Fossilized

Environmental Policy in Canada's Petro-Provinces

ANGELA V. CARTER

FOREWORD BY GRAEME WYNN

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FOSSILIZED

adjective

1 archaic; outmoded; resistant to change or adaptation

2 perilously under the influence of fossil fuels

INTRODUCTION

Situating Canada's Petro-Provinces

In his 2015 address in Paris to members of the United Nations Framework Convention on Climate Change, Prime Minister Justin Trudeau declared that "Canada is back" and "here to help" in the global effort to fight climate breakdown. On returning home, he announced a federal carbon pricing plan that evolved into the Pan-Canadian Framework on Clean Growth and Climate Change to align with Canada's new international commitments to limit greenhouse gas (GHG) emissions. But Canada's major oil-producing provinces were far from enthusiastic about Trudeau's new conviction. What ensued exposed a fundamental and intensifying disjuncture between Canada's economic policies and its environmental policies.

Alberta – Canada's preeminent oil province – signed on to the framework, but Premier Rachel Notley argued forcefully that any attempt to limit emissions had to be "built on top of a fundamentally healthy economic foundation." In the wake of the 2014 oil price crash, Alberta, said the premier, really needed "Canada to have our backs" and approve a pipeline to transport bitumen to tidewater.[1] When the Federal Court of Appeal rejected cabinet approval of the Trans Mountain Pipeline expansion (TMX) project in August 2018, Notley withdrew from the climate change framework and fuelled the flames of political discord by declaring that "without Alberta that plan isn't worth the paper it's written on."[2]

Canada's other major oil-producing provinces expressed similar views. Saskatchewan, which had long aspired to emulate Alberta's rise to powerhouse status through oil development, rejected the federal climate framework from the outset. Premier Brad Wall described it as a "betrayal" and "ransom note" that would "siphon" billions from the province's economy.[3] Then in April 2018, Wall's successor, Premier Scott Moe, launched a constitutional challenge against the imposition of the federal carbon price. As for Newfoundland and Labrador (hereafter Newfoundland), Canada's newest major oil-producing province had signed on to the federal climate framework despite a long-standing aversion to federal carbon pricing. Following Alberta's withdrawal from the framework, Newfoundland premier Dwight Ball indicated that his province might do likewise, noting: "We would never put Newfoundland and Labrador in a situation where we would not be competitive."[4] Ball insisted that, as emission reductions and the green energy transition unfolded globally, "the world will still need oil and gas" – and vowed his province would double offshore oil production to meet this demand.

The tensions continue to mount. Upon being elected in April 2019, Alberta premier Jason Kenney of the United Conservative Party turned up the energy/environment conflict dial by launching an "Energy War Room" – mocked as an Orwellian "Un-Albertan Activities Committee" – to counter environmentalists' critiques of the oil industry. It was accompanied by an inquiry into foreign-funded anti-Alberta energy campaigns. The public was encouraged to provide information to the inquiry by reporting anti-oil activists via an email alert, derided as a "snitch line." The Governments of Alberta and Saskatchewan, alongside oil firms and associations, are intensifying their push for new pipelines to bring oil to non-US markets. Yet they are being met by an unprecedented wall of opposition from Indigenous communities, environmental organizations, the Governments of British Columbia and Quebec, and municipalities along pipeline routes concerned about the environmental impacts of expanding oil development.

Meanwhile, the Trudeau government, while ostensibly committed to Indigenous reconciliation and dramatically reducing emissions causing the global climate crisis, is desperately seeking to expand oil development. The most egregious demonstration of this occurred in May 2018 when Kinder Morgan threatened to withdraw its proposal for the Trans Mountain Pipeline expansion project (intended to triple the line's capacity to carry Albertan bitumen to the west coast) and the federal government responded by purchasing the existing pipeline and promising to build its expansion. Trudeau and his cabinet approved the pipeline expansion in June 2019 – less than twenty-four hours after the House of Commons passed a motion, introduced by Environment and Climate Change Minister Catherine McKenna, to declare a national climate emergency.

Debates on Canada's energy and climate future have triggered an unprecedented range of political conflict: civil disobedience against the Trans Mountain Pipeline expansion leading to mass arrests on British Columbia's Burnaby Mountain; a "wine war" when Alberta banned wine imports from British Columbia to protest that government's opposition to the project; broad-based protests across Quebec in response to risks to waterways posed by the Energy East pipeline proposal; court challenges by Alberta, Manitoba, Ontario, and Saskatchewan to the federal carbon price. Indigenous communities have played a lead role throughout, increasingly contesting the neocolonial nature of Canada's oil economy and its ecological consequences across the country, as seen in resistance to fracking in Western Newfoundland; to oil and gas exploration in Lancaster Sound, Nunavut; and to petrochemical refining in Sarnia, Ontario.

