

# **Alberta's Public Sector: Challenges and Potential**

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In the past few years, Alberta's economy has evolved through multiple changes in government and the global COVID-19 pandemic. Since the election of the United Conservative government under Premier Jason Kenney in 2019, the public sector has had to adapt to immense challenges, notably budget and job cutbacks, privatization and contracting-out. In Alberta, the public sector encompasses government-controlled services and enterprises, including healthcare, K-12 education, post-secondary institutions, and other public services, including meat inspection and social work.<sup>1</sup> Alberta's public sector contains more than 230 000 unionized employees, with the Alberta Union of Provincial Employees (AUPE) representing many of these public sector workers and advocating for worker rights and improved working conditions.<sup>2</sup> Public sector services have proven essential to the lives of many Albertans, providing families with their basic needs and students with the fundamental knowledge to drive them to flourish. Therefore, with the cutbacks, privatization and contracting-out issued by the United Conservative government over the past four years, thousands of public sector workers have been forced to adapt to overcome the obstacles. And they will continue to suffer if the challenges do not stop. With this in mind, it is also pertinent to explore the areas of society most benefited by public sectors, as compared to private sectors, and vice versa.

### **Challenges Facing Education**

One of the most notable cutbacks in the public sector by Jason Kenney's United Conservative government is the cutbacks to both K-12 education and post-secondary institutions. With education being essential to the development of the province's future leaders and workforce, cutbacks can have immense effects for years to come.

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<sup>1</sup> Alberta.ca, n.d. "Government-funded public sector bargaining." Accessed July 5, 2022. <https://www.alberta.ca/government-funded-public-sector-bargaining.aspx>.

<sup>2</sup> Ibid.

For example, many post-secondary institutions, such as the University of Alberta, the University of Calgary, and the University of Lethbridge, have faced massive cutbacks in recent years. This is as the United Conservative government aims to increase the percentage of own-source revenue post-secondary institutions use to cover operating costs. These cutbacks have been further justified by the former Minister of Finance, Travis Toews as finding more cost-efficient adjustments for Alberta.<sup>3</sup> Between 2019 and 2021, the University of Calgary's budget was reduced by 18 percent, with 2021 marking the third consecutive year of funding cuts.<sup>4</sup> These cutbacks have forced the university to reduce 600 staff positions, freeze management and professional service wages, and increase student tuition, among many other measures to reduce costs.<sup>5</sup> This has also driven displeasure from many students, including hundreds who protested in Calgary as part of the Hands Off Our Education rally.<sup>6</sup> The rally organizer and University of Calgary student, Frank Finley, asserted the government was "trying to balance the budget on the backs of students," pointing to the cuts.<sup>7</sup> Moreover, according to AUPE, these budget cuts have affected the lowest-paid and most vulnerable workers disproportionately.<sup>8</sup> Justin Huseby, president of AUPE Local 052 commented that "the new shifts make it hard for caretakers to do their work".<sup>9</sup> This is as some working conditions have changed, including increases in the amount of work for each employee and the elimination of an overnight premium.<sup>10</sup>

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<sup>3</sup> Pearson, Heide. 2021. "Alberta budget 2021: Alberta universities eyeing tuition hikes, campus changes as funding model evolves." Global News. <https://globalnews.ca/news/7664094/alberta-budget-2021-post-secondary-impacts/>.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> MacVicar, Adam. 2019. "Students protest cuts to post-secondary education in Alberta budget" Global News. <https://globalnews.ca/news/6237204/students-protest-cuts-to-post-secondary-education-in-alberta-budget/>.

<sup>7</sup> Ibid.

<sup>8</sup> Williams, Radana. 2022. "'Hypocritical and shameful': AUPE says U of C unfairly targeting 'vulnerable workers'." Global News. <https://globalnews.ca/news/8690622/hypocritical-and-shameful-aupe-says-u-of-c-unfairly-targeting-vulnerable-workers/>.

