

Wither Ontario's Environment? Neo-Conservatism and the Decline of the Environment Ministry

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Une série de coupures dans le budget du Ministère de l'Environnement de l'Ontario (MEO) durant les années 90 l'ont laissé avec moins de ressources au tournant du siècle qu'il en contrôlait dans le milieu des années 70 lorsque le ministère a été créé. Cet article passe en revue l'impact de ces coupures sur le mandat du ministère ainsi que sur sa structure organisationnelle. Il met également en évidence que la pression du public et les modèles politiques offrent une bonne explication de la majeure partie du développement historique du ministère. Par contre, ces évidences ne peuvent expliquer les récentes coupures drastiques ainsi que les réductions de personnel. Les idéologies néo-conservatrices du gouvernement conservateur de Mike Harris sont plutôt responsables des réductions majeures de la fin des années 90.

A series of sharp cuts to the Ontario Ministry of Environment's (MOE) budget in the 1990s have left it with fewer resources at the turn of the century than it controlled in the mid-1970s when the ministry was first created. This paper reviews the impact of those cuts on the ministry's mandate and organizational structure, and argues that public pressure and party politics models offer a good explanation for most of the ministry's historical development, but an insufficient account of the more recent drastic cuts and downsizing. Rather, the neo-conservative ideology of Premier Mike Harris' Conservative government accounts for the major retrenchment of the late 1990s.

INTRODUCTION

Urban smog levels increasingly exceed safety guidelines in southern Ontario, causing an estimated 1,800 premature deaths a year according to former environment minister, Norm Sterling. Ice storms in eastern Ontario and southwestern Quebec in January 1998 left three million without electric power and caused an estimated \$1-2 billion in damages, while the overall costs of the 1996 Saguenay and 1997 Red River floods also exceeded a billion

dollars. The ecological, economic, and emotional damage caused by more frequent, extreme weather-related events and other possible impacts of greenhouse warming may be worse than previously thought (Francis and Hengeveld 1998).

At the same time, a plethora of reports from international organizations, non-governmental organizations (NGOs), and ministry watchdogs have recently pointed a spotlight on Ontario's unflattering environmental record.¹ The North American

Commission on Environmental Cooperation lists Ontario as the third largest source of pollutant releases in North America after Texas and Tennessee. The Office of the Ontario Fire Marshal raised concerns about the ministry's capacity to monitor environmental safety after the three-day fire in the Plastimet plastics recycling facility in Hamilton in July 1997 released benzene, dioxins, furans, and other carcinogenic toxics into the surrounding community's air, and contaminated the soil at the site. The Ontario Environment Commissioner Eva Ligeti, in her 1998 report, stated: "The government of Ontario needs to shift its focus from providing regulatory relief to industry to protecting the environment and human health." The Canadian Institute for Environmental Law and Policy (CIELAP) produced its third annual report in June 1998 on "Ontario's Environment and the 'Common Sense Revolution,'" documenting a pattern of environmental deregulation, reduced enforcement, and a devolution of environmental responsibilities to municipalities and the private sector.

A series of sharp cuts to the Ontario Ministry of Environment's (MOE) budget in the 1990s have left it with fewer resources at the turn of the century than it controlled in the mid-1970s — shortly after the ministry was created and when it was performing a fraction of the functions it later accumulated in its ever-expanding mandate. Between 1991-92 and 1997-98, the ministry's operating budget was sharply reduced by 68 percent in real 1998 dollars and its staffing by 40 percent, forcing a metamorphosis in the ministry's mandate in the areas of scientific research and analysis, monitoring, implementation, and enforcement.

This paper has three aims: first, to examine the funding and staffing levels of the Ontario Ministry of Environment over a period of more than two and a half decades; second, to review the development and the decline of the Ontario Ministry of Environment, focusing on the impact the cuts in the mid-1990s have had on the ministry's organizational structure and mandate; and finally, to assess vari-

ous explanations for the rise and decline of the ministry, including the role of public pressure, party politics, and ideological determinants. A public choice model, which attributes gains in environmental policy to significant public concern and pressure (e.g., Harrison 1996), offers a good indication of overall trends of ministry strength for much of its historical development since its inception, though an insufficient explanation of the precipitous downsizing from the mid- to late 1990s. Similarly, party politics have acted as an important factor in shaping the nature and pace of environmental policy making in Ontario, but the thrust has generally been a ratcheting up of environmental policy with only minor, occasional retrenchments during majority governments — particularly those toward the right of the ideological spectrum (Winfield 1993). The most recent wave of cuts and policy changes represents not a minor but a major retrenchment, and can be best attributed to a particular brand of conservative ideology — namely neo-conservatism. The Conservative government under Premier Mike Harris, which came to power in June 1995 and was re-elected in June 1999, expounds a neo-conservative ideology similar to that of Thatcherism in the UK and the Republican Party in the United States, which, despite public relations posturing, is highly antagonistic to environmental concerns (Paehlke 1989; Robinson 1992). This, I argue, accounts for the nature and extent of the recent retrenchment.

SPENDING AND STAFF LEVELS OF THE ONTARIO MINISTRY OF ENVIRONMENT (1971-1997)

The Ministry of Environment's budget has for most of its history increased incrementally in real dollars as the ministry's mandate and staff levels expanded (see Table 1 and Figure 1). This trend continued in the early 1990s when the ministry's budget grew from \$751 million in 1990 to \$824 million in 1991 (in real 1998 dollars). The 1991-92 fiscal year represented the peak year in total spending by the Ministry of Environment (and Energy). The budget increases were allocated toward higher expenditure

