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## Introduction: Institutions and the Integrity Gap in Canadian Environmental Policy

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In trying to understand Canada's environmental policy making, the relationship between what is said and what gets done merits more systematic attention than it has received to date. From global climate change to local air quality, it is worth comparing the ways in which Canada identifies environmental challenges with the means that are adopted to deal with them. The resulting contrast yields a range of dissonance between policy aims and outcomes that demands explanation.

By and large, all levels of Canadian government exhibit a willingness to identify environmental challenges rather than deny their existence or minimize their importance. Once problems are recognized, however, Canadian policies often fail to deliver solutions or even launch efforts to attain those solutions. Trying to explain why Canadian environmental policy regularly falls short of acting on identified problems has led us to consider the concept of integrity in Canada's environmental policy and seek evidence of where and when the gap between objectives and efforts exists, as well as what difference it makes to Canada's governance.

Analyzing that integrity gap yields insights into the role that Canada's politico-economic institutions play in enabling certain kinds of environmental policy initiatives while frustrating other policy efforts. In the chapters that follow, the distinctive configuration of Canada's politico-economic institutions will be explored by fourteen authors who document and assess its influence on the integrity of environmental policy performance. They will consider different degrees of constraint and opportunity that Canada's institutional arrangements can place upon achieving declared environmental policy goals, thereby yielding different degrees of a gap between the rhetoric and the reality of Canada's environmental performance during the 1990s.

Canada's international reputation as a country with so much unspoiled nature and seemingly strong environmental concerns among the public gives the impression that environmental policy performs well and yields efforts that are aligned with defined problems. Contrary to such a popular

image, Canada's environment is fraught with challenges and threats to sustainability where policy and reality are often quite divergent (Boyd 2001). At the heart of most of these challenges, one finds institutionalized constraints on government's ability to deliver upon stated environmental policy goals. Before turning to the institutional variables that influence this integrity gap in environmental policy, we need to fully define this concept and operationalize it as an analytical variable.

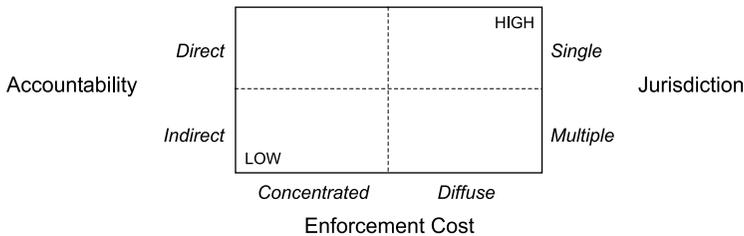
**Integrity as a Dependent Variable in Environmental Policy Making**

We begin by defining the key variable in this study. Environmental policy integrity is the degree to which Canadian policy makers can align environmental problem definitions, objectives for dealing with those problems, and the measures that are implemented to attain those objectives. The level of integrity behind Canada's environmental policy initiatives will be seen to vary considerably across different sectors and at different points in time. Thus, the dependent variable that we will be assessing throughout the coming chapters is environmental policy integrity. The challenge of explaining such variation falls to a typology of environmental policy integrity that Figure 1.1 presents in schematic form.

To simplify as well as clarify the range of integrity in Canadian environmental policy, we defined the integrity level as a dichotomous variable. In cases that exhibit a high level of environmental integrity, one finds policy instruments being implemented in line with the problems and challenges that have been identified. In cases with a low level of environmental integrity, one finds a divergence between rhetoric and reality. Here, policy fails to live up to its commitment to resolve an environmental problem in one way or another, yielding an integrity gap. Our understanding of environmental policy integrity presumes a good-faith effort to recognize environmental challenges and make commitments to solve such problems.

Figure 1.1

**Institutional influences on environmental policy integrity**



The findings presented in this book suggest that the level of environmental integrity in a given policy domain very much depends upon the configuration of politico-economic institutions influencing that domain. We have grouped these independent variables into three clusters that can be summarized as jurisdiction, accountability, and enforcement cost. Let us briefly consider how each of these clusters can influence the level of environmental policy integrity.

Political jurisdictions are a ubiquitous feature of Canadian environmental policy, influencing virtually all policy domains because of the federal division of powers. While Ottawa can commit to international environmental initiatives, such as the Framework Convention on Climate Change, and set environmental standards, such as the minimum levels for adequate ambient air quality, it is largely up to the provinces to implement and enforce these policies. The relationship between federal and provincial jurisdictions, as well as among multiple provincial jurisdictions and municipal governments (which assume responsibility for policies with significant environmental influence, such as public health and urban transit, that are delegated by provincial governments), thus becomes an important influence on aligning environmental policy performance with goals.

Our research has found that jurisdictional cooperation is associated with a high level of integrity, whereas competition among jurisdictions is generally found in instances of low environmental integrity. Others have documented this correlation between low effectiveness of environmental policy and jurisdictional competition, as captured in Harrison's phrase (1996) of "passing the buck" in environmental policy. What our research highlights is that such jurisdictional buck passing does less to inhibit the formulation of environmental policy goals than to impede the implementation and attainment of such goals, thus yielding an integrity gap in environmental policy.

The accountability that government officials face, or are perceived to face, for both the state of the environment and their stewardship of it forms a second institutional cluster that influences the level of integrity in environmental policy. Public support for the environment has been uneven over the years (Brooks 1998), with peaks correlating with publicized incidents of environmental damage such as oil spills, toxic bacteria in drinking water supplies, or extreme weather events. Even when environmental concern is tempered by worries about jobs and social policy, opinion surveys show that the environment remains on people's minds, ready to rise to a higher priority when evidence of problems emerges.

