Michigan Technological University

Digital Commons @ Michigan Tech

Michigan Tech Publications, Part 2

12-17-2023

What's going on in there? Canadian government policy labs and public value management

Adam Wellstead
Michigan Technological University, awellste@mtu.edu

Nora Ottenhof
Toronto Metropolitan University

Bryan Evans
Toronto Metropolitan University

Anat Gofen
Hebrew University of Jerusalem

ORIGINAL ARTICLE

What's going on in there? Canadian government policy labs and public value management

Adam M. Wellstead[1] | **Nora Ottenhof**[2] | **Bryan Evans**[2] |
Anat Gofen[3]

[1]Department of Social Sciences, Michigan Technological University, Houghton, Michigan, USA

[2]Politics and Public Administration, Toronto Metropolitan University, Toronto, Ontario, Canada

[3]Federmann School of Public Policy and Governance, Hebrew University of Jerusalem, Jerusalem, Israel

Correspondence
Bryan Evans, Politics and Public Administration, Toronto Metropolitan University, 350 Victoria St., Toronto, Ontario M5B 2K3, Canada.
Email: b1evans@torontomu.ca

Abstract

Government-based policy labs have established themselves across the Canadian policy landscape. This article argues these labs contribute to public value management. We begin by reviewing the public value management literature, followed by Canadian contributions to the policy lab literature. Then, our inventory of 35 current Canadian government-based policy labs is descriptively analyzed, including trends in spatial concentration, the tools and methods employed, their focus areas, the number of years in existence, and their primary role in the policy process. We randomly selected nine of these labs, provide more details of their activities, and present a preliminary public value management typology to analyze policy labs.

Sommaire

Les laboratoires de politiques gouvernementaux se sont implantés dans le paysage politique canadien. Nous passons tout d'abord en revue les contributions canadiennes à la documentation sur les laboratoires de politiques. Notre inventaire de 35 laboratoires politiques gouvernementaux canadiens actuels est analysé de manière descriptive, y compris les tendances en matière de

concentration géographique, les outils et méthodes utilisés, leurs domaines d'intérêt, le nombre d'années d'activité et leur rôle principal dans le processus politique. Nous avons sélectionné au hasard neuf de ces laboratoires et fourni plus de détails sur leurs activités. Nous proposons une typologie préliminaire de gestion de la valeur publique pour analyser les laboratoires de politiques.

INTRODUCTION

In Canada, over the past decade, there has been an impressive growth of policy innovation labs, including those housed in governments or directly funded by governments. This article describes this landscape by illuminating the work undertaken by 35 such labs. We begin by reviewing the public value management literature, followed by Canadian contributions to the policy lab literature, which informed our catalog of Canadian government-based policy labs. We find that the work of these policy labs is varied, and they apply various methods and techniques to policy innovation. Here, the critical characteristics of each lab, including location, year formed, scope, funding, oversight, areas of focus, and primary methodologies employed, are described. The key contribution this article makes is determining if the government policy labs we examine are a response to what some in the public management literature call "public value management"? To answer this question, we focus on nine Canadian government policy labs, three operating at the federal, provincial, and municipal levels.

WHAT IS A POLICY LAB?

A growing literature acknowledges significant obfuscation in the definition and classification of policy labs. To illustrate, Brock defines policy labs as "hybrid organizations comprising talent from three sectors": private, public sector, and non-profit (Brock, 2021, p. 229), while Whicher (2021) states that "policy labs are multidisciplinary *government* teams experimenting with a range of innovation methods to involve citizens in public policy development" (p. 252). Further confusion occurs when distinguishing between policy labs and other knowledge-based policy influence organizations (KBPIOs) such as think tanks, research institutes, centres of excellence, and government policy shops (see Bellefontaine, 2012; Wellstead & Howlett, 2021). Wellstead and Howlett (2021) explicitly classified policy labs as "information creation entities" (p. 14). Lindquist and Buttazzoni (2021) also point out there are many different entities that occupy "innovation space" that engage in "open innovation" (OI), namely "a cluster of techniques and approaches intended to improve the operations, services and policies of the government in the digital era." Policy labs share this space with other OI initiatives, such as behavioral insight units, the agile/Lean movement, digital service units, and big data/analytical data units

Worldwide, there has been the proliferation of policy innovation labs (PILs), which serve as an organizational setting where searches for policy solutions proceeds from within scientific laboratory-like structures. PILs provide physical spaces for interaction and knowledge

exchange to improve public services through innovative tools and design innovative solutions to policy issues, as well as being an actor involved with addressing social challenges in the public sphere (Cele et al., 2020).

More specifically, PILs aim to be novel in their design approaches, methods, and practices by involving citizens and placing users at the center of the process (Lewis, 2020; Wellstead et al., 2021; Olejniczak, 2020; Whicher & Crick, 2019; Ferreira & Botero, 2020). In doing so, PILs facilitate a wide range of methods and design approaches, such as cross-disciplinary work (e.g.: Tõnurist et al., 2017; McGann et al., 2018; Whicher & Crick, 2019; Whicher, 2021; Unceta et al., 2021), design thinking methods (e.g.: Lewis, 2020; McGann et al., 2018; Trei et al., 2021; Brock, 2021; Zivkovic, 2018), ethnography and field research (e.g.: Evans & Cheng, 2021; Lewis, 2020; Bailey & Lloyd, 2017), evaluation methods (Ferrarezi et al., 2021; Wellstead, 2020; Olejniczak, 2020), experimental approaches to better understand responses of policy targets to alternative policy solutions design (e.g., Bason, 2014; Ferreira & Botero, 2020; Evans & Cheng, 2021; Fuller & Lochard, 2016; Wellstead et al., 2022), collaboration with users and stakeholders in service and policy development (e.g., Mintrom & Luetjens, 2016; Carstensen & Bason, 2012; Whicher & Crick, 2019; Whicher, 2021), and various technological tools such as artificial intelligence, hackathon events, and big data analysis (e.g., McGann et al., 2017; Criado et al., 2020; Evans & Cheng, 2021; Kim et al., 2022; Lindquist, 2022; and Sandoval-Almazan & Millán-Vargas, 2023).

POLICY LABS: PURVEYORS OF PUBLIC VALUE MANAGEMENT?

