

Public Attitudes Toward Budget Cuts in Alberta: Biting the Bullet or Feeling the Pain?

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Cet article examine les réactions du public face à la stratégie du gouvernement de l'Alberta en matière d'élimination du déficit. En utilisant les données provenant de l'"Alberta Survey", réalisées à la grandeur de la province (N=1240), nous examinons comment les individus ont été affectés par et réagissent aux coupures et à la restructuration du service de la santé. Les attitudes du public en ce qui concerne les coupures gouvernementales sont contradictoires. Alors que la plupart des répondants soutiennent la stratégie gouvernementale d'élimination du déficit, ils sont très concernés par son impact sur les services publics. Les coupures réduisent le soutien de l'électorat pour le gouvernement de Klein, même si cette réduction est moins importante que la perception que ces coupures minent le service public. Cet article soulève plusieurs questions importantes de politique publique en ce qui concerne les dimensions individuelles et sociales d'élimination du déficit, particulièrement quand cette politique fiscale est liée à l'agenda plus large de la "nouvelle droite", comme c'est le cas en Alberta.

This paper examines public responses to the Alberta government's deficit elimination strategy. Using data from the province-wide 1995 Alberta Survey (N=1240), we examine how individuals have been affected by, and are responding to, cutbacks and restructuring in health care, education, and public sector employment. Public attitudes about government cost-cutting are contradictory. While most respondents support the government's deficit elimination strategy, they express considerable concern about its impact on public services. Experiencing cutbacks somewhat erodes the Klein government's electoral support, though not as much as the perception that cost cutting is undermining public services. The paper raises several key public policy issues regarding the individual and social dimensions of deficit elimination, especially when this fiscal policy is linked to a broader "new right" agenda as is the case in Alberta.

INTRODUCTION

Issues of debt and deficit have dominated federal and provincial political agendas in Canada in the 1990s. Nowhere is this more apparent than at the

provincial level, where the 1993 election of Ralph Klein's Progressive Conservatives (hereafter Conservatives), and the recent support for Mike Harris' "Common Sense Revolution" in Ontario, dramatically underline the electorate's willingness to

embrace a brand of fiscal conservatism that is radically new. Since coming to power in Alberta, the Klein government has unleashed unprecedented change, slashing planned spending by 20 percent from 1992-93 to 1996-97, privatizing programs and services, and “reinventing” government as a market-driven, business corporation. In Ontario, the newly formed Conservative government has moved quickly on campaign promises, imposing stringent spending cuts in order to achieve a balanced budget and promised tax reductions by 2000-01.

This single-minded focus on debt and deficit has resulted in what Taras and Tupper (1994, 61) have called “a form of political and economic shock therapy,” with retrenchment occurring at rapid speed. Yet, despite the severity and harshness of these measures, initial public support has been surprisingly strong. What is not yet clear is whether this support will hold over the long run, as the effects of spending cuts and restructuring filter into the daily lives of individuals, their families, and communities. Following its election, the Harris government has sparked sharp opposition both within and outside the legislature. In Alberta, massive cuts and restructuring have produced visible signs of rising public concern. Opinion polls, during the height of budget cuts, showed that Albertans’ worries over debt and deficit issues fell sharply, while fears over health care grew. The premier’s previously high levels of approval also began to decline (*Edmonton Journal*, 17 September 1995, A1; 1 December 1995, A7).¹

These dynamics raise important questions about the links between an individual’s political attitudes and their direct experiences with the “new right” agenda: How does the experience of cutbacks shape support for, or opposition to, specific government deficit-cutting initiatives, and future voting intentions? How important are political attitudes in shaping support for, or opposition to, these measures? In this paper, we examine these questions in the context of Alberta politics, providing some of the first detailed evidence on people’s experiences of,

and responses to, the extensive changes wrought by the Klein government. Drawing on findings from the 1995 Alberta Survey of 1,240 Albertans conducted in February 1995, we address three key research questions:

1. How have Albertans been affected by budget cuts to education, health care and public sector employment?
2. How are Albertans’ experiences with budget cuts related to their attitudes toward restructuring of health care and education, and to their support for the Alberta government’s deficit elimination strategy?
3. How are Albertans’ experiences with, and opinions about, cutbacks related to their support for the government’s deficit elimination strategy and to their future voting intentions?

Before presenting our research findings, we briefly review key features of the Alberta government’s approach to deficit elimination in order to establish the context of change and to highlight key debates sparked by these initiatives.

SETTING THE CONTEXT: THE “KLEIN REVOLUTION” IN ALBERTA

Many commentators have provided detailed discussions of the Klein government’s political agenda and it is only necessary here to outline the general direction, and nature, of change.² Ideologically, the Conservatives’ agenda draws heavily on the values of neoliberalism and “new right” politics, which emphasize the primacy of market forces, individualism, and a minimal role for the state.³ Its policies are textbook in this respect — targeting debt and deficit as the number one issue facing Albertans, insisting on an “expenditure-side solution,” while at the same time moving quickly to privatize public services, dismantle “non-essential” programs, and create a “business friendly” tax and industrial

relations climate. Though fiscal pressures have certainly fuelled these initiatives, the Conservatives' ideological beliefs have provided an equally strong impetus. As Taras and Tupper note, the Klein government has "used its crusade against the deficit ... [to initiate] a program of social engineering, the re-ordering of societal institutions and priorities to fit a particular ideological mould that is virtually without precedent in recent Canadian history" (1994, 71). While Alberta is not alone in embracing "new right" fiscal policies — as evidenced by other Canadian jurisdictions (federal and provincial) — it is notable for the pace and intensity of its approach, making it an illuminating and timely case study in the Canadian context.

In policy terms, *Budget '93* can be seen as a watershed in the unfolding of the "Klein Revolution." Announced in May 1993, it served as the Conservatives' platform in the June 1993 election, and made clear the government's plans concerning cutbacks and privatization (Alberta Treasury 1993, 129). Equally important was approval of the *Deficit Elimination Act* in May 1993. Responding to the legacy of the Getty government, whose deficit budgets and accumulated debt triggered sharp rises in debt servicing costs to the province,⁴ the Act brought into law the requirement of a balanced budget by 1996-97 and established clear annual deficit ceilings. On the basis of these plans, the Klein government was re-elected in June 1993. In subsequent months, the government moved quickly to put its plans into force, issuing a post-election budget update in September 1993, and a full budget in February 1994 (McMillan and Warrack 1995, 2).

