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# Mark Carney

## The Albertan who would save the world

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By ARNO KOPECKY

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**C**LIMATE CHANGE IS UPON US, the sixth great extinction in the history of life on earth is underway and human civilization is at risk. But it isn't these facts that keep me up at night so much as the question they pose: How should we respond?

The worst possible answer—to deny any such problems exist—is embodied by the current premier of Alberta. Jason Kenney's refusal to acknowledge that the source of Alberta's prosperity is leading the planet to ruin has become his strongest claim to greatness; he has transcended political calculation to become an avatar of human self-destruction. That much is obvious. Exactly which alternative to denial constitutes the best path forward, however, is anything but clear.

Outside the premier's office, a bewildering array of prospective solutions—political, technological and cultural—all clamour for attention. Some are complementary, like wind power and vegetarianism, but many are mutually exclusive, like biomass energy and forest protection. It doesn't take much imagination to see how replacing a billion internal combustion engines with a billion Teslas could be problematic.

It gets confusing fast. But for all their diversity, the countless paths to ecological sustainability fall into two broad categories that boil the whole mess down to a single clarifying question: reform or revolution?

It so happens that another Albertan avatar has come to represent the first of those two options. Somewhat ironically, that man is the polar opposite of Jason Kenney. Just three years older than the current premier, Mark Carney is a soft-spoken, cerebral consensus builder who studied economics at Harvard and Oxford. His global-mindedness and "keep calm and carry on" manner have led him ever further from the province he grew up in. Kenney doesn't hold so much as a bachelor's degree, didn't grow up in Alberta and is a provincial, brawling

populist. Carney, with his unflappable public demeanour and family-man decency, is more like Canada's Obama—adored by the centre-left, distrusted by progressives and universally loathed by conservatives. He clearly enjoys a standing invitation to join the federal Liberals if he's ever so inclined. But it seems that no political office, nor any one nation, is grand enough to contain Carney's ambitions, which amount—if not quite in his own words—to rescuing the planet.

He's been at it for over a decade now. In 2011 a *Maclean's* headline described Carney as "The Canadian hired to save the world." Back then, the crisis appeared to be primarily financial. Carney, while still governor of the Bank of Canada, had been named chairman of the Financial Stability Board, a Swiss-based institution created in the wake of the Great Recession to coordinate policy among central banks and regulators so that global cash flow would never again dry up the way it so calamitously did in 2008.

The Great Recession wiped some two trillion US dollars off the map. Ten years of roaring growth later, that figure sounds like chump change—at Glasgow, Carney announced that \$130-trillion US is now ready for deployment in the war on climate change. Many were quick to point out that not a penny of that incomprehensible sum has actually been committed (more on that in a moment), but the fact that \$130-trillion of investable cash is standing by for anything at all makes clear that one thing Earth isn't running out of is money.

In 2013 Carney moved from the Bank of Canada to the Bank of England, where he navigated Brexit and the Eurozone crisis. He left in 2020, then whipped off a 600-page manifesto called *Value(s)* while he pondered his next moves. Carney is now firmly ensconced as global capitalism's messiah for climate action. He is the UN's Special Envoy for Climate Action and Finance; was Boris Johnson's finance adviser for COP26; stood side by side with Justin Trudeau in Glasgow

to call for a global price on carbon; and spearheaded the Glasgow Financial Alliance of Net Zero (GFANZ), a coalition of central banks, asset managers, pension funds and insurance companies whose collective worth as of COP26 added up to that \$130-trillion Carney touted on day three at Glasgow.

In Mark Carney's opinion, there's no need to overthrow life as we know it in order to preserve the biosphere. We just need to regulate global finance and force business leaders to stop treating the natural world as an externality; that is, as a cost not priced into the final goods. If we make these critical reforms, Carney insists, we can "turn climate change from an existential risk into the greatest commercial opportunity of our time, transforming financial peril into moral progress."

I can't think of another living soul I want so badly to believe in while distrusting so completely.

## He is Canada's Obama—adored by the centre-left, distrusted by progressives and universally loathed by conservatives.

**T**HERE IS, OF COURSE, NO OBJECTION I could raise that Carney hasn't already responded to.

"Markets alone won't solve our most intractable problems," he acknowledges at the outset of *Value(s)*. "We need political processes to define our goals and objectives—to set our values. Markets can then be marshalled to help discover and drive solutions in a form of mission-oriented capitalism." Don't worry, Carney's saying, he knows "the market simply cannot be the answer to every question."

