



# The Business Monitor

SURVEY ON GOVERNMENT AND BUSINESS



March 2023



## Introduction



- › This report presents the results of the most recent edition of The Business Monitor. The Monitor is a regular omnibus survey from the Modus Business Panel.
- › This edition focused on the relationship between government and business, as well as issues around leadership.
- › The survey was conducted from February 23 to March 13, 2023, and had a sample size of 613 managers and executives.
- › The data have a margin of error is +/-4.0 percentage with 95% confidence.
- › The survey data has been weighted by region and organizational size using the most recent Statistics Canada data.

## Direction of Country

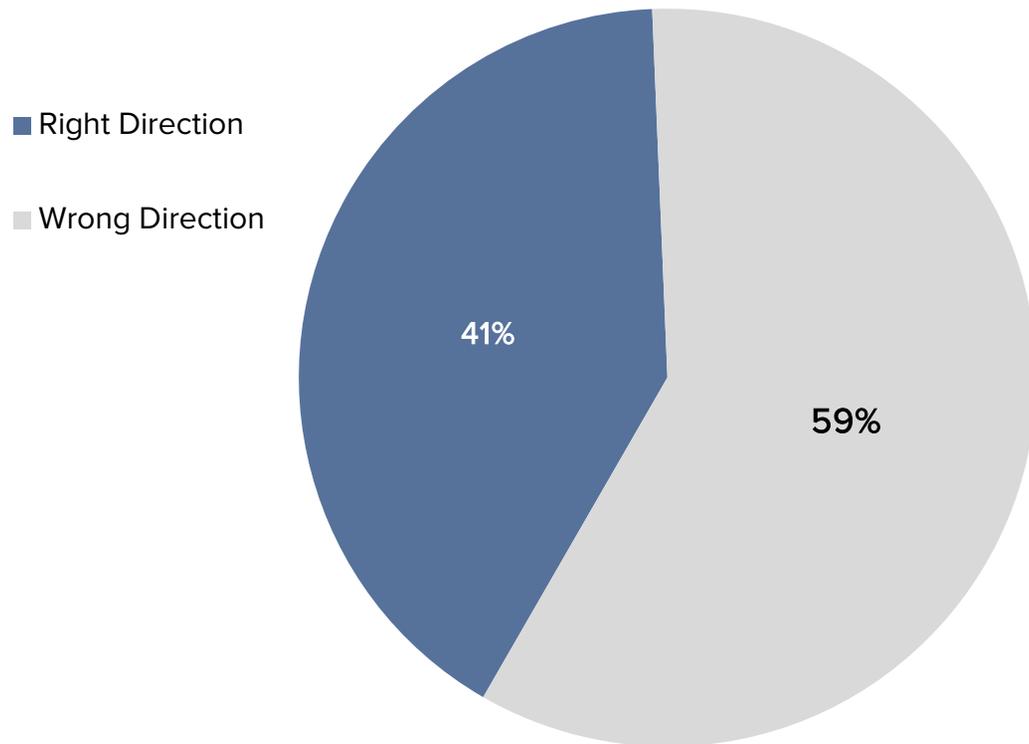
A majority of business leaders think Canada is moving in the wrong direction

This result varies significantly by province.

- > In Alberta and the prairie provinces, three-quarters say Canada is moving in the wrong direction.
- > This number drops to just over one half for Ontario and Quebec.



All in all, do you think things in Canada are generally headed in the right direction, or do you feel things are off on the wrong track?