Decisions on energy and climate are now among the most fractious political economy controversies of our time, in great part due to the ecological stakes. Canada is caught between its global responsibility and provincial economics, between addressing the climate crisis and protecting a lead oil sector. The debate is taking place against the backdrop of the oil-dependent provinces' long struggle for economic stability and within the broader dynamics of policies on the environmental risks and impacts of oil extraction. This book provides a context and an analytical frame for understanding this controversy, focusing on how the country's major oil-producing provinces have developed environmental policy regimes supportive of their dominant oil sectors.

Like the provincial leaders quoted above, the conversation about oil development in Canada has mainly centred on the economic development spurred by oil extraction – or the economic threat of declining activity in the sector. Here I take a different perspective, foregrounding the environmental consequences of the oil boom, not least of which are the climate costs of the sector's massive carbon emissions. This book identifies and synthesizes trends in environmental policy development around oil extraction in Canada's three petro-provinces during the last oil boom. It assesses precisely how these strongly oil-dependent provinces aligned their environmental policies to meet extractive-based economic development goals rather than to mitigate the mounting environmental impacts of extreme oil extraction. In a word, I demonstrate how their environmental policies have become *fossilized* – perilously outmoded and resistant to change under the sway of fossil fuels.

My analysis centres on the years between 2005 and 2015, the time of the most recent oil-based boom for all three provinces and the moment when

Canada's oil sector rose in international prominence. The intensification of Canada's oil industry in the first decade of the new millennium marked a critical turning point in Canadian political-economic and environmental history. The industry had its origins in the 1850s in southwestern Ontario, in towns such as Petrolia and Oil Springs, but developed primarily in Alberta with a period of major growth after the 1940s Leduc discovery, soon followed by production in Saskatchewan. In the late 1960s, Alberta's oil industry pivoted towards tar sands extraction. Decades later, in the late 1990s, Newfoundland began producing offshore oil. Yet, by 2005, the oil sector across Canada had entered a remarkable era of growth, with widespread political, economic, and environmental consequences.

Canada has long grappled with its position as a "hewer of wood and drawer of water" dependent on massive resource extraction for export (beginning with fur, fish, timber, minerals, agricultural products, and later hydroelectric power), typically driven by foreign investment. As Canadian political economists have noted since the early 1900s, staples-dependent states are highly vulnerable to commodity price volatility and resource depletion and often find it difficult to develop more mature and diverse economies due to key structural barriers: essentially, state enchantment with resource-based revenues, coupled with pressure from corporations seeking access to highly profitable resources.[5] There were signs in the second half of the twentieth century that Canada might have escaped, from the plight of what became known as its "staples trap," thanks to the development of a strong manufacturing sector. But by the mid-2000s, the economy had careened back to extreme staples dependence, this time based on oil.[6]

Several political-economic changes came together to cause this reversal. The first was Canada's arrival as a key actor on the global oil stage. In 2003, the US Energy Information Administration included Alberta's tar sands in its count of global oil reserves.[7] By 2005, the International Energy Agency did the same, ranking Canada as second in global proven oil reserve standings, surpassed only by Saudi Arabia.[8] From this point forward, Canada has been internationally recognized as a major oil player. Second, Canada's rise to global energy prominence occurred just as West Texas Intermediate and Brent Crude oil spot prices began their climb to historic highs early in the new millennium, a trend later continued with the introduction of Western Canadian Select prices. Canada's huge oil reserves rose in value, attracting global investment. Finally, Canada's return to intense staples dependence was influenced by the 2006 election of the Conservative Party of Canada, which was committed to fulfilling Canada's potential as a "new energy superpower." Upon assuming office, Prime Minister Stephen Harper celebrated "Canada's emergence as a global energy powerhouse – the emerging 'energy superpower' our government intends to build,"[9] primarily on the basis of Canada's oil reserves. The Harper government transformed federal energy and environmental policy to foster oil development after 2006.[10] It implemented what political scientist Mark Winfield described as an "accelerated pursuit" of the "traditional" energy/environmental policy approach, one that included a significant "removal of perceived environmental constraints" on fossil fuel development.[11] This was particularly evident during the majority government period (2011–15), when the Harper government dramatically revised environmental regulation relevant to oil and gas activity, notably through two omnibus budget bills in 2012. These efforts constrained public input and participation in natural resource projects overseen by the National Energy Board, reduced protection of federal waterways, limited federal environmental assessment (EA) requirements, and introduced accelerated review timelines for EAs.[12] Over this period, the federal government also slashed the budgets of environmental departments and government-funded research centres, thus weakening its regulatory capacity and scientific knowledge. Meanwhile the government implemented restrictive communications policies that prevented experts from disseminating research findings documenting negative environmental impacts of the oil and gas industry.[13] The Harper government also attempted to muffle dissent by encouraging Canada Revenue Agency audits of charitable groups critical of oil development,[14] and denouncing those who opposed its policies.[15] At the same time the federal government was heavily engaged defending and promoting the oil sector domestically as well as in the United States and throughout the European Union to protect export markets.[16] Together these three developments – the global recognition of significant oil reserves in Canada, a historic oil price rise, and the election of a federal government committed to oil extraction – ignited a Canadian oil production boom with important environmental policy consequences.

