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Is Wikipedia Right About Free-Market Environmentalism?

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Wikipedia defines free market environmentalism as "... a theory that argues the free market is the best tool to preserve the health and sustainability of the environment " (Wikipedia, 2007). It goes on to say that this form of regulating the environment is in sharp contrast to government intervention, which is the most common modern approach to preventing the destruction of the environment. This article will use the current Wikipedia entry as a starting point for a more in-depth discussion of free market environmentalism, including a thorough discussion of property rights.

The free market environmentalism entry in Wikipedia begins by describing how economists tend to view environmental problems and the way that they deal with them. Wikipedia claims that the common approach to environmental problems sees those problems as a result of the negative externalities of industrial production and excessive depletion of non-renewable resources. According to Wikipedia, this causes a free rider problem as firms produce or extract resources without compensating for the social costs that stem from that production or extraction. Thus, other citizens and future generations are left to incur the cost of that pollution as well as the cost of correcting the problem. As a result, the

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common approach to environmental regulation is for the government to intervene and discourage the pollution from being created. However, according to Wikipedia, free market environmentalists criticize this method because it is inefficient and ineffective.

Wikipedia goes on to introduce Ronald Coase and the idea that if negative externalities are internalized by the industries, they will face an incentive to reduce those externalities. This would then result in a healthy environment that is well regulated and protected. One of the ways that this is accomplished, according to free market environmentalists, is by assigning property rights to nature that is currently in the public domain. The idea is that by assigning property rights and making industries internalize externalities, the balance between the marginal benefits of pursuing an activity and the marginal costs of its environmental consequences will be found.

Wikipedia provides two main examples of how free market environmentalism could have worked in the past to produce much better results for the environment. The first example given is that of the fisheries off of the coast of Newfoundland. Although it was once one of the world's most abundant fisheries, it is now almost completely depleted of fish. This happened because fishing enterprises over-fished the stock and depleted the supply of fish in an attempt to realize profits in a market that allowed open access to a limited stock of a good (fish) that no one group or individual owned. According to Wikipedia, free market environmentalists argue that this could have been avoided if property rights were assigned for the fishery. This would have given the owners of the fish an interest in keeping a renewable stock of fish because in doing so, the owners would be able to maintain profits over the long term. If the stock of fish was depleted, the owners of the fish would not be able to reap any significant financial benefit.

The other example provided is that of settlers in California in the 1800s. Although they originally developed rights to draw water from water courses, a new act introduced in 1902 provided subsidies for irrigation projects. This led farmers to overuse the water resources because water was abundant and inexpensive. However, a free market approach would have deterred farmers from exhausting the water resources because irrigation projects would be more expensive for them. By removing the subsidies that were given to farmers for irrigation projects, the farmers would have had to bear the entire cost of the projects. This would have prevented many farmers from launching the irrigation projects that drained the water resources.

Although this entry discusses the topic of free market environmentalism at length, it does not describe in great detail the way that free market environmentalism works.

The first change that I would make to this entry would be to distinguish between several different theories of property rights, namely: classical liberalism, pragmatism, legal positivism, utilitarianism, and modern liberalism.

Classical liberalism is based on the concept of self ownership: individuals own themselves, their labour, and the product of their labour. In classical liberalism, rights are inalienable, and this includes property rights. Property rights are based on homesteading, which comes from John Locke's idea of mixing one's labour with the land (Fox, 2006). The first person to mix their labour with a certain portion of land becomes the owner of that land. After legitimate ownership is established, the transfer of that ownership can only be done through voluntary consent.

Pragmatism is a theory of property rights that is based on rejecting the use of normative rules to resolve social conflicts (Fox, 2006). Pragmatists believe that normative issues need to be decided upon individually, instead of being decided upon based on previous cases. Pragmatism differs from classical liberalism because pragmatists believe that rights are not intrinsic, but instead, rights are based on the kind of social arrangement that will best suit the welfare of society (Farber, 1997).

Legal positivism, as a theory of property rights, is centred on the notion that rights are determined by what the legislature says they are; if there is no legislature, there cannot be a right. Legal positivism is concerned with the question of "what is" rather than the question of "what should be." Under this theory, property rights are transitory and they can be redefined by legislature.