## Influence on Government

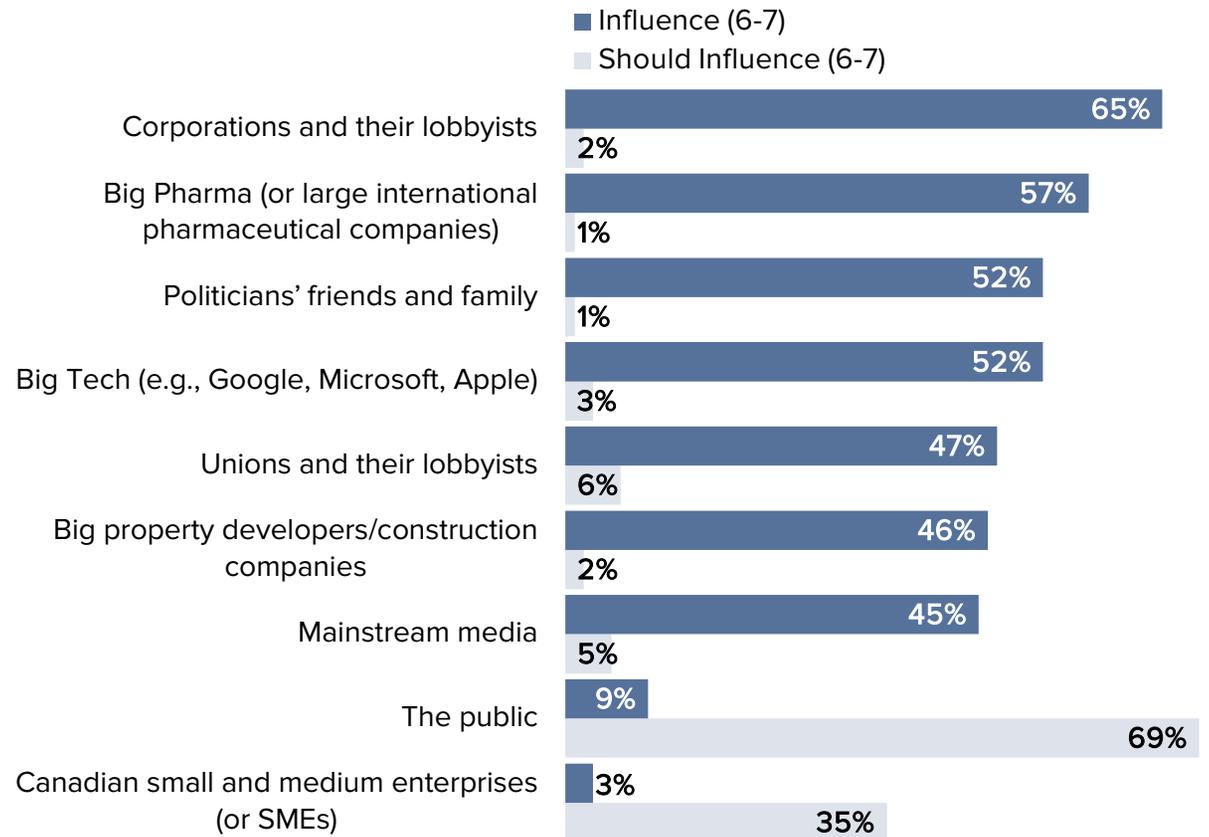
Canada's business leaders think corporations have vastly too much influence on governments in Canada.

- > It is noteworthy, that have the sample for this survey is composed of corporations. Moreover, these findings are consistent for companies large and small.
- > This may explain why so many think Canada is moving in the wrong direction – influence on government is the exact inverse of what it should be.



**Influence:** In your opinion, to what extent do each of the following groups influence government in this country?

**Should Influence:** And to what extent do you think each of these groups should influence government in this country?



## On Some Issues ...

Large numbers of businesses agree:

- > The federal government needs to get serious about anti-competitive practices.
- > Increased regulation to protect privacy.
- > Populism is a threat to Canada

Very few believe that Canadian governments are good allies for SMEs.



How strongly do you agree or disagree with each of the following statements?

■ Disagree (1 to 3)

■ Neither (4)

■ Agree (5 to 7)

The federal government needs to take firmer action on anti-competitive practices



There needs to be more regulation of Big Tech and Telecoms in Canada to ensure Canadians' privacy is protected



I am concerned that the rise of populist political movements will increasingly disrupt the smooth functioning of Canadian society



Governments in Canada are a good ally for small and medium-sized enterprises



## Business and Government

Business leaders are split on the closeness of business and government

This varies by the level of government, as opinion is most polarized at the provincial and federal levels.