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

Likewise, K-12 education has seen immense cutbacks, with 20 000 educational assistants, support staff, and bus drivers getting laid off during the pandemic.<sup>11</sup> This change occurred despite the continued need for support staff, hindering the quality of education for many special needs students.<sup>12</sup> Also justified by the United Conservative government as being more cost-effective, the change sparked great concern from parents, teachers and school boards across the province.<sup>13</sup>

All in all, the cutbacks for education – for both post-secondary institutions and K-12 education – in recent years have caused immense obstacles for both students and staff.

### **Challenges Facing Healthcare**

Similar to education, healthcare has also faced growing challenges in recent years. Even before getting elected in 2019, the United Conservative Party had some indications of cutbacks, privatizing, and contracting-out healthcare. During his campaign, Jason Kenney committed to only maintaining or increasing public health spending in Alberta, but also alluded to the exploration of private methods of delivery for some healthcare procedures. This was with the justification that privatization would lead to more consumer choice and “help get better results at lower costs”.<sup>14</sup> Despite his assurance, many Albertans were still worried a spending freeze would nonetheless hurt the healthcare system. Previous Minister of Health, Sarah Hoffman argued “if you freeze the budget and you have increased demands, that means everyone else is doing less and will have less”, predicting the potential challenges for Albertans after the United Conservative Party came into power.

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<sup>11</sup> Omstead, Jordan. 2020. “Alberta education cut expected to lay off thousands during pandemic.” CBC. <https://www.cbc.ca/news/canada/edmonton/funding-reduction-alberta-k-12-covid-1.5513803>.

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> Leavitt, Kieran. 2019. “Jason Kenney promises to ‘maintain or increase’ public health spending, review Alberta Health Services.” Star Edmonton. <https://www.thestar.com/edmonton/2019/02/20/jason-kenney-promises-to-maintain-or-increase-public-health-spending-review-alberta-health-services.html>.

Moreover, throughout his election campaign, Jason Kenney maintained that privatizing surgeries would reduce their long wait times and backlogs, particularly for hip replacement and cataract surgeries.<sup>15</sup> The wait times for these surgeries can be life-changing for individuals and reasonably short wait times are essential for individuals to get back to their normal lives and maintain an excellent quality of life. While Alberta previously had 15 percent of surgeries done through the private sector, Kenney aimed to double this to 30 percent with his government's Alberta Surgical Initiative.<sup>16</sup> Introduced in 2019 upon being elected, but set back by the disruptions of the pandemic, Kenney later confirmed that the provincial government would be moving forward with it, in early 2022.<sup>17</sup> Furthermore, the Alberta government recently proposed Bill 30, a bill that aimed at getting more surgeries done by accelerating approvals of private clinics, marking another step towards the privatization of healthcare.<sup>18</sup> These measures, as well as several other proposed ones, have sparked intense criticism from Albertans. For Dr. Luanne Metz, a Calgarian doctor, her concern with the potential privatization triggered her to initiate the Protect Our Health Care campaign.<sup>19</sup> The campaign has been backed by dozens of Alberta physicians, with Dr. Metz arguing that because of the finite number of healthcare providers in the province, "some of the providers move into the private system and you have fewer people to serve the public."<sup>20</sup> That is, contrary to the United Conservative government's claims, privatization would therefore cause wait times to increase for the majority of Albertans. While the implications on surgery wait times and healthcare quality have yet to be seen, a similar surgery privatization initiative in 2010 in Saskatchewan saw wait times only drop temporarily, before

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<sup>15</sup> Ibid.

<sup>16</sup> Herring, Jason. 2022. "Health-care advocates worry wave of privatization incoming in Budget 2022." *Calgary Herald*. <https://calgaryherald.com/news/politics/public-health-advocates-worry-wave-of-privatization-incoming-in-budget-2022>.

<sup>17</sup> Ibid.

<sup>18</sup> Knight, Demi. 2020. "Alberta health-care advocates warn more private surgeries could drive up costs." *Global News*. <https://globalnews.ca/news/7149695/alberta-government-private-clinics-shandro/>.

<sup>19</sup> Kury de Castillo, Carolyn. 2020. "Calgary doctors fight back against concerns over privatizing health care in Alberta." *Global News*. <https://globalnews.ca/news/7394455/calgary-doctors-fight-back-alberta-health-care/>.