The concept of "public value management" is essential for furthering policy lab scholarship because it provides researchers and practitioners a raison d'etre for labs, which can include improving user value, value to broader groups, social value, environmental value, or political value (Bovaird & Loeffler, 2012). Public value as a public administration concept was first introduced in 1995 by Mark Moore in what is known as the Kennedy Project to conceptualize how public managers realize collective aspirations by working with various actors to develop public policies and programs (Barzely, 2019). In doing so, they would develop and create public value. While there are several definitions of public value, Moore's original definition is still widely used, namely, "the outcomes that citizens want from government, achieved in a way that is consistent with their values and expectations."

Central to Moore's framework is that public managers need to meet three tests to ensure strategies of the public that meet specific conditions to create public value. They include a value that is "substantively valuable," "legitimate and politically sustainable," and "operationally and administratively feasible" (Moore, 1995). The success of a strategy is contingent upon satisfying all three aspects of the well-known public value "strategic triangle" before the commitment to a determined strategy (Moore, 1995; Moore & Khagram, 2004) (Figure 1). The framework suggests a normative approach, yet the balancing act of each point is quite complex in real-life management scenarios, as Moore has acknowledged and others have since debated (Moore, 2019). Additional developments in the literature have conceptualized varying interpretations and meanings of public value (O'Flynn, 2021). Talbot (2011) modified Moore's framework by examining public value creation according to a particular focus (processes, resources, services, and social) and the types of interests (self, public, and procedural) (Table 1).
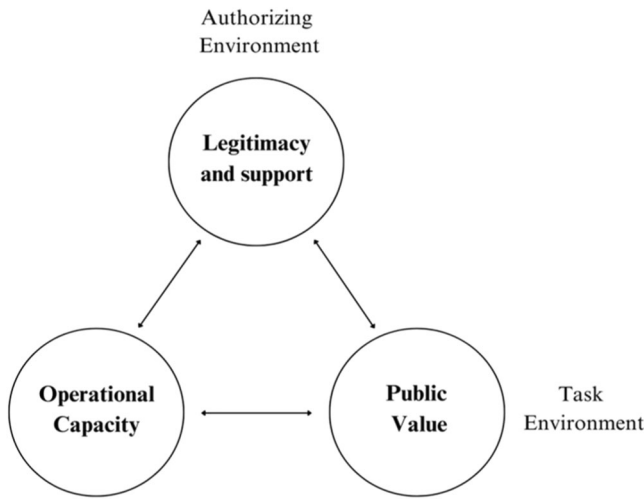
FIGURE 1 The Public Value Strategic Triangle (Moore, 1995).

TABLE 1 Map of public value-related interests and foci.

	Self-interests	**Public interests**	**Procedural interests**
Trust and legitimacy focus	Respect for individual rights, complaints and restitution, and confidentiality	Respect for democratic and consultative decisions	Respect for democratic and consultative processes
Resources focus	Are purchased in economic and competitive ways	Are purchased in socially useful ways (e.g., fair trade and wages, locally sourced)	Are purchased in fair, transparent and honest ways
Process focus	Are flexible and responsive to individual wants and efficient	Are equitable, responsive to democratic control and are effective	Are formalized, fair, transparent and honest
Services focus	Are delivered in flexible, cost-effective and efficient ways with choice for individuals	Are delivered in socially equitable and effective ways	Are decided in democratic and participative ways
Social results focus	Are delivered in cost-effective ways which enhance individual's lifestyles	Are delivered in equable ways that enhance social justice	Are decided in democratic and participative ways

Note: (From Talbot, 2011).

Meynhardt (2009) elaborates on Talbot's "self-interest" focus by defining public value as an extension of individual needs centered on four basic value dimensions: moral-ethical, hedonistic-aesthetical, utilitarian-instrumental, and political-social. Moral-ethical refers to the need for positive self-evaluation. Hedonistic-aesthetical points to the need for maximizing pleasure and minimizing pain; Utilitarian-instrumental to the need for gaining control and coherence over one's conceptual system; and finally, political-social to the need for positive relationships (Meynhardt, 2009, p. 203). However, subsequent developments in the public value literature have expanded beyond the actions of public managers and now include multi-actor level and organizational public value

creation (Bryson et al., 2017; Jarman, 2016; Jørgensen & Bozeman, 2007; Kelly et al., 2002; Meynhardt, 2009) and the co-creation of public value between actors and organizations (Bryson et al., 2017; Sancino, 2022; Wellstead et al., 2022). In addition, the public value literature is a broader "public values" scholarship (see Jørgensen & Bozeman, 2007) with its origins in political science which is reflected in a public values universe reflected in seven constellations, namely: public sector's contribution to society, transformation of interests to decisions, relationship between public administrators and politicians, relationship between public administrators and their environment, intraorganizational aspects of public administration, behavior of public-sector employees, and the relationship between public administration and the citizens. The public values scholarship focuses on a broader set of values that provide "a normative consensus about the rights, benefits, and prerogatives to which citizens should (and should not) be entitled; the obligations of citizens to society, the state, and one another; and the principles upon which governments and policies must be based" (Bozeman, 2007, p. 13).

The "public service logic" approach developed by Osborne and his colleagues offers a promising framework of value creation for public services by considering five temporal aspects of public value ranging from an emphasis on short-term user satisfaction to the longer-term and larger-scale creation of social value with five distinct kinds of stakeholder engagement activities. First, co-design refers to the inclusion of service users and citizens in the development of policy solutions. Co-production encompasses the involvement of service users and citizens in the management and delivery of services. Co-experience is the process through which an individual's use of the public service creates or takes away value for that individual. This process is by nature experimental and can differ from individual user to individual user. Lastly, co-construction concerns how an individual's unique values, beliefs, and experiences will shape their engagement and experience with a given public service, as well as how that public service can address the unique needs of the individual user (Osborne et al., 2020, p. 649). Indeed, Strokosch and Osborne (2023) have recently argued that the essence of how effective service delivery in and by government is defined can increasingly be found in the reorientation of top-down service delivery and the adoption of co-design and co-creation efforts. A new emphasis on designing "for" services, they argue, is increasingly replacing or augmenting an older emphasis on the design "of" services.

We argue that all three approaches, under the umbrella of public value governance can help better articulate the broader role of policy labs. In short, when analyzing the work of policy labs, we should bear in mind that public value(s) can be generated either through the workings of the policy processes rather than exclusively in the output itself.