This pre-emptive assurance comes just after an anecdote about lunching with Pope Francis in the Vatican. Before they ate, the Pope shared a parable comparing wine and grappa to humanity and markets. Wine, the Pope said, "is many things. It has a bouquet, colour and richness of taste that all complement the food. It has alcohol that can enliven the mind." This was very different from the grappa they would have at the end of their meal. "Grappa is just one thing: alcohol. Grappa is wine distilled." Just so, the Pope intoned, "Humanity is many things—passionate, curious, rational, altruistic, creative, self-interested. But the market is one thing: self-interest. The market is humanity distilled." Francis then told Carney and his fellows seated around the table, "Your job is to turn grappa back into wine, to turn the market back into humanity."

This is Carney the Renaissance Man talking. It's a version of himself that reappears throughout the book—when he invites Greta Thunberg to see all the useless gold stored beneath the Bank of England and ruefully reflects how "with her, you are always conscious of misplaced priorities, of the time slipping

away, of the need to rearrange national priorities and act. Now." Carney the Renaissance Man rejects GDP as a measure of economic health, laments the corruption of Wall Street and the inequality it has spawned, and decries how "the price of everything is becoming the value of everything," a sly reprise of Oscar Wilde's definition of cynicism. This Carney wants you to know he's a John Stuart Mill guy; he rejects Jeremy Bentham's robotic view of human nature by quoting Mill's celebration of

*"...the love of beauty, the passion of the artist, the love of order, of congruity, of consistency in all things, and conformity to their end; the love of power, not in the limited form of power over other human beings, but abstract power, the power of making our volitions effectual; the love of action, the thirst for movement and activity, a principle scarcely of less influence in human affairs than its opposite, the love of ease..."*

AND WHEN CARNEY TURNS HIS GAZE to the ecological consequences of unregulated capitalism, he seems genuinely horrified. He notes that the world's animal population has shrunk by an estimated 70 per cent since he was born, catalogues the barrage of fire and flood and drought that has swept the world over the past decade, and exclaims, "What had been biblical is becoming commonplace." His description of climate science reflects a deep familiarity with the issue and leads him to insist that "net zero isn't a slogan, it's an imperative of climate physics."

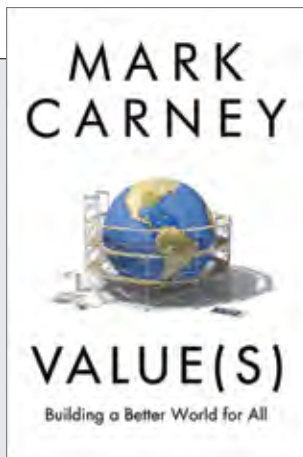
But another version of Carney undercuts the Renaissance Man's message in a hundred subtle ways, including his opening assurance that markets aren't always the answer. Carney may honestly believe that, but markets are his only answer. Carney urges honesty, a sense of social duty, ethics and integrity on his readers and the leaders of capitalism alike, but nowhere in the 600 pages of his book does he urge anyone to simplify their lives. At no point does he suggest buying or driving or flying a little bit less. At no point does he entertain the possibility that an economic system built on the pursuit of infinite growth might have made a fundamental error.

Quite the opposite. Consider his passage on Greta Thunberg: "Like many, I am persuaded by the force of [Thunberg's] logic and her cry for intergenerational justice," Carney writes. "We diverge, however, on how to solve this immense problem... Continued growth isn't a fairy tale; it's a necessity."

He's quick to add, "But not just any growth," and clarifies, "We need a world where we are no longer guided solely by measures like GDP, that were devised a century ago when the earth seemed immortal and when the social norms of the market felt immutable." But in the prescription that follows, Carney the Renaissance Man gives way to Carney the Technocrat—the dispassionate expert who occupies a world of logic and numbers, untouched by human imperfections like desire. When this Carney takes over, his language grows detached and clinical, bereft of urgency: "The policies for achieving our climate goals should be designed to encourage



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**EXCERPT** (pp 300–302)

The challenge of transitioning our economies to net-zero carbon *is* an enormous opportunity. The transition is capital-intensive after a long period when there has been too little investment. Building a sustainable future is job-heavy at a time when unemployment is soaring. It is green when our world is brown. It is global when we are being pulled to the local. It is what the world needs for its future. It is what we need right now.