Yet for all of the federal government's importance in facilitating the oil boom, the story of environmental policy over these years is primarily a provincial one. In Canada, the provinces hold primary regulatory jurisdiction over natural resources, including oil extraction.[17] This regulatory primacy was established in the British North America Act, 1867, passed by the British Parliament to create the Dominion of Canada, which established provincial property rights and regulatory authority over matters relating to natural resources on land in the original provinces. The same rights were extended to other provinces when they joined Confederation or at a subsequent date, such as when the three Prairie provinces gained rights over their natural resources in 1930.[18]

Provincial jurisdiction over natural resources was then reinforced by the federal government's gradual retreat from environmental policy-making. Intense moments of downloading regulatory authority to the provinces occurred in the 1950s, 1970s, and again in response to 1990s budget cuts. Along the way, in response to Alberta's reaction to the 1980 National Energy Program (NEP), the federal government became increasingly cautious about overstepping when it came to oil extraction matters that were stridently protected by the provinces. The standoff over the NEP between Alberta and Prime Minister Pierre Trudeau's government has long been used to justify the federal government's timid role in environmental policy, particularly surrounding oil development.[19]

Entering into the most recent oil production boom, Canada had, as political scientist George Hoberg observed, a "highly decentralized federalism," in which environmental policy was "dominated by the provinces."[20] Then, during the oil boom, the federal government withdrew further from environmental policy-making. In 2014, the federal government continued to eschew its regulatory authority, even as it "moved aggressively [through provisions in the omnibus bills of 2012] to limit its own capacities to regulate natural-resource development," by assigning responsibility for environmental regulation, particularly environmental assessment, to the provinces.[21]

Canada's major oil-producing provinces – the petro-provinces of Alberta, Saskatchewan, and Newfoundland – must therefore be at the forefront of any analysis of environmental policy during the oil boom. All three of these jurisdictions enjoyed remarkable economic expansion during the oil boom. Alberta had become a Canadian economic growth leader by the 1990s, but by 2008 Newfoundland and Saskatchewan outpaced even booming Alberta in the growth of gross domestic product (GDP), exports, incomes, consumer spending, and investment, as both entered a "new era of prosperity."[22]

However, the petro-provinces' economic success was premised on a particular kind of oil boom, one embodying the global movement towards "extreme extraction." Over the last twenty years, Canadian provinces have become front-runners in this form of oil extraction. Alberta replaced declining conventional oil production with tar sands extraction. Saskatchewan increased oil production by widespread hydraulic fracturation, more commonly known as fracking – driving a mix of water, chemicals, and sand underground to release oil and gas held in pockets of impermeable rock formations. Newfoundland ventured into the ultra-deep offshore, five hundred kilometres from shore, using wells requiring drilling under one thousand metres of water, and began to consider extracting oil near World Heritage sites renowned for their exceptional natural beauty and geological significance.

Mainstream political-economic analyses have revealed how revenues from extreme oil extraction remade the economies of Alberta, Saskatchewan, and Newfoundland, but they have often overlooked the environmental costs of rapid expansion in extreme oil extraction. Attuned to the environmental consequences of the oil boom, this book identifies and documents key developments in environmental policy around oil extraction in Canada's three petro-provinces at a time we may well remember as the last boom in the great Canadian scramble for oil.

