

## Breaking Out of the Rut

### A Position Paper on Politics and Democracy in Alberta

#### **SECTION I: WELCOME TO ONE-PARTY ALBERTA**

Two months ago, a provincial election was held in Alberta – and to no-one's real surprise, the Progressive Conservatives won again. Despite controversy over things like power deregulation and the passage of the government's unpopular new private health care law – Bill 11 – voters continued to flock to the Tories.

This victory effectively extends the period of unchallenged Tory dominance in Alberta for another five years. They have now been in control of the government constantly since 1971 – and their grip on power shows no sign of weakening.

In terms of longevity, the Tories now rival the Socreds for the title of "longest serving Alberta government." The Socreds – under a succession of leaders such as "Bible Bill" Aberhart and Ernest Manning – were in power with small oppositions for 36 years between 1935-71. Depending on when the next election is called, the Conservatives will either equal or beat that record.

During the period that the Tories have been in power in Alberta, governments in other provinces have changed many times. In Ontario, for example, governments have been formed by the all three major parties – Conservatives, Liberals and New Democrats. In B.C. during the same period, power has alternated between the Socreds, and the New Democrats – and may soon pass to the Liberals. Even in Saskatchewan, where the New Democrats are regularly referred to as the "party of government", the Tories under Grant Devine managed to form an ill-fated government for two terms in the 1980s.

For many observers of politics, this kind of regular turn-over in governments is seen as healthy. In fact many would say it is the essence of democracy. But here in Alberta, for reasons we will discuss, the Tories have been able to maintain a stranglehold on power. The result has been 30 years of uninterrupted Conservative rule – and not only Tory rule, but rule by huge majorities.

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## ***The Teflon Government***

Over the past ten years, the Alberta Conservatives have managed to hold onto power despite a number of scandals and controversial policies that would probably have brought down governments in other provinces. Consider these examples:

### **Failed Policies**

- Power De-regulation – \$5 billion in increased costs to home and business consumers. \$4.1 billion spent on rebates – money that could have been spent on education and health care.
- Bill 11 – Legalized private hospitals. Pushed through Legislature despite being opposed by majority of Albertans.

### **Wasted Public Money**

- NovaTel – More than \$646 million of taxpayers money wasted
- Swan Hills Waste Treatment Centre – \$470 million of public money paid to private company
- Millar Western Pulp Mill – \$245 million of public money lost
- Gainers – \$209 million given to Peter Pocklington
- West Edmonton Mall – \$152 million of public money lost

*(Source: Edmonton Journal,  
Calgary Herald)*

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For all those who oppose the Klein government, the continued dominance of the Conservative party is galling enough. But one of the most disturbing truths for union activists is that Tory support is not coming exclusively from wealthy business people and social conservatives from rural areas. It is also coming from working people – including unionized working people.

In fact, polling conducted over the years suggests that union members are almost as likely to vote for conservative parties like the Alberta Tories and the Canadian Alliance as members of the general public. Even many public sector workers – who have borne the brunt of cutbacks in areas like health care and education – continue to support the government. The fact that so many rank-and-file union members vote Conservative may be hard for union leaders and activists to understand – and it may be even more difficult to swallow. But it is a reality.

After reviewing the political landscape in Alberta, several questions come to mind. Firstly, how have the Alberta Conservatives been able to maintain such a stranglehold on provincial politics – even in the face of scandals and widespread opposition to certain policies? And, how have they managed to win support from people – like union members – who on the surface might seem less willing to embrace conservative policies? Secondly, what has 30 years of Tory domination meant to Alberta? Has one-party rule really been good for the province and the people who live here? Finally, for the many Albertans who would like to see some change in the province's leadership and political culture, what – if anything – can be done?

In this paper, we will attempt to answer these questions and others. We will examine why the Conservatives have been able to stay in power for so long. We will also talk about the impact that 30 years of unchallenged Tory rule has had on the lives of ordinary Albertans. And we will examine alternatives to the Conservative status quo. In particular, we will discuss the role that unions can play in enhancing democracy and promoting democratic participation in Alberta.

By addressing these questions, the Alberta Federation of Labour hopes to get union activists thinking about politics and democracy in their province. We hope to encourage people to become more interested and engaged. Most importantly, we would like to help Albertans realize that things can change, that there are alternatives and that individual citizens can make a difference.

## SECTION 11: UNDERSTANDING TORY DOMINANCE

Part of the reason for the Klein government's continuing stranglehold on politics in Alberta is the personal popularity of the Premier. Many Albertans genuinely like "Ralph" – they relate to him and feel comfortable with his leadership. But continued support for the Conservatives cannot be explained away by the popularity of one particular leader. There are many other reasons – some positive, some negative – that can be put forward to explain the government's continued dominance.

On the positive side, there are many people in Alberta who feel the Klein government has "kept its promises" when it comes to things like eliminating the deficit and reducing the debt. This is a point that the Premier's handlers kept returning to during the last election campaign. It is also a point made spontaneously by many voters when asked why they support the Conservatives.

In addition to giving credit to the Klein government for living up to its promises, many Albertans also give them credit for the current booming economy. According to this line of thinking, Alberta's low rate of unemployment and high growth rate can be directly attributed to policies adopted by the government.

Of course, there are many people who would argue that the "debt crisis" was never as serious as the government made it out to be – that it was simply a convenient target set up to draw attention away from the government's own failures. There are also those who would argue that the current economic boom in Alberta is strictly the result of higher prices for oil and gas – and that it has nothing to do with the policies of the Alberta government.

These arguments obviously have a lot of merit. But the fact remains that many Albertans have bought into the government spin – they believe that Ralph Klein "slayed the debt dragon" and they give him credit for the strong economy. These are the most common "positive" reasons given by Albertans when explaining why they support the Conservatives.

### ***The Truth about "the Truth"***

In order for democracy to work effectively, citizens need accurate information about the important issues of the day. Unfortunately, thanks in part to the biases of an increasingly conservative mainstream media, the "truth" is not always clear. The political right has been particularly adept at spreading myths and half-truths that confuse voters. Here are a few examples:

**Myth of "Out of Control Spending":** The Klein government convinced voters in 1993 that public spending was "out of control." But the truth is that spending was actually declining before Klein took office.