TAKING STOCK OF THE CANADIAN GOVERNMENT POLICY LAB ENVIRONMENT

There is limited literature on Canadian policy labs and those found within government departments. Evans and Cheng (2021) assert that policy labs became a common feature within the Canadian government shortly after Justin Trudeau's Liberal Party came to power in 2015. The "labification" trend promises solutions to outdated and unimaginative policy-making including "establishing processes and mechanisms to enable collaboration among a broad range of policy actors" (Evans & Cheng, 2021, p. 1). This desire to be innovative is what triggers the emergence of policy labs.

Following similar logic, Carstensen and Bason (2012) credit the rapid emergence of policy labs in recent decades to "the need for institutionalizing innovation" (Carstensen &

Bason, 2012, p. 5). Brock (2021) presents a slightly different but complementary perspective. Brock cites the rise in popularity of New Public Management (NPM) and New Public Governance (NPG) as reasons for the emergence of policy labs in Canada but also argues that Michael Barber's theory of deliverology (Barber, 2007), a process that involves setting priorities, measuring outcomes, and reviewing results at frequent and regular intervals contributed to the growth of Canadian policy labs. This approach was adapted by the Trudeau government as part of its results, delivery, and innovation strategies, albeit with limited success, with the goal of improving federal government efficiency and facilitating the integration of public and non-profit sectors with government decision-making. Developing policy labs was part of the government's strategy to encourage innovation with a view to improving results. First, Policy Development Units (PDUs), or policy hubs, would be located in consequential government offices and departments. Second, private sector policy innovation labs (PILs) would be employed as collaborative consultants to provide new and innovative policy approaches (Brock, 2021). This article focuses on what Brock refers to as PDUs or what we call Canadian government-based policy labs.

Martin & Dale's (2017) unpublished study of Canadian social innovation labs sought to investigate their physical and organizational structure, the types of projects undertaken, if and how labs share information, and challenges and solutions for labs. They found that regardless of whether they were academic, non-profit, or government-based, Canadian policy labs inhabit various spaces such as those labs located on university campuses and sometime championed by departments (e.g., Max Bell School Policy Lab at McGill University) or individual faculty members. Others have singular office sites with "hot-desk" workspaces, and others have several satellite offices close to partner organizations around the globe. They observed a high degree of variance in the types of projects undertaken. However, a common trend was "collaboration with communities and across public, private and non-profit sectors is a key approach to problem-solving" (Martin & Dale, 2017, p. 4). Several broad research areas, particularly health (personal, physical, and community), environment, technology for social good, financing, social entrepreneurship, urban development, food, poverty reduction, First Nations, youth, and governance, were identified. Common approaches include theories of change, systems thinking, ecosystem analysis, human-centred design, and multi-sectoral collaboration. When asked about information sharing, Martin and Dale (2017) found that such practice was their raison d'être.

DATA AND METHODS

We contribute to the Canadian policy lab (CPLs) literature by investigating what we believe to be the entire population of Canadian government-base policy labs ($N = 35$). They were identified CPLs from the existing Canadian policy lab literature discussed above and a web-based search. Three criteria were required for inclusion in our study population. First, the policy lab in question must indeed be a policy lab. Commonly confused yet notably distinct from policy labs are other knowledge-based policy influence organizations (KBPIOs), such as for-profit consultancy groups, think tanks, government policy units, research institutes, and academic research groups (see Wellstead & Howlett, 2021). We removed those organizations that could be categorized as an alternative KBPIO from the population. Second, the lab must be located within Canada and be governed, at least in part, by the Canadian federal, provincial,

territorial, or municipal government. Third, enough information about the lab must be available to confirm the above with a reasonable degree of certainty and provide adequate information to conduct our analysis. The 35 labs are listed in the Appendix.

As highlighted above, nearly all policy labs are committed to stakeholder engagement and policy co-design. In doing so, they usually maintain up-to-date web pages with a rich source of information, in particular their reports. This was typically the case for most of the labs. Specifically, this approach yielded useful background information such as their operational status, number of employees, active years, location of operation, governing body, their mandates, research scope, funding source(s), primary area(s) of policy focus, and primary methodologies employed. We were also able to deduce how these labs addressed the public value management concepts discussed above.

RESULTS

Describing the Canadian Government Policy Lab Landscape

We compiled the above information onto an Excel spreadsheet, and the following trends can be observed. Of the 38 labs initially identified, 35 met the criteria for inclusion in our population. The majority (57.1%) of Canadian government policy labs are located within Ontario (Table 2). Of these labs, 90 percent (18 of 20) are based in the National Capital Region (NCR), which hosts many federal government departments and facilities. Nearly all of the Quebec-based policy labs are also found in the NCR. Unsurprisingly, then, we found that 22 of the 35 labs (62.9%) are under the jurisdiction of the federal government. The remainder fall under the jurisdiction of a provincial (20.1%) or municipal (17.5%) governments.

In nearly all cases (89.3%), lab funding came entirely from the lab's host government department.[1] Similarly, in all cases but one, the scope and goals of the lab's work align with the level of government that oversees it. The oldest lab in our population, Policy Horizons Canada, was launched in 1996, while the newest lab, the Kitchener, Ontario-based *Digital Kitchener Innovation Lab*, was formed in 2021. The average age of a Canadian government policy lab is 6.5 years, with over half launched in 2016 and 2018. While some policy labs have existed for some time, many are newcomers to Canada's policy landscape, thus supporting Brock's (2021) assertion that they grew in numbers after 2016 following the implementation of the Trudeau government's delivery and results agenda.

TABLE 2 Number of policy labs by province.