Each province is of course distinctive. Most obviously, the location of extraction varies greatly. Alberta's and Saskatchewan's oil industries operate on land, in some cases very close to or within communities, while Newfoundland's extraction to date occurs at sea, far offshore. The type of resource also varies, with the western provinces reliant on "unconventional" oil development – Alberta's oil industry is predominantly tar sands based; Saskatchewan's is increasingly dependent on fracking – and Newfoundland is reliant on "conventional" production, albeit from deep offshore wells. The provinces also differ in terms of the maturity of their oil sectors. Alberta's is well established: first commercial (conventional) oil extraction occurred in the early 1900s; the industry then pivoted towards tar sands, with the first commercial tar sands project beginning over fifty years ago, in 1967. Saskatchewan's first commercial conventional oil well began production in 1945. Newfoundland was later still, with commercial oil production beginning in 1997. So, too, is there variation in the institutions regulating the petro-provinces' oil industry. A distinctive joint federal-provincial board takes a lead role in Newfoundland; Alberta's and Saskatchewan's oil sectors are managed by provincial departments. There are differences as well in whether and how Indigenous communities and environmental organizations have challenged these regulatory systems, with resistance to oil increasingly prominent in Alberta since the late 2000s, growing more recently in Saskatchewan, and at very early stages in Newfoundland. These characteristics and more differentiate the oil sector in each province and how it is regulated. Yet, even so, there are notable environmental policy commonalities evident across these provinces. My role here is to highlight the regulatory patterns, drawing out environmental policy convergence across Canada's major oil-producing provinces.

During the focal time period of this book, 2005 to 2015, Canada rose to become a global oil player, actively fostered by the federal government and encouraged by a historic oil price rise that extended until 2014. This book therefore analyzes the evolution of environmental policy in Canada's petro-provinces over ten tumultuous years, from the start of the most recent oil-based boom through to its fading. This was also a moment when awareness about the environmental costs of oil extraction crystallized internationally. A series of accidents drew public attention to some of the environmental risks associated with oil extraction. Most notable among these was the 2010 blowout from one of BP's drilling rigs that spilled oil into the Gulf of Mexico for nearly three months. At the same time, over this decade – building from the long-standing efforts of communities and environmental non-governmental organizations (ENGOs) since the 1990s – academic researchers increasingly recognized that reducing emissions enough to stabilize the global climate required keeping oil reserves in the ground. A precise global commitment to stabilize climate change was finally formalized at the close of the boom decade, in the 2015 Paris Agreement of the United Nations Framework Convention on Climate Change, which aimed to keep global temperature increases below two degrees Celsius. Even major financial institutions began to acknowledge that the oil sector was a sunset industry and that oil was at risk of becoming a stranded asset.[23] At least in critical policy circles, the latest iteration of Canada's staples trap was recognized as a "carbon trap," an antiquated, rear-guard mode of development that locked Canada into outsized carbon emissions at a time when the global community was moving towards deep decarbonization.[24]

Conceptual Foundations

The dynamics of environmental policy in Canada's petro-provinces unfold in larger overarching historical and global contexts that have become so pervasive as to be invisible. Here I foreground these "meta" contexts, captured in the concepts of petro-capitalism, the dynamics of petro-states confronting resource curse conditions, and the neoliberalization of environmental policy. As I demonstrate in the provincial case chapters, the quandaries of oil-rich states at our moment of late-stage petro-capitalism are particularly vivid in Canada's petro-provinces. These provinces manifest

– and intensely so – some of the most pressing energy/environment tensions of our time.

Petro-Capitalism

Petro-capitalism – also known as fossil, carbon, or "carboniferous" capitalism[25] – refers to a capitalist system that is highly reliant on the energy of fossil fuels, particularly oil. The notion of petro-capitalism underscores not only that our current dominant global political-economic system is about the drive towards infinite expansion of enterprise, private property, profits, and capital accumulation through ever-increasing consumption but also that it is fundamentally premised on the expansion of hydrocarbon extraction and consumption.