Utilitarianism is the most popular theory of property rights. According to Ronald Coase, the judiciary and the state have the responsibility of arranging rights in a way that will result in the greatest benefit for the greatest number of people (Fox, 2006). For this reason, utilitarianism is similar to pragmatism and legal positivism. However, the difference is that utilitarianism determines utility based on efficiency.

The fifth theory of property rights that should be discussed in the Wikipedia article is modern libertarianism. Modern libertarianism is very similar to classical liberalism, as it is based on the ideas of self ownership, homesteading, transfer through consent, and inalienable rights. However, the most significant way that it differs from classical liberalism is in the way that classical liberals tend to rely more on theological arguments. Modern libertarians, on the other hand, are primarily concerned with the question, "When is it ethically legitimate to initiate physical force against another person in order to compel that person to act in a fashion contrary to what he or she would have chosen in the absence of this initiation of force?" (Fox, 2006).

Describing these five different theories of property rights would be beneficial because each theory of property rights has a different characterization of the origin and nature of rights, of the processes that do and that should guide the evolution of rights, and of the criteria that should be applied to determine if actions are consistent with the protection of rights (Fox, 2006). Wikipedia points out that there

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are differences between theorists (i.e., Coase and Rothbard), but the entry fails to discuss those differences in a systematic way that allows the reader to understand the article more completely.

Some of the statements in the current Wikipedia entry on free market environmentalism could also be expanded upon to improve their accuracy. According to Terry Anderson and Donald Leal, free market environmentalism offers an alternative to political regulation and other strategies that have not been exceptionally successful in enhancing environmental quality while sustaining economic growth (Anderson and Leal, 1991). However, the Wikipedia article leads the reader to believe that free market environmentalism argues that it is the *best* way to protect the environment, saying that it is a theory that, "... argues the free market is the best tool to preserve the health and sustainability of the environment" (Wikipedia, 2007). In fact, free market environmentalists are not so arrogant to think that it is the best tool in every situation, but, as Anderson and Leal argue, it does offer an alternative to political regulation.

Lastly, I would define economic terms, such as externalities, social cost, and free market, within the context of environmental protection. For example, an externality can be described as an effect of the actions of one individual on others who did not have a choice and whose interests were not considered. There are both positive and negative externalities. In relation to the environment, a classic example of a negative externality is pollution, which is generated by one person or group of people. This pollution affects others who were not considered and had no choice in the matter. Free market environmentalism, in turn, considers market mechanisms that can correct the problem of negative externalities.

Although the current Wikipedia entry on free market environmentalism highlights its major characteristics, it fails to describe free market environmentalism in detail. The entry could be improved significantly if it described the differences between the five theories of property rights, and more extensively defined the economic terms and how they relate to environmental protection. This additional information explains more fully how free market environmentalism differs from other methods of protecting the environment. ●



David Amaya is a 4th year International Development student at the University of Guelph. This article is a revision of a paper that he submitted for an economics course with Dr. Glenn Fox.

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Re-Evaluating the “Public Interest”

by Charles Lammam

This short essay critically analyzes the significance and role of the “public interest” in public policy. But first, a definition of “public interest.” Orthodox economics resorts to utilitarian ideals to delineate “socially optimal” outcomes—that is, to identify outcomes in the public interest. Neoclassical theorists assert that government action can, in the presence of market failures, move society back to an equilibrium where social benefits and costs equate at the margin. Accordingly, they find that a society in equilibrium meets the following utilitarian condition: the greatest happiness (utility) for the greatest number of people.

The public interest approach hinges on the theory of market failure and the presumption of an idealized public sector. Wallis and Dollery (1999) summarize three heroic assumptions underlying this approach:

Firstly, it presumes that policymakers can accurately determine the extent of market failure. Secondly, it presupposes that governments possess the ability to intervene efficiently.¹ And thirdly, it accepts that policymakers frame public policy in an altruistic manner.