Province	Number	Percent
Ontario	20	57.1
Quebec	7	20.0
British Columbia	3	8.6
Alberta	2	5.7
Nova Scotia	2	5.7
New Brunswick	1	2.9

The average number of focus areas among labs is two per lab, with a maximum of seven and a minimum of one. The most frequently noted area of policy focus was governance (20.0%) (Table 3). We used the Canadian Audit and Accountability Foundation (2023) definition, namely, "policies designed to improve a government or organization's structure and processes for decision-making, accountability, service delivery, and performance" to define the policy focus areas. Climate change and the environment (capacity building, economics, health, service delivery, and technological innovation) were the other areas each receiving over a ten percent response rate. From our population, we observe that labs tend to focus on areas of policy that fall under the jurisdiction of their own governing and funding bodies. For example, a lab that is provincially governed and funded is more likely to focus its attention on provincially relevant issues such as health and education. In contrast, a federally governed lab is more likely to focus on national-level issues such as economics, climate change, or security. Citystudio Vancouver, a lab funded by the city of Vancouver, focuses the bulk of its resources on tackling problems of municipal affairs and localized urban development and renewal. One recent project undertaken by the lab was the Green Revitalization of Vancouver's Chinatown project, which sought to "highlight the sensitive balance between urban greening and green gentrification in vulnerable cultural neighborhoods" (Citystudio Vancouver, 2023). Comparatively, the mandate of Impact Canada, a federally funded lab, is to help accelerate the adoption of innovative funding strategies within existing federal government departments. Current projects include using behavioral science to improve the national response to COVID-19 and applying research techniques to inform Canada's climate change response strategy.

Canadian government-based policy labs employed 37 distinct tools and techniques. Most common was experimentation, with 65.6 percent of labs reporting its use (Table 4). Following experimentation, design thinking (51.4%), data analytics (37.1%), behavioural insights (28.6%), and research (25.7%) were the most commonly employed methodological tools. On average, labs used five methodological strategies with a maximum of 11 and a minimum of one. We did not observe any trends linking the use of specific methods with any other lab characteristics, including location, scope, funding, or governance structure. As an illustrative example, a municipally focused lab located in Vancouver is no more likely to employ prototyping than a federally focused lab in Ottawa.

TABLE 3   Most common areas of policy focus.

Policy focus	Number	Percent
Governance	7	20
Climate change & environment	5	14.3
Capacity building	4	11.4
Economics	4	11.4
Health	4	11.4
Service delivery	4	11.4
Technological	4	11.4
Energy	3	8.6
Elderly/Ageing	2	5.7

TABLE 4 Methods and tools used by Canadian government policy labs.

Methods	Number	Percent
Experimentation	23	65.6
Design thinking	18	51.4
Data analysis	13	37.1
Behavioural insights	10	28.6
Research	9	25.7
Foresight	8	22.9
User ethnography	8	22.9
Evaluation	6	17.1
Process design	6	17.1

THE WORK OF CANADIAN GOVERNMENT POLICY LABS: NINE CASE STUDIES

This section provides a more granular discussion of government policy lab activities of nine Canadian government-based policy labs randomly drawn from our population, three each at the federal, provincial, and municipal levels. These insights helped inform our final section examining the contributions these labs make to public value management. We also note, based on our review, which aspect of the policy process these labs are most engaged with. We found examples of agenda-setting, policy formulation, and implementation-oriented labs.

In addition to the policy lab's focus, Table 5 compares the five public value management concepts discussed above and their relative importance to the nine case policy labs—this includes their focus and interests (Talbot, 2011), individual interests (Meynhardt, 2009), stakeholder engagement (Osborne et al., 2020), and the public values constellation (Jørgensen & Bozeman, 2007) are labeled. The results provide examples of different public management approaches, but no inferences by level of government should be drawn. However, this case study approach (hypothesis-generating) will prove useful as a starting point for developing theoretical generalizations in an area where no theory currently exists (Lijphart, 1971). The preliminary findings in Table 5 suggest that Canadian government-based policy labs are engaged in a variety of different public value management approaches.

Federal Labs

Policy Horizons Canada: Ottawa, Ontario (Agenda Setting)

Policy Horizons Canada is a federally funded, self-described "strategic foresight organization" housed in the Department Employment, Workforce Development and Disability Inclusion and is located in Ottawa. Established in 1996, this is the oldest government policy lab we identified. It was initially known as the Policy Research Initiative (PRI) and renamed in 2012. Ottawa-based, the lab is federally funded and governed and is federal in its scope. When engaging with

TABLE 5 Case Study Labs and their Contribution to Public Value Management.

	Focus (Talbot, 2011)	Interest (Talbot, 2011)	Public value score card Meynhardt (2009)	Stakeholder engagement Osborne et al. (2020)	Constellation Jørgensen and Bozeman (2007)
Policy Horizons (Employment, Workforce Development and Disability Inclusion)	Social results	Public interests	Utilitarian-instrumental	Co-design/Co-knowledge	Public sector contribution to society
Office of Energy Social Innovation "UnLab" (Natural Resources Canada)	Resources	Self-interest	Utilitarian-instrumental	Co-design/Co-creation	Public sector contribution to society
Transport Canada Innovation Centre	Resources	Public interest	Utilitarian-instrumental	None	Public sector contribution to society
NS Gov Lab (Nova Scotia)	Services	Self-interest	Moral-ethical	Co-design	Relationship between public administration and citizens
Toronto Behavioural Insights Unit	Services	Self-interest	Utilitarian-instrumental	Co-knowledge	Transformation of interests to decision
The Exchange Lab (Victoria)	Process	Procedural	Hedonistic-aesthetical	Co-knowledge	Intra-organizational aspects of public administration
Guelph Lab	Social results	Public	Moral-ethical	Co-experience	Relationship between public administration and citizens
Innovation Lab (Calgary)	Process	Procedural	Utilitarian-instrumental	Co-design	Relationship between public administration and citizens
Kitchener Digital Lab	Service	Self-interest	Utilitarian-instrumental	None	Public sector contribution to society

industry, non-profit, and academic stakeholders, Policy Horizons primarily uses strategic foresight, horizon scanning, and systems mapping. Occasionally, other approaches, such as data analysis, experimentation, and research, are employed. Currently, Policy Horizons focuses on three primary areas of strategic foresight: economic, social, and governance futures. In each, the lab identifies new and emerging ideas and trends and examines how these ideas will likely impact Canadian life in the future. They recently developed the "Foresight Toolkit for Public Servants" to help public servants incorporate foresight into their work.

