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A Transition to an Inclusive, Equitable, Clean Canadian Economy

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Citizens for Public Justice (CPJ) is a faith-based policy organization that believes federal policy can and must serve the public good. Our research, policy analysis, education, and advocacy work are grounded in an understanding of the sacredness of creation and the dignity of all people. From this perspective, the central role of government is to promote the well-being of all citizens and residents, and the flourishing of the Earth.

Canada and the Global Climate Crisis

Our Earth is suffering. Natural systems are shifting, plant species are vulnerable, too many animals are at risk of extinction, and humans (especially in Northern communities and the Global South) are losing their lives and livelihoods to environmental degradation and disasters. Entire ecosystems, communities, and nations are struggling to survive.

Long considered far-off (both temporally and geographically), the changing climate is presenting huge challenges across Canada. Impacts are particularly severe in the far North and along Canada's coastlines. The record-breaking heat in British Columbia in 2021, along with severe drought, wildfires, and flooding across the country, has brought the urgency of climate action closer to home for many more people in Canada. Others living in the North have long seen the impact of climate change on their ability to hunt, fish, and gather food, or even travel to and from their communities by ice roads.

The global climate crisis is rooted in the same colonial systems and structures of exploitation and racism that shaped Canada's history and continue to harm Indigenous Peoples today. The scientific requirement of transformational climate action repeatedly signaled by the Intergovernmental Panel on Climate Change (IPCC) echoes Indigenous voices and affirms the knowledge and experience of First Nations, Métis, and Inuit peoples who have cared for, and defended the lands, waters, and ecosystems across Turtle Island for generations. To move forward in a good way, we must prioritize Indigenous autonomy, transform our economic and social structures so they benefit all people living in Canada, and create space for the voices of those who have been traditionally marginalized and are disproportionately impacted by the climate crisis.

In June 2019, the Parliament of Canada declared a climate emergency. They agreed that "climate change is a real and urgent crisis" and recognized the imperative that "Canada commit to meeting its national emissions target under the Paris Agreement," make "deeper reductions in line with the Agreement's objective of holding global warming below two degrees Celsius," and pursue "efforts to keep global warming below 1.5 degrees Celsius."

Government of Canada plans outlined in [A Healthy Environment and a Health Economy](#) (December 2020), and the myriad actions since, are important steps forward. The April 2021 announcement of an enhanced emissions reduction target (40-45% below 2005 levels, by 2030), the May 2021 increase to Canada's contribution to global climate finance, and the June 2021 passage of climate accountability and Indigenous rights legislation were positive developments.

The December 2021 mandate letter to the Minister of the Environment and Climate Change signaled progress and promise. More encouraging still were several directives across ministries:

- to “seek opportunities ... to support [a] whole-of-government effort to reduce emissions, create clean jobs and address the climate-related challenges communities are already facing” (whole of Cabinet);
- to “ensure budgetary measures are consistent with the Government’s climate goals” (Finance);
- to eliminate fossil fuel subsidies by 2023 (multiple Ministers); and
- to advance legislation and comprehensive action to achieve a Just Transition (Environment and Climate Change, Natural Resources, and Labour (supported by several others).

Unfortunately, the [2030 Emissions Reduction Plan: Clean Air, Strong Economy](#) (March 2022) and federal budget came up short. Though this was the most comprehensive Canadian climate plan to date, it remains incomplete. To avoid far-reaching, catastrophic consequences, Canada needs to go further to align our emissions-reduction target—and corresponding actions—with the temperature goals of the Paris Agreement. Taking into account Canada’s historic emissions and our current place among the top ten global emitters, this means a fair share target to reduce national GHG emissions by 60 percent below 2005 levels by 2030.

Responding to the challenges before us requires a holistic suite of measures: beginning with follow-through on existing commitments (the elimination of fossil fuel subsidies and the capping of oil and gas emissions) right through to the managed phase-out of oil and gas exploration, production, and distribution. These changes must be anchored in a legislated just transition that dismantles systems of oppression and inequality by centering Indigenous rights; promotes fairness and inclusion; and creates good, secure, green jobs.

