

PSCI 231:
Government and Business In Canada
Spring, 2014
RCH Rm 301, Thursday 12:30-2:20 pm

Tutorials

101-3:30-4:20pm Thursdays in RCH 212

102-3:30-4:20pm Thursdays in RCH 308

103-3:30-4:20pm Thursdays in RCH 305

104-10:30-11:20pm Friday in RCH 212

105-10:30-11:20pm Fridays in EV3 3406

106-10:30-11:20pm Fridays in RCH 305

T.A's

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Office Location: Hagey Hall 340

Office Hours: Mondays 5:00-5:30pm

Contact Policy: I prefer you to **NOT** use my U of Waterloo e-mail address. Please use the e-mail address provided above. If you cannot meet during established office hours we can make an appointment for another time. No appointment is necessary to see me during indicated listed

office hours. Outside established office hours, meetings will occur at the Student Life Centre, Great Hall Section, near the Turnkey Desk. Just look for me.

Course Description: The encouragement, management and regulation of business are all central roles of government regardless of the political or ideological orientation of the political party in power. Over the past 30 years, governments in western democracies have shifted away from interventionist approaches to national business environments toward a more laissez faire model of business-led economic development. Even in this environment, debate occurs about such fundamental questions as: subsidies to develop new industries, government's role in stimulating the development of new and existing businesses, taxation rates, regulatory regimes, the role of unions and the control of foreign investment/ownership. Always permeating the business-government relationship are, of course, the ideas and interests of civil society. Questions of fairness, social stability and cohesion continue to colour the business-government relationship in many ways .

Pre-Requisites: 2A Strongly recommended.

Course Objectives: This course examines the broad theoretical context of government-business relations and then explores, in greater detail, the nature of government-business interaction in modern Canada. Students will gain an appreciation for the complexities and political trade-offs inherent in government-business relations and will explore current federal, provincial, regional and municipal policies relating to competitiveness, innovation, productivity, international trade, foreign investment aboriginals. Special emphasis will be placed on understanding the changing economic role of the state, globalization, techno-economic change, the current economic crisis as well as the ever-increasing importance of national and regional systems of innovation. By the end of the course students will have built a reserve of useful conceptual tools, have a greater appreciation for the history and political context of business-government relations over time and within specific policy areas.

*The Current Economic Crisis

The world economic crisis that began in late 2008 threw governments into disarray, destroyed some of the largest banks, threatened the survival of major companies and sparked massive job losses. Governments around the world struggled to determine how best to respond. This has been one of the best opportunities in recent history to observe government-business relations. What stimulus packages will save businesses, create jobs and give hope to corporations, workers and the public at large? Is this a time for tax breaks or government spending? Will the private sector

solve the country's problems or will government intervention save the day? Should government listen to trade unions, individual companies, business organizations or the public at large?

These are major questions. The theme of this course- business-government relations- is important at all times. At this point in time, it is without question the dominant political issue in Canada and much of the world. In future years, courses and researchers will draw on the experience of the last few years to demonstrate either the effectiveness or failure of government-business collaboration. We are living in the midst of one of the most important political experiments and challenges in a century.

University Regulations:

Cross-listed courses:

Please note that a cross-listed course will count in all respective averages no matter under which rubric it has been taken. For example, a PHIL/PSCI cross-list will count in a Philosophy major average, even if the course was taken under the Political Science rubric.

Academic Integrity:

Academic Integrity: In order to maintain a culture of academic integrity, members of the University of Waterloo are expected to promote honesty, trust, fairness, respect and responsibility.

Discipline: A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about "rules" for group work/collaboration should seek guidance from the course professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offenses and types of penalties, students should refer to [Policy 71 - Student Discipline](http://www.adm.uwaterloo.ca/infosec/Policies/policy71.htm), <http://www.adm.uwaterloo.ca/infosec/Policies/policy71.htm>.

