

Climate Change Policy in Manitoba: A Small Province Looking to “Punch above its Weight”

B R E N D A N B O Y D ¹

I. INTRODUCTION

In 2008, Manitoba joined the wave of Canadian provinces and US states taking action on climate change by becoming the first jurisdiction in North America to pass legislation committing to greenhouse gas (GHG) emission reduction targets set by the international Kyoto agreement. In the absence of leadership on climate change from federal governments in Canada and the US, Manitoba partnered with and drew lessons from subnational trailblazers like California, British Columbia and Quebec while pursuing several climate change policies that were spreading across the continent. In addition to legislated GHG targets, these initiatives included a regional cap-and-trade system, new standards to reduce emissions from vehicles and fuel, and a template for organizing government to develop policy.

When introducing Manitoba’s climate change legislation, Premier Gary Doer was so confident in the province’s ability to meet its commitments that he suggested the government should be defeated in the next election if its GHG targets were not achieved (Turenne 2008). However, the government was unable to adopt the more aggressive initiatives which it had committed to through collaboration and opted to fall back on measures to reduce coal use and promote renewable energy which it began developing in the early 2000s. This article seeks to explain the climate change policies that resulted in Manitoba by employing three research questions: What motivated the province to engage in collaboration and pursue policies that were spreading across North America? What role did collaboration and cross-jurisdictional learning play in provincial policy development, and how was the selection of

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policies in Manitoba influenced by initiatives developed in other jurisdictions in addition to local factors?

This article contributes to the Canadian provincial climate change literature by developing and testing an analytical framework (Figure 1, p.14) which explores the role of cross-jurisdictional influences, in addition to the effect of local factors, which have been studied more frequently, to understand Manitoba's policy response. The study is based on confidential interviews with ten climate change policy makers in Manitoba—including bureaucratic officials, politicians and members of environmental and business advocacy groups—as well as several policy makers in Ontario, BC, Quebec and California. The interviews were conducted between Fall 2013 and Summer 2014, and were supported by detailed review of policy documents and media reports.

As a small province with large hydroelectricity resources, Manitoba jumped on the bandwagon of subnational jurisdictions acting on climate change in an attempt to “punch above its weight” (Thomas 2008: 46) and influence Canadian and North American policies. However, with the onset of the economic downturn in North America in the late 2000s, the failure of national policies and the realization that regional policies may not reflect provincial interests, the province began to view its aggressive stance on climate change as a liability rather than an opportunity. Most of the collaborative initiatives that Manitoba committed to were consigned to the policy dustbin.

II. MANITOBA'S RESPONSE TO CLIMATE CHANGE

Manitoba's contribution to Canadian GHG emissions is small at approximately three percent (Environment Canada 2015). The province relies on hydro-powered generation for electricity which keeps its emissions low and, without a large industrial base, transportation and agricultural are the largest sources of greenhouse gases. Manitoba was well-positioned to act on climate change because it would not necessarily require a large-scale transition to cleaner forms of electricity or a dramatic slowdown in the economy. As one policy maker that had intimate knowledge of the government's decision-making process stated, addressing climate change was not seen as a “huge mountain to climb” for Manitoba compared to other jurisdictions.

Manitoba was one of only two provinces, along with Quebec, to support the Canadian federal government's decision to ratify the Kyoto protocol. The international agreement that set GHG targets for participating nations had sparked a national debate on climate change in Canada in the early 2000s. Alberta was adamantly opposed to Kyoto because of the costs that would be imposed on the province's oil and gas industry. All provinces, including Manitoba and Quebec, were concerned about the lack of consultation from Ottawa in developing a national implementation plan (Canadian Intergovernmental Conference Secretariat [CICS] 2002). Despite provincial concerns, the federal government ratified the agreement and committed to reducing the country's emissions by six percent from 1990 levels in the period between 2008 and 2012.

With the possibility of climate change policies that could constrain carbon emissions across Canada and North America, Manitoba was attracted to the prospect of becoming a low-carbon energy provider to neighbouring jurisdictions such as Ontario and American midwest states. As one policy maker who played an important role in developing the province's climate change strategy indicated: "Manitoba's vision for climate change was also a vision for Canada and beyond." In addition to supporting Kyoto, the province was also pushing the federal government to back an east-west power grid that would increase transmission capacity between provinces and allow Manitoba Hydro, the Crown corporation responsible for electricity, to export power to its neighbours (Manitoba, Legislative Assembly, Throne Speech 2004).

Economic advantage was not the only consideration that led Manitoba to act on climate change. The province had also felt the effects of a changing climate in several tangible ways which increased the salience of the issue among the public and politicians. The 1997 Red River "flood of the century," which caused significant damage of property and resulted in the Canadian military being called upon to evacuate stranded residents, was still fresh in people's minds and flooding across the province was becoming an annual occurrence. The province is also home to a significant tract of boreal forest, which was threatened by climate change, and several policy makers interviewed for this study suggested this was an important conservation issue for the premier and government. One of these policy makers asserted there was a keen sense that because Manitoba was vulnerable to the impacts of climate change, the province should not

just “rest on its laurels” and wait for the federal government or someone else to address the problem.