**"Brain Drain" Myth:** Conservatives have argued that thousands of Canadians are fleeing the country each year to take advantage of lower tax rates in the U.S. They use this argument to justify huge tax cuts – especially for the wealthy. But the truth is that the number of Canadians moving to the U.S. is actually lower than in the past. And most of those who do move say it has nothing to do with lower taxes.

**Private health care myth:** Many conservatives argue that privatization and competition are the only ways control costs in health care. But the truth is private health care costs more than public health care. On a per capita basis, the private American health system costs nearly twice as much as the Canadian system.

**The de-regulation myth:** Conservatives in places like Alberta and California tried to convince people that de-regulated electrical power would result in dramatically lower prices. But experience has shown that the reverse is true – Alberta and California now have the highest power prices on the continent.

**The "tax cuts and growth" myth:** Conservatives argue that tax cuts for the wealthy will help the economy by encouraging investment. But the truth is that these kind of cuts don't work. Ronald Reagan cut taxes for the rich in the late 80s and investment actually stagnated. The rich are just as likely to spend their money outside the country or hoard it in their bank accounts as they are to invest in job-creating businesses.

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## ***The Oil Wealth Effect***

One of the reasons that the Tories continue to win support in Alberta is that the provincial economy is so strong. Many people, both in the public and in the media, give credit for the strong economy to the Tory government and its right-wing policies. But the reality is that most of the Alberta Advantage doesn't come from the Klein government's policies – the real Alberta Advantage comes from our energy resources.

Nearly half of the Alberta government's revenue comes from oil and gas royalties. Any Premier could look like a genius with those kinds of resources. Revenue from oil and gas has also allowed the Klein government to cover-up huge bungles . . . bungles that would bring down governments in other provinces. As author Linda McQuaig has written: "Ralph Klein's menu of privatization, tax cuts and deregulation have about as much to do with Alberta's current cornucopia as astute management had to do with Clappett family's rapid rise to prosperity in The Beverly Hillbillies."

*(Source: Straight Goods, Alberta Budget documents)*

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On the other side of the ledger, there are many negative reasons that can be put forward to explain the Tories continued political dominance. For example, many voters in the province have accepted the notion that Alberta is home of the "rugged individual" and that a vote for anything but a true-blue conservative would be somehow "un-Albertan."

This is the ugly side of one-party rule. In its most extreme form, this attitude manifests itself in threats and slurs against people who don't "tow the party line." During the recent provincial election, for example, a farmer in southern Alberta put up two signs on his property – the first sign was for the local Conservative candidate, the second sign said in bold letters that people who vote Liberal or New Democrat should be run out of the province.

Most Conservative supporters would not go this far – but it's not unusual for them to slam doors on people canvassing for opposition parties or to ostracize neighbours or co-workers who dare to voice support for the Liberals or (sin of all sins) the New Democrats.

In other provinces where there is a regular turn-over in government, people tend to be more accepting of differing political points of view. But here in Alberta – especially in rural Alberta – if you're not a Tory you're an outsider. Given this kind of hostile atmosphere – in which the Tories are lionized and other parties demonized – it's no surprise that so many voters continue to support the Conservatives even if they don't really agree with them. Put another way, many Albertans simply "go along to get along."

Another negative reason for the government's continued electoral success is fear. Though few people actually say it, many Albertans fear that voting for someone other than the Tories might "rock the boat" and somehow undermine the province's current prosperity. People who fall into this camp don't necessarily believe that the Klein government's policies are the only reason for Alberta's current prosperity, but they're not sure that the other parties could do any better.

In a similar way, many Albertans continue to vote for the Tories out of a sense of "conservative complacency." These voters feel satisfied with their jobs, communities and lives and see no reason to change things.

This kind of "I'm alright Jack" attitude is particularly prevalent among workers – both union and non-union – earning higher-than-average salaries. As long as people like this feel comfortable with their jobs – and as long as they don't personally feel the negative effects of Conservative policies – it will be difficult to get them excited about the political process or about supporting other parties.

The final reason that will be mentioned here to explain continued Tory political dominance has to do with control of the public purse strings. During the Lougheed years, billions of dollars were spent expanding

Alberta's infrastructure and building schools, hospitals and roads. Much of this development was necessary and beneficial. But at least some of the spending was primarily political. People used to joke about how every small town had a hospital, a new curling rink and a new provincial building – all thanks to the Tories. This kind of spending was clearly aimed at solidifying Tory dominance in rural Alberta – and to a large extent, it accomplished that goal.

When Ralph Klein took over as Premier and Conservative leader in 1992, he condemned other governments for using public dollars to win popularity and maintain support. But lately, the Premier has not been practicing what he preaches. In the 18 months leading up to the recent provincial election, the Klein government spent hundreds of millions of dollars – money that had not been previously budgeted – on things like health care and infrastructure.

But these payments pale in comparison to the \$4.1 billion that was spent on energy rebates. In January, the provincial government deregulated the provincial power system – and prices shot through the roof. Many political observers predicted that the Tories would lose seats as a result of its botched deregulation plan. But the government eased the pain by shelling out billions of dollars in rebates to offset rising prices for both electricity and natural gas. In effect the Premier used voters' own money to ease their fears and buy their votes.

It is now clear that the government's decision to use a large portion of the provincial budget surplus to pay for energy rebates helped pave the way for yet another election victory for the Tories. In other provinces – where governments don't have the luxury of multi-billion-dollar windfalls from resources royalties – politicians from the governing party often pay a steep price for bungled policies and programs. But here in Alberta the political calculus is different.

As long as prices for oil and gas remain strong and royalty revenues remain high, the governing Conservatives will be able to paper over their mistakes with oil money – and they will continue to benefit politically from an economic boom that is not really of their making.

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### ***Crony Democracy***

The Conservatives have been in power so long that they've been able to spread their influence into nearly every community and institution in the province. Thousands of people either owe or feel they owe the government for their jobs, perks or security. Everyone from bureaucrats to people who sit on government appointed boards to business people who have contracts with the government are fearful of a change in government. They worry that a new government would take away their privileges, power and access.