Solving the climate crisis requires three “technologies”: engineering, political and financial. All are within our grasp.

How feasible is the transition to

net zero? How economic are existing technologies? What is the role of scale? How reliant is net zero on future innovations? To what extent will we have to change our lifestyles?

The core will be to electrify everything and simultaneously develop green electricity. Achieving net zero will require moving away from fossil fuels to renewables, decarbonizing transport and reducing emissions from industrial processes. It will also require novel approaches to manage the hard-to-abate sectors where electrification or decarbonization of processes may not be feasible even in the medium term, such as long-distance air travel or agriculture.

Let’s take each in turn.

The first priority to build a zero-carbon economy is to green the generation of electricity. In a net-zero-carbon economy, electricity’s share of total final energy demand could rise from today’s 20 per cent to over 60 per cent by 2060. That means total global electricity generation must increase almost *five-fold* by mid-century, while ensuring it is generated by renewables. Greening energy sources is within reach.

The technologies—such as solar, wind and hydro power—already exist, and they are increasingly cost effective....[R]apid deployment will depend crucially on the credibility and predictability of public policies.

Alongside the move to renewable sources of electricity, we need to increase significantly the efficiency of power usage. An immediate priority is retrofitting old housing stock, which tends to be particularly energy inefficient.

The second major priority is to decarbonize our transport wherever possible. The solutions lie in electrifying almost all surface transport, and using sustainable fuels including hydrogen for the remainder. Improvements in the volume, usage and electrification of mass transportation is essential. The technology for cars exists, but we need the supporting infrastructure—such as EV charging points—and the right incentives—such as scrappage schemes and potentially EV tax breaks—to increase uptake rapidly. Electrical and plug-in hybrid passenger vehicles could reach close to 100 per cent of new sales by 2030 if they continue on current trends.



the economic adjustments and technological innovations at the least possible cost,” he writes. “The critical success factors are the establishment of a broad social consensus, the use of clear, consistent communications and the building of credible and predictable track records for government and regulatory policies.”

In Carney the Technocrat’s mouth, the fact that one million species are now teetering on the brink of extinction becomes “our failure to treat nature as an asset and its loss as an asset-management problem.” The sociopathy of Exxon and other oil majors, who spent decades lying about climate change and who continue to obstruct decarbonization at every possible turn, leads Carney to conclude that “the valuations of existing reserves and the scale of new investments still appear inconsistent with timely attainment of net zero.”

That’s not the voice of someone confronting an existential crisis. It’s the sound of a shareholder report being read out loud by someone who believes that no matter how the company fares, they themselves will be all right.

## Carney insists we can “turn climate change from an existential risk into the greatest commercial opportunity of our time.”

**I**T’S NOT THAT CARNEY IS SITTING IDLE OR acting in bad faith. He is totally engaged, working his incomparable contact list and sleeping less, I’m sure, than I do. In the middle of July, while I was on vacation and reading the immense book Carney had just published on the subject dearest to my heart—a book most authors would have spent months promoting—Carney was tweeting out images of himself in conversation with Boris Johnson, whom he appears to have converted to the cause. (Whatever else you want to say about Johnson, he has consistently fought for more stringent climate action than his own party feels comfortable with, and has worked to accelerate policies that have already dropped the UK’s emissions more than 40 per cent below 1990 levels.) Carney hasn’t wasted a nanosecond since. However cynical one feels about his proposal that capitalism can be employed to solve the problems capitalism has produced, there can be little doubt that Carney is himself a true believer.

But in what, exactly? Is he trying to save the world from the worst excesses of capitalism, as he and his fans might insist? Or is he trying to save capitalism itself?

Carney’s life has been one of tremendous affluence and power. For all his public modesty, there’s a fine line separating his personal fortune from the greed that he identifies as a core problem of modern economics. He regards his settling for the paycheques of a public servant as just that—a sacrifice—despite earning over £800,000 (C\$1.35-

million) a year throughout his eight-year tenure as governor of the Bank of England. True, he could have made far more if he’d stuck to his initial trajectory in private finance (Carney spent 13 years at Goldman Sachs before entering public life). But by any rational measure he’s an extraordinarily wealthy man, and has been for almost all his adult life. Nor should we forget that he’s currently on the payroll at Brookfield Asset Management as vice-chair and head of transition investing, where, it seems safe to assume, his income once again transcends that of the best-paid public servants on earth. His interest in money is not just academic.