> There are no significant regional variations.

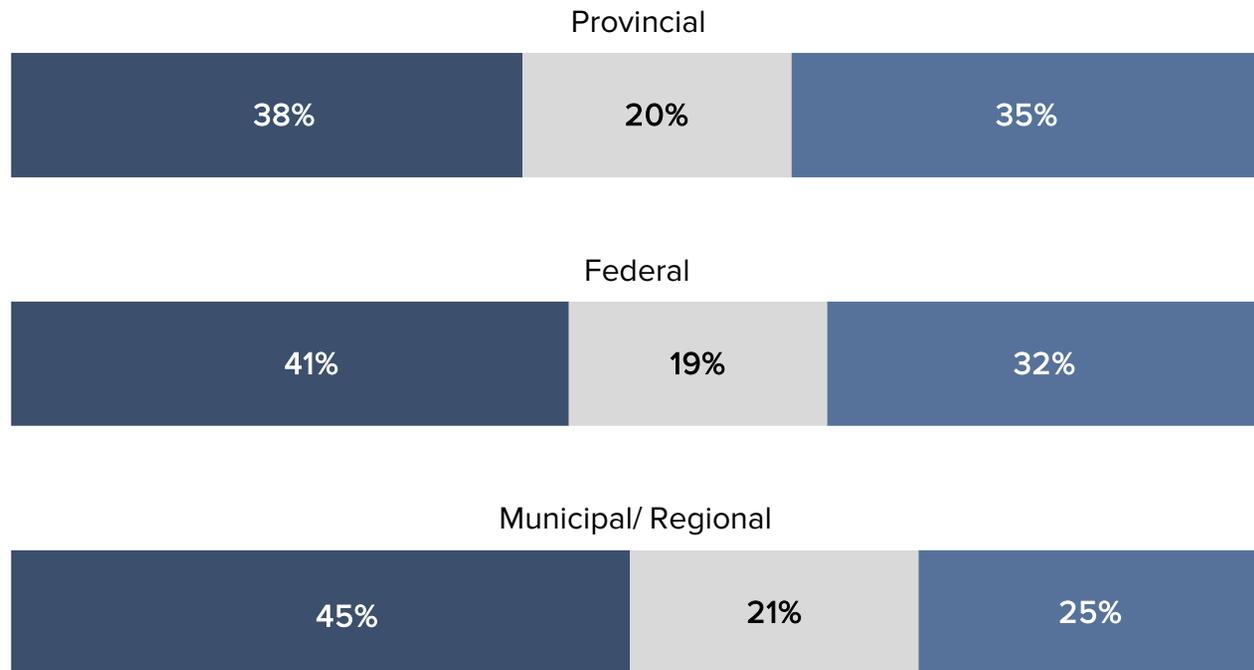


In general, do you think the relationship between these different levels of government and business is too close, not close enough, or just about right?

■ Not close (1 to 3)

■ Right (4)

■ Too close (5 to 7)



