objectives during a term in office
- Once signed-off, communicated to cabinet committees, other central agencies, all departments, and their political and administrative heads

Making a Mesh of Things

THE FORMAL VIEW OF DECISION MAKING

The Department Sets it in Motion

- Each department responsible for initiating policies and programs within its sphere of jurisdiction and managing undertakings already in play
- Senior officials confer widely and liberally with those concerned or affected

Inspiring Minds

Making a Mesh of Things

THE FORMAL VIEW OF DECISION MAKING

The Officials Produce the Memorandum, i.e. Memorandum to Cabinet

- Focal point of the minister's liaison with his or her cabinet colleagues and officials from central agencies
- Contains:
 - a **Ministerial Recommendation** (a short summation of the policy issue & desired outcome)
 - **Analysis** section (relevant background; nature of the issue; assessment of strengths and weaknesses, impacted stakeholders, political implications, costs, sources of funding, personnel requirements, positions taken by others, etc.)
 - a **Communications Plan** (how the proposal will be messaged to the public and impacted stakeholders)

Making a Mesh of Things

THE FORMAL VIEW OF DECISION MAKING

The Committee Reviews It

- Transmitted to the appropriate cabinet committee; PCO drafts Briefing Notes that are detailed; decision rendered

The Committee Report is Produced

- Yea or Nay

The Proposal is sent to Full Cabinet

- If accepted, sent to full cabinet for ratification; drafted as a *Record of Decision* and transmitted to the relevant department

