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Alberta Separation: How It Would Work

Technical Paper

The Economic and Fiscal Implications of Alberta Separation

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INTRODUCTION

What would need to happen for Alberta to separate from Canada? This paper provides some answers to this question.

In it, we describe some of the key state- and institution-building activities that a separate Alberta would likely need to take on. We provide this context so readers can better understand the economic and fiscal estimates that follow later in the report. We use comparisons with other separation efforts to illustrate how it takes more than just money to build a state and its institutions. Time and consensus are at least as important. Precedent suggests there is no way around spending the money and time to build a state that others recognize as well as institutions that they respect and want to do business with.

We explore four state- and institution-building processes involved in transferring authority from Canada and establishing it in the community and institutions of a separate Alberta:

- The importance of keeping government institutions and public services functioning while the new state is established;
- The constitutional issues that would shape the structure and powers of a separate Alberta's main institutions;
- The need to define who belongs to the new state, confirm its territory and secure essential infrastructure while addressing the place of Indigenous and Métis communities within it; and
- The need for a separate Alberta to gain acceptance and formal recognition within Canada and internationally.

We have designed the paper so the footnotes at the bottom of each page provide additional context, examples and short case studies. Readers interested in deeper explanation, or in how similar issues have played out elsewhere, may find these useful. They will also discover that many of the economic and fiscal implications raised in this piece are examined in greater detail in other papers.

While those papers rely heavily on numerical evidence, we know that numbers cannot capture every impact of separation. Many transitional realities would influence the numbers. Just as in present-day Alberta, there is unlikely to be consensus on paths forward and how resources ought to be allocated. This human reality means that building a state and its institutions would take time and effort for which dollar amounts are only a rough proxy.

1. ESTABLISHING A NEW STATE WHILE MAINTAINING CONTINUITY

Creating a new country is a complex process that depends heavily on unique local circumstances. Interestingly, there is no direct historical example of a region within a fully democratic federation, like Canada, separating through a movement based on broad public support. So far, only one regional society — Western Australia, in 1933 — has ever voted to separate in this way, and that separation did not succeed.[a] This tells us there is no single model for how separation would unfold because each case is shaped by its own political, legal, economic and social circumstances.[b]

Still, we have examples from around the world that help us explore the general requirements for separation, and what would be required for Alberta to leave Canada and form a new country. These include those using British-derived constitutions as well as civil code countries.[c] We also describe cases from Europe, Asia, Africa and Latin America that illustrate relevant constitutional issues.[d]

New states cannot emerge spontaneously. A newly separate Alberta would not immediately have all the institutions, systems and capabilities needed to function as an independent country.[e] For this reason, the first practical step toward a smooth transition would be for existing governments to agree that many, if not all, current institutions and obligations would remain in place for an interim period. This would require the former state, in this case Canada, to act as a temporary guardian of Alberta's functions and international obligations, while a separate Alberta established itself.[f] This process would need to be widely accepted by local and international actors.

Some interim institutions would need to be established relatively quickly, such as those covering core domestic state functions related to security, taxation, trade, finance and the movement of people in and out of the territory. The presence of state-like institutions eases the initial shock of separation and improves the new state's chances of success. Regional governments in federations, or in countries where regions already have significant independence in how they govern themselves, often have many of the institutions needed to form a new state. This was the case, for example, in Sweden and Norway, and in Czechoslovakia.[6, 7, 8, 9]

Consider Scotland. Had the 2014 vote been positive, the Scottish plan for independence, *Scotland's Future*, makes clear the value of existing government capacity in the transition to a new state. The plan, and much of the analysis of how independence would work and what its effects might be, relied heavily on the substantial powers Scotland already had to govern, make laws and administer public services.[10, 11] The Scottish Parliament intended to use its powers to establish an interim constitution and a continuity mechanism to keep laws and institutions in place while replacements were developed. Similarly, the Czech Republic and Slovakia each possessed a wide variety of state institutions, facilitating the dissolution of Czechoslovakia. The same applied to the dissolution of the United Kingdoms of Norway and Sweden in 1905, and Singapore's rapid pivot to independence from Malaysia in 1965.[6, 12, 13, 14] So too did Eire (Ireland), given the existence of the Constitution of the Irish Free State of 1922.

