

Canada's Oilsands: Light at the end of the pipeline¹ **Donna Kennedy-Glans²**

This industry is killing us; the tar is clogging up our systems and causing cancer. Greedy companies are deliberately understating the negative impacts. They act like they care but they are just wolves dressed in sheep's clothing.

It's a cash cow and nobody has the guts to shut it down! Lobbyists earn millions to keep this industry alive. Governments are addicted to the tax revenues.

Look at the migrants this industry attracts, and the negative consequences for our local communities—illegal drugs, prostitution, biker gangs—we've become a magnet for criminals.

For those of you directly involved in Canada's Oilsands—*municipal, provincial and federal politicians and regulators; local and international energy companies (including head-office management teams, operational personnel, contractors, supply chains and investors); and citizens residing in host communities*—these headlines will sound all too familiar.

Yet these headlines are not directed at the Canadian Oilsands. These are the censures I heard on a daily basis growing up on our family's tobacco farm near Tillsonburg, Ontario. As Stompin' Tom Connors croons, "*Tillsonburg. My back still aches when I hear that word.*"

When my parents purchased our first television set in the early 1960's, we were mesmerized by the chain-smoking movie stars dancing across our tiny black and white screen. Remember when images of John Wayne, cigarette in hand, symbolized virility and Joan Crawford lighting a cigarette was the epitome of elegance? What guy didn't want to be the Marlboro Man? Tobacco was an accepted part of our culture. For generations, Aboriginal communities treated tobacco as sacred. Packets of cigarettes were even included in soldiers' rations during World War I and World War II, and handed out to Holocaust survivors after their liberation.

The cultivation of tobacco in Canada began in the 1950s, and until the mid-80s, it was a respectable family farming operation. Today, tobacco is still a "legal" crop in Canada. Yet many Canadian tobacco growers have sold their quota and experiment with other crops—vegetables, ginseng and tofu beans. Acts of redemption? Perhaps, but mostly acts of survival. As part of the tobacco supply chain, my family still feels the sting of society's condemnation of tobacco;

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we are conflicted about our role in an industry that causes cancer. Public furor over the perceived greed and dishonesty of villainous tobacco manufacturing companies—profiled in box-office movies like *Thank You for Smoking*—directly impacts the lives of tobacco producers and the wider communities where they live. There is no rational way to put Big Tobacco, cancer victims and tobacco producers into separate boxes.

For the last 25 years, I've worked in the international energy sector, a place where I've seen people try to compartmentalize their work life, their personal life, and their spiritual life. These same people claim that in a project—even an oilsands project—they can put government in a box, impacted citizens in a box, and corporate investors in another box. Compartmentalization is tempting. But our seemingly watertight compartments have long been flooded. When you work as an employee with a government agency, or work along a corporate supply chain, you are connected to that industry and to its impacts on society. When you make decisions about integrity, inside a boardroom or at your family dinner table, your decisions are influenced by your values as a whole person.

We all belong to many communities – work teams, professional associations, families, faith groups, sports clubs. Which community are you a part of when you make a business decision involving oilsands operations within the Regional Municipality of Wood Buffalo? And, would the other communities to which you belong approve? *Citizenship requires that we move into a sphere of shared concerns.* At a recent conference hosted in Calgary by a faith-based organization to encourage dialogue across a spectrum of points of view (ranging from environmentalists, who want a moratorium on Oilsands development, to retired engineers with multinational energy companies who see corporations are part of the solution), I was encouraged by the words of one participant: “The questions we’re all asking are the same...there is just a different tone to the asking.”

When issues get heated, our natural human instinct is to polarize; to see the world in black and white and mark *others*—people with a different point of view or coming from a different sector—the foe. As a young girl coming of age during the demise of the Canadian tobacco industry, I can still vividly recall the feeling of being deserted by multinational corporations and local governments, and condemned by advocates and even our neighbours. In response to stiffer government regulation and taxation—and demonization by advocacy groups—international tobacco manufacturing companies packed up and left Canada. For tobacco producers, these decisions were illogical. Tobacco grown in Canada has the lowest tar and nicotine content of any tobacco in the world; our environmental regulations and labour standards are some of the strictest in the world. Yet Canadian smokers now purchase cigarettes manufactured by international companies using tobacco leaves imported from somewhere else in the world—often from countries where the rights of workers and protection of the environment are not priorities. I use the analogy of tobacco because of personal experience; certainly I'm not trying to compare oil to tobacco—it is hard to see much moral good in tobacco especially when compared to the value of oil in heating your home or making heart valves.