When Canadians are asked to choose the most important problem facing their country, social policy issues such as health care and education vie with unemployment for a top spot in poll results (*Maclean's* 1999, 2000, 2001). Before the last federal election, in 2000, however, environmental

issues ranked ahead of much-discussed topics such as corporate and personal income tax cuts as policy priorities among eligible voters. A pollster at Environics International stated that their pre-election polling signalled “a re-emergence of trends that were at work in the late 80s when the environment became the most important top-of-mind issue [among Canadians]” (Greenelection.org 2000).

This uneven nature of public support makes environmental policy a tricky domain for public officials. Decisions about how to address environmental impacts and problems often have to be made amid both scientific uncertainty and shifting public priorities. No official wants to get caught out on a limb with environmental issues, but predicting which decisions could trigger public reproach is not an easy matter. Officials with clear and direct public accountability will be quite careful to see that environmental policy commitments are carried out, or at least seen to be carried out. Conversely, officials who are insulated from public accountability will feel less pressure to ensure that policy outputs are closely aligned with previous commitments.

Wilson (1973, 1983) and Stanbury (1986), among others, have explored how the distribution of economic costs and benefits will influence different political mobilization and engagement in the policy process. When costs are concentrated, affected interests have considerable incentive to mobilize in opposition to a particular policy. When the costs of policy initiatives can be diffused, however, political mobilization around a policy process is less likely. The contrast between air quality management efforts in the Greater Toronto Area versus the Vancouver region, explored by Anthony Perl in Chapter 7, illustrates how a concentrated distribution of costs can constrain environmental integrity, as Ontario’s automotive interests strongly resisted the adoption of more effective policy options. Vancouver’s policy options were far less constrained because of the ability to diffuse the economic costs of auto pollution abatement efforts across the region.

The influences generated by these domestic political and economic institutions each have their counterpart in Canada’s relationships with the global political economy. Ranging from multilateral environmental policy initiatives like the Framework Convention on Climate Change to the trade and security arrangements with the United States, these international relationships can either magnify or offset the domestic institutional forces influencing environmental integrity. For example, Canada’s commitment to the Kyoto protocol has given Ottawa a greater jurisdictional weight in environmental policy deliberations where some provinces see matters very differently. Steven Bernstein’s chapter in this volume (Chapter 4) thus suggests that a multinational normative framework could help Canada overcome the effect of domestic institutional constraints.

On the other hand, the development of a continental free trade zone creates pressure on natural resource industries to extract more output at

lower cost, thereby increasing their opposition to environmental regulation or impact mitigation. Michael Howlett's analysis of Canada's transition from a "staples" to a "post-staples" political economy (Chapter 3) sheds light on the link between continental economic integration and environmental policy making. Thus, the international dimension of institutional influence upon environmental policy integrity can often help explain instances where domestic institutional influences appear to be magnified or mitigated.

### **Neo-Institutionalism as a Window on Integrity in Canadian Environmental Policy**

This section lays out how a neo-institutionalist analytical framework will orient assessment of Canada's environmental policy integrity. Although the new institutionalism has several analytical variants, one common feature is that they all seek to examine the influence of existing rules and norms on policy making. This approach assumes that both formal and informal institutions shape the preferences of policy actors and their capacity to achieve desired policy outcomes.

We explain the differences in environmental policy integrity in various sectors by pointing out how institutional legacy in the cases assessed by the contributors to this volume creates a policy inheritance that facilitates deliberating about environmental policy options while at the same time placing significant limits on environmental policy implementation. Organizationally, certain interests and groups become privileged by these institutional arrangements (e.g., those that benefit from and/or prefer environmental policy making that favours "talk" over "action"), while others are disadvantaged. In terms of the cognitive framework that orients policy actors, certain values and ideas will appear to be legitimized by these precedents and ongoing practices, while other beliefs come to be cast as unorthodox, or even "un-Canadian," as a result of institutionalized norms. Taken together, the organizational and cognitive dimensions of Canada's institutional inheritance tend to hold back the achievement of declared environmental policy goals. A key question arising from our analysis will be how durable the institutional legacy behind Canada's environmental policy inheritance may turn out to be in the face of domestic and international pressures for enhanced policy performance.<sup>1</sup> At home, the Canadian electorate appears open-minded about post-industrial environmental values, while abroad Canada's trading partners and competitors are making significant international commitments to environmental protection. Institutional structures, however, remain "hard-wired" in legal, and in some cases constitutional, arrangements that regularly serve as barriers to acting upon Canadian environmental initiatives.

An early theoretical elaboration of the new institutionalism in contemporary political science and public policy was offered by March and Olsen

(1984). They highlighted the neo-institutional focus on the relative autonomy of political institutions, legal precedents as applied by the judiciary, and administrative structures as offering valuable insights into public policy. Institutions structure political reality and define the terms and nature of political discourse, and therefore influence the outcome of policy decisions. "Political life in general, and the preferences of political actors in particular, are likely to be heavily influenced by institutional experience," according to Atkinson and Coleman (1989, 5). Neo-institutionalists thus seek to understand policy process in terms of the structure and configuration of institutions. Atkinson (1993, 6-7) defined institutions as "configurations or networks of organizational capabilities ... that are deployed according to rules and norms that structure individual participation, govern appropriate behaviour, and limit the range of acceptable outcomes." The concept can include rules of behaviour, norms, roles, routines, established processes, inventory of formal and informal procedures, and physical arrangements.

