



**The Value of National Defence:
A Public Value Framework Perspective on the Canadian Armed Forces' Value Proposition**

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Exercise Solo Flight

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THE VALUE OF NATIONAL DEFENCE: A PUBLIC VALUE FRAMEWORK PERSPECTIVE ON THE CANADIAN ARMED FORCES' VALUE PROPOSITION

The Canadian Armed Forces (CAF) have an essential mandate to defend Canada's interests at home and abroad.¹ The CAF contributes to Canada's national defence by undertaking missions on behalf of the government to protect Canada and maintain international peace and stability.² However, if value is defined as the relative worth, utility, or importance of something, how does one determine the value of the CAF?³ As members of the CAF, we intuitively understand the value that we provide; however, the value of defence is often indeterminable. The defence sector is attempting to "value the indeterminable" so that it can better articulate its value proposition to its government and population.⁴ However, even with a well-defined value proposition, a public sector organization cannot create *public value* without sufficient legitimacy, support, and operational capacity. This paradigm is particularly true for a CAF navigating a resource-constrained environment. Consequently, if the CAF seeks to define a public value proposition for defence, it must do so within the context of the Public Value Framework to optimize its ability to create public value.

A RESOURCE-CONSTRAINED ENVIRONMENT

A significant challenge for the CAF is meeting the government's increasing military commitments within its resourced capabilities, particularly its allocated budget. Negotiating between commitments and available resources requires careful consideration of whether to overstretch one's armed forces or overspend government funding.⁵ Furthermore, funding allocation toward national defence is particularly fraught with competition for scarce resources with alternate uses for other public services, such as health care, education, and other social services.⁶ The challenge of finite resources is further compounded by the rising costs of military equipment, increasing pressure on the government to reallocate funding to other areas.⁷

In general, democratically elected governments make decisions regarding national defence on behalf of their constituents' expectations for peace, security, and protection.⁸ In practice, many governments also leverage defence decisions to increase jobs, new technology, and other benefits that serve the government's self-interests, such as re-election.⁹ As the voting public seeks to maximize the benefits of their votes, they often lack sufficient knowledge to make

¹ Canada. National Defence, "Mandate of National Defence and the Canadian Armed Forces," last modified September 24, 2018, <https://www.canada.ca/en/department-national-defence/corporate/mandate.html>.

² Canada. National Defence, "Mandate."

³ *Merriam-Webster.com*, s.v. "Value," accessed May 12, 2024, <https://www.merriam-webster.com/dictionary/value>.

⁴ New Zealand Institute of Economic Research, *Valuing the Indeterminable? Three perspectives on the value proposition of the New Zealand Naval Combat Force* (Wellington: NZIER, February 2023), iii.

⁵ Ron Smith, "Valuing Defense," *Public Finance and Management* 7, no. 3 (2007): 242.

⁶ Keith Hartley and Binyam Solomon, "Chapter 3: Measuring Defense Output" In *Military Cost-Benefit Analysis: Theory and Practice* (Routledge, 2009), 36.

⁷ Keith Hartley, DRDC CORA CR 2011-178, *Defence Output Measures: An Economic Perspective* (November 2011), 13.

⁸ Hartley and Solomon, "Measuring Defense Output," 40.

⁹ Hartley and Solomon, "Measuring Defense Output," 40.

informed choices on defence policy, thereby deferring these decisions to the government in favour of focusing on other voter priorities.¹⁰ This complacency is particularly true for Canada, where there is a general lack of public awareness of the CAF and its role.¹¹ Canada's relatively secure geopolitical position contributes to the nation's diminished importance placed on national security.¹² Canada is the only country in the 32-member North Atlantic Treaty Organization (NATO) that has not met its two investment pledges, which is evidence of this complacency regarding defence.¹³ Since defence decisions are political decisions, the CAF's ability to understand and articulate its value to the nation could potentially influence future decisions, especially those that affect its sustainability, such as defence funding and military commitments.