The transportability and energy-density of fossil fuels permitted a transformative global shift from dependence on the waxing and waning rhythms of biotic energy provided by the sun, wind, or muscle power to dependence on the around-the-clock and around-the-globe production and distribution of energy based on fossil fuels. Fossil fuels allowed for the continuous expansion of manufacturing, served to expand the geographic scope of production, and permitted the long-distance transportation of raw materials and goods throughout the global economy.[26] Since the nineteenth century, beginning with coal, fossil fuels have increasingly powered capitalist expansion. With the development of fossil fuels, annualized economic growth rates on a world scale escalated from 0.2 percent in the early 1800s to more than 2 percent at the end of the twentieth century. The globalization of production and consumption patterns over the past four decades depended on the development of extremely energy-intensive systems of production and transportation.[27]

The development of this economic system was hardly inevitable; rather, it required political interventions at every turn. Although staunchly independent "wildcatters" feature in our popular imagination of striking "black gold," since the earliest days of the industry, oil production has been a highly centralized process, controlled by powerful governments and the world's largest corporations – a theatre of innumerable episodes of imperial intervention, with military might wielded alongside economic power.

But today petro-capitalism is a system undergoing two crises. The first relates to the problem of securing ever-increasing supplies of fossil fuels that are at the heart of global economies. As the less expensive and easily accessible fossil fuel reserves are depleted, producers reach deeper down into the "ugly, difficult and tough stuff at the bottom of the barrel," as journalist Andrew Nikiforuk puts it.[28] The decline in conventional oil supplies has triggered the exploration and production of unconventional reserves, such as the tar sands and tight oil, or reserves in more remote or fragile locations, such as in the ultra-deep offshore or far north, or in parks and protected areas.

The second crisis is due to the intensifying environmental damage that follows from petro-capitalism. By far the most important of these are the massive emissions of GHGs causing global climate breakdown. The logic of limitless fossil fuel consumption and growth has made continuing carbon emissions a dire threat to the global ecological system.[29] In great part due to the ecological devastation wrought by fossil fuel dependence, human activity has altered the very biological and chemical composition of Earth. We are approaching or crossing numerous "planetary boundaries" through reckless abuse of land and marine environments, especially due to multiple forms of pollution.[30] Many scholars observe that we are living amidst a dramatic turning point in geological history, from the Holocene epoch, dating from the last major ice age over ten thousand years ago, to our current Anthropocene epoch. Fossil fuels feature prominently in this disruption. Indeed, the most recent epochal shift began with fossil fuel powered industrialization in the early 1800s, and it intensified, particularly in the late 1940s, with the escalation of fossil fuel use.[31]

Beginning with the notion of petro-capitalism centres our attention on the deep and inescapable tension of our time: oil has been and continues to be the lifeblood of the prevailing global political-economic order, yet petro-capitalism is a system headed towards crisis given its unceasing need for new supply and its inherent effect of ecological deterioration, particularly in the form of climate change. As sociologist Éric Pineault argues, the new "era of extreme oil" features states and companies employing increasingly invasive extraction methods to gain access to primarily unconventional – and far more emissions-intensive – oil, "provok[ing] new dispossessions and new environmental conflict."[32] As we enter into late-stage (or last-stage?) petro-capitalism, its systemic tensions intensify.

Resource-Cursed Petro-States

> *Oil creates the illusion of a completely changed life, life without work, life for free. Oil is a resource that anesthetizes thought, blurs vision, corrupts. People from poor countries go around thinking: God, if only we had oil! The concept of oil expresses perfectly the eternal human dream of wealth achieved through lucky accident, through a kiss of fortune*

> *and not by sweat, anguish, hard work. In this sense oil is a fairy tale, and like every fairy tale, a bit of a lie. Oil fills us with such arrogance that we begin believing we can easily overcome such unyielding obstacles as time.*
>
> *– Ryszard Kapuściński* [33]

Petro-capitalism's systemic crises manifest themselves acutely in petro-states. Petro-states are identified by their high dependence on oil, typically defined as oil representing one-third of exports, GDP, or government revenues.[34] These jurisdictions occupy a central role in petro-capitalism. They are the purveyors of the energy that powers the global economy and so are prominent on the world stage. And they are highly committed to continuing and expanding oil extraction given the economic benefits they garner from the sector.

Petro-states are doubly motivated to pull oil reserves out of the ground as quickly as possible in light of policy, technological, and economic shifts that threaten to constrain fossil fuel development – or devalue or strand the assets. Thus, the promise of ambitious climate policy or signals that the markets are turning away from oil in the medium to long term serve to augment petro-states' hurry to extract oil – a phenomenon known as the "green paradox."[35]

Yet in their increasingly rushed effort to extract oil, petro-states often discover that possessing large oil reserves is no "kiss of fortune," to use Kapuściński's metaphor: governments that become highly dependent on oil extraction are often highly vulnerable to the "resource curse" and come to know oil wealth to be more of a malediction than a benediction.