Manitoba got a head start on most provinces in addressing climate change by commissioning a high profile task force in 2001, chaired by former federal Minister of Foreign Affairs Lloyd Axworthy, which consulted the public, stakeholders and experts to provide recommendations on how the government should respond to the issue (Manitoba Climate Change Task Force 2001). The result was a government strategy document which indicated the province could meet its portion of Canada’s international targets, largely through its renewable energy sector, and called on the federal government to use the plan as a template for a national strategy (Manitoba, Department of Conservation 2002).

Manitoba began to look for likeminded partners with which it could collaborate to influence national climate change policy, a strategy which it had employed on healthcare and economic policy (Thomas 2008). The province has less capacity to influence Canadian policy discussions compared to larger provinces, like Quebec, Ontario or Alberta, which carry more political and economic weight at the national level. Manitoba found a natural partner in Quebec, another province with hydro resources, and Doer already enjoyed a close relationship with the province’s premier Jean Charest. In 2005, the two leaders co-hosted a summit of subnational and regional governments from around the world as part of the Conference of the Parties (COP), the annual meeting of the United Nations Framework Convention on Climate Change (UNFCCC), in Montreal. The summit led to a declaration, signed by all participants, of the important role that subnational governments had to play in addressing climate change.

The 2006 Canadian federal election brought Stephen Harper and the Conservatives, who had been hostile to Kyoto while in opposition, to power. As such, hope for a national solution to climate change that resembled Manitoba’s vision dimmed. Still looking for allies that shared its goal of a low-carbon North American economy, Manitoba began to focus its attention south of the border to US states who were facing a federal Bush administration that had also rejected Kyoto and was loath to act on climate change.

Through events like the Montreal Summit, Doer had developed a relationship with California Governor Arnold Schwarzenegger, who had

emerged as a leading figure on climate change in the US. The former movie star invited the Manitoba premier to attend the signing of California's landmark *Global Warming Solutions Act* in September 2006 (AB 32), which set state-wide GHG emission reduction targets. A few months later, Doer led a three-day provincial trade mission to California where climate change was one of the topics on the agenda. During the mission, Doer and Schwarzenegger signed an agreement on climate change in which Manitoba committed to adopt GHG reduction targets in legislation, as California had done (Manitoba Government 2006). In return the province stood to gain from several economic opportunities, including participation in a California carbon market which would allow businesses in the province to sell credits for reducing emissions into a system covering an economy roughly the size of Canada.

In spring 2007, as Doer and the NDP returned to government with their third straight majority, Manitoba became the second Canadian province after BC to join California's plans to build a regional carbon market, now called the Western Climate Initiative (WCI). The arrangement eventually included Ontario and Quebec as well as Arizona, New Mexico, Washington, Oregon, Montana and Utah. Participants worked to establish common guidelines for building cap-and-trade systems in their jurisdiction which could be linked to form a regional market. Cap-and-trade systems set a limit on GHGs for large emitters, usually industry, and issue tradable permits so those who exceed their reduction requirements can sell excess credits to those who are having more trouble reducing their emissions. A regional market increases the efficiency of the system by providing more options for those looking to buy and sell credits.

Members of WCI also agreed to support the standards California had established for GHG emissions from vehicles. Under the federal Clean Air Act in the US (42 U.S.C. 7543[b], 1970), California could be granted a waiver to establish emission standards that were more stringent than the federal government, and other states could match that standard if they chose. California adopted a regulation for GHG emissions in 2002 which was challenged by the auto-manufacturing industry in court. In 2008, the Bush administration refused to grant the waiver. Many US states threw their support behind California and indicated they would adopt the standard, and this spilled over to Canadian provinces, including Manitoba, who agreed to support the policy.

Another California initiative that many states and provinces were considering was the low-carbon fuel standard (LCFS), a policy designed to limit GHG emissions from the production of fuel by requiring suppliers to reduce the intensity of their product by ten percent by 2020. Manitoba was exposed to the policy through its collaboration in WCI. However, the policy was less successful in gaining support among subnational governments than the vehicle emission standards as it faced significant pushback from oil and gas producing jurisdictions. Alberta and the Canadian federal government were particularly opposed to the policy as they believed it unfairly targeted the province's oil sands, which have a higher GHG intensity than conventional oil. The only province to adopt an LCFS was BC, which adapted the details of California's policy to ensure oil from Alberta would not be singled out.

In addition to the benefits Manitoba could accrue by accessing a regional market and sharing information about innovative policies, collaboration with other subnational jurisdictions allowed the province to be part of initiatives which could pressure federal governments in the US and Canada to consider national policies. To this end, Manitoba was also part of a block of Canadian provinces, including Ontario, Quebec and BC, which sought to continue discussions about national climate change policies in the country. These provinces provided an alternative to the Harper government's recently released "Turning the Corner" plan which environmental groups had panned as insufficient to reduce the country's emissions (The Pembina Institute 2007). At the 2007 meeting of the Council of the Federation (COF), the annual summit of Canadian premiers, climate change was the main topic on the agenda. Ontario led the charge, with Manitoba on board, in pushing provinces to support binding GHG emission targets and an inter-provincial cap-and-trade system.

The outcome of the COF discussions was similar to that of the Kyoto debate five years earlier. Alberta was opposed to any policies that had the potential to restrain economic growth in its burgeoning oil and gas sector. Complicating the matter, Ontario expressed reservations about adopting California's vehicle emission standards because of the potential impact on its automobile industry (Canadian Press 2007). In the end, the provinces were only able to agree on low or no-cost initiatives such as promoting energy efficiency and creating common standards for measuring and reporting GHG emissions (Council of the Federation 2007).

