

Transparency, Accountability and Good Governance: Is Alberta Cursed?

by

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Abstract: Accountability regimes such as access to information are recognized worldwide as crucial components of a democratic state because transparency helps to expose corruption, ensures due process in law, and encourages the citizen engagement that is central to citizen participation (Stefanick 2011). For newly emerging democracies, the dual concepts of “open and accountable” government challenge previously accepted notions that the interests of society as expressed through the power of the state take precedence over the interests of individual citizens. This paper is part of a collection of essays on the impact of oil on democracy in Alberta. It argues that the accountability regimes in Alberta are weak because of three mutually reinforcing dynamics: the merging of the interests of the government and the ruling political; the introduction of new public management practices in the public service; and the disconnection between citizens and the state as a result of an overdependence on resource rents for government revenue. Until market accountability is re-embedded into a larger regime of political accountability, industry interests will continue to be favoured over the public interest.

Introduction

Accountability has become the buzzword for good governance in the 21st century. Accountability regimes are recognized worldwide as crucial components of a democratic state because transparency helps to expose corruption, ensures due process in law, and encourages the citizen engagement that is central to citizen participation. In short, transparency aids in holding governments to account. As one democratic theorist observes: “Governance without accountability is tyranny. Few principles are as central to democracy as this” (Borowski 2011, 3). For newly emerging democracies, the concept of “open government” challenges previously accepted notions that the interests of society (as expressed through the power of the state) take precedence over the interests of individual citizens. Studies of resource-rich countries that suffer from the “oil curse” underscore the importance of transparency as a bulwark against corruption. These studies, however, focus on the global south. While corruption may be less prevalent in the global north, institutions such as the World Bank and the UN Development program identify transparency as a critical component of good governance in all countries (Shrivastava and Stefanick 2011).

Accountability regimes that provide independent oversight over the activities of government are where the “rubber hits the road” for creating transparency. These regimes provide not only an indicator of the openness of particular governments, they also can be used as an indicator of democratic health. The Canadian province of Alberta has a long history as an early adopter of mechanisms to support government accountability: in 1967 it became the 3rd jurisdiction in the world to establish an administrative Ombudsman, and it established an access to information regime a decade before the UK, Switzerland, and Germany. Nonetheless, the province has not escaped the criticism that, with respect to openness and accountability, it receives poor grades. What is even more troubling, however, is that those who raise concerns about political activities or processes find themselves marginalized by what appears to be an overwhelming provincial consensus that there is nothing to worry about.

This chapter evaluates democracy in Alberta through an analysis of accountability. It begins by reviewing the literature on the transparency regimes in jurisdictions that are described as afflicted by the “oil curse.” It then examines Alberta’s record for promoting government accountability through an analysis of the activities of some of the independent offices of the legislature that were established to be “watch dogs” of government. While Alberta has much to be proud of with respect to its adoption of innovative institutions that seek to ensure accountability (and in particular, administrative accountability), the promotion of the same is an uneasy fit with the dominant neoliberal discourse that places a premium on market accountability. Moreover, institutional structures will only be as strong as the political will that underpins them. If market accountability operates without being embedded within a larger regime of political accountability, the health of democracy is suspect. In Alberta’s case, the provincial discourse that conflates citizen interest with corporate interest combined with government dependence on oil industry revenue skews accountability away from the public interest.

Transparency and the curse of Oil

The subject of transparency and accountability has recently garnered much scholarly attention, particularly with respect to their contribution in fostering democratic governance in the global south. A key dysfunction of political regimes that are not transparent is that secrecy can hide corruption. Bertot, Jaeger and Grimes (2012), Kolstad and Wigg (2009), Mehlum, Moene, and Torvik (2006) and Robinson, Torvik and Verdier (2006) note that corruption acts as a hindrance to socio-economic development in resource-rich countries because the political elite has control of resources and resource rents. This in turn leads to control over patronage and the distribution of resources. While some countries with corrupt political practices have been very successful with respect to economic development, they have been less successful in the development of free markets that underpin liberal democracies. The primacy of corruption in inhibiting socio-economic development is acknowledged outside the academic community; the United Nations Convention against Corruption (2004) recognizes the importance of the eradication of corruption as key to fostering economic, political, and social development.