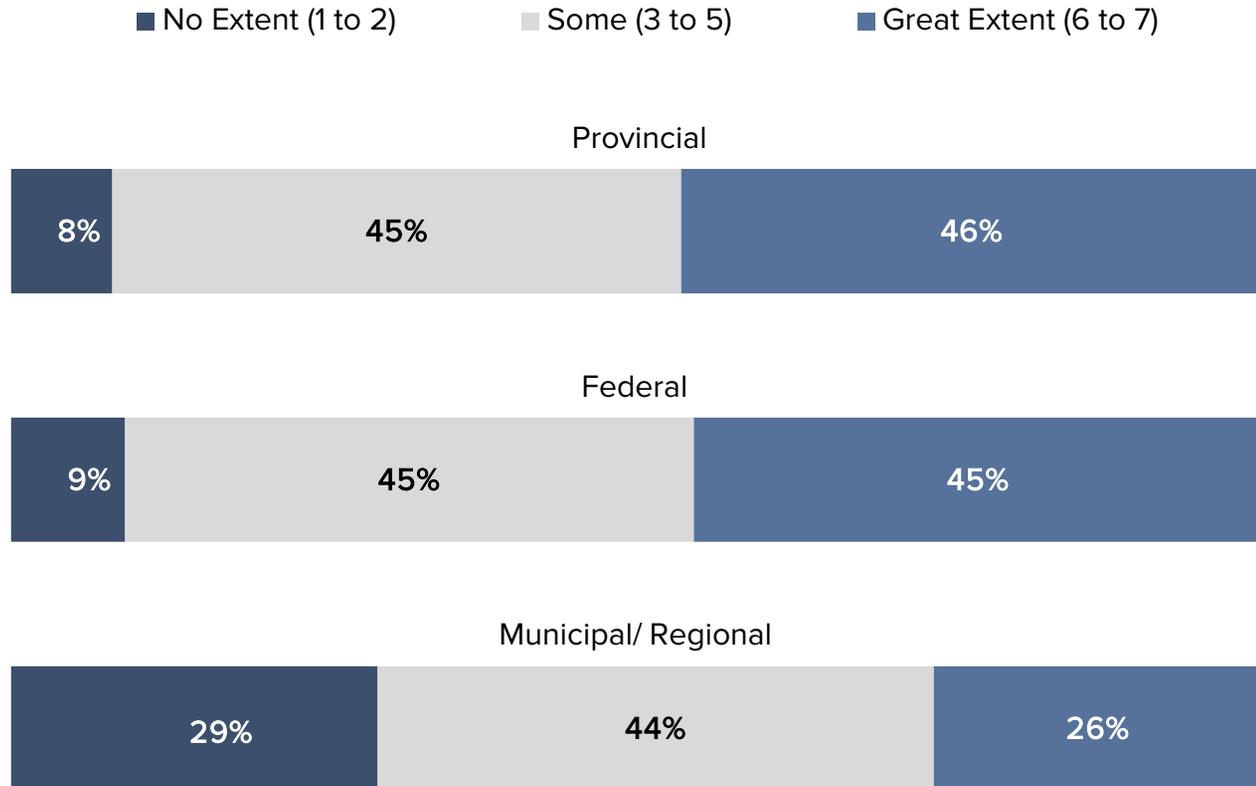
## Impact of Government

A near majority of businesses say provincial and federal levels of government affect them a great deal

- > Alberta has the highest number feeling a great impact from the federal government (58%), while Quebec registers the lowest number on this (31%).
- > Provincially, there is little variation outside of Alberta where just over a third think (38%) the provincial government affects them greatly.



At a broad level, to what extent do the following levels of government impact your company and the industry in which it operates, if at all?



## Impact of Federal Government

A majority of businesses think the federal government has a negative impact on each dimension – the economy, their company, and industry