This large group of self-interested supporters is invaluable to Tories. They are the parties front line shock troops. They also provide huge amounts of financial resources. Their donations – along with the millions that come from corporations – ensure that the Tories always have the biggest war chest going into provincial elections. This was evident in the recent election. The Tories spent \$2.5 million on their central campaign (excluding the money they spent on local, constituency campaigns. This compares to \$800,000 spent by the Liberals and \$350,000 spent by the New Democrats.

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## SECTION III: FAILURES IN THE ELECTORAL SYSTEM

### ***Alberta democracy fails to make the grade***

A recent study of democracy in Canada shows that Alberta falls behind most other provinces in terms providing its citizens with a fair and representative electoral system. Consider the following findings:

- Alberta has the lowest voter turn-out among all provinces. In the last two elections, less than 55% of eligible voters bothered to cast a ballot. In most other provinces, between 60 and 75% of citizens vote.
- Alberta has the slowest turn-over of politicians among all the provinces. Between 1982 and 1997, there was only a 17.7 percent turn-over in Alberta MLAs. During the same period, there was a turn-over of 35% in Ontario, 32% in Saskatchewan and 25% in B.C.
- Alberta is the only province with no rules or limits on election spending. The government regularly outspends the opposition parties by a 3 to 1 margin. This kind of lopsided advantage is not allowed in most other provinces.
- Alberta is one of only two provinces that doesn't offer some public funding to offset the fund-raising advantage held by incumbent parties and candidates.
- Alberta has some of the greatest size-disparities between urban and rural seats. Rural seats are often as much as 25 percent smaller than urban seats – giving more weight to the votes cast by rural citizens. Saskatchewan seats vary in size by only 2% and Manitoba seats vary by 5%.

(Source: *Electoral Democracy in the Provinces*, Institute for Research on Public Policy, March 2001)

Even when all these explanations for continued Tory dominance are considered it should be remembered that not everyone in Alberta votes Conservative. In fact, in the 1989 and 1993 provincial elections, a majority of Albertans actually voted against the Tories. And in 1997, 49 percent of Albertans voted for parties other than the government.

Unfortunately, these results were not reflected in the final seat tallies because of the nature of our “first-past-the-post” election system. Under this system, candidates can win seats without actually winning an electoral majority – all they have to do is get more votes than the other candidates in the race. This means candidates with as little as 35 percent of the vote are sometimes elected.

Looking at the province as a whole, the first-past-the-post system has disproportionately favoured the ruling Conservatives. In the last election, for example, they won 61 percent of the popular vote, but ended up with 89 percent of the seats. The problem was even more pronounced in 1989 and 1993 when the Tories won between 44 and 45 percent of the vote but ended up with 71 and 62 percent of the seats, respectively.

The problems caused by “first-past-the post” are worsened by low voter turn-out. In each of the past four elections in Alberta, only about 50 percent of the eligible voters actually bothered to cast a ballot. So, in effect, the Tories were able to form majority governments in 1989 and 1993 with less than 50 percent of the votes cast **and** with the support of only about 25 percent of all eligible voters. Even in the most recent election, the Tories managed to win 61 percent of the popular vote. But that represents support from only about 30 percent of all eligible voters. This fact casts the government's “landslide” victory in an entirely different light.

Aside from helping the Tories hang onto power, the current electoral system has effectively disenfranchised most of the thousands of Albertans who vote for opposition candidates, only to end up represented by yet another Conservative MLA. Political scientists refer to the ballots cast by these people as “wasted votes” – votes that are registered, but which do not lead to actual representation.

A recent study published by the Institute for Research in Public Policy showed that Alberta has the highest proportion of “wasted votes” in the country – a statistic that gives an entirely new meaning to the “Alberta Advantage.” In Alberta, it seems the Tories have all the advantages.

The problems in our electoral system are compounded by the disproportionate representation of rural areas – which, not coincidentally, also happen to form the backbone of Tory support in the province.

In many other provinces, electoral districts are roughly similar in population. In Saskatchewan, for example, there is a variation of only about two percent in the number of people living in the province’s various electoral districts. In Manitoba there is a variation of about 5 percent. The result of these small variations is that the votes of citizens are weighted more evenly.

The situation Alberta is markedly different, however. Here, many rural ridings are 25 percent smaller than urban ridings. Provincial law actually allows a small number of rural ridings to be as much as 50 percent smaller than urban constituencies.

The result of this disparity are obvious – the votes cast by people in rural areas carry more weight than the votes cast by people in the cities. This is particularly problematic in Alberta where opposition support tends to be concentrated in urban areas. It effectively raises the bar for opposition parties to win seats and lowers the bar for the Conservatives, who gain a larger number of seats from rural areas than is warranted by population.

Another serious problem with Alberta’s electoral system has to do with election spending. Alberta is the only province in the country that places absolutely no limits on spending during election campaigns. In all other provinces, restrictions are placed both on parties and individual candidates. These restriction are designed to ensure that campaigns remain contests of ideas, not bank accounts.

***Democratic elections? Unrepresentative results.***

As a result of our “first-past-the-post” electoral system, the final seat totals after elections often bear little resemblance to overall voting patterns. The results of the 1989 and 1993 provincial election were particularly unrepresentative of the popular vote.

	<b>% of Vote</b>	<b>Seats Won</b>	<b>% of Seats</b>
<b>Conservatives</b>			
1986	51%	61	73%
1989	44.3%	59	71%
1993	44.5%	51	61%
1997	51%	63	76%
2001	61%	74	89%
<b>New Democrats</b>			
1986	29.2%	16	19%
1989	26.3%	16	19%
1993	11%	0	0%
1997	9%	2	2.5%
2001	8%	2	2.5%
<b>Liberals</b>			
1986	12.2%	4	5%
1989	28.7%	8	9.5%
1993	39.7%	32	38.5%
1997	32.8%	18	21.5%
2001	27%	7	8.5%

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But here in Alberta, literally anything goes. Parties and candidates are allowed to raise and spend as much as they like. Some might say that all the parties have an equal opportunity to raise money, but the reality is that the ruling party (in this case the Conservatives) has a huge advantage over its competitors. After all, they have their hands on the reins of power – if you’re a big corporation looking to influence policy, where else would you send your donation?