<sup>20</sup> Ibid.

increasing again, indeed supporting Dr. Metz's concerns.<sup>21</sup> Similarly, Lorian Hardcastle, an associate professor at the University of Calgary's Cumming School of Medicine fears that these measures will culminate in increased wealth disparity, "where people are accessing care on the basis of their ability to pay".<sup>22</sup> This is because, in a private healthcare system, wealthy individuals are capable of accessing short wait times at the expense of the wait times of poorer individuals. Therefore, the provincial government's plans to privatize more surgeries have caused immense concerns and fear from across Alberta. Likely, there will only be more concerns and fear from Albertans as the United Conservative government's campaign for privatization continues.

Under Premier Jason Kenney's leadership, the provincial government has further reduced the size of the public sector through the layoff of in-house laundry workers at Alberta hospitals earlier in 2022.<sup>23</sup> Public laundry workers play an essential role in the cleanliness of gowns and beddings and ensure Albertans can enjoy high-quality healthcare services. This job cutback, affecting 334 of these employees, is the first of 11 000 healthcare jobs – including jobs in nutrition and food services, environmental services, and long-term care – the United Conservative government plans to cut or privatize in the next few years.<sup>24</sup> The provincial government seeks to contract out these laundry services to K-Bro Linen Services, with Alberta Health Services spokesperson Kerry Williamson asserting that the province would save money from this change, although he was unable to provide a specific figure.<sup>25</sup> Williamson has further justified the layoffs as being able to "enable a sustained,

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<sup>21</sup> Amato, Sean. 2022. "Kenney's private surgery principle has already failed in Saskatchewan: policy expert." CTV News Edmonton. <https://edmonton.ctvnews.ca/kenney-s-private-surgery-principle-has-already-failed-in-saskatchewan-policy-expert-1.5793322>.

<sup>22</sup> Knight, Demi. 2020. "Alberta health-care advocates warn more private surgeries could drive up costs."

<sup>23</sup> Beamish, Laura. 2022. "AHS axes frontline health-care positions to privatize laundry and other hospital jobs." Edmonton Journal. <https://edmontonjournal.com/news/local-news/ahs-axes-frontline-health-care-positions-to-privatize-laundry-and-other-hospital-jobs>.

<sup>24</sup> Ibid.

<sup>25</sup> French, Janet. 2021. "Alberta hospital laundry job cuts to begin in September as work outsourced." CBC. <https://www.cbc.ca/news/canada/edmonton/alberta-hospital-laundry-job-cuts-to-begin-in-september-as-work-out-sourced-1.6118553>.

high-quality, service while eliminating the significant risk that [Alberta's] current outdated linen infrastructure poses.”<sup>26</sup> Nevertheless, as the K-Bro Linen Services currently ships local laundry to a large processing plant, this initiative particularly threatens the quality of life for rural families.<sup>27</sup> A vice president of the AUPE, Darren Graham criticized the action, stating that the contracting-out is “an assault on Alberta’s rural communities, where good jobs are hard to find.”<sup>28</sup> Indeed, layoffs have already occurred in the smaller communities of Red Deer, Ponoka, Lethbridge, and Medicine Hat and workers have struggled to find jobs with the same benefits and conditions as they had held in the public sector.<sup>29</sup> Therefore, the United Conservative government’s contracting-out of laundry workers has had detrimental effects on many Albertans.

With healthcare workers in the public sector already experiencing the strain of the COVID-19 pandemic – such as high physical risk, financial hardship and burnout, – the cutbacks, privatization, and contracting-out of Alberta’s healthcare system imposed by the United Conservative government have only worsened the situation. Since healthcare is vital to each Albertan, the provincial government’s measures in the past few years have majorly harmed their quality of life.