Budget '94, tabled on 24 February 1994, made deep cuts to public expenditure. Spending outside the core program areas of health, education, and social services was cut by nearly 30 percent from 1992-93 to 1996-97. Within these core areas, which the government claimed to give "preferential treatment," expenditures were cut as follows: Education (12.4 percent), Advanced Education and Career Development (15.8 percent), Health (18.0 percent)

and Family and Social Services (19.3 percent) (Alberta Treasury 1994, 12). Overall, *Budget '94* suggested an average reduction in government spending of 20 percent. However, McMillan and Warrack (1995, 12-13) estimate a 27.4 percent real per capita expenditure decline between 1992-93 and 1996-97 after population growth and price changes are taken into account. In the 1995 Budget, the government revised its plans slightly, but pressed ahead with the general direction of change.⁵

While the Alberta government's program affects virtually every sphere of government activity, our focus here is on three key areas: education, health care, and public sector employment. These domains are of critical interest given that spending cuts and restructuring have the potential to impact the entire Alberta population. In *education*, the primary and secondary level have seen instructional grants for kindergarten cut by 50 percent; the number of schools boards and trustees dramatically reduced; staff levels in the department cut by 18 percent from 1992-93 levels; reductions in provincial capital funding of \$100 million, alongside the development of new capital programs; and amendments to the *School Act* to allow "charter," or independent, schools (Alberta Treasury 1995). *Advanced education* has seen grants to postsecondary institutions cut by 11 percent, 7 percent, and 3 percent annually between 1994-95 to 1996-97; salaries and benefits rolled back; future funding of postsecondary institutions tied to enrolment levels; and provisions made to allow tuition fees to rise to 30 percent of net operating costs by the year 2000 (Alberta Treasury 1994; Alberta Advanced Education and Career Development 1995, 5-20).

The *health-care* system has seen the most extensive and dramatic change. Initiatives in the 1994-95 period included the regionalization of responsibilities for delivery of health care to 17 newly created Regional Health Authorities; negotiations with the Alberta Medical Association to reduce expenditures on physician services; de-insurance of certain health-care services and procedures no longer considered

by Alberta Health to be “medically necessary”; public sector wage rollbacks of approximately \$150 million; implementation of plans to cut costs for hospital services in Edmonton and Calgary, the two major cities of the province with tertiary-care facilities; reallocation of \$70 million from the acute care sector to community-based services including mental health, home care, the Alberta Aids to Daily Living Program, out-of-province hospital services, Public Health Laboratory services and ambulance services; higher Alberta Health Care Insurance Plan (AHCIP) premiums; newly legislated requirements that all but the lowest income seniors pay AHCIP premiums; cuts to seniors’ benefits through the Extended Health Benefits program; and reallocation of fiscal and human resources within the department (Alberta Health 1995a; 1995b).

Spillover effects from *education and health care* have impacted *public sector employment*, an area that the government has targeted for significant reduction. *Budget '95* extended previous job cut targets set out in the 1994 budget, calling for an overall reduction of 25 percent in public sector employment from 1992-93 to 1997-98. While the government promised to achieve these targets “primarily through a hiring freeze, attrition, and a severance program,” it admitted that “layoffs [would] also be required” (Alberta Treasury 1995, 35-36). Though determining the extent of layoffs is difficult, aggregate figures show that during the year ending June 1995, employment in “public administration” in Alberta dropped nearly 19 percent, falling from 90,000 to 73,000 (Statistics Canada 1994, B-27; 1995, B-27).⁶ In Edmonton, where the bulk of provincial workers are located, estimates suggest that public sector employment dropped 29 percent, from 38,000 in July 1994 to 26,800 in July 1995 (Statistics Canada 1995, Special Tabulation).

Alongside job cuts, a 5 percent reduction in compensation has been imposed on workers in health facilities, school boards, postsecondary institutions, and government departments. A commitment has also been made to increase outsourcing of govern-

ment services to private industry, and to introduce performance and productivity measures — the *Productivity Plus* program — throughout publicly funded organizations (Alberta Treasury 1994, 10-23, 35). Taken together, these initiatives have significant implications for the public sector — not only for employment levels, and future job opportunities, but for the pay, working conditions, and workloads of employees who remain.

IMPACTS OF GOVERNMENT CUTBACKS ON PUBLIC OPINION

While no parallels exist in Alberta history for the changes undertaken by the Klein government, there is little doubt that they will fundamentally alter the social and economic fabric of the province. Enacting change of this magnitude is a precarious exercise and Premier Klein has been careful to claim broad support for his agenda throughout. Having run on the election campaign “He listens, He cares,” the premier has incorporated the rhetoric of listening and responsiveness into the restructuring program, arguing that its key initiatives have been shaped by Albertans themselves.

As spending cuts and restructuring have worked their way through the system, however, there has been a discernable shift in the public mood. One year after *Budget '94*, which launched the first round of cuts, a government-commissioned poll found that Albertans’ worries over debt and deficit had fallen significantly, with health care becoming the leading issue of concern (*Edmonton Journal*, 14 July 1995, A7). Numerous exchanges have also occurred in the legislature over the human and social costs of the government’s restructuring program. In March 1995, several weeks after announcing *Budget '95*, the premier himself conceded:

When we embarked on this program over two years ago, we said quite clearly that, yes, there was going to be some pain, and yes, there was going to be some sacrifice on the part of Albertans.

We're into the stage of the program, I guess, where those tough decisions are indeed coming around (Alberta *Hansard*, 14 March 1995, 544).

Subsequent events in the fall of 1995 made this clear. A wildcat strike by hospital laundry workers in Calgary and a vigorous campaign by the Alberta Medical Association against further health-care cuts reflected growing public discontent with the pace and direction of change, especially in the health-care sector.

These shifts in public opinion highlight a critical question in the neoliberal experiment now taking place in Alberta — namely, how do individual's direct experience of government cutbacks and restructuring shape public support for such policies? While many have read the initial support for the Klein government as a wholesale endorsement of the “new right” agenda, there has yet to be any detailed analysis of the shifting contours of public support as individuals begin to feel the full force of its policies. Indeed, as Jacoby has noted in the American context, “very little is known about the sources and nature of public opinion on government spending” (1994, 336).

