



## A Prosperity Framework for Alberta

### Our Vision

Alberta is a place of inspiration and ingenuity. Our Alberta is about our ancestors, our children and grandchildren and theirs after that. It is about those who were born here and those who choose to come here. **It is an Alberta we create together, on purpose.** This is our home. We believe in our home. We are proud of who we are and our home—what it is and what we have built. We love our home—its landscapes, its resources, but most importantly, its people—the dreamers and can-doers of today and tomorrow. A pride and a love established by the province's original inhabitants—the Indigenous People of Alberta—who remind us about the importance of our history and our home. Albertans are grounded by our strengths and a rich history in proving that we can find a way, and that we can chart our course.

Our future will be shaped by adapting to change yet preserving what's important to Albertans. There is no either/or in our future, rather an Alberta of and possibilities. We can be leaders in energy and protect our environment. We can feed the world and create ground-breaking technologies. We can build resilient companies and create jobs for Albertans of every stripe from every corner. We can create shared prosperity—that powerful combination of opportunity, security and belonging—in ways that provide for each other and gift further opportunity to future generations.

We must do this with ambition. With a broad set of voices, perspectives and experiences. With urgency and speed. With focus. With intent. For better.

We face another challenge; another trial; another opportunity. We have come far together. And there is much more to be done. **This is more than a recovery. This is another chance to show the world that Alberta is just getting started.**

### The Current State

Alberta has been hit hard over the last several years. Natural disasters like floods and fires have taken their toll on the economic and mental wellbeing of Albertans. The provincial economy had been struggling since the decline in oil prices in 2014. That impact has been compounded by the COVID-19 pandemic and associated economic shutdown, magnified further by the impact of the oil price collapse earlier this year.

The impact of these crises will take months or years to fully comprehend. But even now, the early numbers are startling:

- The province lost 361,000 jobs in March and April, with young women hit the hardest
- BCA estimates suggest that when furloughed and discouraged workers are considered, the province's unemployment rate reached close to 30%
- Forecasts suggest the provincial economy could contract by more than 11% in 2020



## BUSINESS COUNCIL OF ALBERTA

- Businesses, especially in the energy sector, are deferring or cancelling capital investment plans
- The provincial government deficit could rise from \$6.1 billion in 2019-2020 to \$20 billion in the current fiscal year

These figures are only worsened by the fact that Alberta entered the crisis from a position of economic weakness:

- Non-residential business investment in 2019 was 45% below its 2014 peak
- Five years after the oil price crash, the Alberta economy had still not returned to 2014 levels
- Since 2015, employment growth has been less than one-third of the national average, with labour market conditions especially weak for young men
- The provincial government went from a net asset position of \$13.1 billion in 2014-2015 to a net debt of \$35.6 billion in the 2019-2020 fiscal year
- Business sector R&D fell by 30% from 2014 to 2017 (the most recent year for which data are available)
- From 2014 to 2018, labour productivity in Alberta grew by just 0.5%—by far the slowest rate of growth in the country

As the province moves into Stage 2 of the relaunch process, the road to recovery begins. But the economic and social devastation will not be short-lived; Albertans are entering relaunch with more anxiety and less stability; businesses are adjusting to reduced demand, new safety protocols, higher operating costs and uncertainty for the future; and the government is facing never-before-seen levels of debt and tough questions about the future of the resource base that has allowed it to provide enviable levels of service at much lower tax rates than elsewhere in the country.

The current crisis has laid bare Alberta's vulnerabilities. However, **recovery and rebuilding efforts also provide us with a unique opportunity: to build something better.** We should seek to work towards a new model for the province—one that is more resilient, more sustainable, more inclusive and provides even more opportunity than our past.

### Guiding Principles

As we embark on rebuilding Alberta, we propose seven guiding principles to set the foundation and remind us of what we stand for and what we value; they inform both what we do and how we do it. All efforts to realize our vision for Alberta must be centred on these principles:

- **Competitiveness**—Shared prosperity cannot be achieved without making competitiveness the highest priority. In a post-COVID world, every province and country will be working to rebuild their economies and prioritizing investment attraction and retention. Alberta must be better than the best, focusing on competitiveness in areas like regulation, taxation, innovation, technology adoption, infrastructure and government services. Alberta must be the easiest and most innovative place to do everything—from



becoming a resident to building a house to opening a business or making an investment. Innovating and removing complexity and layers of regulation will help put Alberta at the top of the list.