In the face of these dilemmas, many tobacco producers saw *power* as resting largely in the hands of government and the big manufacturers. By assuming power was in someone else's control, we enabled a culture of blame and a sense of helplessness. Tobacco producers struggled to identify a "*villain*" to blame, and a "*hero*" to save us. Looking back, it is easier now to see that there was no single organization or individual responsible for this outcome, and there was no single organization or individual who could "*save*" the industry, either. *The good, like the bad, doesn't happen with one visionary sword carrier, it comes when a whole group of engaged individuals and organizations begin to agree to do something differently.* I believe we would have been more effective if we had recognized that power also resided in our *relationships with others.*

The oilsands sector in Canada is at a crossroads. Many of you in leadership roles in the public and private sectors—and in your community—are under pressure to make the "*right*" decision. People are looking to you for decisiveness and direction. What strategies can you choose to move forward in ways that respond to the complexity of the issues you face, and at the same time do not leave others with the impression that their voice doesn't matter? How can you act according to your convictions without leaving the impression you think others are "*wrong*" because you are "*right*"?

Here are some ideas you may choose to consider:

Accept that dilemmas are inevitable in this sector, especially at this time. Quantifying, with absolute certainty, the positive and negative impacts of oilsands development in Canada is impossible. We need more science, we need more testing and we need more facts. While public opinion is in flux, it is predictable that regulatory systems providing oversight and governance in the sector will not exactly mirror public opinion. When you are facing dilemmas, there often is no obvious "*right*" action. If you shut down the oilsands in response to critics' ultimatums or for the sake of political correctness, North American consumers will not reduce their own reliance on hydrocarbons; they will just purchase more oil from the Middle East, Africa, Venezuela (and even California heavy) that is no better and in some cases worse for the environment than Canadian synthetic. And, the Canadian economy will be devastated.

In the face of dilemmas, some people focus their energy on perpetuating the polarities. This polarized positioning—which nearly always garners power—is often done at the expense of the issue itself. Climate change is a perfect example of this. Science could—and should—attend to research on whether or not climate change is happening in the normal course of study, since, of course, that's what scientists do. And the research outcomes will be observed with great interest by all of us going about in this world. But it is simply not necessary to prove or disprove this theory in order to take action.³ We all know the status quo isn't sustainable—we don't have infinite water resources, energy intensity and cost effectiveness in the sector must be enhanced, and negative social and environmental impacts need to be better understood and managed.

³ For clarity, this observation is not intended to endorse the precautionary principle.

Innovation needs to be accelerated, not bogged down. Steam Assisted Gravity Drainage technology (“SAGD”) was innovated by Roger Butler⁴ in the 1970’s, and it wasn’t until the mid to late 1990’s that the industry recognized its potential in the Athabasca region. We have to shorten up timelines between innovation and application, whether we are enhancing technology or figuring out better ways to respond to social priorities in host communities.

Accept that the issues you are dealing with are complex. Of course, you care. But making headway through complex issues can be daunting. Bill Gates’ wisdom to Harvard’s 2007 graduating class resonates: “*The barrier to change is not too little caring; it is too much complexity.*”

Simple is following a recipe to bake a cake. Anyone can follow the steps; and you have a measurable result—a yummy cake or a flop—in a short period of time.

Complicated is sending a rocket to the moon. You set your long term vision; secure funding; break the longer term objective down into bite-size project steps; engage engineers and scientists; and step by sequential step achieve this momentous target.

*Complex*⁵ is raising a child. There is no one way to do it. Each step has multiple effects which feed back and influence the next step or decision. What is most important is asking the *right questions*—rather than prescribing the right answer—and establishing *resilient relationships* that can withstand bumps in the road.

In your organization or community, what questions are you asking?⁶ And, what relationships do you need to strengthen?

