

The Global Recession and Policy Theory: What policy implementation theory can tell us about how the American and Canadian governments responded to the 2008 global economic recession

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Introduction

The recent global economic crisis created a boom period for government intervention. Governments found themselves in a position with both political and public support for incredibly expensive and invasive policy endeavours. The United States and Canada were not immune to the worldwide recession; in fact many saw the U.S. as the epicenter of the calamity. Within this unpredictable climate, policy action was in demand. As Jeremy Leopard wrote in the spring of 2009 (20), “Economic stimulus is in the air across North America”. Both countries produced stimulus packages relative to their size; the Canadian government dedicated \$40 billion and the American government allocated \$520 billion over two years.¹ The America Recovery and Reinvestment Act 2009 (ARRA) became law on February 17, 2009. The 2009 Federal Budget that included “Canada’s Economic Action Plan” (CEAP) received royal assent on March 12, 2009. The American and Canadian governments’ actions were similar to other policy actions around the globe. State governments from China to France to India to Germany were taking a similar stimulus course (Fox and Norquay 2009). At the centre of American and Canadian policies were major infrastructure spending initiatives; these moves were attempts to stimulate the economy through both capital and employment growth. These initiatives of the American and Canadian policy actions are the focus of this paper.

While these economic policies are still in the midst of implementation it is essential to begin to consider how we can analyze such major state actions. The political and economic ramifications of both American and Canadian policies could be felt for years to come. Active attempts to correct problems in the financial markets and state economies will no doubt change future proactive or reactive economic policy making.² A handful of early attempts have already been made to analyze the economic crisis through a political science perspective but we are still a few months away from the publication of a deluge of policy studies on government reaction to the global economic crisis (Comiskey and Madhogarhia 2009; Jacobs and King 2009; Lewis-Beck and Nadeau 2009). This paper is not an attempt to be anymore than it can be at this point in time – an early consideration of how we might approach research in this area and what research questions and methodologies may be most suitable for future study of the American and Canadian cases of policy implementation.

¹ The American package includes \$787 billion over ten years.

² Market failure is described as a situation where the market does not allocate resources efficiently (Cochran and Malone 2005).

MacRae and Wilde defined policy analysis in 1979 as “the use of reason and evidence to choose the best policy among a number of alternatives” (4). While the methodological approach for this paper is not as comprehensive as theirs, it aims to take initial steps toward revisiting classic policy theory to contemporary policy challenges within a unique economic and political context. Following this research objective, this paper analyzes the infrastructure sections of ARRA and the CEAP using three major contributions to the policy implementation literature: 1) Jeffrey Pressman and Aaron Wildavsky’s *Implementation*, 2) Christopher Hood’s *The Tools of Government* (1983), and 3) Daniel Mazmanian and Paul Sabatier’s *Implementation and Public Policy* (1989). These policy theories are more than twenty years old, yet this analysis demonstrates that these theories have maintained their worth as explanatory tools and possibly forecast the viability and effectiveness of the chosen economic policy paths. In this paper, I argue that while none of the theoretical approaches ideally fits the the American or Canadian cases, they do allow us to better understand differences between the two, both in terms of policy type and implementation. These frameworks also allow us to identify three major areas for further study for these cases: the speed of policy implementation, the accountability attached to the policy implementation, and the environment in which the policy implementation is taking place. Before placing the cases within these theoretical frameworks, however, it is necessary to provide some background both on the cases and the theories considered.

The American Case

Due to the historical significance of the election, many people forget Barack Obama was elected in part because of Americans’ discontent with the economy (Lewis-Beck and Nadeau 2009). In fact, the 2008 American presidential election was very much fought with the backdrop of the imploding economy; it was President Bush who made the initial policy moves in reaction to the growing economic crisis. Before he could settle into the White House, President Obama needed to address the financial problems facing the United States, and he was well aware that policy implementation was just as essential as policy formation. The day after signing ARRA into law Obama remarked, “Now I don’t want to pretend that today marks the end of our economic problems” (Stolberg and Nagourney 2009).

The American stimulus plan, while supported by economists, was controversial in the House of Representatives and the Senate. No Republican representatives and only three senators voted in favour of the bill (MacGillis “White House” A11). The ARRA was a massive bill, a weighty document that will no doubt produce dozens of articles, chapters and books in response. This paper only focuses on one aspect, yet still very large, of the Act: infrastructure spending. The stimulus package was divided into three parts: 1) tax cuts, 2) payments (benefits and subsidies) and 3) investments (infrastructure, energy upgrades and food stamps). On page 2 of the ARRA, it states that one of the purposes of the plan is to invest in “transportation, environmental protection and other infrastructure that will provide long-term benefits”. In the ARRA, the biggest single line infrastructure item was core investments including roads, bridges, railways and sewers at a price tag of \$51.2 billion (Committee on Appropriations 2009). The billions of dollars for transportation were actually less than many governors and mayors had hoped for but still represent a major policy action in terms of monetary value and organizational complexity (MacGillis 2009).