- **Long-term oriented**—Alberta’s prosperity framework must be built and enabled to sustain changes in governments and economic shocks. Governance must hold fast to what is right, just and for the long-term. Bold, long-term (and, at times, unpopular) visions and investments such as the Alberta Oil Sands Technology Authority (AOSTRA) took time to mature but created prosperity for decades. We need to be equally bold in the future—thinking big and being unafraid of failure. Being long-term oriented also means building on strengths to maintain a natural and competitive advantage. It also necessitates adaptability—the ability to evolve, adjust and react as shocks and changes affect the conditions of success.
- **Sustainability**—We must measure what we do by how it impacts our future. Sustainability of environment, of opportunity, of government finances—all must be viewed through the lens of the impact that they will have on the future. We must dedicate ourselves, our companies and our collective actions to leaving things better than we found them.
- **Opportunity**—We must work to ensure we create, facilitate and enable opportunity for all Albertans. Whether through formal or informal education, breaking down systemic barriers to equality, or by ensuring that Albertans are able to provide for themselves, opportunity is at the heart of prosperity.
- **Security**—Security includes protections of rights and freedoms—ensuring all Albertans are treated equally and afforded the same opportunities, and the ability to live a life free from fear or discrimination. The pandemic has also reminded us of the value of security to Albertans—particularly financial security. The COVID-19 pandemic hit many demographics harder—women, immigrants, youth, disabled and Indigenous persons. Recovery efforts should ensure that they are not in that position again. We must also be aware of industrial security—preserving the ability to manufacture and source medical equipment, supplies and other strategically important goods critical to our health and safety.
- **Belonging**—Alberta must be inclusive and welcoming. Movements such as Pride and Black Lives Matter, and work towards Indigenous reconciliation, remind us that while progress has been made, there is much work to be done. Albertans, Alberta employers and governments must focus on creating a sense of community and belonging, as well as addressing the systemic barriers to equity facing diverse groups within the province.
- **Challenge-driven**—We must frame our prosperity opportunities on the strengths and assets of Alberta and Albertans. We must build on that which enables us to compete and be strong, and to embrace the spirit of challenge—being the place that is willing to take on the world’s biggest challenges by harnessing ingenuity, entrepreneurialism, innovation and hard work. Whether it be solving the world’s needs for energy, materials,



food or health, Alberta has the natural resources and the talent to be a leader in helping make life better for people around the world.

### **Our Commitment**

We all have a role.

The Business Council of Alberta was formed to harness the experience and talent of business leaders and entrepreneurs to build a better Alberta in a more dynamic Canada—to create shared prosperity, to protect our environment, to help shape and build community, to build successful and thriving businesses that contribute to the world’s greatest needs and to create jobs that enable every Albertan to live the life to which they aspire.

We commit to protecting the things that are important to Albertans: jobs, nature, community, belonging and innovation. We will ensure our efforts lead to a vibrant business sector that can contribute to increasing the long-term shared prosperity of Albertans and enabling their best life possible. We will meaningfully engage diverse voices and champion a just, equitable and healthy society.

### **Prosperity Framework—Pillars**

A vision of prosperity for Albertans cannot be achieved without clear priorities and a targeted and sustained effort to meet them. We see Alberta as Canada’s place of business innovation, shared prosperity and sustainable and responsible natural resource development. These are the areas to which we apply our principles in pursuit of our vision.

#### **Pillar 1—Business Innovation**

From an entrepreneur debuting a new product to a mid-sized company with a long-shot idea to a long-standing business with a vision to better serve its customers and community, Alberta is the place where ideas, big and small, become reality. Alberta’s assets and expertise are nimble in a world of evolving, and sometimes unexpected, needs. This nimbleness enables continuous evolution, adaptation and growth in Alberta’s ability to respond to challenges as they emerge. We can use our energy to power the world; our agriculture to feed the world; our medical expertise to heal the world; our petrochemical manufacturing to keep the world safe; and our natural beauty to inspire the world.

