part three

Goverance and Citizenship in an Oil Economy
A Window on Power and Influence in Alberta Politics

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The policy context in Alberta has changed significantly over the past forty years. A sharp move to the far right in the province’s dominant political paradigm has been accompanied by a general disengagement by Albertans from politics and from a government whose hands are largely tied in terms of policy options. Although this shift has coincided with a similar process across North America over the same period, it would be a mistake to describe it as organic. The current state of affairs has actually been the direct result of a very strategic and purposeful set of actions undertaken by key players inside Alberta. This chapter uses Joe Overton’s theory of the “window of political possibility” to explore how Alberta’s corporate elites, and in particular the oil industry, have leveraged their economic and political power to support advocacy-based think tanks, the media, and well-placed political activists to purposefully shift Alberta’s political paradigm in a bid to further increase their power.

As the political window moved in Alberta, the ideas being promoted by the province’s elites worked their way into the government. The result is a government that is heading into a place of chronic financial crisis, with the scope of policy options at its disposal growing narrower and narrower, and an electorate that has disconnected almost completely from the public policy process and politics. This situation bodes poorly for the public interest, for democracy, and for the long-term well-being of the province as a whole. The deep entrenchment of the Alberta policy window on the far right of the spectrum has further damaged democracy by making genuine public dialogue on policy and alternatives unlikely, if not impossible. In the current reality, what were once seen as ideas that were debateable and questionable have come to be seen as something tantamount to objective truth, and there is no questioning objective truth.
The Overton Window

Joe Overton developed his idea of the window of political possibility (named the “Overton window” after his death in 2003) while he was vice-president of the Mackinac Center for Public Policy, a right-wing think tank based in Michigan. Overton originally used the theory to explain how think tanks can help change the course of public policy, but it is also useful in explaining shifts in the political context of a jurisdiction as a whole. The essence of the Overton window is this: if all of the possible policy choices for any issue are placed on a spectrum, there will always be a small window along that spectrum where those policies that are considered acceptable, sensible, and popular reside. At the very centre of that window is where public policy happens, and as one moves away from the window to the left or right of the spectrum, one finds the policies that are considered radical and unthinkable (Lehman, n.d.). If we use the example of gun control to explain how the Overton window works, we would find a policy of strong government regulation and the requiring of permits in the middle of the window. In the realm of the radical and unthinkable on one end of the spectrum, we would find the total outlawing and banning of guns. On the other end, we would find a policy of wide open gun ownership with no regulations, registration, or permit requirement. We would also find a broad range of policy options between the window and the unthinkable on either side.

Overton believed that the window can be moved or expanded by flooding the public discourse with ideas that are radical and unthinkable. The more people hear these ideas and see them represented in the media, the more likely they are to begin seeing them as acceptable and sensible—the ideas become normalized. Except for very rare instances, Overton observed, politicians don’t lead, they follow. Once the window has moved to a new point on the spectrum or its boundaries have expanded to include new ideas, the politicians will follow, opting for the politically safe options inside the window rather than the electorally riskier options outside the window. They will all rush to occupy the Overton window (Lehman, n.d.).

One part of the analysis that Overton and his successors at the Mackinac Center did not fully integrate into the theory, however, is the idea of power and privilege. All public policies have winners and losers. The winners tend to build both economic and political power as a result of these policies. That power allows them to play an important role in filtering which ideas get a broad airing in the public discourse and which get shut out. Lewis F. Powell perhaps
best articulated how this privileging of ideas could happen in a memo he wrote in 1971 to the director of the US Chamber of Commerce. In the memo, which has since come to be called the Powell Manifesto, Powell urges “pro-enterprise” conservatives to take control of public discourse by funding think tanks, using their influence in the media, reshaping universities, and using the judiciary (Powell [1971] 2015). The Powell memo is largely credited for sparking the birth of corporate-funded right-wing think tanks in the United States, and since those beginnings, their profile and visibility in the media has increased dramatically, largely because of the support of “some very wealthy people” (Lakoff 2004, 15–16). Powell recognized that corporations, the wealthy, and the mass media had significant impact over the direction of public discourse and that they could use that power to privilege ideas that would further their economic power. He also understood their ability to publicly delegitimize and discredit those ideas that pose a threat to their economic power and privilege (Powell [1971] 2015).