More specifically, public interest theory ascribes to policymakers the responsibility of maximizing a “social welfare function,” typically but not exclusively of the utilitarian variety.² The benevolent policymaker must contextually undertake difficult (often nearly impossible) economic calculations, and must, of course, readily know the citizenry’s preference for a diverse set of public services.³ Welfare economics is an extreme case of this tendency. In conventional welfare economics, the state possesses all the relevant information for social welfare maximizing intervention and is, in fact, able to achieve what it sets out to do (see Chang and Rowthorn, 1995).

In the middle of the 20th century scholars began to seriously question the assumptions of public interest theory generally and of welfare economics in particular. Friedrich Hayek first noted in a seminal article and later in his survey on liberty that it is unrealistic to assume that all the relevant facts are known to one mind and that it is possible to construct from this knowledge the particulars of a desirable social order (Hayek, 1945). As such, Hayek purported that resource allocation decisions made by people with the most situation-specific information will dominate those made by distant central planners who maximize their subjective notion of the public interest. Put another way, it is unlikely that authorities possess sufficient knowledge of welfare losses in existing markets to intervene optimally as theory would predict. Thus, he concluded that achieving desirable social outcomes

1 For example, the marginal cost of public funds – usually defined as the social cost of raising an additional dollar of tax revenue – is often neglected in the public interest literature.

2 Rawlsian or multiplicative social welfare functions are maximized as well.

3 Textbook economics invokes the familiar “benevolent dictator” in problems requiring an omniscient third party to find optimal solutions.

is likely when individual members or groups in society at the most subordinate level are the responsible decision-makers.⁴

In addition to the knowledge limitation of central planners, critics have identified other reasons highlighting the inability of authorities to intervene efficiently and effectively in “the public interest.” For instance, the declining presumption of altruistic behaviour underlying the public interest approach lessens its appeal and instills concern over the government’s function to maximize social welfare. Consider Anthony Downs, for instance, who poses a critical question to public interest theorists:

Even if social welfare could be defined and methods of maximizing it could be agreed upon, what reason is there to believe that the men [and women] who run the government would be motivated to maximize it? (Downs, 1957).

Buchanan and Tullock offer a clear answer. Their treatise on public choice employs economic principles and methods to the political system (Buchanan and Tullock, 1962). In stark contrast to public interest theory, public choice assumes that political participants act in their self interest. Indeed, public choice is couched in a rational choice framework of social exchange. Politicians are assumed to be vote maximizers interested in re-election whereas bureaucrats prefer large budgets and therefore maximize departmental revenue, job security, and idiosyncratic prestige. While these assumptions diverge from the axioms of public interest theory, they arguably present a more realistic and less romantic approximation of political motives. If the assumptions underlying public choice are otherwise rejected, then one assumes that, as Buchanan

4 This follows from the principle of subsidiarity which states that matters ought to be handled by the smallest or lowest competent authority. The idea is that a central authority should have a subsidiary function, performing only those tasks which cannot be performed effectively at a more immediate or local level.

describes, policymakers become economic eunuchs when they enter the polity.

Politicians, bureaucrats, and other public servants often speak of their devotion to the public interest, common good, general welfare, or social justice. Some explicitly maintain that they act from an altruistic motivation. However, public choice theorists argue that public officials pursue their own agenda and, like everyone else, endeavour to maximize their own utilities. They further argue that political representatives compete through promises of discriminatory transfers to their constituencies to strengthen political support. As a result, bureaucracies tend to grow because of rent-seeking, pork barrelling, deficit spending, and a tax system riddled with loopholes, exemptions, and credits. Indeed, the massive expansion of the power to tax enables public officials to promote a growing number of pet policies guised as alleged social ends. Rent-seeking special interests especially turn public interest theory on its head (see Krueger, 1974). A

special interest is an organized group with preferences different from the median voter. The goal of a special interest group is to pull policy in its preferred direction. Rent-seeking is when pressure groups seek funding through government programs or preferential legislation whose economic or service benefits are concentrated in a particular area but whose costs are spread among all taxpayers. And since members of the larger group are marginally affected, they do not take ameliorative action. Popular examples include farm subsidies, professional association monopolies, trade tariffs, and generous benefits to fishers. In fact, some observers insist that special interest pressure groups influence most public policies.