*Fundamental elements of this pillar include:*

- **A vibrant innovation ecosystem to drive growth**  
Alberta’s innovative capacity is unparalleled. Drilling, agriculture, artificial intelligence (AI) and medical innovations from Alberta have set global standards. Alberta is home to some of the most technologically advanced companies in oil and gas, agriculture, aviation and logistics. And we have built a host of software and platforms that drive companies and people to new heights. But we cannot be complacent—we must be highly competitive in establishing the conditions to enable the necessary capital, talent and



customers for global-leading innovation to occur. Alberta's R&D, commercialization and company scaling framework must be designed to enable seamless progress from early idea all the way to scaled commercial venture. This process must be the best and easiest in Canada. The ecosystem must be clearly defined and well-funded, with an approach that focuses on the entire innovation continuum. Working with business, Alberta's innovation ecosystem should increasingly be demand/pull driven and bring together research and business communities to increase the probability of success. Building on strengths in AI (Edmonton), energy tech (Calgary), agriculture (Lethbridge) and unmanned systems (Medicine Hat), we can continue to foster innovations and company creation that will create jobs and investment.

- **Infrastructure as a key enabler**

Advancing both hard and digital infrastructure improves business productivity, accelerates the ability to evolve and reimagine business models, and enables development and scaled solutions in the global market. Infrastructure is vital in delivering critical services and is the backbone of essential elements of the Alberta economy: financial systems, utilities, oil and gas, supply chains and telecommunications. It is critical to unlocking efficiencies, productivity and competitiveness. As digital technologies become more prevalent, digital infrastructure is valued as much as, or even more than, physical infrastructure. Alberta should invest now in the infrastructure it will need—including 5G, mmWave, fibre, rural broadband and digital government services—to create the momentum and scale needed to capture unprecedented opportunity. Alberta must also focus on its transport infrastructure including bold projects like rail to Banff and pipelines to get its oil and gas products to international markets. As an export-reliant province, Alberta needs the transportation, geopolitical relations and institutional infrastructure to enable trade and compete around the world.

- **A data and intellectual property strategy and legislation**

Alberta has some of the most robust and valuable data in the world—health, oil and gas, agriculture, etcetera. Using, accessing, translating and monetizing that data will create immense opportunities to make life better and to create jobs and investment. Wealth is no longer tangible; nearly two-thirds of the world's wealth is human capital—intangible creations of the human intellect. Current policies allow intellectual property created in Alberta and Canada to leak out of the domestic economy. Following on the leadership of Ontario, Alberta must create a strategy for the development of intellectual property as well as its retention within our borders. More than just fostering an economy of ideas, this must include a data and IP strategy for leveraging information and intellectual assets and ensuring that the benefits of our innovations yield dividends for Alberta into the future.

- **A fiscal, tax and regulatory environment to inspire long-term growth**

To position Alberta for long-term growth, the province needs to maintain or even improve its tax advantage over other jurisdictions. But vulnerabilities in the provincial revenue model suggest that Alberta should undertake a wholesale review of its fiscal model and consider significant amendments based on the principles of competitiveness, simplicity, fairness and stability, including the introduction of a consumption tax, that



would increase competitiveness, stabilize revenues and create greater certainty. Bold stimulus and strategic investments, like those made in AOSTRA, Alberta Enterprise Corporation and Alberta Innovates, can generate economic dividends for Alberta. The province must become a model of regulatory efficiency and governance integrity, applying lessons from the COVID-19 pandemic during which many regulations and processes were streamlined, to identify where long-term efficiency can be achieved and to continue to work with local and federal governments to advance that principle as well. Alberta should embrace continuous improvement in regulation design, eliminating all that slow or inhibit progress and offer little benefit to Albertans.

- **Public procurement innovation**

Government can use public procurement to increase efficiency, reduce costs, empower underrepresented groups and build the future economy. Germany is a leader in procurement innovation, finding ways to make it easier and simpler for companies to do business with government and with each other. Following this lead would allow public procurement to be a strategic enabler of business innovation, not only creating benefits for government but also driving new company formation, job growth and capital formation. Social procurement could be a strategic tool to enable economic reconciliation, business creation and employment growth among marginalized and underrepresented populations through the implementation of mechanisms such as the federal government Community Employment Benefits (CEB).