Institutions are neither neutral reflections of exogenous environmental forces nor neutral arenas for the performance of individuals driven by exogenous preferences and expectations (March and Olsen 1984, 742). Institutions reflect the power relations among actors in the polity. That is, institutions have historically embedded relations among various interests in the political economy, often designed to protect certain groups or disadvantage others (Cowhey and McCubbins 1995, 10). As such, they have a certain level of continuity and durability so far as the power relations exist, and "reforms to existing policies are often not possible without basic changes in institutional arrangements" (Atkinson and Coleman 1989, 6). Institutions can also learn, however. "Institutions accumulate historical experience through learning. The results and inferences of past experience are stored in standard operating procedures, professional rules, and the elementary rules of thumb of a practical person." Institutions learn by modifying the strategy, the competence (skills), and the aspirations (expectations) of actors working within their guidance (March and Olsen 1984, 745-46).

Although all neo-institutionalists base their work on the assumption that institutions matter, answers to the question of how and to what extent they matter vary among different approaches, which include rational choice institutionalism, sociological institutionalism, and historical institutionalism (Koelble 1995; Kato 1996; Hall and Taylor 1996). Historical institutionalists emphasize policy outcomes as the product of institutional context where policy actors interact. Institutions guide the actions of individual policy makers. For them, social causation is path-dependent. Policy outcome is "a function of institutional capabilities that were put in place at some earlier period" (Krasner 1988, 67). Situational factors, policy legacies from the past, and state capacities each work to structure, condition, and influence the future path of policy (Koelble 1995, 232; Hall and Taylor 1996, 941). Institutions

also shape policy outcomes in the sense that they are not neutral. They “structure conflicts so as to privilege some interests while demobilizing others.” “Institutions give some groups or interests disproportionate access to the decision-making process” (Hall and Taylor 1996, 937, 941).

Earlier works by historical institutionalists paid attention primarily to the state (Katzenstein 1978; Krasner 1978; Skocpol 1979; Nordlinger 1981; Evans et al. 1985; Hall 1986). They also extended the scope of their interest to other institutions in the political economy, such as labour and capital, and to state-society relations (Schmitter and Lehmbruch 1982; Zysman 1983; Hall 1986; Steinmo et al. 1992). There are also meso-level analyses that differentiate the influence of institutions on policy actors according to categories known as policy communities and policy networks. The fullness of such meso-level institutional influences on policy making is best interpreted using the analytical framework that Atkinson, Coleman, and Skogstad have developed in their analyses of policy communities and policy networks in Canada’s various public policy areas (Atkinson and Coleman 1989; Coleman and Skogstad 1990). More recently, Coleman and Perl refined these concepts to take explicit account of international interactions. The policy network concept seeks to identify participants in the governance structure and the patterns of their relationships. The idea of a policy network aims to pinpoint differences in the manner by which public power is shared among policy makers and other interested parties (Coleman and Perl 1999, 694-95).

Sociological institutionalism holds that individual decisions are influenced by a broader social and cultural frame of reference. Here, individuals are dependent variables and culture and society generate the key independent variables. Institutions, which are socially constructed and propagate culturally specific practices, function as an intervening variable (Powell and DiMaggio 1991; Koelble 1995). For sociological institutionalists, the definition of institutions itself is very broad, including “formal rules, procedures, norms, symbol systems, cognitive scripts, moral templates that provide the frames of meaning guiding human action,” and is indistinguishable from culture. As such, institutions influence behaviour by forming individual preferences and by providing the individual with self-image and identity in a given cultural context (Hall and Taylor 1996, 946-48).

Sociological institutionalists theorize that institutions are created because they enhance social legitimacy (Hall and Taylor 1996, 949-50). For instance, professional communities with cultural authority set up institutions to press certain standards upon their members. Institutions may emerge from an interactive process of discussion among actors in a given network. This can also happen in the international arena, where the actors are nation-states. We see the emergence of international norms or authority, developed among leading nations and subsequently accepted by others (Meyer and Scott 1994).

Rational choice institutionalism argues that policy decisions can be explained by utility-maximizing individuals' strategic calculations made within the parameters set by institutions (North 1990; Rosenbluth 1993). Here, institutions are also considered as an intervening variable, but one that operates in a world where preferences regarding instrumental values (e.g., efficiency, individual gain, and corporate profit) are virtually homogeneous. Under such congruent motivation, "political institutions create incentives for individual behavior by raising the costs of some actions ... and facilitating or rewarding individuals for choosing other actions" (Cowhey and McCubbins 1995, 10). Rational choice institutionalism suggests that individuals create institutions to pursue their interests, to lower transaction costs, and to induce cooperative behaviour (Koelble 1995, 232, 239). Institutions are formed to avoid collective-action problems. Thus, institutional change comes about when the individuals who created the institutions see new means to attain their ends.

All three institutionalisms are useful to better understand certain attributes of policy making, and the contributors to this volume implicitly or explicitly draw upon various aspects of these institutionalist perspectives in their analyses of Canadian environmental policies. Before moving to discussions of specific sectors presented by our authors, we now provide a brief description of the macro-institutional context within which Canadian environmental policies are formulated and implemented.

Institutions reflect the way Canadian political power is defined and distributed, and in turn structure political and policy-making process and the relationship among various state and societal actors. Some relevant institutional features of the Canadian system would include the constitutional order, rules and regulations, the electoral system, the party system, policy communities, and policy networks. International norms and formal regimes also influence the behaviour of actors. Even other background factors such as public opinion and ideology have institutionalized aspects that influence policy actors in a patterned way.