When viewed through a public choice lens, the formulation of public policy in the public interest seems implausible. More importantly, the grandiose assumptions underlying the mechanics of welfare economics do not accurately reflect the realities of the political process. Policymakers are constrained by knowledge limitations. In addition, public officials are not omniscient, disinterested automatons; they have objective functions like everyone else. As a result, they may pursue policies that diverge from the public interest. A more realistic approach should account for these important discrepancies. ●

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The Non-Profit and Voluntary Sector's Addiction

by Tim Mak

Smaller government with less societal intervention is a preferable state of affairs to the status quo because of the enhanced freedom that results. This freedom allows private enterprise to flourish, innovation to be encouraged, and individual choice and responsibility to be emphasized. Since this is so, the following question must be raised: how can Canadian society look after the least well off and ensure some degree of equality of opportunity with a minimal amount of government intervention? While peeling back the welfare state, must we not simultaneously fill the vacuum that will be left behind? The country's non-profit and voluntary sector is best poised to accomplish that objective.

The non-profit and voluntary sector is an essential part of the Canadian economy, contributing \$75.9 billion to the national economy (8.5% of the GDP) and employing over 2 million full-time equivalent workers (Hall, Barr, *et al.*, 2005, p. 8). In fact, the non-profit and voluntary sector employs nearly as many full-time equivalent workers as Canada's entire manufacturing industry (Hall, Barr, *et al.*, 2005, p. 8). Internationally, Canada has the second largest non-profit voluntary sector in the world when measured as the number of individuals employed as a percentage of the country's economically active population (Hall, Barr, *et al.*, 2005, p. 9).

Though it is encouraging to see the relative strength of the Canadian voluntary and charitable sector, it is discouraging to see the source of this sector's funding and the implications thereof. Over 50 percent of all revenue in this sector comes from the government (Hall, Barr, *et al.*, 2005, p. 15), with a significant portion of this funding going to quasi-governmental non-profit organizations like hospitals, universities, and colleges. Studies show that when non-profit and voluntary organizations are heavily funded by the state, they start to act like the state. With these "welfare charities," bloated and inefficient bureaucracies can begin to form. The typical "wel-

fare charity" in Ontario has a budget almost twice as large as those charities that receive no government funding, and relies far more on paid workers than volunteers (LeRoy and Cooper, 2001). Government funding can also undermine personal voluntary initiative and reduce private charitable giving, as potential volunteers and donors may begin to perceive less need. This crowding out effect has been estimated to cost as much as 53 cents in lost private contributions for every dollar in public funding received (Tanner, 2003, p. 123).

Government funding can also reorient the priorities of a non-profit or voluntary organization. An organization that receives government funding may make retaining government funding and advocating for more funding one of its major priorities, taking valuable time and resources away from the fulfilment of the organization's original missions. As Ed Gotgart, president of the Massachusetts Association of Non-Profits and Colleges, puts it, government funding "becomes almost like heroin. You build your program around the assumption that you can't survive without government money" (Tanner, 2003, p. 122).

Not only is the status quo less than optimal, but trends in the philanthropic sector indicate that the situation may be worsening. Between 1994 and 2004, nine of the ten provinces saw a drop in the percentage of tax-filers who donated to charity (LeRoy and Palacios, 2006) (although the total amount of charitable giving is still growing). In addition, there are signs that public support for volunteer activities may be decreasing, as in a relatively short span of time, between 1997 and 2000, total volunteer hours in Canada dropped by five percent and the proportion of the population volunteering dropped from 31 percent to 27 percent (Tanner, 2003, p. 26).

To solve the problems that are plaguing the non-profit and voluntary sector in Canada, one may be tempted to use the state as a social engineer in order to invigorate a lagging yet crucial aspect of society.¹ But solutions to the problems ailing the sector can lie in privately funded initiatives. One example is that of the Donner Canadian Foundation's Awards for Excellency in the Delivery of Social Services, which objectively evaluates non-profit and voluntary organizations individually based on "best practices" that have been identified in the sector. This objective analysis of the sector can increase efficiency and public trust in charitable and voluntary organizations without resorting to government intervention and needless regulation that strangles the effectiveness of smaller, less established groups. Private initiatives must be undertaken to restore faith and philanthropy this sector, as government solutions to problems caused by the government itself is clearly not the solution. ●

¹ An example of this can be found in the Voluntary Sector Initiative, a government program launched in 2000 with a focus on "strengthening the relationship between the [non-profit and voluntary] sector and the government."