PUBLIC VALUE

The Public Value Proposition

One way of expressing value is through a value proposition. Value propositions typically articulate how an organization's goods and services generate value, align with a customer's needs, and demonstrate a comparative advantage over competitors or alternatives.¹⁴ However, private sector techniques and concepts often do not directly translate to the public sector. The public sector operates in a political marketplace rather than an economic one, benefitting the public on behalf of the government.¹⁵ What constitutes value differs between the public and private sectors; therefore, *public value* is an alternative logic to private value.¹⁶ Public value implies an evaluative judgement of the tradeoffs between the benefits and sacrifices of a public service to society.¹⁷ More importantly, it informs the basis of the Public Value Framework.

¹⁰ Hartley and Solomon, "Measuring Defense Output," 40.

¹¹ Department of National Defence, *Views of the Canadian Armed Forces 2022-2023 Tracking Study* (Ottawa: February 2023), https://publications.gc.ca/collections/collection_2023/mdn-dnd/D2-434-2023-eng.pdf, 8.

¹² Richard Fadden, "Canada used to punch above its weight, but our defence capacity now seems an impossible dream," updated January 30, 2024, <https://www.theglobeandmail.com/opinion/article-canada-used-to-punch-above-its-weight-but-our-defence-capacity-now/>; Phillippe Lagassé and Justin Massie, "Don't Count on Us: Canada's Military Unreadiness," *War on the Rocks*, Published April 11, 2024, <https://warontherocks.com/2024/04/dont-count-on-us-canadas-military-unreadiness/>.

¹³ Paul Maddison, David Fraser, and John Scott Cowan, "What Spending Two Per Cent of GDP on National Defence Means for Canada," Canadian Global Affairs Institute, published April 2024, https://www.cgai.ca/what_spending_two_per_cent_of_gdp_on_national_defence_means_for_canada, 2.

¹⁴ Black et al., *Understanding the Value of Defence: Towards a Defence Value Proposition for the UK* (Cambridge: RAND Europe, 2021), 16.

¹⁵ John Alford and Janine O'Flynn, "Making Sense of Public Value: Concepts, Critiques and Emergent Meanings," *International Journal of Public Administration*, 32 (2009): 173.

¹⁶ Alford and O'Flynn, "Making Sense," 172.

¹⁷ Jukka Ojasalo, "Public Value in Public Service Ecosystems," *Journal of Nonprofit & Public Sector Marketing* 36, no. 2 (2022): 184.

The Public Value Framework

Moore operationalized the public value concept by proposing a public value framework that public sector managers could employ to understand where and how to create value.¹⁸ Moore's public value framework, *the strategic triangle*, provides a simple tool for finding and exploiting value-creating opportunities in the public sector.¹⁹ It consists of maximizing the alignment between three key requirements in creating public value, illustrated in Figure 1.²⁰

The strategic triangle's first requirement is to identify an aim for creating something substantively valuable.²¹ Value in this sense may be akin to “task-specific mission statements... [or] the bottom line of public aspirations.”²² Second, the organization must have legitimacy and support.²³ Social legitimacy and political sustainability are critical in ensuring that public organizations have the authority—via public funding, for example—to achieve their mandated goals.²⁴ Finally, the organization must have the operational and administrative capacity to produce value, whether those capabilities are resident internally or externally to the

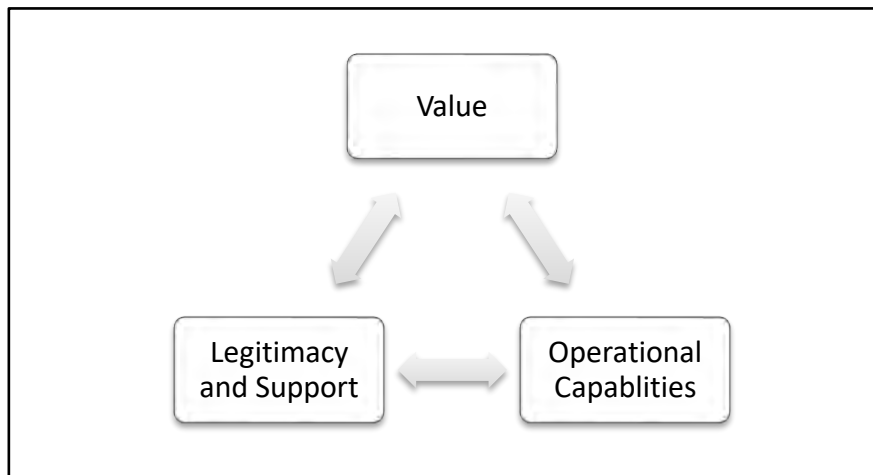


Figure 1. Moore's Strategic Triangle.