Canada’s Just Transition: The Fundamentals

Essentially, a “Just Transition” is about shifting towards an environmentally sustainable economy and society—and in doing so, ensure the benefits and burden of change are shared equitably across society.

At its most basic, a just transition seeks to ensure that those who are well employed in the coal, oil, and gas sectors are supported as they move to secure employment in clean energy or other lower-emission jobs. Given the systemic biases and barriers present in Canada’s traditional energy economy, however, to be considered truly just, the transition to a clean economy must include those who have historically been excluded from the labour force, and/or received lower pay once employed. Specifically, people who are Indigenous, racialized, disabled, women, or gender diverse.

In addition to demonstrating concern for all workers, businesses, and communities in regions with economies that are currently dependent on fossil fuel production, a truly just transition will contribute to reducing greenhouse gas emissions while simultaneously addressing inequality, income insecurity, and social exclusion.

Through a just, inclusive transition, Canada will create a clean and sustainable economy that prioritizes the well-being of people and the planet.

Canada’s Just Transition: Challenges and Opportunities

The path to a just, clean economy that prioritizes societal and environmental well-being requires significant investment (including reallocations). Getting it right also requires the input and engagement of those most affected, attained via authentic, meaningful consultations and ongoing dialogue.

A just transition ensures that the weight of change is not borne disproportionately by any one group of people, and especially not those who are already marginalized. It prioritizes low-carbon energy development, funding for skills development and retraining programs for oil and gas workers, and protection for those most vulnerable to economic exclusion and exploitation, including a robust income security program¹ and rights-based regulatory standards.

“Justice” in a Just Transition. Just transition policies must also address long-standing environmental and socio-economic inequalities. Fortunately, the move to a modern, green economy presents a tremendous opportunity to embed the principles of equity and justice in our new economic and social development practices.

Research by the Canadian Centre for Policy Alternatives (CCPA) found that the [main recipients](#) of the federal government’s current transition policy benefits are Canadian-born white males working in oil-dependent industries, who earn an average median income of over \$130,000 per year. Yes, it is imperative these workers are being supported; as we envision a new, green economy, however, it is also essential that people who are Indigenous, racialized, disabled, women, or gender diverse (those with limited representation in oil and gas) also benefit from the tremendous long-term benefits brought about by a zero-carbon economy.

The CCPA further noted that women in the energy sector earn significantly less than their male counterparts: 17% less in coal mines and 23% less electricity. Women make significant contributions to the total labour market. But because they are underrepresented in skilled trades (often working in industries on the periphery of fossil fuels) they face barriers to equal integration into a decarbonized workforce.

Racialized immigrants from the Global South also face barriers to earning a fair wage in Canada. Due to a lack of professional networks, discriminatory hiring practices, and [inadequate financial resources](#), it can be difficult for them to get apprenticeships and find employment in skilled trades. As a result, they often need to resort to low-skill, low-paying jobs that do not match their skill sets or their education.

Indigenous workers face a different set of barriers and difficulties in the transition process. Despite the new employment opportunities presented by a just transition for Indigenous workers who are over-represented in construction (a sector that will benefit greatly from decarbonization), a 2016 Amnesty International report states that, “Indigenous peoples whose *lands* and *resources* provide the basis for the wealth generated in the region, are excluded from a meaningful role in decision-making and bear a greater burden” compared to non-Indigenous workers. Indigenous workers in Canada are 12% more likely to be [precariously employed](#) and earn 7% less than non-Indigenous employees among full-time construction workers. Although there are high apprenticeship enrollment rates among Indigenous people, they also have the highest dropout rates due to financial burdens and pressures. There is a disparity between Indigenous and white workers that must be addressed in just transition policies.

