

JOHNSON-SHOYAMA GRADUATE SCHOOL OF PUBLIC POLICY
University of Regina

GSPP 810 Public Enterprise and Privatisation in Canada

Instructor: Ken Rasmussen
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Term: Winter 2008
Class: Feb 2, 18-22 and Mar 15
Office Hours: By appointment

Calendar Description: Joint partnerships between public enterprises - crown corporations, boards, commissions, regulatory agencies - and the private sector have become commonplace. This class compares the structures and functions of the arrangements in Canada and Saskatchewan, and evaluates their operations and consequences of public-private partnerships in terms of economic, political, cultural and organizational factors.

Students with Special Needs

Students in this course who, because of a disability, may have a need for accommodations, are encouraged to come and discuss accommodations with the instructor and to contact the Coordinator of Special Needs Services at 585-4631.

Academic Integrity and Conduct

Ensuring that you understand and follow the principles of academic integrity laid out in the Graduate Calendar is vital to your success in graduate school (attached; and available at http://www.uregina.ca/gradstudies/calendar/policy_univ.shtml). Ensuring that your work is your own and reflects both your own ideas and those of others incorporated in your work is important: ensuring that you acknowledge the ideas, words, and phrases of others that you use is a vital part of the scholarly endeavour. If you have any questions at all about academic integrity in general or about specific issues, contact me and we can discuss your questions.

Course Description

This course examines the continued use of public enterprise/ crown corporations as a tool for the delivery of government services and a vehicle for public policy. While privatization was a huge phenomenon during the 1980s and 1990s the model of public enterprise remains relevant, and has been reinvented. The majority of the course will explore the rise of the public enterprise model along with other arm's length administrative formations and examine their usefulness as a means of dealing with issues such as market failure, industrial development, economic diversification and nation and province-building. We will examine some of the managerial issues surrounding public enterprise, such as control and accountability, as well as the efficiency, agency and property rights arguments that have been used by detractors of public enterprise as reasons that they should be abandoned. We also look at the continuing role of the government in various joint ventures, public private partnerships and new forms of "public enterprise"

Last 1/3 of the class will examine the challenge of privatization and the difficulty that public enterprise as a concept has experienced in the face of the challenges presented by the advocates of privatisation in conjunction with the associated forces of globalisation and free trade. By the end of the 1990s privatization came to have a much broader meaning than it had in the early

1980s when it meant the transfer of public enterprise to the private sector. We will examine the rise of privatization as both a challenge to traditional public enterprise, but also as a challenge to the entire public sector in which arguments to increase contracting out, the private delivery of social services, and the increased focus on “customer” service in the public sector is reshaping the nature of government and the boundary between the public and private.

Readings

There is no assigned text, but there will be a number of readings for the course which will all be available on WebCT

Day One: Saturday, February 2, 2008 9:00 am - 11:45 am ED 616 Introduction to public enterprise: History and Rationale

Allan Tupper “The Changing Political Environment of Canadian Crown Corporations” in John Allan, 23-29.

Allan Blakeney, “The History of Saskatchewan Crown Corporation” in John Allan,

Michael Bliss, “‘Rich by Nature, Poor by Policy,’ The State and Economic Life in Canada” in R. Kenneth Carty and W. Peter Ward (eds.) Entering the Eighties: Canada in Crisis (Toronto: University of Toronto Press, 1980), 78-90. (To be handed out in class)

H.G. J. Aitken, “Defensive Expansion: The State and Economic Growth in Canada, in W.T. Easterbrook and M.H. Watkins, eds. Approaches to Canadian Economic History (Toronto: McClelland and Stewart, 1967), 183-221.

Anthony Perl, “Public Enterprise as an Expression of Sovereignty: Reconsidering the Origin of Canadian National Railways” Canadian Journal of Political Science 27, (March, 1994) 23-52.

Allan Tupper and G. Bruce Doern, “Canadian Public Enterprise and Privatization” in Allan Tupper and G. Bruce Doern, (eds.) Privatization Public Policy and Public Corporations in Canada (Montreal: Institute for Research on Public Policy, 1988),

Day Two: Tuesday, February 19, 2008 9:00 am ED 621 The Rationale for Public Enterprise

Webct Harold Chorney, “The Future of Crown Corporations: Government Ownership, Regulation and Competitive Market Forces, 103-126, in John Allan

Webct Maude Barlow, “Public Enterprise in Whose Interests?, in John Allan, 49-60.

Webct Marsha Chandler, “State Enterprise and Partisanship in Provincial Politics” Canadian Journal of Political Science 14 (December, 1982), 711-740. (To be handed out in Class)

Errol Black and Jim Silver, “In Defence of Public Ownership: The Case of Manitoba” Prairie Forum 15 (Spring, 1990), 123-45. (To be handed out in Class)

Web Ct Maureen Appel Molot and Jeanne Kirk Laux, "The Politics of Nationalization" Canadian Journal of Political Science 12 (June, 1979), 227-58.

Government of Saskatchewan, Saskatchewan's Crown Corporations: A New Era, June 1997.

Day Two: Tuesday, February 19, 2008 afternoon ED 621
The Principal Agent Problem: Who Should Control Public Enterprise?

Webct W.T. Stanbury, "Control and Accountability: Government Ownership, Economic Regulations and Competitive Market Forces" in John Allen, 71-102.

Webct Robert Howse, "Accountability in Public and Private Enterprise: The Uneasy Case for Privatization" in John Allen, 127-136.

Webct T. Hafsi and C. Koenig, "The State- SOE Relationship: Some Patterns" Journal of Management Studies, 25:3 (May, 1988).