TABLE 1
Ontario Environment Spending Since Setting Up an Environment Ministry¹

	Nominal			Real (\$1998)			Inflation Index GDP Deflator
	Operating \$	Capital \$	Total \$	Operating \$	Capital \$	Total \$	
1971/72*	25	55	80	94	208	302	35.9
1972/73*	38	104	142	135	369	504	38.2
1973/74	43	90	133	138	289	427	42.2
1974/75**	61	126	187	178	368	546	46.4
1975/76	87	155	242	237	422	659	49.8
1976/77	103	146	249	262	371	633	53.3
1977/78	118	140	258	280	332	612	57.1
1978/79	136	167	303	297	365	662	62
1979/80	140	150	290	278	298	576	68.2
1980/81***	143	193	336	257	347	603	75.5
1981/82***	180	229	409	294	374	669	82.9
1982/83***	180	210	390	276	322	597	88.5
1983/84***	194	180	374	284	264	548	92.5
1984/85***	200	180	380	282	254	536	96.1
1985/86***	213	185	398	289	254	539	100
1986/87	229	172	401	298	224	522	104.1
1987/88	270	178	448	337	222	559	108.7
1988/89	302	175	477	357	207	564	114.6
1989/90	400	168	568	454	191	645	119.4
1990/91	459	232	691	499	252	751	124.8
1991/92	498	270	768	534	290	824	126.4
1992/93	510	231	741	537	243	780	128.8
1993/94	387	160	547	405	167	572	129.6
1994/95****	286	57	343	294	59	352	131.9
1995/96*****	296	122	418	301	124	425	133.2
1996/97	178	201	379	180	203	383	134.3
1997/98*****	161	100	261	161	100	261	135.5

Notes: ¹Includes energy. Pre-1990 and 1997/98 numbers add Ministry of Energy.

* Prior to creation of Ministry of Energy. Some capital from OWRC not included in 1971/72.

** Does not include \$100 million for shares in Suncor.

*** Ministry of Energy spending increased by more than a factor of two. Suncor-related expenses omitted. Suncor shares sold in 1985/86.

**** First full year of OCWA excluded from Public Accounts.

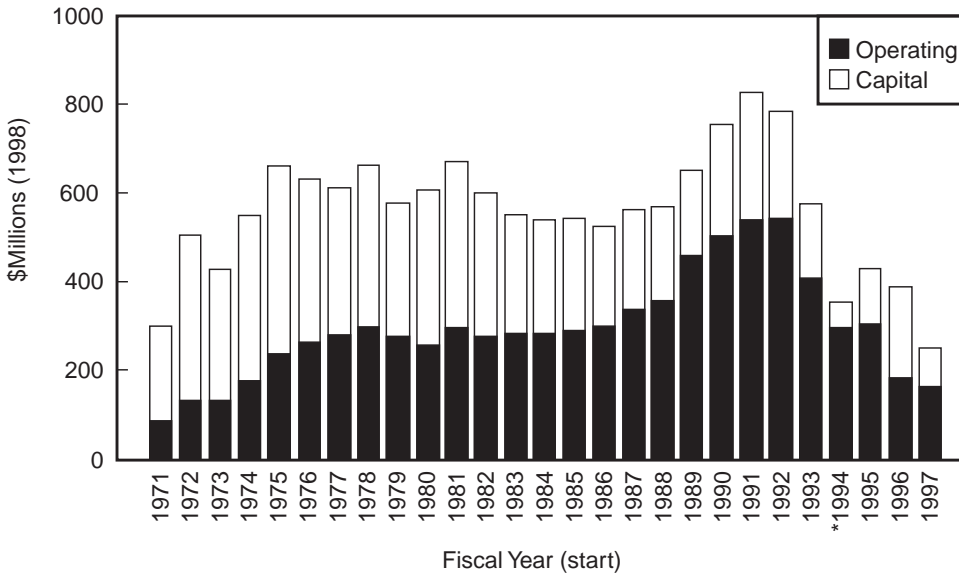
***** OCWA re consolidated into Public Accounts.

***** 1998 Budget.

Unshaded years – no explicit reporting of capital and operating expenses.

Source: CANSIM.

FIGURE 1
Ontario's Environment Real Spending,¹ 1970s to 1990s



Notes: ¹Ministries of Environment and Energy. *OCWA not included

Source: Ontario Public Accounts

for Municipal-Industrial Strategy for Abatement (MISA), recycling and waste reduction, and the Great Lakes Remedial Action Plans (RAPs). The budget, however, declined to \$780 million in 1992-93. More severely, following the Social Contract in April 1993 the first major cuts of the 1990s set in when the New Democratic Party (NDP) government under Premier Bob Rae reduced the ministry's overall budget (capital and operating expenditures) by over \$200 million in its attempts to reduce the government deficit.² However, these cuts were concentrated mainly in reduced external *capital* grants to municipalities for water and sewers, as well as grants to universities and other groups, and thus did not heavily impact the ministry's overall structure and programs.³

With the election of the Progressive Conservative government in June 1995 the Ministry of Environment (and Energy) was targeted with some of the government's deepest cuts. It lost about a third of its staff and budget in two years. Over 750 positions were eliminated: 350 staff were laid off in May 1996 and 303 in January 1997 (Ligeti 1997, p. 17; OPSEU 1997, p. 1). The 1990 staff levels, consisting of 2,450 people, fell 40 percent by 1997, by which time the ministry staff was at an estimated 1,470. Similarly, in 1996, the Ministry of Natural Resources announced layoffs of 2,170 people over the next two years. The Conservative government's cuts were disproportionately aimed at the Ministry of Environment and the Ministry of Natural Resources. As shown in Table 2, between 1995-96 to

TABLE 2
Operating Expenditures for Select Ontario Ministries (\$ Millions)¹

<i>Ministry</i>	<i>Actual 1995-96</i>	<i>Plan 1999-2000</i>	<i>Change 95-96 to 99-00</i>
			<i>%</i>
Agriculture, Food and Rural Affairs	263	365	+39
Community and Social Services	8,816	7,677	-13
Consumer and Commercial Relations	140	126	-10
Education and Training	8,390	11,197	+43
Environment	226	165	-27
Health	17,607	20,173	+15
Labour	135	95	-30
Natural Resources	519	364	-30
Northern Development and Mines	66	127	+92
Solicitor General and Correctional Services	1,111	1,243	+12
Total Operating Expenditure	54,638	56,843	+4

Note: ¹Current (not real) dollars.

Source: 1999 Ontario Budget.