Despite the setback at COF, momentum on climate change had been building across North America in 2007 and in the US it spread beyond the usual suspects, like California, to parts of the country that were traditionally less receptive to these issues. Doer attended a summit hosted by the Midwestern Governors Association, which included Wisconsin, Kansas, Minnesota, Illinois, Indiana, Iowa, Michigan, Missouri and Ohio, where an agreement was signed to explore regional carbon trading and a low-carbon fuel standard. The agreement built on work done through The Legislators' Forum, a group of legislators from upper midwest states and Manitoba that came together to address regional environmental issues after the 1997 flood.

Manitoba also had an interest in promoting the province's hydroelectricity as a means for midwest states, which largely rely on fossil fuels for electricity, to reduce their emissions. Many of these states had adopted renewable portfolio standards (RPS), stipulating a certain percentage of their electricity supply come from renewable sources, which could create demand for Manitoba hydroelectricity. While the details of state RPS's frequently deemed large-scale hydro from Manitoba ineligible to meet their requirements, the province was still able to sign long-term contracts to export hydro with several power providers in Minnesota and Wisconsin.

A. Manitoba's climate change agenda: Domestic strategies and policies from abroad

The climate change partnerships that Manitoba collected throughout Canada and the US helped the provincial government's efforts to take action at home. In fall 2007 the province hosted a climate summit with Doer, BC Premier Gordon Campbell and Arizona Governor Janet Napolitano as the keynote speakers. The goal of the three-day conference was to kick off the development of an updated climate action plan for Manitoba. Provincial businesses, community groups and aboriginal leaders were in attendance to provide input and generate momentum. At the conference, Doer and Campbell signed a memorandum of understanding (MOU) on climate change committing to share information on the California initiatives both were pursuing (Manitoba, Office of the Premier 2007).

The Department of Science, Technology, Energy and Mines (STEM) was tasked with developing the province's new climate change strategy. About nine staff made up the climate change unit which was co-located with the energy file to coordinate the components of the government's low-carbon energy agenda. A policy maker who worked on climate change at the time, who was interviewed for this study, indicated a large-scale consultation on the plan was not undertaken because the government deemed the work of the 2001 task force to still be relevant.

In spring 2008 the government released its new climate change plan, called "Beyond Kyoto," and shortly thereafter introduced The *Climate Change and Emissions Reduction Act* (C.C.S.M. 2008, c. C135) The Act enshrined the Kyoto targets in legislation and established an interim target of reducing emissions to 2000 levels by 2010, making good on its MOU with California. While some jurisdictions adopted more modest targets, Manitoba stood by its commitment to Canada's Kyoto goal which meant it had to reduce a larger share of its emissions in a shorter period of time than places like California and BC.

The cornerstone of the province's climate change strategy was reducing coal use in the province. The government committed to ending coal burning at Manitoba Hydro's Brandon generating station, the last remaining coal facility in the province, except in emergency situations. In the 2008 provincial budget, the government also announced a carbon tax of ten dollars per tonne for those using more than one tonne of coal annually. The amount of coal used in Manitoba was small and the tax would only apply to two companies once the Brandon plant's transition was complete. In addition, the tax was not scheduled to take effect until 2011 and the province committed to helping these companies transition to alternative energy sources.

Environmental groups in the province were quick to register their disappointment given the amount of noise the government had made around climate change in the last year, with one advocate calling the tax a "baby step" (CBC News 2008a). In contrast, BC and Quebec had announced carbon taxes which covered fuels used for transportation, the largest source of emissions in all three provinces. In an interview leading up to the provincial budget STEM Minister Jim Rondeau indicated that the government was not interested in pursuing a tax similar to that in BC or Quebec (CBC News 2008b), suggesting it was not prepared to

introduce any measures which could increase costs to consumers or create political backlash.

Beyond Kyoto built on the government's renewable energy strategy which had been established in the early 2000s. The plan continued working towards provincial mandates for ethanol and biodiesel, which would create new markets for agricultural products in addition to reducing emissions. Grant programs for biofuel producers were also established to develop a local industry. The government also confirmed previous commitments to install 1,000 megawatts of wind capacity by 2014 and promote geothermal and energy efficiency technologies. Beyond Kyoto also included measures to capture emissions from landfills and reduce GHGs from farming operations and in the public sector. All told, the strategy contained over 60 initiatives even though most of the planned emissions reductions came from a handful of actions (Office of the Auditor General of Manitoba [OAGM] 2010).

Manitoba moved cautiously on its California initiatives. The Climate Change and Emission Reductions Act (C.C.S.M. 2008, c. C135) established a Vehicle Standards Advisory Board (VSAB) to investigate whether Manitoba should adopt California's vehicle emissions standards. The province had already supported the standards through the WCI but decided to engage in further study rather than follow BC and Quebec, which were moving forward with legislation. Manitoba reiterated its commitment to cap-and-trade but moved slowly compared to BC, Quebec and Ontario which had begun consulting with industry and putting foundational legislation in place shortly after joining WCI.