- **Regional and national co-operation**

Alberta works together with its Indigenous partners, neighbouring provinces and all of Canada. We offer help when it is needed—whether through fiscal transfers, volunteering resources, or donating emergency medical supplies. We are committed to meaningful economic participation by Indigenous Canadians. And we co-operate to remove impediments to growth and prosperity by taking the lead on eliminating trade barriers. We must continue to be Canada’s leaders in this area—re-invigorating the New West Partnership and, when necessary, taking unilateral action and leading by example. We recognize that shared prosperity is more important than jurisdictional wrangling. We must continue to work to harmonize regulations with our neighbours, and attract investment because of our reputation for openness, clarity and co-operation.

- **Investment appeal**

With the above pieces in place, investment in Alberta should follow. Alberta must work to ensure that it remains a strong hub of global capital on both the demand and supply side. Continued corporate ESG leadership—particularly GHG emission reduction investment and involvement of Indigenous partners—will help attract investment to the province. Investment capital for early stage and start-up companies can grow in Alberta through increased use of co-invest and “fund-of-fund” models to generate private capital leveraging public contributions. Public procurement innovation also plays a key role in generating demand and therefore investibility. Finally, there is potential to transform Alberta into Canada’s social enterprise capital—through our entrepreneurial spirit and support of our neighbours and community. A social enterprise framework could build an ecosystem that includes groups like the Social Enterprise Fund, TRICO Foundation and Edmonton Community Foundation, among others.



## **Pillar 2—Shared Prosperity**

Alberta is a place where individuals can dream big, tackle big challenges and grow—a place we can all proudly call home. This means all Albertans have an opportunity to participate as a part of a community woven together with threads of ingenuity, education, diversity and inclusion. We believe our success as a province hinges on the participation and prosperity of all. Alberta’s institutions must therefore be designed to enable shared prosperity where all Albertans are afforded wellness, belonging, security and the pursuit of meaningful work.

*Fundamental elements of this include:*

- **Education as the equalizer for opportunity**

Education is the cornerstone of socio-economic mobility, financial security and personal opportunity. As such, a key responsibility of the province is to provide the highest quality of public education to all children in Alberta in K-12, regardless of the town or neighborhood in which a child resides, their socioeconomic status, or cultural background. This means evaluating outdated models of pedagogy and education delivery, examining content and skills curricula as well as school activities and expectations in the context of what is necessary for full, meaningful participation in the world. Post-secondary education must not be beyond reach for those with the desire to continue their learning and skill development. Beyond this, Alberta must build the connection from school to work: adding business and entrepreneurial studies to the K-12 curricula; building apprenticeship and skilled trades programs; increasing access to post-secondary colleges and universities; and placing greater emphasis on work-integrated learning as an essential part of post-secondary education, bridging the gap from school to career.

- **Worker resilience and human capital**

Though we can see some of the ways in which the skills necessary for valued work are changing, with certain professions and new positions gaining in importance as others fade into irrelevance, it would be speculative to tell our children and grandchildren how to prepare for a sure-fire career. Instead, Alberta must build its systems based on the creation of a holistic Workforce Development Strategy to be deployed via institutions, communities and supporting organizations. Education and training systems must create a resilient workforce through a culture and platform of lifelong training and education and community-based learning (e.g. libraries) that creates the most nimble and adaptable workforce in North America, making continued education a ubiquitous part of learning and work. This is done through larger private-public partnerships for building skills most in need, as well as more strategic emphasis on, and support of, micro-credentialing programs which can target the specific competency or knowledge a worker seeks. Worker retraining initiatives and programs like Future Skills Centre and Calgary Economic Development’s Edge Up will ensure that Albertans can adjust as technologies and business needs change. COVID-19 also showed how vulnerable certain segments of the population are to job loss. Low-wage workers, women, youth and



immigrants were the most impacted. These already vulnerable Albertans must be at the forefront of workforce development strategies.

- **A culture of inclusion**

Alberta must be a welcoming place for everyone with a culture of openness, diversity and inclusion. This culture creates a sense of belonging and builds relationships and connection within Alberta. Alberta's culture of inclusion is manifested in a range and abundance of vibrant community events; in participating in and working to advance Indigenous reconciliation; in pursuing opportunities to engage diverse groups together in community development and volunteerism; and in corporate and government leaders who both reflect and champion diversity within their organizations and communities. Diversity and inclusion are achieved through reducing barriers to education and systemic inequality, and through intentional practices among employers to remove bias and to achieve greater balance in our workforces and at all positions. This works to unlock the potential of marginalized groups, allowing underrepresented individuals to thrive. At the same time, diversity—in opinion, background, age, identity, gender and orientation—fosters new ways of thinking and, inevitably, ignites innovation and growth within the province.