The Canadian Case

While Obama was dealing with his historical arrival in office, late-2008 and 2009 found Canada's Conservative government and Prime Minister Stephen Harper almost on their way out. Having been re-elected as a minority government on October 14th, 2008, the Harper government found itself in a precarious position if any serious conflict rose with the opposition parties.³ Conflict materialized in late November over the government's economic update.⁴ As a result, Canada went through its first parliamentary and constitutional crisis in recent years before the prime minister and his government were able to retreat with the help of a ruling by the Governor-General. All of these activities disrupted debate and action on a Canadian stimulus package.

In comparison to the U.S., Canada's economy was not being hit as hard by the first effects of the recession. Still, during this period, Harper noted that some type of stimulus help would be on the way in the 2009 federal budget, "We're going to do whatever it takes to get our economy through this recession and on to a long-term recovery" (Chase 2008). Eventually, the Conservatives did take action in their budget in early 2009 with Canada's Economic Action Plan (CEAP). Fast implementation was a major concern of the government. In April 2009, Harper noted, "A lot of other countries are announcing stimulus budgets and I'm not saying anything against them but I think a lot of them are less advanced and a lot less certain of how they're actually going to get the money out quickly (as) we are in Canada...we want to make sure we are putting people to work in this construction season" (Campion-Smith "Harper" 2009).

Similar to the ARRA, in CEAP infrastructure was a central component of government stimulus. Roughly half of the combined federal-provincial stimulus funding was dedicated to infrastructure projects (Schofield "Will" 2009). The Canadian government (2009) argued that there were two key benefits to investing in infrastructure: "1) provide timely economic stimulus and create jobs across Canada in the construction, engineering and manufacturing sectors as well as generating significant economic spinoff activity, 2) provide Canada with a more modern and greener infrastructure that is the foundation of sustainable long-run economic growth and improve the quality of life of Canadians".⁵ In the January 2009 budget the Conservative government promised \$12 billion for infrastructure, and the emphasis on fast implementation was immediate. As one official said, "they're in a race against the clock because...there are a lot of negotiations still to be done...a lot of programs still to be set up and a very ambitious timetable for investing an unprecedented sum of money" (Campion-Smith "Harper" 2009).

³ The Conservative party won 143 seats in 308-member House of Commons

⁴ In response to the economic statement that included no immediate stimulus plan and controversial measures on political party funding, suspending federal civil servants right to strike until 2011 and suspending right of women federal employees to legal remedies concerning pay-equity, the Liberal and New Democratic parties formed a coalition with the support of the Bloc Quebecois in preparation to form the government (Valpy 2009).

⁵ Finance Minister Jim Flaherty described the policy as "one of the largest building projects in Canada's history" (Goar "Toronto" 2009).

Three Policy Implementation Theories

In 1973, *Implementation: How Great Expectations in Washington Are Dashed in Oakland* written by Jeffrey Pressman and Aaron B. Wildavsky was published.⁶ Pressman and Wildavsky's monumental study was a blow-by-blow account of the failed implementation of an American federal aid program for Oakland, California. A significant focus of the study was who was in charge of implementing the policy and the environment in which it was delivered. The rural-focused Economic Development Administration administered the program in a context described as "a city of high unemployment and racial unrest that Federal agents have tabbed a potential powder keg" (1973:I). The study placed the blame for the program's failure on such aspects of policy implementation as "the complexity of joint action" (1973:I). The scrutiny over joint action makes this theoretical approach well-suited to studying stimulus programs which are formulated and implemented between different levels of government.

Pressman and Wildavsky's approach is particularly interesting because of its attention to simplicity. For Pressman and Wildavsky (1973:147), analyzing simplicity in policies often involves examining decision points in policy implementation. This approach is especially appropriate for federal cases such as the American and Canadian stimulus packages, which naturally present many decision points.

Rather than focusing on a single case, Hood's *The Tools of Government* presents a government "tool-kit" and tests it using a variety of cases.⁷ Hood (1983:8) argues, "Government, like man himself, is a tool-using animal. If it desires (say) defence, education, health – even birth control for cats – it must find and employ instruments that will actually produce such things. Otherwise its 'policies' or purposes will be no more than fantasies. It is by applying its tools that government makes the link between wish and fulfillment." Hood's tool-kit includes tools described as government detectors and effectors. Detectors are described as "all the instruments that government uses for taking in information" (Hood 1983:3). Effectors are described as "all the tools that government can use to try to make an impact on the world outside" (Hood 1983:3). Applying parts of Hood's theoretical framework to the American and Canadian cases allows us to look below the surface of policies to understand variables that might affect the speed of implementation.