B. Implementing Manitoba's plan: Organizational challenges and a shift in momentum

A Deputy Ministers Green Initiatives Committee (DMGIC) was tasked with managing the plethora of new initiatives in the Beyond Kyoto plan, while the climate change unit in STEM continued to lead on the file. The committee consisted of the deputy minister of STEM, the Secretary of the Community Economic Development Committee (a powerful sub-committee of cabinet similar to planning and priorities committees in many provinces), the Clerk of Executive Council, and the deputies of departments which had responsibility for climate change

initiatives. The cross-government committee was set up to provide overall management to the file and ensure commitments were met.

The DMGIC was unsuccessful in fulfilling its purpose. The committee met infrequently, approximately every two months, and as a policy maker with intimate knowledge of the meetings indicated, the process eventually “fizzled out.” There was difficulty ensuring attendance of all members; deputy ministers often appointed assistant deputies (ADM) and directors to attend in their stead. The policy maker also suggested that with approximately 60 different initiatives being tracked and most making a negligible contribution to the province’s targets, many deputy ministers had little incentive to participate. The meetings tended to be long and focused on a level of detail which was typically handled by directors or ADMs.

When the DMGIC stopped meeting, the climate change branch was left to manage the file on its own. The branch undertook one-on-one meetings with the departments who were overseeing climate change programs to keep track of their progress and provide what support they could. A government official who worked on climate change described the situation:

There was a point where we had closer political links to the Clerk of the Executive and to the Premier’s Office, but those links diminished over time. We became more of an administrative organization running programs but less linked to the strategic policy areas on climate and we became a bit more layered within the line department, with less access to senior people.

Without high-level support in government the climate change branch, a tiny unit in an already small department, did not have the capacity to pull other larger departments or agencies along on their GHG reduction activities or “crack the whip” when it appeared they were lagging behind.

In August 2009 Doer announced that he was leaving provincial politics to become Canada’s ambassador to the US, and in October, Greg Selinger, the former minister of finance, became premier. Selinger relocated the climate change branch from the energy department to the Department of Conservation. Officials working on the file who were interviewed for this study noted it was more difficult to maintain integration with their energy colleagues once they were under different reporting structures. One of these officials also suggested that by this time a perception had emerged within government that the file was problematic

and the province was having trouble meeting its targets, which made the branch's cross-government coordination role even more difficult.

By 2010 the wind had been taken out of the climate change sails by the economic downturn in North America. That summer, it became clear that the US Congress would be unable to pass legislation on a national cap-and-trade policy ending the prospects of a system at the federal level in Canada, which was not prepared to move forward without its southern neighbour. At the subnational level, BC and Ontario were not in a position to meet WCI's planned start date of 2012, while six American states pulled out at the end of 2010, leaving only California and Quebec participating. The Midwest states also showed no interest in moving forward with their system. In this environment, the Manitoba government finally launched an initial consultation at the end of the year which revealed concerns from industry, including the agricultural, forestry, pulp and paper, mining and oil and gas sectors, about the economic impact of entering into a carbon market (Manitoba, Department of Conservation 2011).

The VSAB released its report in 2009 and concluded that the province should work towards implementing the California vehicle emission standards, but noted that it only made sense to do so in concert with other jurisdictions (Manitoba, Vehicle Standards Advisory Board 2009). This is exactly what occurred as after numerous states and provinces voiced their support for California, the newly elected Obama administration in the US granted California the waiver to implement the standards and subsequently adopted them nationally. The Canadian government quickly followed suit creating a single, harmonized North American standard.

The province moved forward with its coal-reduction strategy as Manitoba Hydro downgraded its remaining coal-fired station to emergency-use-only in 2010 and the coal tax came into effect at the beginning of 2012. While it did not produce as many GHG reductions as originally expected (Office of the Auditor General of Manitoba 2010), the province succeeded in putting its biofuel strategy in place, including a biodiesel mandate that was the first of its kind in North America (Manitoba Government 2009). Biofuel production in the province also did not live up to original expectations; however, one ethanol plant and a handful of small biodiesel operations managed to get up and running in the province.

Two wind farms began operation in the province even though total generation capacity fell below the province's goal. In an interview for this study, a policy official with knowledge of the file suggested this was largely due to the end of federal support for wind production. Most policy makers who participated in this study pointed to geothermal and energy efficiency as "niche" areas where Manitoba continues to innovate and lead. The province has recently developed a pay-as-you-save (PAYS) program which allows residential tenants to finance high efficiency natural gas or geothermal heating systems with the savings they accrue on their utility bills. Another program provides training for people who face barriers to employment through retrofitting low-income housing to lower utility bills and reduce energy consumption.

In January 2012, after Selinger and the NDP were re-elected with a new majority, the government released its first progress report which indicated the province would meet its interim target of returning emissions to 2000 levels by 2010 (Manitoba, Department of Conservation 2012). However, emission levels had gone down across North America due to the economic downturn and, as Manitoba's economy picked up, they began to increase again. In 2012 the province's emissions were ten per cent above 1990 levels (Canada, Environment Canada 2015), a far cry from the original target of a six per cent reduction. In the progress report, the government committed to updating the Beyond Kyoto plan including new provincial targets, established with input from the public and experts, and more limited measures such as reporting requirements for large emitters, and a ban on coal burning for heating purposes.