Adapted from Alford and O'Flynn, "Making Sense of Public Value," 173.

¹⁸ Mark Moore, "Creating Public Value: The Core Idea of Strategic Management in Government," *International Journal of Professional Business Review* 6, no. 1 (2021): 1.

¹⁹ Moore, "Creating Public Value," 1.

²⁰ Alford and O'Flynn, "Making Sense," 173.

²¹ Alford and O'Flynn, "Making Sense," 173.

²² Organisation for Economic Co-operation and Development, "Creating Value-Led Futures," in *Public Value in Public Service Transformation: Working with Change* (Paris: OECD, 2019), 27-29.

²³ Alford and O'Flynn, "Making Sense," 173.

²⁴ Moore, "Creating Public Value," 1.

organization.²⁵ Balancing the three components of the strategic triangle enables managers to “maximize the likelihood of delivering optimal value.”²⁶

THE STRATEGIC TRIANGLE

Value

The first component of the strategic triangle is the substantive value that a public organization wishes to generate. The CAF, mandated to contribute to national security, provides high-level outcomes of peace, security, and protection.²⁷ The value of these outputs is challenging to identify and measure, especially where defence has numerous outputs and outputs influenced by other factors.²⁸ Since substantive value implies that there is a discrete betterment for the public, it is logical for armed forces to seek methods to measure their contributions. Despite scant research and literature, there have been recent attempts to value economic and non-economic outputs of defence, which the CAF could consider in its own value assessments.

²⁵ Alford and O’Flynn, “Making Sense,” 173.

²⁶ Michael Barber, *Delivering Better Outcomes for Citizens: Practical steps for unlocking public value*, November 2017, <https://www.gov.uk/government/publications/delivering-better-outcomes-for-citizens-practical-steps-for-unlocking-public-value>, 5.

²⁷ Canada. National Defence, “Mandate.”

²⁸ Hartley, *Defence Output Measures*, 49.

The Challenges of Valuing National Defence

Attempting to define the value of national defence is a complex endeavour. Unlike private sector valuations based on direct measurements of monetary inputs versus outputs, defence outputs such as peace are often intangible and immeasurable.²⁹ Furthermore, defence outputs are worth more than its more easily defined input-oriented defence budget. Even more challenging is that the most effective defence spending commonly appears wasted since defence deters security threats or avoids them altogether.³⁰ Given these challenges in valuing defence, many existing approaches remain speculative or focused on more specific measures.

Economic Value

Defence expenditure is a determinate figure as the critical public input into national defence. Conversely, the defence outputs in return for this public money are often indeterminable.³¹ Given this conundrum, the conventional economic perspective assumes that defence output is roughly equivalent to defence expenditure.³² Fortunately, academics and practitioners challenge this assumption by proposing and applying new valuation techniques for more comprehensive assessments of defence outputs and activities.³³

If the collective security and protection provided by defence are valuable commodities, then there are at least three approaches to quantify defence outputs. The first approach is to estimate the nation's per capita defence spending, ask whether its citizens are willing to pay that amount for the annual protection the CAF provides, and then compare that spending to other public programs, such as healthcare and policing.³⁴ The second approach is to estimate the human and physical capital saved from damage and destruction from the provision of defence.³⁵ The third approach is to consider defence expenditure as an insurance premium to protect the nation from known and unknown threats in the present and future.³⁶ The private insurance market, for one, can provide a comparison to estimate the willingness of individuals and businesses to pay for protection and security.³⁷ Subsequent research found that a discrete choice experiment (DCE), similar to the first approach, had the greatest comparative utility in quantifying defence benefits from the three aforementioned approaches.³⁸

²⁹ Mavis Anagboso and Alison Spence, "Measuring Defence," *Economic & Labour Market Review* 3, no. 1 (January 2009), 47.

³⁰ Smith, "Valuing Defense," 245.

³¹ Barber, *Delivering Better Outcomes*, 19.

³² Hartley and Solomon, "Measuring Defense Output," 36.

³³ Hartley and Solomon, "Measuring Defense Output," 36.

³⁴ Hartley, *Defence Output Measures*, 15.