We may first consider some of the macro-institutional factors that set the broad parameters of Canada's environmental governance. Among Canada's political institutions, the most basic is the constitutional order. As a former British colony, Canada inherited the Westminster model of the parliamentary system. Its principle of parliamentary sovereignty stipulates the supremacy of the parliament as the sole law-making body of the land. In practice, political power rests in the majority party, and ultimately in the cabinet and the prime minister who controls it. Thus, Canadian federal politics and policy process display a strong form of executive leadership typical of the Westminster model, with fusion of power as opposed to a presidential system with division of power. However, Canada's constitutional

order is significantly modified by federalism: the division of powers between the federal and provincial governments.

The British North America (BNA) Act determined the legal, organizational, and political setting for policy making. The BNA Act thus structured relations among various actors in the federal and provincial governments, and set parameters for conventions and practices of decision making. At the inception of the Canadian confederation, however, “environment was not perceived as a coherent subject for the legislators’ attention” (Hessing and Howlett 1997, 54). Although the constitution delineated governments’ jurisdictions concerning areas that bear on environmental management, it did not define the jurisdiction of an environmental mandate *per se*. In principle, the federal government makes national environmental policy, sets guidelines for provincial regulatory standards, conducts scientific research, and deals with international or interprovincial matters. Implementation of federal policies and administration of regulations is mainly the responsibility of the provinces. The reality is not nearly so straightforward.

In accordance with the division of powers laid out in the constitution, both the federal and provincial governments can and do claim their jurisdiction over environmental matters. Provincial governments get involved through their control over public lands, management of resources owned by the provinces, and all matters relating to municipal government. The federal government acts on the environment through its jurisdiction over federal lands, taxation and spending, international trade and commerce, shipping, fisheries, and treaty powers, to name a few (Doern and Conway 1994, 84). Thus, the responsibility for Canada’s environment is divided, and “this situation has led to a patchwork response to environmental concerns by both levels of government in Canada. Different aspects of environmental problems are dealt with by different levels of government in accordance with resource ownership and jurisdiction as initially laid out in 1867 and modified in 1982” (Hessing and Howlett 1997, 57). Such jurisdictional overlap is both a cause for policy fragmentation and a potential source of federal/provincial conflict (Doern and Conway 1994, Chapter 4).

Moreover, this tendency towards fragmentation and jurisdictional conflict is exacerbated by an important feature of Canadian political economy. That is, many Canadian provinces have resource-based and politically influential industries such as forestry in British Columbia and energy in Alberta. This structural perspective has inspired the line of argument that because Canada’s provincial governments have been dominated by resource extractive industries, they are therefore less protective of the environment than larger and/or more diverse jurisdictions, where policy making cannot be easily dominated by resource interests (Paehlke 2000, 161). A similar argument can be made about Ontario’s transportation policies (which have significant

environmental effects) and the influence of the auto industry. To the extent that this argument is valid, Canada's national environmental governance is limited by provincial policy capture.

Ottawa sometimes makes attempts to influence provincial policies, by utilizing its spending power or jurisdiction over interprovincial trade, but provincial governments are extremely sensitive about federal intervention on environmental matters when it challenges their region's dominant economic interests. In recent years, the already fragmented and decentralized environmental administration in Canada has moved towards further fragmentation and decentralization. Decentralization has been carried out in the name of reducing duplication and increasing efficiency in the age of fiscal retrenchment and global competition. It is also the result of persistent centrifugal pulls from decentralizing forces in Quebec and other provinces throughout recent constitutional wrangles (Howlett et al. 1999, 197-99; Paehlke 2000, 172-74).

As a corollary to the British-style parliamentary system, Canada's electoral system adopts a single-member district with plurality, or first-past-the-post, decision for federal and all provincial elections. This has a bias towards a middle-of-the-road two-party system, with a serious disadvantage for smaller parties or parties with support from single-issue groups. Groups espousing environmental causes would better translate their votes into seats through an electoral system with proportional representation, as Green parties in several European countries and the European Parliament have demonstrated. In addition, representation in Canada is based on geographically specific electoral districts, which encourages regionalism in electoral politics, exaggerates regional cleavages, and tends to reward the geographic, as opposed to ideological, concentration of voter support. It has been amply demonstrated in recent years by the emergence of regional parties such as the Reform Party/Canadian Alliance and the Bloc Québécois. Thus, parties with a diffuse base of support are penalized, leading to under-representation of groups focusing on issues such as women, the poor, and Aborigines (Howlett et al. 1999, 189). This electoral deficit also affects environmentally oriented groups. Such an electoral and party system is one of the reasons the environmental concerns of the Canadian public are not translated into campaign themes during electoral contests. Voting in Canadian elections is determined primarily by economic issues, national unity, and regional concerns (Paehlke 2000, 163).

Another major feature of the Canadian political system derived from the parliamentary model has to do with public administration. In a parliamentary system of government, the cabinet controls the policy-making process through its dominance of the parliament, and the bureaucracy has great influence in the policy process through its advisory capacity to ministers. Not all bureaucratic agencies are equal in power, however. There are powerful

central agencies such as the Privy Council Office and the Prime Minister's Office, which perform control and coordination functions over the bureaucracy (Campbell and Szablowski 1979). And in an era of globalized finance where capital outflows can quickly "punish" governments with non-conforming policies, departments with financial responsibilities are among the most influential: the Treasury Board Secretariat and the Department of Finance are Canada's budgetary and financial watchdogs. Their influence increased during the 1980s, when governments around the world sought to curb deficit spending. During such fiscal retrenchment, environmental agencies became among the weakest bureaucracies in most countries, including Canada. When the Finance Department implemented massive budget cuts in the 1990s, Environment Canada was an easy target.