Mazmanian and Sabatier (1989:Preface) begin *Implementation and Public Policy* by stating the focus of the book "is on the ability of government to deliver – to implement – the specific objectives that are set forth in constitutionally adopted public policies."⁸ The authors

⁶ Also included in the cover title was the cheeky optional subtitle: "Or, Why It's Amazing that Federal Programs Work at All This Being a Saga of the Economic Development Administration as Told by Two Sympathetic Observers Who Seek to Build Morals on a Foundation of Ruined Hopes".

⁷ In 1988, Patrica McGee Crotty adopted Hood's framework to analyze the effort of the Environmental Protection Agency in persuading states to follow federal pollution laws. McGee Crotty (1988) noted that Hood's work frames implementation as a problem-solving process and uses his definitions and analogies to evaluate intergovernmental managerial practices.

⁸ Mazmanian and Sabatier (1989:4) elaborate on their research goals, "To understand what actually happens after a program is enacted or formulated is the subject of policy implementation: those events and activities that occur after the issuing of authoritative public policy directives, which include both the effort to administer and the substantive impacts on people and events. This definition encompasses not only the behaviour of the administrative body which has responsibility for the program and the compliance of target groups, but also the web of direct and indirect

believe that effective implementation analysis must “a) be fully aware of the characteristics of the society within which implementation takes place; b) know the range of access points where formulators and implementors can influence the course of events; and c) recognize which overarching social and institutional factors in a specific implementation effort cannot easily be affected through present action” (Mazmanian and Sabatier 1989:19). Mazmanian and Sabatier’s framework is tested through analysis of five major public programs: the California Coastal Commissions, 1972-77, the 1965 Elementary and Secondary Education Act, Desegregation of American schools, The 1970 Clean Air Amendments and the Urban Growth and New Community Development Act of 1970. Mazmanian and Sabatier’s approach provide insight into the issue of accountability in American and Canadian policies. Awareness, knowing and recognition of societal, social and institutional factors are essential to the all-encompassing stimulus plans put forward.

In the following section, these three theoretical frameworks will be applied to the American and Canadian cases in greater detail: first, Pressman and Wildavsky’s framework is used to better understand the role of federalism in policy implementation; second, Hood’s tool-kit is used to better understand speed in policy implementation; and, finally, Mazmanian and Sabatier’s ideas are used to better understand accountability in policy implementation. Tables will be used to illustrate how each analytical tool is applied to the American and Canadian cases. All of this represents only a beginning of how future work might be able to further consider two of the largest American and Canadian policy endeavours of the twenty-first century so far.

Applying the theories to the American and Canadian cases

Pressman and Wildavsky (1973:70) concentrate on decisions, because they believe that one of the greatest obstacles to successful policy implementation is the decision-making process. Because of the enormity of the stimulus plans, the decision-making process is complicated by the sheer number of rational decision makers involved; and as they note, “Policy implementation is made difficult when experience reveals that legislators want incompatible things.” In fact, Pressman and Wildavsky (1973: 109) note, “Our normal expectation should be that new programs will fail to get off the ground and that, at best, they will take considerable time to get started. The cards in this world are stacked against things happening, as so much effort is required to make them move. The remarkable thing is that new programs work at all.” To study how programs do work, Pressman and Wildavsky focus on decisions leading to implementation; they believe that an appreciation is necessary of the “length and unpredictability of decision sequences in implementation” (Pressman and Wildavsky 1973:143). The following table locates the various decision points in the implementation of the American and Canadian stimulus plans.

political, economic, and social forces that bear on the behaviour of all those involved, and ultimately the impacts – both intended and unintended – of the program.”

Table 1: Pressman and Wildavsky’s Points of Decision and Clearance Necessary for Completion

	United States		Canada (Immediate Action to Build Infrastructure)	
	Participants Involved	Cumulative Total of Agreements	Participants Involved	Cumulative Total of Agreements
1. Project Funding	Federal	1	Federal/Provincial/Municipal	3
2. Project Selection	State Agency	1	Federal/Provincial/Municipal	3
3. Project Review	Federal	1	Federal	1
Decision Points		3		5

Source: Pressman and Wildavsky 1973:144

This relatively simple table highlights the first important factor in a comparison of the American and Canadian cases: the influence of federalism. Canada’s more convoluted federal system is apparent in the greater number of agreements involved in CEAP compared to the ARRA. The most significant difference between the American and Canadian stimulus plans has been, too borrow an old policy phrase, both who is steering and who is rowing. In Canada, the federal government controls the selection system, while provinces and municipalities have to match federal funds. In the United States, state governments have much more power to steer and do not need to match funds in the same way.