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[a] The independence movement faltered after it failed to attract British support or that of the next state government. As well, in response, the Australian Commonwealth (federal) government created the Commonwealth Grants Commission in 1933. It compensated Western Australia for tariff revenue lost due to it joining the federation, a transfer that lasted until 1968. (For more, see [1, 2, 3])

[b] Across this report we assume the endpoint of negotiations is a fully independent Alberta, but there are other possibilities. A major renovation of federal institutions to assuage local concerns is a possibility. A separate Alberta could seek a sovereignty-association or EU-style arrangements that would preserve selected economic and institutional ties with Canada while recognizing Alberta as an independent state. It might also seek to establish closer ties with the United States (US).

[c] We consider the British-derived constitutions of Eire (Ireland) in 1937 and the Canadian Constitution of 1982 as well as Singapore's successful departure from the Malaysian federation in 1965. In the civil code world, we consider Catalonia's unsuccessful attempt to separate from Spain in 2017, the failed referenda of 2014 in Scotland, and 1980 and 1995 in Quebec.

[d] The dissolution of the United Kingdoms of Sweden and Norway, Brexit, the independence of South Sudan and attempts to rewrite the Chilean constitution all highlight the dynamics of devolution, constitution writing and state formation.

[e] Other possible administrative and capacity limitations include money, infrastructure, personnel, organization and political authority. (For more, see [4])

[f] See the box entitled *How Would Separation Actually Happen?* within the *Overview Report*. (For more, see [5])

The 1995 Parti Québécois (PQ) plan used the presence of existing institutional capacity to balance co-operation and continuity with gradual change in the initial period after separation. Plans for dual citizenship would have provided a Quebec passport but allowed Quebecers to use Canadian consular services as needed, creating time for the slow roll-out of a new foreign service. A free trade agreement with the Rest of Canada (RoC), full labour mobility, no physical border controls and the use of the Canadian dollar within a monetary union would have allowed time for the creation of a central bank and the development of domestic banking regulations. Simultaneously, the existing provincial tax agency would expand to manage all forms of taxation, while the Sûreté du Québec would take over all internal policing. A new agency would be required for external security and border control.[7, 15, 16, 17] The Livre bleu plan[15] of the current PQ takes a somewhat more independent position than its predecessor, such as favouring a local currency within a decade. We describe and estimate for these types of costs later in the report.

Even with the presence of strong state and co-operating interim institutions, there is no full defence against turmoil. The United Kingdom's (U.K.) state capacity helped it manage its departure from the European Union (EU), yet it was challenged to meet the bureaucratic demands of unpicking complex institutional arrangements. This was evident in the need for three extensions to the deadline for state withdrawal, and the ongoing challenges of managing Northern Ireland's incomplete withdrawal from the EU market.[g] Similarly, Czechia and Slovakia's plan to share a currency collapsed along with their monetary union just six weeks after their separation in 1993 as each pursued different economic policies.[21]

The importance of oil and gas to a separate Alberta's economy makes access to pipelines beyond its borders critical to its success. Given this, and the centrality of control over energy to current separation debates, we think it is wise to raise a particular precedent here. Since the independence of oil-rich South Sudan from Sudan in 2011, the two have fought over oil deposits. Sudan has repeatedly used pipeline transit fees and the threat of shutdowns to shape the South's behaviour and its economic fortunes.[22, 23] We explore some of these dynamics in the technical paper on economic impacts.

