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## Sciences, Publics, Politics

# LESSONS FROM CANADA'S CLIMATE WARS

When Liberal Party leader Justin Trudeau took office in 2015 as Canada's prime minister, a top priority was to establish Canada as a global leader on climate change. At the United Nations' climate summit in Paris that year, Trudeau pledged to cut his country's greenhouse gas emissions by 30% from 2005 levels by 2030. Four years later, having survived re-election but with a much-diminished political mandate, Trudeau's climate ambitions have been severely curtailed.

Meanwhile, south of the border, Democratic presidential candidates, most of whom count aggressive action on climate change as a crucial element of their campaign platforms, would do well to look to Canada as a cautionary political tale that should inform their approaches. Yet they can also look to the recent past—the Obama presidency—for a valuable model of how to make progress.

A moderate political leader, writes the philosopher Harry Clor in his 2008 book, *On Moderation*, excels at decisions that take into account a wide range of factors and perspectives. In pluralistic societies that embrace differing visions of the public good, the fundamental task of a moderate reformer is to reconcile competing political factions. And it was in this spirit that Trudeau, shortly after his 2015 election, pitched his “grand bargain” to the premiers of Canada's provinces. Canada would establish an economy-wide price on carbon by setting national targets but allow provinces to design their own carbon pricing schemes. As a backstop for those provinces that failed to comply, a rising carbon tax would go into effect, establishing a C\$20 per ton tax in 2019 that would increase C\$10 each year until 2022, after which the policy would be reevaluated. Revenue would be rebated to taxpayers

within the province where it was collected.

But Trudeau also recognized the need to balance the urgency of cutting greenhouse gas emissions against Canada's economic dependency on fossil fuel production. Alberta's oil sands industry accounts for about 7% of the country's gross domestic product, a share equivalent to the combined

totals from the financial and insurance sectors. Almost all the federal tax revenue generated by Albertans, who earn substantially more on average than other Canadians, is redistributed to aid poorer provinces. To gain backing from Alberta for a national carbon price, Trudeau's federal government promised to support the construction of new pipeline capacity, enabling petroleum from the oil sands to be more cheaply transported to coastal ports for sale on the world market.

Many of Canada's oil executives, however, doubted if it would ever be possible to build new pipelines in a country divided between people who prioritize climate change and those who favor economic growth, writes the journalist Chris Turner. The oil sands are among the most carbon-polluting sources of petroleum in the world, a fact that environmental activists had seized on in the battle against the fossil fuel industry. Pipeline projects that for decades had generated little to no opposition were now the subject of endless delays in approval and construction. But Trudeau and his allies reasoned that if Alberta and other conservative provinces agreed to the carbon pricing plan, it might help create the “social license” for new pipelines to move forward. “Governments grant permits, but communities grant permission,” was how Trudeau described his logic. He

looked forward to engaging in conversations with a diversity of Canadians, since “multiple perspectives lead us to better solutions,” he said.

The Trudeau plan thus pursued a politically moderate approach to climate policy. Yet five years later, as the prime minister embarks on his second term, support for his grand bargain has collapsed, undone by deepening fault lines that divide political parties, provinces, and urban versus rural communities. The next few years will test not only the ability of a moderate reformer such as Trudeau to survive in an era of rancorous politics across North America and Europe, but whether national carbon taxes are even politically achievable.

### How to satisfy no one

Early signs that Trudeau’s grand bargain was in trouble surfaced in 2017, when protests by environmentalists and First Nations groups led to the cancellation of the Energy East pipeline, which would have linked Alberta’s oil sands to refineries in New Brunswick. Activists also delayed construction of the Trans Mountain pipeline to British Columbia, causing companies to back out of the project. In June 2019, Trudeau’s government took control of the pipeline’s completion at an estimated cost of C\$9 billion, promising to invest any revenues from its operations in clean energy.

As environmentalist opposition to the pipelines intensified, conservatives mobilized against a national carbon tax. By early 2019, newly elected conservative premiers in Alberta and Ontario had repealed their province’s carbon pricing systems and joined Saskatchewan and Manitoba in filing lawsuits to evade the backstop of a national carbon tax. (Lower court decisions have upheld Trudeau’s carbon pricing plan, and Supreme Court hearings are scheduled for June 2020.)

When Trudeau launched his campaign for re-election, he held firm in advocating for both sides of the bargain—a federal carbon tax and the construction of the Trans Mountain pipeline. Trudeau also set the goal of achieving a net-zero carbon emissions economy by 2050. “If we don’t demonstrate that we can take real, tangible actions on the environment and continue to get the support of Canadians, no Canadian government’s going to bother defending the environment anymore,” Trudeau warned in an August 2019 interview. “It’ll be seen as an electoral loser.”

His main rival, Conservative Party leader Andrew Scheer, countered with a “green technology, not taxes” platform that would replace a national carbon tax with unspecified emissions standards for major industrial emitters that, if exceeded, would force those companies to pay into a fund supporting government-approved clean technology firms. During the election, candidates representing the New Democratic Party, the Green Party, and Bloc Québécois strongly opposed the construction of any new oil pipelines, denouncing Trudeau’s climate policies as falling well short of what was needed to avoid catastrophic global warming.

In reality, none of the climate platforms put forward by the major parties were sufficient for Canada to fulfill its role in meeting the UN Paris treaty targets that Trudeau’s government had helped negotiate.