1998-99 the total government operating budget in current dollars increased by about 4 percent and expenditures at several ministries grew, in some cases substantially, while the Ministries of Environment, Natural Resources and Labour were cut substantially. Although deficit control concerns resulted in budget pressures as it had with the previous NDP government under Bob Rae (e.g., the 1993 Social Contract), the 30 percent income-tax cut promised and implemented by the Tories in their first term greatly accelerated the need to cut government expenditures. The Tories pledged a further 20 percent income-tax cut during their second term in government.

The cuts were also different in kind from those of the earlier NDP cuts as they targeted the operating and not the capital budget. Operating expenditures are a key indicator of the Environment Ministry's capacity to perform its functions, covering both the salaries of civil servants and the costs

of administering environmental assessments, regulations, enforcement, and so forth. In real dollars, the Ministry of Environment's operating expenditures in the late 1990s are comparable to levels in the early 1970s. In real dollars, the ministry's operating expenses in 1997-98 were barely higher than in the year 1972-73, shortly after the ministry was first created, and 10 percent less than in 1974-75, the fourth year of its existence. In 1991-92, when environmental expenditures peaked, over half a billion dollars was spent on operating expenses; by 1997-98, the figure had fallen to \$161 million, a drop of more than two-thirds or 68 percent.

INSTITUTION-BUILDING (1971 TO EARLY 1990s)

The Ontario Ministry of Environment's evolution has, for the most part, consisted of institution-

building, a ratcheting up of its overall responsibilities, size, and power. However, the pace of environmental policy making has varied considerably due to a host of factors, in particular the level of public concern for the environment, and party politics.⁴

Public Pressure and Party Politics

The Ontario Ministry of Environment was created in 1971, following the first green wave of the late 1960s and early 1970s.⁵ A clientele pluralist policy network soon emerged involving a close working relationship between the Ministry of Environment and waste-generating industries (Winfield 1993; Skogstad and Kopas 1992). In this relatively closed environmental policy-making process, environmental standards were set by Ministry of Environment with industry participation though excluding the scrutiny of public opinion and environmental organizations. Further, there was an “accommodative” approach to enforcement, involving negotiations rather than prosecutions to achieve compliance with environmental regulations. This closed policy network was gradually replaced by more open, “contested clientelist” relations as the ministry’s mandate expanded in punctuated steps and jumps with growing levels of public concern, and the dynamics of party politics.

Kathryn Harrison (1996) employs the concept of environmental salience in public opinion polls to account for government action on environmental protection. Using a public choice theoretical framework, she starts with the assumption that governments are rational actors who assess the costs and benefits of introducing environmental legislation, regulations, and enforcement measures. Governments hesitate to introduce environmental laws since these produce diffuse benefits for the public, but impose concentrated costs on industry. At the same time, business interests are generally better organized and financed than environmental groups. Thus, the Olsonian problem of collective action emerges. However, environmental policy does emerge “when public opinion occasionally overcomes the obstacle to collective action, thus transforming politi-

cians’ incentives” — that is, during green waves when the environment is a “top of mind” issue (Harrison 1996, p. 16; Paehlke 1992). Green waves occur as a result of environmental crises, increased media coverage, as well as the skills of policy entrepreneurs.

Harrison’s model is essentially a public pressure model, based on the idea that governments respond to concerned and mobilized publics. Governments introduce new and more progressive environmental policies if sufficient public pressure is applied and “forces” them to do so. Only when environmental issues are salient in public opinion polls, that is, during green waves, as in the early 1970s and from the mid- to late 1980s, is there sufficient public pressure to motivate governments to introduce significant environmental legislation and regulations, improve enforcement, and give more weight to environmental concerns during constitutional discussions. For example, in the case of Ontario, the environmental legislative framework was established in the early 1970s and early 1990s. The key legislation was set up by the mid-1970s, comprising the *Water Resources Act*, the *Environmental Protection Act*, and the *Environmental Assessment Act*.⁶ The *Environmental Bill of Rights*, introduced in the early 1990s, was the only major piece of legislation added since the 1975 *Environmental Assessment Act*. During the second wave of environmental concern in the late 1980s and early 1990s, public concern for the environment translated into additional environmental programs and regulations, better enforcement as well as the incorporation of environmental considerations into the work of other government ministries and legislation.

In addition to levels of public concern, Mark Winfield (1993) posits that party politics greatly influence the pace of environmental legislation. Majority governments, particularly those toward the right of the ideological spectrum, tend to slow the rate of environmental policy making and to pursue retrenchment, though this tendency is moderated by high levels of public concern. In contrast, minority

governments of all shades are more moderate and responsive than majority governments, and tend to quicken the pace of environmental policy making. For example, the 1975-81 minority Conservative government was a “critical watershed,” providing an initial dent in the clientele relationship between the Ministry of Environment and polluting industries. Vertically, the ministry pursued its enforcement activities more aggressively; “horizontally,” it expanded, moving beyond the control of pollution to land use and natural resources development, particularly, through the use of environmental assessments in a growing number of policy areas (*ibid.*). However, the pace of environmental programs slowed down significantly with the re-election of a Conservative majority in 1981. Similarly, the Liberal minority government (1985-87), which had negotiated an accord with the New Democratic Party, proved a “critical turning point in the evolution of environmental politics and policy in Ontario” (*ibid.*, p. 138) whereas the Liberal majority government between 1987-90 was, at times, ambivalent toward the environment despite another wave of environmental concern.

Still the ministry grew substantially in the late 1980s and early 1990s, as part of the public’s growing interest in environmental protection — a “second wave of environmentalism” that swept much of the world starting in the mid-1980s. The ministry introduced a number of new policies and regulations related to water pollution (the Municipal-Industrial Strategy on Abatement), acid rain, and solid and hazardous waste, shifted from an “accommodative” approach to environmental law enforcement to a “prosecutorial” approach, applied environmental assessment legislation more extensively, set up new consultative bodies like the Ontario Roundtable on Environment and Economy in 1989, and transferred funding and responsibility for the Niagara Escarpment Plan and Commission from the Minister of Municipal Affairs to the Minister of Environment in early 1990 (Ontario 1991, p. 5). The election of the New Democratic Party government, under the leadership of Bob Rae, in September 1990 provided

a further boost for the ministry. An assortment of new programs and policies were introduced, including a new Environmental Bill of Rights Office, a Waste Reduction Office, and a green industry program; a reinvigorated MISA program to regulate water pollution from both municipal and a multitude of industrial sectors; and an expansion in the land use and environmental assessment programs.⁷ The Ontario Clean Water Agency (OCWA), a special operating agency, was created in 1993. Also, the NDP government undertook the difficult process of greening other ministries through a new *Planning Act*, the *Sustainable Forestry Act*, and an increased emphasis on energy conservation.