Although they do not use the same language as Overton, numerous other observers of think tanks and their influence have pointed to this same dynamic playing out in Canada since the mid-1970s. Donald Abelson identifies four waves in the development of think tanks, with the third wave being the rise of what he calls “advocacy think tanks” (Abelson 2000, 18). He dates the beginning of this wave in Canada to the early 1970s, when groups such as the Canada West Foundation, the C. D. Howe Institute, and the Fraser Institute were born. These think tanks, says Abelson, are not driven by a desire to advance scholarly research but by a deep commitment to impose their “ideological agenda on the electorate” (220). William Carroll and Murray Shaw (2001, 196) take this understanding one step further by asking on whose behalf this ideological agenda is being imposed on the electorate and identifying these right-wing advocacy think tanks as “embedded elements of a social network, within which neoliberal business activism has taken shape.” Carroll and Shaw explicitly point out that the ties between the corporate elite and the world of think tanks enable “a continuing conversation in which political frames can be aligned and adjusted, effecting a moving consensus between functioning capitalists and their organic intellectuals” (196). They reach the conclusion that, particularly in the case of the Fraser Institute, what is more startling than the representation of large corporations on policy boards is the heightened level of business activism in the field of public policy since the 1970s, as witnessed in the formation, financing, and governing of right-wing think tanks (211).
In examining Overton's idea that the window can be moved by flooding the public discourse with radical ideas, Robert Hackett and Yuezhi Zhao (1998, 157–58) find that this is borne out in the case of the Fraser Institute and the popular media in Canada: the ideas promulgated by those institutions “shifted from a comic example of ultra-right hyperbole to the representation of reason.” Hackett and Zhao also identify the degree to which mainstream media privilege these messages by publishing them uncritically and frequently—almost ten times as often as the messages of policy groups at the other end of the political spectrum.

One of the fiercest arguments for right-wing think tanks constituting a concerted effort by corporate elites to change the political fabric of Canada, and perhaps the argument most relevant to Alberta, comes from journalist, author, and researcher Murray Dobbin, who has dedicated much of his writing over the past twenty years to tracking the rise of the neoliberal right in Canada. Dobbin draws direct lines from Canada’s most powerful corporations (including Alberta’s oil companies) to groups like the Fraser Institute and the National Citizens’ Coalition, to the birth of the Reform Party in Alberta and the elevation of Stephen Harper to national power. Through a detailed analysis, he also demonstrates the role of the communications strategies of these organizations and the impact these strategies have had on the public consensus (Dobbin 1998).

Andrew Nikiforuk (2012) brings all of this home to Alberta in his analysis of how neoliberalism has been advanced in petro-states. When jurisdictions are as economically dependent on oil and gas as Alberta is, the disproportionate share of economic and political power held by oil corporations makes it that much easier for them to fund the development and dissemination of ideas that will further privilege them as an economic and political elite (194–99). Nikiforuk points to how Texas oil money helped fund the rise of neoliberal fundamentalism in the United States by supporting right-wing radical candidates, founding and funding right-wing foundations and institutes, and ultimately building right-wing media empires dedicated to the spreading of the neoliberal gospel.