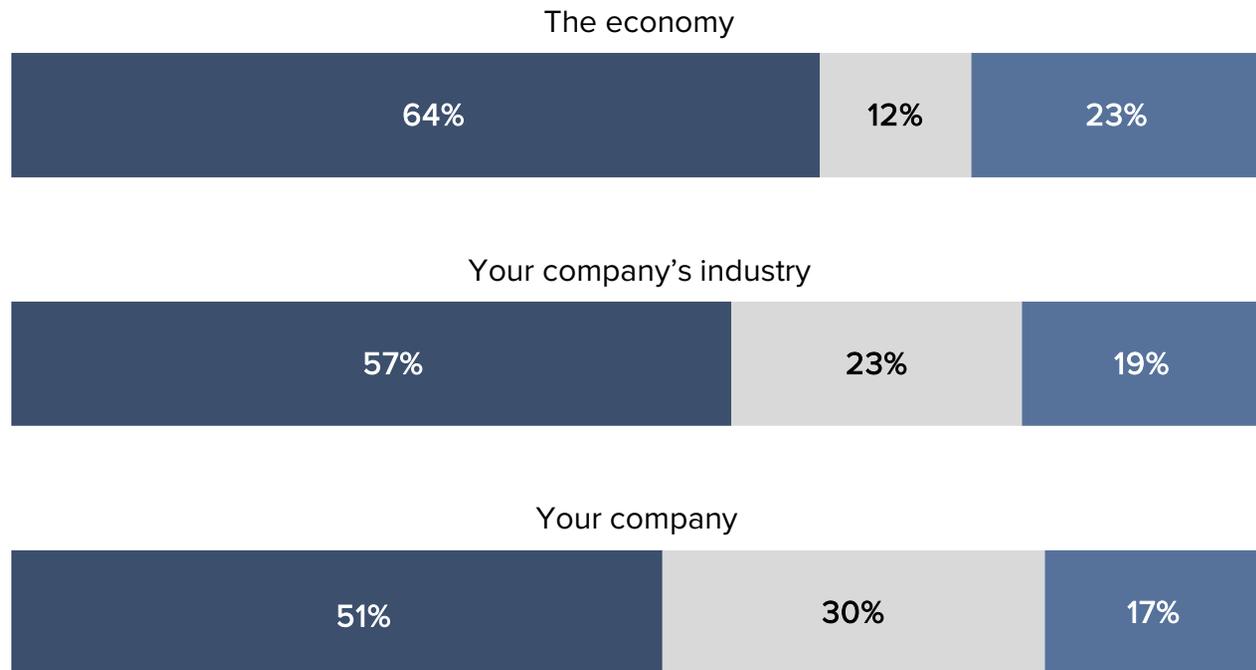
Perceptions of a negative impact are strongest in Alberta and lowest in Quebec and Ontario.

> For instance, more than two-thirds of Alberta businesses (69%) say the federal government negative affects their company, while this number is just 39% for Quebec and 49% for Ontario.



Overall, how do you rate the current federal government in terms of the impact it has on the overall health of each of the following?

■ Negative impact (1 to 3)    ■ Neither (4)    ■ Positive impact (5 to 7)



## Impact of Provincial Governments

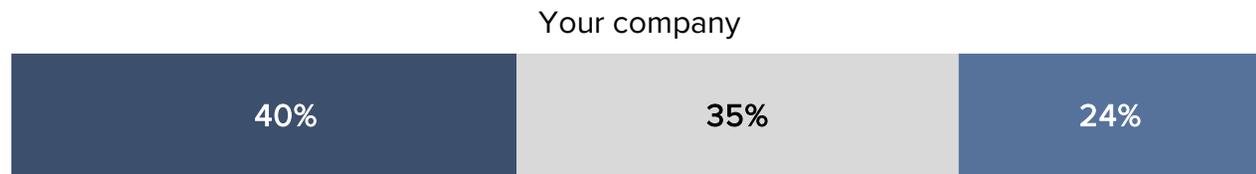
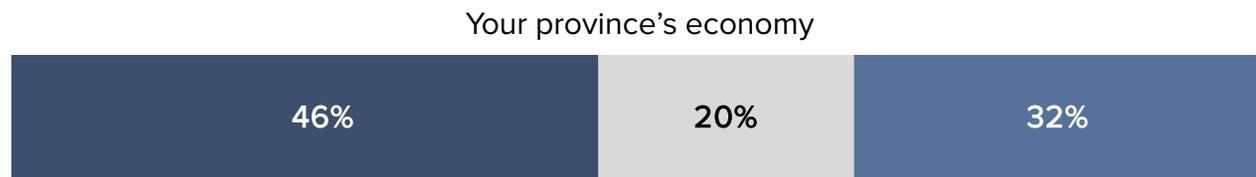
While a plurality say their provincial government has a negative impact across the three dimension, this is significantly lower than for the federal government.