Grievance: A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read Policy 70 - Student Petitions and Grievances, Section 4, <http://www.adm.uwaterloo.ca/infosec/Policies/policy70.htm>. In addition, consult <http://arts.uwaterloo.ca/student-grievances-faculty-arts-processes> for the Faculty of Arts' grievance processes.

Appeals: A student may appeal the finding and/or penalty in a decision made under Policy 70 - Student Petitions and Grievances (other than regarding a petition) or Policy 71 - Student Discipline if a ground for an appeal can be established. Read [Policy 72 - Student Appeals](http://www.adm.uwaterloo.ca/infosec/Policies/policy72.htm), <http://www.adm.uwaterloo.ca/infosec/Policies/policy72.htm>.

Academic Integrity website (Arts):

http://arts.uwaterloo.ca/arts/ugrad/academic_responsibility.html

Academic Integrity Office (uWaterloo): <http://uwaterloo.ca/academicintegrity/>

Accommodation for Students with Disabilities:

Note for students with disabilities: The Office for Persons with Disabilities (OPD), located in Needles Hall, Room 1132, collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the OPD at the beginning of each academic term.

Texts:

James Brander, Government Policy Toward Business Fifth Edition (Toronto: Wiley 2013)

Stephen McBride and Heather Whiteside, Private Affluence, Public Austerity: Economic Crisis & Democratic Malaise in Canada (Halifax & Winnipeg: Fernwood 2011)

Various supplementary readings. See: List Of Articles in this outline

Texts are available for purchase at the University of Waterloo bookstores.

Texts and readings are also on reserve at the Dana Porter Library.

Course Requirements, Expectations, and Standards:

There will be one two-hour class per week that will consist of a series of lectures, discussions and student contributions. Lectures will not necessarily be on weekly assigned readings.

Required readings will be considered in class during the student contribution portion of the class as well as in required, weekly tutorials. A considerable amount of time will be spent discussing current events and monitoring media coverage of the government-business relationship.

There are four ways in which students will be evaluated

1. Participation (a) (b) (c) Weight 10 Percent each - Total Weight 30 Percent

(a) The preparation, presentation and discussion of in-class **group work**. Students will work in groups no larger than 4 students. You do not need to work in the same small group each week and you may also opt to complete a sole author submission. These are intended to reinforce and apply course material and encourage thoughtful analysis of the material being read. After preparation, groups will present their work allowing students to hear how other groups tackled the same task. At the end of each class all groups will submit their work in written form, **indicating the members of their group and their views on the issue at hand**. A portion of most classes will be devoted to this with the exception of in class test day(s) special presentation day(s)

It is **strongly** advised that students keep ahead of weekly readings to assist in the timely preparation of in-class work and tutorial discussions. In other words, read each week's assigned readings **before** class.

(b) Regular attendance and verbal contribution to **class and required tutorial discussions**. Contributions should reflect a grasp of the topics being discussed and some analytical ability in relation to assigned reading material.

* **NOTE** This mark is based on my perception of your verbal contributions. Associated with this mark is the **requirement** that each student pay at least **one visit to me during office hours**. I will have you **sign in** during this visit. Attendance will be taken at tutorials.

(c) The creation of a **newspaper article scrapbook**. Students will compile a scrapbook of **2** newspaper articles related to business government relations. This is not limited to articles about Canada. The source of these articles should be a major newspaper and can be from either a physical or online source.

These are to be compiled in an 8 1/2 x 11 format (photocopied) with title page. Each article is to be accompanied by a 2 page (double spaced) explanation of how this article relates to some aspect of the business- government relationship, and an

analysis explaining why (or why you don't) find the article compelling. Summary should be kept to a minimum.

The articles you select for this assignment may **NOT** be articles already discussed in class. Scrapbooks **MUST NOT BE SUBMITTED ELECTRONICALLY**.