All of the literature referred to above explains how the move to neoliberalism has happened in North America over the past forty years and highlights the dangers and pitfalls it holds for democracy and the ability of citizens to impact or engage with public policy. It also confirms the validity of using Overton’s window, combined with an analysis of power and privilege, to understand the changes in Alberta over the same period of time and the resulting implications for democracy and public policy in that province.
A Brief History of Power in Alberta

Alberta's economy has always been export driven, and public policy has always prioritized the needs of that export economy. Historically, these exports were agricultural, with the south and central parts of the province focusing on beef and wheat, respectively. Even after natural gas was discovered in Turner Valley in 1914, and oil in 1936, agriculture remained the most important contributor to Alberta's economy and therefore the focus of much government policy. All of this began to change after the discovery of oil in Leduc in 1947, and subsequent discoveries in the 1950s and 1960s. International oil companies began setting up shop in the province en masse, refineries and pipelines began to be built, and the importance of oil and gas to the Alberta economy quickly increased. By 1971, resource mining accounted for almost 20 percent of the provincial economy, while agriculture had been reduced to just over 7 percent (Anielski 2002, 31).

It is not surprising, therefore, that in the 1971 Alberta general election, energy policy occupied a prominent place in the platforms of all political parties. Peter Lougheed in particular ran on a platform advocating a greater role and profile for Alberta in Canada, but he was also highly critical of how the Social Credit had handled energy policy and proposed a fairly interventionist approach for ensuring that the province’s natural resource wealth was developed in the long-term interests of Albertans. In particular, Lougheed argued that the provincial government had been complacent and irresponsible in its handling of the oil industry, that it had failed to maximize the revenue potential of the province’s resources, that Alberta had become overreliant on the oil industry and needed to actively diversify the economy, and that the government had wasted an opportunity to put energy revenues to work for Albertans by creating secondary and value-added industries (Richardson 2012, 36).

The Socred’s response to these accusations will sound very familiar to Albertans today. Their leader, Harry Strom, insisted that it had been harmony between the government and industry that had brought record profits to Alberta and that the Socred government had always preferred to influence industry in a quiet manner that would normally result in voluntary adjustments by private business than to enact legislation (Kennedy 1971). Beyond highlighting his preference for a laissez faire approach to the energy sector, Strom’s position also highlights the degree of political power that the energy industry had already attained by 1971.
Despite only obtaining 5 percent more of the popular vote than the Social Credit, the combination of the first-past-the-post system and a strong showing in Alberta’s cities resulted in Lougheed’s Conservatives winning forty-nine out of seventy-five seats in the Alberta legislature. They moved quickly to enact policy based on their election platform. The government increased royalties from 16.6 percent to 25 percent to maximize the benefit Albertans were receiving from their resources and set a target of capturing 35 percent of the wealth generated by natural resources. Lougheed also moved quickly to establish the Alberta Heritage Savings Fund, where Albertans would save 30 percent of the province’s nonrenewable resource revenues, plus any return on investments. Within the first ten years of its existence, the fund grew to $12 billion.

In addition, Lougheed acted on his belief that the long-term jobs and value lay not in mining and extraction but in upgrading and processing. He established a specific policy of diversifying the economy and encouraging value-added processing of natural resources. This facilitated the birth of Alberta’s petrochemical industry and also the emergence and growth of a provincial forestry industry. Lougheed’s increased interventionism in the economy coincided with the dawn of Alberta’s first major oil boom. In 1973, the Yom Kippur War and the subsequent oil embargo resulted in the international price of oil almost quadrupling, from $3.29 to $11.58, within the space of a year. Prices increased further when the situation in Iran exploded in 1978 and 1979, so that by 1980 oil had reached $36.83 per barrel (ChartsBin 2014). These were generally good times for Alberta. The multinational oil companies were happy with the profits they were making, workers were happy with the jobs available, the population was growing significantly, Alberta’s two major cities were booming, and Albertans felt that, overall, the government was doing a good job of balancing their interests with those of the energy sector.

Throughout Lougheed’s tenure as premier, the Overton window of public policy was firmly planted slightly to the right of centre along the spectrum of possibilities. Public policy in Alberta during this time demonstrated a strong belief in the free market, free trade, and individualism, but it also included support for strong social services, government funding for economic diversification, strong public health care and education, and even some government ownership in key sectors like energy, petrochemicals, and telecommunications.