Office of Energy Efficiency Social Innovation UnLab (OEE SIU): Ottawa, Ontario (Policy Formulation)

The Social Innovation UnLab (SIU) is a team embedded within the Natural Resources Canada (NRCan) Office of Energy Efficiency (OEE) and was established in 2016. The OEE SIU adopted an embedded lab model, meaning lab employees work directly with decision-makers in the energy policy sector. This model was a "deliberate choice" by the lab, in line with NRCan's larger mandate that "innovation cannot take place in a vacuum or from a distance. It has to relate to the people who are ultimately on the frontlines of government, our partners and stakeholders." Regarding methodology, the lab uses hypothesis testing, research, experimentation, prototyping, and horizon scanning to conduct its work. One example of the UnLab's work is the "Experimentation Works for Energy Efficiency in the Home" project that experimented with different ways to deliver energy efficiency advice and support to Canadians directly to their homes.

Transport Canada Innovation Centre, Ottawa, Ontario (Policy Implementation)

Established in 2017, the Transport Canada Innovation Centre is a transportation innovation research, development, and deployment (RD&D) organization that, despite its name, operates as a policy lab. Its three primary goals are decreasing the impact of transportation on the environment, improving the safety and security of transportation, and making Canadian transportation systems more efficient. Under the first umbrella of lessening environmental impact, the lab has employed research tools such as expert consultations, technology scouting, and pilot projects to identify new technologies to help reduce underwater vessel noise, waste, and transportation emissions.

From Table 5, the three federal labs are focused on Meynardt's notion of utilitarian-instrumental values but are oriented to the public sector's contribution to society, which in part corresponds to the broader public interests focus of two labs. Two labs have more than one dominant approach to stakeholder engagement in the public value creation process. However, Transport Canada Innovation Centre does no stakeholder engagement. An example of an overview of all the public value management categories is the OEE Social Innovation Lab, which is "resource" focused on energy efficiency for individuals (self-interest and utilitarian). Their website describes the importance of co-creating via experimentation with stakeholders as part of Natural Resources Canada's contribution to the Pan-Canadian Framework (public sector contribution to society).

Provincial Labs

NS GovLab: Halifax, Nova Scotia (Policy Implementation)

The NS GovLab, established in 2018, is based in Halifax, Nova Scotia, and describes itself as a social innovation lab focused on population aging. It is an independent organization located in the provincial government's Halifax Innovation Hub and works in collaboration with Dalhousie University, including faculty from gerontology, public health, social work, and business. More specifically, the lab investigates how government policies and services, along with communities, social programs, and workplaces, will need to adapt to serve a rapidly aging population. In particular, the NS GovLab played a significant role in *Shift*, a comprehensive interdepartmental policy action plan to address aging in the province (Nova Scotia Department of Seniors, 2017). The lab used such tools as consultation, co-design, data analysis, horizon scanning, and research.

Behavioural Insights Unit: Toronto, Ontario (Policy Formulation)

The Government of Ontario opened the Toronto Behavioural Insights Unit (BIU) in 2015 with a mandate of "enhancing public services by leveraging behavioral sciences research" (Government of Ontario, 2022). The BIU relies primarily on randomized control trials (RCTs) as their principal methodology. To conduct an RCT, two or more statistically equivalent groups are created. An intervention is tested in one group while the status quo is maintained in the other. In both groups, behaviour is observed and measured to determine if a given intervention would prompt preferred behavioural outcomes. The BIU has successfully applied the RCT method to several areas of public policy through various pilot projects. For example, the unit's work to increase uptake of the Human Papillomavirus (HPV) vaccine resulted in 1120 more students becoming protected. The unit's redesign of the letters sent to Ontario women reminding them of their eligibility for pap screening resulted in screening rates increasing by 30 percent. Finally, changes to the MyBenefits Online Service increased service users by four times, improving the Ontario Works and Ontario Disability Support Program recipients' ability to report income and manage their case information.

Exchange Lab: Victoria, British Columbia (Policy Implementation)

Established in 2015, the Exchange Lab seeks to leverage digital technology and innovation to improve service delivery across the British Columbia public service. More specifically, it creates high-performing, cross-functional teams, delivers high-value public impact through digital products and services, maximizes the return on public funding to modernize the public service through technology investment, policy improvement, community building, and organizational development, and connects an ecosystem of public service-oriented people and agencies inside the BC government and beyond. To accomplish these goals, the lab relies on four organizational branches: operations, strategic policy, digital marketplace, and digital academy. The operations branch leads organizational development for program areas of the BC government, seeking to adopt emerging digital technologies to improve service delivery. Tasked with building enabling functions and removing frictions that slow or impede service delivery is

the strategic policy branch, which includes making changes to existing policies and processes, as well as creating new ones. The digital marketplace builds products and programs to improve talent procurement, and the digital academy builds, coordinates, and delivers training. The lab uses such tools as design thinking, agile development, DevOps, and User experience (UX) design.

Across the five concepts in Table 5, the three provincial labs provide a rich diversity in their approach to public value management. Two case studies (NS Gov Lab and the Toronto Behavioural Unit) have a service focus, but all have different interests when it comes to assessing them, according to Meynhardt's (2009) public value scorecard (moral-ethical vs. utilitarian-instrumental). All three cases diverge considerably regarding their role in the public values constellation. An example of an overview of all the public value management categories is NS GovLab, whose main goal is to address problems associated with ageism (moral-ethical) by developing over 50 service programs such as worker training, valuing volunteering, and the affordable housing sector, all of which are aimed at individuals (self-interest services). The lab primarily uses co-design for stakeholder engagement in developing the Nova Scotia Action Plan for an Aging Population. The wide range of activities with various government departments suggested the focus is on the relationship between the public administration and citizens.

MUNICIPAL LABS

Guelph Lab: Guelph, Ontario (Policy Implementation)

Guelph Lab stands out in our study as one of the few labs governed and funded jointly by a government body and a postsecondary institution, the University of Guelph. Since 2015, this small lab of three full time employees is housed within the College of Social and Applied Human Sciences and has focused heavily on community consultation and co-creation both in the city of Guelph and on-campus. An example of the lab's work is the project *Elevating Voices of Food Insecurity*. This project is unique because its output is not a written report but a digital storytelling workshop designed to facilitate discussion and dialogue among university students involved in addressing food insecurity issues on campus. The lab hosted a workshop in partnership with Meal Exchange, the Meal Exchange Racialized Student Caucus, and The Centre for Art and Social Justice, demonstrating the lab's emphasis on community outreach and collaboration.