The private sector also recognizes corruption as a dysfunction in natural resource-rich countries and has instituted initiatives such as the Extractive Industries Transparency Initiative (EITI) that focuses on revenue transparency. According to Kolstad and Wiig, this initiative reflects the popularity of transparency as a method of weeding out corruption. But an emphasis on transparency alone is insufficient, and in particular, the emphasis of EITI on revenues is misplaced (Kolstad, Wiig, Williams 2009, 521). They suggest that other reforms are also necessary, a theme they explore in another article. Kolstad, Wiig, and Williams argue that negative behaviours are ameliorated by strong institutional structures that promote private-sector efficiency and public-sector accountability (Kolstad, Wiig, Williams 2009, 957). The first of these helps to prevent private capture, the latter prevents capture by government authorities. Regularized and transparent decision-making structures that produce predictable outcomes provide strong protection from patronage.

The difficulty with Kolstad, Wiggs and William's argument is how "private-sector efficiency" is defined. In a liberal democracy, does private-sector efficiency require accountability to anything beyond the market? In his book *Accountability and Democracy*, Borowiak (2011) points out that while the notion of accountability is accepted as a *sin qua non* of democracy, its weakness is its conceptual ambiguity. He notes that accountability is a relational concept; "to be accountable is to be liable to be called to account, or to answer for responsibilities, positions, and conduct." (2011, 6). For the purposes of this analysis, democratic accountability can be seen as the public service answering to politicians, and politicians answering to the electorate. What is missing from this mix is that while the political and administrative components of democratic governance are held accountable to citizens, the actions of private-sector actors are not held to account to the political community in which they operate, even though their actions arguably have far more impact on citizens in an era of globalization and the hollowing out of the nation-state.

The case of Alberta is illustrative. This jurisdiction has had free elections and sovereignty over its internal affairs (as defined in the Canadian constitution) since the province was created in 1905, though certain groups such as women, indigenous peoples and others were not initially included in the franchise. As such, the province can claim that its politicians have been accountable to citizens for over a century. Indeed, Alberta was among the first three Canadian jurisdictions to grant voting rights to women. Five decades after its inception, it was one of the first jurisdictions in the world to embrace the Ombudsman concept. With this, the public service was not only answered to politicians, it was held to account for administrative fairness through the efforts of an impartial third party who reports to the legislative assembly. Alberta and Canada were also two early adopters of another Ombuds like office that promotes transparency – the Office of the Information and Privacy Commissioner.

At first blush, it would appear that the institutions and processes of democratic accountability are strong in Alberta. A close examination, however, suggests the opposite. In large measure, the weakness of the Alberta's accountability regime can be

explained by three dynamics that are mutually reinforcing. The first dynamic is the tendency of many Albertans to vote consistently for the dominant party. While many Albertans also vote consistently for opposition parties, their diffuse distribution combined with a first-past-the-post-system has in the past, and continues to bestow many decades of uninterrupted rule on the prevailing party in power. The lack of electoral risk has allowed the state to diminish accountability regimes and thus control public perceptions of its performance through various political and administrative mechanisms.

The current government of the Progressive Conservative (PC) party created the second dynamic; the retraction of the welfare state through the adoption of New Public Management principles in the public service. These principles entailed privatizing and outsourcing public services, emphasizing results-based management, and adopting a tax regime that features very low personal income and corporate income taxes. A combination of low income tax and the use of resource rents for government operating expenses results in an unusually high dependence on the oil industry for government revenues. Taken together, these changes, and the products of these changes, have weakened the lines of accountability between citizens and the state.

These weakening lines of accountability created the third dynamic: a disconnect between citizens and the state. This last dynamic feeds into the first – many disconnected Albertans have stopped voting, but the few that do tend to vote for the party that is “best connected” to industry. These three dynamics feed into and are fed by the larger neoliberal discourse that has convinced Albertans that the public interest is best expressed by corporations as opposed to the state, and, that keepers of the public interest are best kept accountable by the market. The following section provides the backdrop for making this argument.