A central paradox facing the Conservative government in Alberta is that, while it forges ahead with apparent widespread public support for deficit elimination, it increasingly encounters the wrath of its citizenry for jeopardizing universally accessible, publicly funded health care and educational systems. How might these contradictions in public attitudes be explained? Decades of American polls indicate enduring public opposition to budgetary deficits (Modigliani and Modigliani 1987), the flipside of which translates into strong support for government policies based on deficit elimination and “balancing the books.” The majority of Albertans clearly share this enthusiasm for fiscally conservative policies. Yet, as Jacoby (1994) has found, while citizens support “smaller government” in very general terms, they are far less likely to support cuts to specific programs (358).

It is not simply self-interest, however, that fuels resistance to program-specific cuts. In examining public attitudes to government spending, Sanders (1988) has argued that it is the underlying attitudes that people have — not simply whether or not they receive government aid — that leads them to support particular programs. According to Sanders, individuals will support budget and program cuts only when they do not think they will benefit from the program *and* when they do not think the beneficiaries are legitimate. Resistance to budget cuts will therefore arise when citizens personally expect to receive benefits through government-funded health care and educational systems, for example, *and* when they believe that they and other beneficiaries are truly legitimate recipients.

This suggests that as Albertans personally experience the Conservatives' program of deficit elimination and restructuring (either directly, or indirectly through its impact on others whom they know) they may rethink their support for the government's direction. This possibility has also been raised by Taras and Tupper (1994) in questioning whether political support for the Klein government will begin to shift as Albertans come to understand what an abstract commitment to “balanced budgets” means in terms of the quality of public services and everyday life. As they note, it is only when tough decisions begin to be felt that: “[the] contradiction in public opinion data — between Albertan's desire for balanced budgets and low taxes and their anxiety about the impact of cuts in health and education — will lose its theoretical quality” (Taras and Tupper 1994, 78).

It is this contradiction which lies at the heart of our exploration of the 1995 Alberta Survey evidence on how Albertans are actually experiencing, and responding to, the extensive changes prompted by the Klein government. Our analysis focuses on the first 18 months of the Conservatives' program when the impacts of cuts introduced in *Budget '93* and *Budget '94* were working their way through the system and into the lives of individuals and Alberta

communities. *Budget '95*, announced during the period when the 1995 Alberta Survey data were collected, reaffirmed the Conservatives' focus on deficit elimination and debt reduction for a public continuously exposed over many months to cuts to public sector programs and services. In our view, responses to the 1995 Alberta Survey are not reactions to *Budget '95* per se, but more broadly reflect how Albertans have experienced and reacted to the politics of the "new right" during the term of the Klein government.

DATA AND METHODS

Our data come from the 1995 Alberta Survey, a province-wide public opinion survey conducted by the Population Research Laboratory at the University of Alberta between 18 February and 9 April 1995. A representative random sample of 1,240 Albertans 18 years of age and older completed interviews, which were conducted by trained interviewers using a computer-assisted telephone interview (CATI) system. The sample was designed to be representative of adult Albertans living in Calgary, Edmonton, and the rest of the province at the time of the survey. The response rate for the whole sample was 73.2 percent. Results from the 1995 Alberta Survey (AS) are accurate within plus or minus 3 percent, 19 times out of 20. (For technical details, see Fong *et al.* 1995.)

The questionnaire was pre-tested and was approved by a University of Alberta Research Ethics Committee, assuring its suitability for administration to the general public. We included questions designed to obtain information on how Albertans were affected by cuts to education, health care, and public sector employment; concerns about cuts to specific areas of the education system; opinions on various health-care policy issues central to debates over health-care cuts and restructuring; and support for the government's deficit elimination policies and other fiscal policy.⁷

RESEARCH FINDINGS

Impact of Cuts

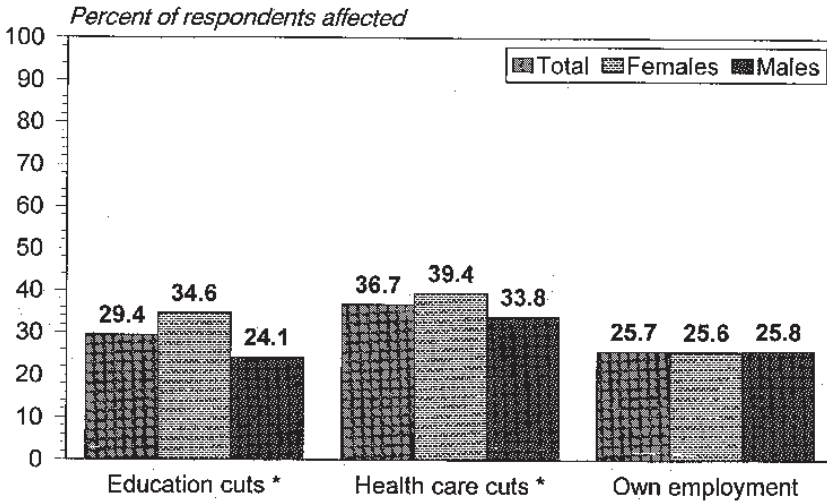
Respondents were asked if they (or anyone in their immediate family)⁸ had been affected in the past 18 months by cutbacks in two areas: education and health care.⁹ They were also asked if their *own* employment situation had been affected in the past 18 months by the provincial government cutbacks.¹⁰

Figure 1 reveals that three in ten respondents (29.4 percent) have been affected by provincial government education cutbacks in the 18 months prior to the 1995 AS. The impact of education cutbacks were not evenly distributed across the provincial population. Individuals most likely to report having been affected can be identified by one or more of the following socio-demographic characteristics: live in Calgary (as compared with Edmonton or other areas of the province), female, under the age of 40, married, university educated, professional or managerial occupation, union member, professional association member, and above average household income.¹¹

If respondents were affected by cutbacks, they were asked to give detailed descriptions of how. These descriptions were coded and then content-analyzed.¹² Respondents most frequently mentioned increased costs of education, negative effects on education staff, reduced quality of education, and cutbacks in programs and resources. These four areas account for close to three-quarters of the specific effects reported. The government's cancellation of kindergarten funding accounted for another 10.5 percent of all effects reported. Employment effects (negative effects on education staff; reduced income) account for 27.5 percent of total effects reported. Positive effects accounted for less than one percent of the total.