³⁵ Hartley, *Defence Output Measures*, 15. Hartley describes a Protection-Adjusted Life Years (PALYs) metric similar to the Quality-Adjusted Life Years (QALYs) measure employed in the health sector.

³⁶ Smith, "Valuing Defense," 247; Hartley, *Defence Output Measures*, 15.

³⁷ Hartley, *Defence Output Measures*, 16.

³⁸ Luke Huxtable et al., *Understanding the Ministry of Defence's Wider Contribution to UK Prosperity: Measuring Defence Output* (Cambridge, UK: RAND Europe, 2021), vii. This report evaluated five potential methodologies: defence analogue to Quality Adjusted Life Years (QALYs), Value of a Statistical Life (VSL)

Continuing to explore methods of expressing the economic value of defence, the New Zealand Defence Force is the only military to attempt to empirically measure the economic value of its Naval Combat Force (NCF).³⁹ The study draws from existing literature to calculate three perspectives of the NCF's economic value. The first perspective assesses the government's willingness to pay for and use the NCF based on its stated and revealed preferences.⁴⁰ The second perspective employs a Delphi-type study to assess expert opinions on the total value of the NCF across different scenarios and NCF functions.⁴¹ The third perspective is based on the public's preferences via a DCE-based survey.⁴² The three valuation methods produce reasonably consistent results which is promising for future economic valuation attempts.⁴³

Canada has already employed several techniques to study some of the economic impacts of defence spending. Defence spending can impact jobs, new technologies, spin-offs, exports, import savings, and skilled labour.⁴⁴ Defence spending can also have negatively affect economic growth by diverting resources from other sectors or compounding public debt; however, it generally has a positive economic impact in Canada.⁴⁵ Statistics Canada input-output model simulations provide estimates of the total impact of defence operational and capital expenditures – economic increases of 2.03 and 1.15 times the investment, respectively.⁴⁶ Furthermore, socioeconomic impact studies demonstrate the regional economic impacts of CAF installations on their host communities.⁴⁷ Canadian Forces Base Petawawa, a large base relative to its small host community, has a 75 percent Gross Domestic Product (GDP) impact on the Town of Petawawa compared to less than 1 percent for military facilities in Toronto or Montreal.⁴⁸ Additionally, Canada's in-depth statistical agency survey on defence industry capabilities provides additional data on the various economic outputs of defence.⁴⁹ Aggregating existing data

measures, insurance policy techniques, logic models and proxy indicators, and discrete choice experiments (DCEs). There is no single complete solution. Each methodology presents various opportunities for defence implementation, relevance to the defence sector, and feasibility of implementation. Of the five, logic models and proxy indicators appear to have the greatest range for application; however, it is not in Hartley's Defence Output Measures. DCE had the greatest range of applicability among the methodologies, which is why the approach mentioned in this paper has the greatest comparative utility.

³⁹ New Zealand Institute of Economic Research, iii.

⁴⁰ New Zealand Institute of Economic Research, 3-6.

⁴¹ New Zealand Institute of Economic Research, 7.

⁴² New Zealand Institute of Economic Research, 16.

⁴³ New Zealand Institute of Economic Research, 35-36. The DCE survey demonstrates the highest validity out of the three approaches. Despite the highest validity, the DCE-survey approach has middling reliability due to the survey results being sensitive to the population scalar used.

⁴⁴ Hartley and Solomon, "Measuring Defense Output," 52.

⁴⁵ David Perry and J. Craig Stone, "Economic Benefits of Defence Spending," *Canadian Global Affairs Institute*, December 2021, 14; J. Paul Dunne and Nan Tian, "Military Expenditure, Economic Growth and Heterogeneity," *Defence and Peace Economics* 26, no. 1 (2015), 16; Bryan Rooney, Grant Johnson, and Miranda Priebe, *How Does Defense Spending Affect Economic Growth?* (Santa Monica, CA: RAND Corporation, 2021), 2.

⁴⁶ Perry and Stone, "Economic Benefits," 15. The total impact of defence expenditures includes the direct, indirect, and induced impacts of defence expenditures.

⁴⁷ Perry and Stone, "Economic Benefits," 6.

⁴⁸ Perry and Stone, "Economic Benefits," 6.