NEO-CONSERVATISM AND GOVERNMENT DOWNSIZING (1995 TO PRESENT)

The Ontario Ministry of Environment entered a new phase in its history in June 1995, as the newly-elected Conservative government embarked on an austere and accelerated program of government downsizing. The ministry was promptly targeted with spending cuts — a one-third cut of staff and resources within two years. Senior managers were forced to rethink radically the ministry’s organizational structure, and its approach to its traditional functions, such as standard-setting, monitoring, implementation, and enforcement. The reduction in capacity-building inputs, including funding and staff cuts, changes in legal and policy mandates, a downsized organizational structure, and the elimination of a number of external supports, such as advisory committees all badly diminished ministry outputs in the areas of in-house scientific expertise, standard-setting, monitoring, inspection and enforcement activity, and policy responses to emergencies and new or continuing environmental problems. In the end, the Environment Ministry was weakened through the elimination of programs (the removal of services and activities); privatization (shifting services and activities from the public to the private sector); and devolution (downloading of services and activities to another level of

government, usually municipalities) (Waterstone 1997). In the face of sharp budget and personnel cuts, the ministry increasingly turned to alternative delivery systems (e.g., cost-recovery, joint ventures, privatization, and self-regulation), voluntary compliance mechanisms, and standardized approvals.

A Downsized Organizational Structure

A downsizing in the ministry's organizational structure occurred at all levels, involving a pattern of closings and consolidation of a number of its boards, agencies, branches, and units, and a delayering of management levels. First, a number of boards and agencies were eliminated. In September 1995, early in its mandate, the Conservative government disbanded most of the Ministry of Environment's public advisory and multi-stakeholder committees, including the Advisory Committee on Environmental Standards, the Environmental Assessment Advisory Committee, the MISA Advisory Committee, and the Ontario Roundtable on the Environment and Economy, marking a return to a closed clientele relationship between the ministry and affected industries. In June 1996, the government introduced the *Environmental Approvals Improvement Act*, which included provisions that dissolved the Environmental Compensation Corporation⁸ and the Ontario Waste Management Corporation (ibid., p. 24). At the same time, in March 1997, the Niagara Escarpment Commission was transferred to the Ministry of Natural Resources, in effect diminishing the agency's focus on environmental concerns.

Second, a host of changes occurred at the branch and unit levels. A number of ministry offices closed, including those at Parry Sound, Gravenhurst, and Pembroke,⁹ and the Sudbury regional office. The Marine Service Unit, which sampled water and sediments, was disbanded (Winfield and Jenish 1997, p. 44). Three regional laboratories were closed, increasing the ministry's reliance on outsourcing of lab services. Nineteen programs by the Ministry of Environment and Energy were reduced or cancelled, including conservation and planning, Municipal Recycling Support, Industrial 3Rs, and

Scrap Tire Management (Ligeti 1996a, p. 42). In January 1997, the Ministry of Agriculture, Food and Rural Affairs terminated the testing of pesticide samples. In February 1997, the Environment Ministry cancelled funding for the Great Lakes cleanup program, and the provincially funded coordinators for the Remedial Action Plans for the Areas of Concern in Ontario were laid-off (Ligeti 1997, pp. 59-60).

Many of the ministry's offices at the unit level were consolidated with others, reflecting, in part, an erosion or weakening of programs. For example, the Municipal-Industrial Strategy for Abatement units in the various regional offices of the Regional Operations Division were consolidated with abatement units. As a result, less coordination, focus, and expertise were assigned to reducing water pollution, and the tasks were left to the ministry's "generalists" who were required to perform new expert tasks in the areas of water pollution, waste management, and pesticides, in addition to their previous tasks of responding to complaints and spills, and conducting inspections (OPSEU 1997, pp. 6-7).

Third, the number of reporting levels was reduced from six or seven to four (deputy minister, assistant deputy ministers, directors, and managers) in a process of management delayering. The number of directors has been reduced as the number of branches have likewise diminished. Consequently, the span of control (the number of people who report to various managers) has increased substantially, affecting the regional field staff, in particular, which previously had a high number of reporting levels.

A Metamorphosed Mandate

At the same time, the mandate of the Ministry of Environment and other environmentally-related departments was radically metamorphosed from a broad series of roles to a more narrowly-interpreted set of functions. First, the Environment Ministry began the process of moving away from standard-setting by reducing its in-house scientific expertise, and disbanding the standards-setting advisory

bodies, as noted above. In its place, the ministry considered the simple adoption of standards set by other international, national, or local bodies. Ironically, having once been a leader in environmental standard-setting in Canada, the Ontario government now appears to rely increasingly on the existence of scientific capacity elsewhere. With the exception of a few hazardous air pollutant standards, the ministry now officially states that it will rely on the Canadian Council of Ministers of the Environment (CCME) for virtually all other new standards to be adopted. Mark Winfield and Greg Jenish argue that “the CCME standards development process [with all provinces having equal status] has been widely criticized for leading to lowest common denominator outcomes” (1998, p. 10).

Second, the ministry’s ability to monitor and analyze pollution was reduced and an increased emphasis placed on industry self-monitoring. For example, the number of water quality monitoring facilities was reduced from 700 in 1991 to 200 in 1997, with no facilities in operation north of Barrie. Similarly, the number of air quality monitoring stations was cut from 35 to 20 (OPSEU 1997, p. 1). The *State of the Environment* report for the province was discontinued after being completed in part in 1995, thus making it more difficult to evaluate the actual performance of the ministry (ibid., p. 46). The closing of three regional labs also reduced the ministry’s analytical ability. At the same time, the downsizing of the Ministry of Natural Resources was accompanied by a transfer of regulatory tasks to the commercial fishing, sports hunting, and fur industries, and by increased self-monitoring in the forest industry (Winfield and Jenish 1998).