In the American case, since states have tremendous discretion over how to spend money, most of the decision-making battles were on a regional rather than national level.⁹ The process involved state officials reviewing municipal wish lists; for example, in Connecticut, officials needed to revise a wish list of \$12 billion in projects to the \$6 billion available (Farley 2009). In the first two years, the ARRA has earmarked more than \$135 billion for states, which in many cases desperately need the funding to balance budgets (Calmes 2009). Linked to infrastructure spending, approximately \$27.5 billion was available for transportation and left to the states to administer (Cooper “Texas” 2009). While states were empowered, many cities felt left out; municipal officials believed that because funds were being routed through state governments, urban areas might not get a fair share of the stimulus (Shulman 2009). James Finley, executive director and chief executive of the Connecticut Conference of Municipalities noted on the selection process, “There are still so many unanswered questions” (Farley 2009). Criticism also arose along partisan lines. Republican governors were critical of the plan: Jim Douglas (Vermont), “We’re not just getting a handout here. We’re doing the heavy lifting. We’re still making tough cuts in budgets”; Tim Pawlenty (Minnesota), “A meandering spending buffet (but is going to accept the money”); Sonny Perdue (Georgia), “I don’t think there is any master plan. I think we’re kind of flying by the seat of our pants in this economy and hoping for the best” (Rucker 2009).

In the Canadian case, the federal government played a much larger role in decision-making and placed more of a financial onus on the subordinate levels of government.¹⁰ The federal government allotted \$22.3 billion for 2009 and \$17.2 billion for 2010, conditional on provinces adding \$6.6 billion in 2009 and \$5.1 billion in 2010 (Scofield “Will” 2009). Slowing

⁹ For a regional example: The Los Angeles County Metropolitan Transit Authority had \$215 million in sums of \$500,000 for 88 cities (Stienhauer 2009).

¹⁰ Paul Hobson and Tracy Snoddon argue that along with cash transfers, equalization and tax collection deals, the fourth pillar Canadian federalism created by Stephen Harper is infrastructure funding (Taylor “Harper’s” 2009).

the stimulus down were negotiations over cost sharing and the clearance of municipal applications for funding (Laghi “Economy” 2009).¹¹ For provinces to receive stimulus money they had to agree with the spending direction of the federal government (Taylor “Harper’s” 2009). Each individual proposal required its own individual agreement (Toronto Star “Stimulus” 2009). Because of separate negotiations in each province, some provinces had more difficulty than others. In British Columbia, matching funds were difficult to obtain while eight other provinces secured funding (Hunter “Federal” 2009). Other provincial-federal negotiations went much more smoothly. In Ontario, provincial minister George Smitherman and federal minister of infrastructure John Baird sent a letter together to municipalities urging them to apply for stimulus cash. Municipalities were told to choose projects that could not be completed without federal and provincial funds (Gombu and Lu “Politicians” 2009). The applications were trimmed to one page to reduce paperwork (Campion-Smith “Not sexy” 2009). Similar to the American case, problems emerged at the local level. Baird met controversy when complaining about Toronto’s application for streetcars rather than sewer or bridge repairs; he was caught on tape saying “they should f--- off” (Fong “Top” 2009).

The second theory applied to the American and Canadian cases is Hood’s eight basic types of government tools (Hood 1983:5). At the centre of Hood’s “tool-kit” is the notion of detectors and effectors.¹² Hood describes the two applications as the essential control of any system in which information and influence pass between government and citizens. Hood introduces a second set of distinctions to demonstrate how a government applies detectors and effectors through four resources – 1) Nodality, 2) Treasure, 3) Authority, and 4) Organization.¹³ Hood describes each resource as having an activity, a limit and a ‘coin’. Table 2 shows the American and Canadian cases applying Hood’s framework. As the table shows, many of the detectors and effectors are similar in both cases; however, in terms of speed of policy implementation fewer obstacles are shown in the Canadian case, which lacks the twenty-eight American agencies involved and the Recovery Accountability and Transparency Board.

¹¹ At the provincial level delays in negotiations - after three months, Alberta, Saskatchewan, Newfoundland, Prince Edward Island, New Brunswick and Manitoba had still not reached agreements with Ottawa (Laghi “Economy” 2009). Also, provincial budgets needed to be passed, for example, in Ontario’s 2009 Budget, \$7 billion was tied to the federal government funding (Gray “\$27.5” 2009).

¹² Detectors – all the instruments that government uses for taking in information

Effectors – all the tools the government can use to try to make an impact on the world outside

¹³ “Nodality denotes the property of being in the middle fo an information or social network...Treasure denotes the possession of a stock of moneys or ‘fungible chattels’...Authority denotes the possession of legal or official power...Organization denotes the possession of a stock of people with whatever skills they have” (Hood 1983:4-6)