As we shift towards a more stable, secure, and diversified economy, an inclusive just transition means moving away from the systems of oppression that are central to Canada’s extractive industries. At the heart of a good way forward is respect for Indigenous rights and sovereignty, as well as justice for people who have been traditionally marginalized and are bearing the brunt of the climate crisis. The federal government must invest in stronger initiatives ensuring anti-oppressive labour standards, the diversification of the skilled trades

¹ Workers facing unemployment due to the managed decline of oil and gas, *should* be supported through this transition through Canada’s Employment Insurance program, but in light of long-standing program limitations (including uneven qualification requirements and inadequate supports), the Canadian Emergency Response Benefit and the Guaranteed Income Supplement for Seniors offer better models for just transition income supports. Another option would be the implementation of a Guaranteed Liveable Income (for all or part of the Canadian population) to ease the burden and build resilience through the transition.

workforce, and the implementation of an intersectional lens in policy design and evaluation, including the collection of disaggregated data.

New Employment Opportunities. Over the last several years, a myriad of research reports, from [international organizations](#), [civil society](#), and [academics](#) have all concluded that investing in a modernized, diversified green economy through a just transition is not only good for the climate, it is good for workers.

Certainly, such a massive change comes with challenges—especially for fossil fuel workers who have contributed significantly to Canada’s economy and are now at risk of losing their jobs. Fortunately, research by the International Labour Organization (ILO) published in 2015, indicates that a just transition can act as a [driver of a nation’s “job creation, job upgrading, social justice and poverty eradication.”](#)

Initially, the [ILO](#) says, we can expect to see an initial loss of 6 million jobs globally. But ultimately, green transition strategies will result in an additional 24 million new jobs in renewable energy generation, electric transportation and energy efficiency. That is a net positive of 18 million jobs.

What does this mean for Canada? According to the [October 2019 report](#) by Clean Energy Canada and Navius Research, “Canada’s clean energy sector is on track to employ 559,400 Canadians by 2030. While jobs in the fossil fuel energy sector are set to shrink by 0.5% every year out to 2030, jobs in the clean energy sector are set to grow 3.4% annually over the next decade—nearly four times faster than the Canadian average. Indeed, while 50,000 jobs may be lost in fossil fuels, just over 160,000 will be created in clean energy—a net increase of 110,000 new jobs.”

These jobs will come as a result of investments in home insulation, solar, tidal, wind, and other technologies, and will offer secure, stable employment without the associated boom-bust risk of high emitting energy sources. Research and development in “green” materials (e.g., algae and hemp-based plastics) will also allow us to end our reliance on petroleum-based plastics.

Caring Jobs are Green Jobs

Caring professionals, especially social workers and public health nurses, see the impacts of climate change firsthand in the lives of their clients. Many of these clients are among the poorest and most marginalized members of society and are the most severely impacted by the climate crisis and response measures. For example, rising energy costs leave families with less money for healthy food; changes in weather patterns impact those dependent on harvests or seasonal work; urban heat islands cause significant strain on elderly and health-compromised apartment dwellers. Ironically, the communities most impacted by climate change (in Canada and internationally) have contributed least to creating the problem in the first place. Other caring professions, such as teachers, nurses, and early-childhood education workers all likewise attest that the social determinants of health—how the conditions in which people are born, grown, live, work, and age combine to influence their health—are being negatively impacted by climate change.

Investing in caring professions would greatly contribute to a just transition in Canada. It would provide more good jobs with minimal emissions and greater support for societal wellbeing. There is also potential for these investments to address gender and race disparities in employment and income as women of colour are overrepresented in caring professions and often excluded from heavy industry.

The COVID-19 pandemic has laid bare the cracks and chronic underfunding of health care, long-term care, and other social services in Canada. Here again, essential investments, this time in health care, education, social work, and other caring professions, would address intersecting health, social, and environmental crises, serving the communities most affected while also mitigating climate change. Good, green jobs—broadly defined beyond just the energy sector—will both reinvigorate our economy and serve the public good.

Effective training for a successful transition to a zero-emissions economy, relocation apprenticeships, increased income support, pension bridges for older workers, and continued formal education programs are all key to this transition for workers.

Principles for a Just Transition

Legislating and investing in a just transition—that dismantles systems of oppression and inequality by centering Indigenous rights; promotes fairness and inclusion; and creates good, secure, green jobs—would allow Canada to effectively address the climate emergency, as well as interconnected crises of inequality and social exclusion.