Although there was still a Social Credit presence in the legislature for at least part of Lougheed’s tenure, the key opposition focus during that period was from the New Democratic Party and their leader, Grant Notley. Their critique of
government came from the centre-left of the political spectrum, from a place just outside the limit of the Overton window of the time. Their focus was seeking to control the political and economic power of the big oil and gas companies, protecting workers and increasing their benefits and wages, and protecting and expanding social services and public services. Despite being a caucus of one for most of this period, Notley’s opposition proved quite effective. It could be said that as a result of his articulateness and natural leadership ability, he was actually able to move the left boundary of the Overton window far enough to encompass many of his ideas. This is best exemplified by the fact that by the 1986 election, after Notley’s death, the New Democrats captured close to 30 percent of the popular vote in the province and formed an official opposition of sixteen members.

The Move to the Right

At around this same time, two different dynamics came together to set the stage for a drastic shift in the public policy paradigm in Alberta: the growth of extreme right-wing think tanks in Canada and the global recession of the 1980s.

Public policy in Alberta was greatly impacted by the birth and growth of extreme right-wing think tanks in Canada, particularly the Fraser Institute and the C. D. Howe Institute. The latter had been in existence since the 1950s as the Private Planning Association of Canada, an institute dedicated to studying the bilateral relationship between Canada and the United States, but it rebranded itself as the C. D. Howe Institute in 1982. With the rebranding came a move to expand its operations and influence across the country and a broadening of its mandate to include all aspects of economic policy. Its messages strongly echoed the economic theories of Milton Friedman, with calls for reduced taxes, pension reform, decreased social spending and government intervention, privatization, free trade, and elimination of government deficits.

These same messages made up the core mandate of the Fraser Institute. Founded in 1974 by economist Michael Walker and a vice-president from forestry giant Macmillan Bloedel, the institute set out specifically to shift the prevailing consensus of the time (the Overton window) that governments had a key role to play in economic development because markets were flawed entities (Fraser Institute 1999, 4–5). Its primary focus was privatization and deregulation of all services, but the institute also made plenty of room for messages around reducing taxes, eliminating government deficits, and decreasing social
spending. Although its first year operating budget was only $75,000, by 1988 its annual revenues exceeded $1 million (Fraser Institute 2004, 3). This growth is similar to the expansion of US think tanks following Powell’s urging in 1971.

Likewise, through the support of corporate Canada, by the late 1970s and early 1980s, both of these institutes were beginning to have their messages and ideas privileged by Canada’s media. By 1986, Michael Walker was doing more than 250 media interviews a year, was a regular contributor to newspapers across the country, and had a daily radio commentary in Vancouver that was syndicated to markets across Canada. At the same time, their messages of deregulation, privatization, and lower taxes were starting to generate considerable interest in Alberta, where corporate elites saw the possibility for greater profit and freedom than they were enjoying with the status quo at the time. This further contributed to the visibility and profile of these messages and to the fundraising efforts of the institutes (Fraser Institute 1999, 29).

This funding of right-wing think tanks and privileging of their messages in the right-wing media closely resembled similar dynamics that had taken place in the United States, the United Kingdom, and other countries around the world and that ultimately resulted in the elevation of the likes of Ronald Reagan and Margaret Thatcher, not only in their own countries but on the world stage. Their presence and constant repetition of similar messages internationally further helped privilege those messages domestically in Canada.