Table 2: Hood’s Eight Basic Types of Government Tools

Basic Resources	Applications	United States	Canada
		Tools	Tools
Nodality Characteristics: Activity: Communicate Limit: Credibility Coin: Messages	Detectors	Recovery Accountability and Transparency Board	Reports to Canadians
	Effectors	Recovery.gov	“Canada’s economic Action Plan”
Treasure Characteristics: Activity: Exchange Limit: Fungibility Coin: “Moneys”	Detectors	Congress	Parliament
	Effectors	American Recovery and Reinvestment Act 2009	Budget Implementation Act 2009 (coinciding provincial/municipal budgets)
Authority Characteristics: Activity: Determine Limit: Standing Coin: Tokens of authority	Detectors	State applicants	Municipal applicants
	Effectors	Federal agencies (28) awarding contracts	Federal government awarding contracts to provincial/municipal government
Organization Characteristics: Activity: Act directly Limit: Capacity Coin: Treatments	Detectors	Federal agencies	Federal government
	Effectors	State government	Provincial/municipal government

Source: Hood 1983:5

In Hood’s framework expediency is central in both the American and Canadian cases; both appear to have straightforward paths to funds and government action. Information is passed in both directions and is essential to the movement of stimulus money and creation of infrastructure projects. When both cases are examined in more detail the Canadian government’s preoccupation with speed of implementation becomes apparent and at least more rhetorically notable than in the United States.

Still, in the American case, city level politicians were concerned with funds being stalled at the state level; New Orleans Mayor Ray Nagin said, “I told the governor personally: Any dollars he does not want, we will take them gladly” (Shear 2009). Once the money was approved, the implementation of the policy on the ground appeared to be quick. In Maryland, 10,000 individuals were quickly put to work resurfacing roads, painting and repairing bridges and putting in guardrails (Cooper 2009). The phrase “shovel-ready project” was very popular during the initial stages of the stimulus (Hampson 2009). A spokesman for the House Committee on Transportation and Infrastructure noted, “The concept of ‘shovel-ready’ which is neither a legal term nor a term of art in road construction, means projects ready to be started as soon as money becomes available” (Steinhauer “When” 2009). Attractive projects were also referred to as “ready to go” (Halsey “More road” 2009). Leaving no time to spare, some projects started on the day the bill was signed – in Tuscumbia, Missouri work began on a bridge on February 17, 2009 and claimed to be the first stimulus infrastructure project (Steinhauer “When” 2009). By April 2009, highway departments were approving projects the quickest with education, energy, mass transit and police falling behind (Cauchon 2009). Similar to Canada, deadlines were attached to the money. Local governments were given three years to spend the money before it

was returned to the federal government (Schweber 2009). To speed up both approval and implementation most infrastructure funds went to existing plans and not new job creation projects. A representative from the American Road and Transportation Builders Association noted that the stimulus did not “supercharge” transportation related construction but was “a welcome Band-Aid” (Calmes and Cooper “New Consensus” 2009). By June 26th, the Federal Highway Administration approved \$15.8 billion for 4,800 projects and work had started on 1,900 of the projects (Cooper “All States” 2009). States were required to secure agreement by June 29th on half of the transportation funds or risk losing federal monies.

Speed of implementation has been a constant message of the Canadian federal government. In February 2009, Canadian Infrastructure Minister John Baird noted, “We are moving 10 times faster than any federal government has ever moved on an infrastructure program in the modern era” (Laghi “Economy” 2009).¹⁴ Don Martin (“Stimulus” 2009) of the *National Post* wrote, “Yet despite concerns over any delays, the departments and oft-cumbersome federal bureaucracy deserves credit for moving the stimulus program from a paragraph in the budget to actual money disbursement in just over three months, which surely sets some sort of speed record”. Municipalities were urged by Baird to “establish how quickly the project be completed, how many jobs it will create and if it’s shovel-ready and can be finished by March 2011” (Campion-Smith “Harper” 2009).¹⁵ However, the municipalities would still be on the hook for one-third of the cost. City of Vaughn councillor Joyce Frustaglio noted, “The timeline is so short...they don’t know how local government works” (Gombu and Lu “Politicians” 2009). Some of the conditions for municipalities were that the projects must be new, all major construction completed by March 31, 2011 and half the funds must be spent by March 31, 2010 (Toronto Star “Stimulus” 2009). With all the tight deadlines, simple projects such as road resurfacing were more prominent due to the lack of a need for significant planning and public consultation.¹⁶ Municipalities were told that they could start approved projects and would be reimbursed by the province once they presented invoices (Vincent “Stimulus” 2009).

By June 2009, the federal government had approved \$20.6 billion in stimulus spending (Chase “Government” 2009). Due to the chilly Canadian climate, if projects weren’t approved in time the construction would have to be delayed until the following summer. In the Conservative’s one-year report card on the stimulus plan, Prime Minister Stephen Harper declared that 80% of the plan was “already being implemented”. This was based on \$20.6 billion of \$22.7 billion being approved, but only a fraction of the projects had been started. In terms of the \$4 billion for infrastructure, only \$1.1 billion had been committed to projects (Iverson “Slow” 2009). January 16, 2010 was set as the second deadline to allocate the rest of the federal stimulus money after 60 per cent of the \$62-billion of federal and provincial funds had been spent in the first eleven months (Carmichael “Business” 2009). By March 2010, half of the 6,700 projects that received stimulus funding were launched (McFarland “Bulk” 2010). All of these numbers

¹⁴ Infrastructure Minister John Baird had a sign on his desk simply reading “It Can Be Done” (Martin “Stimulus” 2009). Speculation surrounded that Kevin Lynch’s retirement was related to finding someone who could move funding quicker (Martin “Stimulus” 2009).