The resource curse literature underscores how oil wealth tends to produce deleterious economic, social, and political effects.[36] Among the economic consequences is "Dutch Disease." This is the name given to the economic stagnation that results when the competitive and inflationary impact of a successful oil economy draws labour and investment away from other sectors, thus stifling non-oil industries. Another is economic volatility: oil-dependent states are at the mercy of booms and busts due to unpredictable global oil prices. Revenues are unstable, along with their capacity to provide public and social services. Worse, as oil reserves are finite resources, economies increasingly dependent on them are severely disrupted as they decline or are exhausted. There are social implications as well, as the costs and benefits of oil extraction are frequently unfairly distributed leading to increased regional, sector, class, ethnic, and gender inequality. Most obviously, oil-induced inflation raises the cost of living, particularly for non-oil workers.

There are also broader political consequences as petro-states tend to exhibit democratic deterioration.[37] Put simply, oil wealth rearranges state-citizen accountability links.[38] The shift from dependence on taxes for state revenue to dependence on resource rents, and the ensuing erosion of a strong, broad-based tax system, alter governments' accountability to citizens as well as citizens' engagement with the state. Rather than being focused on serving taxpayers, the state becomes primarily concerned with serving oil industry interests – oil-rich governments are inherently motivated to support the industry that is providing the most direct economic benefits. Simultaneously, as the power of private actors benefiting from oil development is enhanced and reinforced through oil rents, these groups work hard to keep the state focused on oil development as opposed to developing other industries. Oil revenues are put to use funding political parties supportive of the oil sector, lobbying officials for amenable policy, developing public relations campaigns to lend legitimacy to the industry, and other strategies to keep oil development at the top of the government agenda. In this way, oil rents empower industry groups who then impede growth and diversification of broader and longer-term value. Petro-states tend to govern in a biased way, supporting and protecting the oil industry by offering preferential access to land and resources, providing infrastructure, education, research, and financial subsidies. Petro-states' overarching development policy is "moulded" by oil revenue dependence to support the sector.[39]

Are Canada's petro-provinces petro-states? Canada now stands among countries of global oil importance thanks to these provinces' extractive activity and reserves – Alberta's primarily. As I establish in the subsequent chapters, during the most recent oil boom Alberta, Saskatchewan, and Newfoundland have crossed some if not all standard petro-state thresholds given high levels of oil-dominated exports, GDP, or government revenues. Moreover, they have arguably exhibited resource curse symptoms from the economic (stifling diversification; boom and bust volatility), to the social (with intensifying inequality associated with oil development), and the political (the tilting of influence from citizens to oil).

However, my specific aim here is to unpack how these petro-provinces recast environmental policy in the rush to facilitate oil development as questions about the future of extreme oil development mount. This recasting of environmental policy was not due only to the promise and pressure of oil development: for unfolding in these petro-provinces during the oil boom was another overarching trend, that of the deepening neoliberalization of environmental policy, which further undermined their ability to confront the environmental risks of our late-petro-capitalist moment.

Neoliberalization of Environmental Policy

Neoliberalism, at its core, assumes that human well-being is best achieved through private property and unrestrained trade. It is marked by the withdrawal of the state from economic life, on the assumption that societal needs will be met instead, and primarily, by individuals choosing freely in unfettered markets. Yet it also requires that governments actively intervene in the economy in the interests of markets – for example, to protect private property and to ensure the smooth functioning of trade.

The neoliberal political economic approach grew up alongside late 1800s neoclassical economic thought, which was consolidated in the work of writers such as Alfred Marshall (1842–1924), Friedrich von Hayek (1899–1992), and Milton Friedman (1912–2006). Neoliberalism became a dominant, institutionalized ideology with the election of right-wing political parties in Britain, the United States, Canada, and beyond in the late 1970s and early 1980s. As economic geographer David Harvey remarked, "There has everywhere been an emphatic turn towards neoliberalism in political-economic practices and thinking since the 1970s"[40] – marking a new historical political-economic moment. Canadian provinces followed suit electing neoliberal-oriented parties, beginning with Alberta in 1993.[41]

In general policy terms, neoliberalization involves diminishing state spending on social welfare programs, thereby confronting and undoing the Keynesian welfare state through austerity measures, reducing or eliminating regulations and taxation on capital, privatizing public services or public corporations, engaging in international trade agreements that impede state regulation, and challenging the organization and collective bargaining of workers.