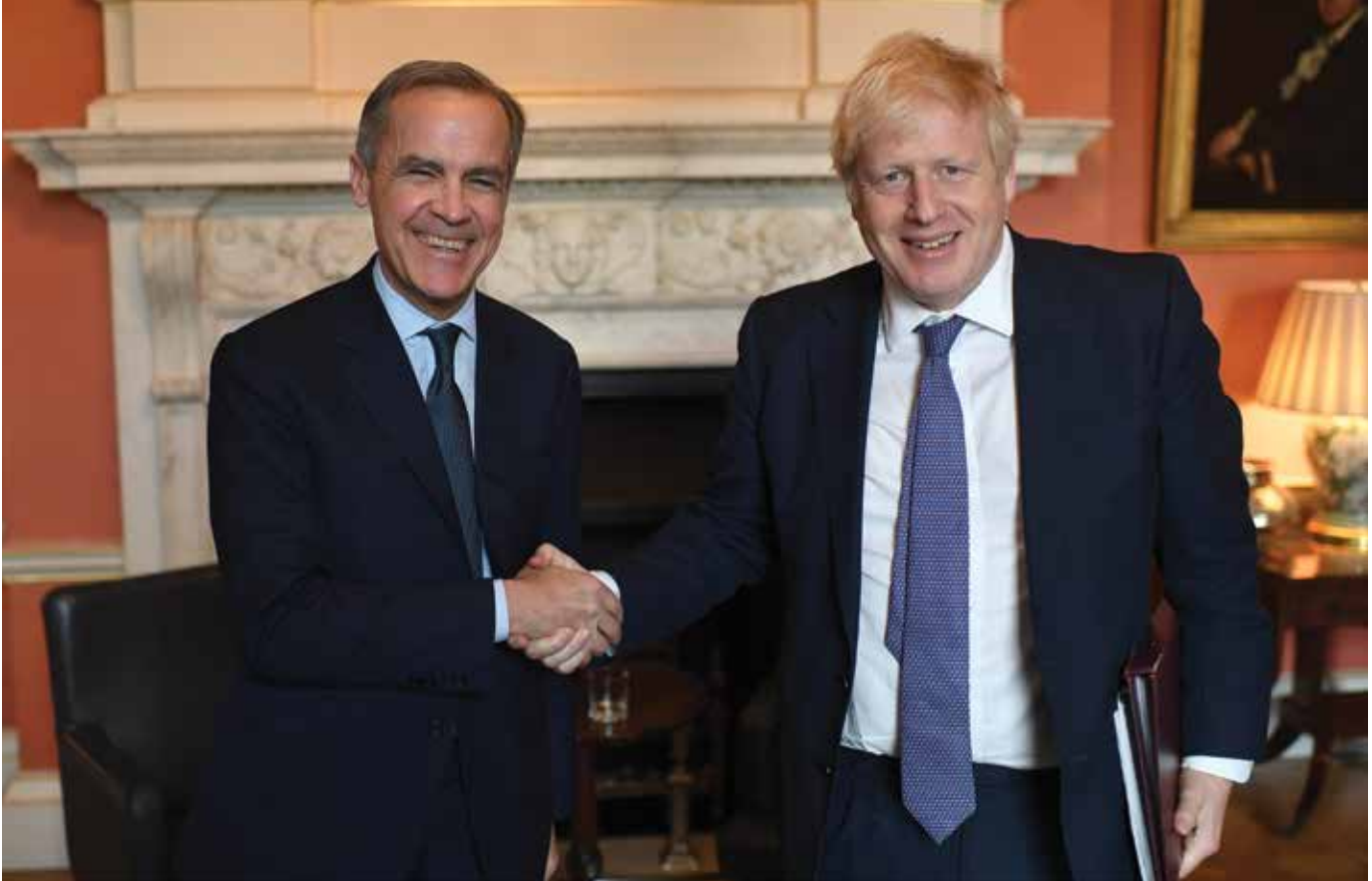
That doesn’t necessarily contradict his message that the world needs more integrity. Honesty and honour aren’t incompatible with a certain degree of wealth, and perhaps Carney is still on the right side of that dividing line. He wants us all, especially the leaders of business and politics, to care about our fellow humans, including those not yet born. That’s a noble, needed message, especially when backed by the rules and regulations that Carney has a track record of advocating. What it isn’t is a message of revolution.