Political dynasties, Administrative Accountability, and Alberta Oil

As Harrison notes in this volume, Alberta holds the distinction of being popularly conceived as the most conservative province in Canada. “Conservative” in this context refers not only to the market-based orientation of the ruling parties, but also the disinclination of Albertans to elect new governments on a regular basis. In 109 years, Alberta has had only four parties hold the reigns of power, and more notably, there has only been three changes in government. The most short-lived was its first government, which ruled for 14 consecutive years. The current party is enjoying the most longevity: over forty-five years of uninterrupted rule. Parties in Alberta that lose elections are not banished to the position of Official Opposition wherein they wait their turn to regain power. A minority government has never been elected in Alberta – in the three instances where the ruling party has lost the election, the new government is swept in with a resounding majority, while the ruling party is virtually obliterated. In part because the first past the post system tends to over reward victors, very few elections have resulted in anything by an overwhelming victory by a political party. Only three elections (1913, 1917, and 1993) have produced anything close to a robust official opposition (i.e., one in

which opposition parties managed to gain more than half the number of seats won by the victorious party).

It is thus not surprising that this unusual electoral history has produced ongoing concern about the ability of opposition parties (and by extension, citizens) to hold the government members of the provincial legislative assembly to account. C.B. Macpherson's book exploring democracy in Alberta in 1953 noted the virtual absence of opposition within the Social Credit government. Ten years later, members of the opposition (and even some members of the ruling Social Credit party) were endorsing the then novel idea of creating an Ombudsman Office that would investigate administrative wrongdoing. As one commentator noted in the *Edmonton Journal*, this office could "do some of the chores ordinarily reserved for the House Opposition" (*Edmonton Journal* 1963). With the installation of the Ombudsman in 1967, the first independent officer of the Alberta legislature came into being.

The Office of the Ombudsman provides independent reviews of government business to ensure government accountability and fair practices. The Chief Electoral Officer, the Ethics Commissioner, and the modern version of the Auditor General's office followed in subsequent years. Late to the party was the establishment of the Information and Privacy Commissioner in 1994. The all-party standing committee on Legislative Offices develops the list of candidates to head these offices; members of the legislature elect candidates by majority vote. Given that membership of this standing committee reflects the distribution of seats in the legislature, it comes as no surprise that there are complaints that the successful candidate is not highly critical of government. Indeed, one Alberta commentator noted that Alberta auditor generals were "pussycats" in comparison to their federal government "pit bull," Sheila Fraser (Thompson 2006, A14). While it is beyond the scope of this chapter to provide a systematic analysis of the effectiveness of each of Alberta's independent Officers of the Legislature, a somewhat cursory look at them reveals similar tendencies relating to the entrenchment of the same political party for over forty years, the impact of neoliberalism, and the conflation of corporate interests (an in particular, those of the oil industry) with the public interest.

As I have noted elsewhere with respect to the Ombudsman, Alberta scores highly on the five requirements for success outlined in Donald Rowat's classic book *The Ombudsman Plan* (1985). These are: "The office must be independent from those being investigated; have strong but not binding powers; have broad scope; be well known to the public and be directly accessible to complainants" (Stefanick 2009, 30). What is distinctive about Alberta with respect to the functioning of its Ombudsman Office was the province's enthusiastic commitment to neoliberalism in the early 1990s noted in earlier chapters in this volume. Faced with a sluggish economy, large government deficits and low oil prices, the government adopted New Public Management approaches to the public sector. This approach entails mimicking the private sector with respect to management practices, dramatically reducing or contracting out services to the private

and not-for-profit sectors, and decentralizing authority by transferring functions to regional authorities or community boards. Like other government bodies, the resources of the Ombuds office were cut. Reorganization and the rapid rate of change from the government providing services to overseeing service provision left most people (including Ombuds office staff) confused as to who should be held responsible for maladministration. Moreover, privatization often meant that the Ombudsman lost the authority to investigate complaints because the issue was outside his jurisdiction. As Ombudsman Johnson observed in 1995 “the privatization of government services is occurring without protective measures such as appeal mechanisms and/or ombudsman services. The lack of safeguards in the system erodes accountability” (Alberta 1995, 2).