Fully 37 percent of adult Albertans have been affected (personally or in their immediate family) by health-care cutbacks. The impact has been especially felt by women, individuals 65 years and older, and families. The most pronounced gender

FIGURE 1
Impact of Provincial Government Cutbacks to Education, Health Care, and Public Sector Employment



N=1239 for education and health care cuts, 1237 for employment cuts.

*Gender differences statistically significant, Chi-square test, $p < .05$.

differences are in the under 30 age group (34 percent of women compared with 22 percent of men had been affected by health-care cutbacks). Women in this age group are most likely to be mothers of young children, or employed in the health-care system. Unlike education cutbacks, the impact of health-care cuts has not varied significantly by socio-economic status. Among Albertans age 65 and older, over half of both men and women (52.7 percent and 51.7 percent, respectively) have been affected by health-care cuts. This finding may be due to legislated policy and program changes which now require many seniors to pay the full cost of AHCIP premiums. Seniors have experienced increased cost-sharing for prescription drugs, increased costs for health-care equipment and supplies previously covered through the Extended Health Benefits program, and substantial losses of benefits under the new Alberta Seniors' Benefit program (see Engelmann 1995).

When asked to describe how they had been affected by health-care cuts, Albertans most frequently mentioned cuts to the Aids to Daily Living and Ex-

tended Health Benefits programs (mainly affecting seniors and the physically disabled), increased AHCIP premiums, reduced quality of health care, de-insurance of certain AHCIP benefits, and negative effects on their employment as health-care workers. Together, these five areas account for 87 percent of the specific effects reported. Employment effects alone (including negative effects on private businesses) account for 16 percent of the effects mentioned. Positive effects accounted for less than 1 percent of the total.

One in four (25.7 percent) respondents reported that their own employment situation had been affected in the past 18 months by provincial government cutbacks. These employment effects do not vary by gender or household income. However, there are significant variations by region, age, marital status, education, occupation, union and professional association membership, and voting intention. Specifically, those most likely to have had their employment affected by cutbacks live in the capital city of Edmonton, are between the ages of 30 and

59, are divorced or separated, have a university degree, work in a professional or management occupation or a low-skill occupation, and belong to a union or a professional association.

When describing these employment effects, 39 percent cited reduced income (or less frequently, increased costs), which is not surprising, given across-the-board 5 percent wage reductions in Alberta's public sector. Other major effects — accounting for another 36 percent of the specific effects reported — include loss of business, increased workload, reduced job opportunities, and job loss. Only 3.4 percent of the employment effects mentioned were positive (such as new business opportunities through contracting-out of services and programs).

What has been the overall impact of provincial government cutbacks? Combining all three areas of cuts, we found that 61.6 percent of respondents said they had been affected by one or more of the cuts to health care, education, and public sector employment. In other words, 36 percent of all respondents reported one of the three effects, 19.6 percent reported two, and 6 percent reported all three. Education and health-care cuts clearly are affecting different segments of the population, given that 39.1 percent of those affected by education cuts were also affected by health-care cuts, and 31.3 percent of those affected by health-care cuts were also affected by education cuts. There is greater overlap between employment impacts and cuts in education and health care: about half of those reporting that their employment had been affected also reported being affected by either education or health-care cuts (48.5 percent and 50.4 percent, respectively). This overlap partly reflects the substantial job losses that have occurred in health care and education, and the ripple effects of these public sector job cuts on business and employment opportunities.

Public Attitudes about the Impacts of Cuts

A series of 26 attitude statements were presented to respondents to gauge public opinion about the impact of cutbacks and support for the government's

approach to deficit elimination. For the purposes of this article, we conducted factor analysis to reduce these attitudinal items into a small number of reliable attitude indices. Factor analysis is a common data reduction technique, which also assists researchers to identify underlying attitude dimensions in public opinion research (Kim and Mueller 1978).¹³ Five distinct and interpretable indices (or scales) were constructed:

1. *Education quality*, comprising the average responses to five statements asking respondents how concerned they are (on a 7-point scale) about the impact of education cutbacks on the quality of education in schools, keeping highly skilled teachers and professors in Alberta, the cost of postsecondary education, the quality of postsecondary education, and access to kindergarten (scale reliability Alpha = .83).
2. *Health-care quality*, comprised of the average responses to six agree-disagree statements (measured on a 7-point scale) about privatizing health-care services and programs, reduced quality of health care in the next few years due to budget cuts in Alberta, reduced quality of health care due to replacing registered nurses with nursing assistants, reduced quality of health care due to increasing reliance on private, for-profit health services, the creation of a two-tiered health-care system — one for the rich and one for the rest of the people —, and the election of regional health board members (now appointed by the provincial government) (scale reliability Alpha = .71).
3. *Restricted health-care access*, comprising four attitude statements (measured on a 7-point scale) asking respondents how strongly they agreed or disagreed with restricting eligibility of health-care benefits on the basis of income, age, lifestyle, or place of residence in the province (scale reliability Alpha = .54).
4. *User fees*, comprising two agree-disagree attitude statements (measured on a 7-point scale)

asking respondents how strongly they agreed or disagreed with the government charging user fees for health services, and Albertans having to pay user fees for government services when they already pay taxes (scale reliability Alpha = .50).

5. *Workers' rights*, comprising three agree-disagree attitude statements (measured on a 7-point scale) asking respondents how strongly they agreed or disagreed that health-care workers who lose their jobs because of cutbacks should receive employer-funded assistance (e.g., retraining) to help them find work, that health-care workers who lose their jobs because of cutbacks should receive severance pay of two weeks wages for every year worked (most had received none), and that unions in the public sector should be directly involved in decisionmaking about budget cuts (scale reliability Alpha = .54).