In Canada systematic state intervention in environmental management started in the postwar years, as both the federal and provincial governments began to introduce regulations against pollution. In the earlier period, rather than face the complications of creating a completely new administrative structure with an environmental mandate, governments often added environmental responsibilities to existing resource mandates. "This approach contributed to the division of administrative resources and environmental functions, both vertically between different levels of government and horizontally between different agencies and departments with overlapping jurisdictions" (Hessing and Howlett 1997, 51). To deal with the inadequacies of such an approach, environmental ministries were later established at both federal and provincial levels. In 1971 the Trudeau cabinet created the federal Department of Environment (DOE), which integrated various existing functions of environmental protection and resource management. The department was launched with ambition, was supported by political leadership, and exhibited early policy innovation. It grew rapidly as an important organizational and legal framework for environmental regulation and assessment was established. Canada wielded considerable influence as a number of DOE experts took on leadership roles in the international environmental policy community (Doern and Conway 1994, 12-15).

The DOE's influence declined progressively during the 1980s, however, due to structural shortcomings, a series of budget cuts, limited political support, and loss of leadership. From its inception, the DOE faced problems stemming from structural fragmentation and legal deficiency. Environment Canada suffered from serious internal division as it "was put together ... from a complex mix of 'organizational orphans' drawn from throughout the federal government, and was then basically left to sort itself out and bring some coherence and direction to its activities" (Doern and Conway 1994, 16). Moreover, provincial governments soon established their own environmental ministries, and the DOE's capacity was undermined by the realities of divided environmental jurisdiction between the two levels of

government (Doern and Conway 1994, 99). The DOE also had weak statutory capacity to regulate the environment, and the department was supposed to achieve its policy mandate by coordinating the activities of other departments (Hessing and Howlett 1997, 52), which is difficult under the best of circumstances.

Ultimately, the DOE suffered the fate of a politically weak department with responsibility beyond its capacity. Frequent ministerial turnovers were a sign of weakness typical of such a department, with the average ministerial term lasting just over a year. The department was always on the defensive, while its mandate required assertive leadership. Such leadership was hard to come by partly because most of the environment ministers were of junior status within the cabinet. Attempts by ministers and higher officials of the DOE to develop coherent and comprehensive policies largely failed, with certain exceptions such as the 1990 Green Plan (Doern and Conway 1994, 38-39).

Over the years, the institutions of Canadian environmental administration were also affected by the shifting tides of the Canadian political economy. In the mid-1970s and early 1990s, Canada's political economy experienced sharp recessions. And from the 1980s onward, Canada witnessed the growth of neoconservatism and was transformed by economic globalization. Each of these influences had a profound impact on Canadian environmental policy institutions. Particularly in the early 1990s, the government was faced with a prolonged and painful recession and ballooning public debt. In order to resuscitate the economy and avoid pressures towards higher tax and interest rates, the federal government carried out drastic financial retrenchment measures and decentralization of public administration. After sweeping spending cuts for a number of years, the Liberal government in Ottawa balanced its budget in 1997, for the first time in twenty-eight years. Environmental spending suffered severe reductions.

Among the consequences of federal budget cuts were the off-loading of environmental protection functions to the provincial level, the weakening of federal coordination over provincial governments, and the further decentralization of an already decentralized system. Simultaneously, provincial governments were also going through their own process of far-reaching budget cuts, including cuts to environmental expenditures. Right-wing governments in Alberta and Ontario have been particularly enthusiastic in their cutbacks. In Ontario, for instance, the environmental budget was cut by two-thirds from a high of over \$700 million in 1992 to around \$200 million at the end of the decade. Staff cuts in the province's environmental ministry were equally dramatic, leaving 41 percent fewer employees in 2000 than in the mid-1990s. When only full-time staff are considered, the head count has shrunk by 58 percent. Such drastic cuts in environmental spending did not cause any serious backlash to the governments in power. Canadians

were experiencing hard times, environmental protection was not a priority that translated into votes, and environmental budget cuts were not particularly noticeable when they were combined with massive cuts in social expenditures (Paehlke 2000, 165-71).

So far, we have considered how Canada's domestic institutional features affect its environmental governance. Canada, however, is part of the international community, whose institutions can also have an impact on national environmental policy making. This is particularly so as Canada has a very open economy, whose growth is greatly dependent on trade. International institutions set the external parameter for Canada's environmental policy, and can be a double-edged sword that acts as both constraint and facilitator for Canada's efforts to deal with environmental issues.

International regimes that govern Canada's trade relations, such as the North American Free Trade Agreement (NAFTA) or the World Trade Organization (WTO), have both direct and indirect impacts on Canada. Canada has been increasingly exposed to the forces of global economic competition and the dominant neoliberal "global standard." The WTO represents the ultimate regulator of accelerating global economic integration, which significantly affects Canadian environmental policy making. For instance, Canada as a trading nation highly oriented towards resource extraction may find it difficult to be too protective of the environment at the expense of its capacity to compete in the global market, and globalization tends to create pressures against strict domestic environmental regulations. "Moreover, to the extent that environmental policy is a provincial, rather than federal, responsibility, the reality of competitive pressure looms even larger. The economies of some Canadian provinces are dominated by only a few industries, making those industries very powerful indeed within that limited political context" (Paehlke 2000, 174). The environment, or certain aspects of it, may be a low priority in those regions.