The Innovation Lab: Calgary, Alberta (Policy Implementation)

The Innovation Lab was created in 2016 initially as a 3-year pilot project but is permanently integrated with the Calgary municipal government with three areas of strategic focus: consulting, professional learning, and innovation network. The lab's ten employees use various tools and methods, including those that fall under the human-centred approach to problem-solving. Through this process, lab participants define policy problems, ideate (brainstorm possible solutions), and end by prototyping. The lab also focuses on program delivery. A project that followed this process was the *Beltline, Inglewood, and Ramsay Social & Recreational Needs Project*.

Digital Kitchener Innovation Lab: Kitchener, Ontario (Policy Implementation)

The Digital Kitchener Innovation Lab is part of a broader modernization effort by the city of Kitchener. Collectively, this modernization effort has been coined the *Digital Kitchener Strategy*. The goal is to make Kitchener a "smart city that is inclusive, on-demand, connected, and innovative." Central in the effort to achieve this goal is the Digital Kitchener Innovation Lab. The Digital Kitchener Innovation Lab is located within Communitech Hub, whose mandate since 2021 is to support emerging tech start-ups in the city. A critical goal of the Digital Kitchener Innovation Lab is to investigate how digital technologies can improve the lives of residents. For example, it has developed a network of sensors to monitor air quality in real-time, with data readily available on a public online dashboard. The lab employs data-informed decision-making as its primary methodology and seeks to determine the use of emerging technologies to improve city services. Work conducted by the lab has been in climate and air quality monitoring, multimodal traffic counting, and asset tracking.

When it comes to comparing the public values concepts and how they are utilized, the three municipal policy labs differ in every category but one. An example of an overview of all the public value management categories is the Innovation Lab (Calgary), which is implementation-oriented, with its emphasis on professional learning, networking, and research (utilitarian-instrumental) is largely process-focused, and its design-thinking and co-knowledge exercises are aimed at developing the above procedural interests. While there is some stakeholder engagement, the emphasis is on developing cross-corporate teams (intra-organizational aspects of public administration) across the city's departments.

Policy Labs in Perspective

These case studies illustrate the wide breadth of work conducted by Canadian government-based policy labs at various stages of the policy process. From these examples, we can also observe the tendency of labs to focus their work on areas of policy that fall under the purview of their overseeing level of government. We also note that methodologies are of relatively equal use and prevalence across federal, provincial, and municipal labs.

Finally, and perhaps most significantly, these case studies exemplify a key distinguishing feature of policy labs compared to think tanks or consulting agencies. That is, work by policy labs is conducted with a specific policy goal in mind from inception to completion. The case study overviews help inform the final section that links the activity of these nine policy labs with five public value management concepts. Here, the role of policy labs can be thought of as more than organizations responsible for the design of specific outputs and services but as leading the way for what Strokosch and Osborne (2023) label as "designing for" services, which is outcome-focused and emphasizes service experience and context throughout the value co-creation process.

IMPLICATIONS AND CONCLUSION

We began this article by descriptively examining Canadian government-based policy labs. To date, the labs sponsored by federal, provincial, and municipal governments vary by location, focus area, and choice of methods and tools employed. The nine lab case studies provide a

better sense of their work and lead to insights. First, there is a strong spatial concentration of policy labs within Canada's national capital region. There is a great deal of variance in these labs' primary area(s) of focus, noting 28 unique areas. The most frequently reported area of policy focus was governance. We see similar diversity in terms of the methods and tools labs choose to employ. Within our population, we note 37 distinct methodologies employed by Canadian policy labs, the most common of which was experimentation, with 23 percent of labs reporting its use.

Some additional conclusions include an observation that labs' area(s) of focus tend to align with their funding source and body of oversight. Federally funded labs tend to focus on federally relevant issues, provincially funded labs tend to focus on provincially relevant issues, etc. We do not, however, see any link between any other characteristic variables. While some labs have existed in Canada for decades, they have only recently reached the forefront of Canadian policy-making, with most labs emerging in only the last 5-7 years. In particular, at the federal level, when the Liberal government was elected in 2015, they were intrigued by the potential of these labs helping fuel the government's broader innovation strategy.

Finally, the key contribution of this article is grounding our analysis of Canadian policy labs within the public value management approach. By doing so, we begin to answer a long-standing question of "why labs?" Researchers have made varied efforts to determine and categorize public value(s) within the literature. We provide a preliminary overview of crucial public value management concepts and categorize them against our nine case study policy labs. This thumbnail sketch could prove important for policy lab practitioners and government managers challenged by the often ambiguous nature of policy labs, in particular, that many of their experimental efforts never materialize. To do so, systematic research into the role of public value management in policy labs is required. Such analysis could extend beyond government-centred policy labs and Canada.

ACKNOWLEDGEMENTS

ORCID

Adam M. Wellstead http://orcid.org/0000-0003-0601-2793
Bryan Evans http://orcid.org/0000-0002-9512-1352
Anat Gofen http://orcid.org/0000-0002-4438-8655

ENDNOTE

[1] There were some instances of lab funding coming, at least partly, from private sources (primarily postsecondary institutions).

REFERENCES

Bailey, J., and P. Lloyd. 2017. "The Introduction of Design to Policymaking: Policy Lab and the UK Government." *Annual Review of Policy Design* 5(1): 1–14.

Barber, M. 2007. *Instruction to Deliver: Fighting to Transform Britain's Public Services.* London: Methuen Publishing Ltd.

Barzelay, M. 2019. *Public Management as a Design-Oriented Professional Discipline.* Cheltenham, UK: Edward Elgar Publishing.

Bason, C. 2014. "Design Attitude as an Innovation Catalyst." In *Public Innovation Through Collaboration and Design*, edited by C. Ansell and J. Torfing, 209–28. Bason, NY: Routledge.

Bellefontaine, T. 2012. "Innovation Labs: Bridging Think Tanks and Do Tanks." *Policy Horizons Canada Government of Canada*. https://publications.gc.ca/collections/collection_2013/hpc-phc/PH4-123-2012-eng.pdf

Bovaird, T., and E. Loeffler. 2012. "From Engagement to Co-Production: The Contribution of Users and Communities to Outcomes and Public Value." *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations* 23: 1119–38. https://doi.org/10.1007/s11266-012-9309-6

Bozeman, B. 2007. *Public Values and Public Interest: Counterbalancing Economic Individualism*. Washington, DC: Georgetown University Press.