Alberta’s drastic move to the right was also fuelled by Alberta’s energy sector beginning to feel the impact of a global recession in the early 1980s, caused largely by an international oversupply of oil coming from OPEC and the falling prices that resulted. In 1982, Dome Petroleum, Canada’s largest oil company at the time, was bailed out by the federal government and the banks (Doern 1983, 26). That same year, Lougheed’s government announced a $5.4 billion package of royalty reductions and special grants and credits as a way of helping the industry. It didn’t work. By 1984, unemployment in Alberta had more than doubled, people were starting to leave the province in droves, and foreclosures and bankruptcies were the order of the day. The situation grew worse through 1986, when the price of oil bottomed out at around $10 per barrel (Cameron 1986). In response, the government stopped putting money into the Heritage Fund, investment in economic diversification slowed significantly, and the government began running budget deficits and moving into an accumulated debt position.
In her book *The Shock Doctrine* (2007), Naomi Klein suggests that in times of crisis people tend to turn for solutions to the ideas that are lying around. In Alberta in the late 1980s, despite a brief electoral surge by the New Democrats, the ideas that were “lying around” were primarily those on the far right being promoted by the likes of the Fraser Institute, the C. D. Howe Institute, and the growing number of right-wing radio talk-show hosts and newspaper columnists. With a few minor tweaks, those voices were able to leverage the collective trauma that Albertans were experiencing because of the economic crash and to begin moving the Overton window to the right. Albertans were told repeatedly that the economic crisis came about because of government spending on unaffordable social programs, overpaid civil servants, and the growing debt and deficit. This need for government to live within its means resonated with Albertans who had just lost jobs, cars, homes, and vacation properties when the economy collapsed (Taft 1997).

Alberta’s energy companies were also more than happy to spread the messages, coming from the same sources, that the bust was made worse by government intervention in the oil patch through the National Energy Program and that overregulation, high taxes, and high royalties were keeping new investment out of the oil patch. In 1981, the Fraser Institute had published the book *Reaction: The National Energy Program*, strongly criticizing the National Energy Program (Watkins and Walker 1981). Canadian energy companies helped disseminate this book across the country and used it extensively in their lobbying of government (Fraser Institute 1999, 28). These companies also joined with many others in the Canadian corporate sector to ensure that these messages continued to be developed by the Fraser Institute and aired as broadly as possible. The Fraser Institute’s revenue base grew sixfold between 1988 and 1993 as a result of these efforts.

All of this effort paid off for Alberta’s corporations: the Overton window began to move, as evidenced by the movement of politicians who followed the window to its new location. In 1988, former Edmonton mayor Laurence Decore was elected leader of the Alberta Liberal Party, and then to the Alberta legislature in the general election the following year. Decore used his position as leader of Alberta’s third party to repeatedly and loudly push for eliminating the provincial debt and deficit, cutting spending on public services, reducing MLA pensions, and ending the government’s direct involvement in the private sector (Kheiriddin and Hennig 2010). Four years later, Ralph Klein became leader of the Progressive Conservative Party of Alberta on a platform that contained
virtually the same messages that Decore had espoused. The two faced off against each other in the 1993 Alberta election with almost identical policy platforms. The New Democrats ran on a traditional left-of-centre platform, which by this time was well outside the parameters of the Overton window and into the realm of the radical and unthinkable. Significant oil and corporate money flowed to both the Liberals and the Conservatives to help finance their respective campaigns, and both the media and the corporate sector worked hard to reinforce the New Democrats’ positions as out of touch and unrealistic.

Ralph Klein’s Conservatives won the election with 44.5 percent of the popular vote, which was enough to secure fifty-one of eighty-three seats in the legislature. The Liberals, with 39.7 percent of the vote, won the remaining thirty-two seats, and the New Democrats were totally shut out. With a comfortable legislative majority and the knowledge that 84.2 percent of voters had, in essence, supported the right-wing platform on which both he and Decore had run, Ralph Klein felt no qualms about beginning to implement policy that would have been considered radical in Alberta just a few years before. The Overton window in Alberta had moved, and Ralph Klein’s election platform had been right in the middle of it.