In the 1970s, however, Canada was known for its environmental internationalism in the multilateral arena. Along the lines of the Pearsonian foreign policy tradition, Canada played a prominent leadership role in shaping international environmental regimes through efforts such as the 1972 UN conference on environment in Stockholm and the Brundtland Commission, and in building the momentum for subsequent achievements, culminating in the 1992 Rio Summit and Agenda 21. In those years, Canada was instrumental in fostering international environmental policy paradigms based on the concept of sustainable development (Doern and Conway 1994, 124-25). Such international successes did not necessarily facilitate stronger domestic environmental leadership, however, and Canada in the 1990s turned from a leader to a follower (see Chapter 4).

Canada currently participates in various bilateral and multilateral treaties, international organizations, agreements, protocols, and other international

regimes that govern global environmental norms and regulations. For instance, Canada is a signatory of the North American Commission on Environmental Cooperation, the United Nations Environment Programme, the United Nations Framework Convention on Climate Change, and other UN agencies and programs such as the Kyoto Protocol, to name a few (Hessing and Howlett 1997, 67-68). To the extent that Canada is committed to these international regimes, there is pressure on Canada to comply with their norms. "Perhaps the best current prospects for returning Canada to positive sustainability initiative ... may come from a federal government emboldened by international environmental pressures," according to Paehlke (2000, 174).

### **Organization of This Book**

The impact of the macro- and meso-level institutional influences identified above fosters the patterns that we have sketched out in Figure 1.1, which influence the integrity level of environmental policy. Each chapter in this book will apply the neo-institutional framework that has been outlined above to illuminate the relationship between aims and efforts in specific episodes and examples of Canadian environmental policy making. They cover a representative, if not exhaustive, range of the environmental challenges facing Canada, including global climate change (Steven Bernstein, Chapter 4), nuclear power and the issue of energy mixes (Michael D. Mehta, Chapter 5), forest resource management (Fikret Berkes and colleagues, Chapter 6), urban air quality improvement (Anthony Perl, Chapter 7), planning for sustainable cities (Richard Gilbert, Chapter 8; David Gurin, Chapter 9), and the environmental implications of macroeconomic change (Michael Howlett, Chapter 3). The contributors cover different levels of environmental governance, from systemic (William Leiss, Chapter 2), to international (Bernstein), to national (Howlett, Mehta), to provincial (Berkes and colleagues, Perl), to local (Gilbert, Gurin).

Leiss characterizes environmental problems as a latecomer to Canada's public policy agenda and identifies the structure of the government and federal/provincial conflict as the main culprits behind the integrity gap. Consequently, Canadian governing institutions require politically difficult restructuring to effectively address environmental problems. He also finds that high uncertainty regarding the causal connections underlying environmental problems promotes government indecision and industry obstruction. Leiss emphasizes effective risk issue management, risk communication, and public engagement as means of enhancing environmental policy capacity.

Howlett's chapter sets the stage for understanding why the integrity of Canada's environmental policy often suffers by situating this policy domain within a political economy framework. The general relationships between natural resource and environmental policy making in Canada are

explored, and the environmental policy implications of the natural resource sector's gradual decline as a source of investment and employment in the Canadian economy are discussed. Using the notion of a transition from a "staples" political economy to a "post-staples" political economy, the chapter compares the general features of a staples political economy with the less resource-intensive and more urban attributes of Canada's emergent post-staples economy.

Howlett notes the short-term increase in political polarization regarding the environment, and the consequent policy stalemate evidenced by a simultaneous increase in diffuse public support for environmental protection coupled with opposition to specific sustainability measures on the part of traditional resource interests and constituencies. To the extent that the transition to a post-staples political economy is uneven across regions, the possibility of an integrity gap in Canada's environmental policy remains real. In terms of accountability, diffuse public support for environmental protection in urban areas would put less direct pressure on the government, given the nature of Canada's electoral system, compared with resource-dependent regions, which would have more focused and direct electoral pressure to resist protection measures that might undermine the source of their wealth and employment. The costs of enforcing such protection would also be felt unevenly, with the resource-dependent regions bearing the brunt. This would intensify their resistance to policies that respond to environmental concerns. Howlett predicts that post-staples economic restructuring would shift the focus of Canadian environmental policy away from debates over wilderness protection and sustainable resource management, which would eventually accommodate preservation, and towards issues affecting urban health and quality of life, such as smog, green space, and water quality. The author does qualify this forecasted convergence between Canadian and European environmental policy, noting that it could be constrained by any limits that arise in Canada's transition to a post-staples political economy.

Employing a sociological institutionalist perspective, the chapter by Bernstein argues that the climate change regime evolved internationally to fit with liberal environmentalism, which has become the normative structure of the day. The Kyoto Protocol establishes an international institutional structure for domestic responses to climate change, and establishes a normative framework for countries to respond to climate change. This chapter probes how Canada, one of the largest emitters of greenhouse gases per capita, has promoted commitments and mechanisms on climate change consistent with its own domestic institutional constraints. Bernstein observes a gap between the greenhouse gas reduction targets that Canada committed to in a multilateral negotiation process and the likely inaction that would be the case if the typical domestic constraints on environmental policy remain unchecked.

This low level of integrity can be attributed to the institutional features outlined in our typology. One of the main institutional constraints on Canada's environmental policy is the existence of multiple and competitive jurisdictions. Within the federal cabinet, Environment Canada and Natural Resources Canada often have divergent interests on matters related to climate change. The existence of different levels of government claiming jurisdiction also complicates domestic policy implementation. Enforcement cost of abatement measures is another constraint. The cost of meeting the Kyoto commitment would probably be concentrated in certain sectors and regions, which could be the major source of resistance to the Kyoto agreement. In addition, because of the vagueness of accountability due to competing jurisdictions and the long-term horizon of climate change debate beyond the electoral cycles of political competition, policy makers may not be under direct pressure to act. The challenge facing Canada in meeting this commitment will not be easy; it could, however, be made easier by the weight of international norms and of Canada's international reputation as they begin to enter the institutional context of environmental policy regarding climate change, and this is where Bernstein sees some sign of hope.