### **Challenges Facing Other Areas**

Apart from the more notable areas of education and healthcare, Alberta’s public sector is also made up of various other services, such as correctional officers, meat inspectors, social workers and consumer protection jobs.<sup>30</sup> These jobs have similarly experienced challenging cutbacks, privatization and contracting-out in the past few years. Similar to cutbacks of the

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<sup>26</sup> Beamish, Laura. 2022. “AHS axes frontline health-care positions to privatize laundry and other hospital jobs.”

<sup>27</sup> AUPE. 2020a. “AHS’s plan to privatize laundry will hurt workers and patients.” Accessed July 14, 2022. <https://www.aupe.org/news/news-and-updates/ahss-plan-privatize-laundry-will-hurt-workers-and-patients>.

<sup>28</sup> Ibid.

<sup>29</sup> Beamish, Laura. 2022. “AHS axes frontline health-care positions to privatize laundry and other hospital jobs.”

<sup>30</sup> Alberta.ca, n.d. “Government-funded public sector bargaining.”

previously mentioned laundry workers, the United Conservative government also has plans to privatize in-house environmental services, to save Alberta money.<sup>31</sup> This has also been used to justify 2022 budget cutbacks in the environmental area, with fish and wildlife experiencing a \$5.5 million decrease in funding and environmental science and monitoring with a \$110 000 cut.<sup>32</sup> These changes will likely cause a decrease in the quality of these environmental services in the coming years.<sup>33</sup> Moreover, soon after being elected as premier, Jason Kenney announced a freeze on funding for new supervised consumption sites, despite their growing need.<sup>34</sup> This was justified by his claims that the consumption sites were not effective and had a poor impact on the vicinity of the sites, ignoring the efficacy the sites had on reducing overdose deaths of vulnerable individuals.<sup>35</sup> Similar to the education and healthcare areas, each of these challenges brought about by the United Conservative government in recent years has been met by criticism from Albertans and will likely have detrimental effects on the overall quality of life.

### **Public vs. Private Sector**

Numerous areas of our modern society – such as the aforementioned healthcare and education areas – are vital to most, if not all individuals, contributing to each individual's development and the overall health of the nation. For these areas, it is necessary to have them served by a strong public sector because the government can regulate quality and ensure that each individual has equal access to these services, regardless of their ability to pay. In contrast to the public sector, the private sector – composed of individual businesses– is not

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<sup>31</sup> AUPE, 2020b, "Environmental Services: What Happens After Privatization?" Accessed July 15, 2022. <https://www.aupe.org/news/news-and-updates/environmental-services-what-happens-after-privatization>.

<sup>32</sup> Boothby, Lauren. 2022. "Alberta Budget: Funding returned to emissions reduction while other environmental programs get cut." Edmonton Journal. <https://edmontonjournal.com/news/politics/alberta-budget-emissions-reduction-sees-funding-boost-while-other-environmental-programs-get-cut>.

<sup>33</sup> AUPE, 2020b, "Environmental Services: What Happens After Privatization?"

<sup>34</sup> Perrin, Benjamin. 2020. "Alberta's war against safe injection sites." Maclean's. <https://www.macleans.ca/opinion/albertas-war-against-safe-injection-sites/>

<sup>35</sup> Ibid.



controlled by the government and is thus motivated by profit. This has its implications, as it creates a market-oriented around supply and demand and creates competition between multiple businesses. This offers more choice for consumers, while also allowing businesses to control their workers' wages and the prices of their products. Overall, the efficacy and impact on the general quality of life of individuals for each sector have varied between the diverse areas of society.

A great example of the public sector's importance for some areas is education in Alberta, which is mostly in the public sector, ensuring regulation and reducing social inequalities. Under the Education Act, Canadian citizens and permanent residents between the ages of 6 and 19 are allowed access to education.<sup>36</sup> A public education system further allows the provincial government to standardize practices across the province and regulate the quality of educational services. With universal access to high-quality education, most children, regardless of their circumstances, can gain the basic skills necessary to integrate into the workforce and contribute to the economy.<sup>37</sup> This allows individual students to have the equal opportunity to change their social conditions and will ultimately lead to greater economic prosperity for Alberta and Canada. Moreover, for a nation to have good general health and ultimately, a healthy workforce to contribute to economic prosperity, public healthcare is key. Health conditions are often out of an individual's direct control – that is, while one can change their habits to increase or decrease risks of injuries and conditions, they ultimately cannot control them, regardless of wealth or income. With each individual having an equitable chance of experiencing health conditions, they should therefore have an equitable chance of seeking treatment and healing. However, many countries around the world, including the United States, do not have universal public healthcare programs, leaving many individuals to pay out of pocket for expensive treatment or to turn to private insurance.