¹⁵ The first project was a widening of Stormy Road North near 100 Mile House in British Columbia supported by \$1.75 million from the federal government (Martin “Stimulus” 2009).

¹⁶ By May 5, 2009, 365 municipalities had submitted proposals for over 2,200 worth accumulatively more than \$4 billion (Baird, “Maximizing” 2009). The federal government gave itself no deadline for approving municipalities’ projects (Toronto Star “Stimulus” 2009). In British Columbia, a mayor placed a steel purchase on his credit card to get a project strated ahead of formal approval (Martin “Stimulus” 2009).

are difficult to digest or consider without greater context of how quickly normal infrastructure and funding moves between levels of government. What is of interest is the discursive element – the narrative based on the movement of funds was central to the Conservative government message. While this may not be surprising it should be notable in comparison to the American where the money is being not just counted but accounted for – the final framework gets us closer to understanding the accountability aspect of the stimulus plans.

The third framework considered is Mazmanian and Sabatier's six conditions of effective implementation. The three issues Mazmanian and Sabatier (1989) are most concerned with are consistency of policy outputs, articulation of objectives and strategies and also the factors linked to goal attainment.¹⁷ For this paper, the approach is attached to final factor identified – accountability. An emphasis on conditions rather than decisions or messages helps to place a spotlight on the reporting of the implemented policy.

The following table is much more complex than the previous two, with the framework identifying six conditions for effective policy implementation. For each condition the case is evaluated using a scale from low to high, low being that the factor is an obstacle to implementation and high identifying those factors that are a strong asset to effective implementation. Of course, the labeling of these aspects of the programs is highly speculative – to accurately assess the infrastructure initiatives much more rigorous examination is needed; possibly semi-structured interviews would provide further information on both political and bureaucratic actor perspectives of the effectiveness of policy implementation. For the sake of this exploratory paper the framework is used to identify the differences in accountability which are especially found in conditions 3d (formal access to supporters) and 4 (commitment and skill of top implementing officers).

¹⁷ Mazmanian and Sabatier (1989:13-14) write, "Keeping in mind the various issues and approaches in implementation analysis we believe that any thorough implementation analysis must address three major issues: 1. To what extent are the policy outputs of the implementing agencies and/or the outcomes of the implementation process consistent with the official objectives enunciated in the original statute, court case, or other authoritative directive? Are there other politically significant impacts? 2. To what extent were the objectives and basic strategies outlined and anticipated in the original directive modified during the course of implementation or during the period of policy reformulation by the original policymaker? 3. What are the principal factors affecting the extent of goal attainment, the modifications in goals and strategies, and any other politically significant impacts?"

Table 3: Mazmanian and Sabatier's Six Conditions of Effective Implementation

	United States	Canada
	"The Stimulus Bill" America Recovery and Reinvestment Act 2009	"Canada's Economic Action Plan" Budget Implementation Act 2009
1. Statute contains clear and consistent policy directives.	LOW/MODERATE "Section 3.a.4. To invest in transportation, environmental protection and other infrastructure that will provide long-term economic benefits"	LOW/MODERATE "Immediate Action to Build Infrastructure: Accelerating and expanding the recent historic federal investment in infrastructure with almost \$12 billion in new infrastructure stimulus funding over two years, so that Canada emerges from this economic crisis with more modern and greener and infrastructure"
2. Statute incorporates sound casual theory identifying and providing jurisdiction over sufficient factors to have the potential to attain objectives.	HIGH Three Main Goals: 1) Create and save jobs 2) Spur economic activity and invest in long-term economic growth 3) Foster unprecedented levels of accountability and transparency in government spending	HIGH 1) Provide timely economic stimulus by creating job across Canada in the construction, engineering and manufacturing sectors as well as generating significant economic spinoff activity. 2) Help Canada emerge from this economic crisis with more modern and greener infrastructure that is the foundation of sustainable long-run economic growth
3. Statute structures implementation to maximize probability of compliance from implementing officials and target groups.	MODERATE Recovery Accountability and Transparency Board - Federal Reporting - Agency Funding Notifications - Financial and Activity Reports - Federal Procurement Data System	LOW/MODERATE Provincial tracking of funds through appropriate ministries
3a. assignment to sympathetic agency	MODERATE State government - State agency identifies one project of many and requests bids	LOW/MODERATE Selection by Federal (LOW) as Municipalities (MODERATE) identify projects
3b. hierarchically integrated system with few veto points and adequate incentives for compliance	MODERATE 1) Congress/Treasury (appropriates funds) 2) 28 Federal Agencies (make funds available) 3) State and Local Government (make funds available)	MODERATE/HIGH Normal Selection – Infrastructure Stimulus Plan (MODERATE) 1) Negotiating and finalizing agreements with provincial and territorial governments 2) Concluding discussions and third-party organizations and finalizing funding agreements with private sector delivery partners 3) Tender and award contracts 4) Select projects 5) Adjust regulation Accelerated Selection (HIGH) 1) Accelerating Approval Processes (Canadian Environmental Assessment Act 2) Priority Projects (Major projects expedited under Building Canada plan) 3) Accelerated Payments (Provincial/Territorial Base Funding Initiative)
3c. supportive decision rules	MODERATE Using fixed price/competitive or "rationale"	HIGH Chosen based on the basis of construction readiness, project merit and federal environmental assessments, however, "shovel ready" become most important
3d. formal access to supporters	HIGH Recovery.gov	MODERATE Action Plan website
4. Commitment and skill of top implementing officials.	HIGH Open Government Directive: Senior Accountable Officials	MODERATE No new agencies – regular infrastructure actors from departments and ministries
5. Continuing support from constituency groups and sovereigns.	MODERATE Continued support by Federal government	LOW/MODERATE Continued support until March 31, 2011
6. Changing socioeconomic conditions over time.	NEUTRAL No set deadline for funds	LOW/MODERATE Committed to end spending March 31, 2011