- **A rich quality of life**

As COVID-19 has exposed, more workers are no longer bound by employers' location. Their choice for where to build a life is based increasingly on what a given location has to offer. It is an opportune time for Alberta to capitalize on its existing assets—expansive green spaces, lifestyle of outdoor adventure and globally recognized beauty. The province's physical infrastructure and its implicit values also play a key role in the quality of life it can provide; sidewalks and bike lanes, accessibility and sustainability of public transit and efficiencies of home design are all important factors in Alberta's ability to provide the best quality of life to the youngest generation and to entice potential Albertans to move to the province.

- **Security**

Alberta is a place that supports individuals when they need it most; it provides excellent mental and physical health care and works with individuals and families to ensure their basic needs are met. It also limits barriers to workforce participation by ensuring quality and affordability of childcare, and simplicity and accessibility of government programs and supports. Many Albertans lack security of housing, food and access to the internet—things some Albertans may take for granted. These insecurities can be addressed through identifying and addressing the root causes of mental health issues, addictions and poverty.



### **Pillar 3—Sustainable and responsible natural resource development**

Every place on earth was endowed with gifts and resources. Alberta’s natural resources have driven our prosperity and economic growth for more than 150 years, and we are proud of our resource base and what it has provided. Whether it is food, fuel or wood, Alberta is recognized as one of the world’s most responsible producers of energy, agriculture and forest products. North American and global consumers increasingly rely on Alberta for the natural resources that enable life and drive prosperity—and Alberta will continue to play that role for decades to come. At the same time, Alberta embraces the opportunity to be a leader in global environmental ambitions through policy, innovation and solutions. We can make a meaningful contribution to achieving Canada’s net zero emissions targets in a way that leverages the strength of our resource base, attracts investment and contributes to shared prosperity.

*Fundamental elements of this include:*

- **Technology-driven resource development**

Alberta’s resource industries are technology leaders. They embrace cutting-edge innovations, designs and solutions to increase productivity, lower their environmental footprint, attract investment and increase their share of the global export market. Our resource producers are recognized in Alberta and across Canada as being the country’s leading developers and adopters of technology. Through their innovations and continued commitment to improved ESG performance, they will attract the best and brightest from around the world to the province to contribute to reliable and sustainable resource development that can provide food, energy and products to the world and contribute to global environmental ambitions. The leading efforts of groups like the Canadian Oil Sands Innovation Alliance (COSIA) are paving the way for great progress.

- **Clean resource innovation**

Alberta is home to some of the world’s most significant reserves of hydrocarbons, arable land and productive forest. These continue to enable people around the world to be nourished, mobile and warm and to power their lives. These resources are parts of everyday products from phones, cars, computers and bicycles. Alberta’s companies, foresters, ranchers and farmers recognize the need to reduce the amount and intensity of emissions they produce and are committing to contributing to national targets. Leading initiatives such as the Clean Resource Innovation Network (CRIN) and programs through Alberta Innovates that enable natural resource activities to reduce their emissions should be accelerated—consider the use of co-generation, renewables, hydrogen, biofuels or more efficient and cleaner machinery and equipment—and initiatives such as reforestation can help to create greater carbon sinks.



- **ESG leadership**

In all our resource development activities, Alberta is recognized as a global leader in terms of environmental, social and governance criteria. Not only are we at the forefront of lowering emissions but our province serves as a model for Indigenous engagement and economic participation in resource development. Alberta's resource products make the world a better place. Not only are our resources sustainably developed and globally competitive, but our food, forest, energy and mineral products have an unwavering reputation for quality. Alberta can feed the world, fuel the world and build the world.

- **Investment in ambitious infrastructure and new technologies to lower GHGs**

Tax incentives and financing should be made available for investments that reduce GHG emissions, such as bitumen beyond combustion, Carbon Capture and Storage (CCUS), carbon trunk lines and natural gas infrastructure projects to deliver gas or LNG to northern communities. Projects with the biggest impact on emissions reduction, employment and government revenue should be prioritized.