III. STUDYING PROVINCIAL RESPONSES TO CLIMATE CHANGE: POLICY TRANSFER AND DOMESTIC FACTORS

Despite taking a leadership role on climate change in Canada and pursuing innovative policies, Manitoba and other provinces have been understudied in the Canadian climate change literature, which has largely focused on the federal government's inability to develop national policy and meet its international commitments (Harrison 2007; Bernstein, Bruneau and Green 2008; Broadhead 2001; Smith 1998). A handful of studies have emerged, suggesting a variety of factors which shaped provincial policy responses. These include regional economic and energy profiles (Harrison 2012b, 2013; Houle and McDonald 2012; MacDonald

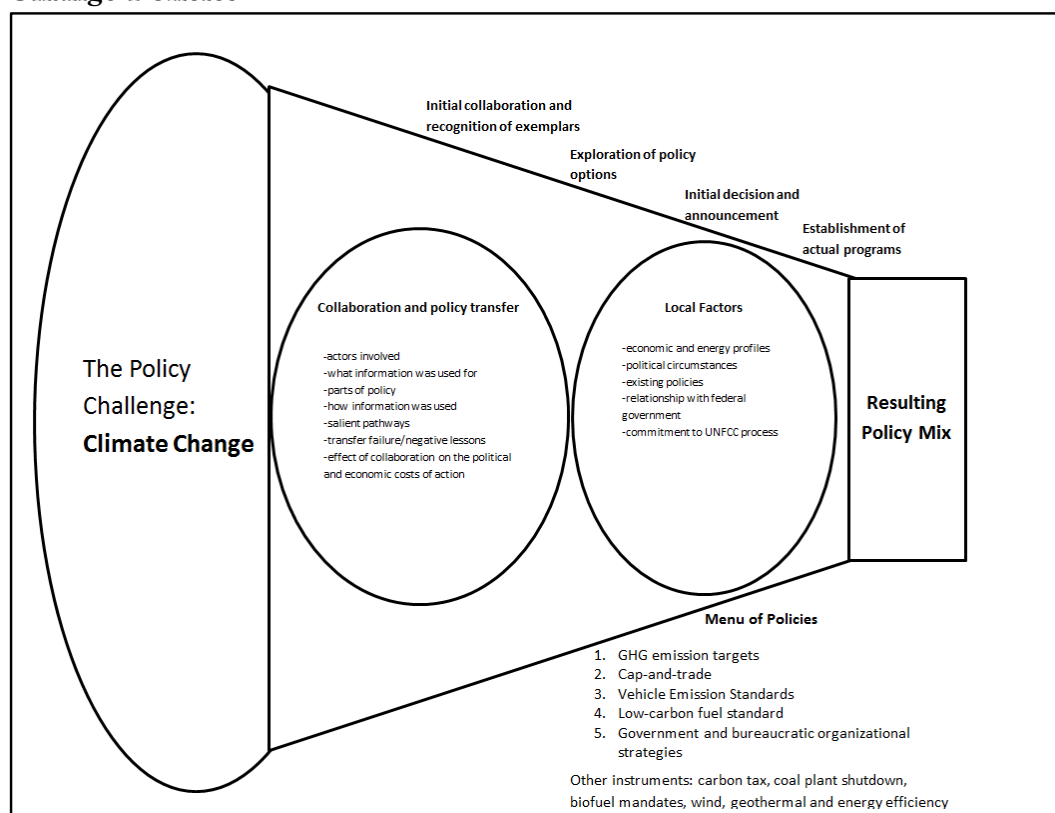
2011); political circumstances, such as leadership and party politics (Harrison 2012a), interest groups (Hoberg and Phillips 2011) and public support (Lachapelle, Rabe and Borick 2012); existing policies and previous decisions (VanNijnatten 2008); relations with the federal government (Houle 2009) and commitment to the UNFCCC process.

The literature on provincial climate change policy provides a foundation to understand the domestic factors shaping policy development in Manitoba but it is not adequate to explain provincial policies given that the province engaged in significant collaboration with other subnational governments. The analytical framework used in this article (Figure 1) merges the domestic factors identified by existing analysis of provincial climate change responses with insights from the literature on policy transfer to explain Manitoba's climate change policies more fully and fill an important gap in the literature.

Policy transfer represents "the process by which knowledge about policies, administrative arrangements, institutions and ideas in one political system (past or present) is used in the development of policies, administrative arrangements, institutions and ideas in another political system" (Dolowitz and Marsh 2000: 4). The emergence of the concept of policy transfer is typically attributed to globalization and developments in information and communication technologies which shrunk the globe and increased cross-pollination of policy ideas among states at the international level (Evans 2009). However, the study of inter-jurisdictional transfer of policy began in the US federal system (Walker 1969) where state governments were hailed as the "laboratories of democracy"² for producing innovative policies that could be replicated and spread across the country. Jurisdictions in federal systems often face competition to attract economic activity, creating a race to the bottom which results in fewer or less restrictive regulations (Harrison 2006). But a race to the top through emulation and learning can also occur and is an important aspect of Canadian provincial policy making (Atkinson, et al. 2013).