In Fort McMurray, the recent survey coordinated by the Fort McMurray Chamber of Commerce—my **COMMUNITY** my **VOICE**—will undoubtedly build on other community surveys to demonstrate that local citizens have key questions to ask about how the Wood Buffalo region prioritizes spending on services and social programs, especially as corporate donations decline and governments cut funding. Charities responding to social services, development, housing, health, recreation, and environmental needs in Fort McMurray have historically been

⁴For more details on Roger Butler’s SAGD discovery, read Alberta Oil Magazine’s April 01, 2006 article, *An interview with Roger Butler*

⁵ For more on complexity, see *Getting to Maybe* by authors Frances Westley, Brenda Zimmerman and Michael Patton (Random House, 2006) and *Gentle Action* by quantum physicist, F. David Peat (Pari Publishing, 2008).

⁶ Framing of the “right questions” is important. For example, during the 2007 U.S. Democratic Presidential debate, CNN’s Wolf Blitzer was hosting a debate. Blitzer asked: “I want you to raise your hand if you believe English should be the official language of the United States.” Barack Obama refused this framing of the question, and stepped forward and said: “This is the kind of question that is designed precisely to divide us. You know, you’re right. Everybody is going to learn to speak English if they live in this country. The issue is not whether or not future generations of immigrants are going to learn English. The question is: how can we come up with both a legal, sensible immigration policy? And when we get distracted by those kinds of questions, I think we do a disservice to the American people.” See George Lakoff’s book, *The Political Mind* (Penguin Books 2008, 2009), page 153.

funded by companies invested in intensive oilsands operations. In October 2009, the Calgary Chamber of Voluntary Organizations reported: “More than 70% of Fort McMurray and area [voluntary organizations and charities] reported decreases in corporate support.” Government cuts and decreased revenues have exacerbated this situation. Everyone knows that the voluntary sector will be hard-pressed to fill the gaps.

People who ordinarily do surveys in this community may well have watched the launch of this my **COMMUNITY** my **VOICE** survey with some trepidation, even seeing it as a possible infringement on their mandate. But, the Chamber agreed from the outset to share respondents’ answers. This collaboration will help everyone who wants to know more about critical questions, like: *“What services are most important to citizens in the Regional Municipality of Wood Buffalo, and where do citizens want tax dollars spent? And, who speaks for the community?”* Over 1400 residents participated in the survey, online or via face-to-face discussions, representing a wide and diverse cross-section of the community. Sorting out who *really* speaks for citizens in a community is not easy. “Public participation” and “stakeholder engagement” have become code words for legitimization of unwelcome projects. The Chamber’s capacity and will to conduct an independent and inclusive survey of local citizens in the Wood Buffalo region is in line with a growing trend of citizen-led polls, surveys, referendums, petitions and other experiments with direct democracy initiated by communities.⁷

More importantly, the survey outcomes can also be a jumping off place for rational and transparent discussion⁸ on other tough questions: *Now that we have a clearer sense of community priorities, how can we work together to design and implement cross-sectoral strategies that can really respond to these deficiencies in our local communities? And, how will we measure the progress of these strategies...not just within our individual organizations and communities, but on an integrated basis?*

Sorting out the critical questions requires collaboration with others. How do you engage with others to build resilient relationships? Rather than imposing your expectations on others, I’d encourage you to sit down with key decision-makers across all sectors, and ask:

- *Why do you care about the impacts of oilsands development for local citizens?*
- *What commitments do you make to respond to these impacts?*
- *What actions have you taken?*

⁷ For example, the European Citizens Initiatives will come into effect soon—one million E.U. citizens will be able to ask the European Commission to put forward new draft laws. Skeptics refer to this as a “ticking bomb of populism.”

⁸ Curiously, if you look at the etymological meaning of “discussion”, you will find the following meanings: “a shaking”, “strike asunder, break up”, “to shake”, “smash apart”, to “scatter, disperse”. We’re not exactly talking about polite conversation! Maybe a breaking apart of old ways of framing issues which hopefully can lead to a more constructive rebuilding.