As a result of Alberta’s lack of election spending rules, the Conservatives always go into election campaigns with far more resources than the other parties. Between elections, the Tories collect millions of dollars – the majority coming from corporations. During the last campaign, this allowed the Tories to spend about \$2.5 million on their central campaign alone. They spent many millions more on local campaigns. This compares to about \$800,000 spent by the Liberals on their central campaign and \$350,000 spent by the New Democrats.

In an era when more and more voters are getting their information from things like radio and TV ads – which don’t come cheap – this clearly gives an advantage to the Tories.

When the inequities of Alberta’s electoral system are taken into account, it becomes easier to understand why the Conservatives have been able to hang on to power for so long. Thanks to the first-past-the-post system; electoral districts that favour the Tory’s rural base; and spending rules that greatly enhance the resources available to the governing party, the Tories have been proven hard to beat.

Despite all these advantages, however, it’s important to point out that Alberta isn’t as uniformly Tory blue as would be suggested by the seat totals in recent elections.

The truth is that there are many people in the province who think differently than the Tories – and who would like to see other parties in power. Polls actually show that Albertans share many of the same core beliefs as other Canadians. For example, we believe in Medicare, we are concerned about those less fortunate than ourselves and we support spending on things like public education. Unfortunately, these “kinder, gentler” views are not always reflected by the people and the parties we elect.

What seems to set Alberta apart from other provinces is our political culture, which discourages dissent; our economy, which fosters a certain conservative complacency; and our rules for elections, which give an advantage to the governing Conservatives. As a result of all these factors, the Conservatives have been able to hang on to the reins of power – and alternative ideas and approaches have been left untried.

## SECTION IV: THE EFFECT OF TORY DOMINANCE

So, even though the Conservatives have not always been able to win majority support, they have won enough votes to keep their hands firmly on the levers of power. But what has 30 years of Tory rule meant to Alberta? What has it meant to the daily lives of the people who live here?

In terms of democracy and democratic participation, one of the most obvious results of Conservative's ongoing political monopoly is that many people – especially those who don't always agree with the government – have become disillusioned with politics and apathetic about voting.

Studies show that Alberta has the lowest voter turn-out rate during elections of any province in the country. In the 1997 provincial election, for example, only 53 percent of eligible voters actually bothered to vote. This compares to 66 percent in the last Saskatchewan general election, 68 percent in last Manitoba election, 69 percent in the most recent election in Nova Scotia and 78 percent in the last Quebec election.

The low voter turn-out in Alberta is not really surprising when you consider the context. When the cards are so obviously stacked in the government's favour, many people seem to have concluded that voting is a waste of time. This is unfortunate, but perhaps understandable.

In terms of other impacts on the lives of Albertans, Tory rule has meant different things during different periods of the Conservative dynasty. During the early years of the Lougheed government, for example, having the Conservatives in power actually meant increased investment in public works and public services and a more modernized bureaucracy. Compared to the penny-pinching, ultra-conservative Socreds, Peter Lougheed's Conservatives looked almost progressive.

However, since the rise of the Klein government, things have changed radically. Unlike the Lougheed Tories, the Klein government has been much more ideologically conservative.

The Klein government is most famous, of course, for its deep cuts to public services and spending. Between 1993 and 1996, huge cuts were made to all programs including core services like health care and education. But reducing the debt and deficit was never the sole goal of the Klein government. Their real priority has been to dramatically shrink the role of government and allow the "market" (i.e. corporations and investors) to become even more dominant over our economy and society.

To accomplish this goal, the Conservatives have employed three main policy vehicles: privatization, deregulation and tax cuts. The Klein government has acted aggressively on all of these policy directions and is shaking the foundation of the province (and the daily lives of Albertans) in the

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process. Consider a few concrete examples of how specific government policies are affecting the lives of individual Albertans:

**BUDGET CUTS:** Between 1993 and 1996, budgets for all government programs were cut dramatically. Funding in many areas has since been increased – but in most cases, the increases have not entirely made up for what was cut and they have not kept pace with inflation or population growth. In the health care system, for example, continued under-funding has meant staff shortages and waiting lists. In the education system it has forced parents to fund-raise for educational essentials like textbooks. To top things off, Alberta – Canada’s wealthiest province – now has the dubious distinction of having the highest class sizes in the country. Budget cuts have also had a crippling impact on our colleges and universities. Over the past ten years, per student funding from the government has been cut in half and tuition fees have tripled. Students in Alberta now face some of the highest tuition fees in the country – where before the Klein cuts, they paid among the lowest.

**DEREGULATION OF UTILITIES:** Over the past several years, the Klein government has decided to deregulate both Alberta’s natural gas system and its electrical power system. In both cases, deregulation has led to dramatically higher prices. Gas prices in Alberta are now roughly double the prices being charged to consumers in Saskatchewan and Manitoba – which still have regulated systems. At the same time, the price for electrical power has sky-rocketed. Under the old regulated system, Alberta had some of the lowest power rates in North America – now we have among the highest. The Tories have tried to draw attention away from their deregulation failures by giving consumers more than \$4.1 billion in gas and power rebates over the past six months. But even so, the Alberta economy is paying a huge price. One Calgary energy analyst has estimated that power deregulation has already cost Alberta businesses and consumers \$5 billion more than if the system had remained regulated. Add this to the \$4 billion spent on rebates – money that could have been used for education or health care – and the true cost of the government’s failed deregulation scheme becomes clear.

**UNDER-FUNDING OF MUNICIPALITIES:** One of the areas hardest hit by government cuts was funding for municipalities. In 1992 – the last year before the Klein cuts – the province sent more than \$440 million to Alberta’s various towns, cities and municipal districts to help pay for things like roads, sewers, libraries and a wide range of other municipal services. By 2000, however, the amount sent by the province to municipalities had fallen to just \$164 million – less than half of the 1992 total. Grants for police, transit and libraries were eliminated altogether. As a result of these cuts, Alberta

municipalities have had to cut services, lay-off staff, postpone much-needed capital projects, introduce new user fees, and increase property taxes. Every time someone trips on a cracked sidewalk, drives over a pothole or is faced with a new municipal fee, they are really feeling the end result of deep provincial government cuts – cuts which, despite the government’s huge surpluses, have still not been restored.