² This phrase was first used by US Supreme Court Justice Louis Brandeis in 1932 in *New State Ice Co. v. Liebmann*

Figure 1: An Analytical Framework for Explaining Manitoba's Climate Change Policies



Policy transfer is frequently thought of as an instrumental process where bureaucratic officials mine other jurisdictions for examples of programs that could be used in developing policies at home (Rose 1993). However, it is clear that political factors affect how lessons are drawn, and information from other jurisdictions is used by a variety of actors, including politicians and interest groups, in furthering their respective interests (Robertson 1991; Bennett 1991a). Transfer can also occur on different parts of policy such as goals, instruments, the content or details of policy, administrative institutions and ideas and values (Bennett 1991b; Dolowitz and Marsh 2000; Stone 2004).

The transfer literature explores the different ways policy makers use information from abroad (Dolowitz and Marsh 2000; Evans 2009; Rose 2005). Policy makers can copy an initiative policy in another jurisdiction exactly or emulate it by adapting the original policy to create a new version at home. Frequently, policy makers combine aspects of several different policies in developing their own solutions. Policy makers may also be

inspired to act by a policy in another jurisdiction even if they choose a different solution. The study of policy transfer highlights the pathways through which transfer occurs (Bennett 1991b). These include one jurisdiction unilaterally drawing lessons from another, collaborative agreements among government officials and other policy makers to share information through elite-networking, joint efforts among jurisdictions to harmonize policy when addressing a common problem and situations where one jurisdiction forces another to adopt comparable policies.

Just because a policy maker puts an idea from another jurisdiction forward in the policy process does not mean it will be adopted. Instances of failed transfer are particularly relevant to Manitoba which committed to climate change policies that were developed abroad, but was unable to adopt them. According to the literature, failure to adopt policies that were borrowed from other jurisdictions results from three mistakes (Dolowitz and Marsh 2000). Uninformed transfer occurs when the borrowing jurisdiction has insufficient information to establish a new policy. Incomplete transfer results when the borrowing jurisdiction does not adopt key elements of the policy that made it successful in the original jurisdiction. Inappropriate transfer takes place when the borrowing jurisdiction ignores important differences between itself and the original jurisdiction. Finally, learning about policy in another jurisdiction could lead to negative lessons that cause policy makers to avoid a similar course of action at home.

California, which was leading the wave of subnational momentum on climate change, played a particularly important role in Manitoba policy development. The province sought to borrow several policies developed in the state, and Doer and Schwarzenegger appeared together at many public events and policy announcements. The term “California effect” (Vogel 1997: 248) has been coined to describe the influence the state has on other subnational jurisdictions and North American policy as a large actor with a history of environmental leadership. Harrison (2012b) suggests that, in addition to providing policy models that jurisdictions seek to emulate, California’s size and leadership can reduce costs and risks for those concerned about the economic and political consequences of regulating unilaterally. California has helped coordinate the response of subnational governments through ventures like the WCI, which further reduces economic risk and creates efficiencies in reducing emissions by pooling individual efforts.

More recent work on policy transfer asserts that the approach cannot explain policy change on its own (James and Lodge 2003) and local circumstances are required to explain whether and why a policy is produced in another jurisdiction (McCann and Ward 2012). To address these concerns terms like policy assemblages (McCann and Ward 2012), policy mimesis (Massey 2009) and policy translation (Stone 2012) have been coined in an effort to better reflect the complexity of the transfer process and account for local variation. These works highlight that local factors cannot be ignored in explaining policy development even when exploring the influence of policies developed in other jurisdictions.

IV. EXPLAINING MANITOBA'S POLICY RESPONSE TO CLIMATE CHANGE

Manitoba's decision to collaborate with other jurisdictions on climate change and pursue policies that were developed abroad was largely driven by the desire to influence policy at the national and continental level. This desire was a result of the possible benefits the province could accrue from policies that increased demand for hydroelectricity in North America, and concerns about the province's vulnerability to the effects of climate change. A high level decision maker in the provincial government indicated that subnational action was not seen as enough on its own, but with sufficient popular support it was thought it could motivate national governments to take action. Cooperating with other jurisdictions increased Manitoba's political clout and allowed it to put forward its interests while preparing for Canadian and North American policies.

Working with California and leading on an international issue was a unique opportunity for a small jurisdiction like Manitoba, and the momentum that was building among provinces and states brought political cachet to the issue while adding weight to the province's efforts. A former policy official who worked on the province's climate change plan explained the feeling at the time: "suddenly we were referred to as 'the climate leaders' and these initiatives that people were just working away on in their offices in their little jurisdictions gained some gravitas and that spurred more action." The star-power of Schwarzenegger and other high-profile leaders should not be underestimated in Manitoba's decision to engage in collaboration; these relationships helped build support for action in the province and provided good press for the government.

Although interview respondents were careful not to paint a picture of political opportunism in the province's motivations, it is no coincidence that Doer appeared multiple times with "the Governor" while promoting climate change and many provincial announcements were made with representatives from other jurisdictions in tow.

The problem for Manitoba was that the momentum on climate change in North America dissipated. After the economic downturn and the failure of regional and national policies, the risks Manitoba faced in adopting initiatives on its own, or with a smaller number of partners, became too high. Many policy makers interviewed for this study suggested that while climate change was never high on the public's radar in Manitoba, and support from business was always lukewarm, the recognition that other jurisdictions were backing away made it more difficult to push for new policies. As one high level policy maker in the province stated: "Manitoba grew concerned it would be at the front of the climate change parade, with no one following."