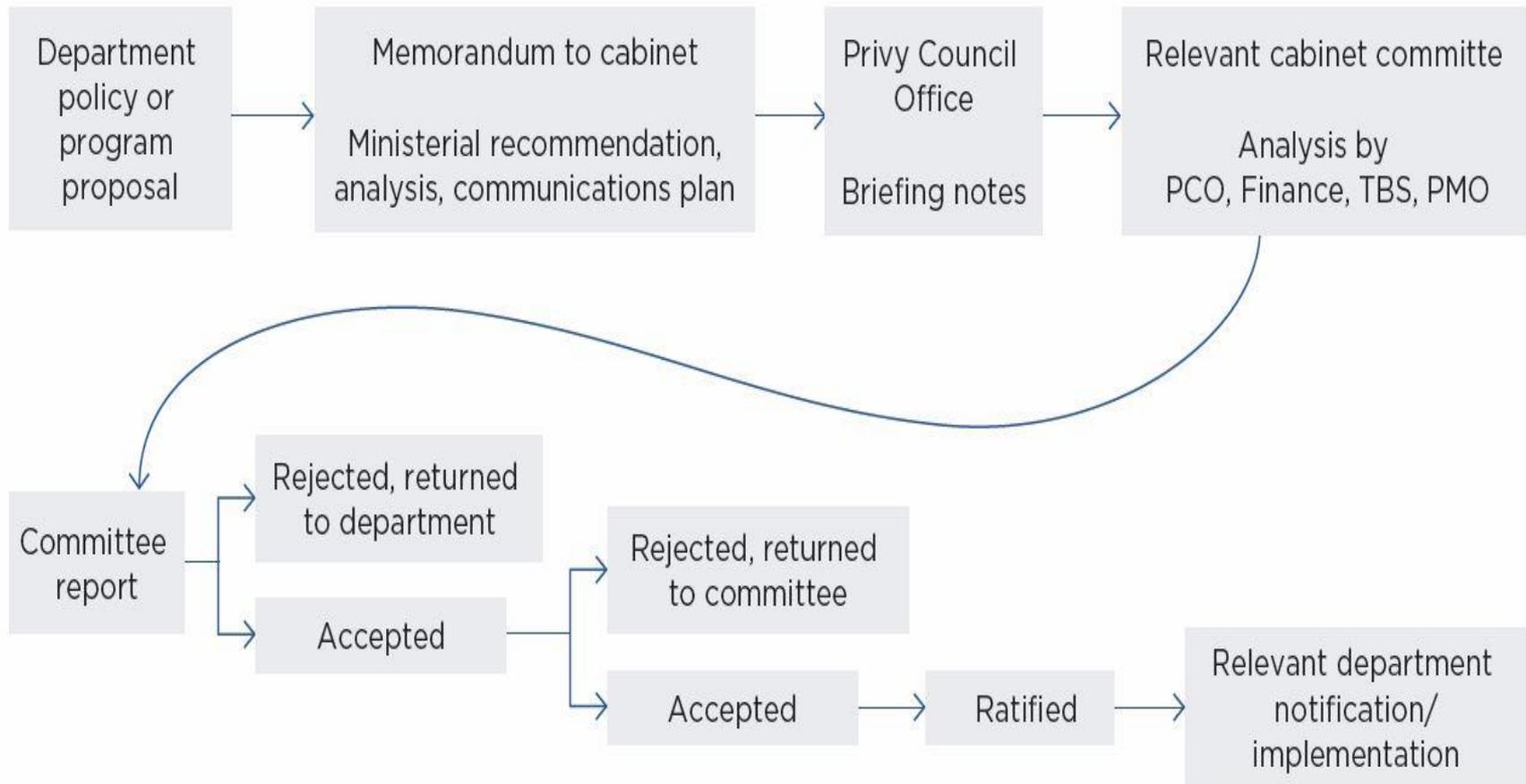


Figure 4.6 Memorandum to Cabinet (MC) Flow Chart

Making a Mesh of Things

THE PRIME MINISTERIAL PREROGATIVE

- **Strategic Prime Ministership**

- Targeting of a select number of policy initiatives for the government's policy agenda' usually 3-5 main issues over a four-year term of office
 - PM and most senior ministers and advisers devote most of their attention to these priorities, delegating everything else to individual ministers and departments
 - Senior officials are expected to manage routine activities, keeping their ministers and thus the government out of trouble and thereby enabling the prime minister and the inner circle to devote themselves to major initiatives
- Pierre Trudeau – Bilingualism & Biculturalism / Wage and Price Controls / Constitutional Reform / National Unity / National Energy Program
 - Brian Mulroney – Regional Development / Free Trade / Privatization and Deregulation / Constitutional Policy / Tax Reform / Deficit Reduction

Sometimes a Prime Minister may take a vested interest in an issue / this generally assures its success

Making a Mesh of Things

WEIGHING THE PROS AND CONS

PROS

- ✓ Much more structured and rationalized than the departmentalized system had allowed
- ✓ More attention from analysts and advisers
- ✓ Role of Central Agencies altered the bureaucratic power relations

CONS

Fostering Competition

- ❖ More time-consuming and bureaucratic
- ❖ More people = more conflict
- ❖ Through Departments into competition with central agencies = a series of roadblocks

Reining in the Deputies?

- ❖ DMs remain the kingpins of the departments

THE JEAN CHRÉTIEN COMMAND MODE

- Over the past two decades, we have witnessed an ever increasing centralization of power in Ottawa into fewer hands, i.e. the Prime Minister and those closet to him
 - **Command Mode of Decision-Making**
 1. Routine matters of policy development and program administration are left to line departments
 2. Strategic matters of policy development and program management are subject to the overriding control of the PM, the PMO, the PCO, and in relation to financial matters, Finance
 3. In relation to strategic matters, cabinet is no longer an effective decision-making body, having been superseded by the forces of the centre
 4. The PM and key advisers in the PMO and PCO determine which matters will be considered strategic and which are merely routine, not requiring close attention and control

THE CENTRE OF POWER - Chrétien repeatedly demonstrated that he was *le boss*; *unprecedented consolidation of power and influence at the centre of government*

THE STEPHEN HARPER COMMAND MODE

USING LEADERSHIP TO GET THINGS DONE

- Stephen Harper's Strategic Priorities – 2015
 - Promoting a low-tax agenda
 - Aggressively waging a War on Terror, fighting ISIS at home and abroad
 - Defending the Canadian oil & gas industry and promoting the building of pipelines
 - Promoting free trade agreements
 - Maintaining Conservative tough-on-crime policies
 - Ratcheting down the size and role of the federal government

THE STEPHEN HARPER COMMAND

MODE

ASSESSING THE LEGACY

- Turned many of his policy ideas into reality; however, did so in a very **command and control style of approach that critics considered excessive, abusive, close-minded**
 - Concentrated power in his own hands and in that of the PMO
 - Rendered cabinet next to meaningless
 - Stripped ministers and caucus members of their independent voices, i.e., “Party of One”
 - Hyper-partisan and intolerant of criticism
 - Attacked those who questioned his policies
 - Stripped the federal public service of its important role in the policy process
 - Based policy decisions more on ideological beliefs than on evidenced-based research
 - Used distortion, deceit, manipulation, and outright lies to support his policy actions
 - Was contemptuous of Parliament
- Most Ideological of all of Canada’s Prime Ministers / priority of his government was to shrink the size of the state

THE TRUDEAU COMMAND MODE

- Initial Policy Matters

- Kick starting the economy through infrastructure spending
- Middle-class tax relief while raising taxes on the wealthy
- Climate change and strengthening Canadian environmental regulations
- Foreign policy that advocated multilateralism, peacekeeping, etc.
- Improving Canadian democracy

Inspiring Minds

Trudeau Cabinet System



Figure 4.7 Trudeau Cabinet System, 2015