Brock, Kathy L. 2021. "Policy Labs, Partners and Policy Effectiveness in Canada." *Policy Design and Practice* 4(2): 228–41. https://doi.org/10.1080/25741292.2021.1880063

Bryson, J., A. Sancino, J. Benington, and E. Sørensen. 2017. "Towards a Multi-Actor Theory of Public Value Co-Creation." *Public Management Review* 19(5): 640–54. https://doi.org/10.1080/14719037.2016.1192164

Canadian Audit and Accountability Foundation. 2023. "What is Governance?" *Canadian Audit & Accountability Foundation*. https://www.caaf-fcar.ca/en/oversight-concepts-and-context/what-is-oversight-and-how-does-it-relate-to-governance/what-is-governance

Carstensen, H., and C. Bason. 2012. "Powering Collaborative Policy Innovation: Can Innovation Labs Help?" *The Innovation Journal: The Public Sector Innovation Journal* 17(1 Article 4): 2–25.

Cele, M. B., T. M. Luescher, and A. W. Fadiji. 2020. *Innovation Policy at the Intersection: Global Debates and Local Experiences*. Cape Town: HSRC Press. http://hdl.handle.net/20.500.11910/15194

Citystudio Vancouver. 2023. "Green Revitalization in Vancouver's Chinatown." *Citystudio Vancouver*. https://citystudiovancouver.com/projects/green-revitalization-in-vancouvers-chinatown/

Criado, J. I., T. F. Dias, H. Sano, F. Rojas-Martín, A. Silvan, and A. I. Filho. 2020. "Public Innovation and Living Labs in Action: A Comparative Analysis in Post-New Public Management Contexts." *International Journal of Public Administration* 44(6): 451–64. https://doi.org/10.1080/01900692.2020.1729181

Evans, B., and S. M. Cheng. 2021. "Canadian Government Policy Innovation Labs: An Experimental Turn in Policy Work?" *Canadian Public Administration* 64(4): 587–610. https://doi.org/10.1111/capa.12438

Ferrarezi, E., I. Brandalise, and J. Lemos. 2021. "Evaluating Experimentation in the Public Sector: Learning from a Brazilian Innovation Lab." *Policy Design and Practice* 4(2): 292–308. https://doi.org/10.1080/25741292.2021.1930686

Ferreira, M., and A. Botero. 2020. "Experimental Governance? The Emergence of Public Sector Innovation Labs in Latin America." *Policy Design and Practice* 3(2): 150–62. https://doi.org/10.1080/25741292.2020.1759761

Fuller, M., and A. Lochard. 2016. Public Policy Labs in European Union Members States. Luxembourg: Publications Office of the European Union. https://doi.org/10.2788/799175

Government of Ontario. 2022. "Behavioural Insights." *Government of Ontario*.

Jarman, H., L. F. Luna-Reyes, and J. Zhang. 2016. Public Value and Private Organizations. In *Private Data and Public Value: Governance, Green Consumption, and Sustainable Supply Chains*, edited by H. Jarman and L. F. Luna-Reyes, 1–23.

Jørgensen, T., and B. Bozeman. 2007. "Public Values: An Inventory." *Administration & Society* 39(3): 354–81.

Kelly, G., G. Mulgan, and S. Muers. 2002. Creating Public Value. *London, Cabinet Office*.

Kim, S., A. M. Wellstead, and T. Heikkila. 2022. "Policy Capacity and Rise of Data-Based Policy Innovation Labs." *Review of Policy Research* 40(3): 341–62.

Lewis, J. M. 2020. "The Limits of Policy Labs: Characteristics, Opportunities and Constraints." *Policy Design and Practice* 4(2): 242–51. https://doi.org/10.1080/25741292.2020.1859077

Lijphart, A. 1971. "Comparative Politics and the Comparative Method." *American Political Science Review* 65(3): 682–93. https://doi.org/10.2307/1955513

Lindquist, E. A. 2022. "The Digital Era and Public Sector Reforms: Transformation or New Tools for Competing Values?" *Canadian Public Administration* 65(3): 547–68. https://doi.org/10.1111/capa.12493

Lindquist, E. A., and M. Buttazzoni. 2021. "The Ecology of Open Innovation Units: Adhocracy and Competing Values in Public Service Systems." *Policy Design and Practice* 4(2): 212–27. https://doi.org/10.1080/25741292.2021.1941569

Martin, G., and A. Dale. 2017. "Social Innovation Labs in Canada: A Preliminary Analysis of the Canadian Social Innovation Lab Landscape." https://changingtheconversation.ca/sites/all/files/Martin_SocialInnovationLabs.pdf

McGann, M., E. Blomkamp, and J. M. Lewis. 2017. "Everybody Else is Doing it So Why Don't We? Analysing the Rise of the Policy Lab." Paper presentation T07P04: The Rise of Policy Labs. IPCC3.

McGann, M., E. Blomkamp, and J. M. Lewis. 2018. "Mapping Public Sector Innovation Units in Australia and New Zealand: 2018 Survey Report." *The Policy Lab & The University of Melbourne*. https://doi.org/10.13140/RG.2.2.15579.87842

Meynhardt, T. 2009. "Public Value Inside: What is Public Value Creation?" *International Journal of Public Administration* 32(3–4): 192–219. https://doi.org/10.1080/01900690902732632

Mintrom, M., and J. Luetjens. 2016. "Design Thinking in Policymaking Processes: Opportunities and Challenges." *Australian Journal of Public Administration* 75(3): 391–402. https://doi.org/10.1111/1467-8500.12211

Moore, M. 2019. "Reflections on the Public Value Project." In *Public Value: Deepening, Enriching, and Broadening the Theory And Practice*, edited by A. Lindgreen, N. Koenig-Lewis, M. Kitchener, J. D. Brewer, M. H. Moore and T. Meynhardt, 349–71. New York, NY: Routledge.

Moore, M. H. 1995. *Creating Public Value: Strategic Management in Government*. Cambridge, US: Harvard University Press.

Moore, M. H., and S. Khagram, 2004. On Creating Public Value. What Businesses Might Learn from Government About Strategic Management. Corporate Social Responsibility Initiative Working Paper, 3.