Table 1 shows the relationship between having experienced government cutbacks in one of the three areas we examined and these five attitude indices. Looking at the total column, we note that close to three-quarters disagree or strongly disagree (in other words, are concerned) about restricted access to health care. More than two-thirds are concerned about declining education quality because of budget cuts. Almost six in ten are concerned about declining health-care quality due to budget cuts, 46 percent disagree or strongly disagree with the imposition of user fees, and 47 percent believe that workers' rights are not being respected.

This table also documents a statistically significant relationship between experiencing specific cuts and having a higher level of concern about the negative impact of these cuts. For instance, respondents who experienced health-care cuts are significantly more likely than those not affected to be concerned

TABLE 1
Effect of Experiencing Provincial Government Cutbacks on Attitudes about Cuts

	<i>Attitude Index (% Concerned)</i>		
	<i>Affected by Cuts</i>	<i>Not Affected</i>	<i>Total</i>
<i>Health-Care Cuts</i>			
Health care quality***	68.7	53.5	59.1
Restricted health care access	74.8	71.3	72.6
User fees***	51.5	42.0	45.5
Workers' rights	48.1	46.1	46.8
<i>Education Cuts</i>			
Education quality*	78.7	63.9	68.2
Workers' rights	50.7	45.3	46.9
<i>Own Employment</i>			
Health care quality***	68.1	55.9	59.0
Education quality**	75.1	65.7	68.2
User fees**	51.7	43.3	45.5
Workers' rights*	51.9	45.1	46.9

NOTE: This table reports the percentage of respondents scoring an average of 5 to 7 on a 7-point summary scale for each of the attitude indices. Row N's vary between 1234 and 1239, due to missing data on some variables.

***p < .001

**p < .01

*p < .05

SOURCE: Authors' Compilation.

about declining health-care quality and user fees. However, opposition to restricting access to health-care benefits was uniformly high, regardless of one's experience with cuts. Similarly, the workers' rights index shows no variation in this regard, perhaps surprisingly, given that two of the items refer specifically to health-care workers.

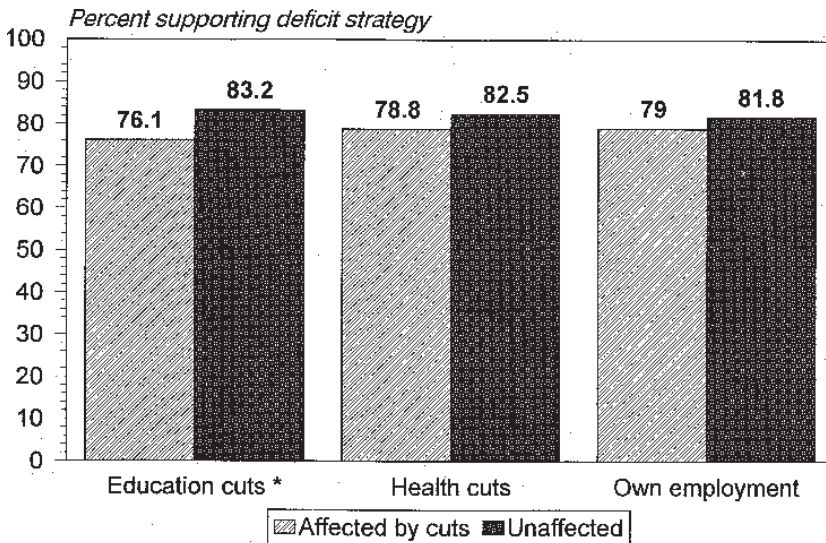
In terms of education cuts, those who were affected are significantly more likely to be concerned about declining education quality. They are also somewhat more supportive of the workers' rights index, but the difference is not statistically significant at the .05 level. Respondents reporting that their own employment situation had been affected score significantly higher on all four attitude indices. To summarize, while not all relevant attitude indices are significantly correlated with the experience of cuts, the overall consistency and strength of this pattern confirms that concern about the negative effects of cuts is higher among individuals who have personally experienced them.

Impacts of Cutbacks on Support for the Government's Deficit Elimination Strategy and Provincial Voting Intentions

Figure 2 examines the relationship between the experience of cutbacks and support for the government's deficit elimination strategy. Most remarkable is the high level of support for the statement, "Cutting government spending is the best way to eliminate the deficit."¹⁴ Regardless of whether respondents were affected by the cuts, between 76 percent and 83 percent agree with the Klein government's approach to the deficit.

This highlights a central paradox in Alberta public opinion. Despite concerns about the negative impact of health-care and education cuts, documented above, a large majority accept the government's focus on cutting spending to reduce the deficit. Alternative approaches to deficit elimination have been absent from public discussion, in part because the opposition Liberals agree with the Klein government's general strategy. Yet interestingly, the

FIGURE 2
Impact of Cutbacks on Support for Government's Deficit Strategy



Reports % agreeing/strongly agreeing (i.e., scoring 5, 6, or 7 on a 7-point scale) that "cutting government spending is the best way to eliminate the deficit."

*Difference statistically significant, Chi-square test, $p < .05$.

1995 AS found that 45 percent of respondents support higher business taxes as a way of eliminating the deficit. However, only 31 percent support user fees to fund public services, and even fewer (27 percent) agree that Albertans should pay higher taxes to maintain the quality of health care and education.

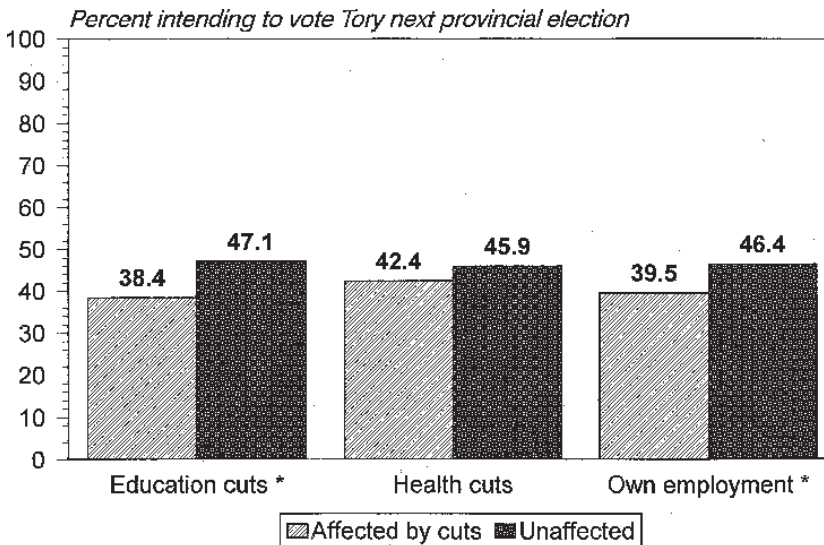
In light of the strong endorsement of the government's fiscal policy, we might expect the cuts to have little or no effect on its electoral support. Figure 3 shows quite the opposite: respondents who experienced education cuts or whose own employment was affected are significantly less likely to vote Tory in the next provincial election.¹⁵ The difference in Conservative electoral support between those affected and those unaffected in both areas of cuts is less than ten percentage points. Still, these findings suggest that the government's electoral support could be vulnerable if more individuals and their immediate families experience the negative impact of cuts. Judging from media accounts, health care is the Achilles heel of the government's public popular-