Things Folks Know That Just Ain't So

compiled by Lindsay Mitchell

What Folks Know:

If there was sufficient political will, Canada could meet its Kyoto Protocol target by 2012 without incurring significant costs.

Why it ain't so...

At the 1992 Earth Summit meeting in Rio de Janeiro, almost 200 countries agreed to a plan to reduce human contributions of greenhouse gases (GHG) to the atmosphere. This plan called for the voluntary reduction of emissions to 1990 levels by the year 2000, but as the deadline approached it was clear that most countries would not achieve this target. To encourage action, a treaty with non-voluntary targets began to take shape through a process of international political negotiation. In 1997, the result of this political negotiation was born in the form of the Kyoto Protocol, which set binding international targets to collectively reduce greenhouse gas emissions by 5.2 percent relative to 1990 levels by the year 2012. In 2006, Canada stated that it would not meet its target, and evidence showed that other countries were also well off target (UNFCCC, 2006, p. 8).

Canada's new environment minister warns that meeting Kyoto is nearly impossible (Curry, 2007). In order to meet Kyoto targets, Canada will have to make drastic cuts in its emission levels, and meeting such targets is going to incur significant costs.

Under the Kyoto Protocol, there are generally two ways for countries to meet their emission targets. One way is for a country to reduce its own emissions, often referred to as domestic reductions. The other way is for one country to pay others to reduce their emissions on the country's behalf. This can be accomplished by purchasing emission credits from foreign countries, or by investing in projects to reduce emissions in foreign countries.

Two factors that contribute to the domestic emission of GHG are population and GDP per capita

(income). A reduction in population or GDP per capita would, therefore, reduce Canada's domestic emissions. However, it's unlikely that government would implement policies that support such measures, as Canada has a policy of increasing population largely through immigration, and Canadians would be averse to falling real incomes. Therefore, policies to reduce greenhouse gas emissions will likely focus on reducing emissions intensity, which can be cut over time by switching from high-emitting energy sources like coal, to lower-emitting sources like nuclear power, hydroelectricity and natural gas, or by increasing the efficiency of existing energy sources. This trend is already occurring in Canada; between 1990 and 2006, GDP per capita and population both increased while emissions per unit of GDP decreased, as shown in table 1.

Table 1: CHANGE IN FACTORS DRIVING GHG EMISSIONS IN CANADA, 1990-2006

	GHG	GHG/GDP	GDP/Pop	Pop
Total percentage change ('90-'06)	23.6	-20.7	28.6	15.7
Average annual percentage change	1.5	-1.3	1.8	1

Source: World Bank, 2007; UNFCCC, 2006; Natural Resources Canada, 2006, and author's calculations. Missing years inferred by linear interpolation.

However, based on current emissions estimates from both the United Nations and Natural Resources Canada, achieving the required reduction in greenhouse gas emissions under the Kyoto Protocol will require emissions intensity to fall roughly 70 percent below current levels by 2012 in order to offset growth in population and income. This amounts to an average annual percentage reduction in emissions intensity of almost 15 percent per year, sustained for five years.

Most of the countries that have come close to sustaining an annual reduction rate of 15 percent are Eastern European countries that have experienced economic contraction. The only industrialized country that achieved the target was

Luxembourg, mainly by shifting its electrical generation from coal-fired plants to natural gas (World Bank, 2007). By comparison, Canada's electricity production is already more than 70 percent from low-emissions hydroelectric, nuclear, and natural gas sources, with about 20 percent from coal (World Bank, 2007). This effectively eliminates any options we have for easy, large-scale emission reductions in a short period of time through fuel switching.

Historically, the best any industrialized country has done at reducing emissions is one to five per cent per year. If Canada can match the highest rate of emissions intensity improvement seen within the majority of industrialized countries—five per cent per year—then we would still be left to accept annual GDP reductions of roughly 10 percent for the next five to six years in order to meet Kyoto.