The chapter by Mehta presents Canada's nuclear energy sector as a cautionary tale for those concerned about environmental integrity. Certain resource-poor countries chose nuclear energy as their future energy mainstay. To a lesser extent, Canada's province of Ontario followed a similar path. The public credibility of Canada's nuclear industry has been undermined by safety issues and evidence about the costly life-cycle economics of nuclear development, but the insulated nature of discourse and deliberation regarding nuclear power in Canada continues to promote the technology and resists broader public engagement on alternative energy sources. Manufacturers, suppliers, and regulators form an insular policy community that is both resistant and hostile to citizen participation. Here, the level of environmental policy integrity is low and an integrity gap arises from the insensitivity of policy participants to the environmental risks being generated.

Because of its insular and inaccessible nature, Canada's nuclear policy network lacks accountability. It has not faced much direct pressure from the public. For instance, the Atomic Energy Control Board (AECB), the federal regulator, is not required to hold hearings at any stage of its regulatory activities. Environmental assessment of nuclear projects is conducted by the AECB, and unless it finds a serious problem or significant public concern, no further review is done. In addition, despite the increasing awareness that nuclear energy is risky and uneconomical, the cost of reducing dependence on nuclear energy will be enormously high and will be borne mainly by the few utilities and ultimately by federal budget allocations. Mehta argues that a country's energy mix should reflect an awareness of the associated environmental, economic, social, and human health implications,

and that Canada's current reliance on nuclear power fails this test. He also suggests that developed countries, including Canada, should break the barriers to innovation erected by nuclear power policy communities, which would enable more effective pursuit of renewable energy development.

Berkes and his colleagues explore the sustainability of natural resource extraction at the local and regional levels by emphasizing the Canadian experience with participatory processes and the use of local environmental information. The chapter relates participatory resource management to six areas of Agenda 21 (forests, mountains, biodiversity, oceans, indigenous peoples, and nongovernmental organizations, or NGOs). His case study of a project in southeastern British Columbia's forested mountain environment shows how a variety of environmental and resource databases can be used to assist with sustainability planning in a multiple-use area. The incorporation of local values, priorities, and knowledge into environmental decision making, along with the use of ecosystem-based management, has the potential for improving sustainability by breaking with institutional arrangements that constrain integrity and by institutionalizing new ideas and modes of considering information. The local and regional approach may be more conducive to overcoming obstacles associated with jurisdictional contention and lack of direct accountability.

Perl's chapter compares air pollution control efforts in Canada's two largest anglophone urban areas to highlight the constraint that conflicting policy communities can impose on environmental policy implementation. Perl demonstrates how different policy network configurations resulted in different approaches to dealing with analogous air pollution problems. In southern Ontario's "Drive Clean" program, multiple policy communities based in both different political jurisdictions (urban and provincial rivalry in the Greater Toronto Area) as well as different economic interests (the automotive sector versus environmental and community groups) have placed considerable limits on the direction and pace of limiting the emissions from motor vehicles. Here, the clash between three policy communities representing environmental professionals, the auto industry, and local governments yielded a policy bias in favour of the industry. By contrast, British Columbia's "AirCare" program has met with considerably more success under the guidance of a single policy community that embraces multiple political jurisdictions and most organized social and economic interests concerned about urban air quality. In the Canadian context, the results of Toronto's and Vancouver's policy experience suggest that institutional initiatives intended to improve urban air quality must cross both jurisdictional boundaries and the organizational structure of firms and governments in order to close integrity gaps.

The chapters by Gilbert and Gurin focus on city planning and sustainability. Gilbert's chapter is about long-term city planning by the new City

of Toronto, which was formed by the 1998 amalgamation of six municipalities. The author reveals an integrity gap in land-use and transportation planning in Toronto, as he describes and evaluates the city's planning from the perspective of social, economic, and environmental sustainability. Establishing four regional governments surrounding Metro Toronto created difficulties in overall planning of the city as a whole. According to his assessment, amalgamation of the municipalities into a "megacity" did not change the situation. Gilbert observes that almost all the Greater Toronto Area's (GTA) growth in population occurs around the city in areas of low-density development, characterized by high per capita levels of energy use in buildings and for transportation and resulting high levels of emissions of pollutants into air, water, and land. He considers this urban sprawl grossly unsustainable and a prime contributor to the growing integrity gap in urban sustainability.

Gilbert argues that achieving sustainability in the GTA will require the absorption of a greater proportion of the region's population growth within the City of Toronto. Such a shift in population cannot be achieved without effective regional planning, but there is in effect no such process, only various forums for discussion of relevant issues. The city thus faces quite a challenge in planning how to grow its own population in order to secure a more sustainable region. The dimensions of this challenge are discussed, highlighting the evident dysfunction of institutional arrangements in the GTA that must be overcome to enable progress towards overall sustainability. The current integrity gap here is between the laudable objectives of the city plans – which occasionally yield advances towards sustainability in parts of the GTA – and the unsustainable growth patterns and trends of the GTA as a whole.