How important is it for the federal government to assess potential impacts on workers and communities when considering climate change action?

It is essential that the federal government is mindful of the impacts of climate action on individuals (workers or not) and communities. However, given the urgency of the situation, it is equally important to consider the impact of *inaction*. The way communities and various levels of government pulled together at the beginning of the pandemic (despite disparate political leanings) demonstrated our capacity to mobilize the necessary will and resources in the face of emergency. We have the wealth, creativity, and resourcefulness not only to do this again, but to build and sustain solutions for a more resilient future.

Ultimately, a modernized, diversified clean economy built on the principles of equity and justice will lead to major emissions reductions, create good, secure jobs, and promote the well-being of everyone in Canada.

Are the draft just transition principles meaningful to you? Are the draft just transition principles broad enough to be flexible to unique and differing needs but specific enough to be effective?

The “People-Centred Just Transition Principles”² outlined by Natural Resources Canada (NRCan) do a good job of capturing many of the fundamental aspects of an inclusive just transition, namely dialogue and participation; good, secure work; and a focus on advancing equity. Given the context of the climate emergency, it should be widely understood that the underlying goal is to transition to a decarbonized economy. The pervasiveness of false solutions, however, requires that this fundamental intention be made explicit.

Research from several other networks and institutions point to additional considerations that should also be taken into account.

Informed by the early experiences of Canada’s coal phase-out, the [Task Force on Just Transition for Canadian Coal Power Workers and Communities](#) reflected elements of NRCan’s principles, while also noting the foundational importance of sustainable and healthy communities; planning for the future while remaining grounded in today’s reality; nationally coherent, regionally driven, and locally delivered actions; and, immediate yet durable support.

Among the [International Labour Organization \(ILO\)’s guiding principles for a just transition](#) are: the development of a strong social consensus, supported by ongoing consultation; accounting for the gendered

² [Proposed People-Centred Just Transition Principles](#): (1) Adequate, informed and ongoing dialogue on a people-centred, just transition should engage all relevant stakeholders to build strong social consensus on the goal and pathways to net zero. (2) Policies and programs in support of a people-centred, just transition must create decent, fair and high-value work designed in line with regional circumstances and recognizing the differing needs, strengths and potential of communities and workers. (3) The just transition must be inclusive by design, addressing barriers and creating opportunities for groups including gender, persons with disabilities, Indigenous Peoples, Black and other racialized individuals, LGBTQ2S+ and other marginalized people. (4) International cooperation should be fostered to ensure people-centred approaches to the net-zero future are advancing for all people.

impacts of climate change; the establishment of a coherent enabling environment for enterprises, workers, investors, and consumers; the creation of good jobs with adequate and sustainable social protection; and awareness of the specific national conditions.

[A group of grassroots Indigenous and allied climate action organizers and strategists](#), citing the [Just Transition Alliance](#) emphasize both the *process* and the *outcome* of a just transition. They note that “to be aligned with a just transition, all colonial states need to seek approval from the leadership, territorial governance, and wisdom of Indigenous Peoples, for all climate strategies. Where Free, Prior and Informed consent (FPIC) is applied as a framework for seeking such approval, all FPIC protocols and processes should be determined by the leadership of each Indigenous Nation.”

They also offer a vision of a healthy, local, zero-waste, regenerative economy of the future, based on sustainable, renewable energy (and keeping fossil fuels in the ground). They envision a society that is guided by caring, sharing, solidarity, and mutual aid, and that prioritizes agroecology, ecosystems protection, Indigenous sovereignty, human rights, and social equity.

Finally, **the Canadian Centre for Policy Alternatives’ (CCPA) 2021 [Roadmap to a Canadian Just Transition Act](#)**, states that “for a just transition policy to be sufficiently ambitious and comprehensive it must: (1) Recognize and enshrine basic rights, including labour rights and human rights; (2) Include the participation of affected workers and communities; (3) Expand the social safety net; (4) Create new economic opportunities; and, (5) Drive inclusive workforce development.”