**FLAT TAX:** Last year, the Alberta government abandoned the old, three tier system of taxation in favour of a new flat tax system. On the surface, this new system sounded good to most Albertans – the government promised that everyone would pay less. This has been true to a point. All Alberta taxpayers have seen their taxes go down as a result of the flat tax. But the savings for middle-income earners – people earning between \$35,000 and \$60,000 – have been so small as to be insignificant. In fact, the so-called savings don’t even come close to what these people have lost as a result of increased utility bills and higher user fees. The only people who have really seen major reductions in their tax bills are those individuals earning more than \$100,000 per year. While most Albertans are “saving” a few hundred dollars, the tiny number of people at the top of the income ladder are getting thousands back. The bottom line is that, under the flat tax system, the majority of Alberta taxpayers are paying for tax cuts for the rich through reduced services and higher user fees. Is this what the Premier means when he talks about the Alberta tax advantage?

**REGRESSIVE LABOUR LAWS:** In addition to being negatively affected by cuts to public services and the introduction of an unfair tax system, Albertans are also suffering as a result of their province’s regressive labour laws – laws covering both organized and unorganized workers. For example, under the Employment Standards Code, which sets a minimum floor of rights in unorganized workplaces, Alberta workers have some of the weakest protections in the country. To make matters worse, the provincial government regularly grants exemptions from the Code to businesses and even whole industries – leaving people working in these sectors with no legal protection at all. The province has also undermined its own Employment Standards Code by failing to hire enough inspectors to enforce the law and by being extremely reluctant to take action when breaches do come to light.

On the organized labour side, Alberta’s labour laws are just as backward, if not more so. For example, Alberta denies the right to strike to more workers than any other province. Alberta also allows employers to simply refuse to bargain with newly certified union locals. And it provides no meaningful sanctions against employers who break the rules during negotiations. The result of all this is that the playing field is tilted dramatically in favour of employers

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and that the bargaining power of working people is undermined. Given this situation, it's not surprising that average wages in Alberta are lower than in other "have" provinces and that Alberta workers are much less likely to have pensions and other benefits than other Canadian workers. Alberta's labour laws make it much more difficult for unions to organize and bargain effectively for their members. As a result, Alberta workers take home a smaller share of the economic pie than workers in other provinces. This is the truth about the so-called "Alberta Advantage".

Significantly, the Tories never presented their most central ideas to the voters during an election campaign. During the 1993 and 1997 elections, for example, they campaigned on promises to eliminate the deficit and reduce the debt. These initiatives were broadly popular with Albertans – voters bought the argument that spending had to be reduced. But the Tories never received a mandate from voters to allow private hospitals, introduce a flat tax or deregulate the power industry. These policy initiatives – which formed the core of the government's legislative agenda over the past few years – were never even mentioned.

For a party that spends a lot of time talking about grassroots democracy and the importance of "listening to the people," the Tory's failure to come clean about their real agenda is telling. Could it be they realized that Albertans oppose things like private health care and deregulation – but decided to push ahead anyway? Of course, the most egregious example of the government's willingness to ignore popular opinion was their decision to proceed with Bill 11 despite overwhelming public opposition. It was a clear-cut case of the government putting ideology before the wishes and best interests of Albertans.

In the end this is what 30 years of one-party rule has brought us: widespread disillusionment and apathy about politics; a dramatically weakened public sector; and ideologically driven policies that have tilted the playing field sharply in favour of the business community. To top things off, the government has become so arrogant that it sees no reason to present its real agenda to voters during elections – and it sees no reason to listen to the public when it disagrees with the conservative vision being put forward by the Premier and his cabinet. This is the state of electoral democracy in Alberta today.

## SECTION V: THE INTERNATIONAL CONTEXT

During the recent provincial election, Premier Ralph Klein bragged that one of his main goals in the next session of the Legislature will be to lock his vision for the province so firmly in place that no subsequent government can change things or take a different approach. He said he wants to arrange it so that governments five, ten or 20 years from now can't "mess things up."

Besides being incredibly arrogant (i.e. the idea that only he and his government know how things should be run) these statements are also fundamentally undemocratic. The whole point of democracy is to allow citizens to change their minds. In a democratic system, voters have the right to support different parties and adopt different policy directions to suit changing times and public moods. This is the essence of democracy.

In Alberta, however, this kind of political change hasn't happened for years – and if the Premier has anything to say about, it won't happen again any time soon. The Conservatives have already been taking steps to cement their policies in place and limit options for future provincial governments.

One such measure is the government's Debt Retirement Act, which mandates in law exactly how budget surpluses should be divvied up. Another measure aimed at reducing the options available to future governments is the Tory tax plan. By introducing a flat tax and corporate tax cuts that reduce government revenue by nearly \$2 billion a year, the Conservatives are in effect guaranteeing that government will be small and public programs ill-funded despite Alberta's overall wealth. The Klein Tories have even talked about eliminating provincial income tax altogether, a measure that would make it even more difficult – some might say impossible – to fund any new programs or services in the public interest.

In all of these cases, the current Alberta government is doing the same thing – they are purposefully restricting the resources available for public

### *Globalization Glossary*

**WTO** – The World Trade Organization. The WTO was created in 1994 to promote increased international trade liberalization. The WTO administers multi-lateral trade agreements and facilitates meetings between nations aimed at signing new agreements or expanding existing ones.

**GATS** – The General Agreement on Trade in Services. GATS is one of the agreements currently being negotiated under the auspices of the WTO. It would open the door for international competition in a wide range of services – including things like education and health care. Many observers argue that the GATS represents a serious threat to Canada's public services.

**GATT** – The General Agreement on Tariffs and Trade. The GATT was prominent among "first generation" of global trade agreements. It is now administered by the WTO and forms the foundation upon which all of the WTO's other trade agreements are being built.

**NAFTA** – The North American Free Trade Agreement. NAFTA is a comprehensive trade agreement between the governments of Canada, the United States and Mexico. It reduces barriers in the trade of both goods and services. It greatly expanded the rights of corporations vis-à-vis nation states.

