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***The European experience of climate change policy-making:  
Lessons for Canada***

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Climate policy in Canada is in significant flux. The new government elected in October 2015 made a number of announcements quickly after its election, played a reinvigorated role in international negotiations in Paris in December, and has shifted the public rhetoric surrounding climate change in the country and internationally. Short-term, this has been tremendously successful in reputational terms, but whether it can be translated into sustained action over the coming decades remains to be seen. This brief suggests that doing this depends on three lessons that can be drawn from the European experience of climate policy-making, which has been significantly more successful than in Canada: the government’s ability (1) to develop institutionalized mechanisms to systematically develop and monitor climate policy across the federal-provincial divide; (2) to adopt a

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learning-by-doing approach to climate policy; and, (3) to identify opportunities and alliances to promote climate policy in a sustained way.

Both the European Union and Canada can be understood as decentralized, multilevel governance systems. And both, compared to many other federal systems, for example the U.S., are relatively decentralized, with weak authority at the centre, and thus need to develop coordinating mechanisms across the levels for many policy areas. Climate change is one such area, and particularly challenging in such situations, given that it touches on such a wide range of policy areas and sectors – transport, energy (which can itself be broken down into electricity, oil, fossil fuel extraction, etc.), agriculture, international affairs, taxation, and so on – each of which have differing divisions of authority across the two levels of government.

Despite these broad institutional similarities, the experience of climate change policy-making is radically different between the two political systems. Per capita levels of greenhouse gas (GHG) emissions are over twice as high in Canada as in the EU, and Canada’s emissions have grown substantially since 1990, when climate change got on the political agenda worldwide, while the EU’s have declined noticeably (see table). Looking forward, the EU plans to reduce its emissions by 40% below 1990 levels by 2030, while Canada has said it will reduce emissions by 30% below 2005 levels by 2030 (a much weaker target, since emissions grew by 22% between 1990 and 2005 – see table).

|  | <b>EU (28 members)</b> | <b>Canada</b> |
|--|------------------------|---------------|
| <b>Per capita emissions, tCO<sub>2</sub>e (2015)</b>                           | 8.9                    | 20.1          |
| <b>Change in emissions, 1990-2013 (excluding land use change and forestry)</b> | -16%                   | +25%          |
| <b>Pledged emissions target, 1990-2030</b>                                     | -40%                   | -8%           |

Sources: <http://climateactiontracker.org/>, <http://cait.wri.org/>

This divergence can be largely explained by two key determinants of GHG emissions – dependence on fossil fuels and population density. But the institutional dimension is nevertheless important in shaping how the two polities might move forward. Generally, we know that more centralized polities find it easier to develop successful environmental performance (Scruggs 2003) and climate change policy (Lachapelle & Paterson 2013) than decentralized ones, and many of the leading countries in climate policy (Sweden, the U.K., Germany) are either unitary states or relatively centralized federal systems. Despite its decentralization, the EU has been able to generate mechanisms for moving climate policy forward that Canada has, so far, been unable to do.

Three broad aspects of the process of climate policy-making in the EU could be usefully taken and adapted to Canadian conditions to move climate policy forward.

The first of these concerns coordinating mechanisms. The EU, and a good number of its member states, have elaborate institutionalized mechanisms for planning forward to ambitious GHG reduction targets, projecting the impacts of policies adopted, distributing the effort of emissions reductions across member states with widely diverging economies, and monitoring trends in emissions continuously to be able to regularly increase the ambition of Canada's emissions target and introduce policies as necessary to meet it. This requires significant governance capacity at both levels, in collecting fine-grained emissions data across countries/provinces and sectors, and in coordinating the actors across the two principal levels of government. At best, such capacity is nascent in Canada, and a very significant and early effort is needed to develop such a system, so that sustained attention to reduce emissions is institutionalized for the next 30-40 years, in order to decarbonize the Canadian economy. At present, it is not clear if the new government has understood this dimension of the problem. Certainly, the Cabinet Committee on Environment, Climate Change and Energy is poorly designed to carry out this strategic coordination function, lacking key ministers, in particular the ministers of Finance and Interprovincial Affairs, and the Prime Minister himself (see Paterson 2015 for more details).

One specific important aspect is in the co-decision procedure that enables decisions to be made when there is conflict between the EU level and a number of member states. No such mechanism exists in Canada, and such conflict has led largely to stasis between the two levels in Canada. The federal government needs thus to craft a collaborative mechanism across the two levels, again pretty quickly, which means the relationship is less focused on constitutional jurisdictional fights and more on collective problem solving.

Second, the mental orientation to the task needs to change. For most part, decision-making in Canada has been highly cautious, highly focused on the economic costs of policy, and wanting considerable certainty about the benefits of policy before it is adopted. In practice, this has contributed to the lack of policy being adopted. By contrast, where countries (including the EU) have started to generate significant emissions reductions, they have adopted more of a "learning by doing" way of introducing policy.

In part, this is because of the effects of thinking about climate change in terms of decarbonizing the economy. No government has ever before tried to transform the economy in such a dramatic fashion. So it's not a surprise that they don't really know how to do it. Some economists will argue that all that is needed is a price on carbon, but most who have really started to grapple with the task of such a transformation recognize the immense complexity and uncertainties surrounding what policies will work on which sectors and types of carbon-generating activity. Hence an "experimental" way of approaching climate change has become important to successful efforts (Hoffmann 2011; Bulkeley & Castán Broto 2013) involving trying out policy approaches, tweaking them regularly in the light of experience and new information, working out their limits and what they thus need to be complemented with, and so on.

Third, policy development needs to focus on identifying opportunities and alliances to create self-feeding policy loops. One of the important lessons of the EU Emissions Trading Scheme is that it generated new political constituencies for tightened climate policy. In that case, it was the financial sector that benefited from the trading scheme (and thus with particular political tensions and problems, especially after the financial crisis, and thus the legitimacy of financial actors started) but successful policies create political constituencies (Paterson 2012). The feed-in-tariff in Germany, followed also with considerable success in Ontario, is another example. These policies often generate some backlash because of the benefits they bestow on particular groups and their apparently high overall costs (Stokes 2013), but nevertheless are necessary to build particular alliances that are needed to overcome opposition to climate policy.

Such lessons are not straightforward to adapt to Canadian circumstances. But it will be useful to keep learning from places that are far ahead of Canada in climate policy terms (notably the EU), while adapting those lessons for Canadian circumstances, rather than reinventing the wheel and assuming there are no lessons to be learned from elsewhere.

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