Shutting down 10 percent of Canada's \$1.1 trillion economy would result in a cost of over \$100 billion per year, or roughly \$3,500, on average, for every Canadian in terms of forgone economic production or income. Research in the US found that people are willing to spend \$13 to \$21 per month to reduce climate change (Berk and Fovell, 1989; and Deutch *et al.*, 2007). Converting to year 2007 Canadian dollars, this suggests a willingness to pay in the range of \$200 to \$300 per year, which is far below the estimated annual costs of \$3,500 per person in order to meet Kyoto through domestic reductions in Canada.

Due to costs that exceed what people are willing to pay, if Canada were to achieve its Kyoto targets, it would have to be largely through non-domestic means, such as the purchase of foreign emissions credits. At an estimated price of \$20/tonne for emissions credits, achieving Kyoto in Canada through credit purchases would be much cheaper than trying to cut domestic emissions, but still not cheap (Point Carbon, 2006). The total costs over 5 to 6 years would roughly be \$30 billion, or \$900 per person. This results in an annual per-capita cost under \$200, which is within the range of what Canadians may be willing to pay. However, the thought of buying our way into compliance is unlikely to satisfy many Canadians who desire actual emissions reductions in Canada, and is unlikely to satisfy taxpayers who may be averse to voluntarily transferring \$30 billion to other countries.

Any attempt to meet Kyoto through a crash-course plan over the next five years will result in unacceptably high costs, and little benefit in terms of developing a flexible, long-term policy. Over the longer term, a more gradual approach to emissions reduction should allow for the development of new technologies and practices to reduce emissions in more cost-effective ways. ●

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This article is based on a *Fraser Forum* article from the April 2007 issue: "Welcome Back, Kyoto," by Nick Schneider. Nick Schneider is a Policy Analyst with The Fraser Institute's Centre for Risk, Regulation, and Environment.

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The intern projects are described on the following page, and may be subject to change. Include in your cover letter an indication of the project(s) which you are most interested in and qualified for.

Application Procedures

Applications must be received by the deadline listed above by mail, fax or email. Mail is preferred. Applications should include a resume, cover letter, and writing sample. Writing samples should be a brief example of your research and writing abilities (6 pages is an ideal length). Applications sent via e-mail must be MS Word attachments and must use the email subject header "intern application." Applications should be sent only once, for example, if an application is sent via mail, do not also send it via email. Read our internship application FAQs section on our website for clarification at www.fraserinstitute.ca/studentcentre.

Research Projects Fall 2007

Annual Survey of Mining Companies 2007/2008 - Toronto

The intern will work with the Director of Globalization and Trade Studies to build and improve the Fraser Institute's annual survey of mining and exploration companies which rates the investment attractiveness of mining jurisdictions around the world. The results of the survey will be used to create several indices which will provide more specific information on the competitiveness of regulatory and taxation regimes world-wide.

The intern will be responsible for managing the web-based survey, conducting follow-up interviews, and summarizing the survey results.

The applicant should be: enrolled in economics, management or political science; familiar with trade and economic issues; able to write well and possess strong interpersonal skills; and be familiar with Excel and able to use web-based application software.

North American Energy Demand and Supply Research - Calgary

As part of its Continental Energy Strategy project agenda for 2008, The Fraser Institute will be publishing two special, focused reports: one on the outlook for North American energy demand and one on the continental energy supply potential.

The Fall 2007 intern will assist the Senior Economist and the Energy Policy Analyst in this undertaking by assembling information pertaining to the outlook for North American energy requirements to 2030 and developing a detailed consensus projection of the continental energy demand by energy

commodity, sector, and country. He or she will also gather information pertaining to the potential supplies of energy from indigenous sources and assist in the development of a "most likely" supply scenario by energy commodity and country. In addition, the intern will assist by drafting sections of the continental energy demand and supply reports.

The applicant should be: enrolled in economics and have taken courses in energy economics; generally familiar with North American energy trade and economic issues; experienced in preparing statistical tables and figures using Excel; able to write well; and reasonably proficient with Microsoft Word.

Canadian/American Relations - Vancouver

The intern will assist in conducting a survey, including running survey software on Canadian-American relations in trade, border, and political issues. The intern will work under the supervision of the Senior Fellow in American Studies. This position may have the option of a four-month extension.