Source: Mazmanian and Sabatier 1989: 164-167 - **HIGH** = A strong asset in effective implementation of legal objectives
MODERATE = Conducive to effective implementation, although some problems. **LOW** = Notable obstacle to effective implementation,
NEUTRAL = Insignificant; factor played little or no role in implementation effort

As mentioned above, the Mazmanian and Sabatier framework helps us examine accountability as a factor in policy implementation. One of the biggest differences between the American and Canadian cases appears to be on this point. As Canadian officials focus on speed, boasting that environmental assessment rules have been altered to expedite the approval process, American policy makers have stressed the meticulous tracking of funds and projects. Early on in the process Obama said, “Whenever a project comes up for review, we’re going to ask a simple question – Does it advance the core mission of the Recovery Act? Does it jump-start job creation? Does it lay the foundation for lasting prosperity?” (Zeleny 2009). Oversight has been a major part of the American stimulus plan.¹⁸ The president signed a bill in February 2009 to direct \$350 million towards government accountability of the ARRA. Obama told mayors, “If a federal agency proposes a project that will waste that money, I will not hesitate to call them out on it and put a stop to it” (Shear 2009). In some cases, implementation was delayed by federal and state rules hoping to curb abuse and waste and new tracking measures on how funds were spent (Hladky 2009). The attention to accountability appears to have produced the desired results. By September 2009, the Recovery Accountability and Transparency Board reported a surprisingly small number of fraud cases related to stimulus money (Cooper “Few Cases” 2009).

The Canadian government has been much less concerned with accounting for projects and more concerned with initiating the infrastructure projects. Finance minister Jim Flaherty was up front about the challenges and errors that would come with the implementation of stimulus plans: “There will be some mistakes made. But it’s worth that risk to help the majority of Canadians during what is a serious recession. This isn’t business as usual. This is an urgent, extraordinary situation” (Laghi “Economy” 2009). There has been gradual concern building over the tracking of funds, however, with a harrowing Auditor-General’s report very likely in the future. Some have argued that the government should appoint an inspector general to oversee the expenditures distributed by the stimulus package (Del Duce “Who’s” 2009).

Cries of partisanship have followed some of the project selection decisions. Criticism surrounded news that out of the top ten ridings in Ontario receiving infrastructure money, four were represented by cabinet ministers (Iverson “Liberals” 2009). Controversy also arose when Conservative MPs began handing out government cheques adorned with party logos and the slogan “Delivering Change for the Better” (Toronto Star “Beware” 2009).¹⁹ Many Canadians have become very familiar with the signage attached to infrastructure projects. Signs promoting the government’s projects cost up to \$7,000 each – municipalities were told to pay for the combined \$45-million price tag (National Post “No Signs” 2009). Opposition parties blamed politically influenced project selection and red tape on the slow pace of implementation (Whittington and Campion-Smith “Report” 2009). There were a few places where the government could not avoid being stalled. Interestingly, the Conservative government was slowed down by rules that were created in response to the sponsorship scandal (Toronto Star “Why” 2009). Still, other possible challenges were easily manipulated by the government to their advantage. For example, only 2% of the projects required a federal environmental impact assessment (De Souza “Few” 2009). This is an area where the Conservative government has successfully avoided or simply cut through any tedious red tape.

¹⁸ As Jacobs and King (2009:277) note on Obama’s actions “the more government intervention, the greater the public review”. One article noted, “some experts warn that government might now need auditors for its auditors and new overseers for inspectors general” (Herszenhorn 2009).