For those complaints in which the Office maintained jurisdiction, investigations became more complex and time consuming, yet resources and training did not keep pace. Moreover, New Public Management places less emphasis on process and procedures, favouring the promotion of “results-based management.” This is clearly apparent by the attention paid in annual reports to setting targets for processing complaints, and then evaluating the success of the office in meeting these targets. As one long-time observer of Ombuds offices notes: “Results-based management has little regard for due process and for necessarily fair results. The challenges relating to attitude and practice are truly enormous” (Levine 2009, 295). The difficulties for Ombuds Offices in ensuring accountability with respect to privatized services and other by-products of New Public Management is a worldwide trend. However, the speed with which it happened in Alberta is unique.

Some of the same issues are apparent with respect to information access. When Canada passed its *Access to Information Act* in 1983, there were only a dozen other countries in the world that had similar legislation. A decade later at the federal level, a Treasury Board task force report would lament that there was “a crisis in information management” in Canada. By 2008, the federal government had shut down the Coordination of Access to Information Requests System, a database of freedom of information requests that was operated by the Department of Public Works and Government Services. A study by the Canadian Association of Journalists (CAJ) and the Canadian Newspaper Association ranked India, Mexico and Pakistan’s access law ahead of that of Canada (CAJ 2008), in part because the Information Access Commissioner lacks order-making power. Like the provincial Ombuds Office, the federal Information Access Commissioner depends on moral suasion to get the government and its agencies to release documents. CAJ President Mary Agnes Welch opined “Canada used to be a global model of openness, and now we’re backsliding into the dark ages of government secrecy, obfuscation and denial...the public’s right to know is seriously at risk” (CAJ 2008). Even so, Roberts noted that the federal access to information law prompted many civil servants in Ottawa to depend on oral communication or sticky notes to avoid creating a paper trail (Roberts 2006). He also notes that delays and inordinate fees are also common, which add to the problems of accessing information that the implementation of New Public Management practices has caused.

The same propensity to stifle access to information is seen at the provincial level in Alberta, though this is not a new trend. While most other provinces in Canada passed provincial versions of this legislation shortly after the federal government, Alberta was a provincial laggard. It did not pass its own Act until 1994, staying ahead of only New Brunswick and PEI. Critics have complained that the fees charged for access to information are exorbitant and the delays ensure that in the case of journalists, the “scoop” will be lost. Two examples of are illustrative. In the months leading up to a provincial election, two reporters and the opposition Liberals requested the release of the flight logs of airplanes used for government purpose. At issue were allegations that the Premier and other PC members of the legislative assembly were using taxpayer-funded planes improperly. The reporter’s request for information was filed in May 2004; the information was received three days after the provincial election in November (Simons 2007). The following year, Liberal MLA Laurie Blakeman requested information pertaining to government proposals to change the public health care system; she severely pared down her request because of the estimated costs. This information was received seven months later, after the Legislative Assembly’s session had finished. According to the leader of the Opposition at the time, Kevin Taft, the fee for his request to examine the same Alberta government flight log documents for the years 1996-2003 was quoted at \$4,671. In contrast, the fee for examining the much larger flight logs of the federal government was \$5 (Taft 2007, 74-77). Similarly, the Canadian Taxpayers Federation submitted a request asking for details regarding how much Alberta government departments were paying communications consultants, but as the bill exceeded \$11,000 with less than half the departments reporting, the Federation halted its investigation (Taft 2007, 75). The passing of Bill 20 gave the force of law to the trend of stifling information. This amendment safeguards government internal audits from public scrutiny for fifteen years, as well as protecting ministers’ briefing notes for five years. A leading access to information expert described this bill as “noxious” (Roberts quoted in Baxtor 2006, A13). While access to information legislation is a useful tool to cut through bureaucratic layers, it is not particularly effective if it is purposely blunted.