C. D. Drake, "The Public Corporation as an Organ of Government Policy" in W. G. Freedman and J. F. Garner, Government Enterprise: A Comparative Study (New York: Columbia University Press, 1970).

Day Three: Wednesday, February 20, 2008 9:00 am ED 621
The Managerial and Governance Aspects of Public Corporations

Protecting the Shareholder: A Review of the Governance Structure of Canadian Crown Corporations (To be handed out in class)

S.N. Woodward, "Performance Indicators and Management Performance in Nationalized Industries" Public Administration 64 (Autumn 1986), 303-317.

Sandford F. Borins, Investments in Failure (Toronto: Metheun, 1986)

John Langford, "The Identification and Classification of Federal Public Corporations; a preface to regime building" Canadian Public Administration

Day Three: Wednesday, February 20, 2008 1:30pm ED 621
The Performance of Public Enterprise

Web CT James M. Pitsula, "The Social and Economic Impact of Saskatchewan Crown Corporations, 145-158, in John Allan

Web CT D.G. McFetridge, "Commercial and Political Efficiency: A Comparison of Government, Mixed and Private Enterprises"

Web CT Sanford F. Borins and Barry E.C. Boothman, Crown Corporations and Economic Efficiency

Day Four: Thursday, February 21, 2008 9:00 am ED 621
The Intellectual Origins of Privatization

Michael Walker, “Who Benefits from Privatization?” 39-48. In John Allan

Michael Adams “Public Attitudes Towards Privatization,” in John Allan

Jeanne Kirk Laux, “Shaping or Serving Markets? Public Ownership After Privatization”

Christopher Foster, “Rival Explanations of Public Ownership, its Failure and Privatization” Public Administration 72 (Winter, 1994), 489-503.

Ray Rees, “Is There an Economic Case for Privatization? *Public Money* (March, 1986), 19-27.

Patrick Dunleavy, “Explaining the Privatization Boom: Public Choice Versus Radical Approaches, Public Administration 64 (Spring, 1986) 13-34.

J.A. Kay and D. J. Thompson, “Privatization: A Policy in Search of a Rationale” *The Economic Journal* 96 (March, 1986), 18-32.

Day Four: Thursday, February 21, 2008 1:30 pm ED 621
Privatization in the Provinces and the Federal Government

Michael McCracken, “Economic Changes: Their Impact on the Privatization Debate” 11-22. in John Allan

William T. Stanbury, Privatization and the Mulroney Government, 1984-1988.” In Andrew B. Gollner and Daniel Salee, *Canada Under Mulroney: An End of Term Report* (Montreal, Vehicule Press, 1988), 119-157.

Pierre Fournier, “Privatization in Canada: A Crucial Evaluation of the situation in the province of Quebec *International Review of Administrative Sciences* 56 (1990), 105-123.

Day Four: (Part Two) Thursday, February 21, 2008 ED 621
The Evidence for and against Privatization

*Andrew Dunsire, Keith Hartley and David Parker, “Organizational Status and Performance: Summary of the Findings” Public Administration 69 (Spring, 1991), 21-40.

**Andrew Dunsire, “The Public/Private Debate: Some United Kingdom Evidence” International Review of Administrative Sciences 56 (1990), 26-61.

David Marsh, "Privatization Under Mrs. Thatcher: A Review of the Literature" Public Administration 69 (Winter 1991), 459-480.

Thomas W. Hazlett, "Bottom-up Privatization: The Czech Experience" in Terry L. Anderson and Peter J. Hill eds. The Privatization Process: A World-wide Perspective (London: Rowman and Littlefield Publishers, Inc, 1996).

Harold Seidman, Public Enterprise versus Privatization in the United States, *International Review of Administrative Sciences*, 56 (1990), 15-28.

Richard E. Caves, "Lessons From Privatization in Britain" *Journal of Economic Behaviour and Organization* 13 (1990), 145-169.

Day Five: Friday, February 22nd, 2008 9:00 am ED 621
Privatization by other means? Contracting out, Special Operating Agencies and Alternative Service Delivery

Michale J. Trebilcock, The Prospects For Reinventing Government, Toronto: C.D. Howe Institute, 1994).

John Langford, "Powersharing in the Alternative Service Delivery World" in Robin Ford and David Zussman, (eds.) Alternative Service Delivery: Sharing Governance in Canada (IPAC/KPMG, 1996), Ch. 3.

David R. Morgan, and Robert E. England, "The Two Faces of Privatization" Public Administration Review, (November/December 1988)

Day five: Friday, February 22nd, 2008 1:30 pm ED 621
Redefining the Public Private Relationship in the Era of Privatization

Vaillancourt Rosenau ,Chapter 2: Stephen H. Linder "Coming to Terms with the Public Private Partnerships: A Grammar of Multiple Meanings"

*Brett Fairbairn, "Balancing Act: Crown Corporations in a Successful Economy,"181-92. In John Allan

Government of Saskatchewan, Saskatchewan's Crown Corporations: A New Era, June 1997.

Day Six: Saturday, March 15th 2008 9:00 am ED 616
Presentation of Group CDI
CDI's are also due on this day

Evaluation

Each student will be expected to be a co-seminar leader on one subject in the semester. This will involve doing the assigned readings and making a presentation on them to the class. Students

will also be expected to write two briefing notes on one issue related to crown corporations and one related to privatisation. Students will also be expected to write a Cabinet Decision Item (CDI) no more than 20 pages and will be due two weeks from the end of the final class, on Saturday March 15th 2008.

Presentation	10%
2 Briefing Notes	40%
Group CDI	50%