Based on a study of several international just transition strategies, they go on to say that “government transition policies have been most effective when they prioritize proactive, economy-wide measures; engage stakeholders to produce regional transition strategies; and, include substantial public investments.”

Applied in the Canadian context, this collection of principles suggest the following priorities:

- **The rights of Indigenous peoples:** upholding the principle of free, prior, and informed consent, and the broader framework of the UN Declaration on the Rights of Indigenous Peoples.
- **The well-being of people living on the margins:** implementing well-designed measures to address domestic poverty and inequality.
- **The integration of racialized communities:** addressing systemic barriers to skilled trades and apprenticeships in Canada.
- **The livelihoods of oil and gas workers:** investing in low-carbon energy development and funding for skills development and retraining programs.
- **The health of natural ecosystems and the climate:** nurturing soil, oceans, plants, and animals in support of the flourishing of the natural world.

Are there other actors who need to commit to such principles?

Effectively operationalizing a just transition is a whole-of-government, economy-wide, all of society undertaking.

As Canada’s largest source of GHG emissions, the fossil fuel sector is at the core of the economic systems and structures we’re transitioning *from*. The creation of an inclusive, decarbonized, just economy goes far beyond the energy sector and traditional energy workers.

The just transition principles identified by NRCan, those elaborated here, and the corresponding best practices need to be applied across all government sectors, as well as informing minimum requirements for other levels of government, and industry.

To this end, just transition legislation must:³

- Enshrine fundamental just transition principles, rights and definitions;
- Establish a Just Transition Commission to oversee and guide the government's transition agenda;
- Establish a Just Transition Benefit to support workers in affected communities;
- Establish an Economic Diversification Crown Corporation to invest in job-creating projects in affected communities;
- Establish a Just Transition Training Fund that ensures access for historically marginalized groups to employment in the lower-carbon economy; and,
- Establish a new federal-provincial/territorial Just Transition Transfer to deliver funding for these new social programs.

A Just Transition Advisory Body

The Government of Canada's Just Transition Advisory Body should seek to centre the voices of people and communities most affected by the climate emergency and the decarbonization of the Canadian economy, including those marginalized by the exploitative and extractivist model of the fossil fuel sector. There is also an important place at the table for grassroots and institutional organizations representing those most acutely experiencing the impact of the climate crisis and the transition to a clean economy.

Advisory group members should be invited to consult on research, policy development, and program delivery, offering perspectives based on lived experience and/or expertise in a particular issue, policy, or skill set. Some will come with representational roles, speaking from their own experience *and* on behalf of their broader communities. Others will participate as individuals, bringing their unique perspectives and social identities.

The Government of Canada must recognize the importance of centering the voices, experience, and wisdom of people who are Indigenous, Black, People of Colour, 2SLGBTQIA+, non-binary or gender non-conforming, youth, and people living with disabilities. Advisory groups should be composed of a mix of people and organizations from these equity-seeking groups, as well as, workers, labour unions, and people living in poverty, and newcomers to Canada (and/or newcomer service organizations).

It is imperative that roles, responsibilities, mandate, goals, and processes be clearly defined and resourced from the beginning, and that an ongoing evaluation and accountability process be put in place.

Conclusion

The acceleration of the climate crisis makes it abundantly clear that slowly inching along isn't enough when our survival demands swift, ambitious, and deliberate action. Fortunately, the current moment is bursting with potential: to face multiple crises while creating a modernized, diversified green economy built on the principles of equity and justice, that considers every person and ecosystem, knowing it will lead to major emissions reductions, create good, secure jobs, and promote the well-being of everyone in Canada.

³ The Canadian Centre for Policy Alternatives' (CCPA) 2021 [Roadmap to a Canadian Just Transition Act](#).

Citizens for Public Justice seeks human flourishing and the integrity of creation as our faithful response to God's call for love and justice.

We envision a world in which individuals, communities, societal institutions, and governments all contribute to and benefit from the common good.

Our mission is to promote public justice in Canada by shaping key public policy debates through research and analysis, publishing, and public dialogue. CPJ encourages citizens, leaders in society, and governments to support policies and practices which reflect God's call for love, justice, and the flourishing of Creation.

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