

## PUBLIC OPINION AND CARBON PRICING



Greg Lyle is the founder and managing director of Innovative Research Group Inc. and a former principal secretary to Manitoba Premier Gary Filmon.

ow can parties and government afford to do the right thing when the right thing is introducing or raising a broadbased tax?

Sir Humphrey in the BBC's Yes Minister series give us some prudent guidance.

- Sir Humphrey: There are four words you have to work into a proposal if you want a Minister to accept it.
- Sir Frank: Quick, simple, popular, cheap. And equally there are four words to be included in a proposal if you want it thrown out.
- Sir Humphrey: Complicated, lengthy, expensive, controversial. And if you want to be really sure that the Minister doesn't accept it you must say the decision is courageous.

- Bernard: And that's worse than controversial?
- Sir Humphrey: (laughs) Controversial only means this will lose you votes, courageous means this will lose you the election.

The simple truth is that few government are likely to implement carbon pricing if it requires them to be courageous. Fortunately, there is a clear path forward that can allow governments to act without giving up their hopes for re-election.

The public already accepts the reality of climate. Canadians in every province and from every party agree that climate change is occurring. In April we found four out of five (80%) of Albertans believe climate change is occurring. Three quarters (74%) of federal Conservatives believe it is occurring. And Canadians have held that view since at least 2008.

BUILD ON THE ACCEPTANCE OF CLIMATE CHANG FOCUS MESSAGING ON THE NEED FOR ACTION NOW CHALLENGE THE NEED FOR TRADE-OFFS WITH A REVENUE NEUTRAL CARBON TAX THAT CAN OFFER PROGRESS ON CLIMATE CHANGE AND ECONOMIC DEVELOPMENT RALLY THIRD
PARTY VALIDATORS
FOR GOVERNMENT

MAKE THE ISSUE A TEST OF CHARACTER Policy as a character test is not a new theme in climate change. More than a quarter century ago Margaret Thatcher said "...the danger of global warming is as yet unseen but real enough for us to make changes and sacrifices, so that we do not live at the expense of future generations."



The challenge to create government action is urgency and priority.

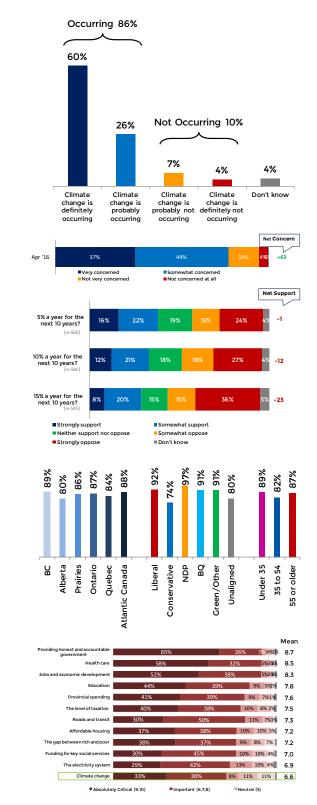
While Canadians are concerned about climate change, they are concerned about many other issues as well - including jobs, the cost of living, education and health care. When we ask Canadians to name their priorities, climate change is mentioned by well less than 10%. Moreover, when we prompt Canadians to rate the importance of 9 issues, climate change comes last.

One of the issues holding Canadians back is their concern that acting on climate change may mean a trade off with another important goal such as managing the cost of living or creating jobs. In a poll we conducted in BC in August, we found given a choice between keeping the cost of living down or protecting the environment, the pocketbook concerns edge out the environment as a priority. We found similar results when asking about jobs and environmental protection.

This is where the full appeal of a revenue neutral carbon tax falls into place.

By balancing the impact of a carbon tax with the benefit of other tax cuts, governments can takeaway the cost of living concern for many conflicted supporters of climate action. And by using price signals to spur innovation, a carbon tax can actually help to generate the creation of new jobs in new emerging industries.

That does not mean that carbon taxes can only be advanced when courage is not required. The answer is to make the policy a test of character.





The 2009 BC election is a perfect example of this. In 2008, the BC Liberal government adopted a revenue-neutral carbon tax. The carbon tax was very unpopular in BC with many polls showing 60% or more opposed to the tax including particularly strong opposition in swing seats in the Interior of BC. While the BC NDP had been in favour of carbon pricing before the government's announcement, they came out against the carbon tax once the BC Liberals adopted it.

By the time the election was called in April 2009, a key group of environmental organizations and leaders mobilized to frame the issue as one of character. On the first day of the campaign three major environmental organizations released a media backgrounder attacking the NDP and giving Liberal leader Gordon Campbell credit for leadership. Campbell and the Liberals went on to win.

Policy as a character test is not a new theme in climate change. More than a quarter century ago Margaret Thatcher said "...the danger of global warming is as yet unseen but real enough for us to make changes and sacrifices, so that we do not live at the expense of future generations."

Advocates would also do well to follow Thatcher's lead and avoid shrill extremism, as she did in her speech to the 2nd World Climate Conference. "And our uncertainties about climate change are not all in one direction. The IPCC report is very honest about the margins of error. Climate change may be less than predicted. But equally it may occur more quickly than the present computer models suggest. Should this happen it would be doubly disastrous were we to shirk the challenge now. I see

the adoption of these policies as a sort of premium on insurance against fire, flood or other disaster. It may be cheaper or more cost-effective to take action now than to wait and find we have to pay much more later"

Given the magnitude of the challenge ahead, we should heed the lessons of the past on how to tackle this important policy area. Politicians and advocates should focus their communications on building the existing acceptance of climate change; focus messaging on the need for action now and challenge the need for trade-offs with a revenue neutral carbon tax that can offer progress on climate change and economic development. Doing so in thoughtful and non-alarmist language - as Thatcher did helps us understand how to cut through the partisan noise and speak to the public in a way they will hear and accept. Perhaps as importantly, we need to make smart action on the environment a test of character and rally the vital third party validators necessary to lend credibility and authority to action.

By taking advice of both Sir Humphrey and Margaret Thatcher and learning from the BC experience, carbon pricing advocates can work with public opinion as we find it and take action now.