- **Support and regulatory reform for outcome-based clean R&D**

In coordination with the federal government, Alberta should provide broad-based and sustained financial support to businesses that can be a part of the solution, through the entire innovation continuum: early innovation, testing, commercialization and scaling. Additionally, the tax and regulatory system should be reviewed and revised to enable innovation, experimentation, technology development and scale-up without limiting progress or ingenuity by prescribing specific technologies, products or outcomes.

- **Collaboration with experts and business on bold, innovative redesign to reduce GHG emissions**

Foster collaboration between researchers, business and government to commercialize Canadian innovation. This same collaboration should be used for long-term, large-impact projects. This means continuing to work with local businesses and universities to identify opportunities for innovative redesign. Examples include partnering with construction and real estate in transforming homes, buildings and neighborhoods to be low carbon or net zero; partnering with agriculture and forestry sectors in optimizing Alberta's natural assets for carbon sinks such as through reforestation; partnering with the tech community to use data analytics to identify process efficiencies; and partnering with scientists and researchers on the quantification, verification and authentication of carbon offsets to build a robust offset market.



## **Appendix**

### **Measuring Success**

Our vision of a prosperous Alberta is broad and inclusive, comprising business, economic, social and environmental success measures. Implementation of our policy framework will put Alberta on the path to achieving the following success metrics, which are trackable through data available from Statistics Canada unless otherwise specified:

#### **1. Economic Prosperity**

- **Economic Growth:** The Alberta economy is thriving. Not only does the province lead growth across Canada, but we see a consistent increase in GDP per capita—the most common indicator of economic prosperity. GDP per capita is closely tied to jobs, incomes, security and government revenues.
  - **Potential metric:** Real GDP per capita
- **Productivity.** Productivity is about doing more with less: less effort, fewer inputs, fewer hours and less waste. Higher productivity allows Albertans to command higher wages, businesses to compete anywhere in the world and investment to flow to the province. It is the single most important determinant of long-term prosperity.
  - **Potential metric:** Labour productivity as measured by real GDP per hour worked
- **Fiscal Sustainability.** The provincial government provides high-quality services at competitive levels of taxation. Revenues are less volatile than in the past and less dependent on resource royalties. The province has returned to a balanced budget, the debt is shrinking, and the Heritage Fund is growing.
  - **Potential metric:** Provincial fiscal balance, declining debt to GDP ratio, lower reliance on resource revenues (Government of Alberta data), stability of provincial revenues
- **Innovation.** The creation of new intellectual property, new products and new processes is the cornerstone of future economic success. Innovation breeds productivity and competitiveness. A vibrant tech and digital community is central to making all Alberta businesses prosper.
  - **Potential metric:** Gross domestic expenditures by Alberta businesses on R&D, patents issued
- **Resource Exports.** Alberta is recognized as one of the world’s most responsible producers of energy, agriculture and forest products, enabling life and prosperity for consumers across the globe. Alberta produces and exports more resources to the world to meet its increasing need for natural resources.
  - **Potential metric:** Real value of Alberta’s natural resource exports



## **2. Social and Environmental Prosperity**

- **Employment.** Access to employment is a critical measure of prosperity and economic participation. Low unemployment across gender and age groups suggests that all Albertans have opportunities for growth and that their skills are in demand.
  - **Potential metric:** Alberta unemployment rate across gender, age and other demographics
- **Poverty.** Root causes of poverty are wholly addressed, including mental health issues, addiction, lack of access to quality education or job training and barriers to entering the workforce such as affordable childcare. This ensures all Albertans have security of the necessities to survive and thrive.
  - **Potential metric:** Alberta's official poverty rate across age, gender and other demographic categories
- **Community Belonging.** True prosperity comes from a sense of family, close friendships and feeling valued by others. Community gives us strength and encouragement. They are what we live for.
  - **Potential metrics:** Statistics Canada survey information on sense of belonging; life satisfaction
- **Emissions reduction.** Alberta is a global leader in lowering GHG emissions. Through ambitious investments in infrastructure and technologies, support of the innovation continuum and innovative redesign, Alberta makes a significant contribution to Canada achieving its net zero target. It amplifies this impact globally through export of proven solutions and technologies.
  - **Potential metric:** Alberta's GHG emissions and emissions intensity (Canada's annual GHG Inventory report)