⁴⁹ "Canada is the first country from the Organization for Economic Co-operation and Development (OECD) and North Atlantic Treaty Organization (NATO) to conduct an in-depth Government statistical agency survey on defence industry capabilities." Canada. Innovation, Science and Economic Development Canada, *State of Canada's Defence Industry Report* (Spring 2024), 3.

with new measurement approaches could enable the CAF to develop a more thorough assessments of its economic value.

Non-Economic Value

In addition to economic value, defence outputs also have direct and indirect impacts on the non-economic value of defence. Despite the growing interest in quantifying the economic value of defence outputs, the non-economic benefits of defence are arguably more valuable.⁵⁰ The non-economic value of defence includes political, military-strategic, and international benefits, such as prestige and international reputation, national pride, membership in international alliances, and national power status.⁵¹ Defence can influence a nation's competitive advantage, in concert with other instruments of power, to maximize the nation's freedom of action and influence.⁵² These benefits are generally qualitative in nature, if measurable, but impactful in many ways.

One of the key non-economic outputs of defence is its contribution to Canada's status as a middle power. Diplomacy, defence, security, and development enable Canada to gain middle power influence and advance its interests and values.⁵³ Unfortunately, this power is in decline due to depleted military hard power capabilities and weakening diplomatic power in a deteriorating security environment.⁵⁴ Coasting on a military reputation earned more than 70 years ago is no longer sufficient, especially when NATO members' financial commitment to spending at least two percent of GDP on national defence is a measure of political will.⁵⁵ Canada's diminishing national power, partly due to its military weakness, is observable in its exclusion from recent alliances, such as AUKUS and the Quint.⁵⁶ This example highlights how the non-economic value of defence may not be measurable per se but can certainly be gained – or lost.

Given the challenges in measuring the non-economic outcomes of defence, typical approaches focus on measuring the value of intermediate outputs. Intermediate outputs consist of the activities and capabilities conducted to pursue objectives that eventually lead to strategic outcomes, such as peace and security.⁵⁷ An activity-based approach measures the activities that occur with defence inputs, such as flying hours, days at sea, or military exercise data.⁵⁸ This approach can provide cost-weighted activity data but does not capture the quality of conducted activities. Alternatively, a capability-based approach measures the ability or readiness to execute specific courses of action with available personnel and equipment.⁵⁹ This approach may measure forces' readiness but does not necessarily measure the force's ability to contribute to defence

⁵⁰ New Zealand Institute of Economic Research, 48.

⁵¹ Hartley and Solomon, "Measuring Defense Output," 53.

⁵² Black et al., *Understanding the Value of Defence*, 16.

⁵³ Fadden, "Canada used to punch above its weight."

⁵⁴ Charles Burton, "Canada once mattered in the world. Those days are long gone," *The Globe and Mail*, last modified 31 October 2023, <https://www.theglobeandmail.com/opinion/article-sapped-of-both-hard-and-soft-power-canada-needs-action-to-keep-up-in-a/>.

⁵⁵ Lagassé and Massie, "Don't Count on Us," 5.

⁵⁶ Burton, "Canada once mattered."

⁵⁷ Anagboso and Spence, "Measuring Defence," 48.

⁵⁸ Anagboso and Spence, "Measuring Defence," 48.

⁵⁹ Anagboso and Spence, "Measuring Defence," 49.

outcomes.⁶⁰ While these approaches provide more accessible metrics in calculating defence outputs, they do not capture the total value of national defence.

The CAF measures its value-added contributions to defence at the intermediate output level via a Departmental Results Framework (DRF) and Program Inventory.⁶¹ These Federal government department frameworks outline which programs a department will undertake to achieve their organization's core responsibilities.⁶² Activities and capabilities are some of the key performance indicators (KPIs) at the program level that measure the CAF's progress toward its mandate of peace and security. The annual Departmental Results Report (DRR) reports progress along these KPIs, measuring some of the CAF's public value and providing accountability to the people of Canada and Parliament regarding its planned versus actual results.

