

Pragmatic conservatives missing in the climate-change debate

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A few weeks ago, I was lucky enough to attend an event in Ottawa put on by Canada 2020, a newish think tank of sorts that is trying to further debate on the policy changes we need over the next decade. “How to sell carbon pricing to Canadians” included a panel of informed and enthusiastic speakers, and overflowed a large room at the Château Laurier.

I was not surprised at the lack of disagreement about the basics, even among the three politicians on the panel. Jean Charest, the former Quebec premier and former federal environment minister, clearly sees a problem with climate change and was happy to speak about policies enacted as premier. Elizabeth May, the lone MP from the federal Green Party, obviously sees the climate danger and argues valiantly to convince the current government to adopt effective policies. The third politician was a former Republican congressman from South Carolina and an eloquent spokesman for the power of markets to solve many economic problems. Bob Inglis is actively engaged in trying to get his fellow U.S. conservatives to understand two essential points. First, that using direct regulations to reduce pollution is very costly for the economy. Second, that with the appropriate policies in place, market forces can be harnessed to cut greenhouse gas emissions in a way that vastly reduces the associated economic costs.

The speakers were nuanced in their positions and admitted that they did not fully understand all parts of a very complex policy problem. They listened carefully to each other, and responded to points of disagreement with intelligence and balance. In short, the audience witnessed an “adult” conversation among thoughtful and informed people about an important challenge for Canada. If only Canadians could see such a thing more often.

In the question-and-answer session that followed, someone asked, “What is the single most important thing missing in this policy debate?” Mr. Inglis’s answer was the one that stole the show: “Conservatives,” he said.

In the private dinner that followed, Mr. Inglis asked, “How many conservatives are here tonight?” He didn’t specify whether he meant large-C Conservatives of the Harper variety or the many more types of small-c conservatives, but I don’t think it mattered. In a room of about 125 people, only a handful raised a hand. Mr. Inglis’s point had been sharply made, and the problem with the climate change debate in Canada laid bare: Conservatives, spelled with either c or C, are almost completely absent.

It is not surprising that Liberals and NDPers and Greens have this issue on their policy agendas. After all, climate change is obviously a “left of centre” problem and requires “big” government as part of the solution. Mr. Inglis’s central point is that such a view is entirely wrong. Real conservatives favour relatively free markets, but they also believe that markets only generate the

best outcomes when all relevant costs are incorporated into firms' pricing decisions and consumers' purchasing decisions. Markets only generate sensible prices for goods and services if they reflect all of the costs that matter, and real conservatives see damage to the environment as an essential cost to consider. In short, real conservatives see climate change as a reason to modify the price system through appropriate taxes or subsidies, and then let the market generate the best outcomes.

Mr. Inglis laments that his fellow conservatives in the United States don't seem to see this point. Many folks in the Tea Party tend to believe that climate change is a hoax perpetuated by politically motivated "scientists," and probably wouldn't trust government to address the problem even if they thought one existed. Most of those remaining in the sensible rump of the Republican Party recognize the problem, but are afraid to contemplate any changes to the tax system that might anger the Tea Partiers.

Mr. Inglis's concern applies just as much to Canada. The last time Canadians faced a remotely serious debate about climate change policy was the federal election of 2008. Remember Stéphane Dion and the "Green Shift," countered by cap-and-trade proposals from both the Conservatives and the NDP? Mr. Dion's communication skills and campaign were clearly no match for the Conservative information machine. Mr. Dion and the Green Shift are now gone, as are Canada's participation in the Kyoto accord and the Conservative cap-and-trade plan. Rather than engaging in sensible debate, the government would prefer that the issue simply disappear. And without much effective political opposition, it's pretty much getting its wish.

But this issue will not go away; the political winds will eventually shift. Perhaps the fresh breeze will come from the United States after that economy gets onto a solid recovery path. Or maybe it will come from the Canadian private sector that dislikes the highly inefficient regulatory approach being assembled in Ottawa. Why would the Harper government take an approach that would make the private sector and real conservatives such as Mr. Inglis froth at the mouth? Partly because a policy based on direct regulations, though costly for firms and highly inefficient for the economy, has few direct effects on the government's books and thus makes its hands appear fiscally clean. The government can even pretend that a policy that doesn't cost the government anything doesn't cost anyone anything.

This is wildly incorrect, and Canadians deserve better. But before we get better policies, we need a full and proper debate.

Imagine a group of pragmatic and sensible Canadians, with clear expertise in environmental and fiscal issues but no particular political affiliation. Not blue Conservatives or red Liberals or orange NDPers – just impassionate, independent and trustworthy experts who can help Canadians sort out and understand some of the issue's many complexities. Rather than advocating specific policy choices, such a group might choose instead to explain the options, rejecting the ones that really won't work and identifying the advantages and disadvantages of those that might. This group would also have to be pretty good at communicating its message to the Canadian public. If composed of the right people, and with a clear enough message, such a group would be hard for any political party to ignore, and harder still to dismiss. A real debate might just begin.

Nobody will be surprised to hear an economics professor who is interested in policy claim that we need a “commission” made up of economic policy experts. But the reality is that in Canada today, the only politicians speaking aloud about climate change are those of the non-blue variety. The political landscape has become so polarized and negative that Canadians are wary of what anyone is saying. In what passes for debate today, lots of silly things get said just to score political points; the rarely uttered sensible things get lost in the day-to-day political noise.

So we need a new approach to getting this debate moving. Maybe such an “expert commission” is the only way to re-start today’s climate change debate in a country where pragmatic conservatives are missing in action.

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