

**UNIVERSITY OF GUELPH**  
**Department of Political Science**

**POLS 3470 Business Government Relations in Canada (FALL 2019)**

**Lecture Monday/Wednesday/Friday 10.30-11.20 PM**

**Instructor – Dr. Tim A. Mau**

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**Teaching Assistant – TBD**

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**Course Objectives**

In this course, we will examine the historic interface between business and government in Canada. While the ascendancy of the New Public Management paradigm in the mid-1980s has meant that successive federal governments have attempted to reduce the size and scope of the state through various means, including privatization and deregulation, no industry in Canada today is immune to its influence. But influence over the economy is not limited to the federal government; both the provincial and municipal levels of government also have an impact on the way in which business operates. Moreover, as these lower levels of government take on enhanced importance, their collective impact on business will be even greater.

With the rapid progression of globalization and the continued emergence and strengthening of regional integration agreements, such as the European Union, the NAFTA and the recently negotiated Canada-EU CETA and Trans-Pacific Partnership Agreement, national borders have become porous and people, capital and services have become increasingly mobile. Capital, in particular, now moves relatively freely across the globe in search of the best return on investment. As a result, some scholars have suggested that globalization has led to the end of the nation-state – that governments have, in effect, become powerless to regulate the economic activities of the transnational corporations that have come to dominate the global economy. Others, however, take a more tempered view and suggest that nation-states continue to have an economic regulation and oversight role to fulfil.

Although we often tend to think first of how the government ‘interferes’ in the economy and society, the relationship between government and business is not unidirectional. Business leaders and the various broad-based associations that serve their interests in this country (e.g., Business Council of Canada, Chamber of Commerce, Canadian Federation of Independent Business, Conseil du patronat etc.) also attempt to influence government policy making.

Paradoxically, two completely divergent viewpoints about business-government relations in this country have emerged. On the one hand, there are the many business people who argue that government is unresponsive to their needs and all too likely to provide unwelcome interference in economic and social matters. In this sense, business assumes the traditional role of an interest group in the political process, often suffering from the decisions and actions of government. On the other hand, however, there are those, like Charles Lindblom and Stephen Wilks, who take the

position that governments tend to be the compliant tool of business because business enjoys a privileged position in government. According to this viewpoint, business elites are so well integrated into the machinery of government that the latter is completely beholden to the interests of capital. As we will discover in this course, this is a complex issue and both positions hold a modicum of truth.

Students who have completed this course should be able to:

- (i) understand and analyze the complex inter-relationship between government and business in Canada;
- (ii) identify the major models of business-government relations;
- (iii) assess the impact of business-government relations for public management;
- (iv) critically evaluate the strengths and limitations of different approaches to government regulation/management of economic activity;
- (v) through a newspaper journal, identify and assess the many ways in which business and government in this country interact on a daily basis;
- (vi) communicate confidently and effectively with their classmates so as to impart knowledge and understanding of the course material.

### **Required Textbooks**

Stephen Wilks. *The Political Power of the Business Corporation*. (Cheltenham: Edward Elgar, 2013).

Geoffrey Hale. *Uneasy Partnership: The Politics of Business and Government in Canada*. 2<sup>nd</sup> Edition. (Toronto: University of Toronto Press, 2018).