Much of Manitoba's collaboration was tied to Doer's leadership, and his departure in 2010 did not help the province's efforts to move forward on policies like cap-and-trade. However, Selinger continued to attend international events, including the 2009 UNFCCC conference in Copenhagen, and a policy official who worked under both premiers asserted that the province would have continued with its commitments if the momentum in North America had not evaporated. More important was the inability of the province to create an organizational and management structure that would translate political support to the provincial bureaucracy and drive a file that involved many different government departments.

A. Policy transfer and Manitoba's climate change policies

Manitoba's collaboration was initially strong at the political level. The province engaged in elite-networking (Bennett 1991b) by signing MOUs with BC and California and followed these jurisdictions' lead by establishing GHG goals in legislation. But as the momentum on climate change waned, policy transfer did not trickle down to policy instruments or the administrative institutions used to develop policy. Most notably, the province did not move beyond the preliminary stage of passing authorizing legislation on cap-and-trade, limiting its participation in WCI and the

effort to harmonize policy through a regional carbon market (Bennett 1991b).

The clearest example of policy transfer and learning in Manitoba was the adoption of legislated GHG targets. The province followed the example of California and BC which had received praise from environmental groups such as the David Suzuki Foundation (Marshall 2008) and the Environmental Defence Fund (who, as of August 2015, outlined their support on their website <https://www.edf.org/climate/AB32>) for making a formal legal commitment to reduce their emissions. But Manitoba emulated or adapted its partners' policy rather than copying it outright and the content of the goals in each jurisdiction differed. Manitoba adopted Canada's Kyoto targets rather than the more modest goals of California and BC. This meant the province had made a commitment that it had little chance of meeting, while its partners were able to demonstrate more progress (British Columbia, LiveSmart BC 2012; California Air Resources Board 2013). When it became clear that Manitoba's targets would not be achieved, many departments began to distance themselves from the climate change issue. A Manitoba policy maker who worked on the file suggested that, even though climate change was perceived as a problem, those not directly managing the file tended to view it as the climate change branch's problem rather than a government problem.

Manitoba's adoption of legislated targets could be viewed as the incomplete transfer of a policy, where crucial elements of what made an initiative successful are not transferred (Dolowitz and Marsh 2000). By setting more modest targets the government may have been able to show more progress in achieving its goals, making it easier to engage departments and maintain momentum on the file. The government appears to have learned from this experience as it has suggested new targets will account for a range of economic and political factors and be more realistic for the province to achieve (Manitoba, Department of Conservation 2012).

The economic downturn at the end of the 2000s clearly hampered Manitoba's ability to fulfill its commitment on cap-and-trade. Governments at the subnational and national level pulled out of carbon trading across North America, and the potential for Manitoba to derive economic benefits diminished. One person familiar with the file who was interviewed for this study noted that with fewer jurisdictions participating

in WCI, it became more likely that the interests of larger members like California could dominate those of a smaller player like Manitoba. This exacerbated businesses' fears about the economic risks of participation. As the details of WCI's cap-and-trade program took form it became clear Manitoba would not receive credits for exporting hydroelectricity to other jurisdictions but would be required to pay for natural gas imports, which occurred in drought years when Manitoba Hydro's output was low. A climate change expert in the province suggested this was a strong contributing factor in Manitoba's decision to defer on cap-and-trade as it shifted the government's view of regional carbon trading from an economic opportunity to a potential liability.

As it became clear that a comprehensive system at the national or continental level was unlikely and participation in WCI's regional market may not be favourable to its interests, Manitoba's resolve to spend the administrative resources to develop and operate a system was eroded. One government official that worked on climate change in Manitoba explained the province's position:

We don't have the resources to do the regulatory work, to prepare and implement the kind of regulatory changes that would be necessary to be a part of WCI. Ideally the federal government would establish those rules and any kind of regulatory regime would be federally driven. Unless you've got the resources in place you will eventually be left by the wayside. Also when you're looking at participating in a cap-and-trade program and your industrial base is one tenth of what other provinces' is, we need to ensure that it warrants that kind of investment.

The province preferred to rely on its coal-reduction strategy to address large sources of emissions in the province. Manitoba Hydro's transition away from coal began with the Selkirk generating facility in the early 2000s. The strategy was a relatively straightforward and cost-effective way to achieve emission reductions, compared to cap-and-trade, and represented a small enough portion of total generation capacity that it could be replaced by other sources. A senior public servant in Manitoba suggested that the move solidified Manitoba Hydro's reputation as a provider of low-carbon electricity which the province deemed important in marketing itself to provinces and US states. Transitioning the Brandon plant to emergency-use-only status meant the utility could boast to its clients it had virtually eliminated large-scale coal burning in the province.

Manitoba's carbon tax also helped address coal use in the province. Government officials in Manitoba that were interviewed for the study acknowledged that they considered carbon taxes in BC and Quebec, and a member of an environmental group in the province indicated that their organization proposed it to the government. But those policies had very little influence on the design of Manitoba's tax as the province continued to rely on voluntary incentives to reduce emissions from transportation rather than tackling the political controversy involved with implementing a tax. A key argument against a broader tax made by business groups, revealed in the interviews was that the province's economy is largely comprised of small businesses which have a harder time absorbing the cost increases created by new pricing policies than national and international companies.