This is a simple definition of integrity that works equally well for individual citizens, advocacy organizations, voluntary agencies, governments and companies:

Integrity = the alignment of intention + commitment + action

Start with intention. If citizens in a host community, like Fort McMurray, want to understand the intention of investors, ask these corporate managers: *What motivates your for-profit company to care about the level of services and other needs in our community?* It's important to understand *why* individual corporations—Canadian, American, European, Chinese—are investing in local communities, and why others are not. Individual investors have unique motivations. Differentiate companies and joint ventures based on those intentions. If you treat all companies the same, what's the incentive for individual companies to behave differently; to choose a strategy of going beyond compliance with laws and regulations as a way of gaining competitive advantage?

Corporate responses to the question—*what motivates your organization to care about needs in our community*—may include one or more of the following intentions:⁹

1. Minimum compliance with laws,
2. Enhancing personal or organizational reputation (locally or globally),
3. Strict compliance with rules,
4. Compliance with the letter and the spirit of laws,
5. Proactive risk management,
6. "Doing no harm",
7. Having a positive social impact during the period of investment,
8. Having a positive social impact over the life of the project and beyond, or
9. Concern for future generations.

Integrity doesn't just matter for corporate investors; it's equally important to understand what motivates governments, advocacy organizations, voluntary associations or individual citizens to respond to priorities in host communities. To negate double standards, and really have a dialogue, everyone at the table needs to come clean on motivation.

When municipal, provincial and federal elections are held, pointedly ask candidates these same questions and hold them accountable; in the interim, open up the dialogue with elected officials. In some communities, local citizens have been very successful initiating transparent dialogue with government, identifying and even attracting political candidates with aligned motivation. One example is a citizen's group called the Guelph Civic League¹⁰ set up in the small Ontario city of Guelph, not far from Tillsonburg. Rather than simply assuming a watchdog role,

⁹ See Integrity Ladder Tool introduced in *Corporate Integrity: A Toolkit for Managing beyond Compliance* (John Wiley & Sons, 2005), Kennedy-Glans and Schulz; Integrity Ladder Tool and additional information available at www.integritybridges.com

¹⁰ The website for the Guelph Civic League is <http://www.guelphcivicleague.ca>.

this small citizens' organization surveyed their neighbours—starting with a survey of ten thousand citizens— to identify a list of five values prioritized by the people living in Guelph. These survey results were shared with the community in a report entitled, “This is what your neighbours think.” When municipal elections were held, the Guelph Civic League found people willing to run on these shared values. These candidates won nine out of ten seats on the city council and voter turnout rose from 30 percent to 50 percent.¹¹

It's also critical to understand what motivates locally-based and global advocates. It's no secret that international advocacy groups—like Amnesty International—target industry majors as a way to mobilize activists. This tactic may work for global advocates but you need to ask yourself, is this strategy necessarily supporting the priorities of citizens in communities?¹² When Amazon Watch says it speaks for indigenous peoples in Peru, is their priority the protection of the indigenous peoples or the Amazonian jungle?¹³ There is tension building between environmentalists and indigenous communities. For centuries we've displaced people to save nature, suggests Mark Dowie, author of *Conservation Refugees: The Hundred-Year Conflict between Global Conservation and Native Peoples*. Some international advocates like to perpetuate the image of the evil extractive company propped up by an authoritarian government, and some journalists reinforce this narrative. Who could forget the headlines from December's Copenhagen climate summit: Villainous “tar barons” in cahoots with a “thuggish petro-state”.¹⁴ As Mark Dowie suggests, it can be daunting to flush out the real narrative:

In early 2004, a United Nations meeting was convened for the ninth year in a row to push for passage of a resolution protecting the territorial and human rights of indigenous peoples. During the meeting, one indigenous delegate rose to state that extractive industries, while still a serious threat to their welfare and cultural integrity, were no longer the main antagonist of native cultures. Their new and biggest enemy, she said, was "conservation." Later that spring, at a meeting in Vancouver, British Columbia, of the International Forum on Indigenous Mapping, all 200 delegates signed a

¹¹ The story of the Guelph Civic League is well documented on their website and is shared by Judy Rebick in her book, *Transforming Power: from the personal to the political* (Penguin Canada, 2009). In Alberta, Calgary's “Civic Camp” is an excellent example of individual citizens taking responsibility for the quality of their government.