<sup>36</sup> Alberta.ca, n.d. "Education rights," Accessed July 14, 2022. <https://www.alberta.ca/education-rights.aspx>

<sup>37</sup> De Gooijer, Bert and Huber, Larry. 2017. "The importance of public education to Canadian society." Regina Leader Post. <https://leaderpost.com/opinion/columnists/the-importance-of-public-education-to-canadian-society>.

In some cases, such as that of Jeni Rae Peters, a single mother who battled breast cancer, the healthcare system leaves them in massive debt and makes it difficult to support their family.<sup>38</sup> According to the Kaiser Family Foundation, 62 percent of Americans surveyed skipped or delayed medical care due to cost and patients from racial minorities were more likely to experience financial hardships due to healthcare.<sup>39</sup> Therefore, to ensure that each individual can access the high-quality care they require, government intervention is vital.

Nevertheless, the majority of goods and services in our society are not as suited to the public sector as education and healthcare, as they are not immediately “essential”. Generally, this includes services in areas such as agriculture, energy, technology, and food, among numerous others. In the private sector, businesses are privately-owned, giving individuals authority and freedom to make decisions. In our modern liberal society, competition within the private sector drives innovation and ultimately, economic prosperity. This can be seen in Alberta, as businesses have started to develop various projects, such as Bitumen Beyond Combustion and E3 Metals’ Lithium project, in response to the global demand for clean technology.<sup>40</sup> Alluding to the private sector, Doug Schweitzer, the Minister of Jobs, Economy and Innovation, has stated “Alberta has an opportunity to build supply chains and be a big part of [the] future economy [of clean technology].”<sup>41</sup> Similar innovation has occurred in other areas of the economy. Due to the private sector, Alberta’s economy has prospered and diversified, giving consumers more choices. This is as individual businesses develop higher quality products and services to appeal to consumers’ demand, striving to increase their profits. In the private sector, success depends on consumer satisfaction and therefore, many

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<sup>38</sup> Levey, Noam. 2022. “She was already battling cancer. Then she had to fight the bill collectors.” NPR. <https://www.npr.org/sections/health-shots/2022/07/09/1110370391/cost-cancer-treatment-medical-debt>.

<sup>39</sup> Ibid.

<sup>40</sup> Schweitzer, Doug. 2021. “Alberta’s Growing Innovation Ecosystem.” TheFutureEconomy.ca. <https://thefutureeconomy.ca/interviews/albertas-growing-innovation-ecosystem/>.

<sup>41</sup> Ibid.

of Alberta's businesses have prospered throughout history and will continue to do so in the future.

With this in mind, it is clear that a balance between the public and private sectors in Alberta is key to the province's economic prosperity. In our society, the public sector best serves essential services, such as healthcare and education, as government intervention ensures the strict regulation and universal access necessary for the general health of our society. In contrast, the private sector best serves the majority of other services in Alberta, with supply and demand naturally driving innovation and providing choice for Albertans, ultimately creating economic growth and contributing to Alberta's role in the global economy. Together, both contribute greatly to Alberta's general health and economic situation.

## **Conclusion**

Alberta's economy has changed dramatically over history, with shifts in both the private sector and public sector and will continue to change into the future. For the public sector, the government is essential to ensuring high-quality services including education, healthcare, and various other services. Therefore, when the United Conservative government has brought about cutbacks, privatization and contracting-out in the past few years, the public sector has suffered. When the public sector is taken with the private sector, it is clear how vital both are to the general health of the population, as well as for driving economic prosperity. Only when the two sectors are taken together can Alberta have a thriving economy and a high quality of life for the general population, for years to come.

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