Nova Scotia Department of Seniors. 2017. "Shift: Nova Scotia's Action Plan for an Aging Population." Province of Nova Scotia. https://novascotia.ca/shift/shift-action-plan.pdf

Olejniczak, K., S. Borkowska-Waszak, A. Domaradzka, and Y. Park. 2020. "Policy Labs: The Next Frontier of Policy Design and Evaluation?" *Policy & Politics* 48(1): 89–110.

Osborne, S. P., G. Nasi, and M. Powell. 2021. "Beyond Co-Production: Value Creation and Public Services." *Public Administration* 99: 641–57. https://doi.org/10.1111/padm.12718

O'Flynn, J. 2021. "Where to for Public Value? Taking Stock and Moving on." *International Journal of Public Administration* 44(10): 867–77. https://doi.org/10.1080/01900692.2021.1884696

Sancino, A. 2022. Public Value Co-Creation: A Multi-Actor & Multi-Sector Perspective. Bingley, UK: Emerald Publishing Limited.

Sandoval-Almazan, R., and A. O. Millán-Vargas. 2023. "Artificial Intelligence in Innovation Labs: Map of Cases for the Public Sector." In *Handbook of Research on Applied Artificial Intelligence and Robotics for Government Processes*, edited by D. Valle-Cruz, N. Plata-Cesar and J. L. González-Ruíz, 115–32. IGI Global.

Strokosch, K., and S. P. Osborne. 2023. "Design of Services or Designing for Service? The Application Of Design Methodology in Public Service Settings." *Policy & Politics* 51(2): 231–49.

Talbot, C. 2011. "Paradoxes and Prospects of 'Public Value'." *Public Money & Management* 31(1): 27–34.

Tõnurist, P., R. Kattel, and V. Lember. 2017. "Innovation Labs in the Public Sector: What They Are and What They Do?" *Public Management Review* 19(10): 1455–79. https://doi.org/10.1080/14719037.2017.1287939

Trei, D. T., J. Hornung, J. Rychlik, and N. C. Bandelow. 2021. "From Political Motivation to Scientific Knowledge: Classifying Policy Labs in the Science-Policy Nexus." *European Planning Studies* 29(12): 2340–56.

Unceta, A., X. Barandiaran, and A. Lakidain. 2021. "Digitalisation of Creative Industries Fostered by Collaborative Governance: Public Innovation Labs in Gipuzkoa." *Sustainability* 13(5): 2568. https://doi.org/10.3390/su13052568

Wellstead, A. M. 2020. "Trusting Datification Through Labification." In *The Palgrave Handbook of the Public Servant*, edited by H. Sullivan, H. Dickinson and H. Henderson. Cham: Palgrave Macmillan. https://doi.org/10.1007/978-3-030-03008-7_77-1

Wellstead, A. M., A. Gofen, and A. Carter. 2021. "Policy Innovation Lab Scholarship: Past, Present, and the Future-Introduction to the Special Issue on Policy Innovation Labs." *Policy Design and Practice* 4(2): 193–211.

Wellstead, A. M., M. P. Howlett, and A. Chakrabarty. 2022. "What is Co-Creation and How Does it Create Public Value?" *International Review of Public Administration* 27(4): 367–80. https://doi.org/10.1080/12294659.2022.2147751

Wellstead, A. M., and M. P. Howlett. 2021. "Re-Thinking Think Tanks in the Age of Policy Labs: The Rise of Knowledge-Based Policy Influence Organisations." *Australian Journal of Public Administration* 81(1): 224–32. https://doi.org/10.1111/1467-8500.12528

Whicher, A. 2021. "Evolution of Policy Labs and use of Design for Policy in UK Government." *Policy Design and Practice* 4(2): 252–70. https://doi.org/10.1080/25741292.2021.1883834

Whicher, A., and T. Crick. 2019. "Co-Design, Evaluation and the Northern Ireland Innovation Lab." *Public Money & Management* 39(4): 290–9.

Zivkovic, S. 2018. "Systemic Innovation Labs: A Lab for Wicked Problems." *Social Enterprise Journal* 14(3): 348–66.

APPENDIX: CANADIAN GOVERNMENT LABS ANALYZED (2023)

Federal

Accelerated Business Solutions Lab, Canada Revenue Agency

Blueprint2020@IRCC Secretariat, Immigration, Refugee and Citizenship Canada

Canada Economic Development for Quebec Regions' Incubator, Community Economic Development

Canadian Food Inspection Agency Business Implementation Support and Integration Division, Canadian Food Inspection Agency

Canadian Coast Guard Foresight and Innovation Hub, Canadian Coast Guard

Creative Marketplace Lab on Data, Skills and Technology, Heritage Canada

Data Analytics and Modeling Team, Canadian Food Inspection Agency

Elections Canada Innovation Team, Elections Canada

Environment and Climate Change Canada's Innovation and Youth Engagement Division, Environment Canada

iHub, Health Canada

Impact and Innovation Unit, Privy Council Office

Innovation Labs, Parks Canada

Innovation Zone, Public Service and Procurement Canada

Learning Lab, Canada School of the Public Service

Office of Energy Efficiency Social Innovation unLab, Natural Resources Canada

Operations Planning and Performance Branch, Immigration, Refugees and Citizenship Canada

PCH Innovation Lab, Heritage Canada

Policy Horizons Canada, Government of Canada

Service Insights and Experimentation, Immigration, Refugees and Citizenship Canada

Social Innovation Division, Immigration, Refugees and Citizenship Canada

Service Innovation Centre of Excellence, Transport Canada

Transport Canada Innovation Centre, Transport Canada

Provincial

Alberta CoLab, Alberta

Exchange Lab, British Columbia

Behavioural Insights Lab, British Columbia

Behavioural; Insights Lab, Ontario

New Brunswick Public Innovation Lab, New Brunswick

    Nova Scotia Gov Lab, Nova Scotia
    Policy Innovation Hub, Ontario

Municipal
    Civic Innovation Office, Toronto, Ontario
    The Innovation Lab, Alberta
    Digital Kitchener innovation Lab, Kitchener, Ontario
    Solutions Lab, British Columbia
    City Studio Vancouver, British Columbia
    Guelph Lab, Guelph, Ontario
    Laboratoire d'innovation urbaine de Montreal, Montreal, Quebec