

The Economics of Addiction: Alberta's Crisis and Path Forward

Issue Statement:

Alberta is facing a significant public health and economic crisis driven by substance addiction, costing the province over \$6.7 billion annually. The opioid crisis, particularly involving synthetic opioids such as fentanyl, has led to devastating loss of life and increased social disorder. The COVID-19 pandemic exacerbated the situation by disrupting drug supply chains and limiting access to critical harm reduction services. Additionally, external pressures like potential U.S. tariff increases threaten to further destabilize Alberta's economy and public safety.

Background:

Substance use in Alberta remains a profound economic, social, and public health crisis, costing the province more than \$6.7 billion annually. These staggering costs arise from increased healthcare expenditures, lost workforce productivity, criminal justice expenses, and the broader socio-economic impact on communities¹. With an estimated \$1,579 per resident allocated to managing addiction-related consequences, the financial strain on Alberta underscores the urgent need for a strategic, long-term response.

The opioid crisis, particularly the rapid proliferation of synthetic opioids such as fentanyl, has amplified public health and safety concerns, leading to a catastrophic number of overdose deaths. Across North America, the overdose epidemic has reached unprecedented levels, with approximately 80,000 lives lost each year due to fentanyl trafficking alone. This crisis has been declared both a domestic and international emergency, requiring a coordinated and immediate response from federal, provincial, and municipal governments.²

The COVID-19 pandemic further exacerbated Alberta's addiction crisis, intensifying the risks faced by vulnerable populations. Border closures, stringent lockdown measures, and disruptions to global supply chains resulted in increasingly toxic and unpredictable drug supplies. With limited access to harm reduction services and treatment facilities, users turned to high-risk alternatives, leading to a significant surge in overdose fatalities. The pandemic not only deepened existing socio-economic disparities but also highlighted the urgent necessity for robust, adaptable public health policies that address the evolving nature of substance use.

In response to this growing crisis, Alberta has introduced a range of initiatives aimed at combating addiction and its associated societal impacts. One such program is the Drug Treatment Court (DTC)³, designed to offer non-violent offenders an opportunity to break free from the cycle of addiction-related crime. Operating in Calgary, Edmonton, Lethbridge, and other major cities, the DTC model has demonstrated notable success, with an estimated 70% of

¹ <https://www.cbc.ca/news/canada/calgary/crime-alberta-calgary-edmonton-danielle-smith-rachel-notley-1.6851501>

² <https://fintrac-canafe.canada.ca/intel/operation/iso-osi-eng.pdf>

³ <https://albertacourts.ca/cj/areas-of-law/criminal/special-courts/DTC>

program graduates avoiding reoffending. By addressing the root causes of addiction-driven criminal behavior, the DTC initiative not only reduces recidivism but also alleviates the burden on the criminal justice system.

Indigenous peoples play a key role in the opioid crisis in Alberta. The opioid crisis has severely affected Indigenous populations. From January 1, 2012, to June 30, 2020, First Nations people accounted for 22% of all accidental opioid poisoning deaths in the province.⁴ In addition, in 2020/2021, Indigenous individuals in Alberta were 10.8 times more likely to be incarcerated than their non-Indigenous counterparts.⁵ In 2019, the Calgary Indigenous Court was established to provide a culturally relevant, restorative, and holistic system of justice for Indigenous individuals, including offenders, victims and the community harmed by an offender's actions.⁶ Similar programs throughout the province could help to provide opportunities to reduce the overrepresentation of Indigenous peoples in the justice system, and address recovery-oriented care.

Alberta's commitment to public safety is further reflected in its recent modifications to bail practices, prioritizing the detention of repeat violent offenders and organized crime members. To strengthen accountability and deter drug-related offenses, the province has also established specialized prosecution units in key urban centers. These dedicated teams focus on targeting high-risk offenders involved in drug trafficking, organized crime, and violent activity linked to the illegal drug trade.

A crucial aspect of Alberta's addiction response strategy is its recovery-oriented model of care. The provincial government has allocated significant funding to expand treatment facilities, increase the availability of detox and rehabilitation spaces, and integrate harm reduction measures with long-term recovery solutions. By investing in a comprehensive continuum of care, Alberta aims to provide individuals struggling with addiction the necessary support to achieve sustained recovery, reintegration into society, and improved overall well-being.

Despite these concerted efforts, Alberta's addiction crisis persists, further complicated by external economic pressures. Potential U.S. tariffs and global economic instability pose additional risks to the province's financial resilience, exacerbating socio-economic factors that contribute to substance abuse, homelessness, and crime. The interconnection between addiction and economic uncertainty cannot be overlooked, as drug-related issues directly impact Alberta's business environment, public safety, and long-term economic sustainability.

⁴ Opioid Response Surveillance Report: First Nations People in Alberta (<https://open.alberta.ca/dataset/ef2d3579-499d-4fac-8cc5-94da088e3b73/resource/1d3c4477-7a5b-40a8-90f0-a802dbfd7748/download/health-alberta-opioid-response-surveillance-report-first-nations-people-2021-06.pdf>)

⁵ Over-Representation of Indigenous Persons in Adult Provincial Custody, 2019/2020 and 2020/2021 (<https://www150.statcan.gc.ca/n1/daily-quotidien/230712/dq230712a-eng.htm?HPA=1>)

⁶ Calgary Indigenous Court (<https://albertacourts.ca/cj/areas-of-law/criminal/calgary-indigenous-court>)

Government of Canada federal legislation makes it easier to get bail, allowing drug dealers to quickly find themselves back on the streets, preying on vulnerable populations.⁷

Addressing this crisis requires a multifaceted, evidence-based approach that combines law enforcement, prevention, treatment, and post-recovery support. Alberta must take decisive, coordinated action to strengthen its response to addiction, safeguard public health, and ensure economic stability. The province's future depends on a comprehensive, sustainable strategy that not only mitigates the immediate effects of the crisis but also fosters resilience and long-term solutions for individuals, families, and communities impacted by substance use disorder.

The Alberta Chamber of Commerce Recommends that the Government of Alberta:

1. Expand and enhance access to addiction treatment, recovery, and wraparound services as part of Alberta's recovery-oriented system of care.
2. Strengthen Alberta's Drug Treatment Court system by further integrating addiction recovery services within the justice system, reducing reoffending rates and supporting long-term recovery. Solicit feedback from current service providers within communities to ensure that government supports will be sufficient for increased capacity.
3. Increase enforcement with a focus on trafficking, and continue advocating to the Federal Government for bail reform for drug trafficking crimes.
4. Expand a concept similar to the Calgary Indigenous Court to other jurisdictions.
5. Advocate for stronger federal action on international drug trafficking while safeguarding Alberta's economic policies from external trade threats related to the opioid crisis.

⁷ Canada's bail system, Government of Canada (<https://www.alberta.ca/canadas-bail-system>)