The Klein government immediately implemented across-the-board cuts to all government departments and services, laying off thousands of public servants in all parts of the province. Those who got to keep their jobs were pressured to, and ultimately did, accept wage rollbacks. Alberta registries, liquor stores, and highway maintenance were privatized (Martin 2013). The government sold off its remaining stock in Alberta Energy Corporation, used the proceeds of the sale to eliminate the provincial deficit, and began the process of fully deregulating the provincial electricity market. Government investment in public infrastructure and the Heritage Fund stopped altogether, and the process of introducing greater private delivery of health care through Bill 11 and other measures began. The Conservative government also began providing public funds to private schools in the province—something that the Fraser Institute in particular had been advocating for years. As the flow of ideas from the far right continued to flood the realm of public policy dialogue, the Overton window continued moving to the right. Ralph Klein won even more convincing majorities in the general elections of 1997 and 2001 and felt even more emboldened in making sure that policy kept up with the window as it moved. This move in the late 1990s was further reinforced by examples from other Canadian provinces, like Ontario, and internationally in countries like New Zealand.

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The Klein government proceeded to implement significant changes to Alberta’s royalty regime, introducing inflation indexing and new tiers of royalties to reduce rates and establishing the 1 percent prepayment royalty rate for bitumen sands operations. The Conservatives also reduced Lougheed’s target of 35 percent for revenue capture from the oil and gas industry to 25 percent, a target that they never met (Campanella 2012, 9–10). They then proceeded to drastically cut Alberta’s corporate taxes and introduced a 10 percent single-rate personal income tax regime. Both of these were policy options that twenty years earlier would have been considered unthinkable and radical by Albertans, but, as a result of the moving Overton window, these changes were accepted and even applauded. These policies had a very significant impact on Alberta at the time they were implemented. They created significant job loss among government workers, reduced capacity in public services like education and health care, and initiated twenty years of serious neglect of the province’s infrastructure.

Despite the clear policy wins for the neoliberal economic project, the flood of extreme right-wing ideas did not cease. If anything, these ideas appeared to gain momentum as a result of their proven ability to directly influence government policy. This combination of the ongoing flood of privileged ideas from the right and the severe economic restructuring of Alberta set in place by Ralph Klein’s policies of the 1990s had two very significant long-term impacts that have largely determined where Alberta is today in terms of democracy and public participation in policy: the consolidation of the energy industry’s power and the entrenchment of Overton window on the far right of the political spectrum. In the remainder of this chapter, I explore these two impacts in depth.

The Overton Window in Alberta Today

As a result of reduced tax revenue, infrastructure spending, and investment in diversification, Alberta’s oil and gas industry became further entrenched as the only show in town, both politically and economically. A quick look at any of Alberta’s provincial budgets, annual reports, or economic outlooks since 1993 is enough to demonstrate the degree of the province’s dependence on the oil and gas industry. In the 2012–13 Alberta budget, for example, nonrenewable resource revenues accounted for almost 28 percent of total projected revenues (Alberta, Finance 2012, 13). In the 2014–15 fiscal year, even with the complete collapse of international oil prices, the Alberta government was still projecting...
that nonrenewable-resource revenues would make up fully one-fifth of provincial revenues (Alberta, Finance 2015, 6). In terms of the provincial economy, according to the Government of Alberta, the oil and gas sector accounted for 23.1 percent of Alberta’s GDP in 2013 (Alberta, Alberta Innovation and Advanced Education 2015). Despite the drop in oil prices in 2014–15, that percentage is not expected to change drastically and will probably continue to grow. This number includes only extraction and rises significantly once those portions of the construction, manufacturing, and transportation industries that are directly or indirectly linked to oil and gas extraction are added. Of Alberta’s approximately two million workers, about 7.7 percent are involved directly in oil and gas extraction, with a significant number of the province’s 230,000 construction workers also engaged directly by the energy industry (Alberta 2014, 10). Again, those numbers do not include all those workers in transportation and service industries that are directly or indirectly linked to the oil and gas sector. The Pembina Institute’s work on a genuine progress indicator for Alberta highlights how much less diverse Alberta’s economy was in 2003 than it was in 1971, with natural resources playing a much more prominent role than ever before (Pembina Institute 2005).