In some cases, transitions can be relatively smooth. In other instances, conditions surrounding separation can be protracted and far from optimal.[h] A table of case studies from around the world can be found in the report's Technical Appendices.[i]

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[g] The Windsor Framework attempts to ensure that in Northern Ireland, "... EU laws will apply only where strictly necessary to provide privileged access to the whole of the EU market under a new legal framework of democratic consent and control."[18, 19, 20]

[h] People and businesses disklike uncertainty. Quebec suffered the loss of people, capital and corporations to the RoC, and Ontario in particular, from the election of the PQ in 1976 to the 1980 referendum.[9, 24, 25, 26, 27] A high level of friction, particularly violence and security concerns, between what remains of the former state and the newly independent state, are the most dangerous challenge to newly separate states. Failure to co-ordinate over functions denied to the new state can create an immediate crisis, one that lingers as the new state struggles to define itself. Continued access to critical transportation and other infrastructure, and the freedom of movement for people, goods and services underpin the prosperity and stability of both parties, but particularly for the new state. Though perhaps less likely to be direct comparators, we might remember tensions between India and Pakistan since 1947, and Ethiopia and Eritrea after 1991, as notorious examples of unresolved post-separation friction that has had long-term negative effects on the politics and economies of the respective countries. (See [28, 29])

[i] While there are numerous examples of state separation occurring in the period from the 19th century to present day, we have selected 15 of these and included them in the appendix to this paper. We believe these examples, most of which are mentioned in the main body of the paper, provide some of the most relevant considerations for readers engaging with the current debate in Alberta.

2. THE ROLE OF CONSTITUTIONS AND LEGAL FRAMEWORKS

Whatever approach is taken in forming a separate Alberta, the new state would need to be rooted in a new constitution. That constitution would need to emerge from the political culture and consensus processes of the evolving community, shaped by the principles and norms of existing traditions.[j]

For Alberta, this is likely to be heavily informed by Canadian constitutionalism which is itself derived from the British constitutional experience and common law. The worldwide trend toward explicit lists of citizen rights is also likely to be influential. These traditions bring with them the rule of law, checks on government power, protection of fundamental political and civil rights and freedoms, an independent judiciary, administrative fairness and transparency, inclusive representation, amending procedures and a raft of often implicit norms and practices. A separate Alberta's founding parents would need to decide how to embed these values in the new constitutional order.[k]

Once the process of separation has begun, the existing constitutional and institutional arrangements may guide — but cannot direct — how the process of state formation would proceed.[l] This generates a paradox: how does the emerging state secure political legitimacy for its new constitution without reference to the *former* political order?[m]

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[j] Meta- or pre-constitutional politics describe the abiding principles, practices and understandings that inform, legitimize and maintain popular trust in both the mechanism for writing a new constitution and the new state's design.[30, p. 1-4, 31] These resources include an understanding of the political community and its political culture, its territory and infrastructure and its political, constitutional/legal and economic history. It is an unusual feature of Canadian federalism that many of these remain contested. (For more, see [32, 33])

[k] The writing of a new constitution and the construction of major political institutions is a topic worthy of several volumes.[34, 35] It involves prescribing the nature of a long list of institutions, principles, procedures and practices across a great number of matters. It must successfully divide and assign state powers across core institutions such as governments and executives, legislatures, courts and the legal system. These quickly form a complex web such that any one design decision has implications for many others.[36]

[l] Alberta could become a republic or, perhaps, retain membership in the Commonwealth, with a constitutional monarchy and Westminster-style arrangements. There would be questions surrounding how popular sovereignty will be guaranteed, and work required to answer how political authority remains with the public, how the electoral system would function, how the legislature would operate, what the workings of executive authority consist of and how all these elements would interact with the judicial system. There may also be constitutional guidelines as to how the bureaucracy operates. Given their increasingly important role in society, politics and the economy, constitutionalizing the role of cities might have appeal.

Each decision that affects institutions will have implications for other design choices. Regional and national representation requires a bicameral legislature; national, alone, means a unicameral legislature. This complexity is one reason why new constitutions often invoke modifications to existing arrangements, such as Eire's decision to retain many British constitutional traditions.[37] Knowing that institutions have operated successfully as a group is a powerful guide to sound constitutional design.[35] Note that features of a constitution have profound implications for every aspect of state and civil society. For instance, a market economy is only possible if there is protection of individual, property and other legal rights (presuming the competent protection by the state) sufficient to allow for private contracts.[38] As liberal democracy has increasingly come to be seen as electoral democracy, the final version of any set of design choices will likely have to pass through some further direct or indirect process for indicating acceptance by the people.[39]

