

Alberta at the Crossroads Dirty oil, the Global Green New Deal, and money

Alberta's energy sector has been described as the engine of Canada. Oil accounts for 74 per cent of Alberta's exports and continues to be exported at record levels to the U.S. and internationally. This continues despite actions taken by a recent dirty oil campaign that urges a boycott of the product. The most recent strategy of the dirty oil campaign urges Hillary Clinton to refuse permits for a new pipeline between Alberta and the U.S. On Aug. 20, that permit was issued.

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Albertans are, understandably, confused about the future, the legitimacy of this campaign, whether the Alberta government is doing enough to further sustainable development, and if all of this is just job-creation for public relations strategists.

Are the only options to be for or against "Dirty Oil"?

Backers of the dirty oil campaign cite environmental damage as the main reason to switch to renewable energy sources. They claim that oil sands development is a major contributor to greenhouse gases, water pollution, and energy waste. Furthermore, it leads to the destruction of boreal forests and harms human health. Campaigners believe that suitable options exist in bio-fuels and maximizing regional self-sufficiency in environmentally-friendly energy production.

These arguments were persuasive enough to convince a gathering of U.S. mayors in June 2008 to target Canada's oil sands in a resolution calling for a boycott of dirty oil products for municipality vehicles, and national guidelines to track the life-cycle impact of different types of fossil fuels.

Mike Hudema of Greenpeace, one of the organizing partners of the dirty oil campaign, explains that there is no suitable way to make the oil sands sustainable in terms of environment, human rights, treaty rights and other First Nations perspectives. "Most of the push is to move to a green economy, to propose a new

direction for Alberta that will lead to job creation in renewable energy conservation, sustainable agriculture and transportation," said Hudema in a phone interview.

Critics of the dirty oil campaign say that new technology is cleaning up oil sands development. The U.S. municipalities' boycott is symbolic, but not enforceable or practical. The U.S. will surely continue to ship oil from overseas, requiring plenty of energy to transport it. Not to mention the costs associated with providing security for those sources of oil, like Iraq.

Meanwhile, the non-renewable energy sector claims it is developing research towards cleaner extraction and more efficient water use, and that there has been a marked reduction in greenhouse gas emissions over the last decade. Premier Stelmach has threatened to find other markets if the U.S. does not stop the boycott talk, and the Alberta government is rebranding dirty oil in a green package as part of its own \$25 million public relations campaign.

On their website, Alberta Environment claims that, "Addressing the protection of the environment during development of [the oil sands] is a priority for the Alberta government. Stringent legislation and on-the-ground measures are already in place to protect the air, land and water during oil sands development."

They have also maintained a community-based monitoring program that includes representatives from Mikisew Cree First Nations, Metis Industry Consultation Association, Fort McMurray First Nations, Athabasca Chipewyan First Nations, Athabasca Tribal Council, Chipewyan Prairie First Nations, Fort Chipewyan Metis, Fort McKay First Nations, government and

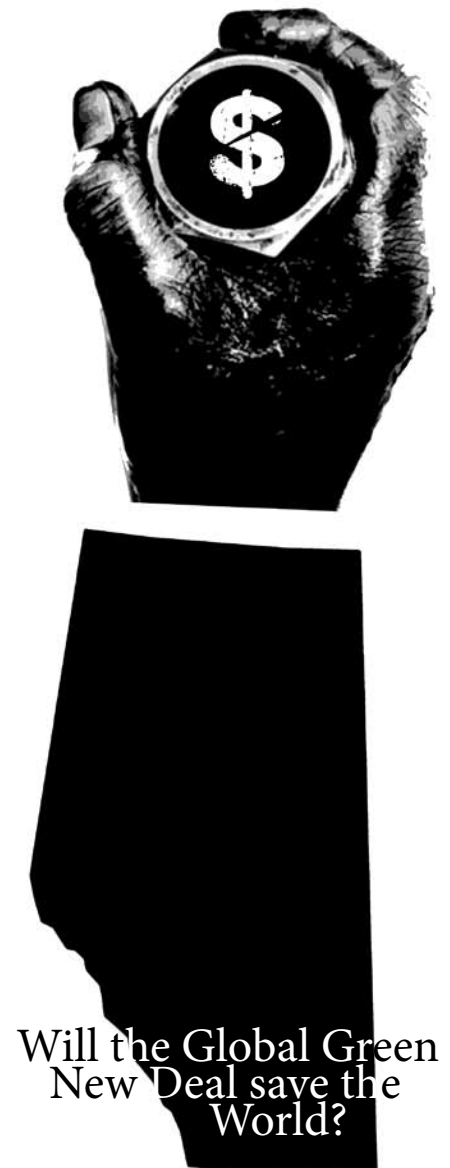
industry. The website states that, "These members provide direction on what input is collected for studies and how data is interpreted."