An LCFS was not included in the Beyond Kyoto strategy and was not seriously contemplated in the province even though the policy originated in California, was included in the Manitoba-BC MOU and was studied by the MGGRA. There was limited pressure to adopt the LCFS from outside Manitoba as the policy did not spread widely after facing significant pushback from the oil and gas industry. There were also concerns among states and provinces in the agricultural midwest that ethanol would face penalties under the standard as debate continued about the fuel's carbon footprint (Anex and Lifset 2009). A provincial climate change official interviewed for this study indicated that Manitoba was not interested in an LCFS as it was already committed to its biofuel strategy which created economic development opportunities in the province. Ethanol and biodiesel mandates continue to be the preferred method for addressing fuel emissions among provinces and states, as well as the Canadian and US federal governments.

Manitoba could have learned from the experience of other jurisdictions in organizing government and the provincial bureaucracy to develop and implement climate change policies. While California and BC established committees at the political executive level, cabinet ministers in Canada and secretaries or directors in the US, Manitoba tasked a senior bureaucratic committee of deputy ministers with overseeing the file. In BC the Climate Action Secretariat (CAS), located in the premier's office, was created to provide direct policy and administrative support to the cabinet committee. Several BC policy makers who were interviewed for this study indicated the CAS was crucial to the government's success on the file. In

Manitoba the climate change branch remained located in the line department.

A policy maker that had a hand in developing California's climate change plan and worked with provinces indicated that one of the lessons the state provided was that policy management needed to be run centrally with a strong political commitment. While the involvement of Doer and his office was strong in the early stages of Manitoba's policy development, without a formal link to the political level the cachet or buzz associated with climate change diminished over time. The deputy minister committee provided little support for the climate change unit in managing the file as the group met infrequently with sporadic attendance from deputies. As a result, the climate change unit became buried within the line department leaving those working on the file with less access to political decision-makers and little capacity to drive and coordinate the activities of other departments.

The lone policy from abroad that Manitoba adopted was California's vehicle emission standards. Vehicle emission standards in Canada and the US represent a unique case where subnational action drove a federal response as states and provinces helped catalyze a national standard. Manitoba's decision to wait for federal action, rather than take steps towards its own policy, provides further evidence that the province was only willing to act on climate change as part of a national or continental response.

V. ASSESSING THE POLICY TRANSFER LITERATURE

This study found that Manitoba engaged in collaboration and information sharing on several climate change policies, but was unable to adopt most of them. The Manitoba case highlights the importance of distinguishing between the transfer of information about a policy and actual adoption. A weakness of the policy transfer approach is that it frequently assumes the former leads to the latter (Radaelli 2005; Stone 2012) because it focuses on the process of developing policy (the second line of inquiry of this article). While policy transfer was useful in identifying actors engaged in information sharing and the pathways through which learning occurred, it had less to say about why Manitoba engaged in collaboration (the first line of inquiry) and how it affected the decision to adopt policies or not (the third line of inquiry).

The policy transfer approach focuses on the process of information sharing and learning because it has largely been developed and applied to autonomous countries at the international level. The approach is not an ideal fit for subnational actors like Manitoba, which operate in an economically and politically integrated federal system and in the shadow of the much larger US. In these circumstances learning is not necessarily the only, or the most important, cross-jurisdictional influence shaping provincial responses or driving them to work with others. Manitoba was looking to influence national policy rather than learn from initiatives in other jurisdictions to solve a problem at home (Rose 1993). This explains why the province did not move forward with new initiatives when national policies did not emerge.

Answering questions about why and with what effect provinces engage in collaboration requires considering local factors. As a hydro-province, Manitoba pushed for national climate change policies which would increase demand for clean electricity and, to punch above its weight, the province looked for partners with similar interests. Concepts like incomplete transfer are useful in understanding the success or failure of the transfer process, however, it is difficult to determine why a policy was ultimately adopted or not without looking at the broader policy making and implementation process (James and Lodge 2003). The analytical framework used for this study provides one example of how this can be done by merging the policy transfer approach with insights drawn from the existing provincial climate change literature. This “multi-theoretical approach” (Rhodes 1995) combines different conceptual and theoretical insights to create a framework that generates empirically grounded hypotheses about the policies adopted in Manitoba.

VI. CONCLUSION

Manitoba had a clear vision of becoming a large energy provider in the transition to a low-carbon economy in North America. As a small jurisdiction, the province sought to become a leader and collaborate with likeminded provinces and states to punch above its weight and influence federal and continental policy. This led the province to set aggressive GHG reduction targets and commit to a range of new policies that its partners were also considering. However, when the wind came out of the climate change sails in North America, and it became clear that policies at

the regional and national level would not emerge as planned, Manitoba opted to retreat to a more modest agenda of reducing coal-use in the province and promoting renewable energy.

There appear to be signs of renewed interest among Canadian provinces in taking action on climate change. Ontario has announced plans to join California and Quebec in the WCI's carbon market and a new NDP government in Alberta has put policies like cap-and-trade or a carbon tax back on the table in that province. If the subnational momentum on climate change continues to build, Manitoba may have to decide whether it wants to wade back into the murky waters of leadership or maintain a more cautious approach that will keep it safely standing on the shore. Whatever course it chooses, Manitoba is likely to pursue a plan that reflects its unique situation as a province that could gain from the shift to a low-carbon economy in North America but is dependent on others to realize that vision.

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