- > There are import variations on these results at the provincial level.
- > BC have much higher negative ratings than other provinces, while the reverse is true for Alberta and the prairie provinces.
- > For instance, fully 60% of businesses in BC say their government has a negative impact on their business. This number drops to one quarter for Alberta and the prairie provinces.



And how do you rate your current provincial government in terms of the impact it has on the overall health of each of the following?

■ Negative impact (1 to 3)    ■ Neither (4)    ■ Positive impact (5 to 7)



## Provincial Policy – Importance vs. Ratings

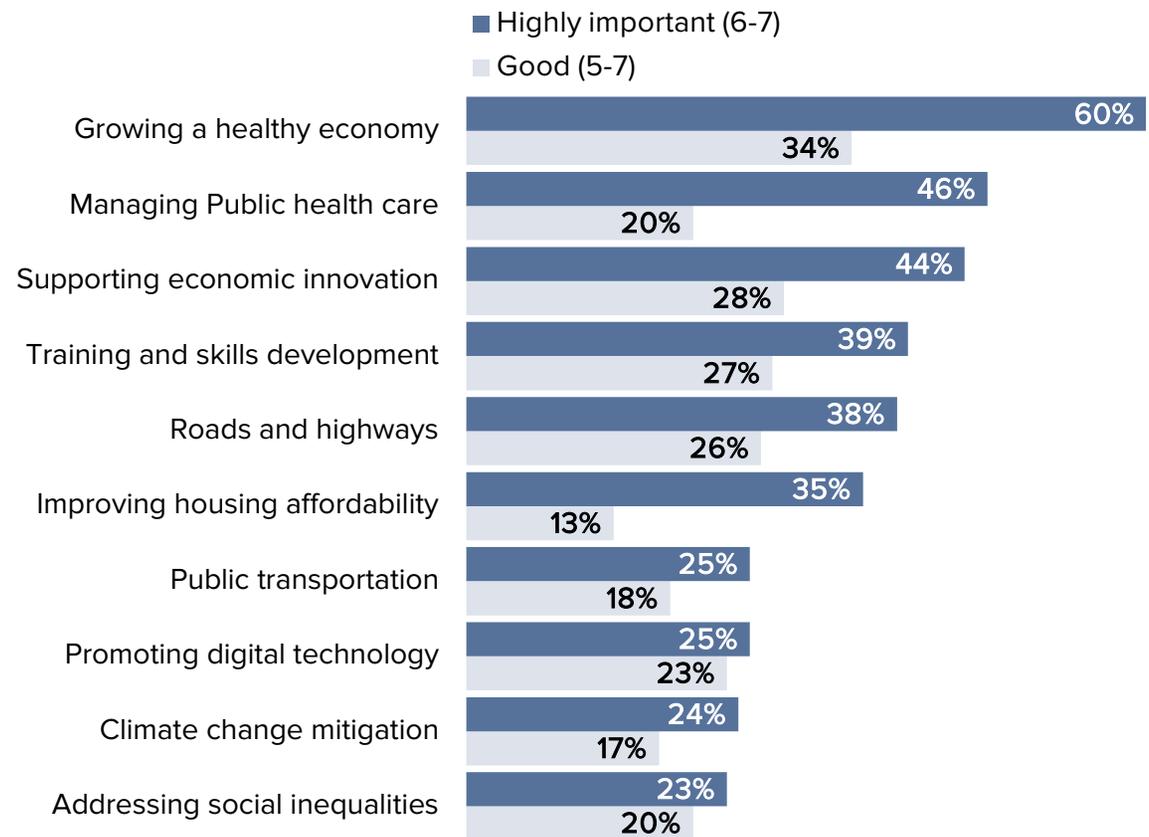
There are (unsurprisingly) large gaps between the importance of provincial policy areas and how provincial governments are rated on these dimensions.

- > The economy, health care and innovation are the top policy priorities for businesses, with correspondingly large gaps on performance.
- > Housing affordability also shows a large gap between importance and performance.
- > Public transportation, digital technology, climate change and inequality are all relatively low policy priorities for business.
- > Ontario receives below average positive ratings on inequality (13%) and climate change (11%).