Third, in 1997, the total fines levied in environmental enforcement prosecutions declined to its lowest level in Ontario since 1987, when enforcement fines were first raised substantially. Total fines collected in 1997 were less than one million dollars, more than a two-thirds drop from 1995 levels (ibid., pp. v-vii). Further, the Ministry of Natural Resources abandoned its role in enforcing the habitat protec-

tion provisions of the *Fisheries Act* due to an inter-governmental power struggle with the federal government (ibid., pp. v and 98-100). As a result, the number of investigators dropped from about 200 to between two and four federal officials.

Fourth, the ministry’s implementation capacity declined substantially as a result of environmental deregulation and the reduction of ministry staff and budget levels. The Harris government not only scaled back resources, but also recast the legislative framework. The *Environmental Assessment Act* was weakened; the *Environmental Protection Act* was streamlined to allow for standardized approvals or permit by rule; and measures were taken to reduce the scope and impact of the *Environmental Bill of Rights* (EBR).¹⁰ For example, a number of ministries, including Finance, were exempted from the provisions of the EBR; moreover, in 1996, the government introduced Regulation 482/95 which suspended the requirement to post notices on the EBR’s electronic registry for ten months due to a crisis of fiscal restructuring (Ligeti 1996b). Also, within the first half-year of its mandate, the government began a massive review of the province’s environmental regulations. It proposed that 40 (or half the regulations) be removed or weakened, though it later backtracked on some of the proposed changes in response to public opposition.¹¹

The ministry’s reduced implementation capacity has resulted in a number of visible impacts as well as the likelihood of a long-term deterioration of the province’s environmental integrity. Two prominent recent examples are the failure to combat urban smog effectively, and the Plastimet fire in Hamilton which raged for three days in July 1997, consuming some 400 tonnes of plastic. In the first instance, Ontario has among the highest levels of air pollution in Canada, and many human deaths can be attributed to respiratory and cardiac problems that are linked to exposure to ground-level ozone, acid aerosols, and particulates. The Great Lakes Basin, and the Windsor and Quebec corridor, in particular, experience high levels or exceedances of the ground-

level ozone standard on a regular basis in the summer. The Ontario Medical Association (1998) reports that “air pollution is a public health crisis,” and that children, who are active outdoors in the summertime, and the elderly, with cardiac or respiratory diseases such as asthma, emphysema, and chronic bronchitis, are especially at risk. Further, the occurrence of the fire at the Plastimet recycling facility and the inadequate Ontario Environment Ministry response in the aftermath of the crisis have been attributed, at least in part, to the ministry’s funding and staff cuts. In particular, Gary Gallon points to the reduction in abatement and enforcement officers in the region, cuts to the development of programs and standards, the virtual elimination of capital funding for environmental technologies and processes, such as recycling and energy conservation, and 40 percent cuts to the ministry’s laboratory services designed to monitor pollutant releases. On the latter, Gallon (1997) notes “it is no wonder that the ministry had trouble mobilizing its mobile monitoring unit [following the outbreak of the fire].”

Other signs of reduced implementation capacity in the area of the environment include the difficulties the ministry encountered in addressing extant and emerging environmental concerns. Reduced inputs have clearly affected the ministry’s actual performance or outputs. The consequences of cutbacks to environmental programs and staff levels were particularly evident when the ministry circulated a document in early 1999, entitled *Operations Division Delivery Strategies*, in which government inspectors were told to ignore pollution complaints related to “illegal dumping of sewage from pleasure boats, many pesticide infractions, foul-tasting drinking water, littering, poorly functioning commercial-recycling programs, and the stench from manure spreading” in order to save ministry resources and focus on other, more serious threats to the environment (Mittelstaedt 1999). The ministry also faced difficulties in addressing emerging issues like the continuing build-up of greenhouse gas emissions despite Canada’s commitments under the Kyoto Protocol to reduce such emissions by 6 per-

cent by 2010, increased hazardous waste production, high levels of acidifying emissions in eastern Canada, and the problem of water quality. In the case of climate change, the Environment Commissioner of Ontario noted that the Ontario government “has not strengthened its target for reducing greenhouse gas emissions to reflect the Kyoto target” and does not have specific programs in place to combat climate change (see Ligeti 1999, pp. 38-83). Overall, the Ministry of Environment has failed to introduce environmental initiatives to deal with these issues, with the exception of a small and ineffectual smog control plan and minor regulatory initiatives related to air quality (Ligeti 1998, 1999).

Fifth, devolution featured prominently in the Conservative government’s approach to governance. The provincial government attempted to transfer functions to the municipal levels as the Environment Ministry’s own field staff and in-house expertise and resources were reduced. In the second year of its mandate, the provincial government transferred provincially-owned sewer and water facilities to municipalities, and increased the possibility for their privatization. Further, transfer payments to municipalities were terminated, including subsidies for public transportation and recycling, and various services provided were cancelled (for example, the provision of water-testing services). With the closing of the ministry’s three regional labs, which provided routine analysis of water quality for municipalities, the municipalities were forced to seek services from private labs, assuming the availability of funds to support this new task.¹² Also, the province devolved the regulation of septic systems from the Ministry of Environment to the municipalities or the Ministry of Municipal Affairs and Housing in areas without municipal organization. The ministry’s responsibility to regulate nuisances, such as noise and odor, were effectively abandoned though not yet officially transferred to municipalities. Previously, regional MOE staff were obligated to follow-up on nuisance complaints. More significantly, the ministry’s diminished importance and influence is especially evident in its retreat from

land-use planning. The Conservative government's new *Land Use Planning and Protection Act* "largely removed the Ministries of Environment and Energy and of Natural Resources from the municipal land-use planning process" (Winfield and Jenish 1997, p. 26).