This neoliberal turn has particularly problematic implications for environmental policy. Put simply, as Harvey noted, the neoliberal state "tends to side with a good business climate as opposed to ... the capacity of the environment to regenerate itself."[42] Neoliberalism essentially prizes economic growth premised on environmental exploitation with few limits.

In practice, neoliberal environmental policy is manifested in a number of ways. It includes shrinking environmental government departments or rolling back environmental regulations and programs (such as research and monitoring). It involves offloading environmental regulation to lower levels of government with less regulatory capacity (from federal to provincial levels, or from provincial to municipal governments). Neoliberal environmental policy is often seen in governments' limiting citizens' engagement with environmental regulation while transferring regulatory authority to corporations (e.g., via corporate self-reporting or self-monitoring) or in using market mechanisms rather than government regulation to address environmental degradation. Commodification of the environment – transforming what were common, public areas into goods or services for commercial use or sale – is another marker of a neoliberal shift in environmental policy.[43]

In essence, neoliberalization aligned environmental policy with business interests, integrating – and indeed privileging – business perspectives in environmental policy-making processes. States, in adopting a neoliberal ideology, integrate the preferences of the market, closely engage with market actors, or even give over regulatory function to them. And so a dual movement is at work: rolling back state constraints on extraction and production while extending support for markets and extraction.

While neoliberal environmental policy became dominant over the last four decades across the country, it was particularly noteworthy in provinces highly dependent on the fossil fuel extractive sector. Here, powerful coalitions of energy industry players, elected officials, and government departments collaborated to foster mutually beneficial fossil fuel development. Doing so required weakening, or restraining advances in, environmental policy that was thought to burden the sector.

Entering into the oil boom period, on which I focus, neoliberal environmental policy intensified strikingly in the Canadian fossil fuel sector. With Stephen Harper as prime minister, the federal government took a lead role by obstructing environmental research on the impact of the oil industry, retrenching environmental policy to remove obstructions to the sector, and suppressing public dissent.[44] Deepening neoliberal environmental regulation evident across the petro-provinces facilitated "aggressive resource cultivation"[45] – even as environmental movements and Indigenous communities in Canada increasingly and vociferously objected to the intensifying socio-environmental repercussions of this development path.

Book Plan

This book examines shifting environmental policy regimes in Canada's major oil-producing provinces during their oil-based booms, roughly spanning 2005 to 2015. Given their escalating dependence on oil production and the looming threat of economic decline as their most easily accessible reserves were exhausted, the petro-provinces shifted to extreme forms of oil extraction. This increased environmental risks and impacts, not least in greatly expanding carbon emissions that are hastening the global climate crisis.

Economically dependent as they were on providing a high-value commodity essential to the global economic order, the petro-provinces were in thrall to oil's fairy tale.[46] They were captivated by the possibilities of easy economic development and low taxes and could not see, or ignored, the increasingly evident economic, social, and political "curses" of oil dependence. Provincial government policies actively supported oil development and simultaneously diminished the state's capacity and willingness to mitigate environmental impacts. As demonstrated in the subsequent chapters, Canada's petro-provinces – manifesting the tendencies of petro-states to entrench oil development and aligning with the neoliberal environmental policy turn – withdrew from imposing environmental regulations that would restrict the industry over the boom period. This withdrawal from environmental policy contrasted starkly with growing state support for the sector.

The analysis that follows is distinctive in that it offers a three-province comparison of subnational environmental policy-making around oil extraction, attending not only to the historical development trajectories of each province but also to the mounting global pressures of petro-capitalism and the climate crisis. There has been a good deal of research in recent years on Alberta, documenting the government and industry pressure for, and civil society and Indigenous community resistance to, the development of the tar sands. Examples include Debra Davidson and Mike Gismondi's 2011 *Challenging Legitimacy at the Precipice of Energy Calamity*, Gordon Laxer's 2015 *After the Sands: Energy and Ecological Security for Canadians*, Meenal Shrivastava and Lorna Stefanick's 2015 *Alberta Oil and the Decline of Democracy in Canada*, Laurie Adkin's 2016 *First World Petro-Politics: The Political Ecology and Governance of Alberta*, and Ian Urquhart's 2018 *A Costly Fix: Power, Politics, and Nature in the Tar Sands*.[47] Alberta is undoubtedly the "epicentre" of the Canadian oil economy, as Shrivastava and Stefanick remark,[48] and so it merits close analysis. But less attention has been directed to Canada's other major oil-producing provinces as they strive to follow the Alberta path – often much farther from media and public scrutiny. To bridge this gap I offer a comparative analysis of the ways in which the three petro-provinces developed and regulated oil extraction during a critical decade of oil production.[49]