**FTAA** – The Free Trade Agreement of the America. This is an agreement currently under negotiation that would effectively extend NAFTA to all nations of the Western Hemisphere (North, Central and South America.)

**MAI** – The Multi-lateral Agreement on Investment. This was an international agreement negotiated under the auspices of the Organization for Economic Cooperation and Development (OECD). If ratified, it would have given corporations sweeping new powers to act against elected governments – and it would also have made it much easier for corporations to move their investment capital around the world at will. The MAI was eventually abandoned in the face of widespread public opposition – but it's spirit lives on in agreements like NAFTA, GATS and the FTAA.

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purposes and, in the process, they are attempting to set the priorities and limit the options for future provincial governments.

Unfortunately, Alberta is not the only place where the political Right is attempting to lock its policies in place and render democratic institutions powerless. It’s happening on a grand scale on the international level where trade agreements have become the weapon of choice for corporations hoping to limit the power of democratic governments.

For 40 years following the end of the Second World War, Canada and other industrialized nations entered into and expanded upon numerous bi-lateral and multi-lateral agreements. The Autopact (between Canada and the U.S.) and the multi-lateral General Agreement on Tariffs and Trade (GATT) were among the most high-profile post-war agreements. These “first generation” agreements were notable because they greatly increased the volume of international trade and because they focused almost exclusively on trade in commodities and manufactured goods.

This was the situation up until the late eighties and early nineties. That’s when international corporations and conservative governments started pushing for a significant expansion in the scope of international trade agreements. No longer would these agreements be restricted to goods and commodities – business people and politicians wanted expansion into areas of services and investment. Just as importantly, there was also a push to give corporations greatly enhanced powers vis-à-vis nations and national governments. For example, corporations argued that they should have the “right” to sue national governments in defense of their business interests.

The first of this new generation of agreements was the Free Trade Agreement between Canada and the United States, signed into law in 1989 by Conservative Prime Minister Brian Mulroney and Republican President Ronald Reagan. This was followed in 1992 by the North American Free Trade Agreement (NAFTA). And today there is a push for the Free Trade Agreement of the Americas (FTAA) – which would effectively expand NAFTA to all the countries of the Western Hemisphere (North, South and Central America).

The same kind of move towards expanding the scope of agreements and creating new rights and powers for corporations has also taken place on the global stage (as opposed to the regional stage). In 1996 and 1997, for example, supporters of corporate-friendly globalization pushed for the Multi-lateral Agreement on Investment (MAI) – an agreement that would have provided international corporations increased access and expanded rights in dozens and dozens of countries around the world.

Talks aimed at finalizing the MAI were eventually abandoned in the face of widespread opposition from citizens’ groups from around the world. But the agreement’s spirit has lived on in NAFTA, the FTAA and – probably most importantly – in the World Trade Organization (WTO) which was

established in 1994 to replace GATT.

The WTO is now a permanent and powerful institution acting on behalf of the supporters of business-first globalization. It is staffed by unelected bureaucrats and corporate managers whose goal is to establish new “rights” for corporations and new mechanisms for ensuring that those “rights” are enforced. To do this, the WTO has proposed a range of new trade agreements and has pushed for the expansion of old ones. A recent example is the General Agreement on Trade in Services (GATS) which will expand the range of services that must be open to international competition to include things like health care and education.

The first Secretary-General of the WTO, Renato Ruggiero, summed up the work that is being done by the WTO and others when he said: “We are writing the constitution for a single global economy.” The problem is that under this new “constitution” the rights and interests of corporations are paramount while the rights and interests of citizens are ignored.

Under the terms of the new generation of international trade agreements, duly elected national governments are having their hands tied. They are being forced to open parts of their economies to foreign competition that had previously been protected – even when they feel this competition would not be in the best interest of citizens. At the same time, they are being forced to roll back laws and regulations in areas like environmental protection and workers rights.

In many ways, agreements like NAFTA and the GATS are doing on an international scale what Premier Klein has promised to do in Alberta – they are attempting to shift the power balance decidedly towards corporations and lock these conservative policies in place so that future governments can’t change things.

Imagine a world where environmental laws and rules regarding workers’ rights are determined by corporations, not governments. Imagine a world where corporations are free to “compete” in the provision of things like health care and education. Imagine a world where governments are powerless to change these arrangements. Unfortunately, that’s the world being created under the WTO – and it’s the kind of world that the Klein Conservatives are attempting to create right here in Alberta.

So the problem with the neo-conservative agenda embodied by both the WTO and the Klein government isn’t just economic, it’s also about democracy. It’s about giving business-dominated institutions the power to override citizens and their elected governments. It’s about focusing everything on the goal of profit and ignoring other legitimate social and community goals. And it’s about locking special rules for corporations in place so that citizens can never change things.

If the members of the Klein government and like-minded people on the

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international stage are able to “lock their vision” in place through the passage of trade agreements or the introduction of conservative domestic policies, then corporations and the wealthy will become even more powerful – and democracy will continue to grow more enfeebled.

## **SECTION VI: STRATEGIES FOR PROMOTING REAL DEMOCRACY IN ALBERTA**

It's clear there are many challenges to democracy in Alberta: some are unique to our province, others are global in nature. But what can individual Albertans do about it? And, just as importantly, what can unions and the Alberta Federation of Labour do?

It is our contention that the Labour movement has an extremely important role to play promoting democracy in Alberta and protecting the interests of ordinary citizens.

Corporations and other supporters of neo-conservative policies have no shortage of resources to promote their ideas and pursue their goals. But individual citizens – citizens who are concerned about things like workers rights, the environment and Medicare – don't have the same clout.

That's why worker organizations – like unions, labour councils and federations – are so important. Organized labour is one of the few institutions in society that has the financial and organizational resources to stand up to the corporate Goliaths.

It also important to remember that the people being hurt most by privatization, down-sizing of the public sector and corporate-first globalization are working people – they are our members.

Given this reality, it becomes clear that the labour movement has both a duty and responsibility to help lead the fight for a more responsive and progressive political system. With this in mind, we suggest that labour focus its efforts in four areas: education, direct action, advocacy for electoral reform and development of a compelling “progressive policy program” for the 21<sup>st</sup> century.