Some argue that the biggest issue with Freedom of Information and Protection of Privacy (FOIP) officers promoting access to information is that they are too close to the departments that they oversee. As Taft puts it:

They spend their working days surrounded by people who want to shape their agendas. In effect, they’re completely embedded in the government bureaucracy. If you take people who are supposed to be impartial observers and entrench them in the day-to-day life of an organization, their perspectives invariably shift. The distinction begins to blur between the observer and the observed, between observer and friend (Taft 2007, 72).

In this case, however, the fundamental problem is larger than that of individual FOIP officers being too close to the departments they oversee, it relates to departments not distinguishing between the public and partisan interests. In the case of the flight logs, the Premier had actually invited press scrutiny; access was abruptly revoked while the

reporter was physically sifting through the paperwork. The reporter complained to the Information Access and Privacy Commissioner that Alberta Infrastructure and Transportation had purposely delayed the release of the flight logs until after the 2004 election. During the subsequent public hearing, a memo that had been altered was entered as evidence, prompting the RCMP to launch a criminal investigation. In other provinces, the falsification of evidence before a quasi-judicial body might precipitate a scandal that in turn might bring a government down. In Alberta, however, this did not happen. As a reporter for the *Edmonton Journal* noted with considerable frustration “We’ve so blurred the line between the Progressive Conservative Party and “the government,” we can’t even see it anymore” (Simons 2009).

Fast forward to 2012, and this same pattern of the blurring of the lines between the public interests with that of the governing party can be used to explain the donations made to the PCs by post- secondary institutions such as the University of Lethbridge, Athabasca University, Bow Valley College, Portage College, and Grande Prairie Regional College over a period spanning 2004-2010. These publically funded institutions provided thousands of dollars to the PC party by paying for the participation of university employees or members of the Board of Governors in premier’s dinners, golf tournaments, and policy conferences. This practice is illegal; Alberta law prohibits public institutions from directing taxpayers’ money to a political party. Forty-five other organizations, including a school board, a department of Alberta Health Services, towns and municipal districts engaged in this practice over a period of eight years. Nonetheless, Alberta’s Chief Electoral Officer Brian Fjeldheim did not pursue legal sanctions against any of the public institutions, causing Alberta political scientist Dwayne Bratt to comment “I think (this decision) questions his non-partisanship...I don’t want to say that he is working on behalf of the party as opposed to working on behalf of Albertans but there are some indications of that, or at least not wanting to exercise his full role” (CBC News 2012). Bratt went on to speculate that perhaps Fjeldheim felt “chilled” by the fate of his predecessor, Lorne Gibson, who was fired after casting doubt on the fairness of Alberta’s electoral process. After Alberta Justice did not pursue the prosecution in nine cases of illegal campaign donations, Gibson wrote two highly critical reports about the election processes in Alberta that included a hundred recommendations for improving the province’s laws. Gibson later sued the government for wrongful dismissal (Wingrove 2011). While the lines might be blurred between the partisan interests and the public interest, there can be no mistaking that the lines were very clearly drawn between what an independent officer of the legislature is allowed to say, and what he is not.

The preceding examples suggest that Alberta’s PC party has become indistinguishable from “government” in the minds of most Albertans – that is, the party and the government become one and the same entity for many citizens, especially those under the age of 55, who have never voted in an election that put a party other than PC at the helm of government. A long time student of Alberta history has a different explanation. Alvin Finkel argues that illegal funding is the result of

... the chronic underfunding of public institutions by the provincial government, particularly since the (former Premier Ralph) Klein era. Municipalities desperate for long term facilities, school boards worried about crumbling schools, universities unable to get by as their government grants increase by less than inflation or not at all: they all behave like an abused spouse who, feeling trapped in a relationship, tries to appease the abuser, hoping for better treatment” (Finkel 2012).

Finkel describes this situation as a “culture of entitlement on the part of the governing party” that coerces various groups within Alberta into silence – the most notable being doctors who claim to be victims of intimidation when they have complained about queue jumping and other illegal activities in the health care system (2012).