[m] The new country must identify a founding principle outside the pre-existing order, while at the same time respecting principles and practices from the old order that remain valuable to those setting up the new one. This process of deriving legal authority from a new local or native source is called *autochthony*, and it is why constitutions often invoke God or the popular will as a founding principle that sets the new state apart from the former state.[31, 40] Examples of this process of "differentiating while keeping" can be found in both Eire (Ireland's) and Canada's experiences. The Eire Constitution of 1937 signalled a radical break with a fraught colonial past. It did so via renaming the state, identifying Irish Gaelic as the first official language, introducing Roman Catholic clauses, constitutional referenda, a bill of rights and a series of constitutional innovations regarding the office of the prime minister, the senate, the presidency and the judiciary. This balanced innovation with the repurposing of many of the British-derived institutions and principles found in the Free State Constitution of 1922.[37] Similarly, the 1982 Canadian Constitution retained most of the British North America Act while adding new principles via Sections 35 and 92A, as well as a Charter of Rights and Freedoms and amending formulae, some of which invoked popular will. It even created a new term, "patriation," to describe the process of bringing legal authority that had previously rested in another country under domestic control.[41] Such innovations are an unavoidable element of constitutional boot-strapping.

There is now a widely held view that popular involvement — the involvement of the people — is generally required to legitimize major constitutional change.[n] Following the Charlottetown Accord referendum, it is unlikely that political leaders could, as they did in 1982, negotiate a major rewriting of the Constitution without express popular support.[44] The growing use of referenda in democratic countries to decide major political questions demonstrate how important public support can be. The Brexit referendum and votes on regional independence are clear examples.[o]

Referenda, citizens' assemblies and elections for interim governments have all been used to create or modify constitutions. These channels give the process a recognized starting point and avoid an endless series of questions about who has the authority to create the new political system. As noted earlier, maintaining continuity is important during a transition. These processes are therefore usually started and overseen by officials and election bodies from the existing system, which continue to have recognized authority while the new state is being formed.[p] Given that any Alberta separation would begin with a referendum, popular support would be required for the writing and endorsing of a new constitution as this would be the foundation for all that follows.

However, this does not necessarily mean that the constitution would have to be developed through an extensive public-participation process. Historical examples show that constitutions negotiated primarily by political leaders can also gain broad public acceptance. The speed and efficiency of Singapore's 1965 separation from the rest of the Malaysian Federation was closely related to the process being governed by an intergovernmental agreement signed by members of the two respective cabinets. The agreement also benefited from the implicit consent of their distinct societies. The same is true of the division of Czechoslovakia and Eire's (Ireland's) independence from Britain.[49] In all three cases, rapidly establishing constitutional arrangements that were broadly accepted as legitimate appears to have helped generate widespread popular support.

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[n] Liberal democracies sustain legitimate political authority via two broad mechanisms: the will of the people expressed in direct or indirect elections, and the operation of liberal institutions. A legitimate vote to separate from an existing state puts these at odds. This tension may be managed by reshaping existing institutions to assuage democratically expressed concerns or through the formation of a new state. Such matters have long been a part of Alberta politics. The desire in the North-West Territories for a new relationship with Ottawa predates the creation of Alberta from the Territories in 1905, while independence was discussed by local Liberal politicians in the early years of the new province. Such dynamics are common in many federations, including for Quebec and Alberta. See [42, 43]

[o] Mattew Hall, David Marsh and Emma Vines[45]; Brexit is distinctive in this context. Unlike the other cases discussed here, the U.K.'s withdrawal from the EU was governed by existing legal arrangements, being Article 50 of the Treaty on European Union (TEU).