ity. Yet Figure 3 shows that health-care cuts have no impact on voting intentions. One possible explanation for this is the demographic distribution of the cuts. Proportionally more seniors have been affected, and compared to younger age groups they are most likely to state they would vote for the Conservative party if a provincial election were held today.

Impacts of Attitudes about Cutbacks on Support for the Government's Deficit Elimination Strategy and Provincial Voting Intentions

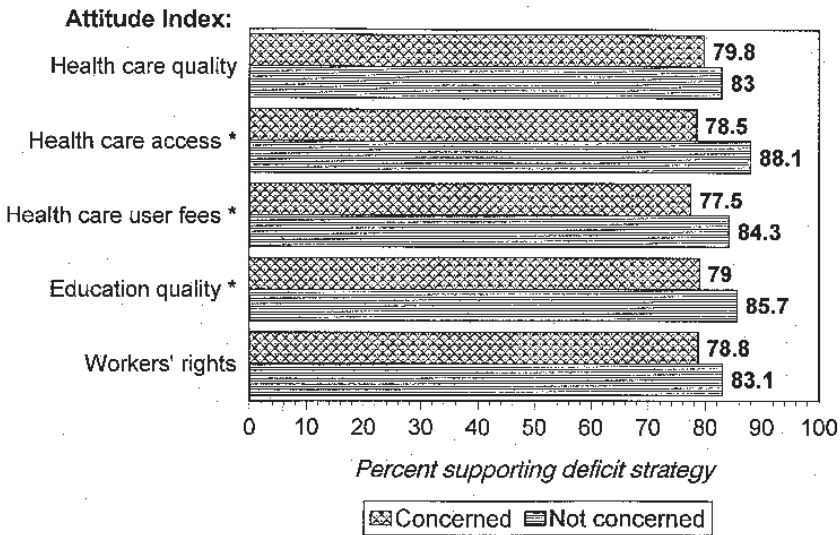
Figures 4 and 5 examine our final research question: Do public attitudes about the impact of government cutbacks have any bearing on support for the government's deficit elimination strategy or on its electoral support? We have shown that experiencing cuts tends to increase an individual's level of concern about their negative impacts. Keeping this in mind, it is interesting that Figure 4 shows significantly less support for the government's deficit elimination strategy among respondents who

FIGURE 3
Impact of Cutbacks on Provincial Voting Intentions



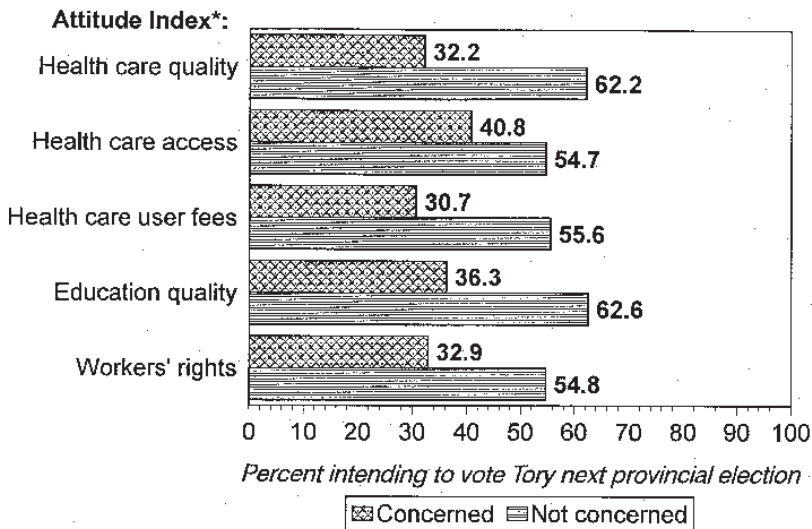
*Differences statistically significant, Chi-square test, p<.05.

FIGURE 4
Support for Government's Deficit Strategy by Attitudes about Cuts



Reports percent scoring below 5 (not concerned) or 5, 6 or 7 (concerned) on 7-point attitude indices. N varies from 1223 to 1226 due to missing data. *Differences statistically significant, Chi-square test, $p < .01$.

FIGURE 5
Intention to Vote Tory by Attitudes about Cuts



Reports percent scoring below 5 (not concerned) or 5, 6 or 7 (concerned) on 7-point attitude indices. N varies from 1117 to 1120 due to missing data. *All differences statistically significant, Chi-square test, $p < .001$.

score on the “concerned” end of the health-care access, health-care user fees, and education quality attitude indices. Respondents’ concern about health-care quality does not have a bearing on their support for deficit elimination by cutting government spending. This is somewhat puzzling, given that we have shown this attitude index to be shaped partly by one’s experience of health-care cuts. The workers’ rights index is a weak predictor of support for deficit elimination. In the end, the key point of Figure 4 is the overall high level of support for the Klein government’s fiscal policy — regardless of an individual’s level of concern about the negative impacts of the resulting cuts in programs, services, and employment.

Looking at Figure 5, the same five attitude indices are used to predict voting intentions in the next provincial election. In this respect, concerns about the negative impact of public sector cutbacks clearly make a major difference. That is, Conservative electoral support ranges between 31 percent and 41 percent among those scoring at the “concerned” end of the five attitude indices. This contrasts with electoral support in the 55 percent to 63 percent range among those who scored “neutral” or “not concerned” on these five indices. In short, public perception of the negative effects of cutbacks may be a more salient factor in the Klein government’s electoral support than actual experience of the cuts.