It is key that the articles you select illustrate both business and government components. ***Due: Last Day of Class and are returned to students only upon request.***

2. Critique: Total Weight 20 Percent

Students will submit an 8 page (double spaced) Critique based on one of the prescribed articles. ELIGIBLE articles are listed later in this outline. Critiques must include a title page, bibliography, and proper citations. **CRITIQUES MUST NOT BE SUBMITTED ELECTRONICALLY.**

The Critique should contain both a summary and an analysis section. More specifically, the Critique should include: (A) a statement of what the author saying (summary) (B) an (analysis) of the author's views including: (a) an assessment of how compelling the author's arguments are, (b) what questions the article raises (c) how the author's arguments may be challenged (c) a statement of how this article relates to the study of business government relations generally.

Summary: **2** pages double-spaced, typewritten

Analysis: **6** pages double-spaced, typewritten

Total **8** pages (Maximum) plus title page, citations and bibliography.

ADDITIONAL CONSIDERATIONS ON THE Evaluation OF Critique

For marking purposes, content (argument and information) is equal in weight to style (structure and writing).

Argument: 5 marks

Clearly stated argument. The originality and power of your analysis.

Information: 5 marks

Identification of central issues, accuracy and completeness of factual material, its relevance to your argument and its effectiveness in making your case.

Structure: 5 marks

The clarity of organization and its utility in helping your argument develop. For example, the coherence of the logic with which you develop your case including the integration of your: Introduction/argument, body and conclusion.

Writing and Editing: 5 marks

Clarity and precision of written English. Editing includes: spelling, footnotes/endnotes, bibliography and title page.

List Of Articles For Critique (Choose ONE)

- Francis Fukuyama, "The End of History," The National Interest, summer 1989. <http://www.wesjones.com/eoh.htm>

Also on course reserves

- Michael E. Porter, "Clusters and the New Economics of Competition," Harvard Business Review, Nov/Dec 1998, Vol. 76 Issue 6.

On course reserves

- Carin Holroyd, "National Innovation Strategies: An International Comparison," Working Paper # 32. Centre for International Governance Innovation, 2007. http://www.cigionline.org/sites/default/files/Paper_32-web.pdf

Also on course reserves:

Please let me know if you are unable to find these items. Web addresses can change and a little extra searching is required.

Course reserves should have electronic versions of these items by the start of Spring Term.

3. Test #1: Total weight 25 Percent

Students will have the whole class to complete the examination. The exam will have two sections. (Section one) short answer/identification and definitions (Section Two) longer answer/essay style.

4. Test #2: Total weight 25 Percent

Students will have the whole class to complete the examination. Same format as Test One

Please note: Student travel plans and co-op interviews are not an acceptable reason for granting an alternative test time. Test #2 is not typically returned to students but is made available for review upon request.

Late Policy For Critique:

Late submissions, starting the day after established due date but within one week of the due date, will lose one letter grade (eg: a grade of A will become a grade of B). Critiques handed in after one week but within 2 weeks of the original due date will lose two letter grades (eg: a grade of A will become C). No further late penalties will be applied provided critique is received in class on the last day of class. NO EXCEPTIONS WITHOUT VERIFIABLE MEDICAL DOCUMENTATION

Policy About Group/Collaborative Work:

Critique, scrapbook and tests are sole authorship assignments. Grades for group work (collaborative work) are based on two criteria (1) frequency of completion (how often you complete group assignments) and (2) quality (the degree to which you answer posed group work questions).

Other Course Policies:

Critiques and Scrapbooks can be handed in during class or to the, "Political Science Drop Box (third floor Hagey Hall). The "Political Science Drop Box" is **NOT** the plastic shelves outside my office. The "Political Science Drop Box" is located further east along the same corridor across from Rm 311. Slides will not be used in all classes. Do not assume material covered in class will be posted on LEARN. Learning occurs through reading and writing. Students are required to make their own lecture and reading notes and/ or arrange with other students for missed lectures. Some lectures will be posted on LEARN.