[p] The use of electoral mechanisms for involving the public in major institutional change is quite common. Iceland (unsuccessfully) and Ireland (successfully) have, in recent decades, used citizen assemblies to prompt constitutional change. Canadian provinces have used them in pursuit of contentious electoral reform. Chileans elected a 155-member constitutional convention that, from 2020 to 2022, rewrote their constitution, although it was not adopted.[46] India (1946) and South Africa (1994) elected transitional governments to help manage their major constitutional reforms. Scotland planned for a representative constitutional convention to write a new constitution and a public referendum to confirm its legitimacy, if the 2014 vote had been positive.[47] (For more, see [5, 30, 48])

3. COMMUNITIES, TERRITORY AND ASSETS

A political community on a defined territory is the *sine qua non* of the state, both existing and new. This Latin formulation from political science means that without a political group on a land, there is no state or country. In the period immediately after a vote for separation, this key link is likely to be implicit, with the peoples and territory encompassed by Alberta's *existing* borders to the east, west, north and south taken as the starting point for the new state. There could be disputes over borders and territory, but whatever happens, recognition of borders by Canada and the international community would be essential for the successful creation of a separate Alberta.[q]

While constitutions and bills of rights set out broad ideas about who belongs to a political community, the meaning of citizenship is also shaped by everyday laws, social expectations, political traditions and legal practices. Together, these help define what is expected of citizens and how people take part in public life. While relying at some level on constitutions, laws, norms and values to define its community, a separate Alberta is likely to follow Scotland's residency-based approach as well: if you are a resident of the territory, you are a citizen of the state.[r] Some Albertans who opposed separation may not accept the creation of a new state and this opposition could be particularly strong in communities where most residents voted against the move.

As a separate Alberta goes about writing its constitution and defining its community, it would also find itself considering how separation will affect people whose well-being depends most directly on continuity in public services and legal protections. Children, seniors, persons with disabilities, those with chronic health conditions, lower-income households, newcomers and people living in rural or remote communities are likely to experience the formation of a new state differently from the population as a whole.[s] Outcomes would depend on the transition arrangements negotiated with Canada and on how quickly a separate Alberta could assume and co-ordinate responsibilities.

The presence in Alberta of First Nations and Métis communities, with treaties and rights embedded in the pre-existing constitutional order, often linked to federal government-controlled lands and obligations, would be a focal point as a separate Alberta seeks to form itself. These obligations will transfer to the new state, shaping Indigenous and Métis communities, inter-community relations and access to key resources and their development.

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[q] The starting point in discussions around regional independence is nearly always a rejection of separation by the existing state supported by most, if not all, of the international community. This is unsurprising given that territory is the defining feature of the state. Most states, aware of their own regional and cultural divisions, fear such a possibility and resist it at home and abroad. This will likely be the Canadian government's opening position in any discussion of Alberta separation. Not only is any reasonable process complicated, contentious and slow, it will be opposed by other states afraid of encouraging separatist forces in their own politics. (See [50])

Robert W. Rosenthal's[51] exploration of the "chain store paradox," with Canada as the "incumbent" and separatist provinces as "entrants," provides some insight into why governments might expend more energy than seems immediately sensible to defeat domestic separatist movements as well as oppose those in other states.

[r] Somewhere between the location pragmatics of residency and the harder-to-define practices of good citizenship, other new states have chosen to emphasize language and culture as signs of membership. Specifically, the governments of Quebec and Catalonia emphasized language and culture as binding social forces.[52, 53]

[s] Changes to health care, education, housing, income supports, pensions, disability services or immigration status could have greater impacts on those who rely on existing systems or have fewer alternatives. Even temporary uncertainty about eligibility, funding, personal records or which government is responsible, could affect essential supports. Safeguarding continuity of care and support would be an important part of defining the obligations of the new state and ensuring that all members of its community are adequately protected throughout the transition.