When one sector of the economy accounts for anywhere from one-fifth to one-third of government revenues and GDP, and 10 to 15 percent of jobs in the province, it is also bound to have significant political power. One of the clearest manifestations of this political power came during the 2007 review of royalty rates in Alberta. One way in which Ralph Klein had justified reducing royalty rates in the 1990s was by asserting that because oil prices had dropped, industry needed the incentive in order to continue investing in Alberta. Beginning in 1999 with the publication of the report Giving Away the Alberta Advantage by the Parkland Institute, a number of Alberta-based groups including Parkland Institute, Pembina Institute, and the Alberta Federation of Labour began trying to move public consensus back to higher royalty rates. As the price of oil started to increase rapidly in the early 2000s, followed by record oil company profits, the repeated message from these groups that Albertans were not getting their fair share began to resonate, and the idea of increasing royalty rates began to move from the realm of the unthinkable to the realm of the reasonable and possible.

By the time of the 2006 Conservative leadership race to replace Ralph Klein, the Overton window on the royalty regime had moved enough that it became a leadership issue. During the leadership race, Ed Stelmach promised that if he
were elected, one of his first orders of business would be a full review of the province’s royalty structure. Once elected, he appointed a blue-ribbon panel to carry out the review and promised to implement changes based on their recommendations. Although the panel did not go as far in recommending higher royalties as had been suggested by groups like Parkland, it did ultimately recommend an increase in royalties and an overhaul of the system (Acuña and Gibson 2007).

In response to the recommendations, the oil and gas industry in Alberta launched a significant advertising and public relations campaign, including the funding and organizing of a sizeable rally at the legislature, to convince Albertans that increasing royalties would break the provincial economy. More importantly, however, industry representatives demanded and received closed door meetings with the premier and Energy minister to echo the veiled threats being issued publicly about the consequences of increased royalties (CBC News 2007).

In response to the industry’s reaction, the new regime that Ed Stelmach announced in 2007, and implemented in 2009, was significantly weaker in terms of royalty collection than the review panel had recommended (Acuña and Gibson 2007). In the provincial election that took place between the announcement of the royalty regime and its implementation, the Conservatives actually increased their share of the popular vote from the previous election and won a convincing majority, but the industry was still not happy with the pending increase in royalties. The industry set out to send Ed Stelmach, and all future premiers, a strong message. Companies began throwing their political and financial support behind what had been a fringe start-up party until that point, the Wildrose Party. They supported the leadership campaign of an articulate and charismatic young woman, Danielle Smith, who also happened to be a graduate of the Fraser Institute’s youth internship program (Canadian Press 2012). Corporate Alberta then ensured that the party was presented by the media as a viable option to the Conservatives—a process aided by her husband, an executive with Sun Media, and by her own past experience as a columnist at the Calgary Herald and the host of an interview show on Global Television.

The rise of the Wildrose Party on the right flank of the Conservatives caused significant division in the Conservative caucus, since many members felt that they needed to move further right to accommodate what they saw as a shift to the right among voters. This division in the party is what ultimately led to the secession of two Conservative MLAs in 2010 and the resignation of Finance
Minister Ted Morton and Premier Stelmach in 2011—just three years after Albertans had given him a clear mandate as premier. Alberta’s energy industry had flexed its political muscle, thrown a government into disarray, and significantly influenced the leadership of the province.

The second impact of the political dynamic that has played out in Alberta in the past four decades has been an entrenchment of the Overton window on the far right of the political spectrum. Well-funded and well-connected groups like the Fraser Institute, the Canadian Taxpayers Federation, and the C. D. Howe Institute continue to flood the arena of dialogue and debate with extreme right-wing ideas. The danger here is that the Overton window has become so entrenched on the far right of the spectrum that what are actually ideologically based and political ideas are interpreted by the public as objective truths. These are the ideas at the heart of neoliberal economic theory that have been repeated across North America by right-wing think tanks and the mainstream media since the 1970s: that government is by nature inefficient, that markets can deliver services more effectively than government, that low taxes are objectively good, that quality public services are unaffordable, that politicians and public servants are self-interested and greedy, and that unions result in inefficiency and waste.