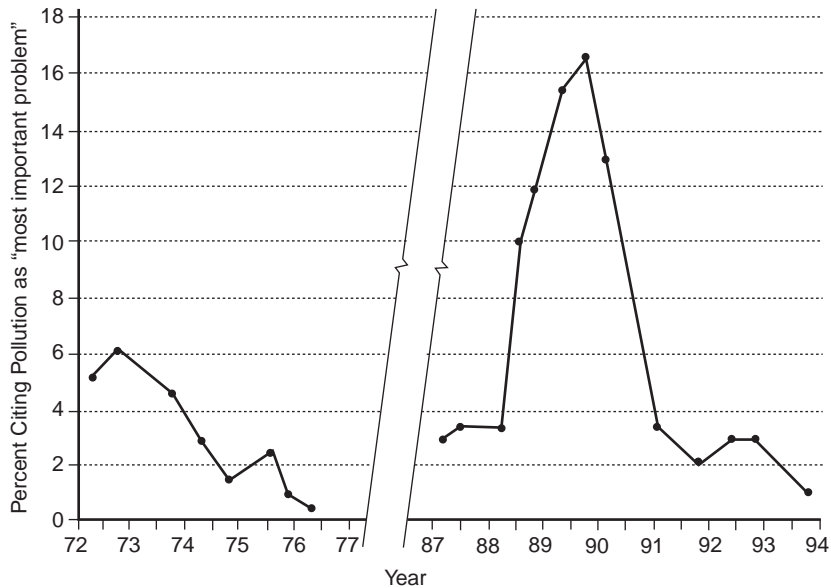
The Role of Neo-Conservative Ideology

There has been a correlation between environmental salience in public opinion polls on the one hand, and the history of environmental protection in Ontario on the other. Harrison posits that during periods of low salience or when there is only latent public concern for the environment, governments rarely act since "environmental protection offers politicians more blame [from industries] than credit [from the public]" (1996, p. 25). Harrison also argues that "Governments tend to retreat at the margin, declining to fully implement statutes rather than revoking them, trimming budgets rather than eliminating entire departments. *With each wave of public concern, some advances are institutionalized*" (ibid., p. 176, italics added). In other words, one would expect some minor retrenchment or simply inaction following green waves, but the overall trend to show a ratcheting up of environmental standards and institutions. Similarly, in the party politics approach used by Winfield, previous Ontario majority governments, including Conservative ones under Premiers John Robarts and Bill Davis, often pursued minor retrenchment, but they also introduced new environmental policies, and were generally responsive to heightened public concern for the environment. Their governing style was one of brokerage politics and accommodation, and there was nothing inherently anti-environmental in the Conservative Party. While both public choice and the party politics models potentially offer good explanations for periods of minor retrenchments of the Environment Ministry in the aftermath of green waves, they provide insufficient accounts of the major retrenchment of the mid- and late 1990s in which many of the previous institutionalized gains were swiftly eliminated.

Figures 2 and 3 illustrate the growth and decline of the environment as a "top of mind" or salient issue in public opinion polls since the early 1970s. A puzzle emerges in that there occurred some minor retrenchment under a majority Conservative government during earlier declines in the issue-attention cycle with the environment, but nothing of the scale the current Conservative government is embarking on. In the past, low salience resulted more in the failure to apply environmental laws than to remove and weaken environmental standards and institutions. However, the shriveling mandate of the Environment Ministry in the 1990s represents the most dramatic deregulation and cuts in operating expenditures in its 25-year history. There is a fundamental difference between being unresponsive to environmental problems on the one hand, and weakening environmental standards and unravelling environmental institutions and programs on the other. How might we explain this difference in government responses between two periods experiencing similar conditions of low environmental salience? The obvious explanation for the recent drastic cutbacks is the rise in neo-conservative ideology that underlies the public policies of Premier Harris' Conservative government to an extent not previously seen. Low salience of environmental issues in public opinion polls removes some of the political costs of pursuing a policy of major retrenchment, thus providing a necessary condition. But the scale and shape of these policy changes are by and large ideologically-driven and can only be adequately explained by the rise of neo-conservative ideology.¹³

The prevailing party orthodoxy of the Harris government is neo-conservative. The key principles of neo-conservative ideology are less government, a move away from government intervention toward an increased reliance on the market, and a redistribution of wealth from the lower to the upper classes (Jeffrey 1999). Neo-conservative ideology can be contrasted with an environmentalist ideology as well as with traditional conservative ideology. Environmentalists generally advocate for greater government intervention in the areas of regulations,

FIGURE 2
Trends in Salience of Environmental Issues



Note: Gallup did not report the percentage of respondents citing pollution as the nation's "most important problem" between 1976 and 1987.

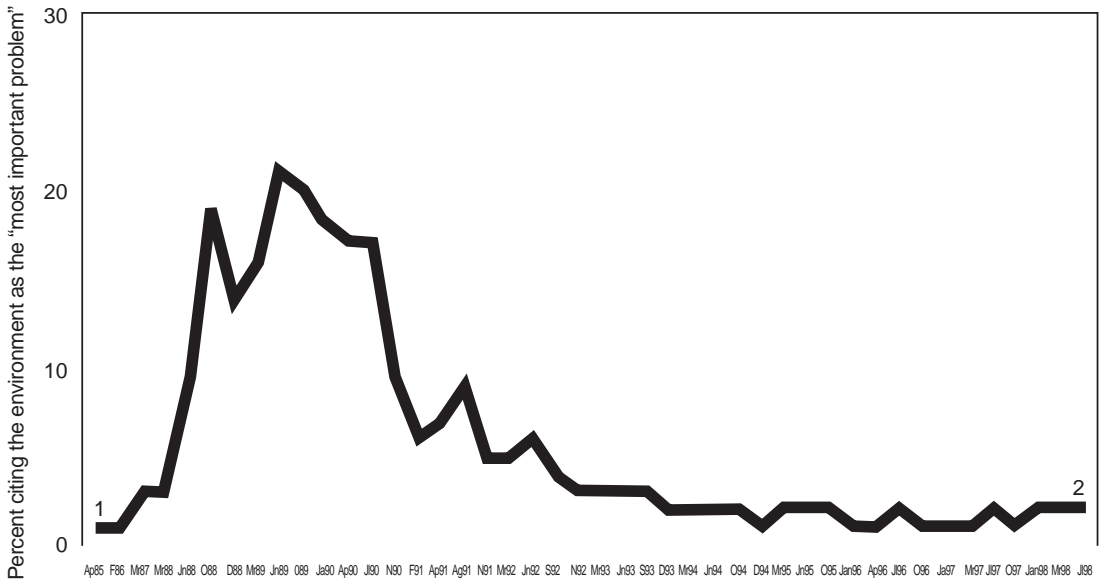
Source: Harrison (1996, p. 58).

planning, and programs of public expenditure (Paehlke 1989; Robinson 1992). As Schattschneider argued in his classic *The Semisovereign People*, big business must be matched by "big government" in order to maintain an equilibrium between economic and political interests. "Every change in the organization, technology and scope of the economy has had to be matched by parallel changes in the organization of political power" (1960, p. 123). The implications of Schattschneider's critique is that it is essential for governments to maintain their capacity to introduce, implement and enforce environmental legislation and regulation in order to ensure the protection of public goods.

