

THE STATE OF RURAL CANADA: ALBERTA

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INTRODUCTION

Context

In 2019 the province returned to its conservative roots with an overwhelming vote for the United Conservative Party (UCP) led by Premier Jason Kenney. They formed the Government of Alberta on April 30, 2019 with 62 of 87 seats, winning over 70% of the vote in a number of ridings. Electoral support for the NDP was largely limited to urban centers. Voter turnout in the 2019 election was the highest recorded since 1982 at 64%.

At the local level, many of the challenges faced by rural municipalities are long-standing, but increasingly compounded by economic decline, provincial fiscal policy, deteriorating infrastructure, increasing urbanization, aging populations, and diminishing services. The province is home to 356 municipal units, of which 260 are recognized as urban municipalities, meaning they are defined as a city, town, village, or summer village under the Municipal Government Act.ⁱ

i. Municipal Government Act. (2021). <https://www.gp.alberta.ca/documents/Acts/m26.pdf>

PROVINCIAL CONTEXT

- With a population of 4,444,277, Alberta is the fourth largest province in Canada.
- The Calgary-Red Deer-Edmonton corridor is home to over 70% of the total population.
- The remaining 25% is split between the eastern and western regions from Edmonton south to the US border (15%) and 10% in the Athabasca/Grand Prairie/Peace River and Wood Buffalo/Cold Lake region
- Over 220,000 Albertans self-identify as Indigenous. Edmonton and Calgary are home to 61,765 and 33,375 Indigenous peoples respectively
- The Province is also the site of eight Metis settlements – the only recognized Metis land base in Canada

Economy:

Gross Domestic Product: Since 2010, provincial GDP has grown from \$270B to \$334B. However, the full impacts of COVID-19 remain to be seen. For rural Alberta, there is a significant gap between the economic function of rural areas, which account for approximately 25% of provincial GDP, and population-based employment.

Total provincial revenues in 2020 were just over \$46B, and are comprised of multiple sources: (1) Income and other taxes (46%); (2) Non-renewable resource revenues (13%); (3) Federal transfers (20%); (4) Investment income (6%); (5) Provincial business income (-); (6) Premiums, fees and licenses (8%); and (7) Other (8%).

Politics:

- Rural voters have historically not favoured the NDP or other centrist/left-of-centre parties, but rural voters have in fact for the most part shifted toward the NDP, with the party gaining 17% from both rural and urban voters
- The UCP has lost significant support from women voters (12% from late 2019 to summer 2020), and voter preference is increasingly polarized between two core policy domains: (1) Energy and the economy, which is dominated by UCP voter preference; and (2) Social, environmental and equity issues.

CHALLENGES FOR RURAL ALBERTA

- Rural places have experienced the loss of energy-sector labour and related spending in communities that have come to heavily rely upon their role as “hosts” to extraction, construction, service, and production. The resource extraction sector hit a low of 121,500 employed in August 2020, due in part to COVID-19, from a high of over 180,000 in 2012.
 - Many of the RMA's members were subject to a substantial economic impact due to unpaid property taxes as a result of bankruptcies or non-compliance.
 - Estimated at over \$80M in 2019, the number has risen to over \$245M (February 2021)
- Rural communities and land owners also face the related challenge of long-term ecological and economic impacts:
 - The regulatory, liability and ecological implications of abandoned or “orphan” oil and gas wells has only recently emerged as a policy priority

CASE STUDIES

Case Study: Canmore

Located in the mountains to the west of Calgary, Canmore is a well-known community due to its proximity to Banff National Park, the Nordic Centre established for the 1988 Winter Olympics, and the surrounding peaks, such as Three Sisters and Ha Ling.