The impact of this, in terms of change, is twofold. First, acceptance of these market ideologies as unquestionable truths has moved a significant portion of the population to a place where we see ourselves first and foremost as consumers rather than as democratic citizens with rights and responsibilities. Second, a majority of citizens are no longer willing or able to consider or entertain anything that might contradict these “truths.” That being the case, anything remotely to the left of the Overton window is discounted offhand not just as radical and unthinkable but also as contradicting basic sense and logic.

As John Ralston Saul (1995) suggests in *The Unconscious Civilization*, in its evolution as a “science,” neoliberal economic theory has come to be considered economic law. In places like Alberta, therefore, you would have as much luck arguing for increased taxes or public ownership as you would arguing that \(1 + 1 = 5\). Fraser Institute head Michael Walker reportedly once responded to the birth of a left-wing think tank in British Columbia by declaring that the laws of the free market can no more be resisted than the law of gravity (Klein 1998). Until these theories are removed from the realm of truth and brought back into the realm of ideas, there is no possibility of the Overton window moving anywhere but further right, if at all.
**Conclusion**

The implications for policy in Alberta of the consolidation of the oil and gas industry’s power and the entrenchment of the Overton window are significant. It will be extremely difficult for any provincial government—regardless of political stripe, rhetoric, or the ideological leanings of its leader—to alter the provincial royalty regime, significantly raise personal or corporate taxes, or justify consecutive operating deficits that lead to a net debt position. This means that the range of real policy options in Alberta is severely limited by what the industry will allow without mounting a capital strike.

This inevitability was highlighted by the 2015 Alberta budget which, despite a $7 billion revenue shortfall and growing popular consensus that corporate taxes needed to be increased, included no increases to either royalties or corporate taxes, and only minor tweaks to the provincial income tax system (Howell 2015). The immediate reaction by the energy industry and financial investors to the election of a New Democrat majority in May 2015 provides further proof of the role of the energy industry in entrenching the Overton window. The day after the election, world oil prices rose to above $62 per barrel for the first time in months, yet the energy sub-index of the Toronto Stock Exchange saw a drop of 3 percent as the selloff began, and groups like the Canadian Federation of Independent Business warned of major job losses if taxes are increased (Johnson 2015).

When public policy is seen as inevitable and economic theories are seen as truth, people have no reason to engage with the political processes that impact their lives. This trend is reinforced by messaging from the far right that consistently labels government and politicians as irrelevant, inefficient, and self-serving. Voter turnout and participation in political parties in Alberta are both likely to continue dropping for the foreseeable future, further abandoning the realm of public policy to the energy industry and think tanks.

The rise of right-wing think tanks in Canada and their close connections to the country’s corporate sector, and in particular the oil industry, were able to leverage Albertans’ experiences of the economic bust of the 1980s to precipitate a significant shift to the right of Alberta’s Overton window. This in turn led to the election of Ralph Klein. Klein’s government enacted a set of public policies that consolidated the political and economic power of Alberta’s energy sector, thus entrenching the Overton window on the far right of the political spectrum. As a result of these dynamics over the past thirty years, public policy in Alberta...
today has become subservient to corporate interests. The neoliberal logic of the market is the primary driver of policy change, and, such being the case, policies from the right are the easiest to implement. The unexpected election of a left-leaning majority government after nearly forty-four years of uninterrupted PC rule gives pause to the prediction that the prospects for significant change are slim. Yet even though the 57 percent voter turnout in the 2015 election was the highest in two decades, the reality is that almost half of all Albertans remain politically disengaged. While the end of Tory rule is significant symbolically, the constraints imposed by the shift in the Overton window to the right may preclude a dramatic change in policy direction. Then again, in Alberta stranger things have happened.

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