

## Free market and the citizens

By LAURA CAMPBELL

It is the free market and its citizens that are slowly killing the oil sands, not the federal government.

When Alberta Premier Jason Kenney was elected, he vowed to take on environmentalists. He said he would do anything in his power to protect Alberta's oil workers from 'radical' environmentalists (including those in Ottawa). Ironically, the consensus remains that the carbon tax was anything but radical (indeed, one of its chief proponents, Mark Cameron - former director of Clean Prosperity Canada - now works for Jason Kenney). The federal government hasn't actually done anything radical to make our action on the climate crisis meaningful. Until now. The people: both the CEOs with cold feet and indigenous folks (especially the youth) have driven the deepest wedge into Kenney's plans.

The indigenous land defenders (or what our media likes to call them, 'protesters') have truly shown just how difficult it would be to get any new resource extraction projects off the ground - and therein lies the death of the Teck Frontier Mine. In the past week, Teck's CEO announced that they would permanently withdraw the application for their oilsands mega-mine as the board of his company observed continued resistance on behalf of many Canadians (and their own shareholders) to the project.

The company actually aims to be carbon neutral by 2050. Their CEO, Don Lindsay, was quoted widely saying that there are 'much broader issues that need to be resolved ... there is no constructive way forward.' As much as Jason Kenney doesn't want to admit it, no amount of courting on behalf of Ottawa could have compelled Teck to stay. The only recourse would be to nationalize the project (again). And indeed, Kenney has floated this idea.

The trouble is, Alberta does not have the money to fully take on this massive project. Alberta could have followed the Norwegian path and properly invested decades of oil revenue into a fund that could now have made the necessary transition into renewables or other more viable industries a seamless one. Instead, all of that money was wasted on tax cuts. And now Alberta is in trouble. The party is over. And there are real victims of this mismanagement: people in Fort McMurray and beyond who can't afford to pay their mortgages as they are out of work. The crisis is deep, and that's because distortions of this magnitude are rare in any of Canada's other provincial economies (the Maritimes have faced similar issues but they've been sporadic).

But all is not lost. Alberta has many other natural resources and industries that are worthy of investment (where it comes to energy, solar power is a front-runner). But this will take some soul-searching. And the combative positions of Kenney and his 'separatist' friends are not helping Alberta's cause. While the protests have really crystalized how important it is to move away from these industries, we know that the oil patch has been suffering for most of the 2010s. The biggest players in the Alberta oil game have simply not seen the benefit of expansion as the price of oil continues to be too low for Canadian bitumen to be competitive.

That is the trouble with a boom and bust industry. And it's time for us to see the writing on the wall and do the hard work of transitioning into a more resilient economy.

We need to accept that the future of Canada's workers is not in the natural resource extraction of yesterday. To be sure, we still need to continue to sustainably be harvesting from the earth to survive. But on the whole, we have to listen not only to environmental scientists, but also the economists.

Two Nobel prize winners, Abhijit Banerjee and Esther Duflo, have recently joined the chorus of other economists who have argued that we need a new economy that doesn't seek growth (to read a fuller insight on this, check out John Cassidy's piece in the New Yorker, 02/10/20). Higher GDP's, they argue, do not equal better outcomes for citizens.

There is a wealth of data on this, and it should reassure all of us. There is a way forward, and ironically, businesses see it too.

Governments just need to get out of the way. Jason Kenney needs to stop digging a deeper hole for Albertans and start digging them out of it.