The situation of post-secondary institutions in Alberta took a turn for the worse in 2013. The provincial budget not only delivered devastating cuts, the minister of Enterprise and Advanced Education stated his hope that universities would shift some of their emphasis from curiosity-driven research to applied research with commercial applications supported by the private sector. He also sent all 26 of Alberta’s post secondary institutions “mandate letters” for the purpose of eliminating programming duplication. The possibility that the government will dictate the direction of research and curriculum so that education serves economic interests is not only concerning to the academic community in Alberta, but to those beyond its borders. As David Robinson of the Canadian Association of University Teachers put it “It may sound romantic...But I believe the university is the place where we are on a search for truth. Once we allow government control over that, we lose our way” (Simons 2013). In this instance, Alberta is following the lead of its federal counterpart with respect to how it views research. The federal government recently imposed a sweeping confidentiality agreement that prohibits the publication of scientific research without written permission from the Canadian government (Munro 2013). An American collaborator in an decades-old collaborative American-Canadian Arctic science project refused to sign the agreement. As he puts it “It’s an affront to academic freedom and a ‘potential muzzle.’” Federal scientists agree, fearing that the new rules will be “chilling.” As one Fisheries scientist put it “This is a greater exertion of control over the communication of science...There is no other way to interpret it” (Munro 2013).

While some might think it is a stretch to suggest that public institutions in Alberta share characteristics with battered spouses, it is clear that Alberta’s regime for accountability is very weak. A contributing factor to the undermining of public accountability is the strong ties between corporate and political elites in Alberta. The province limits donations from an individual or corporation to political parties to \$10,000 per year and \$30,000 in any campaign period. As is demonstrated in Kellogg’s chapter in this volume, this comparatively high limit has resulted in corporations donating hundreds of thousands of dollars to Alberta’s PC party over the years; almost half of these corporations are oil companies. In contrast, parties such as the Alberta Liberals receive comparatively little support and are chronically struggling financially (Timmons

2013). The 2012 provincial election was an anomaly in that corporations donated upwards of a million dollars to the Wild Rose Party when it appeared that this party might topple the PC dynasty. Unlike the Wild Rose Party that publishes the exact dollar amount and from whom it gets its donations, the PCs give only a range (e.g. from \$10,001-\$30,000). The ability to make large donations to political parties without publicizing the exact amounts not only strengthens the ties between corporate and political elites, it weakens the ability of the public to scrutinize the relationships.

Donations from corporations, however, pale in the face of donations to the PCs made by billionaire Daryl Katz and his associates. The high profile Katz is the owner of the Edmonton Oilers and is alleged to have circumvented Alberta's *Elections Finance Act* that prohibits donations over \$30,000 by having those around him make donations to the PCs. In October 2012, the Globe and Mail reported that the figure is closer to \$430,000 and that the money was paid in one cheque (Globe and Mail 2012). While the distinction between a donation being made in one cheque or split into a number of cheques is important from a legal perspective, it makes little difference with respect to the intention of the law. Moreover, the donation(s) violate conflict of interest guidelines given that the Katz group was seeking \$100 million from the provincial government in support of building a new arena for the Oilers at the time of the donation.

In response to these and other issues that have emerged since the re-election of the PCs in 2012, the government announced the introduction of Bill 7, the *Election Accountability Act*. The bill includes 90 recommendations from Alberta's chief electoral officer, such as imposing a \$1,000 fine on party leadership candidates for not revealing the source of campaign donations over \$250. Fines for illegal donations will be double the total of the donation, up to a maximum of \$10,000. It does not, however, limit the amount parties can spend on an election, nor does it prohibit donations from corporations or unions as does the comparable federal act. The individual limit of \$30,000 per individual donation remains, and is among the highest in the country, compared to the federal limit of \$2,400 per year, and \$3,600 in an election year. The possibility to split a single donation between friends and family still exists. Tyler Sommers of Democracy Watch opines that: "It really seems like a half-hearted effort to enhance democracy and ensure that the democratic principle of one-person, one-vote and an equal voice remains true...(i)t's fairly evident that the amount of money per individual is too high." (quoted in Henton 2012). As Bill Moore-Kilgannon of Public Interest Alberta puts it "It's still the Wild West when it comes to campaign-finance rules" (Globe and Mail 2012). Nonetheless, Bill 7 represents a small step in the right direction.