Treaties, agreements and rights, along with former Canadian domestic and international law, would guide negotiations, with the federal government involved through its constitutional obligations outlined in the Clarity Act.[t] Given the fraught history of Indigenous-settler relations, as well as those with Métis communities, negotiations over treaties, territory, rights and finances will be delicate, complex and protracted. The agreement of all actors cannot be presumed.[u] How this is handled will be key to the legitimacy of the new state in the eyes of domestic and international actors.[v]

Finally, the future ownership and control of federal land and infrastructure located within the new Alberta's borders would need to be resolved. This could include assets such as national parks, federal government buildings, military facilities, border and customs infrastructure, correctional facilities and federally-owned transportation or other infrastructure. Negotiations would be required to determine which assets would transfer to Alberta, which would remain under Canadian ownership, and whether compensation or purchase would be required. Reaching and implementing these agreements would take time and could involve significant costs.[w]

In the Canadian context, Quebec's 1995 *White Paper on Sovereignty* and *Draft Bill on Sovereignty* presumed its provincial borders would become international borders with all federal buildings, assets (ports, bridges, railways, IT systems, libraries, etc.) and land in the province becoming the property of the new state.[8, 16] For its part, the federal government indicated it would resist the automatic internationalization of Quebec's current borders and revisit their 1898 and 1912 extensions should there be a positive referendum vote. The federal government also rejected any automatic transfer of assets or land to the new state. It indicated that dividing the national debt would be a key part of any such negotiations, which we discuss further in the technical paper on expenditures. This is consistent with the view found in Canada's Clarity Act: a vote to separate invokes an obligation to negotiate, but nothing more. It is entirely possible that the federal government could challenge Alberta's control of federal lands such as parks and military bases, as well as its current borders. (For more, see [54, 58, 59, 60, 61])

While final positions cannot be known, and the dynamics are highly uncertain, post-separation negotiations are likely to be contentious. It is worth remembering that, in the event of a "yes" vote in 1995 for Quebec, the Canadian government made contingency plans to fly its fighter jets to the United States to avoid them being seized as part of post-referendum negotiations.[x]

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[t] Parliament passed the Clarity Act in 2000 following the Supreme Court of Canada's 1998 decision on Quebec secession. It provides a framework for what would happen if a province voted to leave Canada. Under the Act, the federal government could only enter negotiations if the House of Commons determined that the referendum asked a clear question about separation and that a clear majority had voted in favour. The Act does not set a fixed threshold for what counts as a "clear majority"; the size of the majority, voter turnout and the circumstances surrounding the vote could all be taken into account. Importantly, even a successful referendum would not itself make a province independent. It would instead provide the basis for negotiations over the terms of separation, including the constitutional changes and other arrangements that would be required.[54]

[u] Recent statements by a range of non-Albertan and Albertan Indigenous organizations suggest they will hotly contest moves that are essential to the process of independence.[55]

[v] In the event of separation in 1995, Quebec planned (An Act Respecting the Future of Quebec) to unilaterally absorb existing treaties, recognize Indigenous rights, sustain former federal financial transfers and grant Indigenous peoples some autonomy but not control of territory.[7, 8] The Cree, Inuit and Mohawk peoples all resisted any move toward independence.[56] The Cree voted overwhelmingly in their own referendum to remain part of Canada.[57] As proposed by Quebec, it is possible that existing treaties in Alberta could transition to the new state, unchanged. If it were to remain in the Commonwealth, a new Alberta Crown might underpin these treaties. If not, at a minimum the treaties would need to be renegotiated to link them to the new state authority, as in Quebec's 1995 plan.[7, 8]

[w] These issues, including the treatment of federal assets and infrastructure located in Alberta, along with the potential fiscal implications of their transfer, purchase or continued operation, are explored in greater detail in other technical papers which form part of this set.

[x] A concern was that CF-18 fighter jets based at Bagotville, Quebec, could become part of later negotiations over who owned or controlled federal assets located there. The example shows how questions about military equipment, buildings, land and other federal property can arise very quickly during a possible separation. (For more, see [62])

4. STATE ACCEPTANCE AND FORMAL RECOGNITION

Though likely to take many years, once the demands of the transition period have eased and as the period of continuity extends, the new state would begin to take shape and fulfil more functions. It would also seek to expand its role in the world. At the outset, a separate Alberta would need to establish legitimacy and gain recognition at several levels: within Alberta itself, from Canada and from the international community.