¹² See Financial Post article by Hugh Williamson published December 30, 2009, “Time to redraw the battle lines”. In this article describing an ongoing dispute between Amnesty International and Shell, Naomi MacAuliffe, an Amnesty campaign manager, says that while the alleged rights abuses would always have been a concern, Amnesty could have picked other companies to target. Shell was chosen, among other reasons, because it has a very well-known brand that is useful in mobilizing activists.

¹³ It is also worth noting that ENGOs and human rights advocates are often assumed to be acting with good intentions. But, what happens when an advocacy organization demonizes corporate behaviours to address issues that are totally unrelated to that particular corporation's activities?

¹⁴ One of the U.K. Guardian newspaper's headline stories for November 30 2009 blared: “Canada's image lies in tatters. It is now to climate what Japan is to whaling. The tar barons have held the nation to ransom. This thuggish petro-state is today the greatest obstacle to a deal in Copenhagen.” Story by George Monbiot.

declaration stating that "conservation has become the number one threat to indigenous territories."¹⁵

Once you have an understanding of others' intentions, focus on their commitments and actions. What are the commitments, for example, of governments and corporations to: local citizens, their own employees and contractors, the environment? What are the commitments of key stakeholders—elected and appointed officials with the provincial government and the Regional Municipality of Wood Buffalo, and corporate investors—to support services prioritized in this community? And, what are the actions? Identify any performance gaps between commitments and actions, and expectation gaps between intentions and commitments.¹⁶ From what I've seen in energy projects, boots-on-the-ground in more than thirty countries, disconnects between head-office policy and operational reality can irreparably compromise organizational credibility and relationships of trust. And, I repeat, integrity isn't just an expectation of companies and government. Local communities, voluntary organizations and advocates who say they care about integrity should also be expected to demonstrate an alignment of intention, commitment and action. Any stakeholder should be encouraged to avoid over-committing and under-delivering.

*As you unpack "integrity", face-to-face at the table with other key decision-makers in the oilsands, you also need to step back from time to time to look at the story that you are creating and your role in this story. The prevailing myth of the big bad multinational company pursuing its own self-interest—with little regard to the impacts on vulnerable citizens—is one that I was spoon-fed growing up in Canada's tobacco belt. We've been working on this narrative for centuries now, assuming that in an economic exchange people and organizations are programmed to act in their own self-interest. In his most famous passage from the *Wealth of Nations*, Adam Smith wrote: "It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love..."¹⁷ We've latched on to this notion that self-interest is the only force influencing economic decision-makers. Yet we aren't just "economic beings": We belong to many communities when we make a business decision. Even Adam Smith agreed that there are many other motivations that influence human action and behaviour—motivations like "humanity, justice, generosity and public spirit."¹⁸ If we don't recognize our reflexive attachment to this story, and start to question its assumptions, we risk locking ourselves inside stereotypical straightjackets.*

¹⁵ See November 25, 2009 article by Mark Dowie in Mother Jones' online magazine entitled, "*Conservation: Indigenous People's Enemy No. 1?*"; link at <http://motherjones.com/environment/2009/11/conservation-indigenous-peoples-enemy-no-1>

¹⁶ See *Corporate Integrity: A Toolkit for Managing beyond Compliance* for tools on how to measure and minimize these gaps.

¹⁷ For an excellent review of this point, see Amartya Sen, *The Idea of Justice* (Belknap Press of Harvard University Press, 2009).

¹⁸ Adam Smith, *The Theory of Moral Sentiments*, published in 1759.

Right now, it isn't always clear who has their hands on the steering wheel guiding this community's direction in Fort McMurray. Sometimes you stall, and then lurch forward; it's tough for everyone. Is it possible to envision a story where corporate and government and community leaders all place a firm hand on this steering wheel?