CONCLUSION

This paper is a first attempt to examine public reactions to the sweeping changes initiated by the Klein government’s fiscal policy. Our basic premise is that public policy researchers must complement economic analyses of governments’ attempts at deficit (and debt) reduction with investigations of how the resulting cuts and restructuring of public services affect individuals and society. Studying the social dimensions of fiscal policy demands careful attention to how the political and historical context of a province influences public responses. In drawing

generalizations from our findings, it is important to keep in mind Alberta’s individualistic and populist political culture, a history of one-party dominance, muted collective opposition to the impact of cuts by those groups most affected, and a relatively strong economy with a low tax burden — all of which form the backdrop to public reactions to the Klein government’s fiscal policy.

But looking beyond the particulars of Alberta’s changing political environment, our analysis raises larger questions about how governments respond to mounting public opposition as cuts work their way through the system. Because we focus on the first 18 months of budget cuts (from June 1993 to January 1995), our findings likely underestimate the full extent of change that has occurred. Even though the government has scaled back selected cuts and has plans to “reinvest” in health care and education, the public will continue to experience the effects of the far-reaching administrative and organizational changes introduced since mid-1993. So our research is not merely of historical interest; rather, it documents the underlying dynamics between cutbacks and public reactions as individuals continue to experience the effects of these cuts.

Our findings contribute several insights to Canadian public policy discussions of deficit elimination strategies. First, our research extends the scant literature on public opinion toward fiscal policy. Several previous studies show that the public generally supports fiscal policies aimed at reducing government deficits but, at the same time, resists the erosion of public services (Modigliani and Modigliani 1987; Jacoby 1994). These studies are based on US data and have not assessed public reactions to concrete budget cuts; we have been able to provide Canadian evidence of how individuals respond to actual cuts. The contradictory nature of public opinions about government budget cutting is a consistent theme, regardless of where or when the studies were conducted. We have explored this by showing a link between the experience of cuts, concerns about declining public services, and overall electoral

support for the government. Our analysis also underlines the restricted nature of debate in Alberta concerning alternatives to spending cuts and its role in reinforcing the paradox in public attitudes. By setting ideological parameters around public discussion, the government has sustained the myth that there is no other alternative to budget cuts, effectively closing off other options. This lack of debate no doubt reinforces the ambiguous nature of public opinion regarding fiscal policy and public services.

Sanders (1988) raises an interesting issue in this regard, arguing that self-interest becomes a factor in public opinion when people feel that public services to which they are legitimately entitled are being jeopardized by budget cuts — cuts that they initially supported in principle. In light of our findings, it seems clear that public policy debates in Alberta — and likely in Ontario and other Canadian jurisdictions still facing budget deficits — will increasingly focus on defining *minimum levels* of public services, shifting away from *citizens' rights* to these services or *universal entitlements*. This has begun to happen in health care but, as the Klein government discovered, the public continues overwhelmingly to support the vision of a high quality, accessible, and publicly funded health-care system as a basic entitlement. This discrepancy between a government's fiscal imperative to redefine the need for public services, and the public's perceived right to a certain level and quality of service funded by taxes will fuel public policy debates into the next century.

Second, in a related vein we have documented that within public opinion there are coherent sets of attitudes regarding the quality of public services. This is most evident in health care, where the vast majority of Albertans want to preserve the principles of universality and accessibility, and oppose user fees and the rationing of services based on age, income, or lifestyle. We did not address what the public wants to see preserved in a universally accessible and publicly funded health-care system, although such information would illuminate what

is likely to be a rancorous debate on this question. Already the Alberta government has defined what constitutes “essential services,” and has whittled away the comprehensiveness of the health-care system. As the boundaries of the publicly funded system are pulled back, there inevitably will be mounting pressures for private providers to fill the gaps — pressures that already have placed the principles of the *Canada Health Act* on the federal-provincial bargaining table.

Third, it is important to recognize the uneven impact of cutbacks and the socio-demographic distribution of public opinion. Women have felt the brunt of education cutbacks far more than men, no doubt because of their greater involvement in the educational system in various ways, and consequently are more concerned about the negative effect of these changes. Seniors have been hard hit by the health-care cuts which resulted in sweeping changes contained in the Alberta Seniors' Benefit program and, for the first time since 1982, charging all but the poorest seniors health-care premiums. Women also have been more likely than men to experience the impact of health-care cuts, especially if they are under the age of 30 or work in the health-care sector. The gender gap in attitudes also is evident on health-care issues, with women being stronger advocates of a universal, accessible, publicly funded health-care system in Alberta. Similarly, women are more likely to oppose user fees for government services or higher taxes to maintain the quality of education and health care. Generally, women, more so than men, seem to champion a positive role for the state.

In socio-economic terms, the group most affected by cutbacks in education or in public sector employment is the middle- and upper-middle class of well-educated managerial and professional workers. Despite the pervasive impact of health-care cuts, there are higher levels of support among upper socio-economic groups (measured by education, occupation, household income) for privatization and user fees, and lack of concern about the emergence of a

two-tiered health-care system. Further research is needed, however, before we can draw firm conclusions about socio-economic divisions in public support for the government's cost-cutting agenda.

Finally, we have highlighted the contradictory nature of public opinion regarding deficit elimination, on one hand, and maintaining public services, on the other. We have shown that the majority of Albertans have been affected negatively by budget cutbacks and resulting restructuring. Indeed, fully 61 percent of adult Albertans were affected in the first 18 months of the Klein government by its cutbacks in education or health-care funding, or by cuts to public sector employment. When given the opportunity to explain in their own words how these cuts have affected their lives, virtually none of the descriptions was positive. Individuals who have experienced the impact of cuts, especially in health care and education, tend to be more concerned about the declining quality of public services. Thus, while Albertans are willing to "bite the bullet" on the deficit and debt, they now are "feeling the pain" of scaled-back public services and reduced public sector employment opportunities.