Importance : How important are each of the following provincial public policy areas in terms of affecting the health of your company and the industry in which it operates?

Rating: How do you rate your current provincial government in each of these areas with respect to the health of your company and the industry in which it operates?



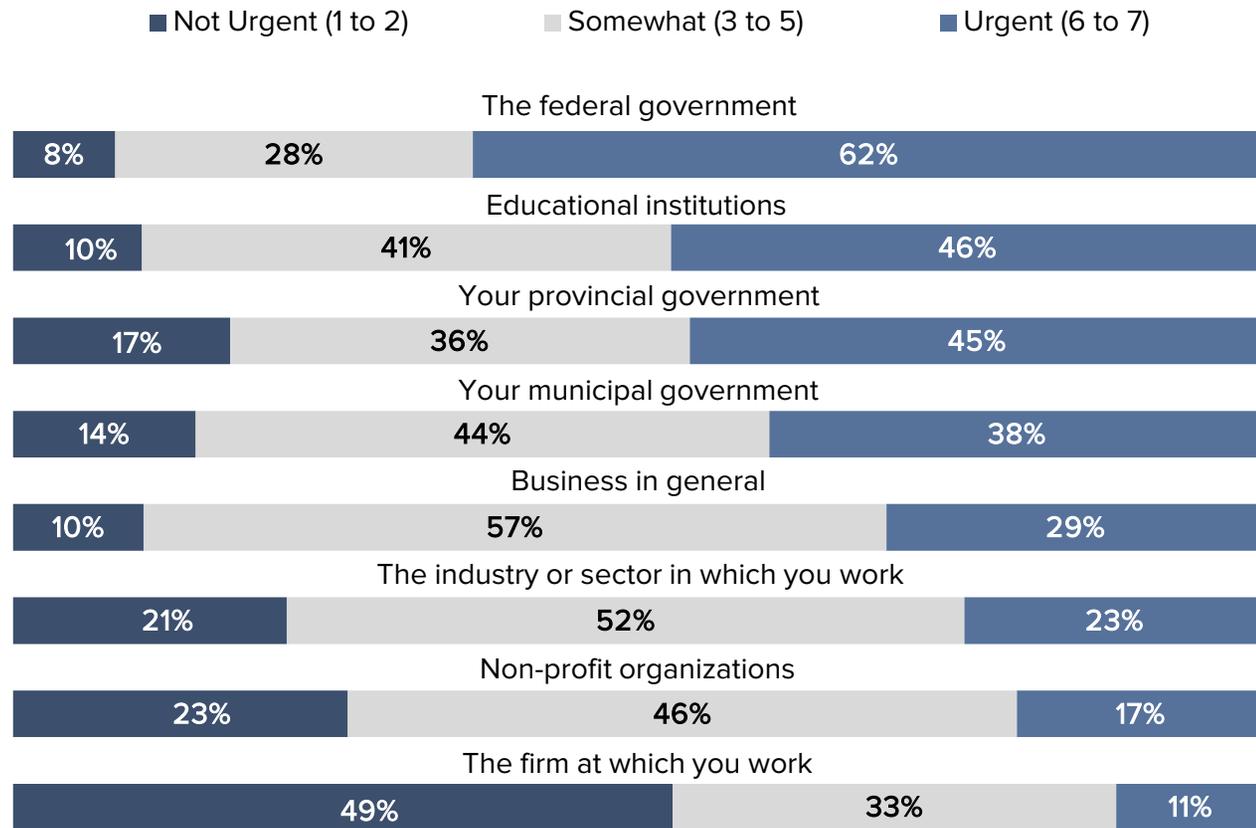
## Urgency of Improving Leadership

Reflecting the generally greater negativity towards the federal government, it is seen most widely as in urgent need of leadership change.

- › For provincial governments, the result is generally consistent across the provinces.



In your opinion, how urgent is the need to improve the quality of leadership in each of the following areas?





*Real answers from real people*