As shown so far, several other methods of measuring defence value in addition to the DRR exist. While the DRR is a vital accountability tool, it is mainly limited to intermediate defence outputs. Employing additional value metrics may reveal new value-creating opportunities or support a more compelling narrative on the CAF's value proposition. The simple economic assumption that defence outputs are equivalent to defence inputs undervalues the CAF's total value to society. Articulating the value of defence beyond its intermediate outputs may provide a more persuasive case in the federal budget-setting process and a more detailed account of what the public receives for the money spent on defence.⁶³ A well-defined value proposition is critical for defining public value, but the CAF must not overlook the other components of Moore's strategic triangle.

Legitimacy and Support

The second component of the strategic triangle is the legitimacy and support conferred in a public organization from its authorizing environment. It is arguably the most critical aspect of Moore's framework. Without public legitimacy and support, an organization would lack the authority and public financing to survive, let alone succeed in creating public value.⁶⁴ The CAF's authorizing environment consists of the stakeholders who grant the organization political and social legitimacy, such as the Canadian public and its elected officials.⁶⁵ Attracting sufficient resources, particularly funding, from the environment is critical to achieve mandated goals.⁶⁶ Furthermore, public support is normatively and ethically important to ensure the organization pursues the right goals.⁶⁷

Public support and the legitimacy of the CAF are currently in flux. Defence is rarely seen as a priority for Canadians and historically does not draw much attention from Parliament unless

⁶⁰ Anagboso and Spence, "Measuring Defence," 51.

⁶¹ Canada. Treasury Board of Canada Secretariat, "Policy on Results," *Government of Canada*, modified July 1, 2016, <https://www.tbs-sct.canada.ca/pol/doc-eng.aspx?id=31300>.

⁶² Canada. Treasury Board of Canada Secretariat, "Policy on Results."

⁶³ Barber, *Delivering Better Outcomes*, 22; Ojasalo, "Public Value in Public Service Ecosystems," 47.

⁶⁴ Moore, "Creating Public Value," 1.

⁶⁵ Hartley and Solomon, "Measuring Defense Output," 40.

⁶⁶ Moore, "Creating Public Value," 1.

⁶⁷ Moore, "Creating Public Value," 1.

motivated by existential or critical events.⁶⁸ Recently, the perceived importance of defence has sharply increased as more people believe the world is becoming more dangerous.⁶⁹ In turn, Canadians think we should be spending more on defence, notwithstanding that actual levels of support would likely decrease in a tradeoff analysis with other public programs, especially among younger demographic groups struggling with affordability.⁷⁰ While public impressions of the CAF are predominantly positive, the CAF's social legitimacy has been eroded in large part by the reputational harm of a sexual misconduct crisis.⁷¹ Furthermore, years of underfunding have affected what the CAF has been authorized – and expected – to accomplish by its government.⁷² Even if political support and funding were to increase significantly today, there would be a considerable lag before the CAF could achieve a proportionate increase in public value.⁷³ This projected delay between support and results is a consequence of the third component of the strategic triangle: operational capabilities.

Operational Capabilities

The third component of the strategic triangle examines whether the public organization has the operational capacity to implement its value-producing strategy or actions effectively. One of the CAF's value-producing strategies – its "raison d'etre" – is operational readiness.⁷⁴ Personnel, equipment, training, and sustainment are the key components of readiness. Unfortunately, the CAF has been beset with systemic personnel shortfalls and equipment deficiencies that threaten its readiness and ability to achieve its public value aims.⁷⁵

The current state of the CAF is in a "death spiral," according to the Minister of National Defence, amidst a recruiting and retention crisis that has left the CAF short approximately 15 percent of its authorized personnel strength.⁷⁶ Furthermore, the CAF cannot meet its equipment serviceability targets due to aging equipment, inadequate infrastructure, shortages of qualified technicians, and slow procurement.⁷⁷ An influx of public funding associated with increased support and legitimacy can address these capability deficits; however, these investments would take at least a decade to materialize results.⁷⁸ Even though the Defence Policy Update commits tens of billions of additional dollars for new equipment platforms, these platforms are decades away and are in addition to the ongoing capital projects outlined in 2017's *Strong, Secure,*

⁶⁸ Fadden, "Canada used to punch above its weight."; Lagassé and Massie, "Don't Count on Us."

⁶⁹ David Perry, host, "Defence Deconstructed: Canadian Attitudes on Defence," Defence Deconstructed (podcast), March 22, 2024, accessed May 19, 2024, https://www.cgai.ca/canadian_attitudes_on_defence.