Moreover, Harris' approach to politics and policies is more similar to the neo-conservative poli-

cies of Margaret Thatcher in Great Britain and the Republicans in the United States than to previous Ontario Conservative governments. Mike Robinson (1992, pp. 176-77, 189), in his study of the greening of British party politics, notes that Thatcherism departed from the traditional conservative philosophy of Edmund Burke. It represented a "distinctive brand of conservatism" in which "public spending needed to tackle environmental problems, gave way to a propensity to accumulate wealth privately; most apparent, the essential mechanisms of regulation and control were overtaken by a commitment to free-market economics."¹⁴ Likewise, the Republican Congress in the United States was ideologically driven in its attempts to introduce extensive environmental deregulation and funding cuts to the Environment Protection Agency (Waterstone 1997).

FIGURE 3
Environment as the Most Important Problem Facing Canada, 1985-1998



Source: Enviroics International.

Similarly, in the Conservative Party, under Harris, there is a genuine lack of interest in environmental matters and, in the eyes of environmentalists, an apparent lack of understanding of the notion of sustainability in which the health of the environment and economy are closely linked, and such specific environmental issues as urban sprawl and global warming. There tends to exist an underlying aversion to the concept of public goods and the implicit role for government in protecting these goods on behalf of society.¹⁵ An excellent example that illustrates this point is the government's handling of Crown lands which have been held in public trust for future generations of Ontarians by previous governments of Ontario. First, provincial operating grants to Ontario's Conservation Authorities were reduced by 42 percent in 1997-98 against the 1994-

95 base year, and in the "Lands for Life" process, the government is negotiating long-term (100-year) tenures of forest Crown land, encompassing almost one-half of Ontario's land mass, with private forest companies whose primary purpose (understandably from a short-term and narrow perspective) is to profit from the exploitation of these resources (Hudson 1998). Additional lands were set aside as "protected areas" and parks in March 1999 as part of the Lands for Life/Living Legacy settlement, but these areas do not meet the international definition for protected areas because mining is allowed (in addition to sports hunting, commercial trapping, and logging road access) (Weis and Krajnc 1999). A further example is provided by a promotional advertisement placed in *The Globe and Mail* on 7 June 1996 by the Conservative government which states that:

“Ontario isn’t just open for business. In Canada, Ontario is business.... We’re reducing taxes, removing regulatory barriers, creating jobs and encouraging investment.” The removal of regulations benefits the private sector by reducing the costs of environmental internalization for industry (Hoberg and Harrison 1994; Harrison 1995, 1996).

Much as in the British case, a highly centralized style of government is combined with a fiscal bent. The most important source of resistance to environmental matters within the Conservative Party lies with the leadership. The style of decision making is highly centralized; ministers have little power as decisions are made in a relatively autocratic way. Environment Ministers Brenda Elliot (June 1995–August 1996) and then Norm Sterling (August 1996–June 1999) were rendered relatively powerless in the face of emerging environmental issues, such as urban smog and water pollution. The government set up industry-oriented commissions to make recommendations on cutting regulations and altering the policies of the Ministry of Environment. Particularly important were the roles of the Progressive Conservative Party Policy Council on the Environment (chaired by Guy Crittendon), and later, the Red Tape Review Commission, established in December 1995.

The government’s approach to agenda management was the development of “placebo policies” for high profile issues (Robinson 1992, pp. 183–84). Placebo policies are designed to play down the salience of environmental concerns and to side-step issues by addressing the symptoms of a problem rather than its causes. Such “smoke and mirror” policies give the appearance of action through symbolic gestures rather than the necessary substantive policy changes. A case in point was the government’s attempt at manipulating public opinion on the issue of urban smog in which government initiatives represented a “drop in the bucket” and its overall actions, ironically, exacerbated rather than alleviated environmental concerns (Palardy 1998, pp. 33, 38). A highly publicized smog patrol program was introduced, as well as summer gasoline volatility lim-

its to reduce volatile organic compound (VOC) emissions by 2 percent. Overall VOC emissions were nonetheless expected to rise by 10 percent per decade as a result of other government policies that promote urban sprawl and decrease support for public transit systems, thus increasing reliance on automobiles.

Another approach to agenda management has been to reduce public input and participation in the policy-making process. The closing of a number of public advisory boards, the expiration of the *Intervenor Funding Act*, and other legislative changes have had the effect of substantially reducing public participation and outside expert input in environmental decision making, marking a return to a closed clientele relationship between the ministry and affected industries. Robert Paehlke (1990, pp. 35, 38) argues that, from the perspective of the environmental movement, “more democracy is better,” since government leaders and expert administrations are not necessarily the protectors of the public interest. Government agencies are often “captured” by private corporate interests, and the latter’s power is maximized in “closed or low visibility arenas.” As a result, environmentalists call for more democracy: increased transparency, more information, and the public’s right to know; more grassroots mobilization, and full public participation in the decision-making process; and greater public accountability.

