**Regulation vs Market mechanisms: Carbon tax or cap and trade; a comparative analysis of carbon reduction programmes for Ontario, Canada**

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**Abstract**

Combating climate change and its impacts represents Goal 13 of the United Nations’ Sustainable Development Goals. It has been recognized that exponential growth in greenhouse gas (GHG) emissions from human activities on the planet are impacting climate change in a negative way. Certain countries around the world have introduced policies to limit GHG emissions at the federal, state, and provincial levels. Some of these policies have included the introduction of either a carbon cap and trade program or a carbon tax program to encourage reductions in GHG emissions. These programs provide economic disincentives to using carbon-intensive fuels by industry and the general public. Although a relatively new concept, the use of global carbon-revenue programs such as cap and trade or a carbon tax have been compared in the research literature and an emerging debate has appeared around which program contributes more to reducing GHG emissions and climate change.  I address this debate, and the question as to whether these carbon-reduction initiatives represent an attempt to shift the governance of GHG emissions away from proscriptive government policy and regulation towards a more market-oriented mechanism, within the context of the Province of Ontario, Canada by providing an assessment of the impact of the cap and trade program which ran from 2017 until it was scrapped by a new provincial government in the summer of 2018. This latter result also identifies fundamental issues for effective policy implementation when outgoing and incoming administrations hold contrasting positions regarding the contribution of GHG emissions to climate change.