¹⁹ The infrastructure plan was sold to Harper by senior bureaucrats who believed it would provide the government with “excellent visibility for local ministers and MPs” (Canwest “Bureaucrats” 2010).

Conclusion

In defence of his policy actions, Obama argued, “The question we ask today is not whether our government is too big or too small, but whether it works” (Troy 2009:16). We can ask the same of both the American and Canadian stimulus plans: Have they worked? This paper is an attempt to explore how to answer this complicated question. Of course, the governments themselves have weighed in on their success. The Canadian government announced that in the first year, the infrastructure projects and Home Renovation Tax Credit had created roughly 50,000 jobs. Finance Minister Jim Flaherty stated, “We are fully implementing the temporary stimulus measures” (Brennan “Stimulus” 2010). Attempts to measure success were met with controversy in the United States; the Obama administration had to change its job count in early 2010. The government had been counting jobs “created or saved” but this was seen as subjective and confusing (O’Keefe “Stimulus” 2010). A year into the ARRA, leading economic research firms estimated that roughly 1.6 million to 1.8 million jobs had been added (Leonhardt “Judging” 2010). Extra pressure was put on expediting projects because of the emphasis on job creation. Obama’s administration predicted the creation or saving of 3.5 million jobs by 2011 (McGeehan 2009). However, much of the early stimulus spending went to tax cuts and rebates before infrastructure projects (Andrew 2009). In September 2009, U.S. Secretary of Transportation Ray LaHood, described transportation projects as one of the most successful parts of the ARRA – in seven months 7,965 projects worth \$19.2 billion, 72% of the highway recovery funds – had been spent (LaHood “Stimulus” 2009). Yet by November 2009, it appeared that infrastructure related job creation was simply not occurring at high rate (MacGillis “The White House” 2009).²⁰

Possibly due to the Conservative government’s stress on promoting speed rather than preventing fraud, Canadians have expressed more support for the programs. In February 2009 (Nanos), 56.6% of Canadians surveyed supported stimulus deficit spending. Over a year after the passing of the 2009 Canadian federal budget a majority of Canadians (54.9%) believed the stimulus programs were acceptable (Nanos 2010).²¹ In recent days, Americans have expressed little confidence in the effectiveness of the stimulus plan. An April 2010 a Pew Research poll found that 62% of Americans surveyed believed the stimulus plan “did not help”.

Experts in Canada have been less forgiving than Canadians at large. Finn Poschmann, vice-president of research at the C.D. Howe Institute argued, “You’d be kidding yourself to imagine that infrastructure spending had a significant impact on economic performance in 2009” (McFarland “Bulk” 2010). A Fraser Institute study found that the government stimulus had little impact on the economy with only a 0.2 percentage point change in GDP growth between the second and third quarters of 2009 (Marketwire “The Fraser Institute” 2010). In April 2010, infrastructure projects in Ontario were on average 30% complete and work had yet to begin on 861 of the 2,600 approved projects in the province (McGregor “Many” 2010). In answering the question, “To what extent has Canada’s Economic Action Plan been effective in stimulating activity?” Charles Lammam and Niels Velduis answered, “Very little. Canadian GDP estimates for 2009 by Statistics Canada show that government spending at all levels increased by 2.2% compared to 3.7% in 2008. Increases in government capital investments are estimated to have

²⁰ At the one-year anniversary, Vice-President Joe Biden (“Assessing” 2010) noted, “in the three months before the act took effect, America lost 750,000 jobs a month...in the last three months, we’ve lost about 35,000 jobs a month”.

²¹ In the same survey, 78.2% Canadians believed the economic situation was better than in the United States.

slowed, to 10.1% in 2009 compared to 12.2% in 2008, hardly what one would call stimulus spending” (Velduis and Lammam “Stop” 2010).²² In the United States in January 2010, a survey of 50 top economists reported that the Obama administration needed to do more, including more infrastructure spending (Wiseman and Hansen “Experts” 2010).²³

By applying the theoretical frameworks of Pressman and Wildavsky, Hood, and Mazmanian and Sabatier, we can better understand the nuances of policy implementation that are often missed when we focus on material outcomes. In terms of the stimulus plans, the hoped-for outcomes are more jobs and the trickle-down impact of those new jobs, but for policy implementation analysis the focus is on the journey and not the destination. The adoption of these theories is an early attempt to do this. Using Pressman and Wildavsky’s stress on decision points, Hood’s focus on tools and Mazmanian and Sabatier’s emphasis on conditions we can better appreciate the policies while they are still in progress.

²² Infrastructure spending actually went down from 2007 to 2008, it grew 12.2% in '07 and only 10% in '08 (Libin “Save” 2010).

²³ In December 2009, Obama launched a second round of stimulus with more funds for infrastructure.

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