In the October 2019 national elections, Trudeau’s Liberal Party won a majority of seats in Ontario, Quebec, and the Atlantic provinces, and Conservatives captured majorities in British Columbia, Manitoba, Alberta, and Saskatchewan. Liberals maintained enough seats in Parliament for Trudeau to remain as prime minister, but lost the national popular vote to Conservatives and failed to elect a single candidate in either Alberta or Saskatchewan. As the leader of a minority government, Trudeau’s ability to pursue a politically moderate course on climate and energy policy will likely have to compete with a need to make progressive-leaning concessions to the New Democratic Party and Bloc Québécois leadership, concessions that will only deepen feelings of alienation among voters in Alberta and other Western provinces toward “elites” in Ottawa, the seat of federal government.

Trudeau’s tribulations can be traced to the design of his grand bargain. Most Canadians remained ambivalent about the plan, but environmentalists (who opposed pipelines) and conservatives (who opposed carbon taxes) were fiercely against it. Trudeau’s effort to navigate the political divide ended up making it worse. “In treating these two distinct economic policies as political conjoined twins, the Trudeau government ensured that the most ideological members of the electorate, on two of the most polarizing policies imaginable, would have a stake in both,” McGill University’s Andrew Potter and Christopher Ragan argued. “The problem with this situation is that for the ideologues there simply is no compromise policy.”

### Adaptive moderation

President Obama’s overarching political approach to climate change was similar to that of Trudeau’s: in a democracy rich in oil and gas reserves with many checks and balances on federal power, the best way to cut carbon emissions is to reduce demand for fossil fuels rather than pursue the far more contentious strategy of restricting fossil fuel development. Presidents and prime ministers are forced to negotiate not only with rival national parties, but also with the leaders of states and provinces. Moderate reformers skilled at responding to shifting political conditions are far more likely to be able to broker durable policies than the idealist who insists on nothing less than deep structural change.

“It’s not enough for environmentalists who are distantly removed from an aging coal town in West Virginia to just say, ‘Stop it.’ And it’s not enough to say to a state like Alaska, ‘Cut it out because we think your state is beautiful,” Obama told the journalist Jeff Goodell in 2015. “We’ve got to be in

there talking to folks about how do we solve some of the technical problems involved; how do we make sure that everybody is benefiting from this transition; and if there are costs in this transition, how do we all pull together to make sure that it's not just being borne by one group of people."

But as Trudeau's experience shows, accommodating entrenched opponents is not enough for moderate politics to work. To be successful a moderate reformer plays a long game, adapting to and helping to steer the shifts in political conditions, remaining open to less conventional approaches that might achieve results similar to those originally pursued. In 2010, after Republicans regained control of the US House of Representatives, thereby quashing any hope of passing carbon pricing legislation, Obama used federal agency powers to enforce limits on emissions from coal power plants and worked with automakers to double fuel efficiency standards.

These strategies were bolstered by Obama's 2009 economic stimulus package that had included \$90 billion in loan guarantees, tax credits, and spending on behalf of clean energy, launching a "silent green revolution," as the journalist Michael Greenwald documented. The rapid growth in the clean energy industry created new political constituencies on behalf of solar and wind power that crossed partisan and geographic divides, a coalition that has defended clean energy tax credits as part of congressional budgets even as the Trump administration seeks to end them.

Obama's decision to allow the shale drilling boom in the United States to move forward drew strong opposition from environmentalists and members of his party. But the boom not only spurred economic growth in the years after the Great Recession; the resulting drop in natural gas prices contributed to the closure of hundreds of coal power plants, shifting electricity generation to lower-emission natural gas plants. Today, as the cost of renewables and batteries decline, more than half a dozen states have passed laws aimed at getting 100% of their electricity from clean energy sources by 2050, and another 29 states have passed partial measures, which is likely to speed the phasing out of natural gas plants across regions.

### **Not only in America**

Most countries around the world have struggled to set a price on carbon steep enough to generate deep cuts in emissions. In France and Australia, recent proposals to boost carbon taxes have been met by an angry backlash from voters, with governments shelving the proposals. A

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2019 report by a team of economists estimated that for Canada to meet its Paris commitments, the national carbon tax of C\$50 per ton scheduled to take effect in 2022 would have to increase C\$20 per year until 2030, culminating in a C\$210 per ton tax. This would be the most cost-effective path, concluded the authors of the report, but it would also be the most politically divisive. The same emission cuts could also be achieved by a combination of less visible, and

therefore more politically palatable, government regulations and subsidies. Economists might argue that a carbon tax would be cheaper; but what does it mean to estimate the cost of a policy that politically may never be possible?

Trudeau must also be honest with the Canadian public about the emissions cuts that can be achieved. A 2019 University of Ottawa report warned about the scale of energy system transformation required to come close to leveling off emissions by 2050. Such rapid change would require the construction over the next 30 years of 150 clean energy projects the scale of the C\$10.7 billion Site C hydro project in British Columbia, which has been engulfed in political controversy since 2015, as environmentalists, First Nation groups, and local activists mobilize against the construction of hydropower dams across the country, labeling them "projects of death."

"Decision-makers need to avoid dangerous optimism when it comes to the political, economic and social realities of such large-scale changes," the University of Ottawa report noted. "Models and projections suggest what is feasible in the worlds of technology, but vastly underestimate—if not completely ignore—what is feasible in the real worlds of politics, citizen demands, consumer expectations and investor confidence."

When moderate reformers overpromise about what is achievable in terms of emissions reductions, they not only risk public trust, but also empower those on the left who insist that nothing less than a revolution is required to achieve those goals, a maximalist position that, as Prime Minister Trudeau has learned, deepens political dysfunction by strengthening the hand of those intent on maintaining the status quo. Any Democratic presidential candidate in the United States who sees climate change as more than just a campaign issue would do well to embrace this lesson.

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