CONCLUSIONS

The Ontario Ministry of Environment has faced a disproportionate share of the cuts in government expenditures since the mid-1990s — cuts that have left the ministry with a level of funding similar to that of its early years of existence. This paper has argued that public pressure and party politics models provide insufficient explanations for the cut-backs. While low salience of environmental issues in public opinion polls and a majority government were necessary conditions, it is the neo-conservative

ideology of the Mike Harris government which, in large measure, accounts for the nature and extent of the downsizing. The Harris government has attempted to fundamentally redefine the role of government in protecting public goods. Less government, reduced social spending, and an aversion toward public goods are defining features of its neo-conservative ideology. The elimination of a host of environmental programs, downloading and the turn to alternative delivery systems, often coupled with deregulation and industry self-regulation, *together* are trademarks of the neo-conservative agenda and have resulted in a diminished role for the Ontario government in environmental protection. Further research is needed to compare the state of environmental ministries in other provinces and the Department of Environment at the federal level, and to determine the relative importance of different explanatory factors for their evolution.¹⁶

The significance of the recent major cutbacks to the Ontario Ministry of Environment is three-fold. First, the Harris government, in its first term, rolled back many of the institutionalized gains in environmental policy making of the last 25 years. The risks of such an approach are, as Gary Gallon (1997) argues, that “the government of Ontario may well find itself in the unplanned position of spending more on fixing the pollution problems when they happen, than it saves in the cuts to the environment ministry.” Second, the diminished capacity of the Environment Ministry represents a major departure from Ontario’s historical role as a leader in environmental standard-setting in Canada. In the normal division of responsibility between the federal and provincial governments, the federal government has traditionally introduced new environmental standards, while the provinces have taken the lead with respect to implementation and enforcement. However, Ontario, with its abundant resources and pluralist political culture, has proved an exception by vying for leadership with the federal government in its environmental standard-setting role, causing national standards to rise with its stronger regulatory regime (Skogstad and Kopas 1992, p. 57). Paradoxically,

the recent sharp cuts in the Ontario Ministry of Environment spending and staff levels have undermined not only Ontario’s ability to set standards, but to implement and enforce these, thus increasing the propensity to reduce standards to the lowest common denominator. Finally, the cuts in Ontario’s environmental spending have occurred at the same time as the federal government has also drastically cut Environment Canada’s budget and staffing levels (Toner 1996). The cuts at the federal and provincial levels have reinforcing effects. Instead of one level of government picking up where the other left off, both the federal and Ontario governments have a reduced capacity to address environmental problems.

NOTES

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¹For a summary of 16 recent reports including those by the North American Commission for Environmental Protection, the Great Lakes’ International Joint Commission, the Provincial Auditor and the Environment Commissioner for Ontario, see Palardy (1998).

²Note that in 1994-95, about \$200 million in capital and operating expenditures for the Ontario Clean Water Agency (OCWA) did not appear in the public accounts, thus the operating and capital expenditures in Figure 1 appear lower than they really were. However, the Conservative government reconsolidated OCWA expenditures in the Environment Ministry’s public accounts in 1995-96.

³The Ministry of Environment became a short-lived superministry — Ministry of Environment and Energy — in 1993 as part of the NDP government’s overall program of government restructuring. Later the Conservative government once again separated the Ministry of Environment and the Ministry of Energy in its 1997 Cabinet shuffle.

⁴Mark Winfield (1993) also looks at the role of American influence on Canadian environmental politics and

federal intervention. See also, Mike Robinson (1992) for a model that incorporates not only external public pressures, but also the role of party ideology.

⁵The first wave began in the 1960s after the publication of Rachel Carson's classic book, *Silent Spring*. See Robert Paehlke (1992) and Kathryn Harrison (1995, 1996).

⁶Though the Ontario *Water Resources Act* was first passed in 1955, and the foundations of the *Environment Protection Act* were largely laid by Premier Robarts with the passage of the *Air Pollution Control Act* in the 1967 and the *Waste Management Act* in 1970.

⁷Interview with Hon. Ruth Grier, former Ontario minister of environment, 24 September 1997.

⁸The Environmental Compensation Corporation (which makes decisions about compensation for victims in cases of toxic spills) was closed in February 1997 (Winfield and Jenish 1997, p. 24).

⁹This leaves "Ontario's cottage country without the protection of a ministry office in the area," OPSEU 1997, pp. 1, 7.

¹⁰For a thorough review of changes in legislation and regulations, see the CIELAP reports by Winfield and Jenish (1996, 1997, in particular, and 1998).

¹¹To date, the ministry approved changes related to pesticides and exemption regulations in the areas of air and water (e.g., for racetracks and fireworks). The remainder (i.e., air, water and waste regulations, and the proposed standardized approvals) have stalled and have not yet been posted on the Environmental Bill of Rights electronic registry. Interview with Mark Winfield, Director of Research, Canadian Institute for Environmental Law and Policy, 4 October 1999. See Ontario. MOE (1997).

¹²Winfield and Jenish write: "Approximately 400,000 tests had been conducted by the Ministries each year. The service was eliminated with only eight weeks notice, and without an independent review of the availability or costs of private sector testing. This action by the province was heavily criticized by the Environmental Commissioner in her 1996 Annual Report" (1997, p. 64).

¹³Interestingly, the outcome in the United States was different, despite a similar attack on the Environmental Protection Agency by the Republican Congress during a period of low environmental salience in the early to mid-

1990s. In the United States, this attack on environmental programs was largely rebuffed by an institutional response, including efforts by Vice-President Al Gore, aimed at mobilizing public concern. In Ontario's case, such a top-down, federal response working in concert with grassroots environmental activists, was clearly absent.

¹⁴Although there was a short period after 1988 in which Prime Minister Thatcher took on a leadership role on several global environmental issues such as ozone depletion and global warming.

¹⁵Author's personal communication with Mark Winfield, Director of Research, Canadian Institute for Environmental Law and Policy, 10 August 1998. See also Jeffrey (1999) and Waterstone (1997) on neo-conservative views on the role of government.

¹⁶Party labels do not necessarily indicate the ideology of the governing party. For example, one could argue that the federal Liberal government represents a neo-conservative government with a human face (compare Jeffrey 1999). Under Program Reviews 1 and 2 between 1994 and 1999, the Department of Environment's staff and budget were targeted for a reduction of about a third. See Canada. Environment Canada (1995) and Smith (1990) for earlier figures on federal environmental spending.

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