While corporate contributions to electoral success have been lightning rods of discontent for those who worry about undue influence on government, a more pervasive, yet much less discussed issue in Alberta is its tax structure. As pointed out in a 2011 Parkland report (Flanagan 2011), Alberta is heavily reliant on resource revenues to fund social programs. In the early 1990s, resource revenues made up 40% of the provincial budget. This figure was cut in half 10 years later, but it crept back up to 35% in 2008/09 (Flanagan 2011, 14). It should be noted that despite this heavy reliance of the budget on

oil revenue, the government's own Alberta Royalty Review Panel concluded that the revenue from natural resource rent capture in Alberta is substantially lower than in other jurisdictions and thus should be raised, albeit modestly (Alberta 2007, 22-34). What is startling about these figures is the realization that the proportion of oil industry revenue that comprises provincial revenues would be far higher if Alberta's rate of taxation of oil activity approximated those of Norway and Alaska. Oil revenue in Alberta pays for a large proportion of government operating expenses; it allows the government to keep taxation at abnormally low levels. This practice differs from other oil rich nations in the global north, which bank the revenue from this non-renewable resource in the long term, using earned interest to offset operating costs that are paid for primarily from taxes.

Alberta is unusual among jurisdictions in the global north in that it does not use a progressive income tax. This form of taxation is almost universal in liberal democracies that recognize that those with the most ability to pay (high income earners) typically receive the most benefit within political, economic, and social systems. As such, it is almost universally accepted that their contribution to those systems should be more than those who benefit less. In 2013, all Albertans who earn above \$16,977 pay a 10% flat tax. In a nod toward progressive taxation, this non-taxable income level is by far the highest in the country, though this provides little comfort to the working poor who make over the \$16,977 threshold. Alberta is the only province that does not have a provincial sales tax; some provinces derive more than double Alberta's 6% tax contribution to GDP. Similarly, corporate taxes have steadily declined since 2005, from a high of 33.62% to the current rate of 25% (Flanagan 2011, 7). In this Alberta replicates a larger trend in Canada. Changes in taxation policy at the federal level meant that as of 2011, Canadian corporations paid the lowest rate of tax on new business investment of any Group of Seven (G7) countries. American companies operating in Canada must pay the difference in the Canadian and American tax rates to the US Treasury; this represents a direct transfer of 10% of potential Canadian corporate tax to the USA (Weir 2009). Taxation, of course, can take other forms; in Alberta, revenue generation comes in the form of gaming. It takes in from gaming more than double the per person average compared to other jurisdictions in Canada (Flanagan 2011, 22).

The impact of the Alberta tax regime has profound implications for citizens in Alberta. With so little of its tax base coming from citizens, the bond between citizens and their government is weakened. Politicians must be re-elected of course, but with so little money generated directly from citizens, they are more likely to be concerned with the wellbeing of those who make the largest contributions to both their political party and to government budgets. One need only look at the contributions corporations make to both electoral contests and to government coffers through resource rents to realize that the corporate-government connection is the one that will be nurtured in Alberta. Moreover, very low participation rates in recent elections in Alberta that routinely run between about 40-54% point to a general apathy of citizens to their government (Alberta, Chief Electoral Office 2013). Citizens make minimal financial contributions toward their government, they have been told repeatedly over two decades by their government that its role in their lives should be minimal; it appears that they have begun to believe that the state

truly is irrelevant. As such, the demand for seemingly inconsequential institutions to be accountable lessens over time.

As the bond of accountability lessens between the government and citizens, the bonds between the government and the corporate sector strengthen. The lack of distinction between the Alberta PC party and the government now appears to be bleeding over to the corporate sector; the best interests of corporations have begun to be construed as the best interests of citizens. This in turn perpetuates the cycle of increasing government irrelevance in the lives of Albertans. With so many citizens in Alberta dependent on the activities of the oil and gas industry for their livelihoods, it is easy to see why they identify their personal best interests with that of the sector that employs them either directly or indirectly. Indeed, Alberta's insatiable demand for workers from across Canada explains why the best interests of the oil and gas sector are increasingly conflated with the national interest.