As a response to COVID-19, Canmore sought to include public art within the toolkit of pandemic responses. Created as “Building Neighbourhoods Builds Community” under the direction of Chris Bartolomie, the municipality sought to build, engage, and display a sense of community by commissioning nine local artists, to work with nine Canmore neighbourhoods, to create and display “artwork reflective of the spirit of their communities.” Supported with funding from the Town’s Economic Development Pandemic Response Plan, the projects ranged from murals to audio to sculpture and were not limited to physical neighbourhoods but also included social communities, such as seniors and veterans

Town of Canmore – Building Neighborhoods Builds Community



<https://canmore.ca/residents/public-art/building-neighbourhoods-builds-community>

Case Study: Fort McMurray Wildfires

In early May 2016, a fire began near the Horse River, not far from Ft. McMurray. Over 15 months later, that fire would displace over 80,000 people, destroy 2,400 buildings, and cause over \$3B in immediate damages (more recent estimates now approach \$10B). Beyond the economic costs, community members also demonstrated acute and longitudinal physical and mental health effects. These included the stress and anxiety associated with evacuation, loss and even fatalities (Emily Ryan and Aaron Hodgson were sadly killed as a result of a collision during the evacuation), financial stress and uncertainty, but also physical effects, particularly respiratory challenges.

Two years after the fire, a small percentage of insurance claims had still not been settled, and less than 50% of the homes destroyed had been rebuilt, with the common causes being a deliberate choice to not rebuild or to leave the community entirely. This is reflected in the results of the 2018 municipal census, which pointed to a 10%+ decline in population.

May 2021 marked the 5-year anniversary of the fire and the community, and region, is still rebuilding. The spirit of resiliency captured by the phrase “Fort McMurray Strong,” which surfaced in the days and weeks following the fire, is still felt in the region. Since 2016, the municipality has invested in programs to help mitigate natural disasters, such as FireSmart, and improved its communication regarding natural disasters with surrounding First Nations and Metis communities.ⁱⁱ City Council has invested in local businesses and revitalizing the downtown coreⁱⁱⁱ and local youth have been actively involved in building belonging and resilience in the region moving forward.

ii. CBC News. (2021, May 3). Forged by fire: Fort McMurray 5 years after the disaster. <https://newsinreactions.cbc.ca/longform/fort-mcmurray-five-years-on-from-disaster>

iii. Beamish, L. (2021, April 13). Council approves next phase of downtown revitalization grants. Scott proposes economic relief programs. Fort McMurray Today. <https://www.fortmcmurraytoday.com/news/council-approves-next-phase-of-downtown-revitalization-grants-scott-proposes-economic-relief-programs>

Smoke Spread from Fort McMurray Fire



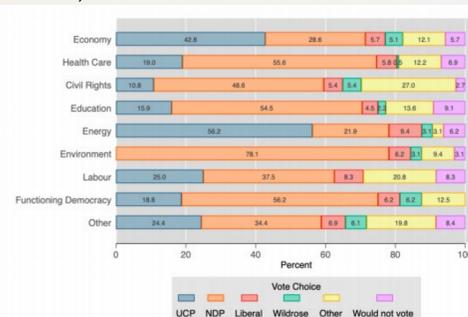
<https://www.pbs.org/newshour/world/thousands-of-evacuees-to-be-airlifted-as-massive-canada-wildfire-burns>

RURAL FUTURES

In 2015, the State of Rural Canada report for Alberta highlighted a number of priority areas: (1) Agriculture and Rural Development Policy; (2) Provincial politics and policy priorities driven by changes in government; (3) Fiscal dependency and affiliated effects (“Dutch Disease”) on the energy sector; and (4) Regionalization and municipal governance. Moving forward, there are additional and related issues that will likely challenge rural Alberta:

A March 2021 Viewpoint survey found that voting intent had shifted, for the first time since the 2019 provincial election, in favour of the NDP, with 39.1% of voters (over 29% for UCP)

Provincial Party Vote Intention by Most Important Issue (March 2021)



Source: Viewpoint Alberta Survey 2021 (N=802). Weighted data. Figures correspond to respondents' answers to the questions: "If an Alberta provincial election was held today, which party would you vote for?" and "What is the SINGLE most important issue to you personally in Alberta PROVINCIAL politics?"

Source: CBC News, March 18, 2021

There are an estimated 80,000 abandoned and non-productive wells in Alberta alone. One study suggests as many as 155,000 wells in Alberta are not sufficiently sealed or reclaimed

Active and Abandoned Wells in Alberta



“ST37: List of Wells in Alberta Monthly Updates.” 2022. Alberta Energy Regulator. May 6, 2022. <https://www.aer.ca/providing-information/data-and-reports/statistical-reports/st37>.

1. Lack of Rural Development Policy
2. Economic Development and Fiscal Policy
3. The Urban/Rural Divide
4. Electoral Politics
5. Extractive Populism
6. Diversity