Dirty oil campaigners want a full dead stop, Alberta's economic establishment wants full steam ahead, but Albertans don't seem to be accepting an either/or scenario. The public wants a balance between the economic security of non-renewable resource development and environmental health.

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Trey Capnerhurst is impressed with the aggressive and action-oriented nature of the dirty oil campaign. She has been the Green Party Candidate in Edmonton East, is a business owner and self-publisher of the *Greater Edmonton Green Pages* and numerous web groups. She trained as a Petroleum Engineer, but, unable to reconcile the high cost to human life and the environment, left just before her education was finished.

"It is hard to condense a complicated ecological message into a sound byte for the public, and that has been the problem with campaigns in the past. I think it is a great attempt to get people talking about positive solutions and rally around specific issues," said Capnerhurst in a phone interview.



So where will the next economic boom emerge to deal with the challenges of the 21st Century? Experts are pointing in the direction of the Global Green New Deal. The United Nations Environment Programme (UNEP) presents the strategy as an historic opportunity for environmentally focused investment to stimulate economic prosperity and job generation.

On June 18, 2009, Peter Newman presented at the Shaw Conference Centre outlining his predictions for the emerging economy. Newman is a Professor of Sustainability at Curtin University in Perth, Australia, and the co-author of several books, including *Resilient Cities: Responding to Peak Oil and Climate Change*. In his presentation, Newman explained why the new economy will be urban, not suburban, centred and will revolve around transit-, pedestrian-, and green-oriented development (TOD, POD, and GOD).

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The previous trend of what Newman calls “urban scatter” is being reversed as young people move to where jobs are in the new economy: urban centres. UN-Habitat reports that whereas 47 per cent of the world was urbanized in 2000, based on the rate of movement, 60 per cent of the world is expected to be urbanized by 2030. Currently, 180,000 people are added to the urban population every day. This trend should impress upon municipalities the need for sustainable urban practices, and in many ways, municipalities are responding. In his presentation, Newman explains how the idea of walkable, transit-oriented centres is the theoretical basis of new urbanism and provides some real-world examples of success with this model.

In Australia, the Southern Perth railway line opened 15 years ago and has continued to make significant rail developments since that time, with some lines reaching as far as 80-km away from the core. During that time, ridership increased from 7 million passengers per year to 90 million. Possibly most convincing is the fact that the new railway has already paid itself off and has been met with a 90 per cent approval rating. India, China, the UK, and the United Arab Emirates are also seeing increases in public transport use and are planning for an expected tripling of the system within the decade. People living in transit-oriented development (TOD) areas use cars 50 per cent less often and save 20 per cent of their household income by having one less car.

Pedestrian-oriented development (POD) becomes an important factor in the realization of the full benefits of TOD. Newman points to Melbourne and highlights urban design strategies by Jan Gehl for aesthetics and livable, friendly public spaces.

One of the most memorable examples of the possibilities of green-oriented development (GOD) from Newman’s presentation showed the revitalization of the Cheonggyecheon area of Seoul, Korea. This green renewal of the downtown core of one of the busiest urban centres in the world has been applauded as a massive success for GOD. Elevated expressways, dense traffic, and commercial facilities were once built directly over the Cheonggyecheon stream. The Seoul Metropolitan Government began the revitalization project in 2003, and unveiled to the public in 2005, a 6-km-long greenway and sparkling stream that runs right through the heart of Seoul.