For several decades, we looked to top-down policy direction from those with perceived power—governments and corporations—and underestimated the influence of bottom-up change. If shareholders were upset with corporate performance in the 1980's and 90's, they voted with their feet. Many citizens believed their political voice only counted in the voting booth. Yet we are seeing change. The Chamber of Commerce in Fort McMurray is now asking citizens how they want provincial and municipal governments to allocate tax dollars. And, we're seeing disgruntled shareholders lobbying governments for tougher corporate regulation and tabling shareholder resolutions at corporate annual general meetings. No one is surprised that a number of investors in the U.K. have tabled a resolution at Royal Dutch Shell's May 2010 AGM seeking clarity on the risks associated with oilsands development.

Sharing leadership is not easy. Think about your own extended family and the challenges you face parenting your children. To share leadership, key stakeholders in this community have to share a vision. It's not "my way", "the way" or "a way" ...it has to be "our way". It's like shooting the rapids¹⁹:

"During a transit through whitewater, a boat can take many paths even though the river only flows one way. Many possible journeys end with the destruction of the vessel—on the rocks, hitting the bank, or with the boat capsized and its occupants tipped into the torrent. It is the river, not the paddler, which dictates the speed with which the boat moves. There is no opportunity to take a timeout to rethink strategy or reverse direction. The only option is to keep paddling, even as rough water makes it harder to control the boat. Above all, the challenge is a collective one: the direction of the boat 'depends not on the weakest rower, nor the strongest, but on the efforts of all the rowers.' "

Getting to "our way" requires more than an exchange of information and ideas via the internet, Facebook and Twitter, or via media sound bites. Getting to "our way" requires an engagement process with face-to-face dialogue on even the most contentious issues. This requires moral courage and hard work. You have to let go of the power inherent in your position and trust the process, and be willing to commit time and effort. And, it's tough sometimes for us to live with disagreement...to accept that we don't agree with someone else, or that someone doesn't agree with us. Gandhi's philosophy of ahimsa went well beyond "do no harm"; it also meant giving respect both to *the other* and to the truth within the person or institution one opposes.

¹⁹ In their 2010 report entitled *Confronting the Long Crisis of Globalization: Risk, Resilience and International Order*, co-authors Alex Evans, Bruce Jones and David Steven talk of *shooting the rapids*.

Sometimes, we just have to hold ourselves in that uncomfortable space—to allow the *tension*, the *creative suspension*, the *breathing space*. You must resist the urge to collapse into lowest common denominator compromise. You must also resist the urge to validate “mindless optimism”²⁰ that is not grounded in practical realities.

Conclusions

Hope or cynicism? This may well be the key moral and political choice of our time. It is easy to become disheartened and believe that you cannot make this situation better. And, no one would really blame you. I accept my father’s recent decision to sell the tobacco kilns and harvesting equipment on our family farm near Tillsonburg.

There is no white knight in shining armour on the horizon—no mythical cowboy wearing a white Stetson; no miraculous technology that will single-handedly rescue this industry or this community. Developing a go-forward plan for your community requires that leaders from your community come together to co-author and choreograph an energizing story. Your goal is not to build the perfect system, the perfect science, the perfect community. It’s just not realistic. It would be akin to building the perfect democracy by simply focusing on ballots and voting booths. What you can do is move in the direction of responding to the issues you all know are critical—the *redressable injustices*²¹— and to designing and implementing options that are practical and realistic. You can wield hope like an axe— as Rebecca Solnit²² suggests--this doesn’t mean sitting on a couch clutching lottery tickets. Hope is an act done in good faith; it isn’t cynical and it isn’t callous. For people capable of squeezing oil from a rock, this aspiration seems quite feasible.

²⁰ See Wall Street Journal article “*We’re Governed by Callous Children*,” November 5 2009 by Peggy Noonan. In talking about the challenges facing America, Noonan talks about the callousness of mindless optimism: “And here is the second part of the story. While Americans feel increasingly disheartened, their leaders evince a mindless . . . one almost calls it optimism, but it is not that...It is a curious thing that those who feel most mistily affectionate toward America, and most protective toward it, are the most aware of its vulnerabilities, the most aware that it can be harmed. They don’t see it as all-powerful, impregnable, unharmable. The loving have a sense of its limits.”

²¹ For more on redressable injustices, see Amartya Sen, *The Idea of Justice* (Belknap Press of Harvard University Press, 2009).

²² Rebecca Solnit, *Hope in the Dark* (Penguin, 2006).