Changing ideas about what comprises the public's best interest and who is its champion is not unique to Alberta or to Canada. Not only do economic power and governance flow across sovereign boundaries in a globalized world, so do ideas about leaving accountability to market forces. For decades, market efficiency is offered as a solution to political and administrative inefficiencies, including their extreme form - corruption. Democratic nation-states are increasingly unable to regulate global capital markets; if market accountability trumps political accountability, this is not seen as a problem. But as the 2008 financial crisis demonstrates, not only is accountability within the market place critical, accountability of the market place is crucial. Actors who enter and exit contracts maintain accountability within the market place. Governments were compelled to intervene because of the scale of actors exiting the market in 2008. As Borowiak argues:

Government interventions in the economy were not responses to unaccountable markets. They were responses to the devastating socially and political unsustainable effects of market accountability itself. Government bail-outs were efforts to arrest or mollify the effects of market sanctions, and proposals for enhanced government oversight can be seen as attempts to save the market system by re-embedding *market* accountability with the structures of *political* accountability (2011, 128).

In the case of Alberta, the inadequacies of market accountability are not as problematic for good governance as the fact that political and administrative accountabilities come second. Because neoliberal logic is so firmly entrenched, there exists very little appetite for demanding political and administrative accountability to citizens. The result is predictable: political and administrative accountability suffers.

Whither Accountability in Alberta?, or, the withering of accountability in Alberta

The preceding analysis provides a confusing picture of accountability in Alberta. Despite the seeming ambivalence to awarding resounding majority governments to the same political parties year after year, one could argue that Albertans have in the past recognized the importance of the role of dissenting voices for good governance. Proponents of this view point to Alberta's worldwide leadership with respect to the adoption of the Ombudsman institution to promote sound administrative principles in the 1960s. It could be, however, that this innovation had less to do with Albertans' concern with democracy, but rather was an attempt by provincial elites to manage perceptions of government in order to maintain their legitimacy. As has been discussed in other chapters in this volume, adopting innovative government institutional arrangements could also reflect the propensity of Albertans to embrace new ideas (Stefanick 2013; Fraser, Mannani, and Stefanick 2013). Certainly, the wholesale adoption of neoliberal ideologies in the early 1990s appears to have worsened the already tenuous ability of Alberta citizens to hold their politicians to account.

Neoliberal discourse puts a premium on accountability; however, it is market place accountability. In this conception, the purest form of accountability is found in the form of market efficiencies. In Alberta, neoliberal discourse has caused the language of economics to bleed over into democratic discourse. Specifically, the notion of the "public interest" is increasingly defined in market terms – that is, what is good for business is good for Alberta, i.e. the "Alberta Advantage." Despite the best efforts of proponents of the New Public Management, however, citizens are not just consumers of government services, they are members of political and social communities. Citizens agree to abide by the rules created by their governments as long as those they have chosen to represent their interests do the same. The problem in Alberta is that the bonds of accountability that bind citizens, politicians, and public servants has weakened, while the bonds that bind public servants, politicians, and corporate interests have grown stronger. Because so many citizens have begun to believe that their interests are best represented in market-based terms, those who disagree are sidelined. Still others have simply stopped paying attention to what their politicians are doing because they cannot see the relevance to their daily lives.

Is democracy lost in Alberta? Borowiak makes the case "...that the language of accountability, with its connotations of justice and political legitimacy, might be used to reproduce institutional hierarchies and to exclude detrimentally affected stakeholders from decision making" (2011, x-xi). This appears to be the case in Alberta, where the public interest has been so thoroughly entwined with the corporate interest. Borowiak goes on to argue that an "exclusive focus on formal institutions and the exercise of control" misses what he describes as the "unruly" exercise of democratic accountability. Specifically, he points to collective action and other new forms of solidarity as the most fruitful avenues to disrupt methods of domination (2011, xii). Other chapters in this volume contemplate the prospects for effective democratic participation in Alberta and Canada; the prospects for the success of collective action are complicated by rapidly

changing global dynamics. What is certain, however, is that oil has left an indelible stamp on democracy in Alberta. Moreover, in the span of 50 years, Alberta has the distinction of being a leader within Canada with respect to both the creation and the suppression of government accountability regimes that are so important to democracy.

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