Grade Distribution and Due Date Summary:

| <i>Type</i> | <i>Weight</i> | <i>Due</i> |
|-------------|---------------|------------|
|-------------|---------------|------------|

| | | |
|-----------------------------|------------|------------------|
| Group Work | 10 Percent | Duration |
| Class & Tutorial Discussion | 10 Percent | Duration |
| Critique | 20 Percent | June 12th |
| Test One | 25 Percent | June 19th |
| Test Two | 25 Percent | July 17th |
| Scrapbook | 10 Percent | July 24th |

Class, Readings and Tutorial Schedule

Week 1 - May 8th Introduction to course materials and overview - no required reading

- History, Political Context, Tools, Policy Areas

- Recommended/Not Required: Gosta Esping Anderson Three Worlds of Welfare State Capitalism, David Leyton-Brown Trade Offs On Free Trade

Week 2 - May 15th Theories of the business - government relationship, Changing Economic Role of the State

Reading 1: Brander 1 (Introduction/Overview)

Reading 2 Brander 3 (Normative Analysis)

Reading 3: Fukuyama Article "The End of History" (Possible Critique Article)

Reading 4: Whiteside and McBride Chapters 1 and 2

Note: - Liberalism, Marxism, Social Democracy, Communism, Capitalism, Keynes, Globalization, Neoliberalism

- Eras

- Margaret Thatcher, Ronald Regan, Brian Mulroney

Week 3 - May 22nd Fairness, Interest Groups, Normative and Positive Analysis of Government

Reading 1: Brander 4 (Fairness/Ethics/Civil Society)

Reading 2: Brander 5 (Positive Theory of Government/Interest Groups)

Reading 4. Whiteside and McBride Chapters 3 and 4

Week 4 - May 29th Canadian Business Environment, Clusters and Cities

Reading 1: Brander 7 (Canadian Business Environment)

Reading 2: Porter Regional Economic Development (Michael Porter “Clusters and the New Economics of Competition” Harvard Business Review, Nov/Dec 1998, Vol.76 Issue 6 (Course Reserves, electronic) (Possible Critique Article)

Reading 3: Wolfe 21st Century Cities: The Geography of Innovation” Conference Board of Canada – CIBC Scholar-in-Residence Lecture 2009. Note: This is a long reading. Read what you have time for. The introduction and conclusion are required. Available online <http://www.conferenceboard.ca/documents.aspx?did=3311>

Then hit “download” (Also on course reserves electronic)

Week 5 - June 5th Regulation, Deregulation and Crisis

Special Presentation: "Inside Job" Academy Award winning documentary on the 2008 Financial Crisis

Reading 1: Brander 11 (Competition Policy)

Reading 2: 12 (Regulation and Public Enterprise)

Reading 3: 14 (Macro Economic Policy)

Reading 4: McBride and Whiteside Chapters 5 and 6

Week 6 - June 12th Regulation Continued and Innovation (CRITIQUES DUE)

Reading 1: discussion of "Inside Job"

Reading 2: Brander 13 (R & D, Innovation, Intellectual Property)

Reading 3: Holroyd "National Innovation Strategies: An International Comparison," Working Paper # 32 Centre for International Governance Innovation, 2007. Available online http://www.cigionline.org/sites/default/files/Paper_32-web.pdf also on Course Reserves electronic (Possible Critique Article)

Week 7 - June 19th - Class Test One (No Tutorials This Week)

Week 8 - June 26th International Trade and Business Practices/Government Policy Affecting the Environment and Natural Resources

Reading 1: Brander 8 (Trade Policy)

Reading 2: Brander 9 (Environment Policy and Externalities)

Reading 3: 10 (Natural Resources)

Week 9 - July 3rd Aboriginals

Reading 1: Reading 1: Helin Chapters 10, 11, 12

Note: Calvin Helin, Dances with Dependency: Indigenous Success Through Self-Reliance (Vancouver: Orca Spirit, 2006), **Chapters 10, 11, 12** (Available Course Reserves electronic)

Week 10 - July 10th 21st Century Challenges (LAST WEEK OF TUTORIALS)

Brander 15 (Corporate Social Responsibility)

McBride and Whiteside Conclusion

Week 11 - July 17 Class Test Two

Week 12 - July 24th Last Class

Note: Scrapbooks Due and Course Evaluation