This book's analysis of subnational (provincial) government regulation of oil activities complements ongoing research on non-state actors. The Corporate Mapping Project led by William Carroll and Shannon Daub, for example, has yielded essential new insights into how the politically powerful fossil fuel sector and related associations intervene in Canadian policy to ensure expanded extraction and exportation. Other work emphasizes the role of civil society in contesting fossil fuel developments, importantly foregrounding Indigenous perspectives. Toban Black, Tony Weis, Stephen D'Arcy, and Joshua Kahn Russell's 2014 *A Line in the Tar Sands: Struggles for Environmental Justice*, and Paul Bowles and Henry Veltmeyer's 2014 *The Answer Is Still No: Voices of Pipeline Resistance*,[50] dealing with resistance in northern British Columbia to the Northern Gateway pipeline project, are key examples.

Meanwhile my focus on "upstream" activities associated with oil extraction – intensifying forms of extreme extraction in the tar sands in Alberta, fracking in Saskatchewan, and offshore oil production in Newfoundland – joins well with work on the political dynamics of "downstream" activities in the oil commodity chain, such as the transport of oil to market. Examples include Éric Pineault's 2016 *Le piège Énergie Est* on TransCanada's Energy East project, which is proposed to traverse Quebec, and George Hoberg's forthcoming *The Resistance Dilemma: Place-Based Movements and the Climate Crisis*, which traces the interaction of state, society, and industry actors on major Canadian pipeline projects over this period.[51]

This project is rooted in research conducted in Alberta and Newfoundland between 2007 and 2016, and in Saskatchewan from 2010 to 2016. Over these years, I interviewed over 120 key participants in debates, primarily policy-makers in the relevant departments in each province, community organization representatives, and other researchers, such as representatives of non-governmental policy research institutes.[52] The interviewees helped identify the most critical environmental policy issues surrounding oil development in each of these provinces. To sharpen my understanding of these trends, I then drew on academic publications from political science, geography, economics, biology, environmental studies and beyond, relevant bodies of policy literature, reports by non-governmental organizations (NGOs) and research institutes, industry reports, and media coverage (mainstream and new media).

Each of the three central chapters of *Fossilized* traces the historical development of the industry, from the first major fields in Alberta, to Saskatchewan, and then to Newfoundland. Each begins with an overview of the particular province's political-economic development trajectory. These discussions serve as a reminder that oil was but the most recent "miracle" resource from which governments in each province attempted to secure ever-elusive economic stability. Next, I trace the growth and economic importance of each province's oil sector, focusing on the boom decade after 2005. Drawing on the scientific literature, I then summarize the most significant environmental impacts of these developments. I also document how each provincial government has offered multiple forms of long-standing support to oil sector continuity and expansion to secure economic benefit. With this context established, each chapter then assesses the environmental policy regime surrounding oil development and parses overarching structural or institutional issues. This forms the analytical core of *Fossilized*. Here I document the high-level restructuring of environmental departments and identify particular policy or regulatory concerns relating to such issues as environmental assessment, land use planning, and emissions control.

Chapter 4 brings the three case study chapters together to draw out central environmental policy trends. It identifies a common pattern in the three provincial governments neglecting the environmental risks and impacts of oil extraction in their rush to capture the spoils. Returning to the theoretical foundation, it also reflects on how Canada's petro-provinces exemplify the stresses and limits of neoliberal petro-states in late-stage petro-capitalism. I then explore trends since 2015 to suggest what they mean for these provinces during the last chapter of Canada's oil industry as the global community moves towards deep decarbonization. I reflect on both mounting oil industry pressure to continue status quo extraction and rising collective action against extreme fossil fuel extraction.

The reworking or laying to waste of environmental policy to facilitate oil extraction over the boom decade at the centre of this analysis is increasingly relevant. Although Prime Minister Justin Trudeau signalled a different approach to oil development upon his election in 2015 – one more respectful of Indigenous communities and mindful of environmental impacts, particularly carbon emissions – now, more than ever, our most pressing national controversies revolve around oil development. This is obvious in the widespread and growing civic opposition to pipeline projects and new extreme oil extraction projects across the country. These oil/environment controversies are only heightening as the petro-provinces – alarmed by low oil prices and the possibility of oil becoming a stranded asset due to climate policy and technological change – intensify oil production in a narrow-minded effort to squeeze the last vestiges of value out of their reserves.

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www.ubcpress.ca