**EDUCATION:** As we have seen, one of the big problems facing democracy in Alberta is apathy and disillusionment amongst voters. Many people feel that all political parties are the same; that things will never change; and that, as a result, voting is a waste of time. The fact that the provincial government never seems to change goes a long way toward explaining why Alberta consistently has the lowest voter turn-out in the country. To deal with voter apathy and convince voters that there are alternatives other than Conservatives, the labour movement needs to do a better job

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educating its members and the public. First of all, we need to educate members about the political system – how it's structured and how it works. We also need to provide people with information about the important issues of the day – information that will help them see the implications of government policy and understand that there are other alternatives.

Education is also needed to chip away at Alberta's one-party political culture. We need to make it clear to both our members and the general public that political dissent is not only legitimate, it is actually the lifeblood of a healthy democracy.

Of course, union education on politics and political action is nothing new – labour federations and individual unions have been doing it for years with very limited success. One of the big problems with existing educational programs is that they tend to target union stewards, executive members and other activists. As a result, we end up “preaching to the converted” and the vast majority of our membership – 90 percent or more – do not hear the message.

With this in mind, when designing new education programs the AFL must include strategies for reaching out beyond our base of existing activists. These strategies could include things like using e-mail and the Internet to get information directly to members. Organizers of anti-globalization protests in places like Seattle and Quebec City have demonstrated that the Internet is a powerful tool for communicating alternative ideas and encouraging activism. The Internet has also proven to be the best way for people to get around the “conservative filter” imposed by the mainstream media.

So far, we in the Alberta labour movement have failed to take full advantage of the Internet. Given the versatility, speed and low cost of electronic communication, it seems clear that the time has come to put the “e” in our education efforts.

**ADVOCACY FOR ELECTORAL REFORM:** Of course, having an informed electorate is not enough. We also need a system that guarantees that the will of the people is properly and fairly expressed. Unfortunately, that is not currently the case. During two separate elections in recent memory, the majority of Albertans voted against the Conservatives. Yet in both cases, the Tories were returned to power with substantial majorities.

There is something seriously wrong with a system that allows this kind of thing to happen. That's why one of the main goals of the labour movement needs to be advocacy for fundamental electoral reform.

Labour should specifically support the introduction of proportional representation – an electoral system that allocates seats to parties based on their actual share of the popular vote. The labour movement should also lobby for restrictions on election spending; for some measure of public funding for candidates; and for new rules that would reduce the variation

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**“...the AFL must include strategies for reaching out beyond our base of existing activists.”**

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**“We need to do all we can to introduce an electoral system that more accurately reflects the “will of the people” – especially the will of working people.”**

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in size between electoral districts in the province.

The labour movement won't be alone in these efforts. There are a growing number of individuals and citizen groups joining the movement for electoral reform. The labour movement should get on board with these efforts. We need to do all we can to introduce an electoral system that more accurately reflects the “will of the people” – especially the will of working people.

**DIRECT ACTION:** Both educating the public and reforming the electoral system are long-term projects. Unfortunately, working people often cannot wait for slow evolutionary change to address the concerns they are having here and now. With this in mind, it's important for the labour movement to take direct action on many pressing issues.

In some cases direct action means working within the parliamentary system – for example, meeting with and securing the support of opposition politicians and parties. But in many cases, options for parliamentary action are either limited or nonexistent. In these circumstances, unions need to be willing to work independently, with other unions and with coalitions of non-labour groups in order to oppose policies that threaten the interests of workers.

Here in Alberta, a recent example of non-parliamentary direct action was the labour movement's involvement in the fight against Bill 11, the Klein government's private health care law. On the national and international stage, unions have also been working closely with non-labour groups to take direct action against things like the WTO and the FTAA.

Direct action can take many forms – everything from rallies and marches to teach-ins and advertising campaigns. The thing that all of these actions have in common is that they fall outside of the usual day-to-day activities of unions and they turn unions into active “players” in an issue, as opposed to passive observers.

In a world where attacks on workers rights and economic security are mounting (i.e. privatization and down-sizing at home and globalization on the international level) unions can't afford to sit on the sidelines. And they can't afford to wait years and years for help that may never come from political parties. The bottom line is that direct action is sometimes the best way to get our issues on the agenda for public discussion. It is sometimes the only way to deal with concerns that are either being ignored or mis-handled by the mainstream political system.

**HELP DEVELOP A COHERENT AGENDA FOR PROGRESSIVE POLITICS:** One of the strengths of the Right over the past 20 years has been its ability to present a simple view of the world that is easy for voters to understand and relate to. Very often, the picture presented by conservatives like Ralph

Klein, Mike Harris, Margaret Thatcher and Ronald Reagan is misleading and their solutions simplistic. But their arguments for things like tax cuts and budget cuts have been easy to communicate.

Unfortunately, progressives have not been nearly as successful in crafting simple messages or developing a coherent agenda. Part of the problem is that we spend too much of our time reacting to the latest ideas from the right. As a result, it has been easy for conservatives to cast us in a negative light – they have been able to label us as “knockers not doers.” Another part of the problem for progressives is that our prescriptions for the economy and society are not as easy to summarize and make into sound bites.

The labour movement can help address these problems by working to develop a coherent and workable progressive policy agenda – an agenda that puts citizens, families and communities at the centre of the equation. Instead of just reacting to the latest government announcement we need to develop an over-arching vision for the economy and society. And we need to more effectively communicate that vision to our members and the general public.

## **SECTION VII: ADDRESSING THE TOUGH QUESTIONS**

Like most large organizations, unions and labour federations are populated by people with a wide range of viewpoints and opinions. Some union members are vociferously opposed to things like NAFTA, flat taxes and private health care. Some are satisfied with things as they are and see no pressing need for radical change. Still others are wholehearted supporters of right-wing policy and conservatives parties like the Alberta Tories and the Canadian Alliance.