The applicant should be: a recent graduate of economics or business; have experience in doing survey research, skilled in econometric or statistical analysis; a good background in Canadian-American issues, a strong researcher and writer; able to work independently; and a creative problem solver.

SEND YOUR COMPLETE APPLICATION TO:

**Student Programs, The Fraser Institute
4th Floor, 1770 Burrard Street,
Vancouver, B.C. V6J 3G7**

student@fraserinstitute.ca

Phone (800) 665.3558 Ext. 571

Fax (604) 688.8539

CSR \$100 Op/Ed Contest

Frustrated with the media? Is there an issue that you feel is overlooked or a side of a story that isn't being told? Well here's your chance to voice your opinion... and win \$100!

Enter the Fraser Institute's Op/Ed Contest and you have a chance of your article being published in Canadian Student Review, viewed by over 16,000 students across Canada.

Application Rules

- ❖ Op/eds may be written on any public policy topic.
- ❖ General op/ed guidelines: 500-800 words, typed, double-spaced opinion article in plain text or MS Word format.
- ❖ Contest submissions must include a cover page with the following information: student name, mailing address, email address, phone number, and school information (school, degree program, major, year of graduation).
- ❖ Each contest submission must also include a paragraph describing which newspaper the article would be submitted to, when, and why. This paragraph will serve to put the op/ed in context and will be considered in the judging of the contest. (Please note that contestants' articles **WILL NOT ACTUALLY BE SUBMITTED** to commercial newspapers.)
- ❖ Submissions must be received by email at student@fraserinstitute.ca by 5:00 pm on August 31, 2007.
- ❖ For guidelines on how to write a good op/ed, check out the fall 2005 CSR at <http://www.fraserinstitute.ca/admin/books/chapterfiles/OpEd%20contest%20and%20rules.pdf>.

My Experience with the “Next Great Prime Minister” Competition

by Daniel King

In December 2006, I was one of hundreds of young Canadians who entered CBC’s “Next Great Prime Minister” competition. Initially, when I heard that the show’s producers would be visiting major campuses around the country, I was reluctant to audition. After a few phone calls from pushy friends, and an irresistible urge to avoid schoolwork, I decided to enter the competition. Ultimately, I was one of this year’s top 10 contestants and, though I didn’t make the televised final, enjoyed articulating the view that Canadians should critically assess the implications of government intervention.

Every audition starts with a three to five minute speech summarizing the candidate’s vision and policy proposals. I spoke without notes so as to connect with the audience as much as possible. The major theme of my speech was a criticism of Canadian public policy discourse. I argued that many Canadian policymakers are narrow-minded because they refuse to even contemplate, let alone, implement, policy proposals that seem “un-Canadian.” It’s ironic that a nation that prides itself on its openness, compassion, and decency, is, in some cases, utterly unwilling to look to other countries for solutions to some of our most troubling policy problems.

Canadian health care is a glaring example of this difficulty. Studies done by The Fraser Institute and other organizations conclusively suggest that our health care system is less effective than many others while costing a great deal more. We’re suffering from a major shortage of physicians and technology. Though there’s an abundance of evidence that suggests the government’s health care monopoly allocates resources wastefully, policymakers and politicians are disinclined to consider the potential benefits of private sector involvement. This is particularly frustrating for advocates of private sector involvement in health care because studies demonstrate that other countries such as France and Switzerland have benefited from using the private sector. That an idea is derided

as “un-Canadian” is no reason to avoid it.

After my opening speech, I was asked a series of questions by the show’s producers. I discussed environmental policy, aboriginal issues, and foreign policy, while emphasizing the importance of reducing the size of Canada’s sizeable public sector. A few weeks later, I received a call from Magna International, one of the show’s sponsors, informing me that I was one of the top 25 contestants and that I’d be interviewed again in the near future.

The next interview lasted roughly an hour, and involved detailed questions on my background, principles, and future plans. I was asked about Canadian nationalism and fiscal federalism. I spoke to the importance of ease of travel, openness, labour market flexibility, and economic productivity. Returning to the theme of close-mindedness that I raised in my first audition, I noted that it’s strange that a nation believes itself to be a champion of diversity and openness when it installs significant inter-provincial barriers to trade. Policymakers would have greater policymaking flexibility if it wasn’t so tempting for politicians to bang the drum of Canadian nationalism. This might enable policymakers to take advantage of the successes of other nations, instead of choosing between a small number of ineffective policy choices. If Canadians truly were as committed to diversity as the rhetoric of their politicians indicates, they’d acknowledge both the failings and triumphs of other countries, in addition to those of Canada alone.