To further provide evidence for the increasing momentum of this form of future development, Newman points to the switch of energy investment dollars from fossil fuels to renewable sources. In 2008, for the first time, investment in renewable energy surpassed that of fossil fuel. Furthermore, each year, 40 per cent more dollars are invested, resulting in exponential investment growth. The World Economic Forum has warned that \$10 trillion will be needed to invest in clean technologies between now and



2030. This amounts to \$515 billion being spent annually on measures to limit carbon emission.

These are no doubt inspiring and optimistic forecasts for a new economy with a foundation of environmental sustainability, but these numbers also beg an important question.

How can exponential investment growth be reconciled within a sustainable growth model?

“Investors always go where they think the money is going to be...terms like exponential growth are attractive to investors...so the same people that put money into fossil fuel technologies now need to be sold into renewables and it will be a tough sell. Exponential growth is impossible to sustain and I don’t think that investors are onboard with that, I don’t know how many more crashes we need to have,” said Capnerhurst in a phone interview.

Critics of the investment strategies appearing in response to the global green new deal point to a disturbing possibility that dampens the optimism and proven success of TOD, POD, and GOD; there will also be the creation of new opportunities for creating the next economic bubble in the wake of the sub-prime mortgage crash and global financial crisis.

Interpol has issued a warning about a UN-backed scheme called *Reducing Emissions from Deforestation and Degradation* (REDD).

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A May article on reuters.com quotes environmental crimes specialist Peter Younger, who says organized crime syndicates are eyeing the forest carbon credit industry as a lucrative new opportunity for fraud.

Who else is paying attention to carbon credits? Allegedly, your friendly neighbourhood bank, Goldman Sachs, is paying very close attention to cap-and-trade environmental policy development in the U.S. A July article in Rolling Stone quotes a former staffer on the House Energy Committee who argues that the cap-and-trade market will dwarf the energy futures market. In his article, journalist Matt Taibbi explains why the public should be wary around the issue of investment dollars:

“Well, you might say, who cares? If cap-and-trade succeeds, won’t we all be saved from the catastrophe of global warming? Maybe - but cap-and-trade, as envisioned by Goldman [Sachs], is really just a carbon tax structured so that private

interests collect the revenues. Instead of simply imposing a fixed government levy on carbon pollution and forcing unclean energy producers to pay for the mess they make, cap-and-trade will allow a small tribe of greedy-as-hell Wall Street swine to turn yet another commodities market into a private tax collection scheme. This is worse than the bailout: It allows the bank to seize taxpayer money before it’s even collected.”

Goldman Sachs representatives have denied the allegations in Taibbi’s article.

In the Canadian context, Quebec Premier Jean Charest has been quoted as stating, “There is going to be cap-and-trade. That’s inevitable,” and a Montreal exchange for emissions has been open for trading carbon credits for a little over a year.

Capnerhurst, the Green Party candidate, believes that cap-and-trade is a delaying tactic. “It is a way for people to buy their way out of things...you are paying someone to go on a diet for you. We cannot get healthy by asking someone else to do the exercise,” she said in a phone interview.

Then of course, there are all the other usual problems associated with big sticker contracts for large new infrastructure projects of the kind called for when moving towards transit, pedestrian, and green oriented development. One can hardly blame the Albertan public for being cautious of turning off the tap of oil industry investment when so many of the same special interests exist in what is becoming a green industrial complex.

Optimism vs. realism?

Despite all of this, Capnerhurst thinks there’s still reason to be optimistic that we will find a solution to involve and engage all stakeholders, for the benefit of the public.

“Most Albertans really do care about the environment. Alberta has one of the most comprehensive garbage recycling programs on the planet, we divert 85-90 per cent of our garbage from landfills... human beings are inventive, resourceful, and if we stood up tomorrow and decided that this needs to be fixed, then it would be,” she says. “We don’t care if Stephen Harper gets up tomorrow and decides he wants to do this, we don’t have to wait for politicians and self-interest groups.”

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