And that’s precisely what makes Carney a figure I long to believe in, yet can’t trust. I’m a middle-class white guy living a middle-class white guy life. My comfort zone extends to the edge of rapid reform and not much beyond it. What Carney’s telling me without ever quite saying so is that that’s all right. He’s saying, “I get you.” We come from the same place. We both grew up in Edmonton, middle-class white boys with fathers who taught at the University of Alberta. We became men in a time and place of unparalleled opportunity for people who look and speak like us. Our lives diverged radically as adults, but for both of us, effort and intention have been rewarded with positive outcomes. That’s more than a great many humans have been able to count on, and you don’t have to be a multi-millionaire for it to colour your expectations of the future.

I would like it very much if all that were required of me and the society I live in were to replace bitumen mines with wind farms, retrofit our houses, switch from internal combustion engines to electric vehicles, maybe eat less meat and pay a bit more tax. I want Mark Carney to be right. But that’s not where the numbers are pointing.

The numbers are pointing to an abrupt and overwhelming collapse of life as we know it on earth. This collapse isn’t some future prospect. Eastern Canada already lost its cod. Alberta is about to lose its caribou. The Fraser River that runs through Vancouver, where I live, has, in just the past decade, lost what used to be one of the world’s most prolific sockeye salmon runs. These are a minuscule handful of examples of a catastrophe too large to contemplate.

The destruction of the biosphere is poised to translate into something far more severe than what the pandemic has just wrought—and let’s not forget that the pandemic itself is one manifestation of the destruction I’m describing, since habitat destruction has quadrupled the rate at which new infectious diseases emerge in the past 80 years. That’s an almost impossible message to internalize, even for someone like me



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who has spent the better part of his own adult life spreading it. I tend to water it down just when thinking about it. I err on the side of optimism when writing about it or discussing it in public. In private and in public, I'm afraid to look too closely.

"In matters of money, there is no room for doubt," Carney writes, and true to form the man emanates more confidence than almost any other figure in the climate saga—certainly far more than I have ever felt. Radiating certainty is a core part of his job—people who aren't sure of themselves don't attract trillions of dollars—and Carney performs it to perfection. But I can't help wondering: Is there an element of performance here? Does he in fact harbour any doubts about his mission, somewhere deep inside?

Put another way, has he ever been afraid for his life?

That's the question I would love to ask him, the one query I've never heard him confront. Has he ever been physically afraid of death, and how did that feeling compare to the sensation he gets when contemplating climate change? A person who feels fear needn't panic or lose their cool, but their voice might take on a certain urgency, a timbre of passion, that conveys an impression of vulnerability. A sense that they have just as much to lose as you or I. Which, for all his unimpeachable commitment to the cause, is a sense I never get from Mark Carney.

WELL, I'VE NEVER HEARD A CAT ERUPT IN SONG, either. Why should I expect a lifelong money manager to start talking like David Suzuki? Should I not be happy that

the most highly regarded banker in the world has devoted himself, at the height of his powers, to convincing his colleagues that climate change is real? Isn't his voice the best we could have hoped to emerge from the world he inhabits? Shouldn't we all take the \$130-trillion he's rallied to our cause and run with it as far as we can?

Probably. Let's just not pretend that the \$130-trillion Carney gathered at Glasgow is about to be spent on wind turbines and solar panels. It isn't necessarily about to be spent on anything. All it amounts to is a promise from the institutions holding that money to start keeping track of the carbon they put into the sky—a promise that doesn't stop them from putting that carbon into the sky if investors decide they're alright with that.

Some investors are increasingly *not* okay with that. By the eve of COP26, the fossil-fuel divestment movement had diverted \$39-trillion from investments in coal, oil and gas. This shift from carbon-intensive to carbon-free finance can only work if the carbon is carefully accounted for in the first place. That accounting is precisely what the Glasgow Financial Alliance of Net-Zero is promising.

"It's not blah, blah, blah," Carney insisted when he made his announcement in Glasgow. "The money is there for the transition." It's important to acknowledge that accomplishment. It's also dangerous to suppose it's enough. ■

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*Arno Kopecky grew up in Edmonton and lives in Vancouver. His latest book is The Environmentalist's Dilemma (ECW Press).*