I wasn’t sure whether my message of realistic self-criticism would endear me to the show’s producers. Luckily, it did. Days after my second interview, I received a call from the CBC informing me that I was chosen to be one of the final 10. Although I was not among the top 4 contestants and thus not on the show, I was thrilled that my message had resonated. If I audition for the show again next year, I’ll again advocate the importance of a reduction in the size of government and the importance of finding non-Canadian solutions to Canadian public policy problems. ●

Daniel King is entering his final year of a Joint Honors BA in Political Science and Western Religions at McGill University. His campus involvement includes acting as Arts Senator for the Students Society of McGill University, and past president of Conservative McGill.



Happy Tax Freedom Day!

June 20th was Tax Freedom Day in Canada; the day in the year when Canadians have worked long enough to pay the total tax bill imposed on them by Canadian governments and can finally start working for themselves. According to Niels Veldhuis, Director of the Centre for Tax Studies at the Fraser Institute, "If you look at the average Canadian family's total tax bill, each and every dollar they earn before June 20 would be required to pay the taxes owing to all levels of government. It takes until June 20 before they begin earning money for themselves."

Tax Freedom Day comes four days earlier this year in part because of the federal government's 2006 the reduction of the Goods and Service Tax (GST) to six per cent and decreases in taxes in many provinces. Nonetheless, Tax Freedom Day still falls nearly two months later than it did in 1961, the earliest year for which we have calculations.

Because provincial tax burdens differ across Canada, Tax Freedom Day varies from province to province. Albertans enjoy the earliest Tax Freedom Day, on June 1st, while taxpayers in Newfoundland and Labrador wait the longest, until July 1st.

More information about Tax Freedom Day can be found at www.fraserinstitute.ca



Montréal Office

The Fraser Institute is pleased to announce the opening of its fourth Canadian office this summer in Montréal. This expansion into Québec is an exciting step forward for the Institute, enabling Canada's leading independent economic research and educational organization to communicate to a broader francophone audience. The Institute is pleased to be working with Tasha Kheiriddin, an esteemed Montréal writer, commentator and lecturer at McGill University. Tasha, who joins the Institute as *Directrice, Québec et la Francophonie*, is excited for the opportunity to direct the Montreal office and promote free market solutions for Quebec public policy.



Fraser Institute student interns and staff, (from left) Charles Lammam, Jason Clemens, Candice Malcolm, Michelle Dusko, and Tim Mak, talk about property rights during a discussion club at the Fraser Institute's Vancouver office.



Student programs participants Paul Hong (left), Meredith Lilly (centre) and another guest network prior to the Fraser Institute's Building Prosperity in a Canada Strong and Free gala dinner in Toronto on Nov. 21, 2006

Bureau à Montréal

L'Institut Fraser fut heureux d'annoncer l'ouverture de son quatrième bureau au Canada cet été à Montréal. Cette expansion au Québec est un événement propice pour cet institut de recherche et d'éducation renommé au Canada, lui permettant de communiquer davantage avec un grand public francophone. L'Institut a l'honneur de travailler avec Mme. Tasha Kheiriddin, écrivaine montréalaise reconnue, commentatrice et chargée de cours à l'Université McGill. En tant que Directrice, Québec et la Francophonie, Tasha est ravie de l'opportunité de diriger le bureau à Montréal et d'offrir des solutions de marché libre aux problèmes de politique publique québécois.

Submissions

Send your article for consideration in *CSR* as a Word attachment to:

Vanessa Schneider, Editor

vanessas@fraserinstitute.ca

Articles should be 500-750 words in length, in English or French. Articles can be written in many styles, including academic essays, book reviews or journalistic commentaries. It is critical that you back up your facts with references, and that you submit clean copy, free of spelling or grammatical errors.

The submission deadline for the fall 2007 issue is August 31, 2007.

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