Looking at this situation, you might think it would be impossible to find any common ground on issues like political action and union involvement in elections. But the truth is that most union members – conservative and progressive alike – realize that there is a role for unions in politics. They realize that anything we negotiate at the bargaining table can be taken away with a stroke of a pen by hostile governments wielding anti-union legislation. They also realize that laws and regulations passed by governments have an impact on their worksites, their homes and their communities.

The fact that a clear majority of members support some kind of union involvement in politics is borne out by research and polling. One of Canada's largest national unions, for example, recently conducted a survey of its members on the subject of unions and politics. The survey showed that more than 80 percent of the union's members either supported or

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**Union members agree their unions can't ignore politics – but they don't agree on what form their union's political action should take.**

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strongly supported their union getting involved in politics. They were particularly enthusiastic about their union fighting for them on issues like education, health care, workers rights and health and safety. Similar sentiments are almost certainly held by members of other unions in communities across the country. Members clearly want their unions to stand up for their interests wherever necessary – including in the political arena.

So there is consensus – to a point. Union members agree their unions can't ignore politics – but they don't agree on what form their union's political action should take. Currently, the majority of Canadian unions are official supporters of the New Democratic Party. In fact, the Canadian Labour Congress (CLC) was a founding partner of the party and many unions continue to be formally affiliated with the party.

Unfortunately, the New Democrats haven't been particularly successful over the past ten or 15 years. They have formed governments in Saskatchewan, B.C., Manitoba and Ontario. But the Ontario NDP was demolished by the Mike Harris Tories – and the B.C. New Democrats look like they're headed for a similar fate at the hands of the right-leaning B.C. Liberals. The prospects for the NDP are even more dismal at the federal level – where the party has dropped to all-time lows in popular support. And here the New Democrats face probably their toughest challenge. Support has remained under ten percent for years – and in the past two elections, the party has only managed to hold onto two seats. As even supportive observers will admit, the NDP is no longer a source of serious political influence in Canada outside of Saskatchewan and Manitoba.

Given these realities, more and more union members are asking tough questions about future directions for the labour movement's involvement in politics. These questions include the following:

- Does it still make sense to support the New Democrats when a majority of our members support other parties and when it's clear the ND's are not real contenders for power?
- Alternately, should unions continue to work with the NDP and help revitalize the party for the 21<sup>st</sup> century? Should we help transform the NDP into a party that better represents to current concerns and priorities of working people?
- If unions withdraw their official support from the NDP, how should we go about making our concerns known in the political arena?
- Should we form a new Labour Party? Should we pursue alliances with other existing parties? Or should we renounce partisan politics altogether and deal with the political concerns of members on an issue-by-issue basis?

These are tough questions with no easy answers. But they've been ignored for too long. For years now, the political clout of our partisan ally, the New Democrats, has been waning. And with it, the clout of the labour movement has also waned. If unions want to improve their ability to raise political issue on behalf of their members, then they are going to have to make some decisions about basic strategy.

In order to facilitate discussion and debate on these important questions the Alberta Federation of Labour is suggesting the creation of a taskforce or commission on political action. In general, the goal of the taskforce would be to develop a new model for union political action in the 21<sup>st</sup> century. More specifically, the taskforce would meet with unions and activists around the province to discuss the labour movement's relationship with the NDP and strategies for making the voice of labour heard more loudly in political circles.

The taskforce would not challenge the basic premise that unions should be involved in politics. It would start with the assumption that the labour movement should be doing things like educating its members, getting involved in direct action and advocating for electoral reform. But the taskforce would discuss the shape this involvement would take.

At the end of its hearing process, the taskforce would be expected to develop a new blueprint for the labour movement's approach to political action, including recommendations regarding the relationship between labour and the New Democrats. This blueprint would then be presented to the next AFL convention for discussion and debate.

The taskforce would be the first step in the process of modernizing the labour movement's approach to politics in Alberta. Once concluded, the taskforce review will help us decide how best to tackle the political problems that face us – problems like voter apathy and ongoing hostility from conservative governments and a conservative mainstream media.

## **SECTION VIII: CONCLUSIONS**

In the end, it seems clear that democracy in Alberta is not as strong as it could be. In fact, given that we've had the same party in power for 30 years, some might question if we have real democracy in the province at all – or just some kind of quasi democracy.

That may be going too far, but it's clear that serious problems exist. For example, we have the lowest voter turn-out in the country; there is rampant voter apathy; and there is widespread distrust of politicians and political parties. This is just as true among union members as it is among members of the general public.

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**The Taskforce will develop a new blueprint for the labour movement's approach to political action, including the relationship between labour and the New Democrats.**

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**“...democracy is one of the few truly effective counter-balances to the entrenched power and influence of wealth.”**

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The labour movement cannot afford to ignore these problems. The more democracy withers, the more corporate power will inevitably expand to fill the vacuum. And an expansion of the corporate sector's already significant power is not in the best interests of our members – or the interests of working people in general.

What we in the labour movement must realize is that we really have only two tools to balance the power of big business. The first is our collective strength in the workplace (which is embodied in our collective agreements) and the second is democracy.

Time and time again throughout the past century, ordinary citizens have proven that they can make a difference by voting and by exercising their democratic rights to organize and express themselves. It was democracy that brought us Medicare, public schools and public pensions. It was people exercising their democratic rights that forced the United States to pull out of Viet Nam. And more recently, it was democracy that led to the demise of the MAI.

Looking at the historical record, it's clear that democracy is one of the few truly effective counter-balances to the entrenched power and influence of wealth. That's why business is afraid of democracy and why conservative politicians are trying to subvert it with agreements like the FTAA.

But the progressive power of democracy that the wealthy fear is exactly the reason why unions need to do all they can to protect and re-invigorate our democratic traditions and institutions.

We have to remember that democracy is like a muscle: it can be powerful, but in order for it to be strong it has to be exercised. In this regard the labour movement has an extremely important role to play.

We can help re-invigorate democracy in Alberta by encouraging our members to become more well-informed voters; by advocating for electoral reform; by helping to develop a workable progressive agenda; and by being willing to take direct action on our concerns when necessary.

By taking a more activist approach to democracy, we in the labour movement can help turn our democratic institutions into the effective counter balance to corporate power that they can be. And maybe – just maybe – we can break this province out of the quasi-democratic rut that it has been in for the past 30 years.

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