But how much pain will Albertans tolerate, and at what political cost to the government in the next election? When assessing the political implications of deficit and debt reduction policies, it would be useful to know the intensity of the "pain" experienced by individuals affected by cutbacks in public services. The 1995 AS did not probe how much of a problem the cutbacks posed for respondents or their families. The negative experiences documented above ranged from minor inconveniences to job loss, but we are unable to quantify these into a measure of "relative deprivation" (Krahn and Harrison, 1992). Future research along this line may be able to show, for example, a stronger link between specific effects of cuts and electoral behaviour. The fact that we found no relationship between experiencing health-care cuts and intention to vote for the government may reflect the need for a more precise measure of how users of the health-care system are

differentially affected. Furthermore, it is important to acknowledge that the 1995 AS did not ask respondents how they voted in the most recent provincial election. Without this information, we are unable to test empirically to what degree voting behaviour actually is changing due to an individual's reactions to budget cutbacks.

In terms of political costs to the government in the next election, it is worth noting that in 1996 the Conservatives posted a budget surplus in excess of one billion dollars. The government's three-year "Reinvestment Plan," announced in June 1996, talks of accelerating the elimination of the provincial debt and reinvesting in the "priority areas of health, education and seniors," albeit in a minimalist way (Alberta Premier's Office). This pre-election strategy may pay off for the government if it is perceived by Albertans to address their aversion to deficits and debt on one the hand, and on the other hand, their concerns about the reduced quality of, and accessibility to, public services. Recent public opinion lends credence to this view. The 1996 Alberta Survey, conducted 13 months after the survey we reported above, shows that while about 70 percent of respondents agree that budget cuts have reduced the quality of health care, 62 percent of decided voters support Ralph Klein's Progressive Conservative government (Population Research Laboratory 1996). This suggests that Albertans may indeed have bitten the bullet of "new right" fiscal restraint.

NOTES

Names are listed alphabetically to reflect equal co-authorship. We acknowledge the contributions of Trevor Harrison and Bill Johnston to the development of the 1995 Alberta Survey questions reported in this paper. We are grateful to Cliff Kinzel and Population Research Laboratory staff for their assistance in data preparation, and to Allan Tupper and reviewers for this journal for useful comments on earlier drafts of this paper.

¹An August 1995 poll conducted by Angus Reid found that only 22 percent of respondents listed the deficit as the most important issue facing Albertans, compared to

45 percent in a similar poll in February 1995. In contrast, health care had become the most important issue, cited by 54 percent of Albertans (*Edmonton Journal* 17 September 1995, A1). With respect to the premier's own performance, a November 1995 poll conducted by Angus Reid found that 56 percent of Albertans approved of the premier's performance, compared to 63 percent in August 1995 and 65 percent in January 1995 (*Edmonton Journal* 1 December 1995, A7).

²For more detailed discussions of the policy initiatives of the Klein government, see Hughes, Lowe and McKinnon (1995); Laxer and Harrison (1995); and Taras and Tupper (1994).

³The Klein government essentially is another manifestation of "new right" politics, based on the principles of liberalism. The term "neoconservative" is often used to refer to the new right, but this can be a source of confusion given that traditional conservatism — unlike individualistic, laissez-faire liberalism — believes that the ruling elite, through the state, has an obligation to look after the collective well-being of society (see Marchak 1988, 13; King 1987, ch. 2). For useful discussions of neoliberalism in Canada, and Alberta, see Laxer and Harrison (1995); and Taras and Tupper (1994).

⁴As McMillan and Warrack (1995, 3-6) show in their analysis of Alberta's fiscal situation, debt-servicing costs rose from \$200 per capita in 1982 (in real terms) to over \$600 by 1994, becoming the third largest expenditure item in the budget (exceeded only by expenditures on health and education).

⁵In the 1995 budget, gross expenditures were cut from 1992-93 to 1997-98 as follows: Education (5.6 percent), Advanced Education and Career Development (15.3 percent), Health (17.7 percent), Family and Social Services (19.1 percent), and other departments (27.0 percent) (Alberta Treasury 1995, 13).

⁶These are unadjusted figures which combine municipal, provincial, and federal employees working in "Public Administration." While separate figures for provincial civil servants are not available, City of Edmonton officials have recently stated that the bulk of job loss in public administration between June 1994 and June 1995 has occurred in the provincial subsector (*Edmonton Journal* 5 August 1995, B1).

⁷These questions were designed by a team of Univer-

sity of Alberta researchers (the three authors, Bill Johnstone, and Trevor Harrison). While they do not address all the areas of the provincial government's cuts and restructuring (e.g., the impact of cuts to social assistance was not examined), they address the three issues (health care, education, and public sector employment) which affect the greatest number of Albertans.

⁸An immediate family member was considered to be a spouse/partner, parent, grandparent, daughter, son, granddaughter, grandson, sister, or brother residing in Alberta.

⁹The 18-month time frame covers the period between June 1993 when the Conservative party led by Ralph Klein won the provincial election and January 1995, the month prior to administration of the 1995 Alberta Survey.

¹⁰In his 1994 budget speech, Provincial Treasurer Jim Dinning confirmed that "a significant impact of these spending reductions will be felt by Alberta's public servants" (Alberta *Hansard* 24 February 1994, 257). He also estimated that "spending cuts could reduce the rate of economic growth by up to one-half of 1 percent in 1994, but the Alberta economy will continue to grow, and there will be gains in employment" (Alberta *Hansard* 24 February 1994, 256). Given these contrasting scenarios, one for the public sector and the other for private sector business, the 1995 AS asked respondents if their own employment situation had been affected in the past 18 months by the provincial government's cutbacks.

¹¹These results are not reported in the paper but are available in Hughes, Lowe and McKinnon (1995). These socio-demographic differences are statistically significant ($p < .05$).

¹²Results not reported; see Hughes, Lowe and McKinnon (1995) for details.

¹³A varimax rotation was used and only items with factor loadings of 0.4 or greater were included in the resulting indices.

¹⁴Figures 2 and 4 report the percentage agreeing or strongly agreeing with this statement (i.e., scoring 5, 6 or 7 on a 7-point scale).

¹⁵The question asked respondents how they would vote if a provincial election were held today, with the following response categories: Liberal, New Democrat, Progressive Conservative, Reform, don't know, other. The undecideds are included in this and subsequent analyses.

Note that Reform has not run candidates provincially in Alberta, but is included as a response category because of the number of respondents who volunteered this answer.

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