Acceptance within Alberta and Canada would depend largely on whether the process leading to separation was viewed as lawful, democratic and legitimate by voters, governments and political leaders. International recognition would be a separate process, as other countries considered whether to formally recognize Alberta as an independent state and deal with it as such.[y] This is a very practical matter because international recognition affects issues such as trade with other countries, the export of oil and gas, access to international markets, foreign investment, borrowing and the movement of goods and people across borders. It would also involve joining or seeking membership in international organizations and becoming a party to the many treaties and agreements that govern relations between countries.[z] We discuss this further in the technical paper on economics.

Everything would depend on other countries seeing the process of Alberta's independence as legitimate, and on Alberta demonstrating that it had a stable and functioning political system as a country, on its own.[63] Given the importance of the perceived legitimacy of the process for leaving Canada and forming a new state, the Canadian government's response would be key to international acceptance.

A federal government willing to contest Alberta's borders would be a major hurdle to rapid international recognition, and overcoming such resistance through negotiations would be essential to a separate Alberta's success.[58, 59, 60, 61] Those negotiations would run parallel with efforts to replace or modify essential features of the Canadian state: passports, currency, banking and trade functions, security and defence and international diplomatic relations are but a few examples, all of which are discussed later in this report.[aa]

5. SUMMARY

In this paper, we have discussed some of the major requirements, processes, opportunities and challenges that would come with forming a separate Alberta.

We have considered the political and institutional conditions that would shape that process and have drawn on historical and contemporary examples to show how similar questions have unfolded elsewhere. Whether outcomes are ultimately favourable or not, and for whom, we underscore that wherever it occurs, separation is not a single event, but a long and uncertain process.

Some issues would arise immediately, while others could take years, or even decades, to fully materialize or resolve as new institutions, agreements and relationships are established. The decisions made by governments, including their policy choices, would have a major influence on how that process unfolds and on its eventual outcomes. Those choices cannot be known in advance and would change over time as

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[y] *Acceptance* refers to domestic and international actors beginning to treat the new state as a political reality. *Recognition* is the formal acknowledgment by other states that the newly formed state is sovereign and independent within the international system.

[z] A separate Alberta would need to consider how to deal with the more than 4,000 international treaties to which Canada is a signatory: some critical, some minor, with a wide range of continuance and accession mechanisms, some simple, some complicated. Canada, too, will need the goodwill of others and to commit extensive resources if it is to support the continuance-then-accession of Alberta to the most important of these.

[aa] Quebec in 1995 aimed to assume all international and domestic treaty responsibilities previously held by Canada should there be a vote in favour of independence.[8] This is an easy promise to make but a difficult one to fulfil. History suggests this could be a slow process that may take years. The goodwill of others will be essential for continuance of the most important of these treaties.[54, 57]

governments, public priorities, political relationships and broader social conditions evolve. That uncertainty would affect both Alberta and Canada, with impacts that could differ significantly in the short and long term.

We have not attempted to resolve every question involved in creating a separate Alberta. Our aim has been to provide a frame of reference for readers to carry with them as they consider the fiscal and economic impacts examined throughout the rest of the report. Our central point here is that Alberta would not become a fully functioning independent state immediately after a vote to separate. There are costs beyond what the dollars capture at this time, and they extend to the time, effort and resources necessary to build consensus internally and reputation externally. These costs are difficult to anticipate. State formation is a lengthy process which would involve:

- Negotiations with Canada;
- The continuation, creation and capacity of public institutions;
- Decisions about territory, ownership and political membership;
- Arrangements with Indigenous peoples and Métis communities; and
- The pursuit of domestic and international recognition.

The degree of co-operation among the parties, the quality of resources to support transitions and the time required to reach any stable new equilibrium would shape how disruptive or orderly a separate Alberta's transition might be.

The state- and institution-building issues discussed here would both reflect and shape the choices a separate Alberta makes as it responds to future economic and fiscal challenges. Negotiations of borders, trade, infrastructure, assets, debt, treaties and the division of government responsibilities would affect investment, employment and household well-being. They would also determine which revenues a separate Alberta could collect, which spending it would continue and which it might set aside, and how much it would cost to establish and operate the institutions of an independent state.

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