

Building tomorrow's economy

Committing to the environment means opportunities for our children



“If global warming is bad for people, it will always be bad for business.”

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My son Spencer turned two recently, and amidst the celebrations, I thought about what his future will be like. What kinds of opportunities will he find? What will his dreams be?

I worry about this sometimes, partly because that's what parents do and partly because I worry about the world we're building for our children. According to scientists, ¼ of all the planet's species of plants and animals will become extinct during my son's lifetime. At present rates of harvest, the world's tropical forest will be gone by 2090. And we're just beginning to comprehend the staggering ramifications of climate change, with global temperatures rising at breakneck speed, poised to unleash environmental disasters that will transform the planet in frightening ways.

Economics and the environment have always had a troubled relationship. Think about the economic concept of “free riding” for example. This notion suggests that many businesses attempt to pass negative costs onto the broader community. This decreases costs for companies and increases corporate profits, but also increases the costs that the broader community has to absorb. If a company pollutes the air, the community as a whole pays the cost. It pays for cleanup projects, or it pays to create a government ministry to monitor pollution, or it pays through increased medical costs due to higher levels of asthma. Meanwhile, the polluting company makes a bigger profit because it doesn't have to pay these costs.

A study was done recently in the U.S. to find out who in American society free rides most. To figure this out, researchers studied graduate students in different programs and they discovered that economics students free ride more than anyone. Apparently, the very approaches and principles that economists are trained to consider normal are actually harmful to the community. Which brings me to the environment, and global warming in particular. Our federal government had told Canadians that it can no longer back the Kyoto Accord, an international treaty to fight warming that Canada promised to uphold in 2002. Environment Minister John Baird says we can't live up to those commitments because it would be bad for the economy. Instead, we'll prop up polluting industries – and their profits – at the expense of the community. To justify this, he's trotted out something called “intensity

reduction” – a globally discredited concept that actually allows polluters to *increase* the emissions that cause warming. Is it any wonder that former U.S. Vice-President Al Gore called the plan “a complete and total fraud”?

So let's set the record straight with some plain talk. Protecting the environment is not bad for the economy. If global warming is bad for people, it will always be bad for business. And stopping global warming will not hurt business. We can avoid the global warming question for awhile. But eventually, we'll have to pay someone to sell us the technology to fix the problem. Or we could decide to bite the bullet and focus on tough environmental targets, with homegrown solutions to meet them. And when we've shown the world what we can accomplish, they'll rush to buy those solutions from us. We won't just be protecting our children's future, we'll be at the leading edge of the 21st century's biggest growth industry, environmental technology.

Before I entered the economic development field, I worked for the finest environment minister this country has ever seen – Lucien Bouchard, serving in Brian Mulroney's cabinet. That Conservative government could teach this one an awful lot about doing what needs to be done. Global warming was on the distant horizon back then. The issue then was the ozone hole over the North and South Poles, and how chemicals used in industry were destroying the atmosphere, and sending cancer rates skyrocketing as a result. Some said that we couldn't act – it would be bad for business. Bouchard said we had to act. Canada led the international charge to sign the Montreal Protocol, and our leading position created significant economic opportunities. Today, the ozone hole is healing. It will be gone by 2050, in my son's lifetime.

That's the kind of leadership we need today. Hiding behind free riders and economic excuses doesn't change things. But getting our tails in gear and moving quickly on global warming will create opportunities for all our children. **BN**

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