Gurin's chapter brings the issue of cities and sustainability to life with a historical example. Toronto's Exhibition Place originated in the nineteenth century as a venue for Ontario's agricultural fair, the Canadian National Exhibition (CNE). Compared with the rest of Toronto's waterfront, however, it has experienced little physical change during the past century. There have, however, been significant changes in public attitude towards the use of Exhibition Place. Attendance at the annual Canadian National Exhibition has declined and the grounds are empty much of the year. Exhibition Place no longer has an important place in Torontonians' consciousness. It has languished partly because of the institutional structure that governs its management. The stagnation of the CNE site can be traced to its governing body's conflicting and unattainable mandate. The site is a public property owned by the City of Toronto. It is a park by official designation, but a park that is expected to generate revenue. This is a contradiction that prevents Exhibition Place from being either commercially successful or a satisfying park. Once again, institutional arrangements are shown to limit the environmental integrity of this significant waterfront space in Toronto. Gurin

seeks principles that can guide city planners towards transforming Exhibition Place into a sustainable Toronto neighbourhood. The chapter deals with the possibilities and the political constraints of making this vast site a model of environmental integrity.

The concluding chapter by Perl and Lee considers what the integrity gap attributes revealed in preceding chapters tell us about institutions and environmental policy in Canada.

- 1 The integrity gap is often a clear symptom of a lack of fit between the environmental problems that challenge Canada and the policy capacity to deal with them. Federal/provincial power sharing often inhibits the capacity to act on environmental goals.
- 2 Canadian environmental policy capacity is heavily influenced by powerful natural resource development interests. Integrity in policy often depends upon politicians finding the will to impose some costs from environmental goals on powerful resource industries. When such resolve flags, the integrity gap widens, but political leadership can also narrow it by standing up to regional resource interests.
- 3 Canada's environmental policy capacity is constrained by the tension between the liberal multilateral environmentalism on the one hand and the policy priority of competitiveness and growth in the North American economy on the other.
- 4 There is insularity among technocratic public sector elites with regard to assessing and communicating environmental risks, as highlighted in the chapter on nuclear energy by Mehta. Insulation from democratic accountability acts as an institutional damper to achieving environmental policy goals.
- 5 The multiplicity of jurisdictions needed to implement most environmental policies leads to escalating conflict over objectives and the means to achieve them. The chapters by Berkes and colleagues, Perl, and Gilbert demonstrate this point.

Moving Canada's political economy closer to environmental sustainability would require closing the integrity gap at least in part through institutional change. How, then, could such changes come about? Our conclusion assesses some potential changes in Canadian institutions and presents three scenarios that could yield some major enhancement of environmental policy capacity. The first scenario explores what an explicit initiative to renew environmental institutions from within Canada could look like. It envisages change resulting from feedback from existing environmental policy arrangements, precipitated by significant policy failure or crisis. Such change could be launched by an electoral realignment of national or provincial governments in which environmental concerns figure prominently. New political

priorities on the environment could lead to the launch of new policy institutions, the shape of which would likely seek to correct the perceived limitations of contemporary institutions.

In the second scenario, environmental institutions gain new effectiveness as a result of far-reaching domestic political reforms that address governance challenges not specifically connected to the environment. Such reforms could range from a constitutional amendment of the relationship between Ottawa and the provinces, to judicial review of governing arrangements that entrench individual rights, to fiscal and administrative renewal of both federal and provincial governments' policy responsibilities. In this case, new governance practices grounded in wider Canadian domestic politics, such as the balance of power between Ottawa and the provinces or the place of Quebec in Canada, would have the collateral effect of renewing the effectiveness of environmental policy making.

In the third scenario, international political and economic engagements become the catalysts for institutional change within Canada. The Kyoto Protocol and NAFTA are but two commitments that have introduced foreign inputs into Canadian environmental policy. Environmental policy initiatives of the United States, in particular, could compel institutional redesign in Canada.

The integrity gap in Canadian environmental policy documented in the following chapters merits greater attention than it has received to date. The 1990s were a time when both international economic influences and domestic political dynamics pressed Canada's leaders to "solve" budget deficits and shore up national unity (through, among other initiatives, significant reorganization of federal/provincial fiscal institutions). But while Canada's public accounts showed an impressive surplus and the threat of "deconfederation" has been kept at bay, the deficit in environmental sustainability persisted, and has likely grown. This environmental deficit cannot be ignored indefinitely, and is likely to be a more important policy priority for Canada's governments during the twenty-first century's first decade.

During its heyday of budget surpluses in the late 1990s, Canada enjoyed international distinction as a nation with the highest level of human development in the world. Although the much-cited human development index from the UN Development Program does not include measures of environmental well-being per se, environmental well-being is often assumed to correlate with human well-being. In 2001 Canada lost its top spot in the United Nations ranking, a sign that policy issues other than balanced budgets may require attention if Canada is to remain such an enviable place in which to live.

Canada's pristine nature and vast landmass appear far removed from the environmental risks that face other nations. If this image has any truth at all, however, it is largely by accident and not from any conscious efforts on

the part of Canadians. Despite Canada's international reputation and the rhetoric in its environmental policy goals, evidence abounds that Canada faces numerous environmental shortcomings and even some outright disasters. The chapters in this volume show where the integrity gap lies and suggest how it might be closed. Canada's established institutions are increasingly ineffective in meeting environmental challenges, and they will sooner or later require adjustment. It takes political effort to build institutions, and it may take even more effort to reform them. The contributors to this book are not pessimistic, however. Disasters such as those in Walkerton, Ontario, or Sydney, Nova Scotia, strong domestic leadership, and international pressures and obligations may each contribute to raising the level of Canada's environmental policy, despite today's institutionalized constraints.

### Note

- 1 Perl (1991) provides an overview of the concept of institutional durability.

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