

Canadians are ready for a carbon tax. Is anyone listening?

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Climate change is once again emerging as a pressing global issue, and it is becoming increasingly clear that substantial actions will need to be taken. What to do? An increasing number of experts and opinion leaders are concluding the solution lies in harnessing the market to put a proper price on carbon, which will provide concrete incentives for businesses and consumers to reduce greenhouse gas emissions that collectively will make a difference. And this approach is now being adopted around the world, in such jurisdictions as California, Australia, Norway, Ireland and the European Union. China has recently announced plans to implement a new tax on greenhouse emissions.

One of the principal market-based tools is a direct tax on carbon, which many believe is the simplest, most transparent and equitable approach. The country's private sector now seems to be on board with this form of carbon pricing: It has been endorsed in principle by the Canadian Council of Chief Executives, and leading oil companies are now building shadow carbon pricing into their estimates.

British Columbia introduced a provincial carbon tax, and a recent analysis published by the think tank Sustainable Prosperity concluded this policy reduced petroleum consumption by 15 percent, and at the same time supported rather than hampered the province's healthy economic growth.

Given these facts, what is stopping the rest of the country from adopting a similar strategy on climate change? Apparently the roadblock is the Canadian public which, according to some experts and most politicians, is already fed up with their current taxes and would never ever accept a new one on their gasoline and fuel oil. As proof of this political unacceptability of carbon taxes, many point to the "Green Shift" platform from Stephane Dion's disastrous 2008 Federal Election campaign. This explanation conveniently ignores the many other weaknesses of that ill-fated Liberal campaign, which was easily overmatched by the emergent Conservatives.

Carbon taxes deserve serious consideration because the evidence clearly suggests that Canadians are prepared to consider this approach to addressing climate change.

Let's start with the B.C. carbon tax, which was introduced by then-Premier Gordon Campbell with surprisingly little advance preparation of the political or public ground. Public opinion surveys conducted just after the announcement showed a modest majority of British Columbians in support of the new policy. This support wavered later in the year when the tax came into effect at the same time gas prices spiked, but later recovered and subsequently withstood a frontal attack by the NDP in the 2009 provincial election. Today, the B.C. carbon tax is supported by a clear majority (64%) of provincial residents, and unlikely to be an issue in the upcoming May election.

Does British Columbia represent an anomaly that could not be repeated in other parts of the country? In fact, research conducted by Environics Research and more recently the Environics Institute shows that a majority (59%) of Canadians outside of B.C. would support the introduction of a B.C. style carbon tax in their own province, a proportion that has been slowly building over the past four years. Majority support for such a tax is expressed in all provinces except Alberta (at 43%), and is most widespread in

Quebec (67%), followed by Manitoba (59%), Saskatchewan (58%), Ontario (58%) and Atlantic Canada (54%).

Skeptics may doubt the validity of these survey findings, but perhaps what should be questioned is the prevailing dogma about universal public opposition to taxes. Citizens' relationship with taxes is neither straightforward nor easy to predict. Research shows that most Canadians endorse the concept of taxes as a legitimate and important way to pay for essential services, and are prepared to pay more when the case can be made. Making this case requires that such a tax: a) addresses an issue or problem on which there is broad consensus that government needs to act; b) can be understood in terms of how it will help address the problem; and c) is applied equitably so that everyone pays their fair share.

Most Canadians consider climate change to be a serious issue, believe actions are needed to address it, and look to government to take the lead. At the same time, citizens are unclear about what solutions might work so they are relying on those running the country to figure this out and then make the case for moving forward. Given that Canadians are open to be convinced that carbon taxes are the right strategy for climate change, it is now time for our political and business leaders to demonstrate leadership on this important front. B.C. has led the way, and the onus properly rests on those in Ottawa and other provincial capitals to do their part.

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