⁷⁰ Perry, host, "Defence Deconstructed"; Maddison et al., "Spending Two Per Cent," 1.

⁷¹ Department of National Defence, *Views of the Canadian Armed Forces 2022-2023 Tracking Study*, 8; Richard Raycraft, "Pride in Canada's Military Has Eroded Over the Past Year: Report," *CBC News*, July 24, 2022, <https://www.cbc.ca/news/politics/canada-military-survey-1.6529074>.

⁷² Burton, "Canada once mattered."; Perry, host, "Defence Deconstructed."

⁷³ Maddison et al., "Spending Two Per Cent," 2.

⁷⁴ Canada. Department of National Defence, *Department of National Defence and Canadian Armed Forces 2022-23 Departmental Results Report* (2023), <https://www.canada.ca/content/dam/dnd-mdn/documents/reports/2023/2022-23-departmental-results-report.pdf>, 3.

⁷⁵ Fadden, "Canada used to punch above its weight."

⁷⁶ Lagassé and Massie, "Don't Count on Us."

⁷⁷ Canada. Department of National Defence, *Departmental Results Report*, 46.

⁷⁸ Maddison et al., "Spending Two Per Cent," 2.

*Engaged.*⁷⁹ Furthermore, the CAF's available organizational capabilities and the external capacities of the procurement process and defence industrial base limit the CAF's ability to produce public value. Remediating these capacity limitations is one of the first requisite steps in achieving the renewed vision for Canada's defence.⁸⁰

IMPLICATIONS FOR THE CAF

Creating value, specifically public value, is crucial for public sector organizations. Since the public sector operates within a political rather than an economic marketplace, it depends on various conditions to create and deliver value. Organizations must balance the tripartite demands of the public value framework to optimize value creation. Imbalances or deficits within the framework indicate areas on which the organization should place greater focus and effort. For example, increased funding will only enable the CAF to achieve its goals with increased operational capacity and sufficient public support.

The framework also highlights how the components of the strategic triangle are interrelated. For example, a reputational crisis weakens public confidence and negatively impacts personnel attraction and retention, reducing the organization's operational capacity. Likewise, a loss in political legitimacy may result in decreased trust and support from the government, reducing task authorities or public resources. Furthermore, the authorizing environment may change what they perceive as important or valuable. The resulting change in value perception could compel the organization to pursue other aims that may not objectively be in the interests of national defence or to accept that ongoing activities will produce less public value than anticipated.

The public value framework also implies that organizations cannot universally apply the same value proposition and expect the same value. Different authorizing environments will provide different weightings and meanings of value, and different operational capabilities will affect the capacity to achieve value. For example, the United Kingdom Ministry of Defense (UK MoD) has a well-developed value proposition that summarizes its defence value into six key components: protecting our people, ensuring against an uncertain future, projecting our global influence, contributing to international security, supporting our national economy, and contributing to national identity and social welfare.⁸¹ While many of these components could feasibly reflect the CAF value proposition, the differences in authorizing environments and operational capacities could lead to very different outcomes. For instance, a value-added contribution of the UK MoD toward protecting its people is the "forces, assets and capabilities to protect the homeland and Overseas Territories."⁸² Protecting Canada's vast footprint would require considerably more resources than the UK, especially when accounting for Canada's

⁷⁹ Lagassé and Massie, "Don't Count on Us."

⁸⁰ Canada. Department of National Defence, *Our North, Strong and Free: A Renewed Vision for Canada's Defence* (Ottawa: DND, 2024), 16.

⁸¹ Black et al., *Understanding the Value of Defence*, 29.

⁸² Black et al., *Understanding the Value of Defence*, x.

unique challenges of being an Arctic and Northern nation. The CAF can still adapt lessons learned and best practices from other nations if it maintains a public value perspective.

Defence value propositions are important for articulating the importance or value of defence to its authorizing environment and highlighting the organization's comparative advantage in a resource-constrained environment. Furthermore, a comprehensive appraisal of economic and non-economic defence outputs can address the faulty economic assumption that the value of defence outputs is equivalent to its inputs. A modestly growing body of literature on the value of defence shows that the defence sector seeks to overcome the complexity and novelty of the problem space. If the CAF seeks to define a public value proposition for defence, it must do so within the context of the Public Value Framework.

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